

# Urban Intensification Working Groups Building and Construction Sector Productivity Taskforce Workplan

## Purpose

The purpose of the Urban Intensification Working Group is to provide analytical advice and information on workstreams identified by the Urban Intensification Taskforce, to help develop an improved approach to urban intensification in New Zealand.

## Context

Building and Construction sector leaders met in Auckland on 1 August 2008 at the invitation of the Minister for Building and Construction. Particular issues identified by the forum included that:

- productivity growth, especially labour productivity has been disappointing and is limiting sector ability to respond positively to change
- improving skill levels, across the board, is critical for improved sector productivity
- pressure on land use will continue to drive urban intensification – and that urbanisation is an issue for all New Zealand cities, not just Auckland and that:
  - there are not enough large scale intensification projects currently underway or planned to cope with future needs within current urban boundaries
  - the quality of urban intensification to date, in delivering sustainable urban environments, has been patchy and generally poor

To develop practical proposals to address the above issues it was decided to establish taskforces made up of industry, local and regional government, and central government leaders:

- A Sector Productivity Taskforce, to:
  - develop a sector wide skills strategy
  - develop an improved approach to the procurement of construction projects
- An Urban Intensification Taskforce, to:
  - develop proposals to improve current approaches to planning and coordination in support of improved urban development

It was proposed that the Forum should reconvene in mid 2009 to consider progress on the above.

Since the Forum met in August significant change has occurred with a worsening economic environment and substantive market adjustment.

### *Objectives of the Urban Intensification Taskforce*

The objective of the Taskforce is to oversee the development of a strategy and action plan for achieving better urban intensification outcomes for New Zealand and, in particular, the Auckland region. This would include oversight of work to:

- Describe what successful urban intensification means in practice
- Analyse the main factors underpinning successful implementation to date within NZ and use this to identify barriers and impediments to the achievement of future sustainable urban intensification, taking into account:
  - underpinning legislation and regulation including the Resource Management, Local Government and Building acts
  - the way that industry, the advisory profession, local and central government agencies and communities interact with each other in the process of land use planning and development
  - how intensification projects themselves, as well as infrastructure and other development activities of a public good nature, are funded
  - community resistance to intensification
  - the perceived lack of high-intensity housing suitable for families and the related lack of consumer demand
- Identify and assess possible options for better achieving sustainable urban intensification outcomes
- Propose a way forward for achieving better sustainable urban intensification outcomes for New Zealand and, in particular, the Auckland region

### **Urban Intensification Workstreams**

Four workstreams have been identified by the Taskforce for the Working Group to investigate and to provide advice, to assist it in developing an improved approach to urban intensification in New Zealand.

A high level summary of each of workstream is included at the end of this Workplan. The first three workstreams would proceed concurrently; the fourth workstream follows the first three as it is conditional upon their results.

Two of the workstreams would have a dedicated workgroup to support that workstream, and to provide advice through to the taskforce. Details of each working group are provided under the respective workstreams.

## **Reporting**

The working group will compile an overview of its findings and proposals for each workstream and report to the Chair of the Urban Intensification Taskforce as follows:

- Early February 2009
  - Outcome of workstream 1
- Early March 2009
  - Findings from Workstream 2 with a view to briefing the Minister on issues and possible directions for action
- End of March 2009
  - Synthesised actions and recommendations from all workstreams

## **Accountability**

A working group Chair, to be appointed by the Chair of the Taskforce, will be accountable to the Chair of the Taskforce for the operation of the working group. The working group will report back to the Taskforce with findings and proposals.

## **Support**

In carrying out its work plan the working group will be supported by:

- A small secretariat that will provide administrative and analytical support to the working group.
- Some funds, to be managed by the secretariat, to purchase research and analytical inputs.

## **Workstream 1: What is the value proposition for increased urban intensification from a New Zealand perspective:**

### What Questions would be answered?

To outline in a neutral manner:

- What do we mean by “urban intensification” and how does it apply across the range of possible contexts (such as brownfields and greenfields development, and to residential and business needs)?
- Why and where do we need to intensify – what is the pressing need from a whole-of-NZ perspective (and thus why it is not just an “Auckland problem”)
- What is the case in terms of:
  - NZ’s overall economic performance
    - NZ’s productivity and GDP per capita
    - The efficiency and competitiveness of NZ’s major cities
  - The best use of NZ’s resources
    - land supply/competing land uses
    - supporting efficient and effective infrastructure use and spend
    - keeping the cost of taxpayer funded infrastructure down
  - Keeping NZ cities affordable:
    - the impact on local body infrastructure and service delivery costs
    - the impact on rates levels
  - supporting environmental sustainability (including climate change issues)
  - supporting mixed communities to address social disadvantages (e.g. travel cost, travel disadvantaged)
- What is the particular basis for the need for, and feasibility of, intensification for (a) Auckland in terms of agglomeration benefits and being an internationally competitive city and (b) for the rest of NZ
- The range of possible approaches towards intensification, and what the evidence is about the respective costs and benefits of those various approaches

Process: Build upon existing material, draw it out in a more tangible manner

What is the product: a short paper + presentation that could be used with external audiences (especially Ministers) on the case for greater intensification

Who: DBH is the lead agency to prepare a draft value proposition, which would then be tested with:

- MfE (through the GUEDO office)
- DIA
- Ian Cassels (and other industry developers)
- Property Council of New Zealand
- The Green Building Council

Date: End of January 2009

## **Workstream 2: What we can learn from current urban intensification exemplars (and from unsuccessful developments)?**

