

Auckland Housing Accord Q&A

1. When will new housing developments be approved under this Accord?

The Accord must be approved by Council and legislation passed by Parliament to give effect to the new measures to approve developments. A bill will be introduced next Thursday as part of Budget 2013 and referred to Select Committee on a tight timetable with the intention of it being passed by August 2013.

The legislation will provide for Qualifying Developments to be able to be considered once the Auckland Council decides to notify its new Unitary Plan, expected in September 2013.

2. How does this proposal vary from the proposal to bring the Unitary Plan into effect when notified?

The mechanisms in the Accord enable the proposed plan, as it applies to parts of Auckland in respect of housing, to be brought forward. The Unitary Plan makes provision for 400,000 additional homes in Auckland, with an approximate mix of 140,000 greenfield and 260,000 brownfield. The Accord enables 39,000 homes, or about 10 per cent, to be developed in the interim.

3. Why does the Accord and legislation expire after 3 years?

This is an interim solution while the substantive reforms to the Resource Management Act and Auckland Council's Unitary Plan are worked through. Provision is being made for transitioning from the Accord mechanisms to the new Unitary Plan from when it becomes operative, expected in 2016.

4. How will Special Housing Areas be selected?

These areas will be selected by the Auckland Council once it has completed its consultation on the draft Unitary Plan. These are areas where there is clear demand for housing, where there is suitable infrastructure or it could be built.

Special Housing Areas (SHAs) must be within the 30 year Rural Urban Boundary proposed in Auckland's notified Unitary Plan.

They will need to be discrete geographic areas. These areas will be formally declared by Order in Council on the recommendation of the Minister of Housing.

5. How would a Qualifying Development be approved?

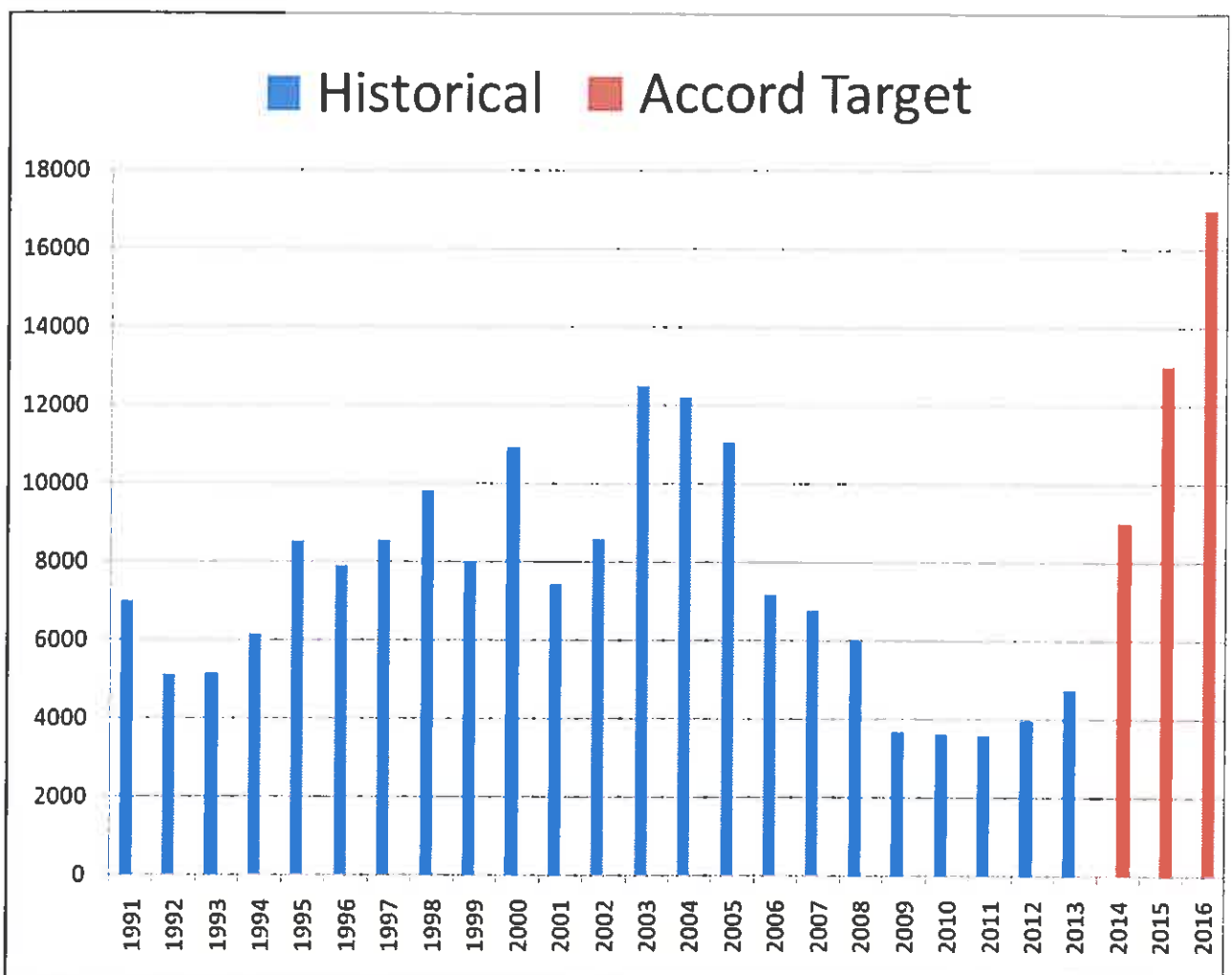
Qualifying Developments can only be applied for in Special Housing Areas after the Council resolves to notify its Unitary Plan, expected in September. These must be predominantly residential and cannot be high rise.

The application would be considered by a panel of three or more people appointed by the Council.

The consents would need to be processed within three months for brownfield developments and within six months for greenfield developments. There would be no appeals on panel decisions except for those over three storeys.

6. How do the Accord targets compare with historic levels of house building?

Building consent figures over the past 20 years from Statistics New Zealand are shown below for the March year. The latest figure is 4,400 for the year ending March 2013.



7. Will the new consenting powers be able to be used for non-residential developments as well?

Any developments approved under the Accord will need to be predominantly residential. However, well functioning communities need a range of amenities from shops to schools and medical centres and this will be able to be considered as part of comprehensive developments.

8. Where does the Resource Management Act fit into this?

The Panel will be required to ensure consenting decisions made in special housing areas recognise and provide for the need to increase housing supply. The consents will need to take into account Part 2 of the Resource Management Act.

The Government is also currently reviewing the Resource Management Act, which will contribute to the longer-term housing affordability work programme.

9. Will Housing Accords be considered in other areas of New Zealand?

The housing supply and affordability issues are most acute in Auckland. That is why the effort has gone into the engagement and discussions with Auckland Council. Local Government New Zealand and some other Councils have been briefed on the Auckland Housing Accord. Some have shown interest in also having access to these more flexible tools.

10. What is the capacity of the construction and development industry to deliver the additional sections and houses envisaged in this Accord?

This Accord will require significant investment by the development sector but the sector is showing signs of recovery from the very low housing investment since the Global Financial Crisis.

To increase housing development from the average 3,600 per year of the past few years to 9,000 homes, 13,000 homes and 17,000 homes over the three years will require a major increase in construction activity, access to finance, access to skills and capacity.

To achieve this growth will require a good working relationship and close coordination between the building and construction industry and the Accord parties.