

# Auckland Housing Accord

- 1 The Auckland Housing Accord between the Council and the Government is intended to result in increased housing supply and improved housing affordability in Auckland in the interim period until the Auckland Unitary Plan becomes operative.

## Background

- 2 We face a significant challenge over the next three years in respect of enabling housing supply through both greenfield and brownfield developments. The Government and Council are concerned with housing affordability and with the escalation in residential land prices over the past five years. The 2013 Demographia International Housing Survey rated Auckland as “severely unaffordable” with a median multiple of house price to income of 7. This has a significant impact on family household budgets, leading to overcrowding, decreased home ownership, and reduced socio-economic wellbeing for communities, likely to be exacerbated by significant population growth. Auckland’s competitiveness is also compromised. Such on-going price increases for land and housing in Auckland will impact on monetary policy, may compromise financial stability and may lead to intervention in interest rates.
- 3 In 2011 the Government asked the Productivity Commission to investigate housing affordability in New Zealand. Their report in March 2012 concluded that new housing prices were impacted by land supply restrictions, the method of charging for the provision of infrastructure, excessive building materials costs, low productivity in the construction sector and the costs imposed by delays in the regulatory process.
- 4 The Council and the Government have agreed that joint action is needed to improve housing supply and affordability. Each party has initiatives underway directed at improving land and housing supply over the medium to long term, including:
  - Auckland Council’s development of a new Unitary Plan
  - Auckland Council’s Housing Action Plan
  - Government’s Housing Affordability work programme.
- 5 Auckland Council released its Housing Action Plan Stage 1 in December 2012. This report identified a current shortfall of new dwellings of around 20,000 – 30,000 and a need for 13,000 new homes each year for the next 30 years. Government officials were subsequently requested to report on housing affordability and residential land availability, which resulted in the release of the *Housing Affordability: Residential Land Available in Auckland* Report on 12 March 2013. The report confirmed that there is a current shortfall of between 20,000 to 30,000 dwellings in Auckland and that residential building consents are running at less than half that required to accommodate population growth. As a result, both parties agreed that immediate additional steps are needed to address Auckland’s housing needs.
- 6 The intent of this Accord is to respond to these reports by creating conditions whereby housing supply is accelerated in both greenfield and brownfield developments in the interim period until Auckland’s new Unitary Plan becomes operative in about 2016. This will be achieved by facilitating residential developments that are consistent with the notified Unitary Plan, through a more flexible process for development approvals and consenting.

- 7 The parties also acknowledge that improving the affordability of housing is a complex issue and requires consideration of wider issues, not all of which will be able to be addressed under this Accord.

## Purpose

- 8 This Accord will provide the basis for collaboration between the Government and Council to urgently support the increase of housing supply and improved housing affordability in Auckland over the next three years and outlines:
- an agreed way forward for Government and Council to facilitate an increase in the supply of housing and improved affordability in Auckland via land supply and new consenting processes
  - other areas of joint action including placed-based initiatives like Hobsonville and Tāmaki, the cost of building materials, industry skills and training, exploring options for timely delivery of infrastructure and compliance costs, including but not limited to regulatory costs
  - processes by which the parties will work to achieve this
  - detail of the new powers needed to achieve this
  - shared aspirational targets
  - monitoring and review of progress
  - circumstances under which the accord may be ended.

## Way Forward

- 9 Auckland is a thriving city where people want to live and work and where families want housing choices in their communities. The Auckland Council Unitary Plan will not become operative before 2016. Until this time the current Metropolitan Urban Limit (MUL) and operative plan rules will apply. In the intervening period it is agreed that additional tools are needed to facilitate housing development and affordability in Auckland.
- 10 It is also agreed that to meet the current and future housing needs of Auckland, interim measures need to provide for a mix of greenfield (urban expansion in rural areas) and brownfield (urban intensification) housing development.
- 11 In acknowledging that:
- the Government's and Council's priority is the development of as much additional housing as is possible, as quickly as possible, to alleviate pressures in the housing market; and
  - the Council's focus is additionally on ensuring new residential housing developments are consistent with Auckland's future vision

the essential agreement in this Accord is for:

- Government to provide Council additional powers to grant special approvals and consent new land and housing developments
- approval and consenting processes to deliver against the provisions of the notified Unitary Plan
- the Council and Government to endeavour in good faith to achieve the shared housing goals and
- Government and Council to work together on the delivery of necessary infrastructure.

