

# **Making Auckland the most Liveable City, through high quality urban intensification**

## **Submission to Auckland Council on the Auckland Plan Document**

**By Patrick Fontein, 31<sup>st</sup> October 2011**

### **Background and Introduction**

Some background on myself will be relevant for readers of this report:

- I graduated from Auckland University with a BE(Civil) in 1987 and have a MBA majoring in Corporate Finance from the London Open Business School, 1992-1994.
- I was the Founder and sole Director of the Kensington Group of companies in 1995 and between then until 2008 completed 20 commercial and multi-unit residential development projects, ranging in size from \$5-40M each, mainly in Greater Auckland.
- Kensington's Harbourside Business Park was awarded NZ's top property development Award, the Rider Hunt Property Council Supreme Award in 2005.
- I was the founding developer and master-planner of Kensington Park in Orewa, which in 2008 won 3 international property awards.
- I was awarded a Fellowship from the NZ Property Institute in 2005 and in 2006 was awarded the NZ Property Institute "Industry Award" for leadership, innovation and excellence in the NZ property industry.
- I served as Auckland President of the Property Council of New Zealand from 2002 to 2004.
- I have served on Auckland City's (and now Auckland's) Urban Design Panel since 2004.
- I have been the Property Council of NZ's Urban Design Champion since 2005.
- I served as the Inaugural Board Chairman of the NZ Green Building Council from 2006-2008.
- I have been providing property consultancy for Studio D4 since 2009, including property and urban design consultancy work for Auckland City Council and Auckland Council.

I provided a very detailed submission in late May to the Auckland Unleashed document. This submission has been considered by Auckland Council and used in parts of its response within the Auckland Plan. More particularly my earlier submission has been considered extensively in the background technical papers by Auckland Council, including "Towards a Preferred Urban Form".

SD4 and Jasmx have been engaged by Auckland Council to carry out **an initial detailed fine grained analysis** on the planning requirements and typologies to enable compact city development to be practically viable. This work has commenced on 15 neighbourhoods within Auckland and will be ready for release by the end of November. These neighbourhoods are Birkenhead, Browns Bay, Unsworth Heights, New Lynn, Glen Eden, Oratia, Te Atatu Peninsula, CBD Frame, Mt Albert, Onehunga, Parnell, Tamaki, Farm Cove, Mangere and Manurewa.

This submission is an update on my earlier submission and reviews the main points of concern within the Auckland Plan document. I would like to make a verbal submission and be given permission to also update Council on the fine grained analysis work, being undertaken in November, at this time.

## Executive Summary

Auckland has the opportunity, with the formation of one Super City and the Auckland Plan, to create an urban built form that we can all be proud of. My objective in carrying out this work has been:

*“if an informed urbanist revisited Auckland in 2041 or 2051 after 30-40 years away, would they be proud of the quality of the built urban form that has been created in Auckland?”*

This report takes a strong property market perspective to intensification, carefully considers where occupier and purchaser demand for property is likely to come from, and combines this to provide town centres and neighbourhoods that I believe would be enhanced by high quality urban intensification. The focus is on providing intensification opportunities that are economically viable. The main Council intervention required is a suitable planning and regulatory system, not lots of cash!

The backbone of this document is the selection of a series of distinctive neighbourhoods, 112 of them covering all of the Auckland area within the current Metropolitan Urban Limit (MUL) or Rural Urban Boundary (RUB). I only consider areas within the current MUL / RUB, and look at areas that could be intensified. There will need to be a balance between intensification and new greenfield development outside the MUL, but this is a further task not considered within this report.

The data on each of the 112 neighbourhoods is now supported by detailed Auckland Council data.

The basis of the report is a series of spreadsheets which are attached, which then need to be read in conjunction with the neighbourhood location plans, that have been provided by Council's GIS team. The intensification numbers shown attached in this submission have been updated since the May submission to accord directly with the Council's "Towards a Preferred Urban Form" Technical paper.

The report concludes with a series of recommendations:

1. All residential intensification should be urban design led
2. Council needs to overhaul the planning approval process
3. Continue the town centre intensification approach
4. Major re-zoning within 400-800 metres of town centres is required
5. Major re-zoning to allow further quality intensification within neighbourhoods.
6. Intensification zoning needs to be bold
7. Auckland needs to clearly understand where intensification is intended.
8. Politicians have to show resilience and backbone to support high quality intensification
9. Auckland will need further Greenfield land, outside the MUL (or RUB).

