ATTACHMENTS MINUTES

City Future Committee meeting

Monday, 16 June 2025

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Introduction to Omnibus Submission to the Tauranga City Council Futures Committee for June 16 2025 - By David Tank

Tauranga, a city marked by rapid growth and huge untapped potential, has long grappled with the consequences of underinvestment in its social, cultural, and material infrastructure.

The sacking of the Tauranga City Council in 2020 and the subsequent appointment of four commissioners represented a decisive intervention by our most recent Labour Government to address these deep-seated issues and steer the city toward a sustainable and prosperous future.

The commissioners' bold investment and long-term planning decisions, including the culturally significant Te Manawataki o Te Papa project aiming to rectify historical neglect, redeem local iwi grievances, and to ensure that, at last, Tauranga's growth and cultural amenities benefit ALL of its citizens.

Historical Underinvestment and Governance Challenges

For decades, Tauranga's infrastructure—spanning social services, cultural facilities, and physical assets like roads—has suffered from persistent underfunding. This neglect has resulted in outdated and inadequate community amenities, strained transport networks, and a dearth of spaces that reflect the city's rich cultural heritage.

As the population has swelled, with thousands of new residents arriving each year, these deficiencies have become increasingly untenable, undermining the city's livability and economic potential.

The elected Tauranga City Council, over many years prior to its dissolution, proved unable to address these challenges effectively. Internal conflicts, poor decision-making, political grandstanding and a lack of strategic vision culminated in its sacking by the Minister of Local Government in 2020.

I am proud that I made the recommendation that the Council be investigated by the Labour Government and sacked if my assessment was deemed accurate.

In fairness, those Councillors were not helped by a local political climate dominated by a minority coalition of the self righteous, the obnoxious and the ignorant. It is, frankly, beyond belief that a referendum was held concerning a museum that included the option of NO MUSEUM AT ALL. That this cabal of the self centred thought that they could deny all future generations of city residents access to their history is, in my mind, an indictment of the cultural and intellectual malaise that still afflicts many in this city.

But ultimately, it was the brief time I spent as an employee of this Council in 2017 that convinced me that there was no alternative to the "nuclear option" of sacking the council.

As the Chinese say. The Fish Rots From The Head.

The warnings I had received from staff prior to my employment regarding the toxic pathological paranoia, the white anting, the incompetence, the lying, and the bullying was, once I experienced it, frankly appalling. TCC was the worst employment experience of my life and the lies I was told and the impact those managers had upon my personal life and family connections reverberate to this day.

It is important that this new Council understands that I regard this matter as unfinished business.

I nominated these four commissioners—Anne Tolley, Shadrach Rolleston, Bill Wasley, and Stephen Selwood— who were outstanding picks appointed to restore governance stability and implement transformative change. Their mandate was not only to fix immediate problems but also to establish a framework for long-term prosperity, addressing the social, cultural, and material deficits that had long held Tauranga back.

I am pleased that my recommendations regarding just what those steps should be were adopted. I am in awe of the quality of the work done by all involved in making these steps a reality. It means that I have the signature pleasure as I walk around this city of seeing it remade to my vision before my eyes.

Te Manawataki o Te Papa: Healing Historical Grievances

Central to this vision is Te Manawataki o Te Papa, the $306.3 million civic and cultural precinct that will redefine Tauranga's city center. This project addresses long-standing grievances of the local iwi, the absence of a visible identity reflecting the region's people and place, and the failure to meet growing demands for arts, culture, heritage, and manaakitanga (hospitality and care).

This land was stolen and its people evicted, it has now been returned and is put to its original purpose, of its original bequest, and it is being done with vision and beauty. I am extremely proud of this, as should everybody who has helped to make it a reality.

Through co-ownership of the precinct's land with the Otamataha Trust and close collaboration with mana whenua, Te Manawataki o Te Papa ensures that Tauranga's bicultural heritage is woven into its urban fabric, as it should have been from the beginning. The precinct with its new library, civic whare, exhibition gallery, museum and upgraded theatre, is creating a space where the stories, history, and aspirations of our community can thrive. One which people from all over the world will come to enjoy.

One with architecture of such significance and beauty that we will at last have something unique to offer the film industry. Oh, and the playground on the waterfront is cool. Just ask the kids.

Housing Initiatives: Building a Sustainable Future

Beyond cultural and civic renewal, I have tackled Tauranga's housing crisis from both the national and local level. The subject of this submission, other than confession (boast), is the proposal of the following forward-thinking initiatives that are now possible due to the longstanding strategies I have put in play. All three go to what I believe is Council's role as an innovative ENABLER of Abundance - defined as "Enough for Everybody - done sustainably."

These three measures aim to improve housing quality, increase supply, and promote equitable access, ensuring that the city's growth does not leave any of its residents behind. They are also all intended to be revenue raising. Indeed, one of these proposals has the potential to erase the city debt over time and to keep rates low for its citizens for generations to come, they are the following, enjoy:

- **Tenant and Landlord Licensing:** This proposal seeks to elevate housing standards by requiring landlords and tenants to obtain licenses and to meet minimum quality benchmarks, while also protecting tenants' rights. It represents a balanced approach to improving the rental market, a critical need in a city where housing demand far outstrips supply.
- **Differential Rating:** By adjusting property rates based on land use or zoning, differential rating encourages higher-density development in key areas. This aligns with national urban development policies and supports Tauranga's goal of accommodating its growing population more efficiently.
- **Land Amalgamation Register:** The proposed register offers an innovative tool for residents and developers to explore property amalgamations for higher-density housing projects. By leveraging digital platforms, this initiative empowers the community to contribute to the city's intensification efforts, unlocking new opportunities for sustainable growth.

These housing initiatives reflect a proactive effort to address one of Tauranga's most urgent challenges. They complement the broader investments in infrastructure and culture, forming a holistic strategy to secure the city's future.

In Detail:

1. **Tenants License Proposal**

The introduction of a "Tenants License" for individuals seeking to rent residential properties within the Tauranga city boundary. This initiative, to be administered by the Tauranga City Council (TCC), would require prospective tenants to pass a written test assessing their understanding of the relevant laws governing the rights and obligations of both tenants and landlords. The proposed license aims to foster a more informed and

responsible rental community, reduce disputes, and enhance the overall rental experience in Tauranga.

Rationale for a Tenants License

The rental market in Tauranga has grown significantly due to population growth and housing demand. However, misunderstandings about tenancy laws, such as those outlined in the *Residential Tenancies Act 1986*, often lead to disputes, breaches of obligations, and strained landlord-tenant relationships. A Tenants License would ensure that renters are equipped with the knowledge needed to uphold their responsibilities and assert their rights, creating a fairer and more harmonious rental environment.
Key benefits of the proposed license include:

- **Reduced Disputes:** Educated tenants are less likely to inadvertently breach tenancy agreements, leading to fewer conflicts and legal proceedings.
- **Empowered Renters:** A clear understanding of their rights enables tenants to advocate for fair treatment, such as timely repairs or proper notice periods.
- **Enhanced Landlord Confidence:** Landlords can trust that licensed tenants are aware of their obligations, potentially reducing property damage and unpaid rent issues.
- **Community Wellbeing:** A stable and informed rental market supports Tauranga's goal of being a vibrant, inclusive city where residents feel secure in their housing.

Proposed Structure of the Tenants License

The Tenants License would be administered by the TCC and include the following components:

- **Written Test:** Applicants must pass a test covering key aspects of tenancy law, including:
  - Tenant and landlord responsibilities (e.g., rent payment, property maintenance).
  - Rights regarding bond payments, inspections, and termination of tenancies.
  - Obligations under the *Residential Tenancies Act 1986* and recent amendments, such as healthy homes standards.
    The test could be offered online or in-person, with study materials provided by the TCC.
- **Eligibility:** The license would be required for all primary leaseholders renting within Tauranga's city boundary.
- **Administration:** The TCC would oversee test delivery, license issuance, and record-keeping. A small fee could offset administrative costs, with possible waivers for low-income applicants.
- **Renewal and Updates:** Licenses could be valid for a set period (e.g., 5 years) or require renewal if significant legislative changes occur.

Implementation Considerations

To ensure the success of the Tenants License, I recommend:

- **Public Education Campaign:** Promote awareness of the license and provide accessible resources, such as online guides or workshops, to prepare applicants.
- **Stakeholder Engagement:** Consult with landlords, property managers, tenant advocacy groups, and legal experts to design a fair and practical test.
- **Accessibility:** Offer the test in multiple languages and formats to accommodate diverse communities, including Māori, Pacific, and migrant populations.
- **Pilot Program:** Launch a trial phase to assess the program's impact on tenancy disputes and gather feedback before full implementation.

Addressing Potential Concerns

Some may argue that a Tenants License creates an additional barrier to accessing housing. However, by providing free study materials, flexible testing options, and fee waivers, TCC can ensure the process is inclusive. The long-term benefits of reduced disputes and a more equitable rental market outweigh initial administrative challenges. Additionally, the license focuses on education, not exclusion, empowering tenants rather than restricting access.

How many people would require a license?

To determine how many tenants within the boundaries of Tauranga City Council would be required to attain a Tenants License, we need to estimate the number of rental households in the area, as each rental household typically has at least one primary tenant who would need the license.

Step 1: Estimate Tauranga's Population

Tauranga's population is approximately 150,000 residents.

Step 2: Calculate the Number of Households

The average household size in New Zealand is about 2.7 people. Using this average for Tauranga, the calculation suggests there are approximately 55,556 households in Tauranga.

Step 3: Determine the Number of Rental Households

In New Zealand, about 32% of households are rented. Applying this national average to Tauranga indicates that approximately 17,778 households in Tauranga are rental properties.

Step 4: Estimate Tenants Requiring a License

For a Tenants License, it is reasonable to assume that each rental household requires at least one license, typically held by the primary leaseholder. While some households may have multiple leaseholders, for simplicity and based on standard tenancy agreements, we assume one license per rental household. Thus, the number of tenants needing a license aligns with the number of rental households, which is approximately 17,778.

Considerations

- **Data Assumptions**: This estimate uses the national average rental rate (32%) and household size (2.7), as specific figures for Tauranga were not available. These averages may vary slightly in Tauranga, but they provide a reasonable basis for estimation.
- **Population Growth**: Tauranga is a growing city, so the number of rental households may increase over time. However, this estimate reflects the current population of 150,000.
- **Exceptions**: Some tenants, such as those in social housing, might not require a license depending on the policy, but the assumption here is that all rental households within the city boundary are included.

Conclusion

The establishment of a Tenants License administered by the Tauranga City Council represents a forward-thinking approach to strengthening Tauranga's rental market. By equipping tenants with knowledge of their rights and responsibilities, the TCC can foster a more respectful and stable housing environment, aligning with the city's vision for a thriving, inclusive future.

2. Landlords License Proposal

The introduction of a "Landlords License" for individuals who wish to act as property managers for their own rental properties within Tauranga, rather than employing a qualified property manager.

This license, administered by the Tauranga City Council (TCC), would require applicants to pass a written test demonstrating their understanding of tenancy laws, ensuring they are equipped to manage their rentals responsibly. This initiative aims to enhance the quality and fairness of Tauranga's rental market.

Why a Landlords License is Needed

Tauranga's rental market is expanding due to population growth and housing demand. Many property owners choose to self-manage their rentals to avoid property management fees. However, without proper knowledge of laws such as the *Residential*

Tenancies Act 1986 and healthy homes standards, these landlords risk unintentional breaches, leading to disputes or legal issues. A mandatory license would ensure self-managing landlords understand their obligations and tenant rights, reducing conflicts and improving rental standards, fostering a fairer and more stable rental environment.

