External Research Report

ER44 [2019]

Understanding Resource Consent Issues

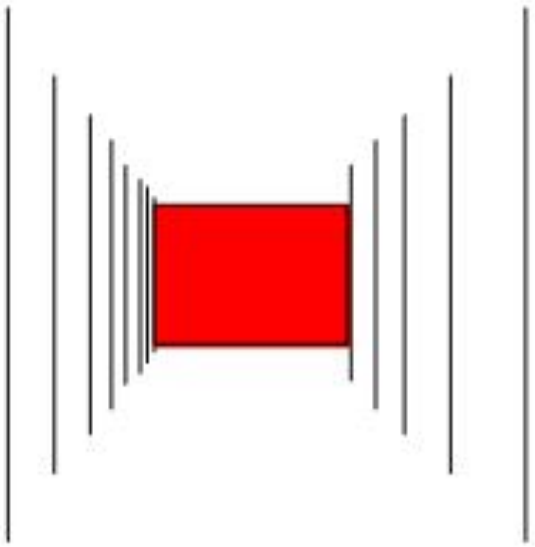
Morten Gjerde and Rebecca Kiddle

Project LRL0535

Centre for Building Performance Research, funded by the Building Research Levy

BRANZ
1222 Moonshine Rd, RD1, Porirua 5381
Private Bag 50 908, Porirua 5240
New Zealand
branz.nz

ISSN: 2423-0839



Centre for Building Performance Research

Understanding Resource Consent Issues

Research and publication by the

Centre for Building Performance Research.

Victoria University of Wellington

Prepared for: Building Research Association New Zealand

November 2019.

Edition information

Authors: Morten Gjerde and Rebecca Kiddle

Research Assistants: Jonathan Oosterman, Nina Boyd, Caitlyn Lee, Kayden Briskie, Pascarn Dickinson, Chantal Mawer, Elana McNeill

Many thanks to Massey University Associate Professor Caroline Miller, who reviewed the document and provided very helpful recommendations.

Report title: Understanding Resource Consent Issues

Centre for Building Performance Research,
Victoria University of Wellington,
P.O. Box 600, Wellington, New Zealand.

Phone + 64 4 463 6200 Facsimile + 64 4 463 6204

Table of Contents

Executive Summary

What is the problem?

New Zealand, like many other countries around the world, is in the midst of a severe housing crisis. The crisis relates to a shortfall in absolute numbers, with Auckland having the highest number of people looking for housing, and to the housing choices that are made available to consumers. A key contributor to the current situation is the ongoing reliance on the private market to deliver the housing that New Zealanders need. A number of sources have reported that the market's ability to deliver housing is stifled, at least in part, by regulatory planning processes. Obtaining the necessary planning approvals to build medium density housing where it is most appropriate and most needed has been described as difficult, expensive and time consuming. Much of this criticism appears to have been based on anecdotal advice and, in recent years, amendments have been made to streamline regulatory processes under the Resource Management Act. This research investigates practices around obtaining resource consents for medium density housing developments in New Zealand cities.

What did we do?

The research fieldwork was focussed on five territorial authorities, Auckland Council, Hastings District Council, Palmerston North City Council, Wellington City Council and Christchurch City Council. In each case, the research team analysed the local district plan in order to become familiar with the context for considering an application to develop medium density housing. Historic information on resource consent was obtained from the relevant council, where possible and from the Ministry for the Environment through their National Monitoring System (and prior to that their biannual survey of local authorities programme). This information was analysed to enable comparisons between TAs and comparison across time. This information also helped the research team identify development projects for further discussion with their key representatives. Interviews were conducted with the processing planner, developer and lead designer in the selected representative projects. In all, 24 project participants were interviewed.

What did we find?

Some things are working well

There are many things that are working well in the resource management space for medium density housing. Representatives of each respondent group had positive stories to tell. There was widespread belief amongst those interviewed that when the system is working well, resource consent processes can add value to new developments. This is in large part due to the flexibility written into district plans, which many believe allows for alternative design solutions to be generated. However, while flexibility is good, some felt that flexibility also led to conditions of uncertainty, particularly when interpretations were required to be made by planners with little practical experience or who are by nature conservative. This led some respondents to appreciate the certainty that rules provide for, not just in their own projects but also for those on adjoining sites that could negatively impact on their site.

Subjectivity, uncertainty and time

A lack of consistency in assessing a project in relation to the district plan came up as a key concern in all of the territorial authorities referenced in this study. Three factors contribute to this. The flip side of flexibility can be uncertainty and a number of respondents felt that often the flexibility was used – perhaps not consciously – as a tool to restrict rather than enable good development. Often this was because of a lack of experience amongst council planning staff but also because evaluating the effects of an application involves input from a number of experts, each having a potentially different view of the effects of a particular development. A particular concern was expressed around the shifting of goalposts between preapplication meetings and an application being lodged, which seems to arise through a change of personnel.

An area of particular concern is urban design advice. Urban design guidelines and the ways these are interpreted by some advisers seemed to epitomise the subjective nature of consenting in the minds of developers and designers. Several respondents cited examples of urban design advisers extending their reach to comment on the colours for a proposed development to whether or not housing should be allowed on a site because of its location. This is not to suggest that these are not valid urban design considerations but several of those we spoke to felt that urban design advisers were extending beyond their remit far too often. Outcomes from this included delays in processing time and additional costs to deal with the advice.

Councils appear to struggle to recruit and retain staff in their planning teams, which can disrupt the continuity of consent processing and often leading to different decisions. One council planner advised that staff *churn* also limits the extent to which any decision-making subjectivity can be addressed through training.

Prescriptive rules

Flexibility in district plan provisions and processes was cited as a potentially positive aspect of resource consenting. This correlates well with the views expressed by some that district plans also contain many prescriptive rules that, when applied mindlessly, could be a source of frustration and limit the potential of a development. The number and types of rules reflect a contemporary emphasis at raising the bottom rung of housing quality. Along with restricting innovation, respondents also suggested that this had led to a 'tick box' mentality amongst councils, where the individual merits of a project are overshadowed by the box ticking.

The two most frequently cited areas of frustrating rules were those related to car parking and those requiring open space within a development. Every participant spoke about the effects car parking could have on development quality, too much and too little. Some spoke more philosophically about a future without personal motorcars and lamented minimum car parking requirements while there were also suggestions, from an Auckland based

respondent, that restrictions on car parking numbers had led to a high number of complaints from residents.

The usefulness of rules was not universally dismissed, however. Several developers advised that with the experience of variable responses to previous applications for resource consent, they had adopted an approach of satisfying every rule relevant to their development as a way of addressing what they perceived to be subjective assessments of their proposals.

Cost of resource consents

The cost of obtaining resource consent is often cited in the media as being prohibitive. However, the direct cost of obtaining resource consent was not raised as a key concern by developers in the present study. Neither was the cost of development contributions, although one respondent noted that the timing, where such payments are due within two weeks of a building consent being granted, could create financial difficulties for some developments through additional holding costs. Developers' key concerns relate to the associated costs that arise through delays and uncertainty. Indeed, several advised that they would gladly pay more for their resource consent if that could lead to better timeliness and certainty.

Leadership and standardisation needed

There is a strong sense that development planning and assessment are taking place in a policy vacuum. Each council, each planner, each developer is having to find their way in the area of medium density housing with little guidance from above. Some have argued that the RMAs colonial underpinnings creates a bias toward individual home ownership and privacy. The RMA provides for low density development by default, a bias that can only effectively be overcome with appropriate policy direction. While the Auckland Unitary Plan is seen as a step in the right direction, more is needed in Auckland and more particularly in other centres. We were reminded that central government could be doing much more to foster MDH. Suggestions were made around incentives, tax breaks and even regulation. One council planner, keen to see MDH made easier for all parties to pursue, felt that district plans should make people expect medium density housing. The value of making this the underlying assumption could be seen in the Medium Density Residential Areas (MDRAs) in Wellington and the Unitary Plan in Auckland. These are isolated cases at the moment and there was a sense though many of the interviews that more should be done by central government to direct intensification.

Another key area of concern could be seen in the variability of plans across the country. Why, asked some of the interviewees, couldn't the government provide a template for all district plans to conform to. Several also felt that there could be greater consistency in the policies and rules, to the point of having just a few planning zones utilised in every city around the country. However, it is in the administration of district plans that most attention

was focussed. Matters such as subjectivity and uncertainty in the way development applications are assessed against district plans have been discussed above.

What are the key conclusions?

- Various stakeholders spoke about the positives that planning approvals can bring, most importantly by helping to improve the outcomes.
- A lack of consistency across the country and even within TAs.
    - District Plan requirements, district plan organisational structure and text, assessment of applications and their effects, advice given prior to and after an application, data collection and reporting.
- This affects MDH by
    - creating uncertainty and potential risks for those on the development side,
    - deferring to rules in design and assessment,
    - creating poor perceptions of councils and their processes,
    - limiting ability to monitor RMA performance and to conduct research.
- There is a lack of continuous involvement by experienced staff in some councils. Inexperience tends to cause staff to focus on rules rather than being responsive to site conditions and context. Staff changes create circumstances in which inconsistent advice may be provided.
- Strict adherence to rules in order to navigate the resource consent process can limit the potential of those projects to create the most responsive housing. There is broad recognition that designing to rules is inappropriate and the system should enable more responsive approaches. Underlying the rules-based approach is a desire to minimise risk.
- The direct cost of obtaining resource consent does not concern most developer stakeholders. Their concerns are more to do with consequential costs, such as rework, holding costs and (mindless) adherence to rules.
- A lack of leadership (mostly on the part of central government, but also in the district plans) on the importance of creating the right housing in the right areas leads to low density housing by default. This is in large part due to the influence of the RMA on decision making – medium density leads to bigger effects, which applicants and regulators actively seek to avoid. A key theme uncovered in this research was the need to make MDH typologies the default and to focus less on offsite effects.
- Relationships are important. Managing the interface between applicants and councils seems important. Allowing for key account manager role could help overcome changes in personnel behind the scenes and provide useful conduits for communication.

1. Introduction

As in many other countries around the world, New Zealand finds itself in the midst of a deep and prolonged housing crisis. It remains difficult for an increasing number of New Zealanders to enter into housing that meets their diverse needs, that is in locations they wish to live in and that is affordable. Since 2000, increases in demand for housing has outstripped the increases in the supply of housing in our largest cities. This has led to increases in land and house prices, making housing less and less affordable for New Zealanders (Grimes, Aitken et al. 2006, Chapman 2013). Housing is not being provided in the formats or in the locations that suit people's needs. New Zealand's population has become more socially and culturally diverse and the detached dwelling on a quarter acre section that was once synonymous with Kiwi culture, is now a typology that fewer and fewer of us would choose to live in. Yeoman and Akehurst (2015) found that only half of the people they consulted with would choose to live in a detached dwelling if they could, whereas the other half would prefer to live in housing at a range of higher densities in central locations. People's housing needs vary according to family circumstances, ability to pay and lifestyle choices. There is also increasing awareness that people's housing needs change over time (Shiran 2019). What may have been suitable when raising a family may no longer meet a person's needs as they age. And yet, a still large proportion of new residential development continues according to the earlier scripts. In Auckland as well other cities, this has left housing markets outside the CBD with significant shortfalls in medium and higher density dwellings (Cityscope Consultants 2011, Auckland Council Research and Evaluation Unit 2015).

Business as usual risks creating new areas of housing that are not integrated with, or connected to, wider physical and social infrastructures (Harris, Udale et al. 2009). Locating a proportion of new housing in areas that are served by existing social and physical infrastructures makes good economic sense (Haarhoff, Beattie et al. 2013). Housing that is near to where people work, play and shop and in close proximity to where other people also live has many potential benefits, including reductions in the time needed to travel between activities and reductions in greenhouse gas emissions. Meaningful increases in housing supply can only be achieved through intensification and variety in housing options (Tustin 2017). More housing and a broader range of housing typologies are needed to be built in locations to suit people's needs.

Urban designers, planners and local government officials have for the past thirty years advocated for increasing residential densities within and around established urban and suburban centres (Cityscope Consultants 2011, The Productivity Commission 2012). Medium density housing, or MDH, has a long history of success in many cities around the world and has been identified as one of several typologies that can help address current problems with the New Zealand housing supply. MDH can help inject vitality into urban centres. The different formats that MDH can take, from semi-attached units to terrace housing to four storey apartment buildings, can extend the range of choices available to

consumers. Residential intensification in existing areas is a cornerstone of so-called smart growth development strategies that inform the district plans of many cities including Wellington, Auckland and Christchurch. Other aspects of such strategies include encouraging a mix of land uses, compact development, walkable neighbourhoods and a range of housing typologies (The Productivity Commission 2012).

Despite the high-level support provided through district plans, new housing – and particularly medium density housing – is not being produced in sufficient numbers to meet the increasing demand. Haarhoff, Beattie et al. (2013) found that the aims and aspirations expressed in district plans are often thwarted by the policies and practices of their planning regulatory systems. Their analysis suggested that residential developments were often framed though a blunt application of rules, such as those involving car parking and density, rather than being led by design toward a quality outcome. This approach was most often driven by developers, who would prefer to minimise their risk by sticking to the rules outlined in the district plan rather than engage in protracted discussions with planning officials.

Several sources have reported that the market's ability to deliver housing is stifled, at least in part, by regulatory planning processes. Obtaining the necessary planning approvals to build medium density housing where it is most appropriate and most needed has been described as difficult, expensive and time consuming. High regulatory hurdles, particularly where it is expected that large scale projects will be publicly notified, create time and cost risks for developers (Harris, Udale et al. 2009, Grimes and Mitchell 2015). The Productivity Commission (2012) noted that uncertainties around the timeframes required to obtain resource consents and the costs of those consents are factors that can affect the affordability of housing. Moreover, they have been cited in connection with the decisions that some developers have taken to leave the property development industry altogether, in search of other economic opportunities. It seems then that regulatory planning practices under the Resource Management Act 1991 (RMA) have been hindering the efforts of private developers to introduce new medium density housing into the marketplace.