### What Questions would be answered?

- What are the system wide features that support current urban intensification exemplars? How supportive have these system wide features been?
- What makes urban intensification work in NZ exemplars (eg: Wellington, Ponsonby) and what can we learn from overseas exemplars (Barcelona? London? Ottawa? Brisbane? Vancouver?) The criteria for assessing what makes urban intensification work in NZ exemplars will be developed by the Working Group (see below) but would be expected to include:
  - Financial return
  - Impact on economic performance, productivity, and competitiveness
  - Impact on local authorities' cost structures
  - Quality of the built environment and public spaces (eg: do people like living in these places, what is their resale value relative to general property price trends)
  - Social outcomes
  - Environmental performance
  - Timeliness
  - Community acceptance (e.g. NIMBY)
- What is the current model for developing an intensification project from start to finish, covering the gamut of business, finance and regulatory decisions including:
  - Site selection ( e.g. existing district plan zoning, proximity to passenger transport, centres and social infrastructure, etc.)
  - Infrastructure and amenity issues
  - Design response (e.g. architectural, urban design, landscape architecture to achieve intensification)
  - Land supply issues (eg: identifying and consolidating land)
  - Regulatory (RMA, Local Govt Act/statutory consent) issues and opportunities to tie regulation with incentives to intensify
  - Regulatory and consent cost issues
  - Access to funding/funding models for developers
  - Social issues / Community acceptanceand would explore:
  - Role of Government and Local Government
  - Capacity and capability of the industry
  - Integrated decision-making across agencies.
- How does this model operate in:
  - theory
  - practice (using case studies for the current exemplars)

- What are the major intensification projects that have not been able to proceed, or have otherwise been unsuccessful, and (using the mapping from the exemplar case models):
  - what can we learn from these projects about system wide issues, and/or
  - what are the issues with the current business model for intensification?
- What is the demographic/market demand for these respective developments and what has this meant for spatial and building design for these developments? How has the demographic/market characteristics influenced the shape of the developments and their respective success?

Process:

- Identify the urban intensification exemplars (across a range of intensification types) and projects that were not successful
- Map existing urban intensification models and processes in theory
- Use case studies to map the existing models and processes in practice by type of intensification (*Note that MfE can offer a number of the Urban Design Protocol Case Studies repackaged to answer the questions in this workstream*).
- Compare and contrast urban intensification models and processes in theory and in practice
- For those projects that were unsuccessful, analyse the issues that they faced and what would have need to have been different to allow them to succeed.
- Analyse opportunities to facilitate and streamline the urban intensification models and processes for intensification projects to make them more viable or more profitable

What is the product:

An understanding of what these made urban intensification projects successful or unsuccessful (as the case may be) and what this could mean for future projects as analysed in Workstream 3 below, covering:

- a mapping of current processes
- what makes the processes as successful as they can be
- opportunities to develop a more attractive model or process for intensification projects

Who:

A Working Group comprising practitioners from industry, local and central Government (names to be confirmed once invitations sent and accepted).

Date: Final results by early March 2009 (with a view to a possible briefing with the Minister on issues arising from this analysis and possible directions for action).

### **Workstream 3: Facilitating Successful Future Intensification Projects –what would need to be done to ensure their success**

To take the learnings from Workstream 2 and apply them to the possible future urban intensification projects through the following work.

To sharpen the analysis, the Working Group would anticipate what some of the future intensification opportunities might be , and identify what would need to happen to ensure that these opportunities succeeded.

#### What Questions would be answered?

- What are the future demographic pressures that future intensification projects will have to support and, based on what we know about those consumers, what are the basic pre-requisites for good future intensification, including:
  - Built environment (including the critical housing design and urban design elements)
  - Infrastructure
  - Public amenities/open Space
  - Transport
  - Community buy in/acceptance
- What are the system wide changes that will be needed to facilitate intensification projects at the system wide level
- What is the required future business and regulatory model to develop future intensification projects from start to finish, covering the gamut of business, finance and regulatory decisions including:
  - Site selection ( e.g. existing district plan zoning, proximity to passenger transport, centres and social infrastructure, etc.)
  - Infrastructure and amenity issues
  - Design response (e.g. architectural, urban design, landscape architecture to achieve intensification
  - Land supply issues (eg: identifying and consolidating land)
  - Regulatory (RMA, Local Govt Act/statutory consent) issues and opportunities to tie regulation with incentives to intensify
  - Regulatory and consent cost issues
  - Access to funding/funding models for developers
  - Social issues / Community acceptance

Including consideration of possible future aspects of:

  - Role of Government and Local Government
  - Capacity and capability of the industry
  - Integrated decision-making across agencies.
- What needs to be changed from the status quo, to deliver successful future intensification projects - what, by whom, by when?

Process:

- What are the most likely next major intensification projects in NZ that might be used as base for case studying the need for future change
- Use the map of existing models from Workstream 2 and analyse what changes would be needed to facilitate the successful development of future projects to make them more viable or more profitable.
- Develop change recommendations for better facilitating the successful development of future intensification projects:

What is the product:

An action plan for improved facilitation of future intensification projects

Who:

The Working Group from Workstream 2, comprising practitioners from industry, local and central Government (names to be confirmed once invitations sent and accepted).

Date: Final results by end of March 2009

## **Workstream 4: Developing a New Leadership Model**

### What Questions would be answered?

- What actions should the Government consider with respect to specific options in the pipeline/"slow sites
- Is a new leadership model required to champion future intensification and the associated new business and process models?
- If so what is it, and what does this model require from:
  - Central Government
  - Local Government
  - Industry

### Process:

Taskforce to review and consolidate the findings from the previous workstreams  
Taskforce to workshop implications of the previous workstreams into developing leadership models and options that would take intensification forward

### What is the product:

Recommendations from the Taskforce regarding:

- What leadership model is required
- What are the roles of various players under this new model
- What would it take to operationalise this new model

### Who:

- The Taskforce itself

Date: End of March 2009