

Future Development Strategy Submission

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We welcome you to read our submission on the
Auckland Council Draft Future Development Strategy
where we highlight the imbalance between brownfield
and greenfield development for Auckland.



Introduction

1. Cato Bolam is a land development and planning consultancy with five decades of experience. We provide consultancy services for housing projects, large urban subdivisions, infill urban subdivisions, rural subdivisions and industrial & commercial developments. We have expertise in planing, engineering, architecture, surveying, ecology and land contamination.
2. Due to our close involvement in the development marketplace, we are very much aware that our clients (ranging from large developers to single property owners) base their property decision-making on Auckland Council's ("Council") planning documents. These documents directly impact on the Auckland property market (land and house prices) and as such on Aucklanders' livelihood, investment decisions as well as their living and working environments.

Examples of documents regularly consulted include:

- the Intensification Plan Change 78 ("PC 78");
- the Auckland Plan 2050 Development Strategy 2018;
- the Future Urban Land Supply Strategy, 2017 ("FULSS"); and
- Auckland Council Structure Plans.



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Scope of Submission

3. The recent release of a new Draft Future Development Strategy (“Draft FDS”) has drawn much interest, and concern. This submission raises particular concern about what we consider to be an over-emphasis on brownfields development at the expense of the more balanced approach including greenfield development that currently exists. In brief, we consider the draft FDS goes too far in drawing back on the scale and timing of greenfields development opportunities.
- It is critical that the Council get this right and make science-based decisions on how and when Auckland should grow.

Submission

4. We acknowledge that the preparation of a FDS is a requirement under National Policy Statement on Urban Development (“NPS-UD”), which requires Council to:
- Be in time to inform preparation of the Long-term Plan 2024-2034;
 - Identify the broad locations in which development capacity will be provided over the long term (10 to 30 years), in both existing and future urban areas, to meet the requirements of residential & business land demand;
 - Identify the development infrastructure and additional infrastructure required to support or service that development capacity, along with the general location of the corridors and other sites required to provide it; and
 - Identify any constraints on development.
5. Again, due to the FDS’s significant impact on Auckland property owners and developers, it must be science-based.
6. The following is based on our significant practical experience in all forms of development. Because we provide consultancy services both greenfields and brownfields development we do not believe the outcome, whatever way it goes, will affect our business model.

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FDS	Submission point
Auckland's housing demand and supply over 30 years	
<p>Council estimate 200,000 new homes are required to provide for 520,800 more people. That translates to a household size of 1.8 persons and delivering around 6,600 new houses per year.</p>	<ul style="list-style-type: none"> • These figures seemingly do not also reflect the pre-existing 35,000 dwelling shortages flagged in the Auckland Plan 2050 Development Strategy, 2018.
<p>Council estimates the current plan enabled dwelling capacity to be over 2,3 million because it includes Intensification PC 78 areas with all Qualifying Matters applied.</p>	<ul style="list-style-type: none"> • However, PC 78 is still in the plan change process and given the extension granted by the Government it can only be realised in 2025. In addition, whether the current legislation survives until 2025 may be dependent on the outcome of the 2023 national election, given the recent announcements by the National Party. • It is unclear whether Council accounted for all the flooding in existing urban areas when doing their yield assessments as logically a lot of areas may have development progressively removed (retreat). • It is our understanding that from 2018 to 2022 Auckland Council have issued an average of 7,000 Building Code of Compliance Certificate ("CCC") for new houses. This figure is made up of dwellings from various typologies in both brownfield and greenfield areas. It is yet to be confirmed what impact the current economic climate and consequential uncertainties will have on: <ul style="list-style-type: none"> - the number of building consent applications for new houses; and - the building industry's capacity to actually construct the consented number of consented houses.