It can be noted that these earlier studies have almost exclusively consulted with developers. Only one, that being Haarhoff, Beattie et al. (2013), sought the views of planning officials around resource consent practices. The Productivity Commission report considered a range of submissions from interested parties that may have been provoked by the initial position paper and prompted by the opportunity to have a say. In their report, the Commission does acknowledge that the advice they received from councils around processing delays may reflect a "failure by developers to provide adequate documentation" about their proposed developments (The Productivity Commission 2012 p119). None of these earlier studies have discussed the actual timeframes or costs for securing resource consents for residential developments as a means of contextualising the information they collected through interviews and surveys. Tustin (2017) discussed a range of possible changes to the legal,

economic and regulatory context that could help increase the supply of housing in New Zealand. Toward the end of the paper the author expresses frustration that the discussion has had to rely "on Government and Council documents and anecdotal evidence because of a lack of empirical research into the Resource Management Act's efficacy" (p161). The current research was designed to address these gaps in understanding.

This report presents the findings of a project that has investigated practices around resource consent approval processes for medium density housing developments in New Zealand cities. The research aims to shed light on regulatory planning matters that may be affecting our ability to develop medium density housing (MDH) projects in New Zealand. This project addresses the question: What are the specific challenges with resource consent processes for medium density housing?

In addition to reviewing the district plans and data around resource consent processing times and costs, the research team consulted with key actors in MDH projects that have been taken through a resource consent process. The perceptions and experiences of developers, architectural designers and resource consent planners are important to enable a robust and balanced view of regulatory planning processes. This research explores factors that help shape the development process from multiple perspectives, with the findings pointing to areas where changes might best be directed to help enhance delivery of quality medium density housing in Aotearoa New Zealand.

2. Research scope

It is useful to have a common understanding of what is meant by medium density housing in order to frame the scope of this research and to discuss its findings. There seems to be no shortage of definitions for medium density housing in the literature and, after reviewing the most relevant amongst them, Bryson and Allen (2017) came to the conclusion that a consensus definition for the New Zealand context could not be found. It is generally accepted that perceptions of density vary with context. For example, a four storey residential building would be perceived as more imposing in a provincial town setting than it would be in a larger city such as Auckland. It is therefore not entirely unexpected that amongst the many district plans and policy documents up and down the country there are an almost equal number of conceptualisations for MDH.

The definitions of MDH vary around the size of the site, the height of the buildings and the number of units. The most common methods address either the spatial typology (apartment building, terrace house, attached and semi-attached configurations) or the density of dwellings per hectare. In 2016, the Ministry for the Environment came up with a definition that incorporates many of the characteristics found in others:

> *"Medium-density housing means comprehensive developments including four or more dwellings with an average density of less than 350 m2 per unit. It can include stand-alone dwellings, semi-detached (or duplex)*

dwellings, terraced housing or apartments within a building of four storeys or less. These can be located on either single or aggregated sites, or as part of larger masterplanned developments".

While comprehensive in scope, Bryson and Allen (2017) noted that stipulations around dwelling numbers, site size and building height seemed arbitrary and limited the usefulness of the definition. A more concise definition was offered in its place: ***multi-unit dwellings of up to six storeys***.

The current research considers MDH under this broad umbrella, with some refinements. Our collection and analysis of data has, by necessity, taken account of the often more specific definitions for MDH in the district plans of the five territorial authorities being studied. For example, medium density housing is defined in the Auckland Plan as falling between 20-60 dwellings per hectare and up to four storeys in height (Haarhoff, Beattie et al. 2016). Similarly, district plans do not use consistent terminology around medium density housing. In several cases such housing is not defined by density but by the notion that multiple units are proposed for a single site. An example here is the Wellington District Plan, which requires resource consent to be obtained for any development of two or more residential units in the Inner Residential Area (Wellington City Council 2000). This study refers to multi-unit housing and medium density housing interchangeably with the relevant factor being that the project was required to obtain resource consent in the local context. While the detailed characteristics of projects included in the study may vary, the simple fact that they have all been required to obtain resource consent as multi-unit housing links them.

3. Research approach

The key objective of the project was to examine the effects that resource consent frameworks and processes are having on the production of new medium density housing in New Zealand. Five territorial authorities were selected as case studies as it was considered impractical, and perhaps unnecessary, to study all 67 local and unitary councils in this project. The five TAs reported on here are: Auckland Council, Hastings District Council, Palmerston North city Council, Wellington City Council and Christchurch City Council. It was considered that these five cases would provide a suitable range of council size and geographic spread. The need for new housing has been highest for some time in Auckland and this was therefore an important case to include. While the demand for housing in Christchurch and Wellington has been lower than in Auckland, both cities have nevertheless been seeing moderate levels of residential construction and planning for population growth. The cases of Palmerston North and Hastings were seen to be representative of a number of other moderate sized provincial cities, which may not have high demand for medium density housing at present but actively working to provide for these typologies in the future.

The final arbiter of these effects must be the project sponsor, which in most cases is a property developer. Before speaking to developers however, it was considered useful to understand how the regulatory planning system is performing from other perspectives as well. This led to a mixed methods approach to addressing the research question.

The research methodology was designed around three main activities. Firstly, we were interested to understand details of the regulatory frameworks within which medium density housing proposals are considered. While the RMA is national in scope, the rules, policies and objectives against which individual developments are evaluated vary with each territorial authority. Therefore, the first stage of the research was to undertake a review of district plan provisions and the factors that processing planners take into account when determining an application for resource consent. Comparisons across the five district plans would also help to identify whether there are matters affecting MDH development that are of widespread interest or whether there are matters that are of relatively narrow interest across the sample. The district plans were assessed in the context of the RMA and other relevant national legislation, regional plans and any other guidance provided to territorial authorities.

The second phase of work was to interrogate the statistical information around resource consent processing to establish what factors, if any, distinguish medium density housing resource consents from other resource consents. In particular, we set out to analyse application records for the numbers of units and density of each proposal, the site typology and location, the nature of the consent (notified or non-notified), length of time for consent to be granted and other relevant factors. This part of the project was somewhat frustrated by incomplete information and a lack of consistency in the way the information is recorded by individual councils. This is discussed further below.

Finally, interviews were conducted with the key actors in regulatory planning processes for MDH. This included project sponsors (property developers), project designers and processing planners - those charged with deciding whether or not to grant resource consent on behalf of the territorial authority. The rationale for targeting these three groups as informants was that they are the participants that have the most direct engagement with the up-front planning regulation of medium density housing projects. Planning regulation helps to ensure that MDH developments respond to the wider expectations of the local community as well as the specific requirements of the project sponsor. How community expectations are expressed in the district plans and how they are interpreted and implemented by the project participants are the matters of interest in this investigation.

Where possible, interviews were conducted with three professionals involved in the same project in order to develop a complete and balanced view of how the consenting process played out. Projects that had the potential to be investigated in this way were identified by the research team during the evaluation of consenting timeframes and costs. Projects came to the interest of the research team because of their scale, their type, the site location

or because of the time/cost needed to obtain consent. Once a small number of projects in each of the territorial authorities was identified, they were ordered on the basis of interest level. Approaches were then made to each of the participants, identified through publicly available information, with the invitation to be interviewed. Interviews were only scheduled once commitment had been negotiated with the three project participants. In the end however, it became impossible to secure the participation of all three individuals involved in each project because some had moved on to other roles or were otherwise unavailable. We conducted 24 interviews, which were broken down as follows:

TABLE 1: SUMMARY OF THE 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

4. The planning frameworks

4.1 Overview

The planning framework in New Zealand is guided at a national level by multiple pieces of legislation, the most relevant of which in this research include the Resource Management Act 1991 (RMA), Local Government Act 2002 (LGA), and the Land Transport Management Act 2003 (LTMA). While each of these acts has its own purposes, processes and criteria, in practice they work together and in coordination with other strategies, plans and policies to form the full scope of New Zealand's planning framework.

This planning framework is a well-intentioned example of a system "built politically from the bottom up and technically from the top down" (Gow 2000 p93). However, an inconsistent and unclear hierarchy means the interfaces between these separate parts has at times been elusive. This can lead to complications for emerging development types, which generally require a coordinated local and national backbone in order to be fully embraced. In the absence of a coordinated approach, decisions can be found to be inconsistent and the quality of outcomes can be compromised. This is particularly important at local level, where most planning decisions are made.

In 2016, representing a coalition of environmental and developer groups, the Environmental Defence Society presented a report criticising the RMA for not achieving its goal of sustainable management of the nation's resources. The report cited a lack of leadership and direction from central government, insufficient capacity for implementation and limited

monitoring of outcomes as key factors limiting the RMA's potential to meet this goal (Brown, Peart et al. 2016).

Trends have been identified towards developing and implementing medium density specific urban growth management strategies and policy in the district plans of the cities of interest in this research. While the trend is more pronounced in Christchurch, Palmerston North and Hastings, all of which have made distinct moves towards developing an intensification strategy over the past six years, Auckland and Wellington have also recently begun re-formulating earlier 'compact growth' movements through the lens of MDH. All of these strategies, with the possible exception of Palmerston North, are explicit in recognising that the 'business as usual' approach to managing urban growth is unsustainable. An alternative approach to encourage higher density housing typologies is universally identified.

Predictions of MDH development vary considerably, particularly in high-level objectives. Hastings, for example, adopts a proactive stance that is willing to encourage higher density development as both short and long term mechanisms to avoid adverse effects including the loss of versatile, arable land. This is in contrast to Christchurch, which is more timid and focused on housing supply and choice, noting that increases in the supply of housing will require a wider range of housing types, sizes, and densities, in a manner consistent with urban consolidation. Bryson and Allen (2017) note that differences in local physical, cultural and political contexts are at the heart of these differences. Varying degrees of central government involvement, council resources and political will, the form and strength of public feelings pro- or con- new development and population size are all factors that influence the comprehensiveness of housing strategies in each town or city.

Nevertheless, the scope of the policy discourse within the five jurisdictions is narrow and often similar. For the most part, the various policy instruments are oriented toward reliance on the market-based development scenario. From this baseline expectation, policy approaches can be sorted under four headings: deregulatory, directive, administrative and informative.

Deregulatory policy is by far the most common instrument and exists primarily as a response to complaints from market stakeholders around the process of obtaining resource consent. Such policies involve liberalising built form standards that had previously been in place to ensure *quality* or *character*. Christchurch City Council has implemented a number of policies that could be considered deregulatory, enabling more infill and other forms of housing to be brought to the market. It is also worth noting that some deregulatory policies are in fact prescriptive, although they typically result in a more liberalised regime. For example, some of the amendments made to the RMA during the past decade have been made to reduce or limit resource consent timeframes in order to provide more freedom to market.

Directive policy is often the primary approach taken by district plans in relation to promoting MDH. As implied, such policies are more direct than those that are deregulatory in nature. The most common instruments here are selective zoning for MDH and inclusionary zoning for affordable housing. These policies serve to encourage MDH by allowing higher densities and more compact urban form in selected areas of the city. These areas are generally outside established character areas with good access to public transport and services. The ability of developers to aggregate sites often plays a key role in determining where such policies are directed and how they can be implemented. For example, Wellington has located their Medium Density Residential Areas in places where land is in greater supply and less expensive than in more central locations.

Administrative policy encompasses a wide array of smaller actions that can create more fluid resource consent processing. Auckland Council makes the most extensive use of such policies through assigning a specific project manager to a particular resource consent application to facilitate and manage the process consistently and by offering discounts for pre-application meetings.

Information policy, encompassing general educational and promotional tools, is the smallest sector of intensification policy utilised by these cities. As one example, Christchurch City Council is undertaking a number of MDH flagship projects in order promote the typology to both the public and developers. Hasting District Council has proposed offering education programmes, public private partnerships and other advertising tools to foster a better understanding of MDH in the property sector.

It is important to note that these categories are far from conclusive and that there are significant variations within them.

4.2 City by city overview of resource consenting

The following sections help create a picture of resource consenting policies and practices in each of the five cities we investigated. The discussion revolves around two main information sources, the district plan and statistical information on the performance of each council in determining applications for resource consent during the 2015-16 financial year. This particular period was selected on the basis that it offered the most comprehensive sets of information across the five territorial authorities of interest.

The analysis achieved varying degrees of success using data sourced directly from Auckland, Wellington and Christchurch councils as well as from the National Monitoring System (NMS). The research team was given access to information on resource consents recorded by Auckland and Christchurch City councils. Wellington City Council does not record such information in a format that can be easily accessed. Instead, the council provided access to different parts of their central database from which relevant data could be sourced.

The NMS data was accessed directly via the Ministry for the Environment (MfE) website. This information is a record of the resource consent processing performance of all territorial

authorities across the country in a given year. The NMS "requires local authorities to provide information about individual applications for resource consents processed through to a decision (whether it was returned as incomplete, withdrawn by the applicant or approved or declined by the local authority)"[1]. While these obligations are generally met to some degree by local authorities, there are some important caveats which significantly limit the comparability and usefulness of the information.

The MfE highlights that resource consent application data is not provided consistently by local authorities, pointing toward "instances where either no data on a process or partial data was provided"[2]. Some authorities provide estimates rather than actual data in these instances. Accordingly, summary figures or tables made from resource consent data provided by local authorities may not provide an accurate representation of reality. In addition, the MfE emphasises that resource consent data is not consistently recorded across different local authorities in New Zealand. They point out that "different local authorities use different methods and technologies to undertake their functions and responsibilities and record information. This can make council to council comparisons less reliable and distort the national picture"[3]. As such, any comparisons made using data from different local authorities in this project should be done cautiously.

None of these datasets – council supplied, sourced from NMS, built by the research team – was able to provide consistent and comprehensive information on the density of dwellings proposed on the property. While the Auckland dataset contained a column recording the number of units in the application, this number was often different from the number of dwellings mentioned in the qualitative description of the resource consent, calling the reliability of the data into question. All three sets of information did provide qualitative descriptions of the resource consent application, but these descriptions were inconsistently formatted, even within the same council, and did not always provide information on the number of dwellings. While the area of the development site was sometimes provided in the qualitative description, this was only rarely. As a consequence, discussions that follow about resource consent processing times and costs in each of the five councils has been based largely on multi-unit developments.

