

Regulatory Impact Statement

Establishing 24 Special Housing Areas across Auckland, Nelson, Selwyn and Tauranga under the Housing Accords and Special Housing Areas Act 2013.

Agency Disclosure Statement

- 1 This Regulatory Impact Statement has been prepared by the Ministry of Business, Innovation and Employment (MBIE).
- 2 It provides an analysis of options to establish 12 special housing areas (SHAs) and two SHA extensions in Auckland, nine SHAs in Nelson, two SHAs in Selwyn and one SHA in Tauranga to increase the supply of land available for residential development and help reduce pressure on land and house prices in these regions.

Limitation of options under the Housing Accords and Special Housing Areas Act 2013

- 3 These SHAs will be established under the powers of the Housing Accords and Special Housing Areas Act 2013 (the Act), which came into force on 16 September 2013. The Act also limits Government's decision-making:
 - a. As a Housing Accord exists for each of these regions, the Government may only accept or decline SHAs as proposed by the territorial local authority
 - b. The Minister may not recommend alternative SHAs
 - c. The Government may not agree a portion of a proposed SHA from a territorial local authority
- 4 The options in this paper are therefore limited to accepting or declining the SHAs that have been recommended by the Councils for Auckland, Nelson, Selwyn and Tauranga.

Limitations of the SHA analysis

- 5 MBIE has assessed the SHAs as meeting the SHA establishment criteria under the Act. Analysis of the expected impacts of establishing the proposed SHAs, and the extent to which they meet the criteria is based on data provided by each Council. The respective Councils have met with the developers, infrastructure providers and other stakeholders and analysed the expected impact of declaring these areas as SHAs. Our analysis of the options in this regulatory impact statement assumes that these data are accurate and fully capture the expected impact of establishing these SHAs.

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Introduction

- 6 This RIS analyses the proposals to establish 12 SHAs and two SHA extensions in Auckland, nine SHAs in Nelson, two SHAs in Selwyn and one SHA in Tauranga by Orders in Council on the recommendation of the Auckland Council, Nelson City Council, Selwyn District Council and the Tauranga City Council respectively. The Councils have made these recommendations to the Minister for Building and Housing under their agreed housing accords with government and under the powers of the Act.

Background

Housing Accords and Special Housing Areas Act 2013

- 7 The Act is intended to boost the supply of land in the short term for residential developments in areas with significant housing affordability issues. Increasing supply aims to reduce price pressures and improve housing affordability. High cost areas are identified in Schedule 1 of the Act, and include Auckland, Nelson, Selwyn and Tauranga. Once a region is identified in Schedule 1, a housing accord can be agreed between the Minister for Building and Housing and the Council.
- 8 The Council can propose SHAs to the Minister for Building and Housing in defined geographic areas that have the potential to deliver increased land and housing supply relatively quickly.
- 9 SHAs allow more permissive and fast-tracked consenting processes to qualifying developments in these areas. They are established by the Governor-General via Order in Council on the Minister's recommendation. Before making a recommendation to establish SHAs, the Minister must have regard to existing geographic boundaries, the relevant district plan, and any relevant proposed district plan to ensure that the boundaries of the proposed SHA are clearly defined in the Order in Council and easily identifiable in practice.
- 10 The Minister must also be satisfied that the areas meet three criteria:
- a. that adequate infrastructure to service qualifying developments in the proposed SHAs either exists or is likely to exist;
 - b. that there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and
 - c. that there will be demand for residential housing in the proposed SHAs.
- 11 Where a housing accord exists, the Government can only identify SHAs on the Council's recommendation and the powers to grant resource consents for housing development on a more flexible basis would only be exercisable by that council.
- 12 The Auckland Council, Nelson City Council, Selwyn District Council and Tauranga City Council have Housing Accords with the Minister for Building and Housing.