Intensification of a further 300,000 extra residences within the current MUL within the next 30-50 years is possible, **but this will require major planning changes and substantial political resilience.** Without the political resilience to upzone substantially; the sought after intensification will I believe fall short. A 50:50, 60:40 or 75:25 intensification number is a by product of the planning changes made. To achieve 75:25 is difficult and will require major upzoning and huge political resilience.

The work that I am undertaken with Jasmax for Auckland Council in November will hopefully address a number of the issues raised in this submission. I would like to present these to Council in person as part of the Verbal submission process to the Draft Auckland Plan in late November or December.

## **1. Neighbourhood Selections**

The neighbourhood selections that in provided in my May Auckland Unleashed Submission have been utilised by Council in its “Towards a Preferred Urban Form” (TaPUF) document. I am content to continue using these neighbourhood selections and will do so within this submission.

## **2. Area – Hectares of Neighbourhood**

The area in hectares of each neighbourhood have now been updated by Auckland Council so the areas shown in this submission are consistent with Auckland Council’s TaPUF document.

## **3. 2006 Actual Dwellings**

The number of 2006 dwellings in each neighbourhood have now been updated by Auckland Council so the areas shown in this submission are consistent with Auckland Council’s TaPUF document.

## **4. 2006 Actual Density**

A straight forward formula, dwelling numbers divided by area provides density. Note that this is a gross neighbourhood density. Net street block densities will be higher. The numbers shown in this submission are consistent with Auckland Council’s TaPUF document.

## **5. Housing Cost**

The widely held view within the property industry is that there is a direct correlation between housing cost in a neighbourhood and economic ability to develop medium density residential. Ie the higher the relative cost of a “modal house” within a neighbourhood; the more likely it is that medium residential intensification becomes viable.

Eg Taumaranui has very low house prices: how easy is it to make an apartment development viable in Taumaranui? Parnell has high house prices, given the right market conditions, planning rules etc, intensification is very viable in Parnell.

The most relevant consideration is when a purchaser is able to buy a stand-alone 3 bedroom house within a neighbourhood for a cost less or equal than a nearby 2 to 3 bed apartment, most purchasers would opt for the stand-alone house.

To get the relevant test on housing cost relative to intensification potential, we need to consider the cost of a 3 bedroom stand alone house on a full site, within each neighbourhood.

For a comparator, I have looked at *the cost of buying a standalone 3 bedroom house on a full site*, within each neighbourhood. This has been carried out scientifically, as follows:

- Using the Auckland Council GIS information, <http://maps.aucklandcouncil.govt.nz/aucklandcouncilviewer/> which provides the 2010 / 2011 rateable capital value for each house within Auckland.

- I have used the Auckland Council GIS information, Google Maps Streetview <http://maps.google.co.nz/> and Bing Maps <http://www.bing.com/maps/> to find 10-20 properties within each of the 109 neighbourhoods, which look typical of stand-alone “small / 3 bedroom” house within each neighbourhood. This then provides the range of house prices within each neighbourhood, shown on the far side of each worksheet, as Low and High. I have then used the 10-20 house check to determine a median house price for that neighbourhood. ie what is the median house price for a 3 bedroom house in this neighbourhood? not the average.
- This comparator takes no account of the quality of construction or appearance of each property, between neighbourhoods. Just what a typical 3 bedroom house in each neighbourhood would cost.
- Following comment at a Council Workshop on 13<sup>th</sup> May of the validity of the accuracy of the data, where one person stated “*there is no way a 3 bedroom house on a full site can be bought for \$250,000 in Auckland. All your numbers are wrong!*” I looked at TradeMe, looking for 3 bedroom Houses (this excludes flats, apartments, units, sections etc), for sale within Auckland. I found 524 three bedroom houses available for sale, below \$250,000. I then looked very carefully at the selection provided. Almost all the houses are stand-alone and the areas where these houses were available were very closely correlated with the spreadsheet data showing where housing cost \$200-300k, eg Manurewa, Papakura etc.
- The 2010 / 2011 CV data is considered by most in the property / real estate industry to be fairly accurate and reflective of overall values / sale prices in an area. This is after an excellent response from QV following widespread industry concern over the poor correlation of 2007 CV’s with actual property sale prices.
- After ascertaining the median sale price for a neighbourhood (as above), the first digit in the median sale price, became the score in the housing cost column.