While the information needed to allow development densities to be confidently determined was not available, other useful information was. Whether resource consent was granted, whether the application was publicly or limited notified, how long it took for the application to be processed, and the direct cost to the applicant for the consent were all questions that could be addressed with the information obtained from our sources.

[1] https://www.mfe.govt.nz/rma/national-monitoring-system/reporting-data/resource-consents/about-resource-consents
[2] https://www.mfe.govt.nz/rma/national-monitoring-system/key-caveats-and-disclaimer
[3] https://www.mfe.govt.nz/rma/national-monitoring-system/key-caveats-and-disclaimer

4.3 Auckland Council

Auckland has perhaps one of the most challenging contexts in which to implement medium density housing. One set of challenges in recent years has been the transition from seven local councils in the greater Auckland area to a single, integrated regional and city council. This transition has led to development of the Auckland Plan, the crucial district plan that will guide Auckland's development over the coming three decades. This has in turn laid the groundwork for the Unitary Plan, the Auckland Plan's key implementation tool (Auckland Council 2012). The Plan targets intensified development, including residential housing, within and around existing suburban centres. However, persistent opposition by some parts of the community continues to thwart efforts to adopt and implement these plans.

The Auckland Regional Council's 1999 Regional Growth Strategy (RGS), was an early example of an intensification strategy for a New Zealand city. The strategy highlighted a need for integrating transit and local infrastructure investment with higher density mixed land along transit corridors. There was also a consistent anxiety about maintaining suburban character and a reliance on selective intensification, all of which are familiar in current discussions (Auckland Regional Growth Forum 2007).

The Auckland Plan maintains similar underpinnings to the RGS, expressed through a comparably more holistic lens. Encompassing economic, social and cultural objectives, the plan presents an extensive policy, implementation and monitoring framework for the next three decades of growth. This includes a compact urban growth strategy that informs two relevant policies. The first is to limit expansion within a rural-urban boundary. Auckland Council believes tighter restrictions on an urban boundary are necessary to reduce sprawl and increase intensification (Auckland Council 2012). This was put into practice by the Unitary Plan, which establishes a rural-urban boundary just outside the established urban growth area. This boundary is intended to expand incrementally; releasing new greenfield land further into the 'rural' area in ten-year periods over the next four decades.

The plan goes on to present policy that seeks to divert pressures to grow the city outward toward various higher density housing typologies. This policy creates new, simplified zoning that will encourage intensification in the city's established population centres. Areas that are situated along existing or planned transit corridors and those that are within urban centres are prioritised.

Auckland Council has also developed a Housing Action Plan (HAP) to supplement the Auckland Plan. The intent of HAP was to instigate discussion of policies that could ultimately increase the supply and affordability of Auckland's housing. The plan lists 12 priority areas, each with their own policy options that would go on to be addressed in the Unitary Plan. For the purposes of this investigation, one of these areas is of particular interest. *Priority Area 7: Removing legislative barriers* outlines discussion that reinforces AC's strong commitment to "improving the RMA consenting timeframes and enhancing customer engagement"

(Auckland Council 2012 p28) A list of policies that AC can use to help enable fast and efficient consenting include:

- Pre-application meetings that are offered to all Council customers at a subsidised rate. This is said to have increased the uptake of pre-application meetings significantly, resulting in a noticeable reduction of Section 88 and 92 requests;
- Improving communication standards through the appointment of a dedicated team of key account and project managers who work across consenting teams to ensure a consistent, seamless point of contact during the consenting process;
- A fast-track process for simple resource consents, to ensure they can be dealt with as quickly as possible. This has resulted in simple consents being dealt with generally within 10-15 statutory days;

The amalgamation of Auckland's councils into one has led to more efficient processing. For example, land use consents (under city or district councils) and earthworks consents (under regional councils) are now integrated in Auckland under one process.

The Unitary Plan substantiates the direction proposed in the Auckland Plan. The Unitary Plan became operative in part in November 2016. A number of sections remain under appeal and where these continue to be processed through the courts, the legacy district and regional plans are instead used. It is clear that this can lead to confusion on the part of applicants, as well as council staff, as to which document(s) should be referred to when designing/evaluating a particular development proposal. The Unitary Plan reduced the 99 residential zones described in the legacy district plans to just six. Two of these zones, the Large Lot and Rural and Coastal Settlement zones, provide for low density, rural or urban periphery residential developments. The other four, the Single House, Mixed Housing Suburban, Mixed Housing Urban and Terrace Housing and Apartment Building zones are of interest as they all provide for urban and central development. See figure 1 below.

The Single House zone is characterised by traditional, low density suburban dwellings, encompassing rules that maintain the established amenity values of such dwellings. The recognised amenity includes spacious sites with large trees, often complimented by a coastal setting. While this zone sporadically sits within central Auckland, multi-unit developments are scarce due to restrictive minimum site size and maximum building coverage requirements (35%) and a non-complying activity status.

The Mixed Housing Suburban zone is Auckland's most widespread residential zone. Density controls within the zone allow for moderate levels of intensification; being mostly characterised by two-storey detached and semi-detached dwellings. The purpose of the zone is to enable an element of housing choice, while maintaining some protections of the established suburban character. This is carefully displayed in the zone's activity table, with

multi-unit sites up to two dwellings being permitted, and three or more being listed as restricted discretionary.

The Mixed Housing Urban zone acts as a transition zone between the Mixed Housing Suburban and Terrace Housing and Apartment Building zones. Being generally located between the two, the zone allows for developments typically up to three storeys, in a variety of forms from detached single dwellings to low-rise apartments. There are more relaxed rules for multi-unit sites with four or more dwellings, and especially so when located close to transport networks. The activity table for this zone is similar to the Mixed Housing Suburban zone, but with more liberal built form standards.

The Terrace Housing and Apartment Building zone is Auckland's de facto medium density housing zone, allowing for urban dwellings predominantly in the form of terrace housing and apartment buildings. The zone is located around metropolitan and town centres, and generally within close proximity to the transport network. All developments in this zone proposing to include residential dwellings are considered as restricted discretionary activities, allowing resource consent officers greater opportunity to consider site efficiency. Assessment criteria enable lower density developments to be discouraged in the context of the zone's intensification policies and objectives.

A key aspect of the Terrace House and Apartment Building zone is an emphasis on quality design outcomes. This includes the promotion of walkable neighbourhoods and a greater sense of community and vitality. Further intent for the restricted discretionary status is given, citing increased opportunity to consider and require a higher standard of design outcomes. This is complemented by a number of policies that address maters of privacy, visual dominance, street attractiveness and safety. While these zones contain built form standards that anticipate higher densities, these standards are also recognised as a matter of discretion between the applicant and consent officer.

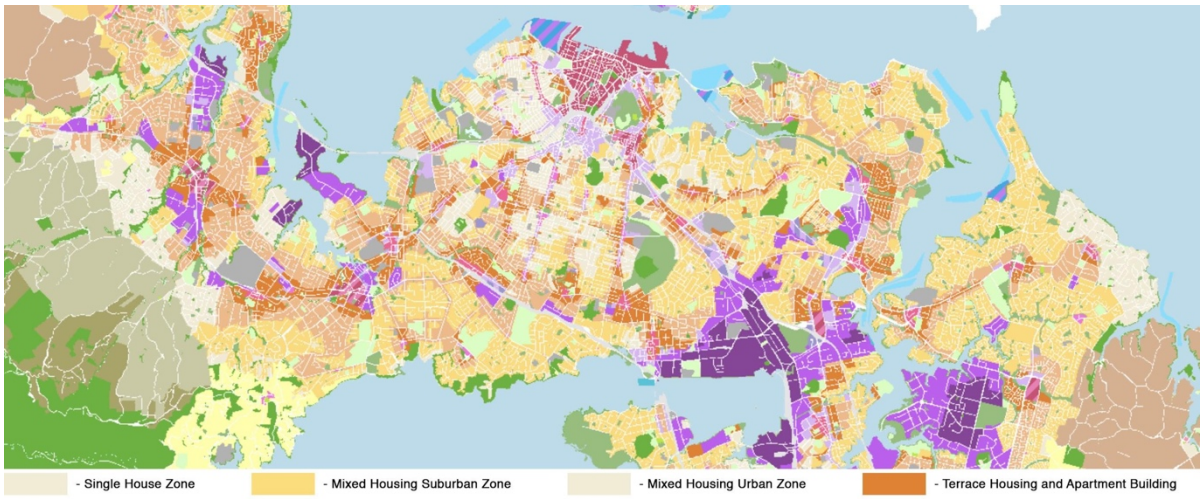


FIGURE 1: AUCKLAND'S URBAN RESIDENTIAL ZONES. (AUCKLAND COUNCIL 2018).

4.3.1 Resource consent processing

During the 2015-16 financial year, some 383 resource consents for multi-unit housing were granted, while only one application was declined. Of those that were granted, one application was publicly notified and went to a hearing. These consents were processed in an average timeframe of 37 statutory working days and some 148 (38.6%) were completed in 20 days or less.

The statutory timeframes for 152 (39.6%) applications were extended by between one and 304 days under RMA Section 37. This part of the RMA enables council officers to extend processing timeframes when there are special circumstances. The allowable processing timeframes can be extended by up to 20 working days for most applications, and can only go beyond this when the applicant agrees. The dataset we were provided with combined the 20 day statutory limit with the agreed S37 days (commensurate to the time needed to allow for the special circumstances) to arrive at a new target processing time for all applications. This reveals that an average of 35 processing days was added to the timeframes of the 152 applications for which S37 extensions were agreed.

Of the 383 resource consents granted, some 70 (18.2%) were not delivered within the target timeframes, which for all but 152 of the applications remained at 20 working days. The processing timeframes ran over by 283 days in one case and by more than 200 days in another three cases. Some 93 (24.2%) consents were completed exactly on the target timeframe and another 182 (47.5%) were completed one or more statutory days before the target timeframe. Figure 2 presents a distribution of resource consents according to the number of working days needed to process and grant the application. The expected timeframe of 20 days is highlighted and it should be noted that 152 applications had this timeframe extended by between one and 304 days.

Many applications for resource consent are also put on hold while they are being considered. During 2015-16, some 268 applications (70% of the 383) were put on hold for periods ranging from one to 491 days. For those projects that were put on hold, the period of time they were on hold averaged out at 69 days. This led to a wider spread of the actual timeframes needed to process applications for MDH in Auckland. Figure 3 combines the official processing days with the number of days an application was put on hold, most likely by the applicant as they prepare their responses to questions and comments put by the processing planner. Factoring this into the timeframes meant that, on average, an applicant would wait 90 business days or 18 weeks, to obtain resource consent for an MDH development in Auckland during 2015-16.

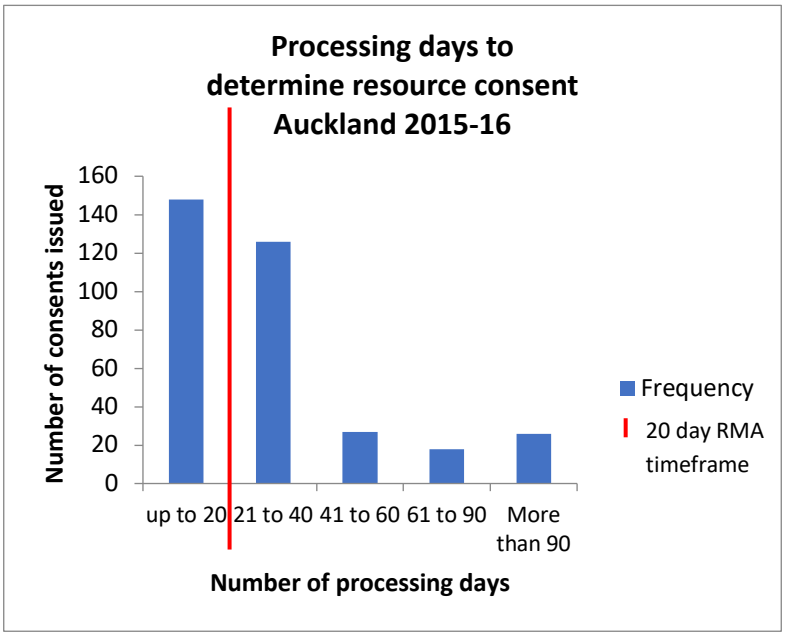


FIGURE 2: NUMBER OF PROCESSING DAYS REQUIRED FOR MEDIUM DENSITY HOUSING APPLICATIONS TO GAIN RESOURCE CONSENT IN AUCKLAND

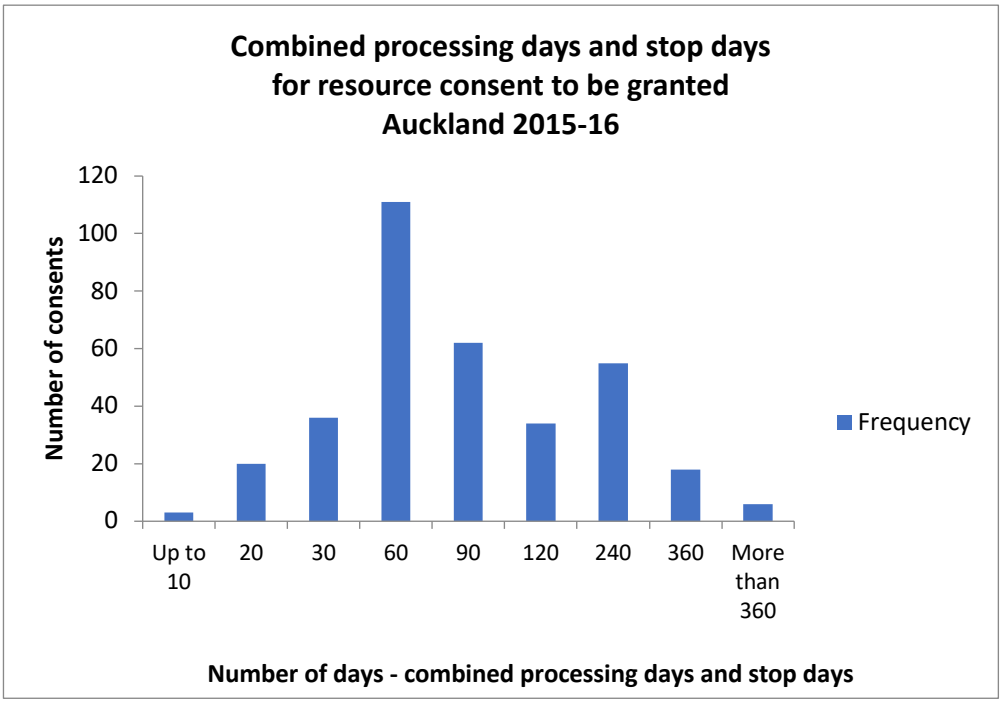


FIGURE 3: TOTAL NUMBER OF BUSINESS DAYS ELAPSED BETWEEN APPLICATION FOR AND GRANTING OF RESOURCE CONSENTS FOR MDH PROJECTS IN AUCKLAND

The data obtained directly from Auckland Council did not include information on the cost of resource consents issued in 2015-16. However, the NMS data did include costs for 13 multi-unit projects in that year (we note that the AC data indicates that 383 resource consents

were issued that year for multi-unit development projects). The council fees for those 13 projects ranged from $1,137 to the $117,000 that was attributed to the consent for a 32-unit development. The average council fee for each resource consent worked out to be just over $23,715. These 13 projects would lead to the construction of 298 individual dwellings. In light of this, the average direct cost of resource consent for each of these 298 dwellings can be said to be in the order of $1,758.

