

**Media Release**  
**16 December 2012**

## **Urban intensification must address transport infrastructure needs as well as housing affordability challenges**

"The draft housing affordability report released today by the Productivity Commission provides a timely warning that urban containment can have a negative influence on housing affordability in New Zealand's faster growing cities. Past experience with urban intensification undertaken in isolation of public transport development in some areas of Auckland has also resulted in increased dependence on private motor vehicles and greater risk of urban congestion than traditional urban sprawl," says Stephen Selwood CEO NZ Council for Infrastructure Development.

"The Productivity Commission's much anticipated Housing Affordability report finds that the doubling of property prices over the last decade could be alleviated by an increase in land supply, improvement in consenting processes, streamlining of regulation, and reform of conventional building practices. These changes would lessen the proportion of incomes committed to housing, bringing a much improved standard of living to residents.

"These findings do not align with some important aspects of the Auckland Council's draft Auckland Plan. The Auckland Plan calls for an ambitious 75 per cent of growth over the next 30 years to be contained within urban boundaries. Urban intensification through smaller section sizes, developed with multilevel attached housing is intended to result in more affordable housing and enable greater density to support investment in public transport.

"However past experience has produced completely opposite outcomes.

"Constraints on land availability leads to an increase in land values. This, combined with the higher construction costs of multi-level development, forces prices to rise - worsening housing affordability and reducing home ownership.

"In addition, failure to provide public transport that meets people's mobility needs forces car dependence. Greater density means more cars per square kilometre of urban development, leading to increased congestion on adjacent road networks.

"An example of a Council attempting to achieve land use goals without providing for the mobility needs of residents can be seen in Flat Bush in south east Auckland. Planned under the old governance regime, parts of Flat Bush represent relatively high density living without high density transport solutions, such as rapid transit, or proximity to employment and recreational opportunities.

"Property sizes tend to be in the order of 300m<sup>2</sup>, or less than half the size of more traditional stand-alone unit properties. Yet, interestingly, unit floor space has remained relatively large and the need for mobility across Auckland for access to jobs has meant a doubling of private motor vehicles per square kilometre of development. The result is a much more intense living environment, and streets and sections crammed with cars.

"Compare that to a more traditional urban design (below left). The cost difference, at around 25% per cent higher per square metre of floor space than the evidently more desirable Botany environment, could in the view of the Productivity Commission, be reduced significantly.

"If Auckland Council is to gain greatest advantage from a more compact urban form, it is going to have to maximise the level of intensification in sought after urban areas which are well serviced by existing and proposed public transport investment. These areas include the CBD, Newmarket, New Lynn and Onehunga.

"Blanket intensification over the region will not only incentivise the delivery of lowest cost units by a market under pressure to meet land use objectives, but will likely result in a doubling of cars per hectare, increased congestion and a loss of liveability," Selwood says.