## 6. Amenity

A neighbourhood that has high overall amenity will be more attractive to occupants, and thus property purchasers. From a property perspective, the amenity value of an area is considered one of the key issues directly correlating the market’s demand for higher density properties.

Nick Roberts (Director of Barker & Associates), Alistair Ray (Urban Designer with Jasmex) and I spent a number of hours looking at amenity, accessibility etc for all Auckland’s neighbourhoods. The following were considered as adding “amenity” to a neighbourhood:

- Proximity to the coast, beaches etc
- Proximity to parks, reserves; ratings improved by Park quality, eg Cornwall Park. We considered substantial data provided by Auckland Council showing all park locations, and Council’s ratings of park quality etc
- Topography of an area. Does the area have nice outlooks, views etc or is it in a non-descript hollow?
- Urban amenity and urban built form quality. How this area currently “rates”. For most areas this is neutral, some areas such as Grey Lynn, Ponsonby it is considered as positive.

- Does the general area have good connectivity, context and identity to key landmarks and amenity areas, or is the neighbourhood an assembly of “same-same”, an in-ability to differentiate from where you are etc?
- Perceived safety and security issues. Again mostly neutral, but in areas where some occupiers have personal safety and security concerns, amenity is lowered. This directly correlates with an ability to sell apartments in an area: if potential purchasers do not feel “safe” in a neighbourhood, they will not buy or rent.

We prepared A1 trace paper overlays over all the Planning Maps, to determine areas of highest amenity, following which I provided an overall score of 1-10. 10 is the highest amenity, 1 the lowest.

## **7. Accessibility**

Similar to the amenity scale above, Nick Roberts, Alistair Ray and I spent substantial time looking at the accessibility and connectivity to the rest of Auckland and New Zealand for each neighbourhood. The general property industry view is that the more accessible a neighbourhood is, there is a direct correlation of the ability to residentially intensify that area. The following accessibility issues were considered:

- Proximity to rail stations and services. Account taken also of the centrality of this train station location and travel times to likely destinations now and after electrification (ie Newmarket scores much higher than Ranui).
- Proximity to bus services and likely travel times to likely destinations.
- Proximity to key roading infrastructure, motorways, major arterials and the efficiency of the local roading network in that neighbourhood.

## **8. Intensification opportunity**

This takes a long term view and beyond any current zoning and planning rules. The following is taken into account:

- The capital improvements relative to land value of the predominant built form. Where there has been a recent new subdivision, with housing fully built out, there is almost no opportunity to intensify further in the next 25-40 years. Where the land and improvements value is close to the land value, there is opportunity to intensify.
- The accessibility, amenity value of the area together with the relative utilisation of built form on typical sites within the neighbourhood are major determinants of intensification opportunity.
- Community resistance to development was expressly excluded at this stage, the next review stage will consider this then.

## 9. Neighbourhood Categorisation

In my May submission I provided 10 neighbourhood categories. Council in its TaPUF document then provided alternative neighbourhood categories that had similarity to my earlier neighbourhood categories but were somewhat different. I am satisfied with Council's categories but for clarity I will also retain the description of my earlier categories, described below:

### A. **Current Greenfield subdivisions**

There are a number of current Greenfield low-medium density intensification areas. The most accurate Census dwelling numbers available are for 2006, so these areas will have added stock between 2006-2011 and score highly for intensification in the spreadsheets, as the spreadsheets show intensification from 2006 on. Many of these areas are likely to continue to add households in the next ten or so years, Examples in this category are Takanini, Karaka, St Johns (area incl Stonefields, which some may call brownfield!), Silverdale, Long Bay etc. There are also future greenfield areas in the MUL, eg Orewa West.

### B. **Intensifying Town Centres**

These are town centres which have been targeted for growth and have shown good growth momentum in the last 10-15 years. Eg CBD Core, CBD Frame, Newmarket, Parnell have shown strong intensification demand and these areas have responded. Further planning rule improvements will be necessary to maintain this momentum, especially in the CBD fringe areas.

### C. **Future Growth Major Town Centres**

There are a number of town centre areas which have been earmarked for intensification and shown some intensification growth, which are likely to intensify further during the next 10-40 years. Takapuna, Albany, Manukau Central, Flat Bush and New Lynn are examples of town centres where there will likely be substantial further intensification. Each area should be reviewed individually to see what planning rule modifications are required to ensure intensification volumes are able to be economically achieved in line with projections.