4.4 Wellington City Council

Wellington City Council (WCC) is an important case study for its political and social context. Wellington city's population only makes up 41% of Wellington region's population, but is anticipated to accommodate 62% of the region's growth by 2038 (Statistics New Zealand 2018). This is recognised by the Greater Wellington Regional Council and WCC, which are direct in listing urban containment as Wellington's most significant planning issue. In addressing this, residential intensification has existed as a crucial component of the city's growth strategy for several decades (Dodge 2017). A point of interest is how different implementation methods and political trends over time have interplayed with the same objective to increase density.

During the last century, new residential development in the city comprised primarily of greenfield, standalone housing in outer areas. However, the proportions of the type of housing has been declining since 2000 and from 2012, the majority of building consents have been for multi-unit dwellings within the central city and inner suburbs. Residential intensification has largely been delivered through higher density apartments, supporting a significant increase in the population of central city and many suburban centre areas. This has led to an interesting social and political context for further MDH development in the city. Dodge (2017) discusses considerable unease on the part of the public regarding further residential intensification, which has arisen as result of numerous examples of poor-quality inner-city apartments and infill housing. So, while MDH has been proposed by WCC as an alternative means of achieving residential intensification, a fierce public opposition to higher densities continues to permeate through the district plan and resource consent process. One of Wellington's key challenges going forward is to (re)build public confidence in higher residential densities.

Adopted in 2015, the Wellington Urban Growth Plan addresses Wellington's liberal planning environment with a comparatively direct and prescriptive approach, particularly towards intensification. The strategy is a non-statutory guidance document, presenting a broad direction for managing growth and retaining the compactness of the city. It lays the groundwork for Wellington's ongoing planning work ,encompassing limits on infill development, selective intensification and an enforceable containment policy. The Growth Plan confirms the 'growth spine' concept, where the majority of new development will occur along the main transport corridor stretching from Johnsonville to the airport, and around existing suburban centres. The city anticipates that population growth and demographic changes will require around 715 new homes to be built each year for the next

30. The plan sets targets for new housing density types at low: 25%, medium: 35% and high; 40%.

While WCC does not have an explicit MDH strategy, similar content is covered within Plan Change 56: Managing Infill Housing Development, and its successor Plan Change 72: Residential Area Review. Made operative July 2009, Plan Change 56 was the result of an infill housing review initiated by the earlier Urban Development Strategy. The review responded to a "perceived public backlash against increasing amounts of infill development following the previous liberalisation of the district plan, particularly against multi-unit developments within existing neighbourhoods" (Dodge 2017 p38). The plan change implemented a number of amendments that generally encompassed a more prescriptive, tighter approach to infill development. For example, reducing permitted building heights, introducing an open space requirement, and tightening controls on subdivision.

The evidence backing a perceived public backlash is mixed. A 2006 resident satisfaction survey reported that 61% of respondents preferred the strategy allowing compact infill development, compared with the 25% who preferred the plan change to limit it (Dodge, 2017). This is in contrast to public submissions on the plan change, which were heavily supportive of limiting infill. Much of this support came from submissions made by six residents associations, with Newtown Residents Association being far the most vocal (Wellington City Council 2007).

Plan Change 72 expanded on the de facto-intensification strategy by conducting an entire review of the residential section of WCC's District Plan. The change further amended residential objectives, policies and rules to address the quality of infill housing. Unlike the earlier plan change, PC72 stepped forward to encourage multi-unit development. This encouragement came in the form of selective intensification, intending to establish 'areas of change' in which higher densities would be facilitated and subject to a more relaxed activity status. The plan change implemented two areas of change as Medium Density Residential Areas (MDRA), which surround the Johnsonville and Kilbirnie town centres. However, the establishment of these areas was met with fierce backlash by an assortment of well-organised residents' associations and community groups opposed to higher suburban densities. Plans for expanding the areas of change to other established suburban centres have since been progressing slowly.

Since 1994, the Wellington District Plan has provided design guidance to those planning residential developments of two or more units on a site. The Residential Design Guide (RDG) was substantially updated in 2014 from the earlier Multi Unit Design Guide. In contrast with many jurisdictions in New Zealand and internationally, the Wellington City Council gives statutory weight to all their design guides when evaluating resource consent applications. This reflects an early acknowledgement by the WCC of the relevance of urban design and other softer dimensions of development control. To support these aspects of development regulation, the Council employs architectural and urban design experts to

evaluate applications in relation to the design guides. Over time, a positive culture has developed around design review amongst Wellington's design professionals.

The RDG aims at ensuring two key aims for medium density housing are achieved and monitored though the resource consent projects. Firstly, it recognises that higher density developments can contrast with the urban form of existing lower density neighbourhoods. Guidelines are provided to help new developments integrate positively with the site settings. The design guide also aims to ensure that appropriate residential amenity is available to future residents. This places a focus in the guide on how open spaces are configured. Expert reviews of the MDH applications against the design guide criteria are provided to processing planners to support their decision making.

4.4.1 Resource consent processing

During 2015-16, some 37 resource consents were granted for multi-unit housing in Wellington. This summary and analysis are based on data garnered from the NMS database. One of these applications was notified to parties deemed to be affected and discussed at a hearing while the rest were approved by Council officers without public involvement.

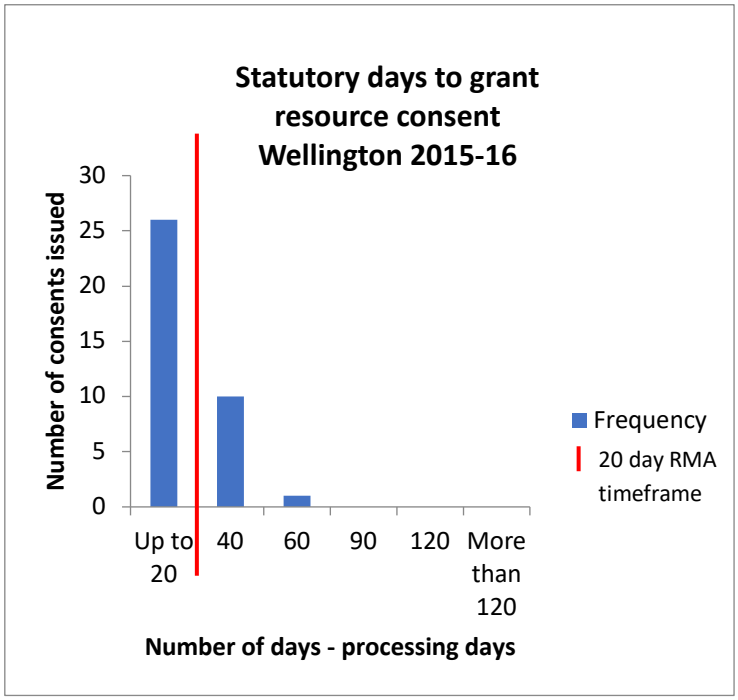


FIGURE 4: NUMBER OF PROCESSING DAYS REQUIRED FOR MEDIUM DENSITY HOUSING APPLICATIONS TO GAIN RESOURCE CONSENT IN WELLINGTON

Every one of the applications was processed within the timeframes anticipated by the RMA. Twenty six of the applications were processed within the 20 day expected timeframe while the remaining 11 were processed within a timeframe extended by way of S37, where special circumstances can be cited. These results can be seen graphically in figure 4. In comparison with the other two large councils in this study, the performance by WCC to

meet the relevant timeframes appears exemplary. It is also noted that nearly half of the applications were discussed formally with Council officers before the application was lodged. This is in stark contrast with the other councils included in the study, where none of the applications for MDH projects were discussed at pre-app meetings.

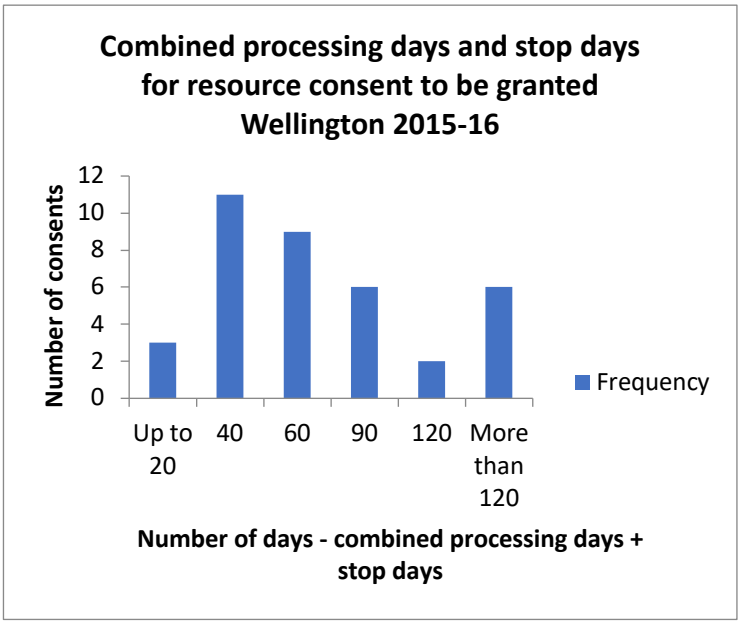


FIGURE 5: TOTAL NUMBER OF BUSINESS DAYS ELAPSED BETWEEN APPLICATION FOR AND GRANTING OF RESOURCE CONSENTS FOR MDH PROJECTS IN WELLINGTON

Nevertheless, the wait to obtain resource consent from the city could still be as long as would be needed Auckland and Christchurch. This is as a consequence of all but two of the applications having been placed on hold for periods ranging from one day to more than 300 days. This served to spread out the length of time needed to uplift resource consent, as can be seen in figure 5. This brought the average number of days to obtain resource consent up to 77, with the median of all applications sitting at 54 days.

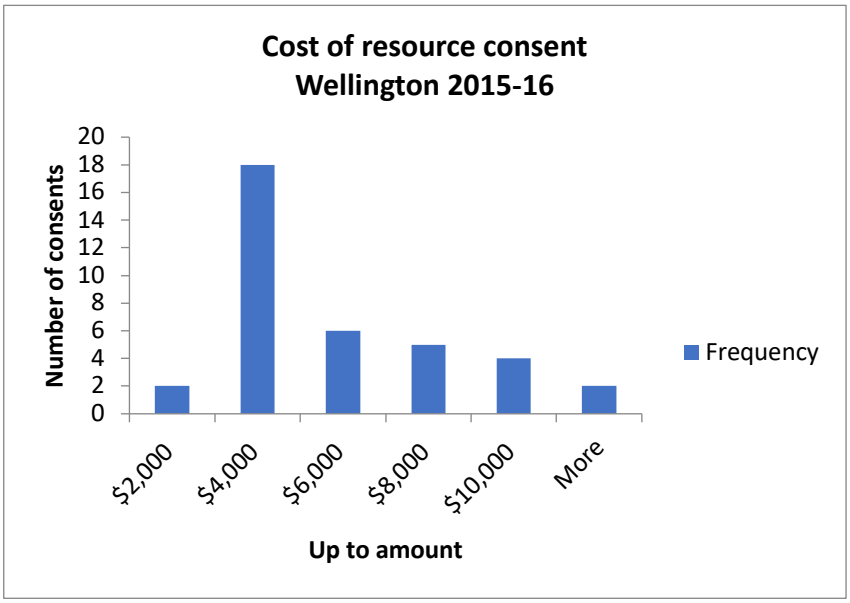


FIGURE 6: THE COST OF OBTAINING RESOURCE CONSENT FOR MDH DEVELOPMENTS IN WELLINGTON DURING 2015-16

The cost of obtaining resource consent for multi-unit projects in Wellington ranged between $1,756 and $13,236 with one outlier at each end of the scale. The average of these costs was in the order of $5,900 but, taking account of the outliers, perhaps a more accurate representation of cost would be the median. In this case the median settled at $3,963. The distribution of fees charged for the 37 MDH resource consents issued in 2015-16 is shown in figure 6.

