Classic Group welcomes the opportunity to submit on the Ministry for the Environment’s discussion document on the proposed National Policy Statement for Urban Development (NPS-UD).

Background:

The Classic Group (CG) of companies includes Classic Builders and Classic Developments. Classic Builders is the second largest residential home builder in New Zealand. Classic Developments is our development company which undertakes a variety of commercial and residential developments throughout New Zealand. In terms of residential development, we undertake a combination of greenfields, brownfields redevelopment, medium density and retirement villages. CG has offices throughout New Zealand with our head office in Tauranga.

Summary of Key Points:

1) CG supports the general intent and direction of the NPS-UD.
2) CG supports the clear recognition that urban amenity varies across individuals and communities and is expected to change over time.
3) CG supports the intention for reducing the requirement for onsite carparking where alternative transport modes are readily available and accessible.
4) Tauranga City Council has struggled to enable intensification, largely due to public resistance to change, reflected by the elected members. Any support and weight that central government can provide council employees to enable appropriate intensification is considered positive.
5) Not all growth can be delivered through intensification. For Tauranga to accommodate population predictions and meet the requirements of the future NPS-UD, Tauranga must continue to grow ‘out’ as well as ‘up’.
6) Not addressed by the NPS-UD is the critical disconnect between central government’s housing and transport policies. The government is clearly pushing for more houses to be built, more affordably. Yet, funding transport investment is not occurring to allow this to happen.
7) Central government needs to strengthen the Resource Management Act 1991 (RMA) framework to give certainty and clarity to local councils on how to manage/balance competing land uses and priorities e.g. development capacity vs productive land vs freshwater. If this certainty is not provided, local councils will struggle to meet the requirements of the future NPS-UD.
8) CG supports the requirement to allow higher density development within proximity to town centres and public transport.

9) CG supports the NPS-UD requiring councils to give weight to intensification proposals ahead of intensification Plan Changes. CG recommends that high growth councils should be required to insert this policy to their District Plan (with an associated objective) and these councils should be exempt from following a schedule 1 process. This will enable change to begin occurring as soon as possible.

Further explanation on Key Submission points:

1) CG supports the general intent and direction of the NPS-UD.

   CG generally supports the objectives and policies of the NPS-UD. CG supports the requirement for councils to demonstrate there is sufficient development capacity available at all times through an avenue such as a Future Development Strategy (FDS), and to remove unnecessary restriction on development.

   CG believes that government agencies, such as New Zealand Transport Agency (NZTA), and other infrastructure providers also need to be strongly encouraged via policy in the NPS-UD to use FDS’s to inform their planning processes, strategies and funding priorities to ensure coordination. If this co-ordination does not occur, a FDS will easily become a document that cannot be implemented on the ground due to a misalignment with infrastructure capacity.

2) CG supports the clear recognition that urban amenity varies across individuals and communities and is expected to change over time.

   CG can attest that ‘maintaining anticipated suburban levels of amenity’ has frustrated and undermined many attempts at enabling appropriate higher density urban developments. CG support the requirement for decision makers to recognise that amenity values will change over time, and that they vary among individuals and communities. Particularly, we submit that there does sometimes need to be a trade-off between amenity and affordability.

3) CG supports the intention for reducing the requirement for onsite carparking where alternative transport modes are readily available and accessible.

   As developers, CG asserts that arbitrary carparking standards are excessive and inappropriate in many cases and undermine the ability for developers to produce compact, attractive and affordable developments. CG believes that the market, coupled with the housing typology being advanced, will dictate the carparking requirements for any particular development. CG supports allowing greater flexibility to reduce carparking in areas where it is appropriate, for example, near transport hubs and town centres, or for particular developments, such a social housing/elderly housing, where there are lower levels of car ownership.

4) Tauranga City Council has struggled to enable intensification, largely due to public resistance (NIMBYs) to change, reflected by the elected members.

   Given the above, any national support and weight that central government can give council employees to take this issue out of the political realm is considered positive, and will provide greater certainty for developers to deliver such projects.

5) Not all growth can be delivered through intensification. For Tauranga to accommodate population predictions and meet the requirements of the future NPS-UD it must continue to grow ‘out’ as well as ‘up’.
The NPS-US speaks to allowing cities to grow ‘up and out’ in locations that have good access to existing services and infrastructure. CG are concerned that the NPS-UD focuses too heavily on growing ‘up’ and that outward growth in Tauranga will be restricted by the future National Policy Statement for Highly Productive Land (NPS-HPL). This is because the majority of Tauranga’s rural areas signalled suitable for future urban growth are located on highly productive land with Class 2-3 soils under the Land Use Capability (LUC) classification system. This situation, coupled with the conflicting future provisions under the NPS-UD and NPS-HPL, will potentially stymie future outward growth in Tauranga.

6) Not addressed by the NPS-UD is the critical disconnect between Central Government’s housing and transport policies.

The government is clearly pushing for more houses to be built, more affordably. Yet, it is also not funding transport investment to allow this to happen. An example of this is the Tauriko West project which is set to deliver 3000 new homes. This project has recently been put in jeopardy due to NZTA putting its business case project on hold and because of a lack of funding available in the State Highway activity class. This disconnect between housing and transport priorities presents a real challenge for local councils and developers to deliver successful urban development.

7) Government needs to strengthen the Resource Management Act 1991 framework to give certainty and clarity to local councils on how to manage/balance competing land uses and priorities e.g. development capacity vs productive land vs freshwater.

CG are concerned that managing and balancing the conflict between separate policy directions should not be left to local authorities, particularly given that the ability of councils to make decisions based on an ‘overall judgement approach’ has been eroded by recent case law (e.g. King Salmon).

CG believe that clearer direction at a national level needs to be given to local government decision makers about how to manage competing priorities. An example of this is the NPS-UD and the Urban Growth Agenda both speak to building cities “up and out” and the proposed NPS-UD provisions enable consideration of Greenfields areas that are not anticipated by spatial plans. However, Policy 6 of the NPS-HPL and the definition of highly productive land will undermine these provisions from achieving their desired outcomes.

CG believe that clearer direction could be in the form of strengthening the RMA, or alternatively by incorporating the NPS-HPL into the NP-UD. Strengthening the RMA framework to provide greater clarity and certainty to local government on competing land use would be highly valuable. Transport, population growth pressures, natural hazard resilience and infrastructure provision are other significant factors to consider. Alternatively and/or additionally, CG suggest that central government considers integrating the NPS-HPL into the NP-UD, so that highly productive land is a matter that councils must account for when considering options for urban development, but it is within one clearer framework. Similarly, although we have not had capacity to review the National Policy Statement on Freshwater Management at this stage, CG have been advised from a number of councils that this policy statement may also impact on planned urban growth areas, and that they are uncertain of how these competing priorities will be balanced.

8) CG supports the requirement to allow higher density development within proximity to town centres and public transport.
CG consider that higher density development should be ‘enabled’ and the market be allowed to respond to the reregulation of densities, where the market deems this appropriate. High density (60 dwellings/hectare) is not appropriate nor achievable around all centres for number of reasons and it should not be mandated.

9) CG supports the NPS-UD requiring councils to give weight to intensification proposals ahead of intensification Plan Changes.

CG recommends that high growth councils should be required to insert this policy to their District Plan (with an associated Objective) and these councils should be exempt from following a schedule 1 process. This will enable change to begin occurring as soon as possible.

Where the outcome of a plan change process is predetermined, as it would be in this case (i.e. councils must insert this policy into their District Plan), following the mandated schedule 1 process is an inefficient use of time and money as the public will be unable to influence the process.