Auckland Council's additional criteria

- 13 When ratifying the Auckland Housing Accord, Auckland Council adopted criteria of its own for the selection of SHAs. These criteria go beyond those imposed by the Act.¹ Auckland

¹ The Act does not prevent accord territorial authorities from introducing additional criteria for the selection of SHAs and from a policy perspective it makes sense for the accord territorial authority to do so (given that they possess the best local knowledge of the demand and shape of required development).

Council's additional criteria are intended to provide certainty and consistency of approach so that developers are clear about what the opportunities and general requirements are. Significant criteria include:

- a. That the SHA be "located inside the notified Rural Urban Boundary or an existing applicable zone".
- b. That "sufficient and appropriate infrastructure (physical and social) will be provided to support the development."
- c. That the SHA must be "compatible with Proposed Auckland Unitary Plan (PAUP) provisions".
- d. That the SHA must have "reasonable access to employment and essential services".
- e. That the SHA has a "motivated developer ready to go, and likely to achieve early consent activation and the intended yield of sites/dwellings within the accord period²."
- f. That the proposed SHA contributes "to housing affordability either in terms of overall housing supply or pricing of the intended housing product."

Problem definition

- 14 The principal issue discussed in this RIS is whether Cabinet should agree to create 14 SHAs recommended by Auckland Council, nine SHAs recommended by Nelson City Council, two SHAs recommended by Selwyn District Council and one further SHA recommended by Tauranga City Council.

Housing demand across Auckland, Nelson, Selwyn and Tauranga

Table 1: Estimated demand³:					
	Current approx. dwelling shortfall (range)	Approx. building consents needed annually to 2018	Approx. no of building consents (July 14 - June 15)	Approx. dwelling yield of SHAs declared to date	Approx. dwelling yield in this proposal
Auckland	20,000 - 25,000	13,000	10,000	48,000	4,500 - 4,700
Nelson	500	400	200	0	400
Selwyn	300	1100	1300*	0	1350
Tauranga	100	1000	1100**	1900	180-240
Total					6,400-6,700

* We expect the consent figures to fall in coming years. Selwyn's population has increased significantly since the Christchurch earthquakes and the District has a reduced availability of readily developable residential land.

**Tauranga's population is expected to grow due to migration from Auckland and we expect the current rate of building consents to be insufficient to meet this future demand.

2 The Accord comes to an end three years from notification of the Unitary Plan or if a party withdraws from the accord.

3 This data may not accurately estimate future housing demand. These estimates are indicative only and are based on data including building consents and population projections from Statistics New Zealand. Estimates will vary depending on factors which may include the year in which the calculations begin.

Auckland housing affordability and demand

- 15 Pressures are continuing on the Auckland housing market due to under supply of new housing and increased demand. Housing inventory in Auckland remains low compared to demand. The city is still some way short of building the housing that it needs given an estimated accumulated shortfall of between 20,000 to 25,000 houses to date. In December 2015 the median sales price in Auckland was \$770,000, almost \$92,000 more than a year earlier, a rise of approximately 14 per cent.
- 16 Auckland's population growth has exceeded historic peaks, driven by high net migration. In the last two years, the population has grown by 35-40,000 people per year, double its average growth over the five previous years.

Nelson housing affordability and demand

- 17 Nelson has a steady demand for new housing due population growth driven by positive net migration and natural increase.
- 18 In medium series projections, Nelson's population is projected to grow 10 per cent between 2013 and 2031.
- 19 The current rate of building consents issued by Nelson City Council indicates housing supply is likely to be insufficient to meet future demand (as shown in table 1).

Selwyn housing affordability and demand

- 20 The Selwyn housing market is currently experiencing rapid population growth in Rolleston and reduced availability of readily developable residential land.
- 21 The 2009 Rolleston Structure Plan identified that Rolleston was expected to grow from a population of 6,800 to approximately 22,000 in 2041 – an average increase of approximately 500 persons or 160 households per year.
- 22 Selwyn experienced significant growth as a consequence of the Christchurch earthquakes of 2010 and 2011, which resulted in a short term loss of 12,000 dwellings in the Greater Christchurch area. Rolleston in particular experienced the highest population growth in Greater Christchurch between the 2006 and 2013 censuses. Selwyn was the fastest growing territorial authority in New Zealand for 2013/14 and 2014/15.
- 23 SHAs in Selwyn will assist in anticipating some of this demand as well as ensuring that a proportion of the developable residential land is affordable housing.

