

Registered Master Builders Association of New Zealand Incorporated

Submission on Christchurch Development
contributions rebate schemes consultation

July 2025

Master Builders submission on the Development contributions rebate schemes consultation

The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the Christchurch City Council on *Development contributions rebate schemes consultation*.

About Master Builders

The Master Builders represents over 3,000 commercial and residential builders and are the leading sector advocates on the built environment. Our members have been building the places where New Zealanders live, work, and play, since 1982.

Our sector is a key contributor to the New Zealand economy. For the year ended March 2024, the construction sector contributed 6.2 per cent of the country’s real Gross Domestic Product (GDP) accounting to over \$17.2 billion¹. It also employed 294,100 people (or 10 per cent of the country’s total workforce) in the year ended September 2024².

We are working hard to lead the change our sector needs by ensuring we have the regulatory systems and processes in place to build faster and better. We are supporting our members to grow their capability and business acumen to ensure a strong and healthy sector; to innovate and make the most of new technologies so we meet the climate change challenge; and to attract, train and retain skilled talent. We are proud to be New Zealand’s best builders.

At Master Builders we are committed to transforming the sector and rebuilding our economy. We are focused on building better homes, communities and workplaces, and ultimately better lives for all New Zealanders. We want to ensure that the houses that we build now are well-built, accessible, affordable, and appropriate to the needs of our ever-changing society. We are building a better New Zealand.

Our members are supported on the ground by 23 branches across 6 regional hubs:

Branch hub	Serving
Auckland	Auckland, Northland, Coromandel
Midlands	Waikato, Tauranga, Whakatāne, Rotorua, Taupō
Central North Island	Taranaki, Whanganui, Hawke’s Bay, Manawatū, Gisborne
Cook Strait	Wellington, Wairarapa, Nelson, Marlborough, West Coast
Canterbury	Canterbury, Ashburton, South Canterbury
Southern	Otago, Central Otago, Gore, Southland

¹ Statistics New Zealand – Infoshare: Gross domestic product – March 2024

² Statistics New Zealand – Infoshare: Household Labour Force Suvey – September 2024

1. Introduction

- 1.1 Master Builders supports the development contribution rebate schemes. Development rebates can provide incentives to stimulate economic development. However, Development Contribution (DC) charges can significantly affect project viability; using selective rebates to offset these costs is a prudent strategy to catalyse development in line with the city's strategic objectives
- 1.2 Rebate schemes should be appropriately tailored by individual councils in conjunction with the local development community to better align the Council's expectations with local developer knowledge and likelihood of uptake. We have recommended some changes to the proposed schemes to better ensure uptake from the development community in Christchurch.

2. Recommendations

- 2.1 At a high level, we recommend that Christchurch City Council:
- Extend Scheme 1 to include vacant sites, thereby incentivising redevelopment of currently empty central city lots;
 - Extend the expiry date to a five-year period for Scheme 1 to provide greater certainty and sufficient time for developers to initiate projects;
 - Amend Scheme 2 to allow for three or more storey residential buildings to be eligible (rather than the proposed six-storey minimum);
 - Extend the expiry date to a five-year period for Scheme 2 to encourage a broader range of high-density projects over a realistic development timeframe;
 - Consider a new rebate category (or Scheme) for special-purpose developments by registered charities and non-profit organisations delivering wider community benefits (e.g. supported housing or community facilities by charitable trusts); and
 - Engage in good faith with stakeholders managing expiring development contribution credits to facilitate fair solutions and avoid penalising those whose credits are lapsing.

3. Scheme 1: Existing Demand Credits Rebate Scheme (Central City)

- 3.1 The proposed scheme is for any development with in the Four Avenues of the central city where the existing structure was in place on the lot on or after 1 March 2024. Master Builders are supportive of this proposed application area.

Extension to vacant sites

- 3.2 Members are also supportive of this scheme including vacant sites. These sites within the central city are equally important to the urban regeneration progress as properties with existing buildings. If development on vacant sites were supported and made more attractive, applicable land within the Four Avenues has the potential to contribute to Christchurch's vibrancy.
- 3.3 Scheme 1 proposes a funding limit of \$5 million, with a maximum of \$1 million for a single development. The proposed date that the scheme will expire is on 30 June 2027 or when the total scheme funding is fully allocated. Developments are long term and often take over two years and expiry date of 2027 will realistically only benefit existing development projects in the pipeline.