### D. **Future Growth Local Town Centres**

These are town centre areas which have been earmarked for intensification and where some market led intensification has occurred. Morningside/Kingsland, Ponsonby/Grey Lynn, Browns Bay and Orewa are areas which have shown some town centre intensification. These are areas where there is good customer demand for more intensification, although planning rules need to be changed to encourage further intensification as most of the "easy picking sites" have already been utilised, meaning there is not much economic intensification opportunity remaining. For many of the sites that the (previous) ARC thought would / could be intensified, the land price is now too high to economically allow intensification, primarily as the existing occupier / property owner is happy to remain and needs a greater (often financial) incentive from a would be developer to relocate. To remedy this, the town centre zoning area allowing intensification needs to be widened to allow greater intensification within 400-800m of the town centre. eg these are often areas currently zoned Res7, Res 6 and Res5 which need to be changed to town centre more intensive zones. In many of these

local town centre areas there also needs to be a discretionary height allowance increase, to encourage further intensification.

#### **E. Slow Intensification Growth Town Centres**

These are areas that have been earmarked for intensification by the ARC and previous Councils, but where there has been none or very little market intensification take-up. My property perspective of this is that neighbourhoods which:

- i. have current house prices (ie ability to buy a standalone 3 bedroom house) below the price required to be able to develop medium density 2-3 bed apartments or terrace houses, and
- ii. have no strong underlying customer (purchasers and / or occupier) demand for intensification

This makes it very difficult to provide multi-unit intensification on an economic scale. The only way in which intensification can become economic is:

- a. for underlying standalone house prices to rise in that area, to a level where intensification becomes viable, or
- b. “if” the property occupier demand for attached multi-unit accommodation is stronger than stand-alone (ie a purchaser in a neighbourhood willing to pay more for an apartment than a standalone house). (*this is highly unlikely in lower demographic areas, as many of these neighbourhood occupants can have greater number of people reside in a standalone house than in an attached apartment*).

Henderson, New Lynn, Avondale, Otahuhu, Mangere, Manurewa and Papatoetoe are neighbourhood examples of this. Huge amenity or accessibility investment may potentially allow neighbourhoods to move away from this classification in the long term, eg New Lynn (which for this report we will classify as in category C).

#### **F. Potential High Growth Neighbourhoods**

There are a number of neighbourhoods which have various elements of:

- i. high amenity, coastal and / or access to parks and reserves
- ii. good accessibility currently, or in future with infrastructure improvements
- iii. undercapitalised sites, that can be intensified economically with planning changes
- iv. the potential for substantial neighbourhood rejuvenation
- v. the potential of future property values that will economically sustain intensification

These neighbourhoods could economically sustain a mixture of town / village centre intensification to a high density (ie R50-150) and neighbourhood intensification to a medium density (R30-75). International experience has shown that it needs a combination, as without the more suburban rejuvenation, the town centres intensification will not be economically viable.

Examples of this category are Bayswater / Hauraki, Te Atatu Peninsula, Orakei, Waterview, Glendowie, Tamaki, Mt Wellington / Sylvia Park, Waikaraka and Mangere Bridge.

#### **G. Moderate Growth Neighbourhoods**

These are neighbourhoods that were often first occupied in the early or mid 1900's. They are often centrally located and have good access and / or high neighbourhood amenity. The existing housing stock is often of high quality and the combination of these factors makes these areas highly desirable to purchasers and property occupiers.

Examples of suburbs in this category are Belmont, Birkenhead, Northcote, Hillsborough, Mt Albert, Onehunga, Pt Chevalier, Remuera, the Eastern Suburbs, Westmere, Farm Cove, Bucklands and Eastern Beach.

For Auckland to achieve its residential intensification targets, these areas must absorb substantially more residences. The only intervention Council is required to make which will accelerate intensification is a substantial change to the unit density, site coverage and height to boundary rules, and some discretionary relaxation on height rules. A streamlined consenting process, encouraging high quality urban design, will also be of immense benefit.