Tauranga housing affordability and demand

- 24 Statistics New Zealand projects steady growth in Tauranga over the next 20 years, of between 1.4 per cent each year (medium growth scenario) and 2 per cent each year (high growth scenario). The city's population is projected to grow by between 37,500 (medium) 54,000 people (high), largely due to migration from Auckland.
- 25 It is likely that Tauranga will need approximately 16,000-23,000 more houses to keep up with demand, over the next 20 years. SHAs will assist in ensuring that the current rate of building consents issued by Tauranga City Council is sufficient to meet this future demand.

Objectives

- 26 The over-arching objective of these SHAs is to increase the supply of land for housing in the constrained Auckland, Nelson, Selwyn and Tauranga housing markets and reduce upward pressure on house prices.
- 27 A further objective of establishing these SHAs is to give effect to the Auckland, Nelson, Selwyn and Tauranga Housing Accords, as well as the Act.

Options and impact analysis

Cabinet may choose to approve or decline the options put forward by the Councils.

Auckland SHAs

- 28 The SHAs have a projected long term yield of approximately 4,597 – 4,681 dwellings on 366.79 ha of land.
- 29 Table 2 summarises the additional area and dwelling yield that will result from the proposed SHAs.

Table 2: Proposed Auckland SHAs				
SHA name	Type	Approx. size (ha)	Approx. yield	
1. Argent Lane, Wainui	Greenfield	190.53	2403	
2. Bremner Road, Drury Extension	Greenfield	22.61	300	
3. Brightside Road, Stanmore Bay	Brownfield	0.41	40-50	
4. Canal Road, Avondale	Brownfield	0.14	7	
5. Forge Way, Mt Wellington	Brownfield	0.17	41-50	
6. Hobsonville Point (Catalina Precinct) and Marine Industry Precinct Extension	Brownfield	13.67	150-160	
7. Kelmarna Avenue, Herne Bay	Brownfield	0.23	70	
8. Link Crescent, Stanmore Bay	Brownfield	2.07	40-60	
9. Manurewa Cluster	Brownfield	0.77	37	
10. Moire Road, Massey	Brownfield	9.20	175-200	
11. Ockleston Landing, Hobsonville	Greenfield	3.61	70-80	
12. Onehunga Cluster	Brownfield	0.46	22	
13. Tamaki Regeneration Area (Panmure and Point England)	Brownfield	119.90	1,192	

	SHA name	Type	Approx. size (ha)	Approx. yield
14.	Zion Road, Birkenhead	Brownfield	0.19	50
	Total		363.96	4,597-4,681

- 30 We have analysed the Auckland proposed SHAs against the factors the Minister must have regard to under the Act, as outlined in paragraph 10 above.
- 31 This assessment shows a clear demand in all instances, based on actual and projected population growth, and the percentage increase in house prices in adjacent areas in recent years.
- 32 For the proposed 14 SHA sites in Auckland:
- a. Information from Auckland Council and the New Zealand Transport Agency (NZTA) indicates nine out of the 14 proposed SHAs do not currently have adequate infrastructure. Measures are currently being discussed to mitigate these concerns and will require the developer to service the qualifying developments. Auckland Council has stated that concerns will be addressed at the qualifying development stage of the consenting process.
 - b. The Ministry of Education (MoE) has indicated that there is limited capacity in nearby schools and the Argent Lane and Bremner Lane SHAs may require new schools. As part of a broader Auckland education network, MoE is looking at ways of meeting rising demand, including planning for new schools in high growth areas.
 - c. Significant interest from developers (as indicated by Auckland Council) is sufficient evidence of demand to create qualifying developments; and
 - d. Strong interest and demand in adjacent areas (again, indicated by Auckland Council) is sufficient evidence of demand for residential housing.
- 33 The Crown has an interest in four of the proposed Auckland SHAs. Three of the SHAs are owned and will be developed by Housing New Zealand Corporation, and the Moire Road SHA is part of the Auckland Crown Land Programme.
- 34 Each of the Auckland SHAs meets the establishment criteria under the Act, so it would be difficult to justify declining any of them on policy or legislative grounds. Declining a SHA would undermine the government's working relationship with the Auckland Council. Declining any of the SHAs would risk the future of the Housing Accord, the future use of SHAs and would miss an opportunity to accelerate housing supply.
- 35 Supporting the 14 Auckland SHA proposals contributes to the objective of increasing housing supply.