Estimated Number of Affected Landlords

While exact figures are unavailable, it is believed that a significant number of landlords in Tauranga act as property managers for their own rentals. Based on the city's population of approximately 150,000 and an estimated 50,000 households (assuming an average household size of 3), around 30%—or 15,000—may be rental properties. Accounting for landlords who own multiple properties (assuming an average of 1.5 properties per landlord), this suggests approximately 10,000 landlords. If 50% of these self-manage, there could be around 5,000 self-managing landlords in Tauranga who would require this license. This rough estimate highlights the scale of impact this policy could have, though further data collection by the TCC could refine this figure.

Structure and Cost of the License

The Landlords License would be structured as follows:
- **Written Test:** Applicants must pass a paper-based test covering key tenancy laws, including landlord obligations (e.g., maintenance, healthy homes standards) and tenant rights (e.g., privacy, notice periods).
- **Testing Process:** Tests must be taken in person at council offices to ensure integrity, with TCC staff overseeing administration. While online training resources—such as study guides and practice questions—would be available to aid preparation, the test itself remains paper-based and in-person.
- **Cost:** The license is estimated at $100 per lifetime license for each landlord, a one-time fee covering test development, administration, and issuance. This modest cost ensures accessibility while funding the program. Should the laws change regarding renting change (as they will) a fee should be charged for further endorsements.
- **Duration:** Once obtained, the license is valid for life, but with endorsements available as and when needed to ensure the licensee is up to date.

Benefits of the Proposal

This license would:
- **Reduce Disputes:** Educated landlords are less likely to breach laws, minimizing tenant conflicts.

- **Enhance Professionalism:** A knowledgeable landlord base strengthens trust in the rental market.
- **Protect Tenants:** Compliance with standards like healthy homes ensures better living conditions.
- **Support Landlords:** The $100 fee and online training make it affordable and practical to meet requirements.

Implementation and Enforcement

The TCC would administer the program, offering scheduled in-person testing and maintaining a registry of licensed landlords. Online training would ease preparation, while the paper-based, in-person test ensures credibility. Landlords failing the test could retake it after a set period. Enforcement would involve requiring the license for rental property registration, with penalties for non-compliance focused on encouraging education over punishment.

Addressing Concerns

Some landlords may see the $100 fee or test as a burden. However, this one-time cost is minor compared to potential legal expenses from disputes, and online training supports success. The in-person testing, while logistically demanding, guarantees fairness and allows council engagement with landlords, justifying the effort.

But Can We Do It, licence both Tenants and landlords? **YES WE CAN**

How?

The current legal situation:

1. Local Council Requirements

Local councils oversee functions such as property addressing, building consents, and local bylaws. However, there is no legal mandate currently requiring landlords and tenants to acquire a license in order to register their rental properties or themselves with their local council, although they have the power to mandate such.
Key Points:
- **No General Registration**: There is no evidence of a nationwide or council-specific requirement for landlords to register their rental activities with local councils. Unlike some countries where rental property registration is mandatory for safety or taxation purposes, this does not apply in New Zealand.
- **Specific Interactions**: Landlords may need to engage with their local council in certain situations, including:
    - **Building Consents**: Under the *Building Act 2004*, landlords undertaking renovations or construction on rental properties must obtain building

consents from their local council to ensure compliance with safety and structural standards.
- **Resource Consents**: If altering land use or developing a property impacts the environment or community, landlords may need resource consents under the *Resource Management Act 1991*.
- **Local Bylaws**: Councils may enforce bylaws related to noise, waste management, or property maintenance, which landlords must follow. However, these are compliance obligations, not registration requirements.
- **Special Cases**: For specific property types, such as boarding houses, operators might face additional local council oversight (e.g., safety and occupancy standards), but this does not equate to a formal registration process.

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2. Central Government Requirements

Central government oversees landlord responsibilities primarily through the *Residential Tenancies Act 1986* (amended over time, e.g., by the *Residential Tenancies Amendment Act 2020*), administered by the Ministry of Business, Innovation and Employment (MBIE) via Tenancy Services, and tax obligations managed by the Inland Revenue Department (IRD). While landlords must meet several compliance requirements, there is no formal landlord registration system.

Key Requirements:
- **Tenancy Agreements and Bonds**:
    - Landlords must provide tenants with a written tenancy agreement as required by the *Residential Tenancies Act 1986*.
    - Any bond collected (typically 1-4 weeks' rent) must be lodged with Tenancy Services' Bond Centre within 23 working days. This process ensures bonds are securely held and refundable at the tenancy's end, but it is not considered a registration of the landlord or property.
- **Healthy Homes Standards**:
    - Since July 1, 2019, rental properties must comply with the healthy homes standards, covering heating, insulation, ventilation, moisture ingress, and draught stopping. Landlords must provide a compliance statement with tenancy agreements, and Tenancy Services enforces these standards. Non-compliance can lead to penalties, but no registration is required to demonstrate adherence.
- **Tax Obligations**:
    - Landlords must declare rental income and expenses in their annual tax returns to the IRD. This involves reporting rental activities, but there is no separate registration process specifically for landlords—rental income is simply included in standard tax filings.
- **Regulatory Exemptions**:
    - The ***Residential Property Managers Bill*** **(introduced in 2023) regulates professional property managers but explicitly excludes**

private landlords, who remain governed by the *Residential Tenancies Act*. This reinforces that no additional **central** government registration applies to private landlords.

Special Considerations:
- **Boarding Houses**: Operators of boarding houses (defined under the *Residential Tenancies Act* as rentals with six or more tenants) face specific rules, such as providing tenancy agreements and meeting safety standards, but no distinct registration with central government is mandated beyond existing obligations.
- **Social Housing**: Public landlords like Kāinga Ora (a government housing agency) operate under the same tenancy framework and do not require additional registration.

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3. Summary of Registration Requirements

- **Local Councils**: **No general registration is required.** Landlords interact with councils only for specific purposes (e.g., building consents, bylaws), but there is no overarching requirement to register as a landlord or list rental properties.
- **Central Government**: No formal landlord registration exists. Obligations include bond lodgement, adherence to tenancy laws and healthy homes standards (via Tenancy Services), and tax reporting (via IRD), but these do not constitute a registration system.

But Can We Do It? **YES WE CAN**

Here's an outline of the legal methods a council, such as the Tauranga City Council (TCC) in New Zealand, could employ to make a tenants and landlords license mandatory for renting homes within its jurisdiction. These methods are grounded in New Zealand's legal framework and local government powers.

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1. Enact a Local Bylaw

The council can use its authority under the *Local Government Act 2002* (LGA) to create a bylaw requiring all tenants and landlords to hold a valid license to rent residential properties.

- **Process:**
    - Draft a bylaw that specifies:
        - Who must obtain the license (e.g., primary leaseholders).
        - How to obtain it (e.g., passing a test on tenancy laws).
        - Penalties for non-compliance (e.g., fines).

- Conduct public consultation, as required by the LGA, to gather community feedback.
- Obtain council approval and ensure the bylaw aligns with national legislation.
- **Enforcement:**
  - Make it an offense to rent without a license, with fines for tenants or landlords who violate the bylaw.
  - Empower council officers to monitor compliance.

This method leverages the council's existing powers, providing a direct and immediate way to enforce the license requirement locally.

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2. Incorporate License Verification into Tenancy Agreements

The council can mandate or encourage landlords to verify tenants' licenses as part of the leasing process, integrating the requirement into private tenancy agreements.

- **Approach:**
  - Require landlords to include a clause in tenancy agreements stating that a valid tenants license is a prerequisite for renting.
  - Provide landlords with a standard clause and a verification system (e.g., a council-maintained register of licensed tenants).
- **Enforcement:**
  - Landlords check licenses before signing leases, similar to checking references or credit scores.
  - Impose penalties on landlords who fail to comply, ensuring they have a stake in enforcement.

This method shifts some responsibility for the enforcement of a mandatory Tenants license to landlords, by making compliance a practical part of the rental process.

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3. Link the License to Council Services or Property Registration

The council can tie the tenants license to existing property-related regulations or services, creating incentives for compliance.

- **Examples:**
  - Require tenants to show their license to access council services tied to rental properties, such as waste collection or parking permits.
  - Mandate that landlords provide tenant license details when registering rental properties or seeking council approvals.
- **Enforcement:**
  - Restrict service access or delay approvals for non-compliant tenants or landlords.

- Use existing council systems to track and enforce the requirement.

This indirect approach reinforces the license's importance without relying solely on fines or audits.

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4. Phase In the Requirement for Existing Tenancies

To ensure a smooth rollout and minimize disruption, the council could introduce the license requirements gradually.
- **Options:**
    - Apply the rule only to new tenancies or lease renewals after a set date.
    - Offer a grace period (e.g., 12 months) for existing tenants and landlords to obtain a license.
- **Enforcement:**
    - Use education campaigns and reminders during the transition to boost compliance.
    - Avoid penalties until the grace period ends, reducing resistance.

This phased approach makes the policy legally and practically feasible while addressing existing tenants' needs.

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5. Ensure Compliance with Human Rights Laws

The council must design the license requirement to comply with the *New Zealand Bill of Rights Act 1990* and *Human Rights Act 1993*, avoiding legal challenges.
- **Mitigation:**
    - Make the licensing process accessible (e.g., online testing, multiple languages, disability accommodations).
    - Ensure it doesn't unfairly target vulnerable groups, such as low-income renters or migrants.
- **Enforcement:**
    - Monitor implementation to address complaints of discrimination or undue burden.
    - Provide free resources (e.g., study guides) to support compliance.

This step ensures the policy is legally defensible and equitable.

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6. Establish Clear Enforcement Mechanisms

The council needs robust tools to ensure the license requirement is followed.
- **Methods:**
    - **Fines:** Impose penalties on tenants renting without a license or landlords failing to verify it.
    - **Audits:** Conduct random checks of tenancy agreements or require license numbers in official documents.
    - **Tenancy Tribunal Integration:** Allow non-compliance to be raised in disputes, leveraging existing tenancy resolution processes.
- **Resources:**
    - Allocate staff within the council's regulatory or housing teams to oversee enforcement.

These mechanisms provide the practical backbone for making the license mandatory.

Conclusion

To ensure a tenants license becomes mandatory, the council should:
- Enact a bylaw under the *Local Government Act 2002* to establish the requirement and define penalties.
- Require landlords to verify licenses in tenancy agreements, sharing enforcement responsibility.
- Link the license to council services or property rules for added incentive.
- Phase in the policy and ensure it complies with human rights laws to avoid legal pitfalls.

By combining these legal methods, the council can create an enforceable, fair, and effective system to make tenants and landlord licenses mandatory, enhancing the rental environment in its jurisdiction.

Countries and Regions with Mandatory Landlord Registration

- **United Kingdom**:
    - **Scotland**: Under the *Antisocial Behaviour etc. (Scotland) Act 2004*, all private landlords must register with their local authority, providing details about themselves and their properties. Registration is renewed every three years, and landlords must display their registration number in rental ads. Non-compliance can lead to fines up to £50,000 or a letting ban.
    - **Wales**: The *Housing (Wales) Act 2014* requires landlords to register themselves and their properties with RentSmart Wales. This applies to all private landlords, with penalties for non-compliance.

- **Northern Ireland**: The Landlord Registration Scheme mandates that private landlords register their details and properties. Registration lasts three years, with fines up to £2,500 for failure to comply.
- **England**: No national registration is required, but some local councils implement selective licensing schemes under the *Housing Act 2004*, requiring landlords in specific areas to obtain a license to address issues like poor housing conditions.

- **United States (Michigan)**: In Michigan, landlords must register with the Michigan Department of Licensing and Regulatory Affairs (LARA) and obtain a landlord certificate from their local county clerk's office. Additional local regulations may apply, varying by municipality.

