

APPENDIX 6: ECONOMIC IMPACT ASSESSMENT OF PROPOSED DISTRICT PLAN RESIDENTIAL CHAPTER CHANGES TO PROVISIONS

A: Zone changes

Current Plan requirement	Proposed Plan requirements	Community group impacted	Costs	\$cost	Benefits	\$benefits	
1. Up-zoning lower density zones (former L1 & L2) to medium density (former L3)							
<p>Currently some medium density housing is provided for in Living 3 Zones outside of the Central City, e.g. near to Riccarton (newly described as a Key Activity Centre (KAC)).</p> <p>Around most KACs and neighbourhood centres the existing zoning is either Living 1 or Living 2 (most common) – i.e. a form of lower density zoning.</p> <p>The key density determinant for:</p> <ul style="list-style-type: none"> - L1 is 1 dwelling per 450m² (reducing to 420m² as non-complying activity); - L2 is 1 dwelling per 330 m² (reducing to 300 m² as a non-complying activity). 	<p>1. Rezoning of lower density zones in and around Key Activity Centres and Neighbourhood Centres to Medium Density Zone.</p> <p><i>i.e.</i> the current Living 3 zone equivalent. This enables densities well above 30 households to the hectare (i.e. medium to high densities).</p>	Residents - homebuyers			Increased supply of (affordable) housing	Moderate	
						Increase in range of available housing types	Minor-moderate
		Residents – all	Under-provision of infrastructure LoS when population density increases (<i>if compensating increase in infrastructure is not provided by Council</i>)	Moderate			
			Decline in amenity values if poor building outcomes are achieved	Minor-moderate			
			Increase in intrusive noise due to intensification	Minor-moderate			
			Transitional costs associated with increasing intensification/ building construction	Minor-moderate			
		Residents – existing				Health benefits from increased walking/cycling opportunities	Minor
			Possible decrease in privacy from status quo particularly during transition phases of rebuilding/intensification	Minor			
			Uncertainty for residents about potential adjoining sites/neighbourhoods being intensively developed	Minor			
		Road users	Increased traffic congestion (<i>if no additional roading provided</i>)	Moderate			
		Home builders/Investors				Decreased marginal building costs of additional units ¹ . For an indicative development, estimated costs are: 1 Unit = \$330k 2 Units = \$301k/unit 5 Units = \$278k/unit 10 Units = \$269k/unit 20 Units = \$251k/unit	Moderate-significant
		Investors				Increased opportunities for income stream from rental or build developments	Minor-moderate
		Wider community				Increase in land productivity	Minor-moderate
Increased infrastructure costs to service greater density of population	Minor (<i>Growth community share some of the burden</i>)						
Current Plan requirement Proposed Plan requirements Community group impacted Costs \$cost Benefits \$benefits							
2. Provision of a floating zone							
	<p>2. Provision of a floating zone – otherwise known as Comprehensive Development provision on site 1500 m² or greater. This enables medium density (similar to L3) in & around Key Activity Centres and larger</p>	Residents - homebuyers			Increased supply of (affordable) housing	Moderate	
					Increase in range of available housing types	Minor-moderate	
		Residents – all	Under-provision of infrastructure LoS when	Minor-moderate			

¹ See TRIM 13/1055146

neighbourhood centres (and on suitable brownfields land). (NB : this is also being recommended to CERA according to draft LURP directive). It has a maximum density restriction of 60 hh/ha.		population density increases (<i>if compensating increase in infrastructure is not provided by Council</i>)			
		Decline in amenity values if poor building outcomes are achieved	Minor-moderate		
		Increase in intrusive noise due to intensification	Minor-moderate		
		Transitional costs associated with increasing intensification/ building construction	Minor-moderate		
				Health benefits from increased walking/cycling opportunities	Minor
	Residents – existing	Possible decrease in privacy from status quo particularly during transition phases of rebuilding/intensification	Minor-moderate		
		Uncertainty for residents about potential adjoining sites being intensively developed			
				Increased land values	Minor-moderate
	Road users	Increased traffic <i>congestion (if no additional roading provided)</i>	Moderate		
	Home builders/Investors			Decreased marginal building costs of additional units ² . For an indicative development, estimated costs are: 1 Unit = \$330k 2 Units = \$301k/unit 5 Units = \$278k/unit 10 Units = \$269k/unit 20 Units = \$251k/unit	Moderate-significant
	Investors			Increased opportunities for Income stream for investors	Minor-moderate
	Wider community			Increase in land productivity	Minor-moderate
		Increased infrastructure costs to service greater density of population	Minor (Growth community share some of the cost)		

