

Launch of Auckland Crown Land Programme

Minister for Building and Housing, Hon Dr Nick Smith



This Initiative is part of a broader work programme to improve supply and affordability of housing

Productivity Commission Report

Land supply
Infrastructure costs
Materials costs
Sector productivity
Compliance costs

Initiatives to date

Housing Accord and Special Housing Areas Act
Amendments to Local Government Act over development contributions
Removal of tariffs and duties on building materials

Initiatives underway

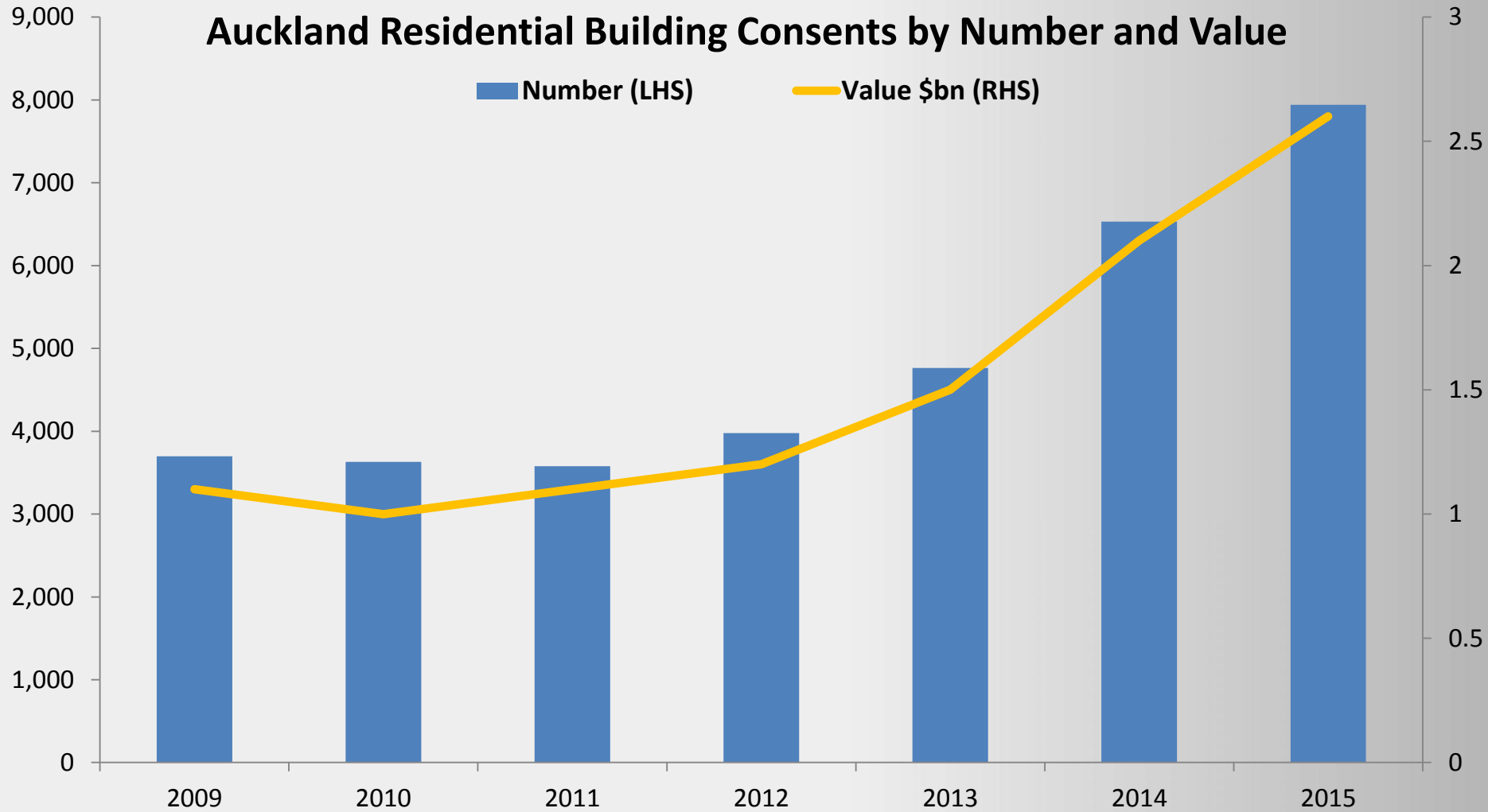
RMA reform
Building Act reform

Auckland Housing Accord

- Enables creation of Special Housing Areas that override existing district plans
- Explicitly enabling housing outside MUL and access to more intensive zoning in PAUP
- Streamlines resource consents by limiting objections and appeals
- 84 SHAs approved to date in Auckland
- Council and Government open to considering further SHAs to facilitate new housing

