

## Resource consent issues

There is a common view that council red tape is holding up medium-density housing (MDH) in New Zealand. Research involving five councils and 24 designers, developers and planners found a resource consenting process that worked well in many cases but takes much longer than anticipated in others. Developers are looking for more certainty in the process while councils are facing issues around resources, risk and retention of experienced staff.



### Handling of resource consent applications

To find the key issues around obtaining resource consents for MDH, researchers looked at how applications were handled by five territorial authorities: Auckland Council, Wellington City Council, Christchurch City Council, Palmerston North City Council and Hastings District Council. They also looked at the experiences of the parties involved in specific applications for MDH developments.

There were three parts to the research:

- Examining the district plans and the rules, policies and objectives against which MDH proposals are considered under the Resource Management Act 1991 (RMA).
- Analysing MDH resource consent application data including the numbers of applications, length of time for consent to be granted and cost.

- Interviewing property developers, project designers and processing planners. Where possible, interviews were conducted with professionals involved in the same project. There were 24 interviews overall (Table 1).

### Auckland Council

Auckland's Unitary Plan seeks to divert growth away from expanding the city forever outwards and towards higher-density housing. Zoning

encourages intensification, especially in areas situated along existing or planned transit corridors and in established urban centres.

*Priority Area 7: Removing legislative barriers* of Auckland's Housing Action Plan includes "improving the RMA consenting timeframes and enhancing customer engagement". Policies that Auckland offers to help this include:

- pre-application meetings at a subsidised rate

Table 1. Summary of interviews by location and profession.

	Auckland	Wellington	Christchurch	Palmerston North	Hastings
Developer	2	3	2	-	1
Architect/Designer	3	1	2	-	1
Council planner	2	2	2	2	1
Total interviews	7	6	6	2	3

- key account and project managers to work across consenting teams
- a fast-track process for simple resource consents.

Statistics for Auckland's MDH resource consent applications in the 2015/16 financial year are shown in Table 2. On average, applicants waited 90 business days (18 weeks) to get resource consent. (The RMA sets timeframes for processing resource consent applications, but councils can 'stop the clock' for a number of reasons, such as requiring further details from applicants.)

### Wellington City Council

Residential intensification has been a crucial component of Wellington's growth strategy for decades. The city's Urban Growth Plan has a comparatively direct and prescriptive approach, particularly towards intensification. The plan sets targets for new housing density types – low 25%, medium 35% and high 40%. Wellington does not have an explicit MDH strategy.

The city's Residential Design Guide was updated in 2014. Wellington gives statutory weight to its design guides when evaluating resource consent applications. Processing planners get expert reviews of MDH applications against guide criteria to support their decision making.

The average number of business days to obtain consent was 77 and the median was 54 days. The cost ranged from \$1,756–13,236 with one outlier at each end. The average of these costs was \$5,902, but excluding the outliers, the median was \$3,963.

### Christchurch City Council

In the first years of recovery from the 2010/11 earthquakes, the immediate need for housing took precedence over long-term considerations.

The Greater Christchurch Urban Development Strategy, a non-statutory strategic growth document, was updated in 2016. It has a target to increase the proportion of housing growth delivered through intensification from 23% in 2006 to 60% by 2024.

The Land Use Recovery Plan, a statutory document prepared under the Canterbury Earthquake Recovery Act 2011, sets out to provide opportunities for 20,000 intensified households (including infill) by 2028.

A revised Christchurch District Plan became operative in December 2017 and brought in a complete policy package intending to increase residential density in appropriate areas of the city.

Resources consents for multi-unit projects took an average 104 business days (20 weeks or 5 months) in Christchurch.

### Palmerston North City Council

The district plan has one residential zone that permits MDH developments, but it is apparent that intensive housing is not encouraged. The city has, however, undertaken changes to encourage infill and MDH. Plan Change 20A encourages intensified development.

In Palmerston North, it took an average 64 business days (3 months) to get resource consent for multi-unit projects.

### Hastings District Council

Hastings jointly adopted the Heretaunga Plains Urban Development Strategy (HPUDS) (alongside Napier District Council and Hawke's Bay Regional Council) in August 2010. HPUDS sets a target for 60% of all new dwellings to be provided through intensification by 2045.

Medium-density zones are chosen where a distinct neighbourhood character has not yet been established. In these zones, MDH development is a controlled activity, providing a degree of certainty to developers.