- 3.4 As noted in our previous submission, council rates are increasing and that will economically benefit the council from the developed sites. This revenue will be a significant and continuous source of income that should be factored into the funding considerations.

4. Scheme 2: Six-story residential development in the central city rebate scheme

- 4.1 Master Builders fully supports the Central City High-Density Residential Rebate Scheme and urges its adoption by the Council. This applies within the Four Avenues of the central city and the residential development, or residential component, must comprise of at least six storeys.
- 4.2 This scheme proposes a 100% rebate of DCs for qualifying multi-unit residential developments of six or more storeys within the central city (inside the Four Avenues), subject to specified scheme limits and covenant requirements.
- 4.3 We agree with the Council's rationale that this incentive will make the central city a more attractive and feasible location for intensive residential projects.
- 4.4 Eliminating DC charges for high-rise housing projects in the central city will significantly improves development viability and encourages developers to pursue projects that might otherwise be marginal or uneconomic.
- 4.5 Master Builders considers the minimum requirement of six storeys is not representative of the current central city landscape. Given the limited demand for buildings of that height, and feasibility concerns, our members recommend a minimum of three storeys instead. This will better encourage a range of housing heights and typologies.

5. Proposed Scheme: Special-Purpose Developments Rebate Scheme

Broadening the Rebate Policy for Community Benefit

- 5.1 Master Builders applauds the two targeted rebate schemes discussed above but we believe there is an opportunity to broaden the Council's Development Contributions Rebate Policy to ensure greater equity and fairness for developments that deliver exceptionally high social value.
- 5.2 We propose that the councils consider introducing a special purpose development rebate scheme (or expanding existing rebate criteria) to support "public good" projects undertaken by charitable and non-profit organisations.
- 5.3 The underlying principle is that developments that provide significant community benefits, even if they do not fit neatly into traditional residential or commercial development categories, should be eligible for DC relief in recognition of those wider benefits. This would extend the spirit of the rebate policy to a class of projects that are currently not covered by the proposed schemes but are equally worthy of assistance.
- 5.4 Special-purpose developments by charities and community organisations can include facilities such as supported housing for people with disabilities, community centres, healthcare or social service hubs, educational or training facilities for disadvantaged groups, and similar projects that serve a public benefit.
- 5.5 For instance, a project by a registered charity like Autism NZ to build a centre for autism support services, or a non-profit developing specialised accommodation for people with disabilities, would fall in this category.

- 5.6 These types of developments may not generate the same level of commercial profits or large tax revenues but yield large social benefits by addressing critical needs in our community. Master Builders believes that this is both fair and socially responsible for the council to assist such projects the DC rebates consistent with the purpose of supporting community wellbeing.
- 5.7 Providing DC rebates for charitable developments would be in line with the Council's own policy framework. The Christchurch City Council's Development Contributions Rebate Policy explicitly states that a rebate scheme will be considered when a development confers a "clearly identified benefit to the wider community". Social-purpose builds by charities and non-profits clearly meet this test: they address pressing social needs and improve the well-being of vulnerable populations, thereby benefiting the wider community by reducing social costs and promoting inclusion. It is therefore logical and justified to extend the rebate programme to encompass high public-value developments undertaken by the charitable sector.
- 5.8 The development itself should be required to provide a public good whether it be housing for disadvantaged groups, facilities for people with disabilities, health or social service centres, or other infrastructure that delivers community support and not be a for-profit venture.

6. Expiry of development contribution credits

- 6.1 While we broadly support the proposed initiatives, our members have expressed concerns about the expiry of development contribution credits as per the feedback from our previous submission. We would like to see the council engage in good faith with individuals managing the expiration of development contribution credits to facilitate a more appropriate solution.

7. Conclusion

- 7.1 Master Builders supports the extension of Scheme 1 to include vacant sites as this will help unlock underutilised land within the Four Avenues. However, to increase uptake among developers, Scheme 2 should lower the minimum height requirement to three storeys. This adjustment would better align with the current development landscape and market realities in central Christchurch.
- 7.2 Master Builders members are the leading constructors in Christchurch and enable some of the largest investments in the city. We wish to thank Christchurch City Council for the opportunity to submit on Christchurch City Council's Development contributions rebate schemes consultation as it gives our members the chance to be heard on a topic that impacts them greatly.

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