Countries Without Clear Mandatory Landlord Registration

- **Germany**: Focuses on tenant registration (*Anmeldung*) with local authorities, but no nationwide mandatory landlord registration system is evident.
- **Sweden, France, Netherlands, Belgium, Switzerland, Japan**: These countries have robust tenant protections (e.g., rent controls, eviction rules), but there's no mandatory landlord registration. Regulations often focus on property standards or tax reporting rather than a formal registry.
- **New Zealand**: As previously discussed, landlords have compliance obligations (e.g., healthy homes standards, bond lodgement), but no mandatory registration with local councils or central government exists.

Proposal for Differential Rating on Long-Term Unoccupied Homes

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Tauranga is grappling with a severe housing shortage that threatens affordability, exacerbates inequality, and strains community wellbeing. This submission proposes applying differential rating—charging two to three times the standard rates—on residential properties left untenanted for longer than one year.

The policy aims to incentivize property owners to utilize vacant homes, thereby increasing housing availability. Below, we outline the housing crisis in Tauranga, propose exemptions, and evaluate the benefits and risks of this policy, drawing on international examples.

The Housing Shortage in Tauranga
Tauranga's housing crisis is well-documented and worsening:

- **Scale of Shortage**: A 2019 report by Veros Property Services, commissioned by Tauranga City Council, identified a shortfall of 1,000 homes within three years, projected to grow to nearly 5,000 homes within four to ten years. By 2022, the SmartGrowth Partnership estimated a need for 43,000 additional homes by 2048 to meet population growth. Recent projections indicate Tauranga will be 7,000–9,000 homes short over the next decade.
- **Affordability Crisis**: Tauranga is New Zealand's most unaffordable city for homebuyers, with median house prices requiring nearly nine years of median household income to pay off, surpassing Auckland's 8.8 years. In 2020, research warned that without intervention, property prices could rise by $702,000 within a decade due to land supply constraints.
- **Social Impacts**: The shortage drives up rents, with one in four rental households spending over 40% of disposable income on housing. Homelessness affects 2.8% of residents (over 4,000 people), and the public housing waitlist is growing.
- **Vacant Homes**: The 2023 Census reported 2,142 empty homes in Tauranga (3.7% of housing stock), up from 1,722 (3.3%) in 2018. While some vacancies are due to renovations or holiday homes, a portion represents underutilized investment properties, exacerbating the shortage.

The combination of limited land supply, slow consenting processes, and infrastructure constraints has hindered efforts to address this crisis. Differential rating on long-term vacant homes offers a targeted approach to unlock existing housing stock.

Proposed Differential Rating Policy

I propose that Tauranga City Council implement a differential rating system, charging two to three times the standard rates on residential properties unoccupied for over one year.

Key features include:
- **Threshold**: Properties must be vacant for a continuous period exceeding 12 months, verified through utility usage (e.g., water, electricity), tenancy records, or owner declarations.
- **Rate Multiplier**: A 200–300% increase in rates, aligned with international models like Ireland's vacant property tax.
- **Implementation**: Annual assessments using existing council data and land registry systems, with owners required to report tenancy status or justify exemptions.

Proposed Exemptions
To ensure fairness and avoid penalizing reasonable circumstances, the following exemptions are recommended:

- **Primary Residences**: Owner-occupied homes where the owner is temporarily absent due to work, medical treatment, or travel (e.g., for up to two years).
- **Holiday Homes**: Properties used as family baches or for personal use, provided they are occupied for at least 30 days per year.
- **Renovations or Repairs**: Properties undergoing significant renovations, with a maximum exemption period of 18 months, subject to council verification.
- **Awaiting Sale or Tenancy**: Properties actively listed for sale or rent, with a six-month grace period post-listing.
- **Deceased Estates**: Properties in probate or legal settlement, with a one-year exemption from the date of death.
- **Hardship Cases**: Owners facing financial or personal hardship, assessed on a case-by-case basis via application to the council.
- **Cultural or Community Use**: Properties held by iwi or community organizations for non-commercial purposes.

These exemptions balance the policy's intent with compassion for diverse circumstances, drawing on models like Vancouver's Empty Homes Tax, which exempts primary residences and properties under renovation.

Benefits of Differential Rating
- **Increased Housing Availability**:
  - By penalizing long-term vacancies, the policy encourages owners to rent or sell properties, adding to the housing supply. Vancouver's Empty Homes Tax, introduced in 2017, reduced vacant homes by 20% within two years, with over 1,000 properties returned to the market.
  - In Tauranga, even a 10% reduction in the 2,142 empty homes could yield over 200 additional dwellings, easing pressure on renters and first-home buyers.
- **Revenue Generation**:
  - The policy generates funds to support housing initiatives. Vancouver's tax, set at 3% of property value, raised CAD$38 million in its first year, reinvested into affordable housing. A similar tax in Tauranga could fund social housing or infrastructure to support new developments.
  - Assuming 1,000 non-exempt vacant homes with an average rate of $3,000, a 200% differential could raise $6 million annually.
- **Improved Affordability**:
  - Increasing housing supply can stabilize rents and house prices. Ireland's vacant property tax, charging up to 300% of rates, has encouraged owners to utilize properties, contributing to local housing markets.
  - In Tauranga, this could mitigate the projected $702,000 price surge over a decade.
- **Community Benefits**:
  - Reducing vacancies fosters vibrant neighborhoods, as occupied homes support local businesses and reduce urban blight. Melbourne's Vacant

Residential Land Tax has improved community cohesion by discouraging speculative holding.
- Addressing homelessness and housing stress aligns with council goals to enhance community wellbeing.
- **Feasibility**:
  - New Zealand's land registry and council data systems enable efficient monitoring, as noted in research on empty home taxes. Tauranga's existing growth and analytics team could oversee implementation with minimal additional cost.

Risks and Mitigation Strategies
- **Risk: Owner Resistance**:
  - Property owners may oppose higher rates, citing property rights. In Vancouver, initial backlash was mitigated through public consultations and clear exemptions.
  - **Mitigation**: Engage stakeholders early, emphasize exemptions, and highlight the housing crisis's severity. Frame the policy as a community-driven solution.
- **Risk: Administrative Burden**:
  - Verifying vacancies could strain council resources. Ireland faced challenges with compliance monitoring but improved efficiency through **utility data integration**.
  - **Mitigation**: Leverage existing data (e.g., water usage, rates records) and introduce a simple self-reporting system with random audits.
- **Risk: Unintended Consequences**:
  - Owners may sell properties to avoid rates, potentially increasing prices if demand outstrips supply. In Melbourne, some owners sold vacant homes, temporarily tightening the market.
  - **Mitigation**: Pair the policy with supply-side measures, such as Plan Change 33 for intensification or Kāinga Ora's development projects.
- **Risk: Impact on Holiday Homes**:
  - Tauranga's coastal appeal means many vacant homes are baches. Over-taxing these could deter tourism.
  - **Mitigation**: Include clear exemptions for holiday homes used periodically and focus on investment properties held empty for speculation.
- **Risk: Limited Impact**:
  - If only 10% of empty homes are speculative (as per New Zealand's 2018 Census data), the policy may yield fewer homes than expected.
  - **Mitigation**: Combine with other policies, such as streamlined consenting or infrastructure investment, to maximize impact. Promote the policy as part of a broader housing strategy.

International Examples and Outcomes

- **Vancouver, Canada**: The Empty Homes Tax (1–3% of property value) reduced vacant homes by 20% from 2017–2019, adding over 1,000 units to the market. Revenue funded affordable housing, but initial resistance required robust public engagement.
- **Ireland**: A vacant property tax (200–300% of rates) since 2018 has encouraged owners to rent or sell, though compliance monitoring remains a challenge. Urban areas saw modest increases in housing availability.
- **Melbourne, Australia**: The Vacant Residential Land Tax (1% of capital value) reduced speculative vacancies but led to some sales that tightened the market temporarily. It underscored the need for complementary supply policies.
- **France**: A tax on vacant homes in urban areas (10–60% of rental value) has increased rental supply in cities like Paris, though rural areas saw less impact due to lower demand.

These examples demonstrate that differential rating can work but requires clear exemptions, effective enforcement, and integration with broader housing strategies.

Recommendations

- **Adopt Differential Rating**: Implement a 200–300% rate increase on homes vacant for over one year, using the proposed exemptions to ensure fairness.
- **Engage the Community**: Conduct public consultations to address concerns and refine exemptions, drawing on Vancouver's success in building support.
- **Leverage Data**: Use utility records and land registry data to monitor vacancies efficiently, minimizing administrative costs.
- **Integrate with Other Policies**: Combine with intensification (e.g., Plan Change 33), infrastructure investment, and Kāinga Ora projects to maximize housing supply.
- **Reinvest Revenue**: Allocate funds to affordable housing, social housing, or infrastructure to support growth areas like Tauriko West and Te Tumu.
- **Monitor and Evaluate**: Review the policy's impact annually, adjusting rates or exemptions based on housing outcomes and community feedback.

Conclusion

Tauranga's housing shortage demands bold action. Differential rating on long-term vacant homes offers a proven, feasible solution to unlock existing housing stock, improve affordability, and fund community initiatives. By learning from international successes and addressing risks through exemptions and engagement, Tauranga City Council can lead the way in tackling the housing crisis. I urge the council to adopt this policy as part of a comprehensive strategy to ensure all residents have access to safe, affordable homes.

Proposal - An Interactive Land Amalgamation Register

Executive Summary

Tauranga faces a pressing need to increase housing density while preserving the livability and character of its neighborhoods. This submission proposes an innovative solution: the establishment of an online property amalgamation register integrated within an open sandbox-style Gameworld environment.

This digital platform would empower residents to digitally reconstruct their properties and those of their neighbors, exploring opportunities for property amalgamation to achieve greater housing density in a community-led manner. By leveraging the Council's rich local data—including Land Information Memorandum (LIM) reports, geographic information, and ratepayer data—the platform would provide accurate, real-time insights into property potential and constraints.

Key benefits include enhanced community engagement, a streamlined development process, and alignment with Tauranga's goals for sustainable growth and innovation. This submission outlines the platform's features, technical requirements, potential challenges, and strategic alignment, culminating in a call to action for a pilot program.

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1. Introduction

Tauranga is experiencing rapid population growth, placing significant pressure on housing availability and urban infrastructure. To meet this challenge, the city must explore creative solutions that balance increased housing density with the preservation of neighborhood livability.

I propose the development of an online property amalgamation register within an open sandbox-style Gameworld environment. This platform would enable residents to digitally combine their properties with those of their neighbors, facilitating a local-led approach to urban planning that maximizes land use efficiency and supports sustainable development. By integrating the Council's extensive technical, geographical, and ratepayer-based information services—including LIM data—this tool would provide a user-friendly, data-driven way for communities to shape their future.

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2. Platform Description and Features

The proposed online property amalgamation register would serve as an interactive digital tool, allowing residents to explore and visualize the potential of merging adjacent properties into larger development lots. Its key features include:

- **Property Selection and Amalgamation Simulation:**
  Residents can log in, select their property, and virtually combine it with neighboring properties. The platform would allow users to experiment with various configurations to assess how amalgamation could enhance housing density while maintaining livability.
- **Integration of Council Data:**
  The platform would leverage the Council's deep local data resources, such as LIM reports (detailing zoning, consents, and restrictions), geographic information, and ratepayer data. This integration would provide users with comprehensive, real-time insights into opportunities and constraints affecting their properties.
- **Sandbox-Style Gameworld Interface:**
  Inspired by open sandbox games, the platform would feature an intuitive, engaging interface with 3D visualization capabilities. Users could explore their virtual property reconstructions from multiple angles, gaining a clear understanding of spatial and aesthetic impacts.
- **Community Collaboration Tools:**
  Features such as idea-sharing forums, neighbor collaboration options, and community feedback mechanisms would encourage collective planning and ensure that proposed amalgamations reflect local needs and preferences.
- **Educational Support:**
  Tutorials, guided scenarios, and informational pop-ups would educate users on planning concepts, legal considerations, and the benefits of amalgamation, making the platform accessible to all residents, regardless of technical expertise.