Nelson SHAs

- 36 The nine recommended SHAs have a projected long term yield of approximately 417 dwellings on 20.94 ha of land, as shown in Table 3.

Table 3: Proposed Nelson SHAs

	SHA name	Type	Approx. size (ha)	Approx. yield
1.	Toi Toi Street/Montreal Road/Princes Drive	Greenfield	14	200
2.	Bishopdale Pottery	Greenfield	4.7	60
3.	Ocean Lodge	Brownfield	1.18	40
4.	Betts Carpark	Brownfield	0.12	20
5.	Three Ridges	Greenfield	5.57	21
6.	Barcelona Lofts	Brownfield	0.13	12
7.	Paru Paru Road	Brownfield	0.30	40
8.	Tahuna Housing Development	Brownfield	0.16	18
9.	Orchard Street	Brownfield	0.15	6
	Total		26.31	417

- 37 We have analysed the nine proposed SHAs against the factors the Minister must have regard to under the Act, as outlined in paragraph 10 above.
- 38 This assessment shows a clear demand in all instances, based on actual and projected population growth, and the percentage increase in house prices in adjacent areas in recent years.
- 39 For the proposed nine SHA sites in Nelson:
- a. Information from Nelson City Council, MoE and NZTA indicates that the majority of the proposed SHA sites have adequate infrastructure and those sites requiring infrastructure upgrades will be provided by either the Council or the developer.
 - b. The Nelson City Council has indicated that eight of the nine proposed SHAs are requested by developers and/or landowners who are motivated to develop. The Betts Carpark SHA (owned by the Nelson City Council) is an underutilised brownfield site located close to the city centre and Council indicates that there will be significant developer interest; and
 - c. Steady demand stemming from Nelson's projected population growth is sufficient evidence of demand for residential housing.
- 40 All of the Nelson SHAs meet the establishment criteria under the Act, so it would be difficult to justify declining any of them on policy or legislative grounds. Declining a SHA would undermine the government's working relationship with the Nelson City Council. Declining any of the SHAs would risk the future of the Housing Accord and the future use of SHAs and would miss an opportunity to accelerate housing supply.

41 Supporting the nine Nelson SHA proposals contributes to the objective of increasing housing supply.

Selwyn SHAs

42 The two recommended SHAs have a projected long term yield of approximately 1351 dwellings on 114.21 ha of land, as shown in Table 4.

Table 4: Proposed Selwyn SHAs				
	SHA name	Type	Approx. size (ha)	Approx. yield
1.	Dryden Trust/ Dean Geddes Blocks	Greenfield	72.19	840
2.	Faringdon South 1	Greenfield	42.02	511
	Total		114.21	1,351

43 We have analysed the two proposed SHAs against the factors the Minister must have regard to under the Act, as outlined in paragraph 10 above.

44 This assessment shows a clear demand in all instances, based on actual and projected population growth, and the percentage increase in house prices in adjacent areas in recent years.