FDS	Submission point
Plan for growth	
<p>The Draft FDS proposes to focus most growth in existing urban areas because it supports quality compact urban form.</p>	<ul style="list-style-type: none"> • Despite the large number of building consents issued, the building industry are unable to deliver on the ground. This is because from 2009 to 2020, home building did not keep pace with New Zealand’s fast-rising population, resulting in a significant shortfall of houses in Auckland. According to NZ Institute of Economic Research: “Before the COVID-19 pandemic, strong migration-led population growth boosted demand in New Zealand, including for housing. With housing construction slow to respond, the limited supply of new housing moving onto the market exacerbated the housing shortage.” The backlog was further sustained by the construction delays caused by COVID-19. • This submission does not oppose quality compact urban form (that general principle is supported); only an over-emphasis on it in brownfields areas. Quality compact urban form can, and indeed should, be also achieved in greenfields development. • The reality is that brownfield development is significantly more complex to develop than greenfield developments due to property ownership fragmentation, existing infrastructure capacity limitations, neighbourhood character sentiments. In our experience, a major risk and limitation to brownfield developments is its impeding ability to do infrastructure upgrades or extensions through downstream properties. We encourage Council to play an active role in performing infrastructure upgrades as public works rather than leaving it up to the developer to sort out. This often means developers will not take the risk and walk away from land that would be otherwise developable.

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Plan for growth	
<p>The Draft FDS proposes to focus most growth in existing urban areas because it supports quality compact urban form.</p>	<ul style="list-style-type: none"> • As a result, for brownfield development to be feasible, it must deliver medium to high density residential developments, which has higher upfront funding requirements. Consequently, brownfield development on its own will slow down the housing supply pipeline. Brownfield development is unable to deliver at scale and at pace and will fail to reduce Auckland’s housing backlog 1 . In contrast, greenfield development can develop at scale and pace and provide a broad range of typologies and neighbourhood characters thereby broadening choice for Aucklanders. It can also achieve bespoke and consistent levels of good urban design over a wide area. Everybody does not want to work in the city and/or live in medium to high density housing. • Sustainable localised neighbourhoods where Aucklanders can live, and work should be enabled by Council’s growth strategies. In doing so, a compact urban form is achieved on a micro scale and thus reduce vehicle kilometres travel. In support of sustainable communities and given the requirement for a FDS to also ensure capacity for business land, we consider that the Draft FDS’s timing delay for the following areas should be reconsidered: <ul style="list-style-type: none"> - Silverdale West (Stage 1) ² , which covers the area of the Silverdale West Dairy Flat Industrial Area Structure Plan,2020; - Whenuapai South ³ and Whenuapai East ⁴ , which covers part area of the Whenuapai Structure Plan September, 2016; and - Pukekohe Northwest ⁵ and Pukekohe Southwest ⁶ , which covers part area of the Pukekohe–Paerata Structure Plan,2019.

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Plan for growth	
<p>The Draft FDS proposes to focus most growth in existing urban areas because it supports quality compact urban form.</p>	<ul style="list-style-type: none"> • Focussing most of the growth in existing urban areas will also result in competition for land and thus impact on land prices and ultimately further worsen Auckland’s housing affordability. • We consider that the existing housing shortage, the building industry’s lack of capacity and market instability coupled with the uncertainty created by the significant change in direction, as proposed by Draft FDS, will further slowdown housing delivery. The lack in supply will thus further increase the backlog and exacerbate house price unaffordability. • To avoid these unintentional consequences, a more balanced approach is required to planning for Auckland’s growth by providing for sufficient growth in both brownfield and greenfield areas.

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Auckland Council Auckland Plan 2050: “Auckland’s housing supply has not kept pace with increases in population or met demand for investment, creating the current housing crisis.”

- 2 2018-2022 to 2030+
- 3 2018-2022 to 2035+
- 4 2018-2022 to 2035+
- 5 2023-2027 to 2040+
- 6 2023-2027 to 2040+

FDS	Submission point
Removal/delay of greenfield land	
<p>The Draft FDS proposes to remove greenfield land where it is exposed to flooding or other natural hazards.</p>	<ul style="list-style-type: none"> • However, greenfield developments can be planned (via the Auckland Unitary Plan structure plan process) and designed (via the plan change and resource consenting processes) to mitigate flooding and other natural hazards. This is much simpler and more cost effective than addressing natural hazards in existing urban areas. New urban neighbourhoods (e.g. Millwater/Milldale) were not significantly adversely affected by the recent floods due to good design and engineering that avoided/mitigated natural hazards resulting in resilient built systems, natural environment and communities. • Removing or delaying greenfield land (i.e. change the FUZ zoning to a non-urban zone) will cause the National Policy Statement on Highly Productive Land (“NPS-HPL”) to come into play. The NPS-HPL will apply to all land with highly productive soils that are not identified in a published FDS for urban development within 10 years. Accordingly, where the Draft FDS changes live zoning timelines of FUZ land beyond 2033, the NPS-HPL may be said to apply and stop urban and rural lifestyle development. <p>Some of the exceptions provided for in the NPS-HPL is where:</p> <ul style="list-style-type: none"> - Council identifies that highly productive land is required to provide sufficient development capacity to meet the demand for housing or business land to give effect to the NPS-UD; or - The highly productive land is subject to identified permanent or long-term constraints.

