

## **City Living Zone**

### **Economic Viability Review of Proposed City Plan Provisions**

#### **1. Introduction**

The purpose of this paper is to provide a review & commentary on proposed City Plan provisions for the City Living Zone and the impact of such provisions on development viability.

The purpose of the City Living Zone is to provide site redevelopment opportunities primarily for the development of intensive, multi level housing and some mixed use in the established residential areas around Tauranga City Centre.

Over time this type of development will create a residential amenity that relates to an urban living environment, rather than a suburban living environment.

#### **2. Disclaimer**

The views expressed in this paper are those of the author. This paper may not be used for any other purpose without the written permission of the author.

### 3. Review of City Living Zone Provisions

This section provides commentary on various provisions proposed for the City Living Zone, which are not likely to impact on development viability.

#### *(i) Development Density*

There is an apparent conflict behind the density controls provided under 14.14.1.2 and development “envelope controls”, principally site coverage and height provided for elsewhere within the Plan provisions.

By way of example a 1,100m<sup>2</sup> site with a density bonus of one dwelling per 130m<sup>2</sup> site would allow a total of 8 dwellings to be developed. However with site coverage of 50% and a 13metre height limit (effectively 3 habitable levels) a total building area of 1,650m<sup>2</sup> could be developed. Assuming such a development comprised all 2 bedroom units with an average gross area of 85m<sup>2</sup> / unit (75m<sup>2</sup> + 15% circulation), 19 units could be provided – more than double the number permitted by the density control.

Where a development site is less than 1,050m<sup>2</sup> the difference becomes even more obvious. A 1,000m<sup>2</sup> site with a density control of 1 dwelling per 200m<sup>2</sup> would only allow the development of 5 dwelling units. The site coverage and height controls by way of comparison would allow a building envelope with a floor area of 1,500m<sup>2</sup> able to provide 17 two bedroom dwelling units, 3 times the number permitted by the density control.

Whilst the above illustrations are theoretical they serve to demonstrate what could be a significant barrier to development occurring in the City Living Zone. Land values for sites within the City Living Zone are relatively high, typically in the range of \$700 - \$1000 + / m<sup>2</sup> so that to acquire a site of say 1,100m<sup>2</sup> would cost in the order of \$770,000 to \$1,100,000 or for a 1,000m<sup>2</sup> site in the order of \$700,000 to \$1 million.

Under the density controls as proposed this would equate to a land cost per dwelling of between \$95-138,000 for a 1,100m<sup>2</sup> site or \$140 – 200,000 per dwelling for a site of 1,000m<sup>2</sup>; a level that would be prohibitive for viable development. Under the theoretical development cases above this would reduce substantially to between \$40 – 60,000 per dwelling.

It is recommended that the density control be removed in its entirety (or at least significantly modified) as it is unlikely to promote the broader policy objectives of the City Living Zone as currently drafted. It is further noted that there are various other performance controls within the City Plan provisions that will govern the final site development solutions for any particular site.

#### *(ii) Size of Independent Dwelling Units.*

Given that there are a number of other performance controls with the Plan provisions it is suggested that the minimum floor areas could be reduced to say 40m<sup>2</sup> for a 1 bed unit or 55m<sup>2</sup> for a 2 bed unit. Compliance with other

performance controls will ensure an appropriate internal living environment is delivered whilst enabling a more economic provision of intensive multi-level housing.

### *(iii) Building Height & Floor Level Heights*

The building height limits of 13 metres and 19 metres are generally supported. It is worth noting that a 13 metre height limit, assuming basement parking, is capable of accommodating 4 habitable levels with a 'flat' roof form. It is however likely that site constraints and construction costs will in many cases require car parking to be provided at ground level, or in a 'half in half out' configuration, with the building envelope thus most likely limiting any form of development to 3 habitable levels.

The requirement for a minimal internal ground floor height of 4 metres should be deleted (14.14.1.4 (c)). It is unlikely that there will be high demand for mixing ground floor commercial activities with residential accommodation on the upper levels, to the extent that this may prevail in certain precincts the design solution is best dealt with by the building developer at that time. A blanket requirement for a 4 metre ground floor stud imposes additional costs for little or no long term benefit.

The requirement for a maximum floor level height of 1.2 metres should be deleted (14.14.1.4 (d)). It is likely that for development to be economically viable car parking will need to be provided for at ground floor level in many instances, recognizing that there will need to be an acceptable streetscape design solution to treat the ground level/street level appearance of the building.