New sections and homes	Year 1	Year 2	Year 3
Target	9,000	13,000	17,000
Actual	11,060		

Auckland Residential Building Consents by Number and Value



Years ending March

*\$2.6bn in year to March 2015 at all-time high

HomeStart Package

- \$430m in grants for 90,000 first home buyers
- Scheme enables grant of \$20,000 towards a new home for couple in KiwiSaver 5 years
 - income cap \$120,000/year for couple
 - house price cap \$550,000 in Auckland
- Changes also enable
 - Welcome Home Loan (10% deposit)
 - all of KiwiSaver funds to be withdrawn down to \$1,000
 - funds to be used for deposit on new home
 - increased flexibility on construction timetable
- HomeStart an incentive for developers to build starter homes

Background to Auckland Crown Land Programme

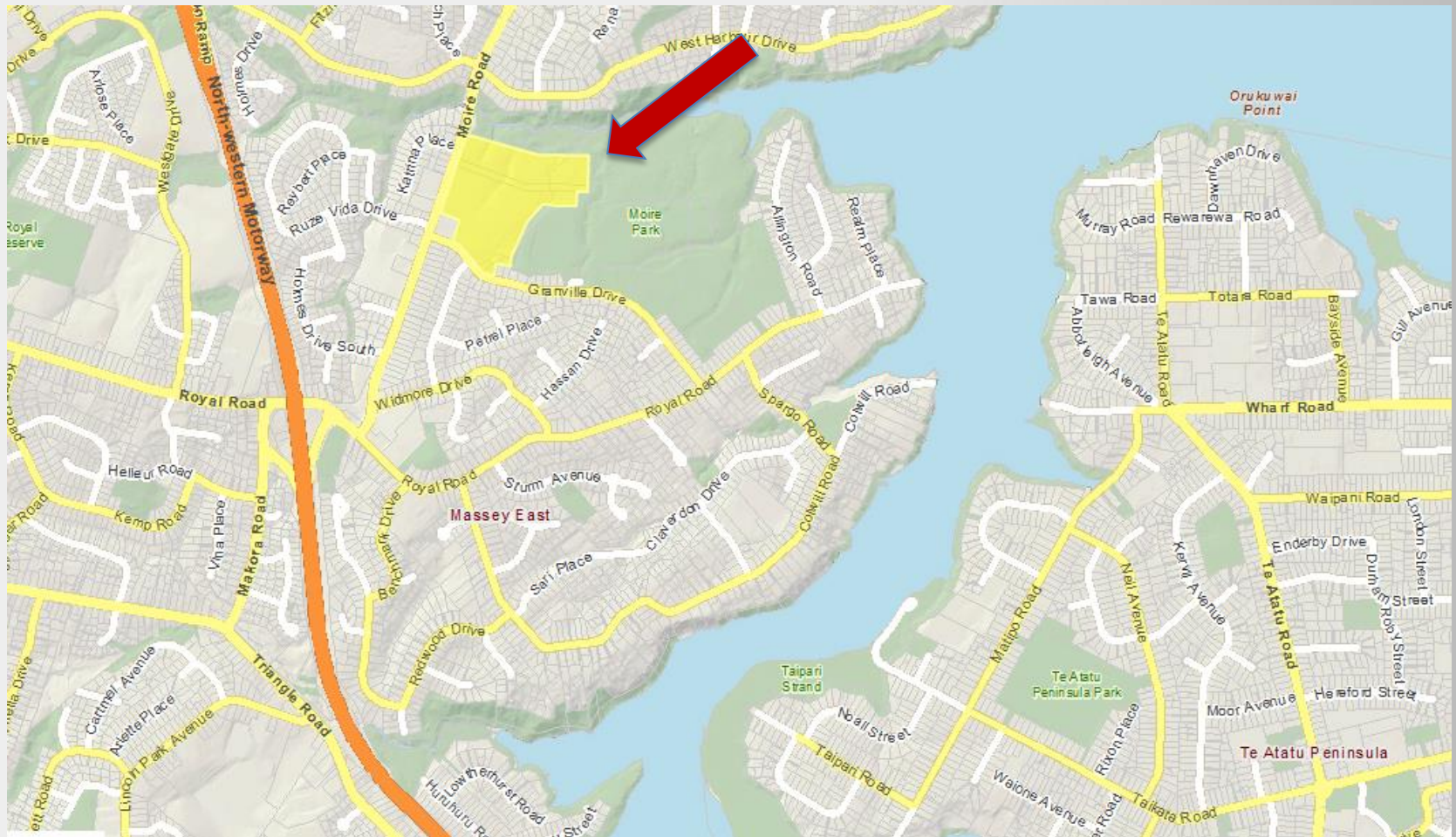
- Briefing to Incoming Minister (Oct 2014) recommended *“facilitating large-scale and innovative developments in partnership with the private sector, leveraging Crown land assets”*
- Model based on successful experience in Christchurch where MBIE has partnered with private sector on 3 developments