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3. Technical Requirements and Considerations

To bring this vision to life, the platform would require careful design and collaboration across multiple disciplines. Key technical requirements include:

- **Geographic Information System (GIS) Technology:**
  Accurate spatial representation of property boundaries, zoning overlays, and infrastructure networks would rely on GIS integration, ensuring that virtual amalgamations align with real-world conditions.
- **Data Security and Privacy:**
  Robust safeguards must protect sensitive property and ratepayer data, adhering to privacy laws and building user trust in the platform.
- **User-Friendly Design:**
  The interface must be intuitive and accessible, with mobile compatibility and features for users with varying levels of technical skill.
- **Ongoing Maintenance:**
  Regular updates would be necessary to keep data current, reflecting changes in property information, zoning regulations, and urban policies.

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4. Addressing Potential Challenges

While the platform offers transformative potential, several challenges must be proactively managed:

- **Accuracy and Realism:**
  Virtual reconstructions must accurately reflect real-world constraints, such as zoning laws, building codes, and environmental regulations. The platform would include disclaimers urging users to seek professional advice before acting on their designs.
- **Legal and Property Rights Issues:**
  Property amalgamation involves complex legal processes, including owner consents and regulatory approvals. The platform would provide educational resources but emphasize the need for expert consultation.
- **Encouraging Adoption:**
  Widespread use may require outreach efforts to demonstrate the platform's value. A pilot phase with demonstration projects could build momentum and refine the tool based on user feedback.

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5. Alignment with Tauranga's Strategic Goals

This proposal supports Tauranga's broader urban planning objectives in the following ways:

- **Sustainable Growth:**
  By promoting efficient land use through property amalgamation, the platform helps accommodate population growth without excessive urban sprawl, preserving green spaces and reducing infrastructure strain.
- **Community Engagement:**
  Empowering residents to actively participate in planning fosters a sense of ownership and ensures that development reflects local priorities, strengthening community cohesion.
- **Innovation Leadership:**
  Implementing this cutting-edge digital tool positions Tauranga as a pioneer in urban planning, offering a model that other cities could adopt to address similar challenges.

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6. Benefits of the Online Property Amalgamation Register for Property Developers

The proposed online property amalgamation register, offers significant advantages for property developers seeking larger land blocks for higher-density builds in Tauranga's densification zones, such as Brookfield, Bureta, and Te Papa.

- **Streamlined Identification of Amalgamation Opportunities:**
  - **Benefit:** The register allows developers to access a centralized platform where residents can indicate interest in amalgamating their properties. By visualizing adjacent properties open to amalgamation in areas like Brookfield, Bureta, and Te Papa, developers can quickly identify viable larger land blocks suitable for medium- and high-density projects, such as townhouses or multi-storey apartments.
  - **Relevance to Tauranga:** In Brookfield and Bureta, part of the Ōtūmoetai Spatial Plan, four- to six-storey buildings are permitted within 400–800 meters of commercial nodes, making larger amalgamated sites critical for maximizing development potential. Similarly, Te Papa's allowance for up to eight-storey buildings along Cameron Road and 13 storeys in the CBD fringe incentivizes developers to source larger blocks for significant projects.
  - **Impact:** Reduces time and costs associated with manual property searches and negotiations, enabling developers to focus on feasible sites aligned with zoning changes.
- **Data-Driven Decision Making:**
  - **Benefit:** The platform integrates Council data, including LIM reports, zoning regulations, and geographic information, providing developers with real-time insights into site constraints (e.g., viewshafts, natural hazards) and opportunities (e.g., proximity to transport corridors). This ensures proposed amalgamations align with Tauranga's intensification plans, such as the Te Papa Spatial Plan or Plan Change 33.
  - **Relevance to Tauranga:** Developers targeting Te Papa can leverage data on infrastructure capacity (e.g., Cameron Road Multi-Modal Project) to plan projects that complement public transport and reduce car dependency, enhancing project viability.
  - **Impact:** Minimizes risks of unfeasible projects, saving developers from costly delays or rejected consents.

- **Community-Led Proposals Enhance Feasibility:**
    - **Benefit:** The Gameworld environment allows residents to propose amalgamation configurations, giving developers pre-vetted, community-supported options. This reduces opposition from homeowners and streamlines negotiations, as residents have already expressed interest in selling or collaborating.
    - **Relevance to Tauranga:** In areas like Gate Pā or Greerton (part of Te Papa), where community concerns about traffic and infrastructure have been raised, developer access to resident-driven proposals can mitigate NIMBYism (Not In My Backyard) and align projects with local preferences.
    - **Impact:** Increases the likelihood of successful project approvals and fosters positive community relations.
- **Support for Scalable, High-Density Projects:**
    - **Benefit:** Larger amalgamated blocks enable developers to undertake more ambitious projects, such as mid-rise apartments or terraced housing, which are more economically viable due to economies of scale. The platform's 3D visualization tools help developers test designs that comply with height limits and urban design standards.
    - **Relevance to Tauranga:** In Brookfield, where medium-density housing is emerging, and Te Papa, where six- to eight-storey developments are encouraged, amalgamated sites allow developers to maximize dwelling yields, addressing Tauranga's housing shortfall.
    - **Impact:** Enhances profitability by enabling larger, more efficient developments that align with market demand for diverse housing types.

2. Financial Advantages for Homeowners Selling into an Amalgamation Scheme

Homeowners in densification zones like Brookfield, Bureta, and Te Papa who sell into an amalgamation scheme can realize significant financial benefits, driven by increased land value and developer demand.

- **Premium Land Values Due to Densification Potential:**
    - **Advantage:** Legislative changes allowing higher-density builds (e.g., three-storey townhouses or six- to eight-storey apartments) increase the development potential of land, driving up its value. Homeowners selling into an amalgamation scheme can command a premium, as developers seek larger blocks to maximize dwelling yields.
    - **Example in Tauranga:** In Te Papa, where up to 13-storey buildings are permitted in the CBD fringe, amalgamated sites are highly valuable for developers planning large-scale projects. A homeowner's 500–900 sqm lot, when combined with neighbors' properties, could form a multi-hectare site, significantly increasing its market price.
    - **Impact: Homeowners may receive offers well above standard market rates for individual lots, providing substantial financial gains.**

- **Shared Transaction Costs and Economies of Scale:**
    - **Advantage:** In an amalgamation scheme, multiple homeowners sell collectively, allowing developers to spread transaction costs (e.g., legal fees, surveys) across a larger site. This can result in higher net payouts for each homeowner compared to selling individually.
    - **Example in Tauranga:** In Bureta, where a 1.42 ha site was marketed for mixed-use development, homeowners participating in a coordinated sale could benefit from reduced per-property costs, maximizing their financial return.
    - **Impact:** Increases the net proceeds for homeowners, making participation in the scheme more attractive.
- **Opportunity for Equity in Development Projects:**
    - **Advantage:** Some amalgamation schemes allow homeowners to retain equity in the resulting development (e.g., a share in the completed project's profits) rather than selling outright. This offers potential for long-term financial gains if the project succeeds.
    - **Example in Tauranga:** In Brookfield, where multi-unit consents are rising, homeowners could negotiate to retain a stake in a medium-density development, benefiting from future rental income or sales.
    - **Impact:** Provides an alternative to immediate cash sales, appealing to homeowners seeking passive income or investment opportunities.
- **Avoidance of Individual Development Costs:**
    - **Advantage:** Selling into an amalgamation scheme spares homeowners the financial and logistical burden of developing their own properties (e.g., obtaining consents, funding construction). Instead, they receive a lump-sum payment or equity without incurring these costs.
    - **Example in Tauranga:** In areas like Gate Pā, where three dwellings per site are now permitted without resource consent, homeowners avoid the complexity of developing duplexes or townhouses themselves by selling to developers with the resources to execute larger projects.
    - **Impact:** Simplifies the process for homeowners, particularly older residents or those lacking development expertise, while **ensuring a financial windfall.**

3. Legislative Changes Enabling Densification in Tauranga

Recent legislative and local policy changes have facilitated greater housing density in Tauranga, particularly in areas like Brookfield, Bureta, and Te Papa, by removing restrictive planning barriers and enabling medium- and high-density developments.

- **Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021:**
    - **Change:** This bipartisan legislation, supported by Labour and National, introduced Medium Density Residential Standards (MDRS) for Tier 1

urban areas, including Tauranga. It allows up to three dwellings of three storeys (11m) on most sites without resource consent, with relaxed rules on site coverage (up to 50%), setbacks (1m from boundaries, 1.5m from streets), and overshadowing.

- **Impact in Tauranga:** Enables medium-density townhouses and duplexes across residential zones, including Brookfield and Bureta, reducing consenting costs and delays for developers and homeowners.
- **Timeline:** MDRS requirements were mandated by August 2022, with councils required to implement intensification policies by August 2023.

- **National Policy Statement on Urban Development (NPS-UD):**
  - **Change:** The NPS-UD, effective from 2020, requires councils to remove restrictive barriers to development and enable higher-density housing near urban centers and transport hubs. It permits six-storey apartments within a 20-minute walk of city centers or rapid transit stops, complementing the MDRS.
  - **Impact in Tauranga:** Supports taller buildings (up to six to eight storeys) in Te Papa, Brookfield, and Bureta, particularly near commercial nodes and Cameron Road's multi-modal corridor, encouraging developers to pursue larger amalgamated sites.
  - **Timeline:** Full effects are expected by 2024–2025, with ongoing implementation.

- **Tauranga City Council Plan Change 33 – Enabling Housing Supply:**
  - **Change:** Notified in August 2022, Plan Change 33 aligns with the MDRS and NPS-UD, enabling greater intensification across Tauranga. Key provisions include:
    - Up to 13-storey buildings in the CBD fringe and eight storeys along Cameron Road in Te Papa.
    - Six- to eight-storey buildings in town centers like Gate Pā, Greerton, and Bethlehem, and four- to six-storey buildings within 400–800m of commercial nodes in Brookfield and Bureta.
    - Three-storey dwellings citywide without resource consent, supporting medium-density housing.
  - **Impact in Tauranga:** Facilitates high-density developments in Te Papa and medium-density projects in Brookfield and Bureta, increasing the viability of amalgamated sites for developers and boosting land values for homeowners. Over 600 submissions were received, reflecting community engagement and concerns about infrastructure, which the Council is addressing within legislative limits.
  - **Timeline:** Hearings began in July 2023, with ongoing implementation as of 2025.

- **Te Papa and Ōtūmoetai Spatial Plans:**
    - **Change:** These plans, adopted as part of Tauranga's intensification strategy, designate specific areas for higher-density development. Te Papa allows up to eight-storey buildings within 1500m of the CBD and six- to eight-storey buildings in commercial nodes like Greerton and Gate Pā. The Ōtūmoetai plan permits four- to six-storey buildings in Brookfield and Bureta within 400–800m of commercial areas.
    - **Impact in Tauranga:** Creates clear zoning for developers to target larger sites in these areas, supported by infrastructure investments like the Cameron Road Multi-Modal Project, which enhances public transport and connectivity.
    - **Timeline:** Approved in 2020 (Te Papa) and 2022 (Ōtūmoetai), with ongoing rollout.

Summary

The online property amalgamation register offers developers a powerful tool to source larger land blocks in Tauranga's densification zones, streamlining site identification, enhancing decision-making with Council data, and leveraging community-led proposals for feasible, high-density projects. Homeowners benefit financially through premium land values, shared transaction costs, potential equity in developments, and avoidance of individual development expenses. Legislative changes, including the 2021 RMA Amendment Act, NPS-UD, Plan Change 33, and spatial plans, have removed barriers to densification, enabling medium- and high-density housing in areas like Brookfield, Bureta, and Te Papa. Together, these elements support Tauranga's goals of addressing housing shortages, fostering sustainable growth, and empowering community-led urban planning.