--	--	--	--	--	--	--

Current Plan requirement	Proposed Plan requirements	Community group impacted	Costs	\$cost	Benefits	\$benefits
--------------------------	----------------------------	--------------------------	-------	--------	----------	------------

3. Package of small scale increases in density – in Suburban Residential Zone & Provision for Comprehensive Development (Floating Zone provision)

As above for L1 and L2 (new Suburban Residential) there are existing density limitations to ensure a lower density residential environment is maintained. Some small scale medium to higher density housing is, however, provided by: 1. Elderly Persons Housing (over 60's) units. The EPH provisions enable a medium to high density. They are not accompanied by a minimum or maximum site size but are controlled by a range of bulk and location rules - primarily a maximum unit size of 80m ² ; and 2. Family flats.	The provisions below are centred on allowing some additional households within the Suburban Residential Zone, but within the context of retaining an overall suburban residential character and amenity.					
--	--	--	--	--	--	--

² See TRIM 13/1055146

Current Plan requirement	Proposed Plan requirements	Community group impacted	Costs	\$cost	Benefits	\$benefits	
Continued Density Bonus							
	Largely with existing L1 & L2 provisions (with density bonus retained in L2 overlay – i.e. ability to subdivide down to 330 m ² (reducing to 300 m ² as a non-complying activity).	Residents - homebuyers			Increase in supply of housing	Minor	
					Increase in range of available housing types	Minor	
		Landowner/Developer			Landowners can subdivide down to smaller scale site	Minor	
Removal of age restrictions for EPH units							
	This would mean the occupation of these units could be extending to all age groups. (NB: it recognises that other legal instruments (outside of the Plan) can continue to control retention of the age limit (if desired by existing residents).	EPH Residents – new	Possible reduction in supply of dedicated EPH units	Minor (<i>Small unit supply may be augmented through 'hidden density' developments</i>)			
		EPH Residents - existing	Potential loss in property rights as the 'nature' of the EPH development that they bought into (i.e. over 60's, peaceful, etc) is removed	Minor- Moderate (<i>dependent upon the ability of the 'Body Corporate' for each development to restrict any non-EPH residents</i>)			
		Residents - home buyers				Increase in supply of housing in L2 zones	Minor-moderate
						Increase in types of housing available	Minor-moderate
		Community				Increase in supply of social housing	Minor-moderate
						Decreasing reliance on Local/Central Government provision of social housing	Minor
				Increase in opportunities for participation by social agencies in the provision of social housing	Minor-moderate		
Provision for pockets of small-scale multi-unit housing developments							
	To be provided for in the former L2 areas (i.e. a new SR2 type overlay area). This new multi-unit provision would be open to any age group or sector of the community).It would come with a maximum no. (or site size), e.g. no more than 8 units, and other built form standards such as minimum unit size.	Residents - homebuyers			Increase in supply of housing	Minor	
					Increase in range of available housing types	Minor	
		Community				Increase in productivity of land	Minor
		Residents - existing	Uncertainty for residents about potential adjoining sites being developed on medium-scale basis	Minor (<i>Limited only to pockets of development rather than widespread</i>)			
			Potential increase in noise/ traffic movements/ disturbances issues due to intensification	Minor (<i>Limited only to pockets of development rather than widespread</i>)			
			Potential for increased noise/ congestion due to intensification	Minor			
	Investors/developers				Increase in investment opportunities	Minor	
Conversions							
	Utilising the existing housing stock by providing for : a) The conversion of existing dwellings to provide an additional residential unit ; and b) The conversion of existing dwellings together with a small scale extension to the dwelling to provide an additional residential unit. Both a) and b) would be subject to specific built form standards (e.g. min. unit size, outdoor living space, extent of parking space required). Enabling additional residential units on sites with existing dwellings. As for above subject to restrictions on size, etc. <u>For both components above, no more than 2 units (total) could be provided on any one site (including the existing</u>	Tenants			Increase in supply of rental accommodation	Minor	
		Landlords/Investors			Increase in opportunity for rental investments	Minor-moderate	
		Landlords	Direct costs of building conversion (<i>Indicative estimates of \$235k for conversion of existing 130m² dwelling into two units or \$312k for conversion of existing 100m² dwelling into two plus 30m² addition</i>) ³	Moderate			
		Residents - existing	Increased vehicle movements (<i>Assumed increase in residents/dwelling with vehicles</i>)	Moderate			
			If extension to existing dwelling, then potential reduction in privacy and increased noise	Minor-moderate			
			Reduction in amenity values if significant changes to structure are made, especially if viewed from street frontage	Minor-moderate			
					Residents are able to live locally in	Moderate	