45 For the proposed two SHA sites in Selwyn:

- a. Information from Selwyn District Council, MoE and NZTA indicates that adequate infrastructure is likely to exist.
- b. Selwyn District Council has indicated that developers approached them to establish the SHAs and the developers are highly motivated to develop the SHA sites; and
- c. Strong interest and demand in adjacent sites is sufficient evidence of demand for residential housing.

46 Both of the Selwyn SHAs meet the establishment criteria under the Act, so it would be difficult to justify declining any of them on policy or legislative grounds. Declining a SHA would undermine the government's working relationship with the Selwyn District Council. Declining any of the SHAs would risk the future of the Housing Accord and the future use of SHAs and would miss an opportunity to accelerate housing supply.

47 Supporting the two Selwyn SHA proposals contributes to the objective of increasing housing supply.

Tauranga SHAs

48 The recommended SHA has a projected long term yield of approximately 180-240 dwellings on 41.7 ha of land, as shown in Table 5.

Table 5: Proposed Tauranga SHA

SHA name	Type	Approx. size (ha)	Approx. yield
1. Smiths Farm, Bethlehem	Greenfield	41.7	180 - 240
Total		41.7	180 - 240

- 49 We have analysed the proposed SHA against the factors the Minister must have regard to under the Act, as outlined in paragraph 10 above.
- 50 This assessment shows a clear demand, based on actual and projected population growth, and the percentage increase in house prices in adjacent areas in recent years.
- 51 For the proposed SHA site in Tauranga:
- a. Information from Tauranga City Council, MoE and NZTA indicates that there is adequate infrastructure to service the effects of this proposed SHA.
 - b. Tauranga City Council owns the site. A developer is yet to be identified for the SHA site however development options are currently being considered by the Council, including the Council developing the land itself. The Council has indicated that they have received a number of enquiries from developers regarding the sale of the site. There appears to be sufficient evidence of demand to create qualifying developments; and
 - c. Strong interest and demand in adjacent areas, especially in the Bethlehem area (as indicated by Tauranga City Council) is sufficient evidence of demand for residential housing.
- 52 The Smiths Farm SHA proposal in Tauranga may not specifically support the smaller section and dwelling size Housing Accord target. Parts of the Smith Farm site are sloping and are therefore not conducive to smaller lot sizes and some of the larger lots may provide a buffer to the adjoining rural residential areas that are already established. The shortage of developable land in Bethlehem necessitates the larger section sizes.
- 53 The Tauranga SHA meets the establishment criteria under the Act, so it would be difficult to justify declining it on policy or legislative grounds. Declining this SHA would undermine the government's working relationship with the Tauranga City Council and would risk the future of the Housing Accord and the future use of SHAs and would miss an opportunity to accelerate housing supply.
- 54 Supporting the Tauranga SHA contributes to the objective of increasing housing supply.

Benefits and costs

Benefits

- 55 The principal benefit in establishing SHAs is that they will lead to an increase in the supply of housing in Auckland, Nelson, Selwyn and Tauranga. This will be partly due to increasing the pace and reducing the cost of already-planned developments and partly due to incentivising new supply that may not have occurred without the SHA opportunities.

