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Dear Sir / Madam,

NPS Urban Development Capacity – Submission by CDL Land NZ Limited

This submission on the Proposed National Policy Statement on Urban Development Capacity is made on behalf of CDL Land NZ Limited (“**CDL**”).

CDL’s Interests

CDL is a property investor and developer that has over the past 20 years undertaken commercial and residential developments throughout New Zealand.

CDL primarily undertakes residential subdivision and development and has completed subdivisions in Auckland, Hamilton, Tauranga, Hastings, Taupo, Nelson, Christchurch, Rolleston and Queenstown. CDL focuses on key growth areas and currently has landholdings in excess of 200 ha, most of which are located in the high growth centres of Auckland, Hamilton and Christchurch.

CDL’s decisions with respect to its current landholdings, future land purchases and development strategy will be directly affected by the proposed NPS. For that reason CDL is concerned to ensure that the NPS is a focused and effective document that identifies clearly the obligations on councils relating to the provision of sufficient capacity for residential and other development in key growth areas of the country.

CDL’s Concerns

CDL strongly supports the introduction of the NPS to address urban development capacity. For reasons set out in detail in the **attached** annotated version of the NPS text, however, CDL considers that the draft NPS requires amendment. By way of explanation:

1. CDL considers that the preamble and subsequent substantive text in the NPS address not only quantitative concerns (ie: concerns related to urban development capacity) but also qualitative matters (ie: concerns regarding the form of subsequent development) – CDL is concerned that, as a consequence, the focus of the NPS on capacity is obscured by the qualitative concerns, which will potentially dilute the effectiveness of the NPS. Further, CDL fears that the references to qualitative elements will be relied upon by territorial authorities to justify increasingly prescriptive controls on matters such as urban design. CDL does not understand that to be a focus of this NPS. It considers that, if the government wishes to address these qualitative matters then that would most appropriately be done through a separate NPS regarding the quality of urban development.

2. CDL supports the objective and policies regarding urban development capacity but considers that they lack the level of specificity and direction required with respect to how and at what rate territorial authorities will provide urban development capacity in response to shortfalls in supply - Territorial authorities will need to give effect to the NPS but the lack of precision in the current draft will allow them to claim that they are doing so without necessarily making any difference to the level of capacity provided in practice.
3. CDL supports the provisions that promote monitoring of land supply and demand but considers that greater clarity is required as to the scale at which territorial authorities are to ensure that supply meets demand - That is, the NPS as drafted does not clearly state whether territorial authorities will need to ensure sufficient supply at a regional, district, sub-district or local level and nor does it specify whether demand must be met overall or in each market segment (eg: studio apartments; single and multi-bedroom apartments; terraced houses).
4. CDL consider that the NPS should encourage an oversupply of land for urban development, particularly in High Growth Urban Areas – CDL considers that adverse effects rarely arise from the provision of excess supply of land for urban activity, at least in areas of relatively high growth. For example, CDL considers that the provision of an excess supply of land will not result in a lower density of development or the waste of land, as the relevant district plan provisions will control the density and form of development. It will, however, promote competition between developers and reduce the incentive for developers to ration the release of sections and dwellings onto the market so as to maximise prices.

Relief Sought

CDL's preference would be for a more directed and focused NPS which imposes on territorial authorities more detailed qualitative requirements with respect to the provision of sufficient capacity to accommodate growth. To that end CDL seeks that:

1. The superfluous provisions that address qualitative matters be deleted (see proposed changes in the **attachment**);
2. The provisions regarding urban development capacity be expanded to specify in greater detail the obligations on territorial authorities regarding the provision of sufficient capacity over specified timeframes (see proposed wording in the **attachment**);
3. Additional provisions are incorporated into the NPS that encourage councils in High-Growth Urban Areas to over-provide land zoned for urban purposes other than where there are compelling reasons to do otherwise (see proposed wording in the **attachment**);
4. The provisions regarding monitoring and obligations on territorial authorities to meet demand are expanded to provide greater guidance as to the geographical scale at which and market segments for which territorial authorities have an obligation to meet demand (nb: this is a policy issue for government to determine and for that reason CDL has not proposed specific wording but has simply identified the issue in the **attachment**); and
5. The other minor changes sought and explained in the **attachment** be implemented.

Concerns regarding the NPS Process

CDL is concerned by the process that has been adopted for public consultation with respect to the NPS. In that regard:

1. CDL's understanding is that the Minister has chosen, pursuant to section 46A of the Resource Management Act to adopt an alternative process in preference to the Board of Inquiry process set out in sections 47 to 52 of the Act.

2. CDL's preference would be for the Board of Inquiry process, with its public hearings, so that the detailed wording of the NPS can be honed and refined. That will maximise the prospect that the provisions in the NPS will be focused and effective. The NPS will have the effect of regulation and will need to be given effect to by regional and district councils through their regional policy statements, regional plans and district plans. Accordingly it needs to be drafted to a high level.
3. CDL is concerned that the truncated process that has been adopted will result in a less precisely drafted and potentially more ambiguous NPS, thus compromising its effectiveness and usefulness.
4. CDL therefore asks that the decision regarding the process be revisited and that the submissions on the NPS be heard before a Board of Inquiry.

In the event that the process is not altered, CDL would welcome an opportunity to meet with staff of the Ministry for the Environment to discuss this submission.

Yours faithfully
ELLIS GOULD



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Partner

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