10 October 2019

Draft National Policy Statement on Urban Development – Submission for Fletcher Building Limited

Fletcher Building Limited (Fletcher Building) welcomes the opportunity to make a submission on the proposed National Policy Statement for Urban Development Discussion Document (NPS-UD) submitted for public consultation in August 2019.

1. Introduction

Fletcher Building is one of New Zealand’s largest residential land development companies and is making a significant contribution to housing supply across the country.

Fletcher Building is generally supportive of the proposed NPS-UD and acknowledges the need to provide clear national guidance on urban growth. Fletcher Building requests the following amendments are made to the NPS-UD as summarised below:

- Amendments to the proposed policy for greenfield development to ensure it applies to out of sequence release of greenfield land, narrows the consideration of infrastructure solutions to the land subject to the plan change and recognises that infrastructure can be staged to coordinate with development;
- Amend policies for intensification to broaden the focus from residential growth to all urban activities including retail, commercial and industrial use; and
- Delete prescriptive intensification policies.

These are expanded on below.

2. General

Fletcher Building is of the view that a National Policy Statement is the most appropriate mechanism for providing national guidance on urban growth and development in major urban centres. A national policy statement provides councils with a clear framework for managing urban growth and development, while enabling flexibility for Councils to work out how this should best occur within the context of their particular region/district. In this regard, Fletcher Building is supportive of the more descriptive approach of the proposed NPS-UD which will provide necessary variation for the differing local contexts across the country.
Fletcher Building supports the intention of the proposed NPS-UD to intensify in locations close to urban amenities such as centres, public transport, walking and cycling facilities and offering choice for diverse groups. The current drafting of the policies is focused however, on residential growth. Residential growth is only one element of urban growth as cities also need to provide space for centres, commercial and industrial use. The intensification policies should be amended to focus on urban activities. This is discussed further in Section 4 of this submission below.

Fletcher Building is also generally of the view that the NPS-UD should be consolidated and refined in order to deliver a concise and useable piece of national direction. In particular some of the outcomes being sought through the proposed NPS-UD would be better addressed through the upcoming RMA and systems reform. For instance, Fletcher Building supports the proposal for Council’s to undertake responsive planning and respond promptly about changing demands for housing and business land however, there is no ability to adapt RMA plans quickly under Schedule 1 of the RMA.

Fletcher Building does not support a more standardised regulatory approach to managing urban development e.g. a national environmental standard. A more prescriptive approach of setting standardised rules and controls for urban development is inappropriate given the diversity of urban environments across different centres; a one-size fits all approach to urban development regulation in Fletcher Building’s view would not be suitable.

3. Providing for out of sequence greenfield development

3.1 Support

Fletcher Building supports the inclusion of policy direction that will direct local authorities with major urban centres in their jurisdiction to consider plan change requests for urban development in locations that are out of sequence, or outside areas identified for urban development where particular conditions are met.

Fletcher Building recommends amendments to the wording of the draft policy for out of sequence greenfield development that is included within the NPS-UD discussion document.

3.2 Reasons

In Fletcher Building’s experience the implementation of staging plans which programme the release of greenfield land for urbanisation and inform infrastructure funding can be inflexible, despite the high level and non-statutory nature of these plans. In particular, the allocation of land to be urbanised over specific time frames does not take into consideration issues such as fragmented ownership and the lack of desire of current landowners in such areas to sell. It does not necessarily mean such land will be urbanised. As an example, Fletcher Building, along with other developers, are currently seeking the early release of greenfield land at Drury East within Auckland. While significant infrastructure upgrades are acknowledged to be required to service urbanisation of the wider southern Auckland Future Urban zone, there are appropriate infrastructure solutions to service the early release of the Drury East developers land. The current staging proposed by the Council however, is focused on the funding of delivery of infrastructure to serve the wider southern Auckland Future Urban zone and
does not consider a more staged approach based on current land available and financially enabled for urbanisation.

The proposed NPS-UD policy direction for out of sequence greenfield land release is helpful for speeding up the delivery of housing and urban development for areas such as Drury East. It will enable alternative staging of discreet areas where there are infrastructure solutions and innovative funding mechanisms that can be used to enable development. This is supported by Fletcher Building. Furthermore, it enables responsive planning where there are large scale developers who control large land holdings and who are seeking to increase the housing supply through delivering quality housing at pace.

The policy direction needs to be clear about where development can go, how infrastructure to support it will be provided on a staged basis and the funding contributions by central government and the local authority to deliver that infrastructure. It is essential that more innovative solutions are identified and implemented to bridge any funding gaps without holding up development.

The proposed amendments sought by Fletcher Building are intended to clarify that this policy relates to plan changes proposing out of sequence release of greenfield land. The amendments narrow the consideration of infrastructure solutions and funding to the land subject to the plan change, rather than infrastructure delivery within the wider greenfield area. Furthermore, the amendments are intended to recognise that infrastructure can be delivered in a staged manner to coordinate with development.

In addition to the amendments discussed above in relation to the sequencing of the release of greenfield land, amendments are also proposed to sub-clause ‘c’ in recognition that greenfield areas are likely to be affected by some degree of natural hazards and development needs to avoid or mitigate these effects. The language has also been amended to align with Part 2 of the RMA which refers to “significant natural hazards.”

