

22 March 2024

To: Hearing Panel,
Commission
for the WCC's Proposed District Plan.

JCA Presentation for Stream 7

Introduction and Appreciation

Good morning Mr. Chairman and Commissioners,

I would like to start by **again introducing** Mary Therese and myself, Warren Taylor, from the Johnsonville Community Association (JCA).

A **copy of our presentation** will be provided to Jazz following the end of this session.

Before we begin our presentation, the **JCA would like to place on the record its appreciation to the Commission** for:

- **assessing** a number of very significant urban planning issues affecting Johnsonville and the city in a **careful and independent manner**, and also
- for **accepting some of the recommendations from the JCA** in relation to the Proposed District Plan (PDP).

The following is the Presentation of the Johnsonville Community Association Incorporated (JCA) for Stream 7 to the Hearing Panel on the Proposed District Plan for 2024-2034.

JCA Submission to the Proposed District Plan in September 2022 on Rural Zone Issues

The JCA strongly believes the **lack of additional land zoned for urban development** is a **key reason** for the **skyrocketing costs of Wellington housing** and the **chronic lack of affordable housing** in our city.

WCC's Compact City Goal is in Conflict with its Affordable Housing Goal

The WCC's Compact City goal is in conflict with its Affordable Housing goal.

The **evidence** indicating that there is a **major conflict** between the WCC's Compact City and Affordable Housing goals is **CONSIDERABLE** as follows:

- **Restricted zoning for the Compact City goal** has made land for residential development artificially "**scarce**" and thereby **forced land prices** to increase significantly in Wellington during the past decade. This can be

seen by the **huge difference** in per hectare land prices **between urban residential zoned land and neighboring rural zoned land**.

- This **large increase in the market value of land** has added **extra cost to developers** and builders making the final **price of homes less affordable** to new home and residential unit buyers.
- The lack of greenfields land forces developers to purchase and build on low density housing properties. That these properties have lower infrastructure costs is often counterbalanced by the additional costs of demolishing previous buildings and building in an already built up urban area.
- **A compact city has greater reliance on apartment buildings but the taller a new building is, the greater the cost due to the increased amount of strengthening** these buildings require to both:
 - **stay upright**, and
 - **manage earthquake events** successfully to preserve public safety – a vital consideration in the Wellington area.
- **Given the lack of flat land** in many areas of Wellington, the **Compact City goal has resulted in Council officers proposing new housing developments** be built on **hillsides** on the **fallacious assumption** that these are **walkable catchments** that are **suitable for high-density residential housing**.
- Evidence has been given to the Commission by developers that:
 - **the cost, and therefore the price of residential accommodation, becomes increasingly more expensive the taller the building.**
 - **building on hillsides is more expensive** because of **pre-requisite stabilization costs** thus making those new developments less affordable to new home and residential unit buyers.
 - **therefore, builders want to build on the flat** because it:
 - generally, does not require significant stabilization costs, and
 - is less problematicthus making those new developments more affordable (and also more attractive) to new home and residential unit buyers.
 - **the primary problem** concerning the provision of new housing or residential units for Wellington **is the development cost**.

ALL OF THE ABOVE results in new home and residential unit developments not proceeding even though there is **strong demand** for more affordable housing in Wellington.

- **Dr. Tim Helm** provided evidence, on behalf of the Newtown Residents Association in **Stream 4**, to the Commission that the **development uptake rate (i.e. the rate of supply of new housing) is only 3% per annum.** (Paragraphs 14 and 69 of Dr. Helm's report refers).
- According to Dr. Helm, **the rate of supply of new housing is the key metric for assessing the impact of policy on housing affordability.**

Contrast this abysmal development uptake rate % with Christchurch's performance. In the 10 year period after the 2010 and 2011 major earthquake events, **Christchurch has built either multiple new suburbs or expanded existing suburbs significantly in Christchurch.** Some examples of this are: Prestons, Longhurst, and massive expansions of both Rolleston and Halswell. **Consequentially, housing supply and demand has come into balance with affordable housing available for Christchurch residents.** Notably this massively fast development uptake rate performance was completed:

- **on flat land sites, and**
- **without a requirement for tall high-density buildings in Christchurch's outer suburbs.**

Christchurch has followed a model that developers in Wellington apparently want to see operate in Wellington. Unfortunately, the Council itself is the problem because it is operating as a road block rather than that of an enabler.

This raises the need to consider the following two questions:

1. Does the NPSUD's requirement for cities to provide well-functioning urban environments require the provision of affordable housing? Undoubtedly, yes. Otherwise, how do cities function effectively without this?
2. Does the NPSUD's requirement for cities to provide well-functioning urban environments require compact cities at the expense of providing affordable housing? Undoubtedly, no. If a city is compact but unaffordable potential new residents will be required to move to less compact locations where there is more affordable housing.