	unit at date of notification of the Plan)				smaller sized house serving their needs and being near family and friends, etc rather than having to move to a new neighbourhood. This also improves social accessibility, connectedness and accessibility.	
		Residents - homebuyers			Increase in types and choice of housing available for purchase	Minor-moderate
					Increase in supply of affordable housing	Minor - Moderate
		Community			Increased land productivity	Moderate
					Increase in range of available housing types	Minor-moderate
					Increase in supply of housing available	Minor-moderate
					Increased sustainability of using existing resources more effectively	Moderate
		If conversion of existing, then increase in density without change in structure/amenity of dwelling?	Moderate-significant			

4. Down zoning L4 (Medium to Higher Density) to L3 (Medium Density)

L4 Zones outside the Central City currently enable higher density (apartment style) development. There are pockets of L4 at: - Carlton Mill corner - North Beach - New Brighton	Re-Zoning L4 land to L3. Together with retaining some site specific density bonus provisions in these former L4 locations (primarily achieved via additional height provision, except for New Brighton). This recognises existing use rights could still be applied for to achieve former L4 type density.	Residents – existing	Loss of future development rights	Moderate		
		Community			Smaller part of community put at risk (through reductions in intensification) in known hazard areas	Moderate

Current Plan requirement	Proposed Plan requirements	Community group impacted	Costs	\$cost	Benefits	\$benefits
--------------------------	----------------------------	--------------------------	-------	--------	----------	------------

5. Sustainable building (Greenfields only)

No current requirement	Requirement for all residential units to meet Home Star 6 rating.	Developers - Greenfields sites	An initial increase in construction costs (based on the Auckland Unitary Plan Section 32 Report)	Minor - a Homestar 6 star rating for a indicative 3 bedroom / 180 sqm new home in Auckland (Sale price \$550,000) would cost an additional \$6,437.50. This equates to 2.16% of the build cost, or 1.17% of the selling price. ⁴ Warm-up NZ: Heat Smart programme average cost estimates of \$2,494/house for insulation costs and \$2,977/house for clean heating			
		Residents – new				Long term or life time energy and general environmental costs are significantly reduced	Minor-moderate - payback for the \$5,223 cost of Homestar 6-star rating investment is 5.5 years (Auckland) ⁵
						Other private benefits include more comfortable and healthier homes	Moderate – conservative estimate from the Warm Up NZ : Heat Smart programme of \$636.33m/ year in total national health benefits
						Increase in value of home due to capital improvements	Minor
		Community				Environmental benefits including less pollution from resource use, fewer resources being used (less wastage), more sustainable resources being used and resources being used more efficiently	Moderate - the average net effect of installing insulation under Warm Up NZ: Heat Smart was an 18% (0.39kW) reduction in peak winter electricity demand. There was also a corresponding increase in internal temperature of 1-2 °C