In 2015/16, Hastings District Council only had two applications for multi-unit housing to consider. The average number of business days to get the consent was 28, and the average cost was \$1,360.

### Summary discussion

Timeframes for consent vary significantly (Table 2). Many projects are placed on hold, most commonly while an applicant assembles additional information at the request of

the processing planner. In Christchurch, the average number of working days to uplift resource consent nearly doubled from 55 to 104 working days when days on hold are considered. In Wellington, projects were placed on hold for more than twice as many days as they were being processed by council, on average.

The average cost range from about \$1,300 to over \$23,000. The large difference may be an aberration in light of the low number of projects from some councils and outlier projects lifting the Auckland average up.

Surprisingly, there was no correlation between time and cost for individual applications. This suggests that the length of time needed to process an application reflects the way the project/process is managed rather than its complexity or scale.

### Interview findings

#### Some things are working well

Representatives of each group said that, when the system is working well, it adds value to new developments, in part due to district plan flexibility. In Wellington, for example, more than a quarter of MDH consents were granted to projects deemed to be non-complying on application. One developer said that his projects had been improved with the input of others, including council planners. Pre-application meetings are seen as useful, although they are less valuable when council officers become more hesitant and risk averse.

#### Subjectivity, uncertainty and time

The flip side of flexibility is uncertainty. A lack of consistency in assessing a project against the district plan was a concern with all territorial authorities. This might come from a lack of experience amongst planning staff, a change of personnel between pre-application meetings and an application being lodged or because applications involve input from experts with different viewpoints. Some developers felt that urban design advisors were going beyond their remit, resulting in processing delays and additional costs.

#### Prescriptive rules

Too many prescriptive rules can restrict innovation and produce a 'tick box' mentality amongst councils. Some rules would be better as outcome statements – that MDH developments provide outdoor living spaces appropriate to the needs of the residents, for example.

Table 2. Average time and cost to obtain resource consent for MDH development from five councils, 2015/16.

	Auckland	Wellington	Christchurch	Palmerston North	Hastings
MDH consents granted	383	37	143	5	2
Average total number of business days to receive consent*	90	77	104	64	28
Average cost*	\$23,715	\$5,902	\$3,749	\$5,000	\$1,360

\*Average across the total number of consents granted by that council.

### Cost of resource consents and timeframes

Resource consent costs are often cited in the media as a problem, but the direct cost of obtaining consent was not raised as a key concern by developers. Concerns related more to the costs of delays and uncertainty. Several developers said they would even pay more if consent came with greater speed and certainty.

Council planners generally believed that they were good at meeting timeframes. They attributed perceptions of poor time management to the high number of communications (requests for information, official notifications) during the process.

### Leadership and standardisation needed

Many planners, developers and designers feel they are finding their way around MDH, with little government guidance and a regulatory bias towards low-density development. The Auckland Unitary Plan is seen as a step in the right direction, but more is needed in all centres. Some felt that district plans should make people expect MDH. Another concern is the national variability of plans across the country.

Finally, it is difficult researching this area because resource consent application data is not recorded in a consistent way across different local authorities. Comparisons between councils must be done very cautiously.

### Conclusions

- There are positive elements in the system that add value to the process.
- Developers and designers want consistency in all dealings with council, no matter when advice is given or who is giving it. There is a lack of continuous involvement by experienced staff in some councils. Allocating key account managers could help overcome personnel changes. Auckland has this for some clients. Good training for planners is vital.
- While developers want consistency, some also want more responsive assessments of their proposals – evaluation of them in relation to site opportunities and challenges or recognising innovation. Some respondents believe that the system should enable more responsive

approaches rather than following a ‘tick box’ approach. Many council officers feel that this could expose their councils – or them personally – to criticism from neighbours and other affected parties.

- Many respondents would welcome government leadership in developing national policy statements for MDH and providing a template for district plans to bring more consistency. Many respondents would like to see MDH the accepted default housing type in many city areas.
- The direct cost of resource consent does not concern most developers. Of greater concern are consequential costs such as around rework, delays and holding costs.
- Timeframes for consents being issued vary enormously. In many cases, the clock is stopped for extended periods of time.
- The absence of a link between time and cost for individual applications suggests that application processing times reflect the way the project/process is managed (on one or both sides) rather than its complexity or scale.

### More information

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