How to do it

DreamCatcher Software by ZURU Tech: Overview, Development, and Potential as a Land Amalgamation Register Platform

1. Overview of DreamCatcher Software

DreamCatcher, developed by ZURU Tech, is a Building Information Modelling (BIM) software designed to revolutionize the construction industry by enabling users to design, simulate, purchase, and manufacture customized buildings through a single, user-friendly platform. Unlike traditional CAD or BIM tools, DreamCatcher integrates

advanced visualization, automation, and real-time data to streamline the building process from design to production.

- **Key Features:**
    - **Intuitive Design Interface:** Allows users, including non-experts, to design buildings using a configurator that selects templates for structural and MEP (mechanical, electrical, plumbing) components. The software automatically converts architectural designs into structural simulation models, performing calculations to validate layouts.
    - **Real-Time Visualization:** Built on Unreal Engine 4, DreamCatcher offers high-fidelity 3D rendering, virtual reality (VR), and augmented reality (AR) simulations, enabling users to visualize buildings with realistic interiors and exteriors.
    - **Data Integration:** Incorporates local building codes, geotechnical conditions, and real-time pricing, ensuring designs comply with regional regulations and provide transparent cost estimates.
    - **End-to-End Solution:** Connects design to manufacturing by creating digital twins of building components, scheduling production, and optimizing shipping logistics. Users can order customized buildings that are manufactured and shipped for on-site assembly.
    - **Collaboration and Marketplace:** Includes a cloud-based library of 3D objects and materials, a store for architects to sell designs, and tools for external companies to integrate products (e.g., IKEA furniture).
- **Purpose and Vision:**
  DreamCatcher aims to digitize construction, making it more efficient, transparent, and accessible. It supports ZURU Tech's goal of disrupting the housing industry by enabling tailored, automated home designs that reduce costs and environmental impact, with features like carbon footprint calculations.

2. Development of DreamCatcher Software

ZURU Tech, founded by the Mowbray family in New Zealand, began developing DreamCatcher over a decade ago as part of its mission to transform the global housing market. The software's development reflects a vertically integrated approach, combining software engineering, robotics, and manufacturing expertise.

- **Origins and Timeline:**
    - **Conception (circa 2011):** Mat Mowbray, inspired by inefficiencies in the construction industry, initiated the project to create a digital platform for designing and manufacturing homes. The vision was to produce affordable, customizable houses using automation, drawing inspiration from innovators like Elon Musk and Steve Jobs.
    - **Development Phases:** Over the years, ZURU Tech's team, based in Italy, China, India, and Vietnam, developed the software, with significant focus on integrating Unreal Engine for visualization and creating proprietary manufacturing systems. The first homes were targeted for production by 2021.

- **Technical Development:**
  - **Unreal Engine Integration:** ZURU Tech chose Unreal Engine 4 for its high-performance graphics, physics, and UI frameworks (Slate, Unreal Motion Graphics), enabling a "what-you-see-is-what-you-get" (WYSIWYG) design experience. C++ was used for backend and frontend development to ensure robust performance.
  - **Automation and Robotics:** DreamCatcher integrates with ZURU's custom-built factory robots and mobile machines, which manufacture building components based on user designs. This vertical integration enhances innovation speed and customization.
  - **Global Collaboration:** Development involved teams across three continents, with software design in Italy and India, factory automation in China, and a planned large-scale factory in Vietnam. This global effort underscores the project's ambition to scale worldwide.
- **Challenges and Innovations:**
  The development faced significant technical challenges, such as enabling fully customized designs while maintaining automation efficiency. ZURU Tech addressed this by creating a platform that balances user creativity with algorithmic validation, ensuring compliance with building codes and structural integrity. The use of gaming engine technology differentiates DreamCatcher from traditional BIM software, making it more accessible and visually engaging.

3. Potential Use as a Platform for a Land Amalgamation Register

DreamCatcher's robust features make it a promising foundation for an online property amalgamation register, as proposed for Tauranga City Council, particularly for facilitating community-led densification in areas like Brookfield, Bureta, and Te Papa. Below, we explore its potential, alignment with the register's goals, and necessary adaptations.
- **Alignment with Land Amalgamation Register Goals:**
  - **Visualization and Simulation:** DreamCatcher's 3D rendering, VR, and AR capabilities align perfectly with the sandbox-style Game World environment envisioned for the register. Residents could virtually combine properties, visualize amalgamated sites, and explore higher-density designs (e.g., townhouses, apartments), fostering engagement and informed decision-making.
  - **Data Integration:** The software's ability to incorporate local building codes and geotechnical data could be extended to include Tauranga City Council LIM reports, geographic information, and ratepayer data. This would provide users with real-time insights into zoning, consents, and infrastructure constraints, critical for assessing amalgamation feasibility.
  - **Collaboration Tools:** DreamCatcher's cloud-based library and marketplace features could be adapted to create a platform for residents to share amalgamation proposals, collaborate with neighbors, and receive

feedback from planners or developers, supporting the community-led approach.
- **User Accessibility:** Its intuitive, non-expert-friendly interface, built for homeowners and architects alike, makes it suitable for Tauranga residents with varying technical skills, ensuring broad participation in the amalgamation process.

- **Potential Applications in Tauranga:**
  - **Site Identification for Developers:** The platform could allow developers to view resident-proposed amalgamations in densification zones like Te Papa, where up to eight-storey buildings are permitted. By integrating Council data, DreamCatcher could highlight viable sites, reducing developers' search costs and aligning projects with zoning under Plan Change 33.
  - **Community Engagement:** Residents in Brookfield or Bureta could use the Gameworld interface to experiment with combining lots, visualize multi-unit developments, and share ideas via forums, addressing community concerns about density while promoting buy-in.
  - **Financial Transparency:** DreamCatcher's real-time pricing feature could be adapted to estimate land values for amalgamated sites, helping homeowners understand financial benefits (e.g., premium prices due to increased development potential) and developers assess project costs.
  - **Regulatory Compliance:** The software's ability to embed building codes could ensure proposed amalgamations comply with Tauranga's Medium Density Residential Standards (MDRS) and National Policy Statement on Urban Development (NPS-UD), streamlining planning approvals.

- **Necessary Adaptations:**
  To serve as a land amalgamation register, DreamCatcher would require modifications:
  - **Property Boundary Integration:** Add functionality to import and manipulate property boundary data from Council GIS systems, allowing users to combine lots accurately.
  - **Collaboration Enhancements:** Develop features for neighbor-to-neighbor communication, such as secure messaging or proposal-sharing tools, to facilitate collective agreements.
  - **Privacy and Security:** Implement robust data protection measures to safeguard sensitive LIM and ratepayer information, complying with New Zealand privacy laws.

- **Council Integration:** Create APIs to sync with Tauranga City Council's databases for real-time updates on zoning, consents, and infrastructure, ensuring accuracy.
- **Simplified Scope:** While DreamCatcher supports end-to-end construction, the register would focus on pre-development planning, requiring a streamlined version prioritizing amalgamation visualization and data analysis.

- **Benefits for Tauranga's Densification Goals:**
    - **Efficient Land Use:** By enabling residents to propose amalgamated sites, DreamCatcher could unlock larger parcels for medium- and high-density housing, addressing Tauranga's housing shortage in areas like Te Papa, where 13-storey buildings are allowed in the CBD fringe.
    - **Community-Led Planning:** The platform's engaging interface would empower residents to shape densification, reducing opposition and aligning with the Ōtūmoetai and Te Papa Spatial Plans.
    - **Innovation Leadership:** Adopting a modified DreamCatcher platform would position Tauranga as a pioneer in digital urban planning, leveraging a locally developed tool to solve global challenges.
- **Challenges and Mitigation:**
    - **Access and Availability:** DreamCatcher's limited public availability (as of 2025) may require negotiation with ZURU Tech for access or a custom version. A pilot program could test feasibility.
    - **Technical Complexity:** Adapting the software for amalgamation-specific tasks may involve significant development costs. Partnering with ZURU Tech or local tech firms could offset expenses.
    - **User Adoption:** Ensuring widespread use among residents may require outreach and training. Tutorials and community workshops could enhance accessibility.
    - **Legal Considerations:** Amalgamation involves complex property rights and consents. The platform should include disclaimers and links to legal resources, as proposed in the original submission.

4. Critical Evaluation and Context

The software's focus on individual building design and manufacturing exceeds the needs of a land amalgamation register, which prioritizes pre-development planning. However, its visualization, data integration, and collaboration features make it a strong candidate, provided adaptations are feasible. ZURU Tech's New Zealand roots and ambition to disrupt housing align with Tauranga's innovation goals, making a partnership plausible. The legislative changes enabling densification (e.g., MDRS, NPS-UD, Plan Change 33)

further support DreamCatcher's potential, as its compliance features could streamline adherence to new zoning rules.

Conclusion

ZURU Tech's DreamCatcher software is a cutting-edge BIM platform that combines intuitive design, real-time visualization, and data-driven automation to transform housing construction. Developed over a decade with global expertise, it leverages Unreal Engine and proprietary robotics to enable customized, efficient building processes. Its features—3D rendering, data integration, and collaboration tools—make it a promising foundation for an online property amalgamation register in Tauranga. By adapting DreamCatcher to focus on property boundary manipulation, Council data integration, and community collaboration, it could empower residents to propose amalgamated sites, support developers in sourcing land, and align with Tauranga's densification goals. A pilot program, in partnership with ZURU Tech, could test its viability, positioning Tauranga as a leader in community-led urban planning.

Outline: Development Process, Pilot Program, Scaling, and Monetization for the Online Property Amalgamation Register

1. Development Process for the Pilot Program

The pilot program aims to test the feasibility of an online property amalgamation register within a sandbox-style Gameworld environment, leveraging DreamCatcher's visualization and data integration capabilities, tailored for Tauranga's densification zones (e.g., Brookfield, Bureta, Te Papa). The development process involves iterative design, stakeholder collaboration, and community engagement.
- **Phase 1: Planning and Feasibility (3–6 months)**
  - **Objectives:** Define scope, secure partnerships, and assess technical requirements.
  - **Activities:**
    - Engage ZURU Tech to explore licensing or customizing DreamCatcher for amalgamation purposes, focusing on property boundary manipulation and Council data integration.
    - Form a project team including Tauranga City Council (TCC) planners, GIS specialists, software developers, and community representatives.
    - Conduct a feasibility study to evaluate costs, technical challenges (e.g., data privacy, API integration), and alignment with Plan Change 33 and NPS-UD zoning rules.
    - Identify pilot areas (e.g., Te Papa, Brookfield) based on high densification potential and community interest.
  - **Deliverables:** Project roadmap, partnership agreements, budget estimate, and pilot area selection.