**Relief Requested** –

When considering a plan change that enables urban development that is not otherwise enabled in the plan or in sequence with planned land release, local authorities must provide for urban development when all of the following apply:

a) Development enabled by the plan change would contribute to a quality urban environment, including access to transport choice.

b) Development enabled by the plan change would not have adverse effects on protected areas or areas identified for restoration.

c) Development under the plan change can occur in a way that is appropriate, safe, and resilient in the long term in respect of avoids, remedies and mitigates the effects of significant natural hazards and the effects of natural hazards.

d) Reverse sensitivities are appropriately managed within and adjacent to the location or locations that are subject to the plan change.

e) Infrastructure to enable the long-term development of the land subject to the plan change can be provided in a staged manner to integrate and coordinate with development.
Further, we recommend that the criteria stated in (a)-(e) more directly align with the matters set out in Part 2 of the RMA with appropriate linkages to other policies in the NPS-UD. In our view, this will ensure that the policy gives effect to the sustainable management purpose of the RMA.

4. Providing for Intensification

4.1 Support in part

Fletcher Building supports the proposed policy direction outlined within Section 5 Providing for Intensification\(^1\) of the NPS-UD discussion document, to enable intensification in areas which are accessible to employment opportunities, urban amenities and public transport, which can be serviced by planned or existing infrastructure and where there is demand for housing. Fletcher Building supports the NPS taking a descriptive approach to the extent to which Councils have to provide for intensification in areas with these attributes, to recognise the local context for development.

Fletcher Building is of the view that the reference to “high-density residential activities” should be replaced with a broader term such as “higher-density urban activities” so that intensification policies focus on all land uses that require space to cater for growth.

4.2 Reasons

Intensification should occur in areas which are accessible to employment opportunities and urban amenities, serviced by public transport and planned or existing infrastructure and where there is demand for housing, to enable the benefits of these areas offer to be maximised. At a national level however, this direction needs to be on a descriptive rather than a prescriptive basis, to enable Councils the flexibility to determine the extent of intensification which is appropriate for a particular locality. Within Auckland, where the degree of growth is far greater than other cities, the extent of intensification around public transport and urban amenities may need to be far greater than what is provided for elsewhere. Additionally, Councils need to consider wider contextual matters which should influence the extent of intensification. For instance, greater areas of intensification may need to be enabled around major centres or pieces of planned public transport infrastructure to maximise the amount of people who can access these facilities. Conversely, where land is subject to constraints that limit its development potential, such as a steep topography, this should not be signalled for intensification.

The use of the term “higher-density residential activities” limits the scope of the intensification policies to residential growth. Fletcher Building considers that intensification policies within the NPS-UD should recognise the need to provide for retail, commercial and industrial growth as well as residential growth. Therefore, the term “higher-density residential activities” needs to be broadened to capture intensification of all urban activities.

\(^1\) NPS-UD discussion document pages 35-38
5. Development Capacity

5.1 Support

Fletcher Building supports the proposal outlined within Section 5 Enabling Opportunities for Development\(^2\) of the NPS-UD discussion document, to consider the likelihood that development capacity will be taken up when determining feasible development capacity. Fletcher Building also supports the additional direction that requires consideration of not only total capacity but also enabling capacity within a diversity of locations, enabling a diverse range of housing types and price ranges. Fletcher Building supports a requirement for councils to develop, monitor and maintain an evidence base about demand, supply and prices for housing and land, to inform their planning decisions.

5.2 Reasons

In Fletcher Building’s view proposed Policy P4A positively moves away from theoretical capacity thinking and provides more practical policy direction about realistic levels of capacity that can be realised. There can be many factors that prevent the uptake of development capacity and therefore it is appropriate that in determining residential development capacity, consideration is given to what the market will deliver. This will ensure that infrastructure funding is prioritised in areas that will be developed to provide for urban growth. Too often the theoretical capacity studies over state what

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\(^2\) NPS-UD discussion document pages 30-33
the market will actually deliver or is able to physically deliver on Future Urban Land. An example that illustrates this well is within the Drury / Paerata and Pukukohe context. The likely take up of development within the wider Southern Auckland area is unlikely to occur as per the planned release within the Future Urban Land Supply Strategy. This is due to circumstances such as fragmented land holdings or land that cannot be developed for urban use due to topographical constraints.

Fletcher Building also support the widening of the concept of feasible capacity to ensure consideration is given to increasing capacity within diverse locations and providing a range of housing types and price points. This policy direction better enables Councils to provide for affordable housing and housing that meets the community’s different needs.

### Relief Requested –

Retain: P4A: Local authorities must ensure at all time their plans enable at least enough development capacity that is feasible and likely to be taken up to meet the demand for dwellings (in terms of location, typology and price) and business land (in terms of location, floor area and extent of land) over the short, medium and long term.

6. Conclusion

Fletcher Building thanks the Ministry for the Environment for the opportunity to submit on the proposed NPS-UD. Fletcher Building generally supports the proposed National Policy Statement subject to addressing the concerns outlined in this submission and amending the policy statement accordingly.

Yours Faithfully

Fletcher Building Limited