



Valuable Advice from Workshop 3

Inside the Bubble: Issues for Auckland's Property Developers

Held on Wednesday 19 August 2015

The 13th year of the Business Intelligence Series continued with the third seminar in the 2015 series on 19 August on a topic hot on everyone's lips at the moment: **Inside the Bubble : Issues for Auckland's residential property.**

Four speakers, Matt Currie, Director at Arrow International (NZ) & Arcus Property, Murdoch Dryden, Director at Dryden Property, Wayne Silver, Director at Willis Bond and John Dalzell, Chief Executive at Waterfront Auckland were on hand to share their many years of expertise with the audience. Jeff Walters, Property Partner at Lowndes, chaired the seminar.

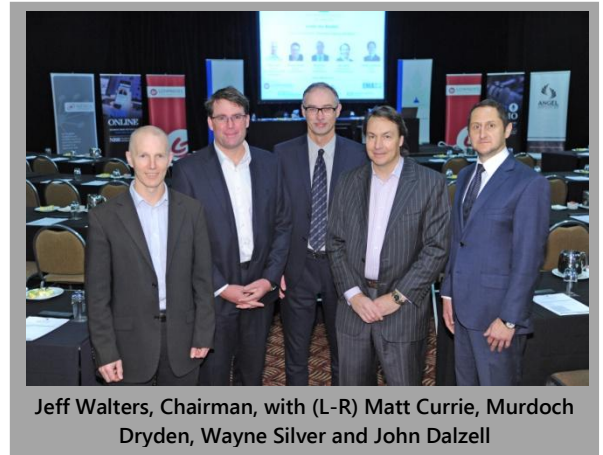
Matt Currie and Murdoch Dryden

Matt and Murdoch canvassed the fast-paced development of Glen Innes being undertaken by their venture, *Creating Communities*, jointly with Housing New Zealand. For many years the New Zealand Government was investing \$20,000 to \$30,000 into each household in Glen Innes without seeing any improvement to unemployment, crime rates, and education, for example. Improving the quality of the housing in the area was then identified as the best way to try to combat these social issues.

From a property development perspective, Glen Innes is an attractive area – it has excellent retail opportunities, public transport services and large sections. However, Matt and Murdoch identified bureaucratic processes and socio-political issues as the main barriers to the progress of the project. Some people who had lived in the area for a long time felt that the Government had not kept certain promises, or that it had treated them unfairly during the process of reshuffling people to make room for new housing stock. While innovation and development requires risk, Matt noted that the Government is largely unwilling to take risks. There were also complex and detailed bureaucratic processes to go through, as well as a high turnover of key contacts within the Government, which also caused delays. Matt and Murdoch's advice was that, when collaborating with the Government, it is best to be assertive rather than consultative, and having a detailed Development Agreement is key.



people are choosing to live is changing rapidly. It used to be that quality was measured by the amount of space of land someone had, whereas now, efficient and healthy homes are the driver. Higher density developments with common private parks and spaces between dwellings are giving people affordable housing options but retaining a sense of community. Building methods are smarter than ever. Willis Bond & Co have developed homes where concrete slabs and large windows catch sunlight to heat the home, while double insulated windows eliminate condensation.



Jeff Walters, Chairman, with (L-R) Matt Currie, Murdoch Dryden, Wayne Silver and John Dalzell

By and large, Matt and Murdoch agreed that the project has progressed extremely well. Thanks to barbecues and other community projects run by *Creating Communities*, mixed housing areas with "blind" tenure have been received well by the people of Glen Innes. While deprivation was once normalised, now aspiration has been normalised.

Wayne Silver

Wayne Silver of Willis Bond & Co talked next about his experiences developing Cheese Lane in Wellington, apartment blocks on Pupuke Drive, and Sunderland Precinct at Hobsonville Point. Wayne believes that the way

However, despite this and recent improvements to building legislation, building consents are still not up to pre-GFC levels and we in Auckland are a long way from having enough housing stock. At this rate, and taking into account record immigration levels, Wayne said he thought that we were going backwards.

Wayne pointed out that we need to understand how to embrace density, and our Government needs to improve its ability to deliver the volume of housing we need. Currently the Government and Auckland Council are constrained – while the building consent process is better, the Auckland Council has no capacity to sign off on 200 consents at a time.



John Dalzell

John Dalzell, who delivered Auckland's North Wharf to its people when the Government knew it couldn't have it finished in time for the Rugby World Cup, rounded out the morning by sharing his knowledge on property development.

John was adamant that there was no bubble in the market.

As a property developer, John suggested that some of the best things you could do was to get the community behind you, surround yourself with people who are leaders and who are supportive of change, and have clarity of vision. John believes every Aucklander should have a copy of the Auckland Plan and take an interest in what is in that plan.

John thought that, going forward, we should have a clearer idea as to how the public and private sectors can work together. He thought this was a largely untapped area and that Auckland Council is open to this.

The session concluded after Jeff Walters thanked the panel, all the participants and sponsors of the third in the 2015 series.

The participant feedback from this workshop was very positive, including:

- *Great initiative*
- *Delighted to see that after 13 years the standard remains so high*
- *This presentation has been good in terms of providing a wide variety of speakers*
- *Good event & Speakers*

Watch video interviews with our three speakers here: <http://www.business-intelligence.co.nz/2015-workshops/workshop-3/>

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