#### **H. Low Growth Neighbourhoods**

There are a number of neighbourhoods that have moderate amenity, accessibility etc and have some intensification opportunity, but are unlikely to be able to accommodate substantial intensification. These areas are likely to have been 1950-70's subdivisions with houses on 500-700 m2 sections. Birkdale, Forrest Hill, Glenfield, Green Bay, Kelston, Blockhouse Bay, Meadowbank, Highland Park, Pakuranga are examples. During the next 10-40 years there may be houses which will reach their useful economic life and some intensification will be possible, but the majority of properties will have sufficiently high site improvements that will make intensification economically difficult.

Town centre developments in these areas will also be difficult, as many of the sites close to town centres are smaller normal residential sites, so site aggregation will be hard in sufficient scale to make a medium density viable. Character (Ponsonby and Devonport), Substantially intensified (Greenlane and Herne Bay) and environmental areas (Titirangi) also fit into this category, although have slightly different reasons that are limiting intensification. Most of the assumed intensification will be town centre intensifying and some site aggregating to carry out a comprehensive development. To achieve even these low assumed intensification levels will require new planning rules, eg allow 10-15 units on two-three aggregated standard 500-700m2 sites.

#### **I. Neighbourhoods where economic intensification is difficult**

These are neighbourhoods in which the existing stand alone property values are not sufficient to allow economic multi-unit intensification. A place like Taumaranui is the most extreme example of this. There is absolutely no way any multi-unit intensification in Taumaranui will be economically viable. The only way in which multi-unit intensification can be made economically viable in this classification neighbourhood is:

- a. Intervention from social housing entities, such as Housing NZ, Habitat for Humanity etc



- b. Major planning changes allowing five to ten-fold intensification of current residential sites. This will have the impact of reducing “per unit land value” for an intensified development of duplexes, terrace homes and / or low rise walk up apartments.

I must emphasise that even a major planning change as b. above will still make it very difficult for any private sector developer to be interested in developing in these neighbourhoods, especially when the price to buy a 3 bedroom standalone house is below that required to make intensification viable. Neighbourhoods in this category are Mangere, residential parts of Manukau Central, Manurewa, Mt Roskill, Otara, Otahuhu, Papakura, Papatoetoe, Takanini and parts of Weymouth.

**J. Recent Subdivisions:**

These are areas that have been built recently and where it will not be economically viable to take away newish houses on 350-600m<sup>2</sup> sites and intensify. The projections should thus make almost no provision to be able to intensify in these areas. Recent examples of subdivisions which provide low intensification opportunity are Unsworth Heights, Goodwood Heights, Botany / Dannemora, Wattle Downs and Massey East. In the long term, there may be some opportunity to assemble a few of these houses and build some apartments close to a village centre, but this involve minimal total unit numbers.

## **10. Resistance to Intensification**

It is highly likely that many potential intensification initiatives within existing urban areas are likely to attract substantial community resistance.

In all international cities considering intensification, there will be resistance to intensification from:

- **NIMBY's:** Not in my back yard
- **NIMFYE's:** Not in my front yard either
- **NIABY's:** Not in anyone's backyard
- **BANANA's:** Build Absolutely Nothing Anywhere Near Anything
- **CAVEmen:** Citizens Against Virtually Everything
- **NIMEY's:** Not in my election year

The last acronym, NIMEY, is probably most relevant for Auckland's politicians. Whilst most of Auckland's local politicians support intensification in a general sense, it is going to take substantial political back-bone for politicians to support neighbourhood intensification in their suburbs, amongst their NIMBY voters.

As part of the Intensification initiatives in Auckland, I think it is vital that Auckland Council sets up an “**Intensification Cheerleaders Group**”, that are the cheerleaders for quality intensification across Auckland. This group should consist of some leading architects, urban designers (such as James Lunday, Alistair Ray), Council staff (such as Ludo Campbell-Reid) and well respected property industry figures (such as Peter Wall). This group needs to clearly convey the community benefits of quality intensification and allay fears that many communities have of the “often un-known” or fears that intensification will lead to property value decline, that intensification will be low quality etc.

## **11. Infrastructure Issues**

Having good infrastructure provision will be a strong catalyst for future intensification. Should neighbourhoods be intensified, they will require the requisite infrastructure, such as water, sewerage, stormwater and transport connections.

Neighbourhoods with a deficit can likely have these supplied, but consideration needs to be made of the cost of the infrastructure provision. Green building initiatives need also be utilised, such as stormwater detention tanks on site, reducing stormwater surge and enabling greater site coverage. This column on the spreadsheets can be completed after receiving input from Council infrastructure.