- Both of these situations contribute to easing pressure on the housing markets in these regions.
- 56 The SHA status will enable faster development and faster supply to occur which will help to alleviate house price pressure. Increased consenting pace, reduced holding costs and altered decision-making criteria will also increase the attractiveness of previously marginal development opportunities, resulting in new supply that may not occur without the SHA opportunities.
- 57 The primary mechanisms for encouraging new, accelerated and more affordable supply include:
- a. allowing developers to access more enabling development provisions in the proposed SHA, to increase housing supply by making more efficient use of existing land and infrastructure through redevelopment at higher densities;
 - b. providing developers and landowners within the proposed SHAs with a shorter, less expensive and more certain planning and consenting process;
 - c. altering council decision-making criteria to weight it toward the outcome of housing affordability;
 - d. the following incentives for developers in the Auckland region:
 - i. a fast-track consenting process: 3 months for brownfield and 6 months for greenfield qualifying development applications, with limited notification and appeals;
 - ii. a proactive council pre-application process; and
 - iii. a one-stop shop for applications to Auckland Council including dedicated account managers and a multi-disciplinary approach.
- 58 These mechanisms within SHAs will reduce construction costs and may contribute towards lower house prices. It provides opportunities for developers to build at a scale and density that they might otherwise avoid due to regulatory cost and uncertainty. It may also increase competition in the residential development sector by opening up more development opportunities
- 59 The decision-making criteria under the Act, which favours improving housing affordability, give councils a more permissive space to make exceptions to District Plan rules such as density, site coverage and shadowing constraints. This will increase the attractiveness of previously marginal development opportunities, resulting in new or increased supply that may not have occurred without the SHA opportunity. It should be noted that higher density development is not necessarily of inferior design, and the Councils retain their interest in encouraging attractive urban form.
- 60 By themselves, the 12 proposed SHAs and two SHA extensions in Auckland, nine SHAs in Nelson, two SHAs in Selwyn and the one in Tauranga currently under consideration do not represent a significant increase in housing supply. An isolated analysis of their specific impacts on housing objectives would be impractical, and has therefore not been attempted. Nevertheless, these areas contribute to the broader cumulative benefits generated by all SHAs over time.
- 61 To date, 141 SHAs have been declared in regions throughout New Zealand, with a long term potential yield of 53,000 dwellings.
- 62 We note that the Act does not affect the need for new buildings to meet code compliance under the Building Act, and there will therefore be no compromise in minimum build quality associated with establishment of the SHAs.

Costs

- 63 The underlying premise of the Act is that the need for additional or accelerated housing supply in Auckland, Nelson, Selwyn and Tauranga, and the public benefits that arise from that, outweigh the marginal cost of removing or reducing ordinary community consultation processes under the RMA. The main cost of establishing SHAs is reducing the ability for communities and existing residents to influence the scale and design of what gets built in their neighbourhoods. This trade-off was considered at a high level during the drafting and passage of the Act.
- 64 In Auckland, Nelson, Selwyn and Tauranga some upgrades will be required in terms of water, wastewater and stormwater infrastructure, and the bulk of the costs will be borne by the developer and included in house prices.
- 65 The MoE has indicated there is limited roll capacity in central Auckland and is responding to meet the needs of population growth in general, including SHAs. MoE also notes that continued roll growth throughout Auckland is straining available resources, and is looking at ways of meeting rising demand, including planning for new schools in high growth areas.

Risks

- 66 The Kelmarna Avenue SHA in Auckland has had significant litigation history including the Environment Court's decision in 2007 to reject a developer's proposal on the site. The Auckland Council has indicated that the proposal in the Environment Court concerned the existing zoning under the Operative Plan (a three storey mixed use development of this site proposed at the time represented an overdevelopment of the site). The new Proposed Auckland Unitary Plan provides for a four storey mixed use development on this site.

Conclusion

- 67 Overall, we consider that the benefits of establishing these SHAs in Auckland, Nelson, Selwyn and Tauranga outweigh the costs.

Consultation

- 68 MBIE has sought a peer review of the land descriptions and maps of the SHAs in anticipation of their incorporation into an Order in Council.
- 69 Councils have consulted with infrastructure providers, iwi, and their communities as they see appropriate. MBIE is reliant on these Council consultation processes and their assessment of stakeholder views.

Auckland

- 70 Before recommending the 12 proposed SHAs and two SHA extensions, Auckland Council engaged with infrastructure providers, iwi and local boards. Although Auckland Council did not consult with the wider public on these particular proposals, it has consulted on similar proposals as part of its work on the Proposed Auckland Unitary Plan and this has informed its considerations. The Auckland Council has advised MBIE that consultation was supportive of 11 of the 14 proposed SHAs.
- 71 Local Boards of three of the proposed SHA sites in Auckland are opposed to those sites being granted SHA status. The Boards' concerns stem from the lack of infrastructure particularly the added pressure on the transport network. Auckland Council has considered these concerns and has indicated that sufficient infrastructure will exist before or during development of the site.

