



Aide-memoire

Build ready land supply for large scale projects

Date:	23 July 2019	Security level:	In Confidence
Priority:	High	Report number:	AMI19/20070124

Action sought

Hon Dr Megan Woods Minister of Housing	
Hon Phil Twyford Minister of Urban Development	
Hon Kris Faafoi Associate Minister of Housing	

Contact for discussion

Name	Position	Telephone	1 st contact
Chris Aiken	Chief Executive, HLC	s 9(2)(a)	✓
Brad Ward	Deputy Chief Executive, Place-based Policy & Programmes Ministry of Housing and Urban Development	s 9(2)(a)	
Katja Lietz	General Manager Masterplanning and Placemaking, HLC		

Other agencies consulted

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Minister's office to complete

- ☐ Noted
- ☐ Seen
- ☐ Approved
- ☐ Needs change
- ☐ Not seen by Minister
- ☐ Overtaken by events
- ☐ Declined
- ☐ Referred to (specify)

Comments

Date returned to MHUD:



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For: Hon Dr Megan Woods, Minister of Housing

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Purpose

1. This briefing responds to a request for information on the sources of, and steps for producing, build-ready land for large-scale projects. Annex 1 describes the three approaches to land supply for large-scale projects and sets out the processes to be followed in progressing the land through each stage of development.

Background

2. Large-scale projects will be a key delivery channel for achieving the Government's housing and urban development objectives, in partnership with the private sector, iwi and others. Projects may be focused on, for example, public and affordable housing. They may also be broader in their scope and ambition, for example, by integrating housing and transport investment, managing growth in brownfield and greenfield areas, and supporting vibrant, sustainable communities.
3. Some large-scale projects are already underway. Each project has or will have its own set of constraints, for example, infrastructure capacity, land contamination or market economic viability. In some instances, government might want to lead a project to ensure its broader objectives are delivered, while partnering with other parties that act as funders and developers.
4. Balancing short and long-term outcomes will require trade-offs in terms of speed of delivery, housing yields, the level of cost and risk assumed by the Crown, and achievement of wider objectives and outcomes. For example, a balance will be required between completing some houses quickly versus long-term urban development outcomes.

Build ready land

5. Access to developable land is key to progressing large-scale projects. There are three approaches to land supply for large-scale projects:
 - 5.1. redevelopment of surplus Housing New Zealand (HNZ) land
 - 5.2. development of other Crown Land (existing surplus or land purchased by the Crown for redevelopment, primarily through the Land for Housing programme)
 - 5.3. new greenfield or brownfield regeneration projects, including Partnership Projects with local Councils, that involve limited Crown land.

6. Annex 1 describes each of these approaches in more detail and sets out the processes to be followed in progressing the land through each stage of development. The approximate housing forecasts are as at the end of June 2019.
7. Going forward, the Ministry of Housing and Urban Development and Kāinga Ora will continue to build on the spatial planning partnerships work underway (for example, the Auckland Partnership) and the regional place-based assessments for determining housing and urban development pressures across New Zealand, to identify/inform opportunities and plans for large-scale projects.

Next steps

8. We will provide further information on the Large-scale Projects portfolio early in August 2019, ahead of a joint Ministers meeting. This briefing will include:
 - 8.1. background on large-scale projects such as additional detail on purpose and focus
 - 8.2. an update on the status of large-scale projects in or nearing delivery and development prospects under investigation as part of the potential future pipeline. This will cover individual project/prospect information on current objectives, tenure mix, public commitments, financial situation, status of business cases and timing
 - 8.3. commentary at a portfolio level, including information on the overall funding position and the process for revisiting business cases and current funding models (including implications for future prospects in the pipeline)
 - 8.4. development of a clear investment strategy to guide future decision-making and assurance processes (for example, approach to business cases), and interim criteria while an investment strategy is developed
 - 8.5. decision points for Ministers, for example, related to revised business cases, financial investment, staging of delivery, prioritisation, and mix of tenure
 - 8.6. system/sector capacity and constraints.

Annexes

Annex One: **Sources of Builder Ready Land for Development Projects**

URBAN DEVELOPMENT GROUP



Sources of Builder Ready Land for Development Projects

23 July 2019

	Three sources of large scale builder ready land supply		
	Redevelopment of Surplus HNZ Land	Development of Crown Land (existing surplus or land purchased by the Crown for redevelopment)	New Greenfield/Brownfield and Partnership Projects (may include land purchase by Kāinga Ora)
Description	The redevelopment of HNZ land in urban areas to deliver replacement and additional public homes plus affordable and market homes in sustainable and resilient communities.	The development of surplus Crown Land, and of private land purchased by the Land for Housing programme, through sale to lwi or developers with specific outcomes contracted (such as KiwiBuild).	The catalysing of development through light touch UDG intervention, such as unlocking planning or infrastructure constraints, in return for contracted outcomes (such as the inclusion of public and affordable housing).
Existing tenants and communities	Yes – some high needs and complex	No	Not usually
Certainty over Outcomes	High	Medium	Medium
Risk and Resource Commitment	High	Medium	Medium
Demolition and Decontamination by UDG/ Kāinga Ora	Yes – via Piritahi Civil Alliance	Not usually	Not usually
Civil and Infrastructure Works by UDG/Kāinga Ora	Yes – via Piritahi Civil Alliance	Not usually	Not usually
Infrastructure and Urban Masterplanning by UDG/ Kāinga Ora	Yes	Not usually	Yes
Negotiation of Infrastructure Funding by UDG/ Kāinga Ora	Yes	Not usually	Yes

	Three sources of large scale builder ready land supply		
	Large scale redevelopment of Surplus HNZ Land	Development of Crown Land (existing surplus or land purchased by the Crown for redevelopment)	New Greenfield/Brownfield and Partnership Projects (may include land purchase by Kainga Ora)
Key Projects in Delivery	Northcote Māngere Mt Roskill Oranga	Hobsonville Point (legacy project delivered by HLC/HNZ on Crown Land) Several smaller scale projects	None to date
Key Projects in Planning	Eastern Porirua	UNITEC s 9(2)(j)	s 9(2)(j)
Key Projects in Early Investigation	s 9(2)(j)		
Approximate Forecast Housing Output by 2024	7500 (includes Tāmaki)	3300 (2000 from Hobsonville Point)	s 9(2)(j)
Public Housing (included in total above)	3000	150	
KiwiBuild (included in total above)	2000	450	



Production of Builder Ready Land – a Māngere Project example

The key steps:

- Ensure “license to operate” through engagement with community.
- Masterplan of whole suburb– urban and infrastructure (hard and social).
- Neighbourhood Masterplan.
- Stage design.
- Demolition and contamination.
- Civil works to create superlots ready to build on.



Stage 1 Mangere West in construction





HLC has established a civil design and construction alliance to deliver builder ready superlots – Piritahi

Combines Dempsey Wood, Hick Bros., Harrison Grierson, Woods, Tonkin and Taylor

It's well underway and on track for delivering >\$100m of works in its first year