4.5 Christchurch City Council

Christchurch City Council (CCC) is an interesting case here in light of the ongoing recovery from the 2010-11 earthquakes. Housing development in Christchurch has perhaps been influenced to a greater extent by central government during this period than it has in other cities. While government involvement has diminished with the expiry in 2016 of the Canterbury Earthquake Recovery Act (Recovery Act), the recently completed Christchurch District Plan many of the initiatives taken to ensure that the new city is more resilient and sustainable than before. In the first couple of years of the recovery, the immediate need for housing to provide for people displaced by the quakes took precedence over long-term considerations. The district plan can now be seen to represent the aspirations of the city in the longer term. In light of tendencies for local communities to oppose infill and higher density development, the involvement of central government to work through such issues may be seen in a more positive light.

The Greater Christchurch Urban Development Strategy (GCUDS) is a non-statutory strategic growth document that was established in 2007 and updated in 2016. While the strategy is mainly outlined through high level objectives, it is specific in outlining 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 (LURP) is a statutory document that was prepared under the Recovery Act, taking effect in December 2013. The LURP included 50 action points toward providing for an anticipated 40,000 new households as it positioned itself as a de-facto intensification strategy. Recognising that a significant proportion of new, post-earthquake housing had taken the form of freestanding greenfield developments, the plan proposed a package of measures to promote infill and other intensive housing typologies (CERA 2013). Underpinning this is a narrative around providing for increased choice in the housing marketplace, recognising that housing needs are transitioning away from the suburban family home and towards central, terrace and townhouse developments. The recovery plan is largely encouraging of private-sector led development. This is made particularly explicit in Objective 5, which is to encourage a supportive and certain regulatory environment to boost investor confidence in order to obtain 'the best outcomes' (CERA, 2013).

The LURP sets out to provide opportunities for 20,000 intensified households (including infill) by 2028. To achieve this, the recovery plan recommended that CCC review the city plan and incorporate a number of measures that would encourage and support intensification. Firstly, to facilitate greater housing choice, the range of housing types and locations should be expanded. Secondly, it recommended that intensification could be encouraged by allowing comprehensive residential and mixed-use developments, including on brownfield sites. Thirdly, the recovery plan recommended that rebuilding efforts should be supported by reductions in consenting and notification requirements and by encouraging efficiency and effectiveness through urban design.

Accordingly, the city plan was completely revised and became operative as the Christchurch District Plan in December 2017. The district plan introduced a number of amendments to residential zones and a complete policy package intending to increase residential density in appropriate areas of the city. The Residential Suburban (RS) zone is Christchurch's general suburban zone and is characterised by reasonably large lot sizes with singe 1-2 storey dwellings. The plan now enables a wider range of housing options to be developed within this zone. Small scale, multi-unit developments (up to 4 units) and infill options are a permitted activity with large, multi-unit developments falling into the discretionary category.

The Residential Suburban Density Transition (RSDT) zones is an additional suburban zone located broadly between inner suburban and outer central city areas. These areas are characterised by smaller lot sizes and a greater mix of single dwellings, OYO units and townhouses. Although multi-unit developments and infill options are a permitted activity in RSDT, they are limited to smaller scales.

The Residential Medium Density (RMD) zone is a new addition into the district plan, and is found sporadically in areas around the central city. These zones provide for both detached dwellings and multi-unit developments up to 3 storeys in height, and are supportive of a variety of housing typologies including terrace housing and low-rise apartments. Within the RMD Zone, minimum site area rules have been replaced with a minimum density requirement, targeting 30 dwelling units per hectare (du/ha).

The Residential Central City (RCC) zone is accommodating of a range of housing types, including both high and medium density apartments. This zone is generally permissive of higher densities, and standards can be exceeded at the resource consent official's discretion.

The New Neighbourhood (NN) zone encompasses new areas of greenfield land where large-scale residential development is planned. The intent behind this zone is to provide a wide range of housing typologies and section sizes so that people will be able to find housing suitable to any life stage. Multi-unit is permitted here and encouraged more so than the general suburban area, in anticipation that the overall density of these areas achieve 15 du/h.

As per the vision presented in LURP, the Christchurch District Plan includes a policy package intent on increasing intensification (Christchurch City Council 2018). The list includes policies that advocate for development contributions rebates; in recognising the potential community benefits that arise with new developments, the council would pick up more of the cost. The policy includes a full rebate of development contributions to qualifying residential developments within the central city area. The Community Housing Redevelopment Mechanism is a policy that has a similar intent to the Housing Accords and Special Housing Areas Act 2013 (HASHAA) in that resource consent applications can take an optional route to avoid notification if the development contains a mix of community and private housing. The enhanced development mechanism is a set of district plan provisions which enable medium density development in the RSDT, RMD and RBP. Specifically, the mechanism encourages greater amalgamation of sites; allowing qualifying developments with a minimum site area of 1,500 m² to develop a density of 30-65 dwellings/ha.

4.5.1 Resource consent processing

Table 2 below compares the number of consents granted for single unit developments with those granted for multi-unit projects during the years 2005 to 2015 in Christchurch. This comparison was made possible by the extent of information collected and provided to the researchers by CCC. It becomes immediately clear that the majority of dwellings applied for and consented during this period in Christchurch were single units rather than multiple unit developments. Single unit resource consents total 11,909 for the period, with a high of 1,526 in 2014 and a low of 479 in 2011. The number of multi-unit resource consents over this period is 433, with a high of 58 in 2015 and a low of 19 in 2009. The council refused resource consent for 680 single unit projects during this 10-year period, a refusal rate of

5.7%. Thirty-three applications for multi-unit developments were refused in the same period, a rejection rate of 7.6%. Nevertheless, in the recovery from the 2011 earthquakes and assisted no doubt by the LURP, resource consents for multi-unit developments were increasing at a higher rate than those granted for single unit projects toward the end of the period.

TABLE 2: COMPARING THE NUMBER OF RESOURCE CONSENTS GRANTED BETWEEN SINGLE UNIT AND MULTIUNIT RESOURCE CONSENTS BY YEAR, 2005-2015, CHRISTCHURCH

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Granted											
Single Unit	1,267	1,371	1,324	832	746	835	448	620	1,095	1,456	1,235
Multi-Unit	37	48	54	24	18	25	20	20	53	43	58

Figure 7 below compares the mean resource consent processing days for single unit and multiunit resource consents in Christchurch, covering the period from 2005 to 2015. As noted above, there are considerable differences in the number of consents issued for multi-unit projects compared with single unit applications over the years.

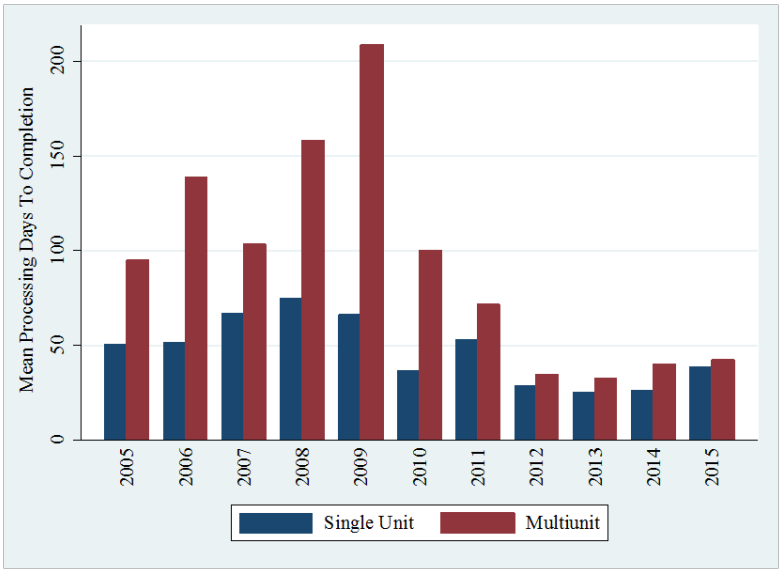


FIGURE 7: MEAN PROCESSING DAYS TO CONSENT COMPLETION BETWEEN SINGLE UNIT AND MULTIUNIT RESOURCE CONSENTS BY YEAR, 2005-2015, CHRISTCHURCH

In all years from 2005 to 2015, multiunit resource consents have taken longer to process than single unit resource consents, although at times this difference was minor. The mean processing time for both single and multiunit resource consents appears to have decreased over time. Figure 8 compares the mean resource consent fees for single unit and multiunit resource consents in Christchurch over the same period.

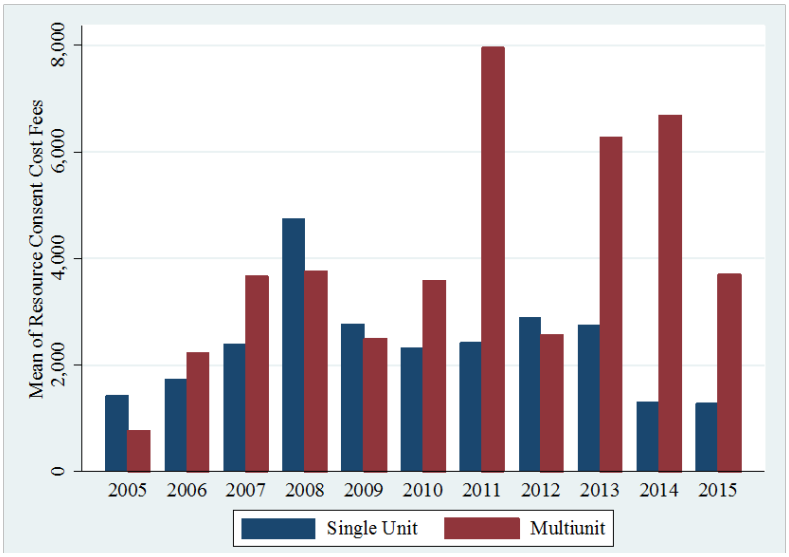


FIGURE 8: MEAN RESOURCE CONSENT COST FEES BETWEEN SINGLE UNIT AND MULTIUNIT RESOURCE CONSENTS BY YEAR, 2005-2015, CHRISTCHURCH

Additional information provided by Christchurch City Council indicates that 143 resource consents were granted for multi-unit developments in Christchurch during 2015-16. Together, these projects would add 1,492 new dwellings on sites throughout the city. Fifty-seven of the developments (40%) comprised three or four units and only 22 (18.4%) were developments of 10 units or more. The average development size was 11 units during the year, a score lifted no doubt by the six projects of 50 or more dwellings each. A more accurate reflection of the scale of projects undertaken in the city may be the median number of 5 units per project.

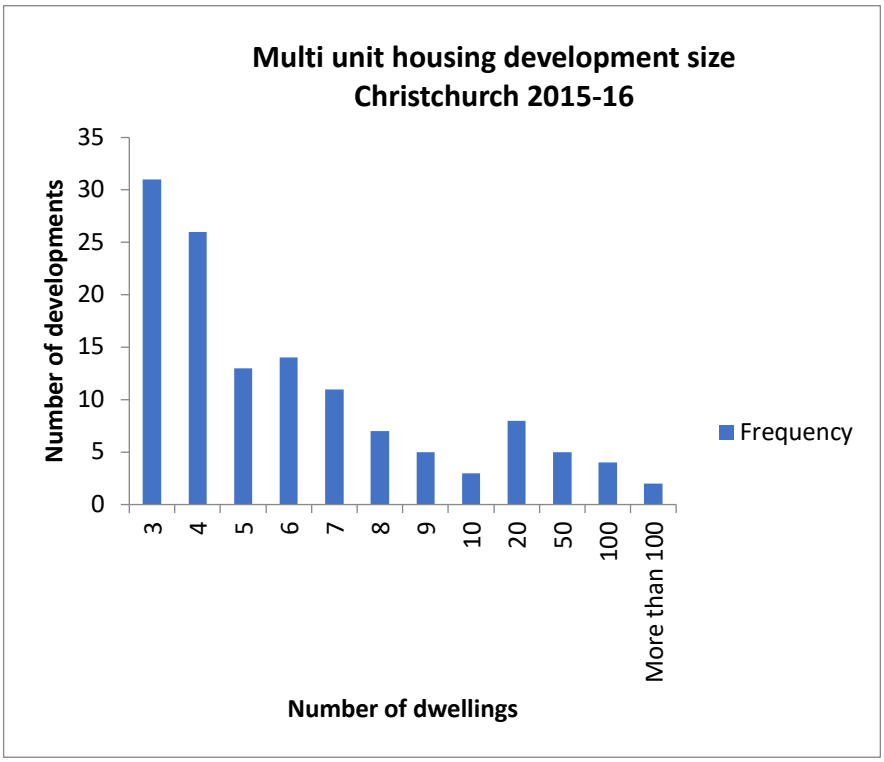


FIGURE 9: THE DISTRIBUTION OF DEVELOPMENT SIZE IN CHRISTCHURCH DURING 2015-16

It is anticipated that it is difficult to achieve economies of scale with such high numbers of small developments, both in processing resource consents as well as in building the number of new dwellings the country needs to meet projected demand.

The potential for cost efficiency in processing resource consents in Christchurch is shown in figure 10. The trend line indicates that as the number of units in a development increases, the cost per unit is reduced. It would be difficult to argue against the logic of this trend. The average cost for obtaining resource consent for multi-unit project in Christchurch was $3,749 during the year, with the actual costs ranging from $47,000 for a three-unit development within the Four Avenues area near the city centre to $300, also for a three-unit development near the university. The cost per unit for all projects granted consent in 2015-16 averages out to a very affordable $712.