Awatea	237 homes	37.6% under HomeStart cap
Colombo St	77 homes	22% under HomeStart cap
Welles St	114 homes	28% under HomeStart cap
- Cabinet directed MBIE to work with LINZ to advise on releasing surplus Crown land for housing in December 2014 and to report in February 2015 on options
- Budget 2015 committed \$2m for MBIE management of process and a contingency of \$52.2 million for purchase

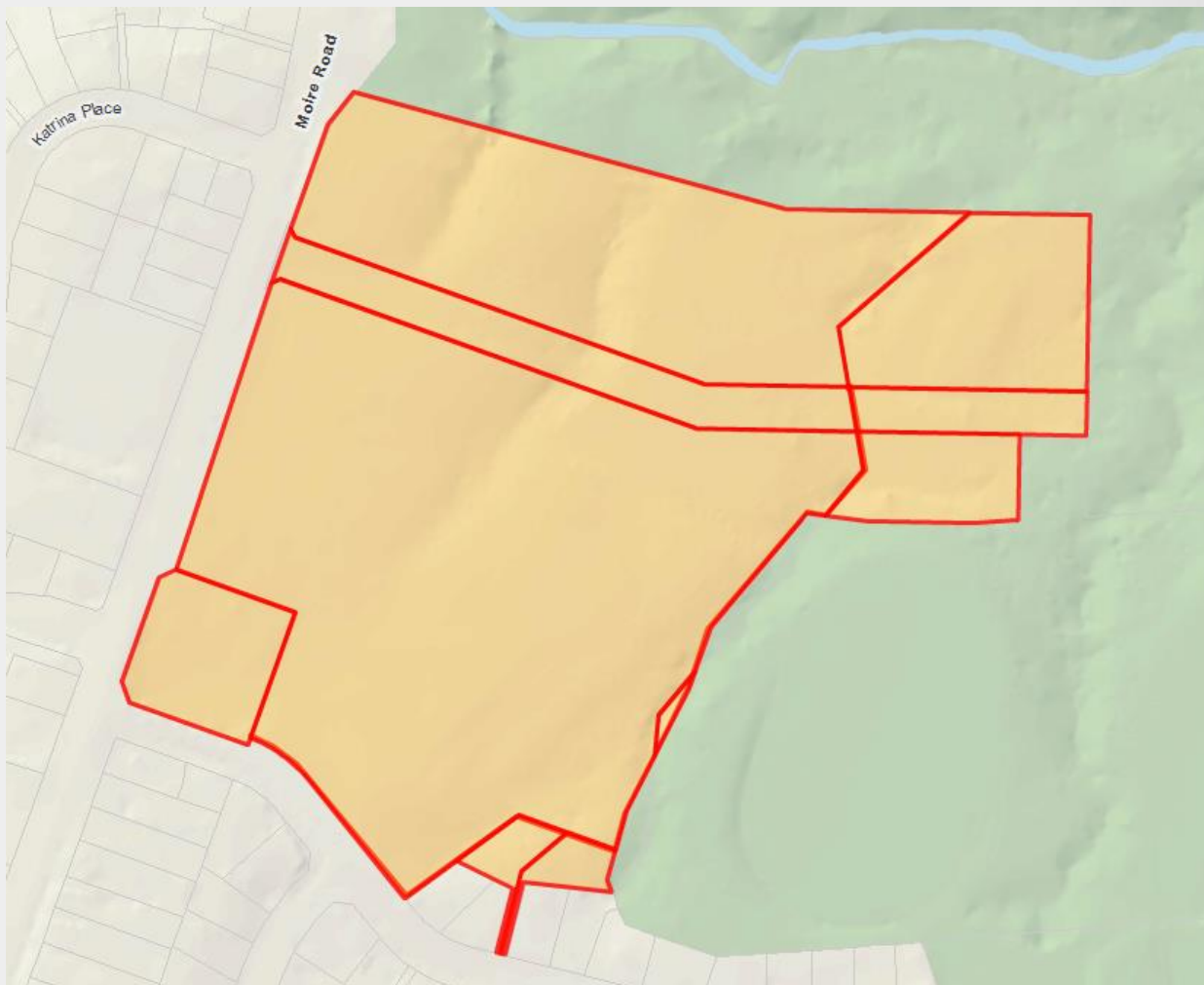
Investigations

- Approx. 500ha of land with potential for residential development
- Significant amount of work investigating:
 - Land legal status
 - Infrastructure capacity
 - Distance to amenities (transport, open space, schools, shopping, CBD)
 - Zoning and density limitations
- Cabinet has agreed to purchase 1 site of 10 land parcels totalling 9.5ha at Moire Rd, Massey East and declare for housing purposes under Housing Act 1955
- Further 3 NZTA sites in pipeline in Manukau, Avondale and Hobsonville