## **12. Neighbourhoods to be Intensified**

The attached spreadsheets have now been updated to exactly accord with the intensification numbers shown in Auckland Council's TaPUF technical document, Appendix 1, the Ensemble Approach. The differences from the spreadsheets provided in my May submission are as follows:

- Greater intensification shown in the TaPUF document in neighbourhoods which I have categorised as "I" (Neighbourhoods where economic intensification is difficult)
- Reduced intensification shown in the TaPUF document in coastal and market attractive neighbourhood.
- Elimination of residential or mixed use intensification on existing industrial brownfield areas (eg Waikaraka, where I had previously shown 7,500 residential dwellings as being viable).

I recognise the desire to increase intensification in neighbourhoods where this is economically difficult. The fine grained analysis work being undertaken by SD4 and Jasmax in November for Auckland Council will place attention on how this could potentially be practically achieved.

I do not agree with not utilising the Waikaraka area for mixed use, even though I understand the reasoning, retaining existing industrial areas for business use. I believe that it would be of greater overall benefit to Auckland, that in certain selected areas of Auckland, that the historic industrial uses are no longer market attractive, and greater overall benefit would exist to re-zone these areas to mixed use and provide sufficient business land in areas desired by the business occupiers.

I will retain the intensification numbers as shown in the TaPUF document, in this submission.

**A major concern is that the Council intensification numbers shown in their TaPUF document bear almost no resemblance to the Development Strategy / Sequencing Implementation Maps on Pages 202-203 of the Draft Auckland Plan. This will likely present major communication concerns within Auckland Council officers, politicians and the community.** Ie the numbers within Council's own technical supporting documents do not match the Visual Maps within the draft Auckland Plan. Many parts of the community who have taken the time to read the main draft Auckland Plan document, view the development planning maps on pages 203-203, will not realise that the numbers supporting intensification highlight substantial intensification in their community.

### **13. Affordability and Liveability Comments**

There has been much said about the issue of housing affordability, here are my technical property comments on the affects of residential intensification on housing affordability, and the likely affect on Auckland housing affordability if substantial Greenfield new land subdivisions were opened up. I will also discuss the international relationship between a city's affordability and liveability considerations.

#### **i. Intensification will assist affordability within a neighbourhood**

The median 3 bedroom standalone housing costs are showing on the worksheets for each neighbourhood. For areas of medium – high housing cost, medium density residential development will have the high likelihood of providing more affordable accommodation in that neighbourhood. eg a stand alone 3 bedroom house on a full site in Parnell will cost in excess of \$1M, where as a 2 or 3 bedroom apartment can be developed and sold at a cost of \$400-700,000 (as long as sufficient zoned land is available for this intensified typology). Therefore where residential intensification is economically viable in a neighbourhood, it will improve housing affordability in that neighbourhood.

The main issue assisting intensification affordability is Council ensuring there is sufficient land zoned for intensification, considering that many existing property owners have existing use rights and have no desire to convert their existing property to a residential intensification site, or they have a large house on a 3 unit site, and are very content on keeping their large house. The ARC's "capacity" statistics are considered by most in the property industry as too optimistic on intensification re-use on sites. The property industry believes that there should be 200-300% more intensification land available than the intensification targets. Eg want another 100,000 residential households, the Council will need to zone for 200-300,000 households of increase for the 100,000 to be economically taken up.

#### **ii. Intensification in a neighbourhood will improve existing property values**

International property experience shows that when an area is selected by Councils to undergo intensification and / or rejuvenation, there is a higher future use value to existing properties, over and beyond current land and building value. The net effect is that properties in an intensification area will increase in value quicker. Therefore all existing residents in areas "chosen" to be intensified should (in a pure economic sense) rejoice, rather than display NIMBY attitudes. The only economic NIMBY rationality, is if the Council is not stringent enough in enforcing high quality new development, which then makes the area less desirable and prevents future intensification, causing loss of value to existing properties.

#### **iii. Releasing more Greenfield land does not necessarily improve affordability for all**

The Auckland MUL has been so stringently applied that buying and trading land within the MUL is an investment class in itself, which has led to inflated section prices. Auckland Council needs to ensure there is sufficient land zoned for urban intensification, as well as Greenfield development.

