

Sustainable Land Use and Transport Driven by Economics and Zoning

Friday Forum #34

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economics

16 November 2012

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Our reasoned proposition

1. The market is leading the change in zoning of Auckland's land use
2. New Zealand has increased population, if we're attractive we'll continue to do so
3. Lead investments can attract people to live in central Cities with higher density
4. This is more sustainable, low energy, grows the economy, lifts property value
5. Increased rates revenue can partially fund the lead investments e.g. in PT, AM



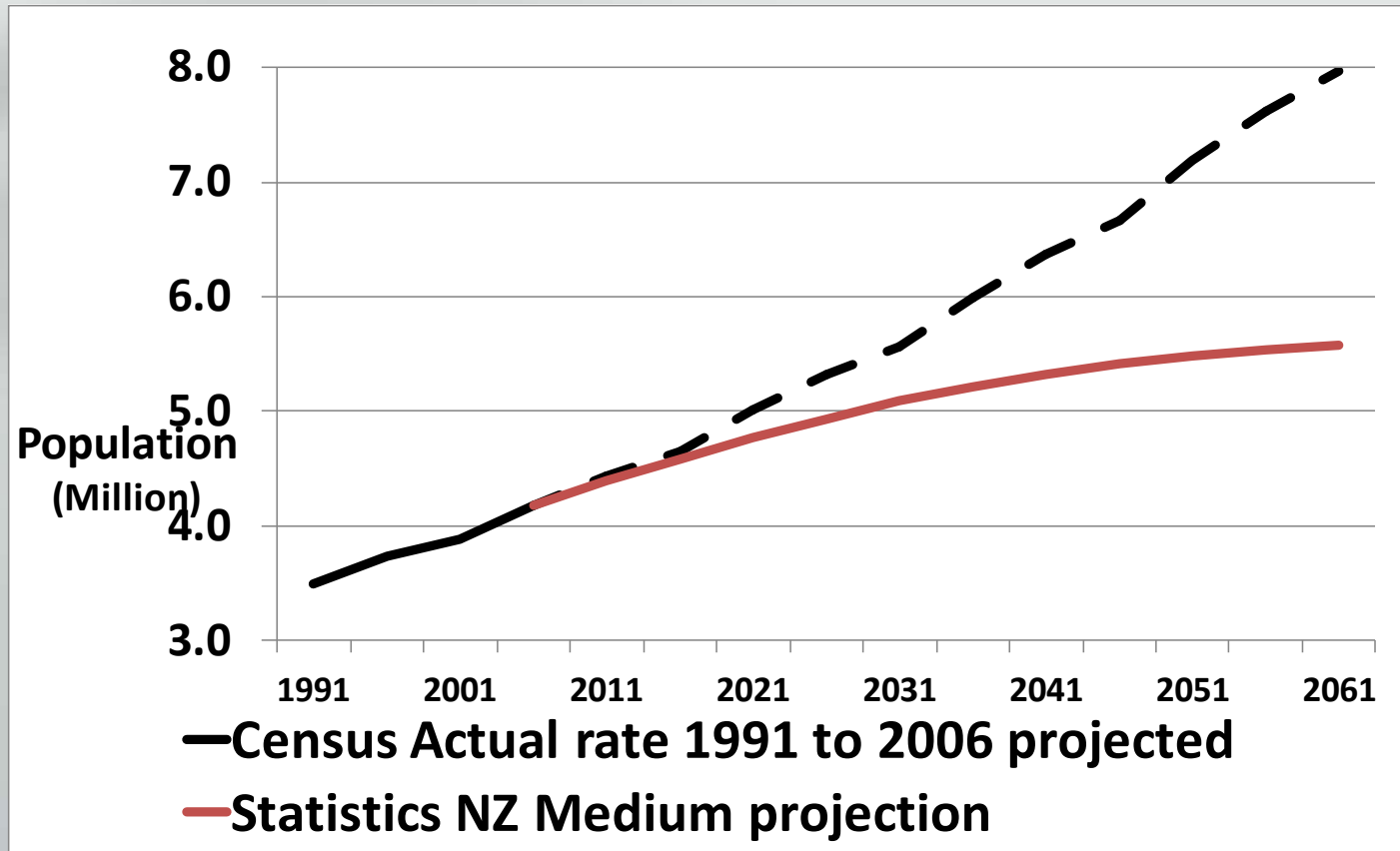
1. Market-led Auckland changes

- BERL, working in Auckland on ETC, AMETI, Western Corridor, observed these changes:
 - * Increasing residential density – townhouses etc.
 - * Mixed use is growing -business services, recreation etc in residential and industrial areas
 - * Integrated ‘smart heart’ potential at Tamaki Edge
 - * Increased zoning for Mixed Use
- The challenge is to integrate accessibility, transport service including PT, active modes in integrated urban development