Massey East site: Location

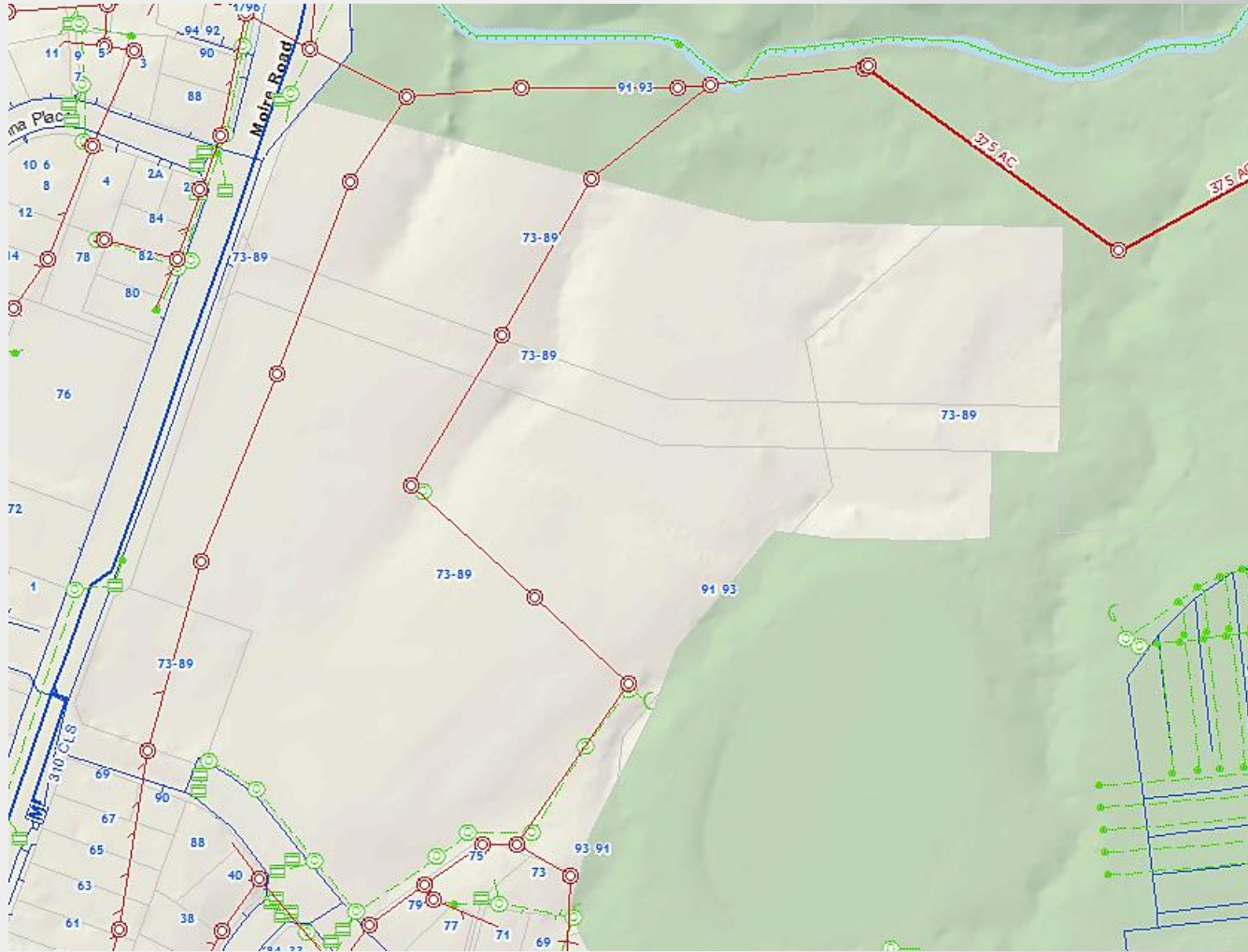


Massey East site: Land titles



#	Legal description	Area (m2)
1	Section 1 SO 53700	21,185
2	Section 2 SO 53700	7,435
3	Section 3 SO 53700	48,573
4	Section 4 SO 53700	3,068
5	Section 5 SO 53700	159
6	Part Allotment 670 NA49C/88	5,465
7	Allotment 671 NA49C/88	2,132
8	Lot 109 DP 120682	820
9	Lot 110 DP 120682	843
10	Part Lot 1 DP 53025	4,029
		94,709

Massey East site: Infrastructure



New Zealand Government

Massey East site: Features

- Zoned Single House Residential under PAUP
- 1km from Royal Rd onramp, 17km from CBD
- On 090 bus route
- 700m to Royal Rd supermarket
- 2.2km to Westgate Shopping Centre
- 1km bush walk to coastal esplanade
- 500m to West Harbour School
- 5km to new Hobsonville Point School
- 6km to Waitakere Hospital



Manukau potential site

- 1.4ha, close to shopping centre, schools and train station
- Indicative yield of up to 60 homes
- Currently owned by NZTA
- Metropolitan Centre zoning



Avondale potential site

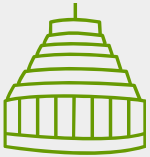
- 0.37ha site, close to supermarket, schools, train station and 9km from CBD
- Indicative yield of up to 60 homes
- Currently owned by NZTA
- Terrace Housing and Apartment Buildings zoning



Hobsonville potential site

- 17.94ha, close to schools, shopping centre and bus/ferry services to city
- Indicative yield of 270 homes
- Currently owned by NZTA
- Future Urban zoning

Large scale housing development in Auckland



Government

- Wants a big increase in the supply of housing in Auckland, including more affordable homes.

Developers

- Want opportunities of scale to enable innovation and drive improvements and construction cost savings.



Crown land programme

- The Crown land programme, along with other Auckland development opportunities, more than meets these objectives.

Four key objectives:

- ③ Pace
- ③ Affordability
- ③ Opportunity to partner with iwi/community housing providers/ACPL
- ③ Risks properly managed and minimised

Sound partnership approach is critical

- Must be respectful of all stakeholders
- Must use the land well
- Government has a complementary role to play in partnership with developers

Crown (Facilitator)	Developer (Consortia)
<ul style="list-style-type: none">• Making land available• Aiding the regulatory process• Clarity of outcome and objectives	<ul style="list-style-type: none">• Design expertise• Civil and construction work and management• Financing of project• Community engagement

Timetable

June	Invitation to Partner
October	Development Agreement on first site
2016	Infrastructure and housing construction
Late 2016	First homes completed