- 72 Auckland Council has consulted with local iwi on the proposed SHAs and has indicated that while Te Kawerau a Maki has cultural concerns over 13 of the proposed SHAs, they are not opposed to a SHA if there is continued engagement. Auckland Council has indicated that all qualifying developments are sent to all iwi on a weekly basis and opportunities for engagement arise during the consenting stage.

Nelson

- 73 Nelson City Council has undertaken consultation with the public on the Nelson Plan. The Nelson City Council has also consulted with infrastructure organisations, the Nelson Plan Iwi Working Group and the Developers Advisory Group on the Housing Accord about the potential for future SHAs in Nelson.

Selwyn

- 74 The Selwyn District Council has indicated it has consulted on a number of plan changes in recent years, including areas covered by the proposed SHAs. This engagement has informed the Selwyn District Council's view that there are no known iwi issues for the proposed SHAs.

Tauranga

- 75 Tauranga City Council has undertaken local community engagement as part of consultation on the 2015-2025 Long Term Plan as well as information letters to property owners in the vicinity of the development advising of the potential sale of the land and the SHA proposal. The Council also publicly advertised the consultation information and held public open days and meetings for submitters to present submissions. The Council indicates the key issues relevant to the SHA have been addressed. Tauranga City Council's engagement with local iwi has received no opposition.

Conclusions and recommendations

- 76 The overall conclusion is that agreeing to the 12 SHAs and two SHA extensions in Auckland, nine SHAs in Nelson, two SHAs in Selwyn and one SHA in Tauranga recommended by the respective Councils best meets the objective of giving effect to the Act, and the Auckland, Nelson, Selwyn and Tauranga Housing Accords. Of the options assessed, approval is most likely to result in an increase in the supply of land for which there is adequate infrastructure and evidence of demand and is therefore the option most likely to result in an increase in housing supply to help meet the projected population growth in Auckland, Nelson, Selwyn and Tauranga.

Implementation plan

- 77 If Cabinet makes the decision to confirm the recommendation of the Minister, the Order in Council will be gazetted. Responsibility for successful implementation of SHAs then rests with Councils using their existing consenting functions.
- 78 If the SHAs are agreed, the Councils will start considering resource consent applications in the SHAs under the criteria set in the Order, and relevant Accord where applicable with the fast tracked process outlined above.

Monitoring and review

- 79 Each Housing Accord is governed by two joint committees:
- a. Joint Housing Steering Group: comprising the relevant Mayor and Deputy Mayor and the Minister for Building and Housing; and

- b. Officials Working Group: comprising senior officials from MBIE and the relevant council. Representatives from other relevant agencies often attend these meetings.
- 80 These committees are tasked with monitoring and reviewing SHAs to ensure that they are delivering increased supply in the constrained local housing market.
- 81 The Officials Working Group is responsible for the creation of regular monitoring reports which provide comprehensive data on building consents (including location, and ratio of apartments, flats, townhouses and detached dwellings) and housing accord targets. Data is also provided on dwelling sales prices, growth in consented dwellings land prices and master planning activity, and the number of completed dwellings resulting from SHAs, including the speed of delivery.
- 82 Each of the Auckland, Nelson, Selwyn and Tauranga Housing Accords have Accord targets. These are outlined in Annex 1.

Auckland

- 83 Auckland Council has also established a system that tracks the progress of each SHA and provides data on due diligence, council approval, gazettal, dwelling yield, lodgement of pre-applications, plan variations, qualifying developments, and activity status. This allows data to be collected.
- 84 These measures allow the Officials Working Group to closely monitor and review the implementation of the SHAs and report back to the Joint Housing Steering Group with any required changes.

Nelson

- 85 Given that Nelson City Council operates at a much smaller scale, a similar system has not been developed. Development progress within each SHA will be reported in the annual monitoring reports, including the number of consent applications and progress against Accord targets.
- 86 These measures allow the Officials Working Group to closely monitor and review the implementation of the SHAs and report back to the Joint Housing Steering Group with any required changes.

