

# Planning regulation impacts on MDH

Can the uninspiring nature of some new medium-density housing developments be attributed to a resource consent process that is often inconsistent and a tendency for planning staff to stick rigidly to the rules rather than seek responsive solutions?

**NEARLY EVERYONE**, it seems, has a story to tell about a resource consent application. These stories are told from the perspective of the applicant and often relate to a bad experience with perceived bureaucratic nitpicking or to an unreasonably long timeframe. Rarely do we hear the council's side of the story other than to defend their actions.

While these stories make interesting reading, together they offer mostly anecdotal evidence of a problem. Is there a problem, and if so, how does it affect our ability to create new housing at a scale and density that many feel is needed to address growing demand?

## **Consenting MDH in existing centres**

There is plenty of evidence to demonstrate the benefits of medium-density housing (MDH), but to what extent do regulatory planning processes affect delivery of MDH around existing centres, where it makes the most sense to be built. These were the questions addressed by a recently completed project supported by the Building Research Levy.

The fieldwork focused on five territorial authorities – Auckland Council, Hastings District Council, Palmerston North City Council, Wellington City Council and Christchurch City Council. In each case, the district plan was assessed to understand the extent to which it supports delivery of MDH.

Historical information on council charges and the timeframes needed to deliver resource consents for MDH was then analysed. This



information came from the relevant council, where possible, and the Ministry for the Environment through its National Monitoring System.

Finally, interviews were conducted with the processing planner, developer and lead designer of specific projects. In all, 24 project participants were interviewed.

## **Some things are working well**

There was widespread belief among those interviewed that, when the system is working well, resource consent processes can add value to



Medium-density housing in Auckland.

new developments. This is largely due to the flexibility written into district plans, which many believe allows for alternative design solutions.

Several specific examples were offered to confirm this potential, but we also heard that the experience level of the council planner was a key factor.

### ***Concerns include uncertainty and inconsistency***

While flexibility is good, this could also lead to conditions of uncertainty, particularly when interpretations had to be made by planners with little practical experience or who are conservative in their approach. In this context, some appreciated the certainty provided for by the rules.

Inconsistency assessing the proposed development in relation to the district plan was a key concern in each of the council areas.

The flip side of flexibility can be uncertainty, and several respondents felt that flexibility was used as a tool to restrict, rather than enable, good development.

This could occur because of input from several experts, each with a potentially different view of the effects of a particular development. Rather than prioritising among these, respondents felt that projects were being limited to the lowest common denominator.

### ***Urban design advice a concern***

An area of particular concern is urban design advice. Urban design guidelines and the ways these are interpreted by some advisors

seemed to epitomise the subjective nature of consenting in the minds of developers and designers.

Several respondents cited examples of what they saw as urban design advisors extending their reach to comment on matters beyond those controlled by the planning process. The outcomes 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 lead 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.

### ***Real costs from delays and uncertainty***

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 this study. Neither was the cost of development contributions.

One respondent noted that the timing of these payments, where due within 2 weeks of a building consent being granted, created 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. ➤

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### **Leadership and standardisation needed**

There is a strong sense that development planning and assessment take place in a policy vacuum. Each council, each planner and each developer has to find their way in the area of MDH with little guidance from above.

Several respondents suggested that the colonial underpinnings of the Resource Management Act (RMA) create a bias towards 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.

The Auckland Unitary Plan is seen as a step in the right direction, but we were also 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, felt that district plans should make people expect MDH.

### **Key conclusions**

- Several stakeholders spoke about the positives that planning approvals can bring, most importantly by helping to improve outcomes.

- There is a lack of consistency in district plans and how they are administered across the country and even within individual councils. 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 the ability to monitor RMA performance and conduct research.
  - There is a lack of continuous involvement by experienced staff in some councils.
  - Strict adherence to rules to navigate the resource consent process can limit the potential of 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. ◀
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