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Removal/delay of greenfield land	
<p>The Draft FDS proposes to remove greenfield land where it is exposed to flooding or other natural hazards.</p>	<ul style="list-style-type: none"> • The implications of the NPS-HPL could thus result in FUZ land that are delayed in the Draft FDS beyond 2023 becoming unavailable for future live urban zoning. This has consequences on the adequate supply of residential land to meet the demand. It also creates further uncertainty to property owners and developers and could create turmoil in the property market. • The Draft FDS also proposes to delay urban development in greenfield land until critical infrastructure can be provided. However, the approach seems counterintuitive as bulk infrastructure will not be planned and provided unless there is concrete certainty on the timing of greenfield development and if that timing is in the near to medium future. • In addition to Drury-Opāheke (that has been identified as one of the Draft FDS focus areas), Council has spent public money to develop other Structure Plans (Silverdale West Dairy Flat Industrial Area, Warkworth, Whenuapai, Pukekohe-Paerata) to support council-initiated plan changes to provide urban zones and guide the provision of key infrastructure. The development of a structure plan also sends promising signals of live zoning in the medium term to affected property owner and the development community, impacting on their decision-making. However, the Draft FDS creates uncertainty on the future of these Structure Plan areas.

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FDS	Submission point
Removal/delay of greenfield land	
The Draft FDS also identifies priority considerations for rural areas.	In our experience, the Auckland Unitary Plan (Operative in part) (“AUP:OP”) rural subdivision provisions are instrumental in reducing environmental degradation and restoring ecosystems as well as improving the long-term resilience of these communities, while simultaneously protecting highly productive land.
Priorities for funding to provide, maintain and improve infrastructure	
	<ul style="list-style-type: none"> • We support the integration of strategic planning and infrastructure planning and funding. To be successful, these actions must deliver the best possible results for Tāmaki Makaurau. • The proposed priority areas for investment over the short to medium term (first 10 years of the Draft FDS) are the Auckland Housing Programme priorities (with a focus on the areas surrounding the future City Rail Link stations), Westgate, and parts of the Drury-Ōpaheke area. The Auckland Housing Programme relates to Kāinga Ora projects, which do not provide housing for all the sectors within the Auckland society. The partnership between the Government, Auckland Council, and its Council Controlled Organisations (“CCO”) are also unable to reduce the housing backlog on its own. Partnerships with major developers can address the gap in providing for all sectors within the Auckland society.

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Priorities for funding to provide, maintain and improve infrastructure	
	<ul style="list-style-type: none"> • Council has also developed Spatial Land use Strategies that identify future centres and business land that the transport network will support and impact, to inform the Supporting Growth Alliance (“SGA”)detailed business cases for key transport infrastructure projects and their route protections. The current initiatives by the Supporting Growth Alliance (“SGA”), also seem to contradict the Draft FDS priorities. This sends mixed signals to property owners and developers and further impacts on property values, which creates uncertainty and instability in the Auckland property market and housing supply.
Funding models	
	<ul style="list-style-type: none"> • If most growth is focussed in existing urban areas, providing land capacity by zoning alone will not ensure that the housing backlog is addressed. In our view, Council will have to revisit infrastructure funding models for bulk infrastructure, upgrading of existing infrastructure as well as models for funding maintenance of existing infrastructure. Council should lobby the government to fund bulk infrastructure upgrades not only for Kāinga Ora projects.

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Funding models	
	<ul style="list-style-type: none"> • We encourage Council to facilitate Local Government Act (“LGA”) land acquisition to secure appropriately located and adequately sized land parcels to deliver housing by private developers and to remove natural hazard stricken areas from plan enabled land for development. We also encourage Council to play an active role in performing infrastructure upgrades for brownfield developments as public works rather than leaving it up to the developer. • As greenfield development provides an opportunity to fund bulk infrastructure by means of targeted rates, they are more cost effective in the long run. • Flooding in existing urban areas could be resolved by introducing stormwater catchment targeted rates to redevelop and design these areas using the Medium Density Residential Standards (“MDRS”).

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