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CHRISTCHURCH CITY COUNCIL

LONG TERM COUNCIL COMMUNITY PLAN 2006-2016

Draft Policy on Development Contributions Policy

5th May 2006

SUBMISSION

In response to the Christchurch City Council Draft Development Contributions Policy, I would like to make the following submission.

I agree that Christchurch is indeed a wonderful city, and the best place to bring up my children. I would also agree that developers need to pay for some of the extra strain on existing infrastructure. The ethos, however, of loading such an immediate and huge cost on to a small proportion of Christchurch residents is economically unfeasible.

In the policy's current proposed state, the resulting downshift in new multi unit development and conversion would be immediate and dramatic. The policy will not only affect the city's real estate market, a nationwide economic indicator, but also drive down the cost of existing appropriately zoned land.

The documented need for quality EPH, within affordable reach of the Christchurch resident is under jeopardy. In our slowing market and current inflationary pressures, people on a fixed income simply cannot and will not absorb us passing on increased costs.

The policy costs when suddenly introduced into feasibility models render 80% of my current developments unprofitable and untenable. (I would like to discuss various models in my verbal submission). Other areas within Canterbury and New Zealand will have to be investigated, by not only local developers and sub trades, but also by overseas investors.

I would also like to address the council's HUE's, which arbitrarily impose the proposed fee structure, based solely on additional housing units. The council currently does not make the distinction between a 1 bedroom unit and a 5 bedroom, family home. When clearly there will be a massive difference in the infrastructure used by each, in the form of sewerage, storm water runoff, reserve and public transport use. If the council is sincerely collecting increased development levies, to fund growth attributed directly to development only, then surely an all encompassing fee is not legitimate way of funding this. A per bedroom or per use fee must be allocated.

Development should be seen as a positive spin-off from the current positive, local economy. The number of local people, who have their livelihoods directly affected by the building and home renovation industry, is staggering. The trickle down affect and the undermining of regional business confidence would harm everyone. To achieve a vibrant, central city we need a strong growing economy with prosperous residents, who have a disposable income.

Aside from cost, there is also the issue of timing. As per DDCP, costs will be invoiced at the time of uplifting your building consent. This 'front end loading' of a building contract could constitute 20% of the entire building cost, without adding any value to the project. No financial institution in New Zealand would approve that. The developer would have to borrow against the land, diminishing the overall size and quality of the development. A fairer method of billing would be to invoice at code of compliance stage.

As in all policies and negotiations there must be a middle ground, which can only be reached when both parties actively and openly understand the others position. I believe, that with a proper consultation process, a workable compromise can be reached. After all we both have the city's best interests at heart.

I would also wish that I could be heard in support of my submission

Thank you for your time.

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