

New Zealand Productivity Commission

Using Land for Housing - Submission

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The following submission is a capture of some obvious and some not so obvious truths and true-isms gleaned from working in land development and community building.

Housing and Homes

Housing is about home. Home is where the heart is.

Housing is an activity and a human experience as much as it is a product.

Housing should not be conceived alone nor stand alone.

How dwellings are grouped, what they are and how they are perceived are all important.

No man is an island so homes need to group together just as much as people need to be social. They need to be grouped in a way that people can be social. Physical distance translates to emotional distance and in some cases distance can be destructive but in other situations distance is protective.

Quality and affordable housing depends on a context of an integrated well-conceived assembly of buildings, spaces, activities and people who can harmoniously add to each others' dignity, purpose and well-being.

The factors which affect housing are:

1. The cost of land
2. The cost of construction (plus all fees and expenses)
3. The cost of finance (plus all fees, entry costs and opportunity costs)
4. Placemaking and Design
5. Identity and Branding (which includes community/stakeholder/prospective occupant engagement, durability and marketing)
6. Community Legacy (which includes tenant management, facilities management and community integration)
7. Scale – enough size to generate peripheral activities and agglomeration benefits.
8. Value Capture – recycling the profits into the quality of development.

If housing expects to deliver a 'social dividend, a social investment needs to be made well ahead of time.

Balanced Urban Development

The following activities need to be provided in measure for in a healthy durable place:

- Live Work Play Learn Rest
- Invent Create Produce Trade
- Shop
- Connect
- Talk Share Embrace Nurture
- Worship Celebrate

Urban Design

The *Seven 'C's* of the *NZ Urban Design Protocol*, adopted 2005 are:

- Context
- Character
- Connections
- Choice
- Creativity
- Collaboration and
- Custodianship

The first two should probably be:

- Community and Children

Other C's of urban sustainable and integrated urban development and regeneration could be:

- Culture
- Charm
- Civility
- Composition
- Consistency
- Cohesion
- Clarity
- Coherence
- Construction
- Complexity
- Celebration
- Courage

Cities

Cities look outwards, villages look inwards. Cities think about who they trade with, who their visitors are and what stories they take away with them.

Vibrant cities are hallmarked by:

- Intensity
- Variety
- Sophistication
- Surprise

Auckland

Based on the definition of a city above, Auckland is a *large village* becoming a *small city*. Small is fine so long as the identity and scale of activity are in the right balanced measures.

Auckland faces three challenges:

- **Scale**
- **Synthesis**
- **Desire.**

Scale:

- How many sports stadia do we need?
- How extensive a passenger rail system?
- What number of cars per household can we afford to run ?
- Is our wastewater system(s) optimally sized for urban growth in each community?
- Is the density formula right?

Synthesis:

- Can we get all parts of the city working together?
- Will the private sector support the public policies?
- Will academia provide research and thought leadership to progress the city?
- Will communities contribute what they have to offer to the well-being of all?
- Will individuals take pride in their city's future and invest for the next generation?

Desire:

- Do we want urban renewal enough to pay the cost?
- Are our communities supportive of each other, particularly are the outer communities willing to pay for Regional facilities at the centre? is the central city willing to provide transport in from the periphery? is everyone willing to contribute [taxes and rates] to provide social support to the poorer communities? Are the poorer communities willing to be revitalised without protest for the good of the city as a whole?

Public and Private Sectors

The public sector is all about:

- **Process**
- **Politics and**
- **Policy**

The private sector is all about:

- **Progress**
- **product and**
- **profit**

On a good day the public sector is about **people, probity and prudence.**

On a bad day it is about *pettiness and procrastination*.

On a good day the private sector is about *personality, pride and profile*.

On a bad day it is about *perniciousness*.

Managing Comprehensive Sustainable Urban Development

The ideal outcomes are achieved by combining the energies and intelligence of the private and the public sector and the 'third sector' housing providers with each providing the leverage each has and aligning effort into a constructive force.

The public sector has abilities to invest 'patient' money at favourable interest rates, to aggregate land and to do large scale planning.

The third sector housing providers have abilities to select and manage tenants and leverage social infrastructure and welfare providers to create community identity and cohesion.

The private sector can invest, guide and build innovatively and cost effectively. Speed and efficiency of construction is critical to creating project value and project confidence and therefore ultimately investment and sales..

Tools for managing comprehensive urban development.

Governance is all important in creating a long term scenario for land development which inevitably requires a lot of time with a lot of players.

Land ownership is the most powerful tool for negotiating social and built outcomes.

Creating a concept masterplan can add project value and enhance the property value even without turning turf.

Obtaining resource consents can add project value and obtain funding approvals without evicting tenants or starting demolition.

Typically development feasibility studies treat the land as the residual item whereas it needs to be treated as one of a number of variables to be balanced in the equation.

Success looks like....

The Popsicle Indicator is used in the USA as a measure of housing value. It is defined as the likelihood of a young teenage girl being able to walk to the closest shop and buy a popsicle and return home safely.

Successful communities are created taking a very broad approach to social, cultural, environmental dimensions of living while keeping a close eye on cost, funding, economic and the design and quality of the built environment.

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