- **Cost Estimate:** NZD 100,000–200,000 for planning, stakeholder consultations, and initial licensing discussions.
- **Phase 2: Platform Customization (6–9 months)**
  - **Objectives:** Adapt DreamCatcher to create a functional prototype for the amalgamation register.
  - **Activities:**
    - Develop APIs to integrate TCC's LIM, GIS, and ratepayer data, ensuring real-time updates on zoning, consents, and infrastructure.
    - Modify DreamCatcher's interface to allow users to select and combine property boundaries, visualize amalgamated sites in 3D, and access regulatory insights (e.g., MDRS compliance).
    - Add collaboration tools (e.g., forums, neighbor messaging) and educational resources (e.g., tutorials on amalgamation benefits).
    - Implement robust data security measures to comply with New Zealand privacy laws, including encryption and user authentication.
    - Conduct user experience (UX) testing with a small group of residents and developers to refine the interface.
  - **Deliverables:** Prototype platform, data integration framework, and initial user feedback report.
  - **Cost Estimate:** NZD 500,000–800,000 for software development, data integration, and testing.
- **Phase 3: Pilot Implementation (6–12 months)**
  - **Objectives:** Launch and evaluate the platform in selected pilot areas.
  - **Activities:**
    - Roll out the platform to 100–200 residents and 10–20 developers in Te Papa and Brookfield, supported by community workshops and online tutorials.
    - Promote the pilot via TCC channels, local media, and developer networks to encourage participation.
    - Monitor usage metrics (e.g., user registrations, amalgamation proposals, developer inquiries) and collect feedback via surveys and focus groups.
    - Provide technical support and iterative updates based on user experience issues (e.g., bugs, usability).
    - Evaluate pilot outcomes against KPIs: number of viable amalgamation proposals, developer engagement, resident satisfaction, and alignment with densification goals.
  - **Deliverables:** Pilot evaluation report, updated platform, and recommendations for scaling.
  - **Cost Estimate:** NZD 200,000–300,000 for outreach, support, and evaluation.
- **Total Pilot Timeline and Cost:** 15–27 months, NZD 800,000–1.3 million, depending on customization complexity and pilot scale.

2. Scaling to National Market

Following a successful pilot, the platform can be scaled across New Zealand, targeting other Tier 1 cities (e.g., Auckland, Wellington, Christchurch) facing similar housing density challenges under the NPS-UD and MDRS frameworks.

- **Phase 4: National Rollout (12–18 months)**
  - **Objectives:** Expand the platform to multiple councils and refine for broader use.
  - **Activities:**
    - Partner with other councils to integrate their GIS, LIM, and planning data, standardizing APIs for scalability.
    - Enhance platform features based on pilot feedback, such as advanced analytics for developers (e.g., ROI projections) and multilingual support for diverse communities.
    - Develop a cloud-based SaaS (Software as a Service) model, hosted on secure servers, to enable access via web and mobile apps.
    - Launch a national marketing campaign targeting councils, developers, and resident associations, emphasizing benefits like streamlined planning and community engagement.
    - Establish a training program for council staff and community facilitators to support local adoption.
  - **Deliverables:** National platform version, council partnerships, and user training materials.
  - **Cost Estimate:** NZD 1–2 million for platform enhancements, marketing, and partnerships.
- **Key Considerations:**
  - **Regulatory Alignment:** Ensure compatibility with varying district plans and regional policies, leveraging the platform's ability to embed local codes (as in DreamCatcher).
  - **Stakeholder Buy-In:** Address council concerns about data privacy and resource allocation through pilot success stories and cost-benefit analyses.
  - **Scalability:** Use cloud infrastructure (e.g., AWS, Azure) to handle increased user traffic and data volume.

3. Scaling to International Market

Once established in New Zealand, the platform can target international markets, particularly in countries with urban density challenges and supportive planning frameworks (e.g., Australia, Canada, UK, Singapore).

- **Phase 5: International Expansion (18–36 months)**
  - **Objectives:** Adapt the platform for global use and establish a licensed product.
  - **Activities:**

- Conduct market research to identify target countries with high demand for densification tools (e.g., Australia's Smart Cities Plan, UK's Levelling Up agenda).
      - Customize the platform for international planning systems, integrating local zoning laws, land registries, and geospatial data via modular APIs.
      - Partner with global BIM providers (e.g., Autodesk, Bentley Systems) or urban tech firms to enhance interoperability and market reach.
      - Develop a licensing model for municipalities and private developers, offering tiered subscriptions (e.g., basic, premium, enterprise) with features like advanced analytics or VR/AR capabilities.
      - Launch pilot projects in 2–3 international cities, adapting the Tauranga model to local contexts (e.g., Sydney's housing crisis, Vancouver's densification zones).
      - Build a global brand through industry conferences (e.g., Smart City Expo), case studies, and partnerships with international organizations like UN-Habitat.
  - **Deliverables:** International platform version, licensing agreements, and pilot projects abroad.
  - **Cost Estimate:** NZD 3–5 million for global customization, marketing, and pilot projects.
- **Key Considerations:**
  - **Cultural Adaptation:** Tailor the platform's interface and engagement tools to local planning cultures and community expectations.
  - **Legal Compliance:** Navigate diverse data protection laws (e.g., GDPR in Europe) and property regulations, ensuring robust security.
  - **Competition:** Differentiate from existing BIM and urban planning tools (e.g., ArcGIS Urban, CityCAD) by emphasizing community-led amalgamation and DreamCatcher's visualization strengths.

4. Monetization Pathway

The platform can generate revenue locally in Tauranga and globally as a licensed product, balancing public access with commercial viability. Additionally, this platform when a mature global service would have a significant opportunity to capture value if spun off as a Publicly Listed Company. It is no exaggeration to state the potential upside is in the billions. The following figures (as are all figures cited in this document) are conservative and indicative only.

- **Local Monetization in Tauranga:**
  - **Freemium Model for Residents:**
    - Offer free basic access to residents for property amalgamation simulations and community collaboration, funded by TCC to promote densification.
    - Charge for premium features (e.g., advanced 3D visualizations, financial modeling for land value) at NZD 10–20/month per user.
    - **Revenue Potential:** With 500–1,000 premium users in Tauranga, annual revenue could reach NZD 60,000–240,000.
  - **Developer Subscriptions:**
    - Charge developers a subscription fee (NZD 500–2,000/month) for access to resident-proposed amalgamations, site analytics, and priority support.
    - **Revenue Potential:** With 20–50 developers subscribing, annual revenue could be NZD 120,000–1.2 million.
  - **Council Funding:**
    - Secure TCC subsidies to cover resident access and maintenance costs, justified by the platform's role in achieving housing targets.
    - **Revenue Potential:** NZD 200,000–500,000 annually via TCC budget allocations.
  - **Transaction Fees:**
    - Introduce a small commission (1–2%) on successful amalgamation deals facilitated by the platform, shared between TCC and the platform operator.
    - **Revenue Potential:** With 10–20 deals annually at NZD 1–5 million each, revenue could be NZD 100,000–200,000.
- **Global Monetization as a Licensed Product:**
  - **SaaS Licensing for Municipalities:**
    - License the platform to councils worldwide under a tiered SaaS model:
      - Basic (NZD 50,000/year): Core amalgamation and visualization tools.
      - Premium (NZD 100,000/year): Advanced analytics, VR/AR, and developer access.
      - Enterprise (NZD 200,000/year): Custom integrations and dedicated support.
    - **Revenue Potential:** With 50–100 councils licensing globally, annual revenue could reach NZD 2.5–20 million.
  - **Developer and Enterprise Licenses:**
    - Offer licenses to private developers and urban planning firms for NZD 5,000–20,000/year per user, targeting firms in high-density markets.
    - **Revenue Potential:** With 500–2,000 enterprise users, annual revenue could be NZD 2.5–40 million.
  - **White-Label Partnerships:**

- Partner with global tech firms (e.g., Esri, Siemens) to white-label the platform, earning royalties (5–10% of sales) or fixed fees per deployment.
    - **Revenue Potential:** NZD 1–5 million annually with 5–10 partnerships.

  - **Data and Analytics Sales:**
    - Monetize anonymized platform data (e.g., amalgamation trends, land value insights) for urban research or real estate firms, ensuring compliance with privacy laws.
    - **Revenue Potential:** NZD 500,000–2 million annually with 10–20 clients.
- **Monetization Strategy Considerations:**
  - **Balancing Accessibility:** Maintain free or low-cost access for residents to ensure community engagement, subsidized by council funding or developer fees.
  - **Scalable Pricing:** Adjust pricing tiers based on market size and economic conditions (e.g., lower rates for smaller councils in developing countries).
  - **Revenue Reinvestment:** Allocate profits to platform maintenance, feature upgrades, and community outreach to sustain user trust and adoption.
  - **Legal Framework:** Establish clear licensing agreements and IP protections, potentially retaining ZURU Tech as a technology partner to share revenue and development costs.

5. Summary and Critical Path

- **Pilot Program (Years 1–2):** Develop and test the platform in Tauranga over 15–27 months, costing NZD 800,000–1.3 million, focusing on Te Papa and Brookfield. Success metrics include 50+ amalgamation proposals and 80% resident satisfaction.
- **National Scaling (Years 3–4):** Expand to New Zealand cities, costing NZD 1–2 million, with revenue from council subsidies and developer subscriptions (NZD 500,000–2 million annually).
- **International Scaling (Years 4–6):** Target global markets, costing NZD 3–5 million, with a SaaS licensing model generating NZD 5–60 million annually by year 6.
- **Monetization Pathway:** Locally, combine freemium resident access, developer subscriptions, council funding, and transaction fees (NZD 500,000–2 million/year). Globally, license as a SaaS product to councils and enterprises, supplemented by partnerships and data sales (NZD 10–70 million/year by year 6).
- **Critical Path:**
  - Secure ZURU Tech partnership and TCC approval by Q3 2025.

- Launch pilot in Te Papa/Brookfield by Q4 2026.
- Evaluate pilot and begin national rollout by Q2 2028.
- Initiate international pilots by Q1 2030, with full licensing model by 2031.

This pathway leverages Tauranga's densification needs, DreamCatcher's technical strengths, and global urban trends to create a scalable, profitable platform that empowers communities and developers while addressing housing challenges.

Possible Funding Sources for Tauranga City Council (TCC) to Support the Online Property Amalgamation Register

1. Local Government Funding

TCC can leverage its existing budgetary and revenue mechanisms to fund the pilot and initial scaling phases, as the project aligns with strategic goals for housing densification and sustainable urban growth.

- **Annual Plan and Long-Term Plan (LTP) Budget Allocations**
  - **Description:** TCC can allocate funds through its Annual Plan or Long-Term Plan (2024–2034), prioritizing the register as a key initiative under urban planning, housing, or innovation portfolios. The LTP already supports projects like the Te Papa Spatial Plan and Plan Change 33, which enable densification.
  - **Potential Amount:** NZD 500,000–1 million for the pilot, with additional NZD 1–2 million for national scaling over 3–4 years.
  - **Advantages:** Direct control over funding, aligns with TCC's housing targets, and justifies expenditure as a public good.
  - **Challenges:** Competes with other infrastructure priorities (e.g., transport, water services); requires ratepayer approval.
  - **Strategy:** Present the register as a cost-effective solution to achieve NPS-UD and MDRS goals, reducing future housing-related infrastructure costs.
- **Targeted Rates or Levies**
  - **Description:** Introduce a targeted rate for property owners in densification zones (e.g., Te Papa, Brookfield, Bureta) to fund the platform, as they directly benefit from increased land values due to amalgamation. Alternatively, a small citywide rate increase could be proposed.
  - **Potential Amount:** NZD 200,000–500,000 annually, assuming a modest levy (e.g., NZD 50–100 per property in targeted areas).
  - **Advantages:** Equitable, as beneficiaries contribute; spreads costs across ratepayers.
  - **Challenges:** Potential ratepayer resistance; requires clear communication of benefits.

- **Strategy:** Use community engagement (e.g., pilot workshops) to demonstrate value, linking rates to tangible housing outcomes.
- **Development Contributions**
  - **Description:** TCC can adjust development contribution policies to collect fees from developers benefiting from amalgamated sites facilitated by the platform, redirecting these funds to its maintenance and scaling.
  - **Potential Amount:** NZD 100,000–300,000 annually, based on 10–20 amalgamation-driven developments at NZD 10,000–15,000 per project.
  - **Advantages:** Aligns costs with beneficiaries; leverages existing revenue mechanisms.
  - **Challenges:** Requires policy amendments; may face developer pushback.
  - **Strategy:** Frame contributions as an investment in streamlined planning, reducing developers' site acquisition costs.

2. Central Government Funding

New Zealand's central government offers funding programs to support housing, innovation, and urban development, which TCC can tap into for the register's development and national scaling.