Releasing more land will somewhat improve the affordability of new house prices, but as new houses on the external Auckland suburbs are still priced in excess of \$550-600k, releasing more land will have almost no impact on housing affordability in the \$200-\$450k price range. Careful

consideration needs to be made of the total infrastructure costs of new Greenfield locations, as the cost of infrastructure in certain locations will add substantially to developed land cost.

The main effect on existing Auckland property prices of releasing substantial new greenfield development sites, will be to reduce demand for low amenity value existing suburbs, such that these suburbs over time will become less attractive, will not be able to attract re-investment capital and these low amenity suburbs will gradually decay. This will have the effect of making these low amenity suburbs even less desirable, which then makes these suburbs more affordable!! (eg some people up-grade from an older low amenity suburb to a new house in a new sub-division, and there are relatively not enough buyers attracted into the older low amenity suburb).

#### **iv. The Relationship between Liveability and Affordability.**

There have been a number of studies released, particularly by Demographia, highlighting (by its evaluator) that Auckland is one of the less affordable residential housing cities in the world. What is also extremely clear is that there is a direct inverse correlation between housing affordability and most liveable cities. All the cities at or near the top of the most liveable city scale were also considered the least affordable by Demographia. This is not an unexpected outcome, if a city is considered "most liveable", it then becomes desirable and demand for housing is much higher. Areas such as Detroit, Cleveland, Cincinnati and Buffalo are at the top of Demographia's affordability scale. They are all however near the bottom of liveability scales.

Therefore in Auckland, we should focus on improving affordability of residential properties in all areas, but recognise that this indicator is inversely correlated with Liveability.

## **14. Conclusions and recommendations on intensification issues**

- 1. All residential intensification should be urban design led**, with a move away from a rule based planning system towards a design quality system that allows Council to apply discretion to good quality developments. Just say no to bad quality development.
- 2. Council needs to overhaul the planning approval process**, so that innovative medium-high density developments are able to be processed within 6-8 weeks, with an element of certainty for good quality developments that follow Council's desired growth strategy. *(Alistair Ray will provide details on how this can be achieved).*
- 3. Continue the town centre intensification approach**, but this will not be enough to achieve the intensification targets sought. Without major re-zoning, I believe intensification within town centres will peak at only a further 30-50,000 residences within the next 30-40 years within the existing MUL (or RUB) area.
- 4. Major re-zoning within 400-800 metres of town centres** is required to achieve economically viable residential intensification on a larger scale. This needs to involve relaxation of unit density, site coverage, height in relation to boundary and maximum height. This re-zoning will allow an increase of 90-120,000 extra residences within the next 30-40 years (rather than 30-50,000). Whilst there will likely to be a lot of NIMBY resistance, I believe the rule changes and a focus on design quality, will lead to a better urban built form quality than present.
- 5. Major re-zoning to allow further quality intensification within neighbourhoods.** Without major re-zoning I believe existing neighbourhoods will only be able to economically absorb a further 30-40,000 residences within the next 30-40 years. Even with substantial re-zoning, the existing town centres will only absorb 90-120,000 residences, Therefore rather than 30-40,000 houses of growth within existing neighbourhoods, we will need 140-170,000 extra residences within existing urban areas, on top of town centre intensification. I believe this is economically possible, and provide Auckland with a very high quality urban built form within 10-20 years, and a city with urban built form excellence by 2050.
- 6. Intensification zoning needs to be bold.** Having a full site with an existing house changed to a two unit site does not economically work, as land price per unit is often too high. The site to be intensified should be aggregated with neighbours and allow 12-15 units. See my attached calcs.
- 7. Auckland needs to clearly understand where intensification is intended.** There are major discrepancies between the Visual Planning Maps on pg 202-203 and the numbers provided by Council in its technical supporting papers. The Auckland Council officers need to clearly communicate to politicians and the community where intensification is intended.
- 8. Politicians have to show resilience and backbone to support high quality intensification, especially when faced with substantial NIMBY resistance.** Without major re-zoning, Auckland will fall a long way short of any intensification targets. Auckland will need an "intensification cheerleaders group" of industry professionals who can assist in managing and reducing community NIMBY issues. Politicians will then need to display substantial back-bone and setup the framework for high quality intensification on a substantial scale. If the political back-bone is not there, urban sprawl will be the only alternative.
- 9. Auckland will need further Greenfield land, outside the MUL.** Auckland will require further development on greenfield sites outside the MUL. There should be a sensible balance between intensification and Greenfield. Without major planning rule changes, greenfield will dominate.