### *(iv) Streetscape*

It is unclear what the intent of a maximum 3 metre setback is intended to achieve.

It is suggested that this should be either significantly increased or deleted to enable greater design and development flexibility. The overall urban design requirements within the Plan provisions should provide adequate scope to ensure that issues of context and overall streetscape are adequately addressed in any development proposal.

Other streetscape provisions are generally supported as in line with good urban design principles.

### *(v) Sunlight Admission*

Whilst the provision of sunlight to main living areas (not bedrooms) is supported the requirement that this be provided at mid-day on 21<sup>st</sup> June is overly restrictive and likely to impact on the development potential of sites that do not have a direct north south orientation, or only a narrow aspect to the north.

It is suggested this be amended to provision of sunlight admission to main living areas to say 2 hours at any time of the day on 21<sup>st</sup> June. This would provide greater design flexibility for sites that are not aligned to due north with main living areas generally able to be designed to face east, north or west.

*(vi) Site Coverage*

The site coverage for buildings of 50% is supported.

It is suggested, however, that further consideration be given to the site coverage criteria for manoeuvring and parking areas and landscaping areas. Importantly any review of these criteria should consider their practicality and reasonableness given that it is highly likely that in many instances parking will need to be provided at ground level given the cost and inefficiency of providing basement parking on relatively small sites.

It would be useful to provide greater clarity between the need for soft landscaping and hard landscaping elements within site coverage controls.

*(vii) Outdoor Living Areas and Service Areas*

The requirement for outdoor living areas of adequate size is generally supported. However the requirement for a 30m<sup>2</sup> outdoor living area for ground floor units is questioned. This would appear excessive and potentially double counting the need for overall landscaping with the site. Given comments above in regard to manoeuvring and landscape criteria it is suggested this be reviewed.

If a 'ground floor' unit is in fact 1 metre above ground level would it require a 30m<sup>2</sup> minimum area or a 6m<sup>2</sup> minimum area under the current provisions? Why is the requirement different to those for upper levels?

If a site is north facing on to a street how does the requirement for 30m<sup>2</sup> outdoor living area reconcile With the current requirement of a maximum 3m setback from the street – it would imply that an apartment would have to be 10m wide, not an economic proposition.

Service Areas – is the requirement for 4m<sup>2</sup> / dwelling unit based on an engineering standard? It seems excessive for the purpose.

*(viii) Visual Outlook, Admission of Natural Light and Ventilation*

The requirement for visual outlook & separation from nearby building is supported.

The requirement for a 6 metre outlook should be limited to a single direction and only from the main living area. Outlook from other areas can be adequately mitigated by good architectural design – a 6 metre requirement in all directions is likely to reduce the ability to develop sites in a satisfactory

manner and may impose additional costs or reduce development capacity within the site.

The requirement for an openable window to each main living area and bedroom is supported. It is unclear why this is required to a studio area unless the studio is considered a bedroom? Perhaps there needs to be a clearer definition of what a studio area is and is not.

#### *(ix) Car Parking*

Car parking is likely to be a significant cost in the development of multi unit multi level projects within the City Living Zone. The cost of developing car parking on constrained sites can be prohibitive and can render development uneconomic.

Given the proximity of the City Living Zone to the City Centre it is suggested that car parking be required at 1 space/dwelling with no on-site provision of visitor parking. Market demand and saleability of dwelling units will determine the need for parking provision greater than the minimum requirement.

#### *(x) Restricted Discretionary and Matters of Discretion*

Many of the matters for consideration within Restricted Discretionary Activities are inherently subjective in their assessment. Whilst there are well developed principles for providing good design outcomes it is recommended that Council consider the setting up of an "independent" Urban Design Panel to assess such matters at arms length from the regulatory approval process.

Such an approach is likely to engender greater engagement and confidence by private sector development interests with a suitably qualified panel appropriately considering and weighing such "subjective" matters of design. Such an independent panel approach will also require that Council grow and retain its internal Urban Design capability so that it is able to effectively engage with private sector developers and designers as well as such an independent Urban Design Panel.

#### **4. Other**

Council may also consider providing an "acceptable solutions" approach for designs of multi level multi unit projects. In recent years there have been a number of "Good Design Guides" for apartment and multi unit residential projects produced both in NZ and Australia. These provide guidance and promote good solutions. Council could adopt an appropriate existing "Design Guide" (e.g. North Shore City Council) as is or modify one to suit the specific circumstances of Tauranga City at little cost.