- **Ministry of Housing and Urban Development (HUD) – Housing Acceleration Fund (HAF)**
  - **Description:** The HAF supports councils to enable housing supply and intensification, including infrastructure and planning tools. The register aligns with HAF's focus on innovative solutions for density in Tier 1 cities like Tauranga.
  - **Potential Amount:** NZD 500,000–1 million for the pilot, with potential for additional grants for national scaling.
  - **Advantages:** Significant funding pool; aligns with national housing goals under NPS-UD and MDRS.
  - **Challenges:** Competitive application process; requires clear alignment with HUD priorities.
  - **Strategy:** Submit a proposal emphasizing the platform's role in unlocking housing supply through community-led amalgamation, citing Tauranga's housing shortfall.
- **Callaghan Innovation – R&D Grants**
  - **Description:** Callaghan Innovation provides grants for research and development projects, particularly those involving technology and innovation. The register's use of DreamCatcher and GIS integration qualifies as an innovative urban tech solution.
  - **Potential Amount:** NZD 200,000–500,000, typically covering 40–50% of R&D costs for the pilot's customization phase.
  - **Advantages:** Supports technical development; encourages private sector collaboration (e.g., ZURU Tech).
  - **Challenges:** Requires a commercial partner and clear R&D outcomes; application process is rigorous.

- **Strategy:** Partner with ZURU Tech to apply, highlighting the platform's potential for national and global markets.

- **Kāinga Ora – Urban Development Partnerships**
  - **Description:** Kāinga Ora, New Zealand's urban development agency, funds projects that enable large-scale housing and intensification. TCC can seek partnership funding for the register as a tool to facilitate Kāinga Ora's developments in Tauranga.
  - **Potential Amount:** NZD 300,000–800,000 for pilot and early scaling, tied to specific densification projects.
  - **Advantages:** Leverages Kāinga Ora's expertise and resources; aligns with Te Papa and Ōtūmoetai Spatial Plans.
  - **Challenges:** Requires alignment with Kāinga Ora's project pipeline; may involve co-governance.
  - **Strategy:** Propose the register as a planning tool for Kāinga Ora's Te Papa projects, emphasizing community engagement.

3. Private Sector and Industry Partnerships

Private sector funding can offset costs and enhance the platform's commercial viability, particularly through partnerships with technology providers, developers, and industry groups.

- **ZURU Tech Partnership**
  - **Description:** Collaborate with ZURU Tech to license or co-develop the DreamCatcher-based platform, with ZURU contributing funding or in-kind support (e.g., development resources) in exchange for revenue-sharing or IP rights.
  - **Potential Amount:** NZD 300,000–600,000 in funding or equivalent in-kind support for customization and pilot phases.
  - **Advantages:** Reduces TCC's costs; leverages ZURU's expertise and New Zealand roots.
  - **Challenges:** Requires negotiation on IP and revenue terms; ZURU's availability may be limited.
  - **Strategy:** Pitch the project as a flagship application of DreamCatcher, with potential for global licensing revenue.
- **Developer Contributions**
  - **Description:** Secure funding from property developers who benefit from the platform's ability to identify amalgamated sites. Developers could sponsor the pilot or subscribe early at a discounted rate.
  - **Potential Amount:** NZD 100,000–300,000 from 5–10 developers contributing NZD 20,000–50,000 each.

- **Advantages:** Aligns with developers' commercial interests; builds early buy-in.
- **Challenges:** Developers may expect preferential access or influence; limited initial interest.
- **Strategy:** Offer pilot-phase incentives (e.g., exclusive site data access) to attract developer funding.

- **Industry Associations and Corporates**
    - **Description:** Partner with organizations like Property Council New Zealand or construction firms (e.g., Fletcher Building) to co-fund the platform as part of their corporate social responsibility or innovation agendas.
    - **Potential Amount:** NZD 50,000–200,000 in sponsorship or grants.
    - **Advantages:** Enhances credibility; taps into industry networks for scaling.
    - **Challenges:** Requires alignment with corporate priorities; may involve branding obligations.
    - **Strategy:** Position the register as a transformative tool for New Zealand's housing sector, appealing to industry leaders.

4. International and Philanthropic Funding

For international scaling, TCC can explore global funding sources, particularly those supporting urban innovation and sustainable development.

- **International Development Grants**
    - **Description:** Organizations like the World Bank, UN-Habitat, or the Asian Development Bank offer grants for urban tech and housing solutions in rapidly urbanizing regions. The register's global potential aligns with their goals.
    - **Potential Amount:** NZD 1–3 million for international pilots and scaling, particularly in Asia-Pacific or OECD countries.
    - **Advantages:** Large funding pools; supports global brand-building.
    - **Challenges:** Complex application processes; requires international partnerships.
    - **Strategy:** Apply for grants during Phase 5 (international expansion), leveraging Tauranga's pilot success as a case study.
- **Philanthropic Foundations**
    - **Description:** Foundations like the Bloomberg Philanthropies or Rockefeller Foundation fund urban innovation and smart city initiatives. The register's community-led approach appeals to their focus on participatory planning.
    - **Potential Amount:** NZD 200,000–500,000 for pilot or national scaling.
    - **Advantages:** Flexible funding; enhances global visibility.

- **Challenges:** Competitive; requires alignment with foundation priorities.
- **Strategy:** Submit proposals emphasizing the platform's role in equitable housing and climate-resilient urban planning.

5. Revenue from Monetization (Long-Term)

As outlined in the previous response, the platform's monetization strategy can generate revenue to sustain and scale the project, reducing reliance on external funding over time.

- **Local Revenue Streams:**
  - Freemium model for residents (NZD 60,000–240,000/year from premium subscriptions).
  - Developer subscriptions (NZD 120,000–1.2 million/year).
  - Transaction fees on amalgamation deals (NZD 100,000–200,000/year).
  - **Strategy:** Reinvest early revenue into platform maintenance and national scaling, reducing TCC's direct costs by Year 3.
- **Global Revenue Streams:**
  - SaaS licensing to councils (NZD 2.5–20 million/year by Year 6).
  - Enterprise licenses for developers (NZD 2.5–40 million/year).
  - White-label partnerships and data sales (NZD 1.5–7 million/year).
  - **Strategy:** Use international revenue to fund global expansion, with profits shared with partners like ZURU Tech or reinvested in R&D.

6. Summary and Funding Strategy

- **Pilot Phase (NZD 800,000–1.3 million):**
  - Primary Sources: TCC LTP allocation (50%), HUD HAF grant (30%), ZURU Tech partnership (20%).
  - Secondary Sources: Developer contributions, Callaghan Innovation grant.
- **National Scaling (NZD 1–2 million):**
  - Primary Sources: TCC targeted rates (30%), Kāinga Ora partnership (30%), local revenue from subscriptions/fees (20%).
  - Secondary Sources: Industry sponsorships, philanthropic grants.
- **International Scaling (NZD 3–5 million):**
  - Primary Sources: Global SaaS licensing revenue (50%), international grants (30%).
  - Secondary Sources: White-label partnerships, crowdfunding for specific features.
- **Critical Path:**
  - Secure TCC LTP commitment and ZURU Tech partnership by Q4 2025.
  - Apply for HUD HAF and Callaghan grants by Q2 2026.
  - Launch pilot with mixed funding by Q4 2026.

- Transition to revenue-driven model by 2028, with international grants supporting global pilots by 2030.

This funding strategy balances local resources, government support, private partnerships, and long-term revenue to ensure the register's development and scalability while minimizing financial strain on TCC. It leverages Tauranga's densification needs and the platform's global potential to attract diverse funding sources.

Final Statement:

I believe we must build on the transformative efforts already undertaken and embrace further innovative solutions to ensure a prosperous and equitable future for all. Innovation and equity, and a dedication to abundance, as an underlying motivator of our polity, are critical. I am dedicated to further helping provide that innovation.

This is my hometown and I have long dreamed of what it could become. And there is so much more that I have to offer it.

These proposed housing initiatives—tenant and landlord licensing, differential rating, and the land amalgamation register—are vital steps toward addressing our housing crisis; they foster resilience, ensuring our people have the skills they need in a tight housing market, and, I believe they align with reasonable community expectations.

The Land Amalgamation Register in particular will allow our community to benefit personally from our move to densification and to do so with the best possibility of sympathetic local redevelopment. Its potential cannot be understated.

I urge the Tauranga City Council Futures Committee to endorse these initiatives, recognizing that today's decisions will define our city's legacy.

Let us act decisively to create a Tauranga that is culturally vibrant, socially inclusive, and economically thriving—a place every resident can proudly call home.

David Tank 10 June 2025

Disclaimer: Please note all figures are AI generated and are indicative only.

Bay of Plenty Housing Equity Fund

TCC Update

16 June 2025

Agenda

Introduction   **Alastair   (10mins)**

Welcome and introductions
Update on Fund establishment and progress to date:
- Background – Fund Partners
- Strategic Aims – Financial and Impact
- Benefits of TCC investing through the Fund
- Governance & Structure

Management, Deal Flow, and Looking Forward   **Roy   (10mins)**

Update on Fund Management & Pipeline:
- Committed Deals (TRG Focus)
- Devonport Road & Smiths Farm
- Pipeline
- Bank Relationships
- Future Capital Raise, liquidity challenges for institutional capital, and benefits of freeing up constraints associated with founding shareholder rights

Discussion   **Cr Taylor   (15mins)**

- Are the Fund's early housing investment commitments consistent with your original expectations, including in respect to risk/reward?
- Is the reporting and transparency from the fund sufficient?
- Are there aspects of the way the Fund is operating you would change?
- What are the housing challenges within TCC boundaries?
- How can the fund support Māori housing aspirations?
- Any other feedback/ideas/concerns?

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**Bay of Plenty
Housing Equity Fund**

The Bay of Plenty Housing Equity Fund is a pioneering initiative to tackle the region's pressing shortage of affordable housing.

This innovative fund is designed with a dual purpose: to tackle the critical shortage of affordable housing in the region while delivering competitive returns on the $60 million invested by shareholders.

Tauranga *City*

BAY TRUST

Rotorua Trust
MŌ TĀTAU KATOA

NZGIF / NEW ZEALAND GREEN INVESTMENT FINANCE

TECT

TRUST HORIZON

3

Bay of Plenty
Housing Equity Fund

Strategic Aims of the Fund

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Bay of Plenty Housing Equity Fund

The Fund's primary impact
objectives are to:

Impact Objectives

Significantly increase housing availability in sectors underserved by the market and government	Boost the provision of affordable housing, ensuring long-term affordability	Provide healthy, secure housing for those struggling to find decent accommodation in the region	Enhance the living standards of the regions most disadvantaged groups	Grow the Fund's impact and reach by drawing in further investment

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**Bay of Plenty
Housing Equity Fund**

Financial Objectives

The Fund's financial returns (CPI = 4%+)
are achieved through a combination of:

**Profit margins
from housing
developments**

**Income from
rents on
tenanted homes
and interest on
loans**

**Any appreciation
of property
values over time**

**Interest, Line,
Application and
underwriting fees**

The Fund is structured to
achieve a long-term return
of CPI + 4% (pre-tax, net of
fees).

