



Nelson City Council
te kaunihera o whakatū

NELSON HOUSING ACCORD

Nelson Housing Accord (the Accord)

1. This Accord between Nelson City Council (the Council) and the Government is intended to result in increased land supply for housing and therefore improved affordability of homes in Nelson.

Background

2. An adequate supply of land for housing and housing affordability are key elements in maintaining a well-functioning, dynamic district with a strong economy and healthy communities. Nelson is experiencing issues around the affordability of housing. While supply of zoned land is being maintained subject to servicing, the availability of land parcels in locations and at a rate that might influence affordability is a matter for consideration.
3. Nelson City has a steady demand for new housing due to both a growing population, driven by positive net migration and natural increase (more births than deaths), and an ageing population, which is driving a trend towards more one and two-person households. Nelson's population experienced an average annual growth rate of 1.1% between 2006 and 2013, and projections are for the population to grow by 0.7% annually over the next ten years. Home ownership rates have remained stable over the last decade, at 68% of households.
4. The urban area of Nelson is geographically compact and new residential development is constrained by topography of hills, valleys and coastal areas. Recent valuation assessments have estimated 426 ha of residential land is available for development, some of which still requires infrastructure servicing, and some of which is subject to other constraints e.g. hazards.
5. The aggregate housing affordability index (integrating median dwelling prices, average weekly income and average mortgage rates, across all housing market segments) as prepared by Massey University in late 2014 for Nelson (as part of Nelson-Tasman-Marlborough regional cluster), shows that Nelson is less affordable than the national average.
6. The Council and Government agree that joint action is needed to improve housing supply and affordability in Nelson.
7. This Accord is part of the Government's housing affordability programme, which includes initiatives to address:
 - The supply of land available for residential purposes.
 - The efficiency and timeliness of the provision of infrastructure to new development.
 - The cost of construction materials.
 - Compliance costs.
 - Productivity in the construction sector.

Purpose

8. This Accord will provide the basis for collaboration between the Government and Council to support an increase in housing and improve housing affordability in Nelson.
9. This Accord recognises that by working collaboratively the Government and the Council can achieve better housing outcomes for the Nelson.

10. The parties acknowledge that improving housing affordability is a complex issue and requires consideration of wider issues, not all of which will be able to be addressed under this Accord.

Priority Actions

11. This Accord is a tool to facilitate development aligned with the Council's policy and regulatory framework including the Nelson Resource Management Plan and the Long Term Plan. This framework includes initiatives to:

- Enable a mix of housing types, including more affordable homes.
- Encourage developers through a package of incentives to prepare their land and build houses more quickly than has been the case over the last three years. (Note: developers do not necessarily build houses but the generic term “developers” in this Accord is also intended to cover housing companies.)
- Increase developer confidence in the Council to encourage a more collaborative approach between the Council and developers that results in a commitment to bring a continuous supply of land and houses to the market over the long term.
- Better align public infrastructure investment and private sector housing development.

12. The Council will work collaboratively with the Tasman District Council should any areas for potential housing development be identified by either Council across territorial boundaries or be serviced by infrastructure from the other Council.

13. Under this Accord the Government and the Council agree to:

Aim	Actions	Commitments
<p>Increase the supply of affordable housing in Nelson with a particular focus on existing residentially zoned land.</p>	<p>Encourage developers to subdivide and prepare their land and build houses following release of serviced residentially zoned land more quickly than has been the case over the last three years.</p> <p>Ensure housing developments provide for a mix of house types and include more affordable homes to be sold at different price points.</p> <p>Maintain an appropriate supply of undeveloped zoned and serviced land for residential development to ensure a healthy degree of competitive pressures amongst developers.</p> <p>Encourage the redevelopment of suitable residentially zoned land to</p>	<p>The Council will progress actions to encourage faster development of serviced residential zoned land and the development of more affordable homes.</p> <p>The Council will consider mechanisms which may include differential rating and development control powers to speed up supply and improve affordability.</p> <p>The Council is undertaking a review of the Nelson Resource Management Plan to ensure the Plan responds appropriately to development demand by delivering a framework to support and encourage residential development.</p> <p>The Council will continue to collaborate with the residential development community to exploit opportunities to utilise already residential zoned land</p>

	<p>yield greater density of new dwellings that may be more affordable.</p> <p>Review planning provision for residential living in Nelson to provide greater flexibility around housing choices.</p>	<p>that is suitable for increased density of more affordable new dwellings.</p>
<p>Have a constructive relationship with developers, balanced by the need to retain financial prudence and process integrity.</p>	<p>Monitor resource and building consenting processes to ensure that they are efficient and do not create unnecessary delays to development.</p> <p>To engage early in pre-application discussions particularly to address servicing and design needs and implications through the Major Projects Team and other initiatives.</p>	<p>The Council will establish a Developer's Forum for the purpose of discussing issues of common interest.</p> <p>The Council will seek further opportunities to manage regulatory processes so that it can better anticipate and facilitate residential developments that contribute to the supply of affordable housing.</p>

Special Housing Areas

14. Upon commencement of this Accord, the Council will have the ability to recommend the creation of Special Housing Areas to the Minister for Building and Housing under the Housing Accords and Special Housing Areas Act 2013 (the Act). If the Government agrees, the recommended Special Housing Areas could be established by Order in Council, enabling the Council to access the powers available under the Act for consenting.

