

CHRISTCHURCH CITY COUNCIL Draft LTCCP 2009-19

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Submissions close on 16 April 2009

I wish to talk to the main points in my written submission at the hearings to be held between Monday 11 May 2009 and Monday 18 May 2009.

Are you completing this submission:	On behalf of a group or organisation
If you are representing, how many people do you represent?	
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Date:	16 April 2009
Your Submission:	<p>The Council to consider the cost of Development Contributions per new household unit in areas where existing infrastructure and recreational facilities are already established.</p> <p>The Council should be aware that the imposition of the increased Development Contributions conflict with its goal of attracting residents to the city and is responsible for further increasing the cost of new housing. The new charges of nearly \$30,000.00 represent 9% of the average sale price of city property in the last year. Our company had until the imposition of the increased levy developed over 100 town houses in the city, turning underutilized or derelect stock into affordable quality housing. Most sites we developed increased the rates collected by 6 times more than on the original undeveloped property. Whilst I do not object to contributing to necessary infrastructure and parks it is unfair to collect this where adequate infrastructure exists. To suggest that new development should fund infrastructure is to suggest that existing housing stock own or have a priority over existing infrastructure. If infrastructure is not suitable for growth it should be a charge on all households, existing housing stock should not have a free monopoly over existing infrastructure. It should not be a case of "first in first served".</p> <p>To put the Development Contributions in perspective they are now over four times greater than what we had paid before the changes. We used to pay a contribution of \$7,000 - \$8,000 now the Development Contribution is \$29,889.40. It will only result in stagnant city growth and expensive housing. The new Development Contribution is the largest single expense and on the developments we have</p>

been building it exceeds the aggregated costs of architects fees, aluminium double glazed windows, roof cladding and gib board supply.

If local government is to play a role in recession recovery it needs to look no further than these excessive levies to stimulate the industry and region.

It is of great significance that the Dunedin City Council only charges \$377.11, perhaps an indication that the region is more development friendly.

It is necessary to stop viewing new development as a means of providing new or upgraded infrastructure and recreation facilities. The existing stock (ratepayers) should not have a monopoly on existing infrastructure.

The draft plan introduction on the CCC website makes much of having empathy with those suffering in this recession, these Development Contributions only exasperate the present environment and will continue to when other sectors start to enjoy a recovery.

Solution: Development Contributions should be tied more closely to the levels which were in place prior to the new charges. They should be indexed against inflation only. For these reasons and the fact that some of the assumptions used to determine various levies are flawed (by admission) it is clearly necessary to review the Development Contributions.