## New Flexible Powers

- 12 The Accord gives the Auckland Council access to the new flexible powers to streamline resource consent and plan change approvals available under the Housing Accords and Special Housing Areas Act 2013.
- 13 Under the terms of this Accord the Auckland Council will be granted certain powers.
- 14 The legislation will enable Special Housing Areas (SHAs) to be identified by Council and jointly approved by Council and Government.
- 15 SHAs are brownfield and greenfield areas inside the proposed Rural Urban Boundary (RUB), identified for the purpose of urban development, mainly for housing, but with provision for business and community services and amenities as well.
- 16 An SHA is not subject to the provisions of the operative Regional Policy Statement (RPS) including all references to the MUL, or any other operative District Plan, unless a Qualifying Development is pursued under an operative plan.
- 17 While the Housing Accord is in place, the Government commits to not use any proposed or existing powers under the RMA to override the Council's planning and consenting processes in respect of housing.

## Qualifying Developments

- 18 Any party may propose to the Council for consideration Qualifying Developments within SHAs, as per the notified Unitary Plan that are:
  - predominantly residential,
  - have capacity for 50 or more dwellings or 50 or more vacant residential sites in greenfield areas, or capacity deemed appropriate to give effect to the purpose of the Housing Accords and Special Housing Areas Act (the Act),
  - have the capacity for 4 or more dwellings or 4 or more vacant residential sites in brownfield areas
  - a maximum of 6 storeys, or alternatively the height provisions in accordance with the notified Unitary Plan, whichever is the lowest.

- 19 Applications for Qualifying Developments will be determined under the following criteria:
- give effect to the purpose of the Housing Accords and Special Housing Areas Act
  - that sufficient and appropriate infrastructure is or can be provided to support this development
  - meet all the relevant provisions of the notified Auckland Unitary Plan
  - comply with Part 2 of the RMA (1991)
  - take into account the factors outlined in section 104-104E of the RMA.
- 20 A key purpose of this Accord is increased affordability and greater access to housing for first time home buyers. Qualifying Developments are therefore required to give consideration to the provision of affordable housing and/or first home buyer purchase. Conditions of consent may include requirements for a proportion of the development to include affordable housing and/or provision for first time home buyer purchase.
- 21 Approvals for Qualifying Developments in areas that transition from rural to urban uses (i.e. Future Urban zone to 'live' urban zones) will be subject to:
- special limited notification
  - an Independent Panel, appointed by the Council, hearing submissions and making decisions on the application
  - the scope of submissions is limited to those matters of discretion as provided for in the notified Unitary Plan, and no further submissions (i.e. only one submission period)
  - a Panel decision within the timeframes specified in the Act
  - Panel decisions being final unless otherwise provided for in the Act
- 22 Applications in areas that transition from Future Urban to live urban zonings can be integrated to include a structure plan, zone plan, subdivision and other related consents.
- 23 Consents for Qualifying Developments in brownfield areas will be subject to:
- being within a Mixed Housing Suburban, Mixed Housing Urban, Terrace Housing and Apartment Building, Mixed Use and Special Purpose (Maori land) zone, or land contained within a precinct as identified in the notified Unitary Plan. Additionally, by exception and at the discretion of the Council, any other urban zone where the Qualifying Development will contribute to the purpose of the Act.
  - special limited notification
  - an Independent Panel, appointed by the Council, will hear submissions and make decisions on the application
  - the scope of submissions is limited to those matters of discretion as provided for in the notified Unitary Plan, and no further submissions (i.e. only one submission period)
  - a Panel decision within the timeframes specified in the Act

- Panel decisions being final unless otherwise provided for in the Act.