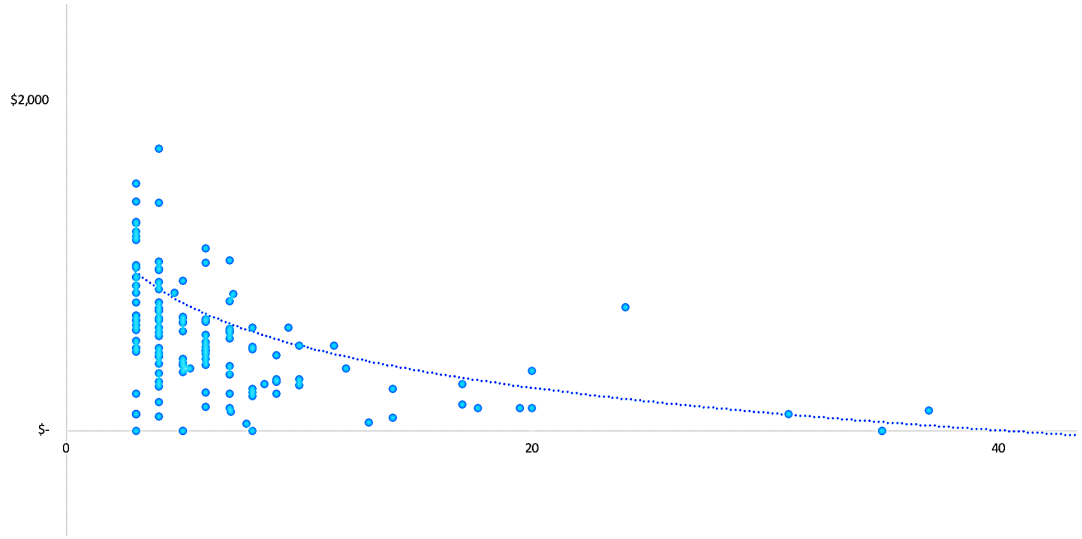


FIGURE 10: THE COST PER UNIT IN THE DEVELOPMENT MAPPED AGAINST THE DEVELOPMENT SIZE

After analysing the information sourced directly from the CCC on resource consent processing it was found that, of the 143 applications for MDH granted resource consent during 2015-16, some 46 (32%) were processed within the expected 20 working day timeframe. The other 97 (68%) took longer, varying between 21 days and up to a surprising 633 days, more than two years. Refer to figure 11 below. Indeed, eight applications had processing times of more than 200 days – not including the days they were also on suspension. None of the applications were discussed at notified or limited notified hearings,

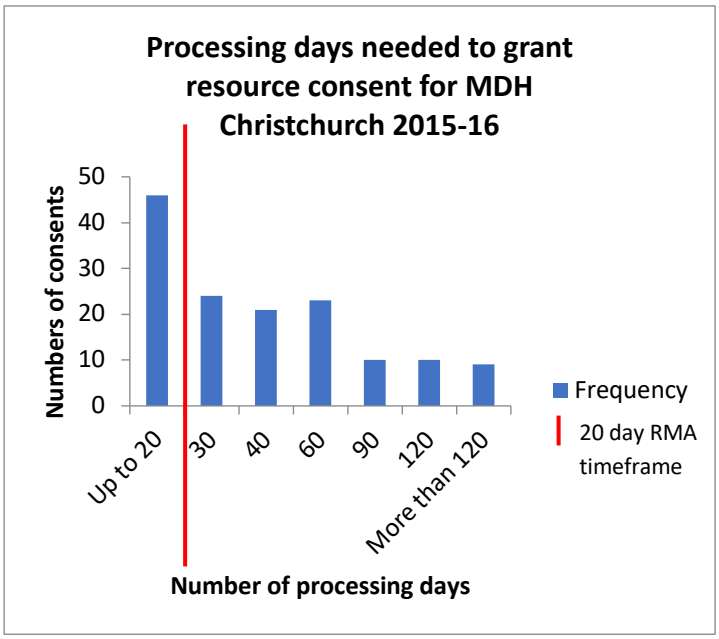


FIGURE 11: PROCESSING DAYS NEEDED TO GRANT MDH RESOURCE CONSENTS IN CHRISTCHURCH DURING 2015-16

but some two-thirds of all decisions were made by independent commissioners on behalf of the Council.

The average time needed to process a resource consent for MDH in Christchurch was 55 days. However, some 89% of all applications were also put on hold for one or more days. This added significantly to the timeframe for obtaining consent for a number of applicants. Only 16 applications, or 11% of the total, were processed without any time on hold. All but one of these 16 were processed within the expected 20 day period. Figure 12 shows the spread of the total time needed to obtain resource consent for multi-unit housing, including the time many of these applications were on hold or suspended. With an average time of 20 weeks or five calendar months for resource consent, it is clear that planning ahead is vitally important, particularly for those with large holding costs to be serviced during this period.

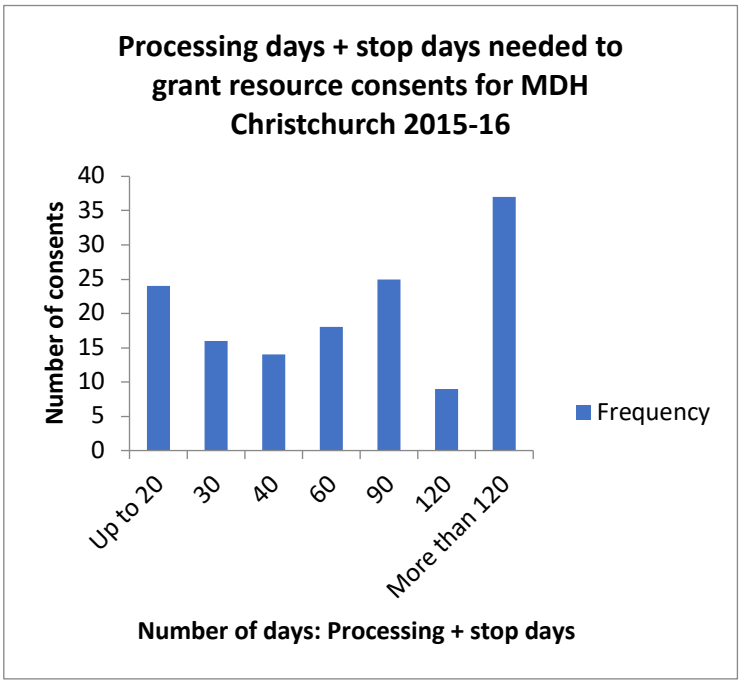


FIGURE 12: TOTAL TIME NEEDED TO GRANT MDH RESOURCE CONSENT, INCLUDING STATUTORY DAYS AND DAYS ON HOLD, IN CHRISTCHURCH 2015-16

4.6 Palmerston North City Council

Palmerston North has a longstanding association with suburban style development. Facilitated by district plan provisions that favour detached dwellings in suburban settings, the typical residential dwelling in Palmerston North is now a 120m^2 standalone, single-storey, three bedroom building (Palmerston North City Council 2015). While there are some minor exceptions in character overlay areas, the district plan has but one residential zone and the rules for development are generally in the one-size fits all category. Although the plan permits multi-unit or medium density development within this zone - the built form

standards would not restrict MDH development – it is clear that such intensive housing is not encouraged. The district plan goes on to highlight a number of effects that need to be managed and these include the potentially *negative effects* of residential intensification. By comparison, the district plans of other TAs have tended to positively frame residential intensification.

Nevertheless, and in light of projections that their population would increase by 10,000 people by 2031, the city has undertaken changes to encourage infill and medium density housing. Plan Change 20A is PNCC's primary strategy to encourage intensified development, recognising the value that a diverse housing supply can provide. The text's preamble recognises the current district plan's limitations in this area, noting that the plan "lacks clear development guidance" (PNCC, 2015 p1). The change, as it was proposed in 2015, intended to provide greater housing choice within Palmerston North. Multi-unit housing was identified as the vehicle for this, and two policies were proposed to facilitate the typologies development. Firstly, it was proposed to introduce more permissive design standards. The plan change proposed that standard development rules (such as height and building set-back) only apply to the external boundaries of the development and not to those that would be created through subdividing the site. Minimum lot size requirements were also reduced and site coverage allowances increased alongside modifying requirements for private outdoor open space. No written consent would be required from a neighbour if the new design standards were met. Secondly, the district plan would encourage multi-unit development in appropriate locations. The plan change reflected best practice for MDH, which is to locate it within easy walking distance to the city centre, public parks, services and bus routes.

4.6.1 Resource consent processing

The council's performance in granting resource consents for multi-unit housing projects during 2015-16 was outstanding, with all but one of the five applications decided and issued within the statutory 20 day working plan. The cost for that one consent was duly discounted by $152, or 10%. Although the five consents included in this part of the study are unlikely to be for housing that fits with the medium density parameters of 33-66 du/h (see the discussion above), they have been identified in the dataset as multi-unit. The dwelling numbers range from four to ten houses on the application site. Processing times were tightly spaced between 19 and 22 days. However, four of the five included special circumstances that led to each being extended beyond the 20 days and the average of statutory days plus S37 days sits at 30 working days. When the days on hold are added into the mix, it seems that an average of 64 working days – three months – was needed to secure resource consent for multi-unit projects during the year.

The costs of these five resource consents are also tightly spaced around an average of $5,000. Refer to figure 13. Where the numbers of dwellings are listed in the information it is possible to calculate the average cost of resource consent per unit to be $924.

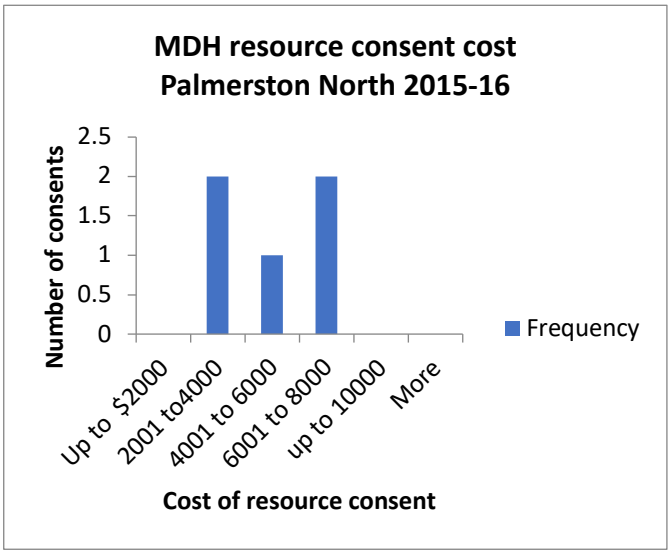


FIGURE 13: RESOURCE CONSENT FEES FOR MULTI-UNIT DEVELOPMENTS IN PALMERSTON NORTH

4.7 Hastings District Council

Despite the district's small population, the Hastings District Council (HDC) is taking a proactive approach to intensified development. While the content of their strategy is not ground-breaking, it does encompass several of the recommendations, policies and objectives outlined in the strategies of the other jurisdictions; picking out the best of everything, so to speak.

HDC jointly adopted the Heretaunga Plains Urban Development Strategy (HPUDS) alongside Napier District Council and Hawke's Bay Regional Council in August 2010. The strategy identifies a preferred scenario for growth within the Heretaunga Plains, where the intention is to accommodate for population growth and retirement needs, in addition to protecting the area's versatile soils. In order to meet these anticipated demographic changes HPUDS sets a target for 60% of all new dwellings to be provided through intensification by 2045.

The scope of HDC's medium density housing strategy is backed by some refreshed regulatory settings. The first, is the establishment of two City Living zones. These zones provide a regulatory environment where higher density residential housing can be encouraged. Typically, medium density zones are chosen where a distinct neighbourhood character has not yet been established. Within these new zones, MDH development has been classed as a controlled activity, providing a degree of certainty to developers that their more intensive projects will be granted resource consent.

A point of interest within the HDC's strategy is the extent to which they acknowledge and then address negative perceptions toward MDH. The strategy identifies several barriers, one of which concerns timing and planning delays through the consenting process. HDC explains

that this tension stems from the consenting process often spanning more than one property cycle thereby increasing cost and risk significantly. A number of recommendations follow this, the most notable being a directed review of resource consent requirements to streamline medium density developments. The cost of development contributions is outlined as another deterrent for developers. However, it is also noted that those areas most suited to intensification are often those with the poorest infrastructure. Requiring developers to bear the full cost of the necessary upgrades may be unfair at the same time as it acts to deter development. This matter is discussed at length in the strategy with council concluding with acknowledgement that their investment in these areas is also necessary.

Four zones, collectively known as the Hastings Residential Environment, outline the expectations for new residential development in Hastings toward the aims of the HPUDS. Residential intensification is encouraged in the City Living zone, located in areas with access to high quality amenities and services, by considering MDH as a controlled activity. Provided the built form standards and other rules are met, MDH developments must be granted consent. In other zones, MDH is considered as a discretionary restricted activity with outcomes less certain as a result.

During the period of the review, the Hastings District Council only had two applications for multi-unit housing to consider. Both were to establish four dwellings on a site by relocating them from another site. These consents were both granted within the statutory time frames. The average cost for these consents was $1,360.

4.8 Summary discussion

In the foregoing sections, the contexts for medium density housing in the five cities the research is focussed upon have been reviewed. Comparisons have also been made around the timeframes and costs required by each of these cities to process applications for MDH projects during 2015-16 have also been made. Through these comparisons we can begin to understand how two important factors, time and cost, may been seen to hinder or enable MDH in their jurisdictions. While few developers are able to make direct comparisons across territorial authorities as widely spread as these five, expectations set by the RMA provide a common point of reference. Table 3 below summarises the findings from the review of information provided by the TAs on the timeframes they have needed to process applications for resource consent during 2015-16.

TABLE 3: COMPARING THE TIME AND COST TO OBTAIN RESOURCE CONSENT FOR MDH DURING 2015-16 IN EACH OF THE FIVE COUNCILS INCLUDED IN THE STUDY

	Auckland	Wellington	Christchurch	Palmerston North	Hastings
MDH consents granted	383	37	143	5	2
Statutory days* (including S37 days)	37	22	55	20	18
Total days*– statutory days plus days on hold	90	77	104	64	28
Cost* (Council fee)	$23,715	$5,902	$3,749	$5,000	$1,360

***average taken across the total number of consents granted by that council**

The number of consents granted during the period appear to be proportional to the expected need for new housing in each of the five cities. The projected need for new housing in Auckland outpaces the other cities combined and during the period they processed more than twice the number of consents that Christchurch did. Similarly, the smaller towns of Palmerston North and Hastings now beginning to realise the importance of MDH in their plans to provide for future growth. This is not only to help contain outward growth but also to provide additional choice to those looking for housing in the area.