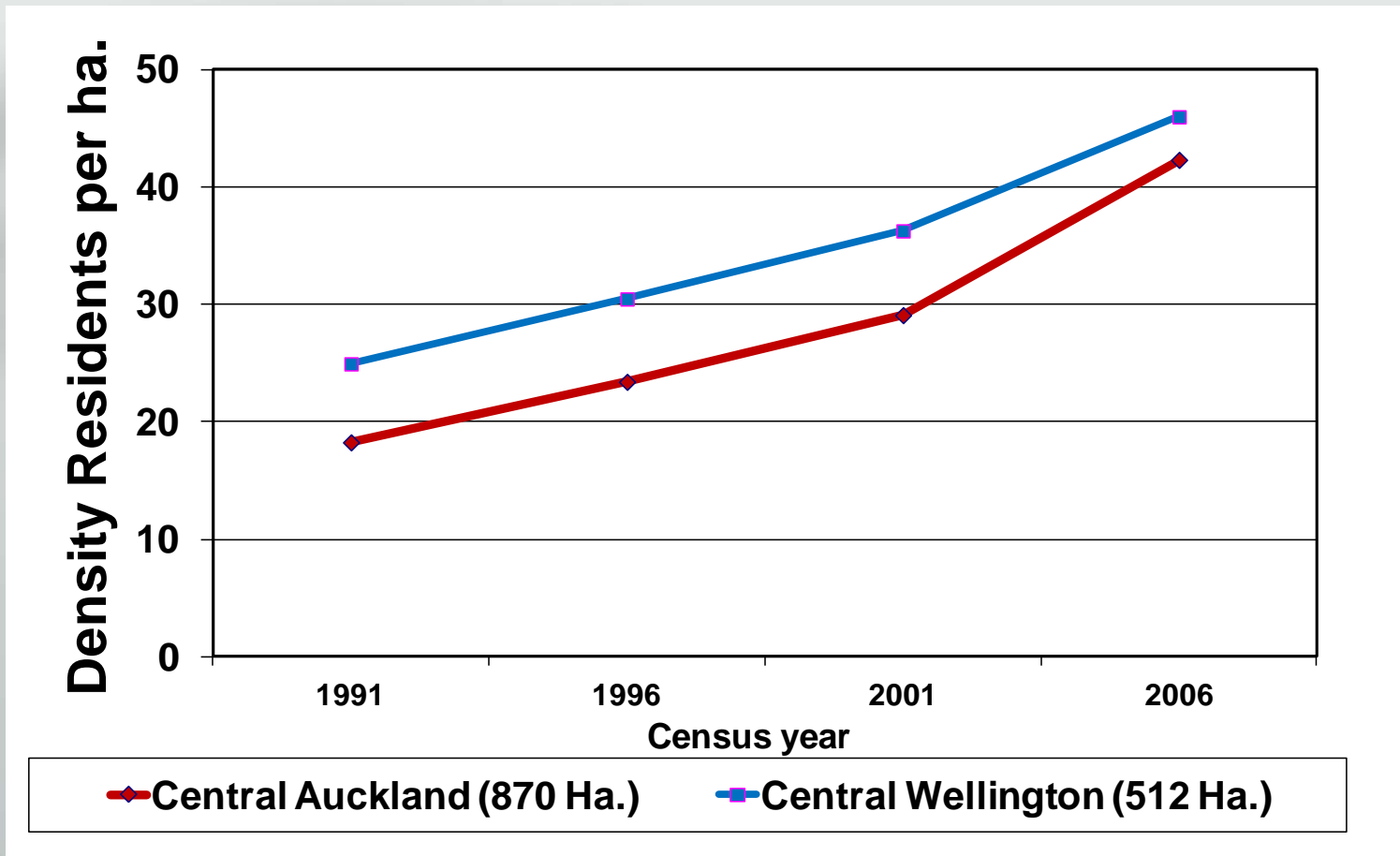
2. Population growth 1991 to 2006

- Population growth was 20%, 1.2% p.a. Projecting that to 2061 is 8 million



Population grew in central Cities

- People happy to double density in Cities



3. Transport use leads behaviour

- Across urban New Zealand, we have found strong correlation of the level of use of PT and active modes (AM) with the size of population and level of urban density
- High PT supply is also associated with high PT use
- We know that New Zealand attracts people when GDP is growing, so those we attract may come from migration



The Burning question:

- Does better PT and AM service attract population and increase urban density?
- Can we build and they will come?
- We know when New Zealand GDP grows Kiwis stay and more migrants come
- The high correlation between PT supply, PT usage and the population factors indicate that this is likely to happen
- Jared will tell us what the punters say!
- Where do we improve PT, AM service?



Investment in PT, AM works where?

Suburbia



More dense Remuera



Residents /ha:	26	46
Travel to work:		
Active, PT, At home	8%	23%
Private vehicle	91%	77%

4. The benefits of density

- Higher population and density is more sustainable, associated with economic (and social) benefits
 - * Higher employment participation – increased access and options
 - * Higher value industry types, higher incomes
 - Bulky industries move out
 - * Higher land values per hectare -not necessarily per household
 - * Greater use of PT and AM transport – the strong economy, low energy society



5. A finance option for transport

- Lead transport investments that are transformational can help Auckland, New Zealand attract population, lift property values, lift rates revenues
- Examples include the Harbour Bridge, Britomart, Integrated service, ticketing?
- This can finance the Lead Investment
- U.S. calls it TIF we should call it RIF: Rates Increment Financing



Potential scope for RIF financing

- A Wellington scenario we investigated had Wgtn attracting 10% of net immigration, with population mostly going to the CBD
- This increases density by 38% in 10 years. Our numbers show property value would increase by 20% IN REAL TERMS
- This would increase rates revenue by over \$27mn p.a. That would service nearly \$1billion investment.
- Worth considering a scenario for a strong economy, low energy Auckland now



Multi-modal attractive City by 2040?



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*Sustainability in 2040: Friday Forum #34. 16 Nov 2012
slide 12*

With pedestrian access emphasized