³ See TRIM 13/1055139

⁴ See TRIM 13/918422

⁵ See TRIM 13/ 918408

Current Plan requirement	Proposed Plan requirements	Community group impacted	Costs	\$cost	Benefits	\$benefits	
6. Site amalgamation							
Comprehensive Housing provision	Comprehensive Development provision (for Medium Density and Suburban Residential Zone) as referred above. (Other measures re plot bonus etc to follow once this package more advanced) Flexibility in L3 built-form requirements	Community			Increase in land productivity	Very minor	
		Developers			Increased opportunities for improved design options on site (<i>layout options increase</i>)	Minor	
7. New neighbourhoods							
Develop in accordance with an ODP. Multiple sets of rules for different areas. Range of allotment sizes required.	Develop in accordance with an ODP Top-down design master plans, use of building typologies, lofts over garages, cottages, 15 houses/ha, but with provision for subdivide first if that is the preferred business model. Standardised rules as much as possible. Range of residential unit types required or Range of allotment sizes required.	Developers	More investment in up front design needed.		Minor		
			If subdivision is the first process to be used then it is open to the usual public notification processes – This can lead to uncertainty about process for developers.		Minor		
						If top down design approach is used then no public notification requirements leading to greater certainty of time and process.	Minor
						Reduction in resource consenting costs	Moderate-significant (<i>Depending on size of development</i>)
		Community	Possibly higher capital costs for higher amenity requirements in public spaces		Minor-moderate		
			Higher long term costs for maintenance of higher amenity public space (falls on general ratepayer or if targeted rate used on the user of the amenity.)		Moderate		
						Generally better built outcomes that provide for a range of lifestyles, economic needs, and housing choice	Moderate
						Generally more 'area self sufficient design' leading to less need to travel from the neighbourhood.	Moderate
		Residents - homebuyers	May lead to an increase in housing costs		Minor (<i>housing costs and prices subject to a range of variables</i>)		
						Better, liveable, safer, healthier and generally more sustainable environments	Moderate
				Presents a range of unit types to the market at different prices.	Minor-moderate		

B: Built form changes and economic impacts

Current Plan requirement	Proposed Plan requirements	Community group impacted	Costs	\$cost	Benefits	\$benefits
1. Reduction in plot ratio for Living 3 zones						
In Living 3 zones the plot ratio is 0.8	For Living 3 zones, the plot ratio will be reduced to 0.7 (70%)	Community			Reduces amenity issues associated with an area being 'visually overdeveloped'	Low-moderate
	For lots/sections of 1500m ² or more the plot ratio will be set at 1.0	Developers	Reduction in potential built floor area on a site for developments below 1500m ²	Very low – <i>under current rules, very few developments achieve 0.8 plot ratio</i>		
2. Controls on site coverage						
For Living 3 zones no control on site coverage	15% of the lot/section must be planted/landscaped. This requirement will overlap with the existing landscaping requirements	Developers	Could lead to loss of garaging from double to single to meet controls on site coverage. Increased landscaping costs	Very low <i>Very low – overlaps with existing requirements and is easy to deliver by swapping paving with grass</i>		
		Community			Improved amenity benefits	Very low
		Residents			Reduction in impervious surfaces improving drainage	Very low
					Improved amenity	Very low
3. Fencing restrictions for Living 1 and Living 2 zones						
Current maximum of 1.8 to 2.0 m fencing on front boundary	Front yard boundary fencing to be no higher than 1.2 metres. No height restriction on soft barriers such as hedging	Community			Visual amenity improved	Low
		Resident/ Homeowner			Reduced marginal cost of fencing	Very low
			Potential loss in privacy and noise abatement due to lower fence heights	<i>Very low – this height is consistent with greenfields practices and through greenfields covenants</i>		
		Council	Enforcement issues for non-resource consent fencing	Very low		
4. Garages in front yards						
Current requirement for garaging is 4.5m from front boundary line.	<i>Side-on garage:</i> 2 metres from front boundary if shielded with two large trees of 4m+ height (plus fencing) 600mm planting on driveway boundary <i>Front-on garage:</i> 2 metres from front boundary if shielded with two large trees of 4m+ height (plus fencing)	Council			Reduced compliance costs	Low
		Community			Improved visual amenity	Low
		Resident/ Homeowner			Increase in 'usable' space in section following a reduction in garage offset from boundary	Very low
			Increase in landscaping costs	Very low		
5. Site coverage in Living 1 and Living 2 zones						
<i>Living 1</i> Site coverage is a maximum 35% if 2 storey or 40% if single storey <i>Living 2</i> Site coverage is a maximum of 40% if 2 storey or 45% if single storey	<i>For both living 1 and Living 2:</i> Site coverage to a maximum of 35% for any development Objective is to reduce the risk of 'overbuilding' on smaller sections especially on top of the existing front setbacks of 4.5m. However, in Living 1 the average site coverage is about 20% so a lowering of the rule maximum is not expected to impact too much from existing developments.	Community			Improved visual amenity through a reduction in potential 'overbuilding'	Low-moderate
		Developer	Reduced opportunity for more intensive development on smaller sites	<i>Very low – limit not likely to be achieved under current rules.</i>		