How do the numbers of consents granted for MDH compare with those granted for single residences, either as infill or on greenfield sites? It seems that the 143 multi-unit consents granted by Christchurch would have provided for more than 1,400 dwellings to be constructed, which is approaching the number of individual houses granted resource consent over a similar period. Unfortunately, the data does not allow a similar comparison to be made for Auckland. It is clear in the smaller cities of Palmerston North and Hastings however, that the balance is heavily skewed in favour of individual dwellings despite the emerging interest described in each of their district plans. This will reflect, no doubt, the ongoing reliance on the market to take up opportunities provided for in district plans to develop more intensive housing.

The number of consents granted in Wellington for MDH seems low, certainly in comparison with Christchurch, a city with similar population. There are a number of possible reasons for this, one of the most likely being that the dataset available to the research team was incomplete. However, it may also be due to developers preferring to pursue projects in the neighbouring cities of Lower and Upper Hutt, Porirua and Kāpiti.

Timeframes needed to process consents vary significantly across the sample. The average number of statutory days – that is the standard processing days plus those added under the guise of S37 due to special circumstances – range from 18 to 55. S37 days are included in the statutory days, which make the average times closer to those anticipated by the RMA –

although the actual number of S37 days also varies according to the nature of the special circumstances that has led to these. It is noted that these average figures are themselves derived from data for each city that also vary widely, in some cases to over 300 days.

It is clear that the expectations set by the RMA are not being met consistently, although many consents do get processed within anticipated timeframes. None of the councils recorded reasons for lengthy processing timeframes (nor for those timeframes that ran well under the 20-day expected limit) and further research would be needed to document those reasons.

The time needed to obtain resource consent also includes days beyond the 'official' statutory days during which the application is on hold. Projects can be placed on hold for a variety of reasons, the most common being while an applicant is assembling additional information to address questions or concerns raised by the council's processing planner. In Christchurch, the average number of working days needed to finally be able to uplift resource consent nearly doubled from 55 to 104 working days. In Wellington, projects were placed on hold for more than twice as many days as they were being processed by council, again on average. As above, there were examples across all councils of projects that were not placed on hold for any length of time.

The cost of obtaining resource consent varied up and down the country, with the averages ranging from about $1,300 to something over $23,000. The large difference between the average consent cost in Auckland with others - approximately 4 times the average cost of consents in Wellington – may be an aberration, in light of the low number of project included here and the small number of outlier projects that will have dragged the average up. When these costs were checked against the timeframes needed to process the application, it was somewhat surprising to find that there was no correlation between time and cost for individual applications. This suggests that the length of time needed to process an application is not a direct reflection of the complexity or scale of the development proposal but rather a consequence of the way the project/process is managed. Further speculation about why such variations in cost arise would be difficult here but these circumstances certainly seem to point to a need for further research to be carried out.

Finally, it can be reiterated here that this part of the project was significantly hindered by a lack of quality and consistent information. The NMS data was largely and inconsistently incomplete, noting that some council organisations were better than others at completing the lengthy and detailed templates prepared by the Ministry for the Environment.

Another issue is the lack of consistency in the way different information is recorded. A significant barrier to this research has been the need to wade through narration around resource consents in the NMS and in similar information sourced from individual councils to be able to establish details such as numbers of dwellings, site area and whether the application related to land use or to subdivision. Even within the same council this

information was recorded in a wholly inconsistent manner. We note that the MfE relies on councils to provide this information and has itself recognised issues similar to those we have reported. This is evidenced by the disclaimers provided to those who access the data.

5. Findings from interviews with key industry stakeholders

5.1 Some things are working well

There are a number of things that are working well in the resource management space for medium density housing. Representatives of each stakeholder group had positive stories to tell. There was widespread belief amongst those interviewed that when the system is working well, resource consent processes can add value to new developments. This is in large part due to the flexibility written into district plans, which many believe allows for alternative design solutions to be generated. In Wellington alone, this can be evidenced by the fact that more than a quarter of all consents for medium density housing projects were granted to projects deemed to be non-complying on application. However, while flexibility is good, some felt that flexibility also led to conditions of uncertainty, particularly when interpretations were required to be made by planners with little practical experience or who are by nature conservative. This led some respondents to appreciate the certainty that rules provide for, not just in their own projects but also for those on adjoining sites that could negatively impact on their site. One developer proclaimed that 'fundamentally, I don't think there's anything wrong with the district plan.'

As is often the case, the success of any process is often down to those participating, and particularly to those charged with managing. The system works well when the right people are running it. One consultant planner expressed the view that having key stakeholders such as council planners, developers and designers in dialogue over the form and intensity that a new development should take is a good thing. This view was echoed by another developer who conceded that many of his project have been improved with the input of others, including council planners.

The cost of obtaining resource consent is often cited in the media as being prohibitive. However, the direct cost of obtaining resource consent was not raised as a key concern by any developers in the present study. Neither was the cost of development contributions, although one respondent noted that the timing, where such payments are due within two weeks of a building consent being granted, could create financial difficulties for some developments through additional holding costs. Developers' key concerns relate to the associated costs that arise through delays and uncertainty. Indeed, several advised that they would gladly pay more for their resource consent if that could lead to better timeliness and certainty.

5.2 Subjectivity and uncertainty

A lack of consistency in assessing a project in relation to the district plan came up as a key concern in all of the territorial authorities referenced in this study. However, with flexibility

comes uncertainty, and a number of respondents felt that all too often the flexibility was used – perhaps not consciously – as a tool to restrict, rather than enable, good development. Often this was because of a lack of experience amongst council planning staff. Uncertainty could also come about because the process requires expert evaluations to be made in a number of different areas – traffic, urban design, wind, etc. However, while looking at the same project, these experts could each have a different view of the effects. An often-cited example of this tension is in the allocation of open space on a site between on-site traffic (parking and manoeuvring) and outdoor space for people (shared, passive recreational, private). It was felt by some interviewees that inexperienced planners would default to a conservative approach when weighing up the different expert opinions rather than be able to recognise some factors as more important. Approaches such as this were characterised by one developer who felt that "I don't believe they have a commercial bone in their body." Inexperience also played out through planners who would default to district plan rules in place of working with the flexibility to acknowledge an innovative design.

An area of particular concern is urban design advice. Urban design guidelines and the ways these are interpreted by some advisers seemed to epitomise the subjective nature of consenting in the minds of developers and designers. Several respondents cited examples of urban design advisers extending their reach to comment on the colours for a proposed development or to whether or not housing should even be allowed on a site. This is not to suggest that these are not valid urban design considerations but several of those we spoke to felt that urban design advisers were extending beyond their remit far too often. The consequences of this could include delays in processing the application, additional costs to deal with the advice and in more than one case, the adviser being replaced in response to a complaint from the applicant.

Another concern expressed consistently by stakeholders was around the shifting of goalposts between pre-application meetings and the application being lodged. One of the main reasons given for this was a change of personnel assigned to the application. An often cited scenario was where staff that had worked with the applicant at the pre-app stage were not assigned to process the application once it was lodged. Another was where council staff had left or had been reassigned after the application had been lodged but before consent is granted. Both scenarios could be problematic for applicants. The biggest concern would arise when council staff new to the project had opinions different to those who had previously given advice.

Some councils appear to struggle to recruit and retain staff in their planning teams, which as we heard, could disrupt the continuity of consent processing and often lead to applicants having to confront a different set of opinions around their development proposal. One council planner also noted a separate concern, which was that this tended to limit the extent to which concerns about the subjectivity of decision-making were able to be addressed through staff training.

To address issues that arise through personnel changes, Auckland Council have put in place a key account manager role, aiming to provide continuity at the client/council interface to help manage the consenting process. However, this role has been implemented for large and repeat customers only at this stage. Those we spoke to reported that the account manager role was very effective and that they would like to see it extended further.

In summary then, it seems that a number of stakeholders had experienced difficulties and frustration through conservative, perhaps rules focussed, approaches in evaluating the effects of a project. In other cases, council staff and their advisers, were found to have been highly subjective in their evaluation of the applicant's development proposals. In other stakeholders' experiences, council staff assigned to a project had changed and this led to changes in the evaluation of their application.

For developers, change and uncertainty are two important sources of project risk and we know that this group of stakeholders look to avoid or minimise risk whenever possible. Council staff we spoke to also recognised the frustration this could cause for applicants. Several councils had taken steps to help minimise the causes of this frustration by providing workshops to their staff on subjectivity and by creating the key account manager to be the single point of contact for applicants with council.

5.3 Prescriptive rules

Flexibility in district plan provisions and processes was cited as a positive aspect of resource consenting. This correlates well with the view that district plans contain many prescriptive rules that, when applied mindlessly, could be a source of frustration and limit the potential of a development. The number and types of rules reflect a contemporary emphasis at raising the bottom rung of housing quality. Along with potentially restricting innovation, respondents also suggested that this had led to a 'tick box' mentality amongst many council staff, where the individual merits of a project are overshadowed by the box ticking. The frustration was also felt by council planners, as evidenced by this statement:

> *"I guess at the moment the resource consent process is aimed at the lowest common denominator. How do we stop the worst developer with no idea getting through and somehow ensure that if they do the minimum that it will be alright? But I don't think it is working in that sense often we have some really, really dumb and petty rules that aren't really well understood. They only serve to confuse things"*

The two most frequently cited areas of frustrating rules were those related to car parking and those requiring open space within a development. Every interviewee spoke about the effects that car parking, whether too much or too little, could have on development quality. Some spoke more philosophically about a future without personal motorcars and lamented minimum car parking requirements while there were also suggestions, from an Auckland based respondent, that restrictions on car parking numbers had led to a high number of complaints from residents. Designers described the tensions between space for cars and

space for people. "You know cars, and car circulation, take up a hell of a lot of space…" according to one we spoke to. On a more pragmatic level, a council planner reminded us that while they could easily let applicants get away with parking shortfalls, if they did, they would soon bear the brunt of neighbours' complaints.

There is also a sentiment that rules are applied irrespective of the context, such as in the case of those affecting open space requirements. Several people noted that there were no distinctions made between family sized dwellings and studio apartments when it comes to outdoor living space needs. While some planners have been able to apply the blanket rules in a responsive manner, others who are less experienced have not. We heard suggestions that such rules would be better converted to outcome statements, for example requiring medium density housing developments to provide outdoor living spaces appropriate to the needs of residents.

The usefulness of rules was not universally dismissed, however. Several developers advised that with their experience of variable assessments of earlier applications, they had adopted an approach of satisfying every rule relevant to their development. This was done as a way of addressing what they perceived to be subjective assessments of their proposals previously. One architect went so far as to suggest that where 'good' rules are found to exist, good designs will emerge. The key in his opinion is to develop a suite of good rules.

5.4 Leadership and standardisation needed

There is a strong sense that development planning and assessment is taking place in a policy vacuum. Each council, each planner, each developer is having to find their way in the area of medium density housing with little guidance from further up in the organisation. Some have argued that the RMAs colonial underpinnings creates a bias toward individual home ownership and privacy. The RMA provides for low density development by default, a bias that can only effectively be overcome with appropriate policy direction. While the Auckland Unitary Plan is seen as a step in the right direction, more is needed in Auckland and more particularly in other centres.

We were reminded in several interviews that central government could be doing much more to foster MDH. Suggestions were made around incentives, tax breaks and even regulation. One council planner, keen to see MDH made easier for all parties to pursue, felt that district plans should make people expect medium density housing. The value of making this the underlying assumption could be seen in the Medium Density Residential Areas (MDRAs) in Wellington and in the Unitary Plan in Auckland. These are isolated cases at the moment and there was a sense though many of the interviews that more should be done by central government to direct intensification.

Another key area of concern could be seen in the variability of plans across the country. Why, asked some of the interviewees, couldn't the government provide a template for all district plans to conform to. Several also felt that there could be greater consistency in the policies and rules, to the point of having just a few planning zones utilised in every city

around the country. However, it is in the administration of district plans that most attention was focussed. Matters such as subjectivity and uncertainty in the way development applications are assessed against district plans have been discussed above.

5.5 Council engagement with applicants

One of the most consistent areas of concern (albeit largely on the part of architects and developers) had to do with consistency of advice provided in relation to their project, a matter discussed in more detail above. In this context, the value of applicants engaging with council officers and advisers prior to making an application also came up for discussion. All councils provide opportunities for pre-application meetings (pre-apps). In some cases these are offered free of charge to the applicant while in others there is a cost involved. There were a range of opinions on the value of such meetings from the different stakeholders.

There was a general sense that pre-apps were good when useful advice was able to be passed on but that their value is diminished when council officers shy away from approaches that can create certainty for applicants or when they retreat toward self-protection. Several respondents noted that they had perceived a change in recent years where advice was no longer given as specifically nor with the same levels of certainty as it had been previously.

Another matter is the increasing formality of such meetings. This played out in two ways. Firstly, there appears to be an increased emphasis in documenting the meetings, which in the eyes of several applicants tended to make council officers more conservative in the advice they would provide. Secondly, timeframes required to arrange meetings and to be sent the follow up advice in writing meant that such meetings were no longer viable for some projects on tight schedules. Attitudes toward pre-application meetings were summarised by one planner, who works mainly with applicants:

> *"In the past you met the planner you would be working with at pre app and had the opportunity to develop a relationship and talk over issues beforehand. The pre app meetings could be scheduled in 3 or 4 days, but the waiting time now is around 3 weeks so extra costs……not receiving opinions on their approach anymore……We are getting longer minutes recorded but they are really just a blurb from the (district plan). Well, it's like thanks, we know that already…."*

While this was a commonly expressed view, others were more positive about pre-apps and were willing to invest the time needed to make they work for their projects. In these instances, the key benefits for applicants appears to be in establishing and maintaining good working relationships rather than in the information they receive. As noted by one developer: "We see the pre-app process as an opportunity to collaborate. That comes at a cost to us, but that's an investment that pays off." This stakeholder goes on to note that

they don't get a lot of feedback at the pre-app meetings anymore, something he attributes to the council not wanting to take on much risk.