Targets

15. The Council and Government agree on the importance of targets to give effect to the purpose of this Accord. Both parties to the Accord accept that the targets are, necessarily, ambitious to meet Nelson's housing needs.
16. These targets will be achieved through a combination of private sector development, direct Council and Government action and through collaborative action with other agencies. The targets will need to be achieved mainly by private housing developers, notwithstanding Council has an active role in making serviced land available for housing. This Accord is about enabling private investment in housing and will require both Council and Government to work closely with the development and housing sector. Council and Government further agree within their respective areas of control to endeavour to achieve the agreed targets within the timeframe of this Accord.

17. The agreed medium-term targets are:

Housing Supply	Baselines			Aspirational Targets		
	2012	2013	2014	Year1	Year2	Year3
Yield of serviced residential lots (titled) from residential zoned	89	124	107	100	100	100
Total dwellings	285	256	215	240	240	240

Note: Targets are based on household projections of 184 households per annum over the next 10 years as population growth is slowing due to an ageing population, refer <http://www.nelson.govt.nz/population>. The targets above will be measured against Council gathered and publicly available information as appropriate. Aspirational targets relate to respective financial years.

Factors Outside Scope

18. This Accord does not limit the Council, or the Government, coming to differing positions in respect of Government programmes of reforms to the Resource Management Act or other legislation. The Government welcomes submissions from Council at the appropriate stages in the process.

Governance and Processes

19. Governance of this Accord will rest with a Joint Steering Group comprised of the Minister of Building and Housing and the Mayor and Deputy Mayor of Nelson. The Joint Steering Group has the ability to amend this Accord, including targets, upon agreement. The targets shall be reviewed annually, subject to reports on progress and the state of the building/construction sector.
20. To operate this Accord, the Council and Ministry of Business, Innovation and Employment will establish an Officials Working Group, which will meet and form sub groups as it deems necessary to advance the implementation and meet the objectives of this Accord.
21. This Officials Working Group will report to the Joint Steering Group at least biannually and will prepare any progress or monitoring reports requested by the Joint Steering Group.
22. The Joint Steering Group will meet biannually to review the progress in implementing and achieving the targets of the Accord. A full review of the effectiveness of the Accord and actions taken under it will be carried out after its first 12 months of operation.

Monitoring and Review

23. In order to ensure that the purposes and targets of this Accord are achieved, the Joint Steering Group will monitor and review the implementation and effectiveness of this Accord. In order to do this officials will meet as appropriate to:
 - Review progress in implementing the Accord.
 - Review progress towards the Accord targets.
 - Discuss and agree other areas of joint action or information sharing.

Commencement of the Accord

24. This Accord will take effect from the date of ratification by the Council.

Dispute Resolution

25. Prior to either party exercising the right to terminate this Accord under clause 27, the parties agree that they shall first comply with the dispute resolution process set out in clause 26.

26. The dispute resolution process is as follows:

- The initiating party must immediately, and in writing, bring the dispute to the attention of the other party.
- The Joint Steering Group must hold an initial meeting for the purposes of resolving the dispute within 10 business days of the dispute being brought, in writing, to the attention of the non-initiating party.
- If, for any reason, the Steering Group is unable to resolve the dispute in the initial meeting, the Steering Group must reconvene for the purpose of resolving the dispute within 20 business days of the date of the initial meeting
- If the Steering Group remains unable to resolve the dispute at the second meeting then either party may elect to terminate the Accord in accordance with clause 27.
- Pending final resolution of the dispute the parties must continue to perform their obligations under this Accord as if a dispute had not arisen.

Termination of the Accord

27. Subject to first complying with the requirements of clauses 25 and 26, either party may terminate this Accord, on any of the grounds set out in clause 28, by giving not less than three (3) months' notice to the other.

28. The grounds on which this Accord may be terminated are:

- Failure to reach the agreed targets as set out in the Accord, whether the failure results from inaction or ineffective action;
- Failure on the part of the Council to exercise the powers and functions of an Authorised Agency under the Act;
- The parties agree that there is an irretrievable breakdown in the relationship. Notwithstanding any other provision of this Accord, the parties agree that clauses 25 and 26 shall not apply to a termination on this ground; or
- Nelson is removed from Schedule 1 of the Act, in accordance with that Act (e.g. if Nelson no longer meets the affordability and land supply criteria provided for under that Act).

29. To align with section 3(2) of the Act which will repeal the Council's ability to recommend Special Housing Areas to the Minister under the Act, the Accord will terminate on 16 September 2016 if not already terminated by either party. In the event that notification of termination is given by either party, the Accord will terminate three months from notification or on 16 September 2016, whichever comes first.

Publicity

30. The Mayor and the Minister of Building and Housing agree that any communications or publicity relating to this Accord will be mutually agreed prior to release.

Ratification

31. This Accord is subject to ratification by the Council. If it is not ratified the parties agree that this Accord will be at an end.

Signed on this *11th* day of *June* 2015



Hon Dr Nick Smith
Minister of Building and Housing



Rachel Reese
Mayor of Nelson