## Targets

- 24 Council and Government acknowledge the importance of agreeing targets to give effect to the purpose of this Housing Accord that will assist in delivering the level of new dwellings necessary to meet Auckland's housing needs.
- 25 These targets will need to be achieved mainly by private housing developers although Government has an active role in developing social housing and some affordable housing. Investment in land development and housing cannot be compelled. This Accord is about providing the conditions for private investment in housing and will require both Council and Government to work closely with the development sector. Council and the Government further agree, within their respective areas of control, to endeavour in good faith to achieve the agreed targets within the timeframe of this Housing Accord.
- 26 The agreed goals, set out below, include all new dwelling and new sites consented under existing regulations or through the application of the new tools enabled through this Accord and are based on new building and subdivision consents in greenfield and brownfield areas.

Year 1	Year 2	Year 3
<b>9,000</b>	<b>13,000</b>	<b>17,000</b>

## Other Areas of Joint Action

- 27 There are currently a number of joint housing related projects in Auckland including the redevelopment of Tāmaki to provide an additional 6,000 dwellings, the Hobsonville development delivering 3,000 dwellings and various housing New Zealand Corporation redevelopment projects designed to deliver new housing stock to the market.
- 28 As part of this accord, the Council and Government additionally agree to coordinate their efforts on other issues impacting the provision of affordable housing including but not limited to the following:
- the cost of building materials
  - industry skills and training
  - exploring options for timely financing and delivery of core infrastructure
  - compliance costs, including but not limited to regulatory costs
  - investigating the development of an on-line building consenting process.

## Areas Outside Scope

### *Resource Management Act reforms*

- 29 This Accord does not limit the Council, or the Government, coming to differing positions in respect of Government programmes of reforms to the Resource Management Act. The Government welcomes submissions from the Council on the Government's discussion paper on the Resource Management Act and the subsequent Bill at Select Committee.

### *Unitary Plan*

- 30 This Accord does not imply agreement on the content of the Unitary Plan. The Council welcomes submissions from the Government or its agencies on the Unitary Plan and specifically on how it may be improved in respect of housing affordability, supply and other matters.

## Governance and Processes

- 31 Governance of this Accord will rest with a Joint Housing Steering Group comprising the Mayor of Auckland, the Deputy Mayor of Auckland, the Minister of Housing and the Associate Minister of Housing.
- 32 The Joint Housing Steering Group has the ability to amend this Accord, including targets, upon agreement. The targets shall be reviewed annually, subject to reports on progress and the state of the building/construction sector.
- 33 The Council and the Government will establish an Officials Working Group which will meet as often as required to advance the implementation of this Accord.
- 34 This group will report to the Joint Housing Steering Group and will prepare any progress or monitoring report as requested by the Steering Group.

## Monitoring and Review

- 35 In order to ensure that the purposes of this accord are achieved, the Joint Housing Steering Group will monitor and review the implementation and effectiveness of this Accord. In order to do this:
- the Officials Working Group will meet approximately monthly to:
    - a. receive reports from Council detailing information on approvals and consenting under the provisions of this accord,
    - b. review progress in implementing this accord
    - c. review progress on all other areas of joint action.
- 36 A full review of the effectiveness of the accord and actions taken under it will be carried out by the Officials Working Group after its first 12 months of operation, and be reported to the Joint Housing Steering Group.

## Commencement of the Accord

37 The new approval process for Qualifying Developments will not take effect until the Auckland Council formally notifies the Unitary Plan.

## Termination of the Accord

38 This accord will come to an end:

- three years from notification of the Unitary Plan; or
- six months following the date that either party gives the other party notice of its intention to withdraw from this accord.

## Publicity

39 The Mayor and the Minister agree that any communications or publicity relating to this accord will be mutually agreed prior to release.

## Ratification

Signed on this 3<sup>rd</sup> day of October 2013



Hon Dr Nick Smith  
**Minister of Housing**



His Worship Len Brown  
**Mayor of Auckland**