In contrast, some processing planners considered that the quality of information they provide at pre-app stage quite is quite high, noting that early engagement provides opportunities to look at infrastructure issues on the site and to generally get everyone on the same page to try to create a successful development. According to one planner, if the conversations start early it begins to give people more certainty about what they (council officers and advisers) are actually thinking. An architect who held the same positive views of pre-app engagement with council noted the importance of having the dialogue and feedback. He felt that face to face meetings could help resolve matters that cannot be easily communicated across technology platforms, no matter how good they are. But, to make this work, he also believes that both sides should be more 'open door' in the way they communicate with each other. This seems to confirm the earlier views that in many cases, council officers are increasingly reluctant to communicate in an 'open door' manner.

5.6 Power relationships

Issues around variability and subjectivity of advice given or decisions made by council staff were discussed above. Coupled with this is the matter of power relationships between council staff and applicants. Some participants spoke of the power differentials in the process, where often it felt like decisions were related to council being right, going by the rules rather than to achieve the best outcome. One participant was particularly interested in the 'value add' of the resource consent process but had come to the view that while it was now costing more money, it was not leading to better outcomes.

> *"…. it feels like the opinion from the applicant side is worth less than the opinion from the equivalent council advisory side. It could be you're dealing with a council traffic engineer with four years' experience versus one that has forty, but the four years' experience will be the one that wins out for the council planner."*

5.7 Time to process resource consents

Given the variable and often long timeframes needed to process resource consent applications in the three largest cities, this was a particular area of interest in our conversations with all stakeholders. As can be expected, perspectives on this issue varied. One council planner we spoke to could not understand that resource consent processing times were running over those that the RMA anticipates. This person noted that while there is a view outside council that they are very slow, that in reality the majority of consents were being processed on time. A common view amongst council based planners was that meeting timeframes is something they do well. Council based planners attributed the perceptions of poor time management to the high number of communications (requests for information, official notifications etc.) during the period the application was being processed.

One highly experienced developer understood that councils had a 20 working day time limit within which to process a consent. He explained that councils simply stop the clock on day 20 by sending a long list of questions. After that it's an ongoing process that averages eight weeks to complete. It would seem that the three months this applicant waits is not far from the average we found in our earlier analysis.

Other applicant stakeholders provided us with similar experiences of applications taking between 3 and 12 months to have completed, taking account of RFIs and the exchange of further information. In one applicant's experience, the applications themselves are not being allocated to a processing planner until they have passed 20 working days. In this context, this applicant noted that non-controversial applications were taking three to five months to have processed and those that were at all non-standard could take much longer. Several of the developers we spoke to recounted the additional holding costs this was creating for the project, along with additional consultant time costs that had not been budgeted for.

5.8 Summary of interviews

It was a privilege to be able to speak to many of those working at the coalface of resource consent processing in the five cities. Everyone we spoke to was passionate about the role they played in fostering much needed changes to the built environment. They were also very familiar with the regulatory planning system through their personal experiences with it and it was these experiences that the research was set up to tap into. Many of those we spoke to were able to tell us about their positive experiences with processing or obtaining resource consents. There were positive experiences created by having other experts involved in developing and evaluating the same project. It was noted that it is only because of the requirement to obtain resource consent that this range of experts would be focussed on the project and in many of these cases it was acknowledged that the project outcomes were improved in one way or another.

If the planning approval process can be characterised as bringing two sides together – the applicant, who is responding to a perceived need in the marketplace, and the planning officers charged with evaluating the appropriateness of the proposal – then these interviews have touched on many of the tensions that are played out between them. Foremost amongst them, it seems is that applicants are eager to have consistency in all their dealings with council. This is primarily focussed on a desire to be given consistent advice about a project no matter when that advice is given – at pre-app stage or during the period the application is being processed – or by whom. For their part, we came to understand that council officers also wish to provide advice consistently. To ensure this, some have initiated training for their staff to help overcome pitfalls of having to make subjective assessments of projects. Others have set up the account manager role to act as the conduit for information and communication. This naturally will help ensure consistency as the role would be able to see across the entire timeframe of a project and presumably to see across other applications at a managerial level.

While applicants wish for consistency, many also expressed a desire for more responsive assessments of their development proposals. Such responsiveness could evaluate the

application in relation to the particular opportunities and challenges arising from site conditions or to recognise innovative approaches that do not otherwise directly achieve quantitative measures in the district plan. We've also come to understand that while council officers would also like to be more responsive to different project outcomes, their experiences have shown them that this could expose their councils, or them personally, to criticism, most importantly from neighbours and other affected parties.

Other relevant matters that came up during the interviews include suggestions for more and better leadership from central government; that district plans should become more standardised, at least in layout and nomenclature; that time has seen councils retreat from giving specific and clear advice to applicants at pre-app meetings; and that in some cases the power in the relationship between the two sides (applicant and council) is swung too far in the direction of the council.

Discussions with applicants lends weight to our analysis of the time required to issue many resource consents; it is taking longer than applicants expect. Expectations are set by the RMA but the applicants we spoke to had all experienced projects that had taken much longer than 20 working days to issue. The discussion around this noted that this was leading to higher holding and consultant costs. The period of uncertainty – would the applicant be granted resource consent and what changes would be needed to be made during the process? – also meant that marketing and advance sales were being delayed. It was widely understood by the people we spoke to that the timeframes are not being met because councils are under-resourced in this area and if changes are to be made to address the findings of this research it could be useful to look at council staff resourcing.

6. Conclusions

The research was undertaken to enable better understanding of the specific challenges with the resource consent process for medium density housing. In a nutshell, the challenge seems to be to create consistency in the process as well as in the frameworks that guide resource management. Our review of the district plans in five representative cities in New Zealand identified five different approaches to providing for medium density housing. It is to be expected that local contexts – environmental, economic, cultural and social – vary and that it is important for planning frameworks to recognise and support these differences. However, some of those we spoke to also thought that district plans and resource consent processes could be enhanced if there were more consistency across them. We also heard that central government could and should do more to provide leadership around resource consenting and around changes to the built environment more broadly. Two suggestions for where government could provide leadership in this context were in developing national policy statements for (medium density) housing and in providing a template for district plans to be written to. Both could help create more consistency in processing applications for medium density housing.

The most consistent point amongst those we spoke to had to do with consistency of advice on, and evaluation of, MDH projects. This was more important than the longer timeframes

many experienced when applying for resource consent than the cost of the consent when ready to uplift. For applicants who experienced inconsistent advice it affected their work in two important ways. First, developers advised that holding and consultant costs were inevitably increased with the time that was required to address inconsistent advice given at inopportune times in the process. Secondly, this led applicants to be uncertain about when their consent would be available and on what terms. In turn, this affected marketing and further development of the project toward building consent and construction. All of these consequential costs or inhibitors to development activities can affect the viability of a project.

Timeframes to process a resource consent for MDH were revealed , through analysis of council information, to be inconsistent. The average time required to wait for a consent in two of the three largest cities sat well above the time expected by the RMA. But in light of applicants' concerns, it is perhaps more concerning that these timeframes vary across a wide range of days. The timeframes, both in average and in range, increase further still when the days a consent is sitting on hold are included in the totals.

The cost of obtaining resource consent did not get raised by any of the stakeholders we spoke to. It is noted that costs varied widely between the five cities we investigated and indeed within the same TA the costs also ranged widely. The cost of consent is largely tied back to fixed costs and time related charges. Understanding this may be one reason that applicants appear to accept the direct financial cost of council's fee.

One of the challenges for local authorities is to manage resource consent processes in the face of increasing staff turnover. Interviewees on the applicant side suggested that the councils they worked closely with were facing high turnover as, with experience, many council planning staff became more attractive to employ by consulting firms. This was corroborated by some of the council planners we spoke to. To address this challenge, council managers may wish to look at ways to retain staff rather than having to deal with the consequences of staff leaving.

Many of those we spoke to had positive experiences of collaboration between applicants and council staff. They considered it a privilege to have other professionals in discussions through the resource consent that are aimed at improving the built outcomes. Several developers happily agreed that many of their projects were improved by this collaboration.

Finally, at the stage of evaluating council performance on time and cost for MDH resource consents, this research was severely limited by inconsistent and poorly recorded information. Datasets retrieved from the NMS were found to be incomplete and information recorded inconsistently. Information sourced directly from councils was much better but even some of this data was found to be incorrect when cross checking with the same dataset. Certainly there were many differences between the data sourced from MfE (the NMS data) and that sourced from the councils and any comparisons across these two

information sources was considered risky. All too often, the researchers would have to make interpretations of the text descriptors in order to identify the project type and timeframes. A far too wide range of descriptions were found to have been used. The NMS is well intentioned, and it provides a potentially valuable tool to monitor performance across the country. It can only reach this potential and be of use to researchers in the future if the information is complete and has, to an extent, been standardised.

As is often the case, the findings of this research suggest several other questions that could lead to future research. These questions revolve around the large variations in processing times, in consent costs and in how council staff make their assessments of the effects of a development. In turn:

a. The analysis was unable to pinpoint any correlations between project size or development type and the time needed to process a resource consent. In that, we note that the information we had to work with was limited in scope and in most cases inconsistently recorded. It would be useful to establish background as to why some resource consents take longer than others.

b. Similarly, it would be useful to understand why consent fees vary so widely. Once the data have been verified as including the same agreed costs, studies could be made to look at the background.

c. Finally, this research has identified inconsistency of advice provided by council planners and officers about a project to be a key concern. Why is advice given inconsistently? Perhaps with answers to that question, the resource consent regime could move on to consider projects in more responsive ways, with the confidence that such evaluations will be made consistently.

References

Auckland Council (2012). Housing Action Plan (Stage 1). Auckland.

Auckland Council (2018). Auckland unitary plan. Auckland, Auckland Council.

Auckland Council Research and Evaluation Unit (2015). Auckland Council Research Strategy and Priority Research Areas 2013 - 2016: Research Plans. Auckland, Auckland Council**:** 186.

Auckland Regional Growth Forum (2007). Growing Smarter: The Auckland region in the 21st century. Auckland, Auckland Regional Growth Forum**:** 149.

Brown, M. A., R. Peart and M. Wright (2016). Evaluating the environmental outcomes of the RMA. Auckland, Environmental Defence Society**:** 84.

Bryson, K. and N. Allen (2017). Defining medium density housing. Porirua, Building Research Association of New Zealand**:** 63.

CERA (2013). Land Use Recovery Plan. Christchurch.

Chapman, R. (2013). Affordable housing in New Zealand cities: an economic and policy analysis. Homes People can Afford: How to Improve Housing in NZ. S. Bierre, P. Howden-Chapman and L. Early. Wellington, Steele Roberts Aotearoa**:** 49-56.

Christchurch City Council. (2018). "Residential Intensification." from https://ccc.govt.nz/consents-and-licences/resource-consents/residential-and-housing/residential-intensificationnew-page/.

Cityscope Consultants (2011). Improving the Design, Quality and Affordability of Residential Intensification in New Zealand, CityScope Consultants Ltd prepared for Centre for Housing Research Aotearoa.

Dodge, N. (2017). A Quarter Acre Pavlova Paradise lost? The Role of Preferences and Planning in Achieving urban Sustainability in Wellington, New Zealand PhD Thesis, Victoria University of Wellington.

Gow, L. (2000). Curbing the Sprawl. Wellington, Ministry for the Environment.

Grimes, A., A. Aitken, I. Mitchell and V. Smith (2006). Housing Supply in the Auckland Region 2000-2005. Motu Working Paper. Wellington, Motu Economic and Public Policy Research.

Grimes, A. and I. Mitchell (2015). Impacts of Planning Rules, Regulations, Uncertainty and Delay on Residential Property Development. Motu Working Paper 15-02., Motu.

Haarhoff, E., L. Beattie, J. Dixon Dr, A. Dupuis, P. Lysnar and L. Murphy (2013). Future Intensive: Obstacles and opportunities to achieving the compact urban form in Auckland. The National Conference of the State of Australian Cities, Sydney.

Haarhoff, E., L. Beattie and A. Dupuis (2016). "Does higher density housing enhance liveability? Case studies of housing intensification in Auckland." Cogent Social Sciences **2**(1243289): 1-16.

Harris, R., M. Udale, J. Coop, I. Cassels, Z. Ernst, P. Winder, R. Anderson, P. Pirrit, L. McTurk, A. Carter, S. Townsend and M. Everett (2009). Report and Recommendations of the urban Taskforce., Building and Construction Sector.

Ministry for the Environment. (2016). "Medium-density housing in New Zealand." Retrieved 05/11, 2019, from https://www.mfe.govt.nz/more/towns-and-cities/medium-density-housing.

Palmerston North City Council (2015). Proposed Plan Change and Variation 20A-B (Section 32 Report). Palmerston North, Palmerston North City Council.

Shiran, M. (2019). The Role of Architectural Design in Enhancing Place Attachment for Older Adults in Retirement Communities. Master of Architecture, Victoria University of Wellington.

Statistics New Zealand (2018). Subnational Population Projections. Wellington, Statistics New Zealand.

The Productivity Commission (2012). Housing affordability. T. N. Z. P. Commission. Wellington, The New Zealand Productivity Commission.

Tustin, M. (2017). "Legal interventions to meaningfully increase housing supply in New Zealand cities with housing shortages [online]." Victoria University of Wellington Law Review **48**(1): 133 - 161.

Wellington City Council (2000). Wellington District Plan. Planning. Wellington, Wellington City Council. **1: Objectives, policies & rules**.

Wellington City Council (2007). Proposed District Plan Change 56 (Summary of Submissions). Wellington, Wellington City Council.

Yeoman, R. and G. Akehurst (2015). The housing we'd choose: a study of housing preferences, choices and tradeoffs in Auckland. Auckland Council technical report, TR2015/016. Auckland, Market Economics Ltd for Auckland Council.