Selwyn

- 87 Similar to Nelson, the Selwyn District Council operates on an even smaller scale. Monitoring reports of the Accord targets and SHA progress is on the request of the Minister for Building and Housing.

Tauranga

- 88 Development progress within this SHA will be reported in the annual monitoring reports, including the number of consent applications and progress against Accord targets.
- 89 It is not intended that SHA-enabled dwellings sales are considered within monitoring reports, rather the reports will take a whole-of-market view to determine whether the use of SHAs has been effective in easing pressure on the housing market.

Evaluation

- 90 SHAs and Housing Accords are only one of a range of measures implemented by the Government to improve housing affordability. Due to the interlinkages between these measures, as well as external factors, Housing Accords are being evaluated as part of a total package of affordable housing measures.

Annex 1: Housing Accord targets

Auckland⁴

Year 1 ⁵	Year 2	Year 3
9,000	13,000	17,000

Nelson⁶

Housing Supply	Baselines			Aspirational Targets		
	2012	2013	2014	Year 1	Year 2	Year 3
Yield of serviced residential lots (titled) from residential zoned land	89	124	107	100	100	100
Total dwellings consented	285	256	215	240	240	240

Note: Targets are based on household projections of 184 households per annum over the next 10 years as population growth is slowing due to an ageing population, refer <http://www.nelson.govt.nz/population>. The targets above will be measured against Council gathered and publicly available information as appropriate. Aspirational targets relate to respective financial years.

Selwyn

Aim	Targets
To increase the opportunity for increased supply of residential sections and dwellings within Selwyn	Special Housing Areas declared with a potential capacity for 900 dwellings or sections by 16 September 2016
To ensure efficient use of land and variety of product, including affordable small dwelling options in Special Housing Areas	The sections/buildings consented in Special Housing Areas shall be developed at a minimum net density of 12 dwellings per hectare (net density as defined under the Selwyn District Plan). Council will specify affordability criteria for Special Housing Areas within the Council's Selwyn Housing Accord and Special Housing Areas Policy.

⁴ The agreed goals, as 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.

⁵ Each year of the Housing Accord : October 2013 – September 2014

⁶ Note: Targets are based on household projections of 184 households per annum over the next 10 years as population growth is slowing due to an ageing population, refer <http://www.nelson.govt.nz/population>. The targets above will be measured against Council gathered and publicly available information as appropriate. Aspirational targets relate to respective financial years.

Aim	Targets	Year 1	Year 2	Year 3
To increase the supply of residential sections within Special Housing Areas in Selwyn	Number of sections created by resource consent within Special Housing Areas	150	300	450
To increase the overall supply of dwellings in Selwyn	Total number of dwellings consented in Selwyn	1,200	1,250	1,300

Tauranga

	Target	Current baseline
Special Housing Areas	The section/dwelling capacity of land released for development by Special Housing Area declaration under the Tauranga Housing Accord is at least 1,000 in total over Year 1 and 2 of the Accord, with at least 400 in Year 1	
	The average dwelling size delivered within land released for development by the Housing Accord is at least 10% less than the average dwelling size for new houses in the City [over the period 2009 to 2014]	The average floor area of new dwellings in Tauranga between 2009 and 2014 was approximately 189m ²
	The average section size delivered within land released for development by the Housing Accord is no greater than 500m ²	The average size ⁷ of residential sections completed in greenfield urban growth areas in Tauranga between 2009 and 2014 was 609m ²
All of Tauranga	That no less than the current supply of undeveloped zoned and serviced greenfield residential capacity is maintained through the rezoning and servicing of additional land for development.	At June 2013 there was undeveloped zone and serviced capacity for approximately 8,000 additional residential sections.

⁷ This measure excludes infill subdivisions, multi-unit development, retirement villages and changes of tenure.