In summary then, the Council's **Compact City goal has become an impediment as it is NOT supporting the development of affordable housing,** and therefore well-functioning urban environments, in Wellington city.

Current National Coalition Government Wants New Greenfield Developments to Provide More Affordable Housing to Buyers

The current National Coalition Government **recognises the absolute importance of providing additional urban land to lower the price of land and thereby assist the rapid provision of more affordable housing.** This Government therefore wants Councils to provide new greenfield developments to provide more affordable housing to buyers.

Implicit in the above National Coalition Government's directive is the fact that:

- **affordable housing is the goal, and**
- **compact cities are not necessarily the goal where this conflicts with the provision of affordable housing.**

Opportunities for further Greenfield development in Wellington City

Two thirds of Wellington City's total land area is rural land! (Refer to the 1st paragraph of the Executive Summary of the Council's Appendix C Report for the size of the city's Rural Zone). It makes no sense to simply prohibit consideration for its development for a city crying out for affordable housing.

Providing additional greenfield residential areas will require significant infrastructure investments. One potential source of funding is to capture the land value uplift from rezoning Rural land to Outer Residential. The JCA's "back of the envelope" calculations indicate this would be in the order of \$200 m² but further work is required on the mechanisms to properly enable such value capture in practice.

Ohariu Valley Has Land for Housing

Ohariu Valley has a significant amount of low rolling land and some flat land for housing and this is the type of land topography that developers have confirmed to the Commission that they prefer for development. Developments on such land increases the likelihood of providing more affordable homes for new buyers.

The JCA readily acknowledges that developing Ohariu would have transport and Three Waters infrastructure challenges but none of these are insurmountable.

On the transport front there are a number of possibilities that should be examined. Planned improvements to Karori could be leveraged to also provide a bus service that travels over Makara Hill into town. Improved Park and Ride near the city's bus terminal at the western end of Karori is another viable option.

While some further residential development can be supported using septic tanks, **the biggest challenge would be to provide urban style sewage infrastructure. However, no such planning can even be started with a District Plan that legally prohibits housing development in this area.** A District Plan that foresees the need for future residential development in Ohariu Valley will enable the city council, Regional Council and Wellington Water to commence planning to enable such development.

Transport Corridors and Takapū Valley

In relation to the Takapū Valley area, **government ministers have recently committed to building the Grenada to Petone Link Road.** As well as providing an improved transport link between Porirua and Lower Hutt this major road will **provide access to thousands of new homes** in Takapū Valley, Lincolnshire Farm and Horokiwi

The PDP currently prohibits housing opportunities provided by this new transport corridor and so, in its current form, will be a barrier to residential development instead of an enabler.

Wellington needs to have its transport corridors defined for the decades ahead to facilitate development and the PDP also needs to be updated to reflect this. **The JCA asks the Commission to consider whether definition of the city's transport corridors for the decades ahead should be part of the Council's PDP going forward.** It would appear that the NPSUD is seriously deficient in not mandatorily requiring cities to do this.

Having a District Plan recognising the opportunity provided by planned transport corridors should make it much easier for cities, like Wellington, to complete urban planning for housing in a way that is fully cognisant of what each transport corridor currently provides and what it will provide in the future. This is a model which will provide vastly improved and fully integrated urban planning which is best practice and thereby provide residents with real well-functioning urban environments.

Zoning

Given the commentary in:

- the JCA's on the PDP in September 2022, and
- the JCA's Submission for Stream 7, and
- this JCA Presentation, and

our commentary on the city's significant housing shortages, **an Outer Residential Zone for both the Ohariu Valley and the Takapū Valley should be included in the Council's further work required to be done for the general rural area as set out in paragraph 4.2.4 in Appendix C.**

Conclusion

The **provision of more affordable housing and residential units** for new home and residential unit buyers **would be significantly assisted if:**

- the **development uptake rate % for new housing and residential unit developments lifted significantly,** and
- there was **rezoning of some rural land to outer residential zones.**

Recommendations

The JCA requests the Commission support the JCA's recommendations to the WCC that:

- **The Proposed District Plan recognises the future opportunity to rezone rural land in the Ohariu Valley and the Takapū Valley as Outer**

Residential to permit infrastructure planning and to eventually expand the area available for new housing.

- An Outer Residential Zone be included in the further work, required to be done by the WCC, for the general rural zone as set out in paragraph 4.2.4 in the Appendix C Report.
- Developers and builders be surveyed by the WCC to establish what is needed to significantly lift the development uptake rate from 3% to a significantly higher uptake rate for new housing and residential unit developments to provide more affordable housing for Wellington.
- **Future transport corridors for the decades ahead should be defined for Wellington City in the Council's Proposed District Plan.**
- **Further work be carried out by the Council to enable land value capture as part of rezoning rural land in order to support infrastructure development.**

Warren Taylor

on behalf of the Johnsonville Community Association