This return target
recognises that some
investments will be higher
impact - lower return,
whilst others will be lower
impact - higher return.
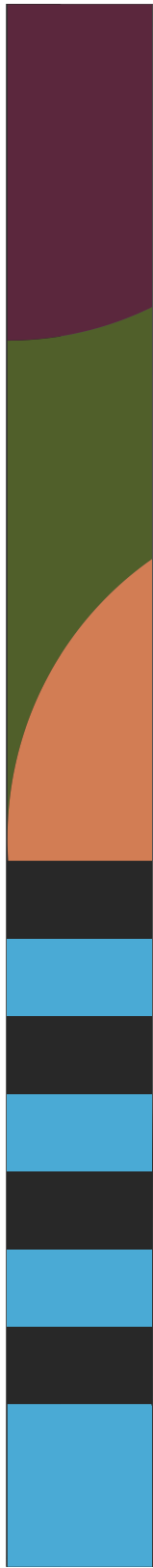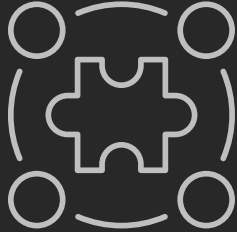
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TCC $20m Investment - Benefits

- Aligns with public commitments (sale proceeds and Smiths Farm)

- Capital deployed within TCC boundaries but risk and return spread over entire portfolio

- Ability to leverage the $20m TCC investment with ~ $20m of debt

- Fund Manager expertise in housing development & operation

- Experienced co-investors

- Strong returns and impact with ability to recycle capital

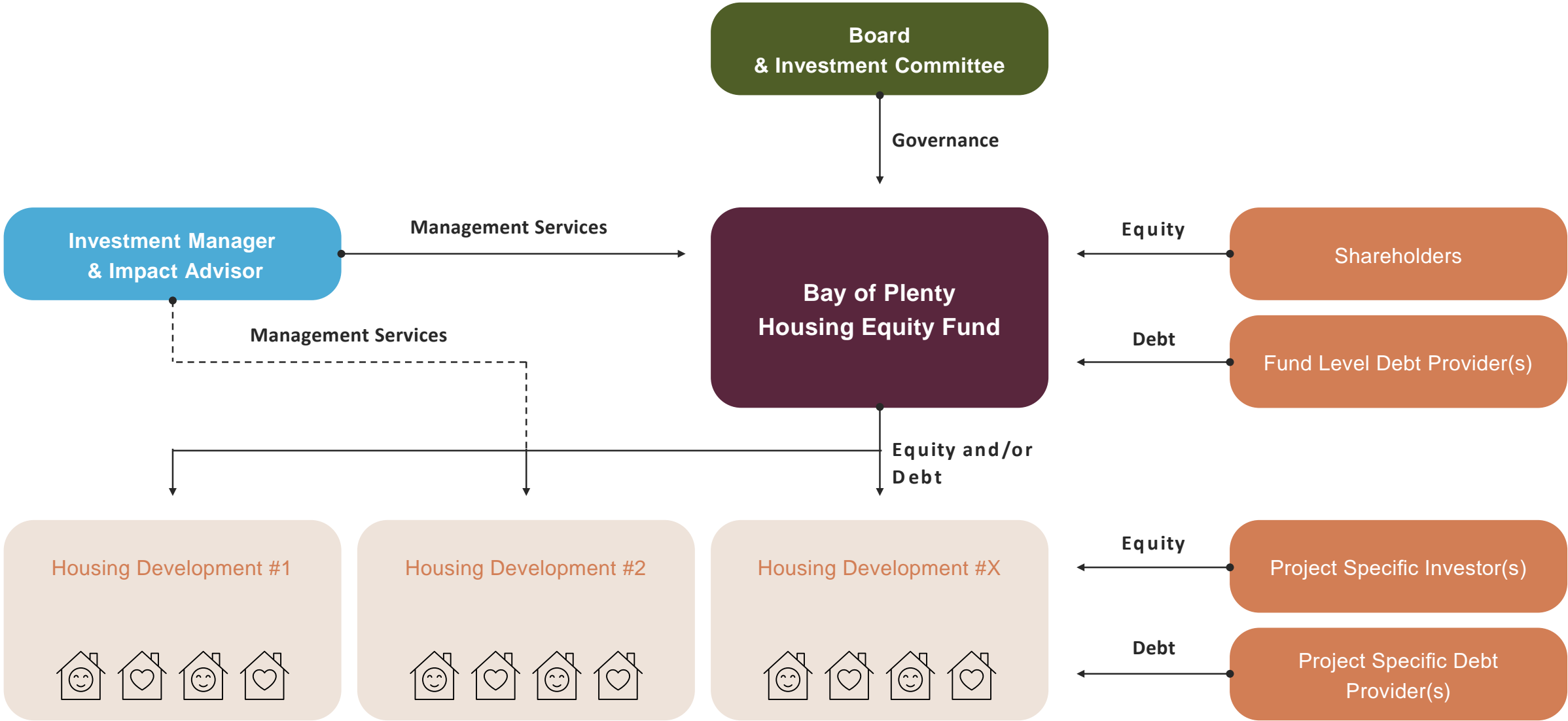- Security over whole fund

- Arms length

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Bay of Plenty
Housing Equity Fund

Structure
of the Fund

Fund Structure

**Bay of Plenty
Housing Equity Fund**

Bay of Plenty
Housing Equity Fund

Progress to Date

Pipeline

**Bay of Plenty
Housing Equity Fund**

Pipeline	Project Size	BOPHEF Funding	# Homes	Catalyses (additional)	Tenure	Cohort (Payer)	Sub -Region	Counterparty Type	Stage / Timing
Eastern BoP:									
Whakatane	$5,500,000	$2,000,000	10	-	Affordable Rental	Market	Eastern BoP	Iwi\Maori	**Next 6 Months**
Opotiki	$3,400,000	$2,600,000	23	-	Affordable Rental	Market	Eastern BoP	Developers	**Approved**
Coastlands	$25,000,000	$2,830,000	16	38	Papakainga	Government	Eastern BoP	Iwi\Maori	**Approved**
Kawerau	$4,000,000	$2,000,000	7	86	Open Market Rental	Market	Eastern BoP	Councils	**Next 6 Months**
Tauranga:									
Devonport Rd	$10,000,000	$3,000,000	20	-	Elder Housing	Government	Tauranga	CHPs	**Approved**
Smiths Farm	$13,000,000	$6,500,000	21	324	Open Market Rental	Market	Tauranga	Councils	**Approved**
Otumoetai	$35,000,000	$9,000,000	44	45	Open Market Rental	Market	Tauranga	Developers	**Next 3 Months**
Fraser St	$4,600,000	$3,500,000	8	-	Open Market Sales	Market	Tauranga	Developers	**Approved**
Greerton	$10,000,000	$5,000,000	20	-	Affordable Rental	Market	Tauranga	Other	**Next 6 Months**
Papamoa	$8,100,000	$4,500,000	15	21	Elder Housing	Government	Tauranga	CHPs	**Approved**
Rotorua:									
Tarawera	$7,500,000	$2,000,000	10	-	Papakainga	Market	Rotorua	Iwi\Maori	**Next 6 Months**
Kawaha Pt Rd	$22,000,000	$8,000,000	44	128	Mixed Tenure\PHO	Market	Rotorua	Councils	**Next 3 Months**
Western BoP:									
Katikati	$14,800,000	$8,000,000	30	-	Mixed Tenure\PHO	Market	Western BoP	Councils	**Next 3 Months**
Te Puke	$6,200,000	$3,376,694	10	34	Affordable Rental	Market	Western BoP	BOPHEF	**Approved**
Total	**$169,100,000**	**$62,306,694**	**278**	**676**					

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Devonport Road, Tauranga

Bay of Plenty
Housing Equity Fund

Investment
$3.0m equity investment into a joint venture with Tauranga Community Housing Trust.

Potential to also provide $4m in development debt financing, to be considered in next 6 months.

Outcomes
Development of 20x 1-bed homes for superannuants or those aged 55+ with chronic health condition/disability.

All residents will be on low fixed incomes, on the housing register, and qualify for subsidised rental (IRRS).

Overall
Delivering one home per $150k of investment by the BOPHEF.

Background

- Tauranga Community Housing Trust owns two sections of land comprising 2,052m2 on Devonport Road (Tauranga South). They aspire to deliver 20 x 1-bedroom apartments for elder citizens aged 55+ and/or who have a chronic health condition / disability. All residents will be on low fixed incomes (NZ Super/Health benefits) and the MSD housing register and qualify for subsidised rental (IRRS).
- An initial masterplan process was undertaken by TCHT but they did not have financial capacity at the time to complete the project. However with BOPHEF able to come in as a 50/50 partner the project is able to proceed.
- Following the initial masterplan work, Mike Greer Commercial (MGC) was engaged by TCHT, at BOP HEF's suggestion, to run the design work through to Resource Consent and subsequently Building consent, now submitted.
- The total project cost is ~$10m. TCHT will provide the land and some additional cash funding to cover 50% of the required equity on the project ($3m), with BOP HEF providing the other 50% of equity as cash ($3m).
- This will then be supplemented with debt ($4m), it is probable that BOPHEF will also provide the development debt.
- TCHT will manage the precinct on a day-to-day basis and aspires longer term of buying out the BOPHEF as their balance sheet allows.
- Impact score assessed at 77.5 of 100.

Progress since approval

- MGC have progressed design to building consent stage and submitted to council.
- Devonport Road Development Limited (JV entity, DRDL) has been established and is operating well.
- DRDL appointed Veros as the Development Manager and they ran a procurement process which has led to Mike Greer Commercial being appointed as the preferred contractor.

Risks

- Demolition and earthworks occurring over the more challenging winter months.
- Variations to the build contract are limited by the form of contract being entered.
- Potential for a breakdown in the relationship with TCHT.

Next steps

- Enter into formal build contract (this month).
- Call additional capital to fund project build.
- Planning of site blessing and public announcement.

Smiths Farm, Tauranga

Bay of Plenty Housing Equity Fund

Investment
$6.5m equity investment into the Smith's Farm project, total purchase price of $13.1m. Potential to also take up option for further $2m of housing on the same terms.

Outcomes
Development of 4x 1-bedroom homes and 17x 2-bed homes for use as affordable housing.

Currently expected to be rented on a long-term basis. Offering healthy, safe and secure homes for tenants. Potential to rent to households at discounted rates to equal 30% of household income.

Overall
Delivering one home per $310k of investment by the BOPHEF.

Background

- In 2024, Tauranga City Council (TCC) entered into an agreement to sell a 28-hectare portion of its 47.5-hectare property at 10 Richards Way, known as Smiths Farm, to Venture Projects Smiths Limited (the Developer).
- Under the agreement, the Developer is required to offer 21 affordable housing units to the BOPHEF.
- The proposed BOPHEF properties will comprise four one-bedroom, single-level units and seventeen two-bedroom, two-storey units, forming part of a 345-lot masterplan.
- The total cost of these units is $12.8 million plus an allowance for Solar taking the total to $13.1m.
- The land transaction (TCC and Venture) is subject to several long dated conditions and the project will run for an extended period.
- Ultimately, the expected delivery timeframe for these homes is between June 2028 and December 2032.
- BOPHEF had until 31 May 2025 to accept the offer of the affordable units.
- The Developer proposed that BOPHEF signal its commitment by executing a Deed of Commitment (DoC) to purchase the units, with individual Sale and Purchase Agreements (SPAs) to be completed subsequently.
- A significant portion of TCC's investment in the BOPHEF is tagged to this investment.
- Impact score assessed at 55 of 100.

Progress since approval

- Executed the DoC with Venture.
- Beginning planning phase for the ultimate use of these homes and potential partners.

Risks

- Delivery is dependent on timely subdivision and resource consents, completion of infrastructure, and coordination between TCC and the Developer. Delays in any of these areas, particularly civil works or consenting, pose a risk to the project timeline.
- The masterplan may change over time due to consenting processes, infrastructure design, or evolving development priorities. These changes could affect the location, configuration, or feasibility of the affordable units.
- The base case approach is to engage a property manager to rent the homes; however, the final operating model remains undecided. Options under consideration include progressive home ownership, a head lease to a community housing provider, or leasing to iwi.

Next steps

- Enter into SPA's for the homes when appropriate.
- Finalise operating model.

Capital vs Pipeline by Sub-Region

Bay of Plenty Housing Equity Fund

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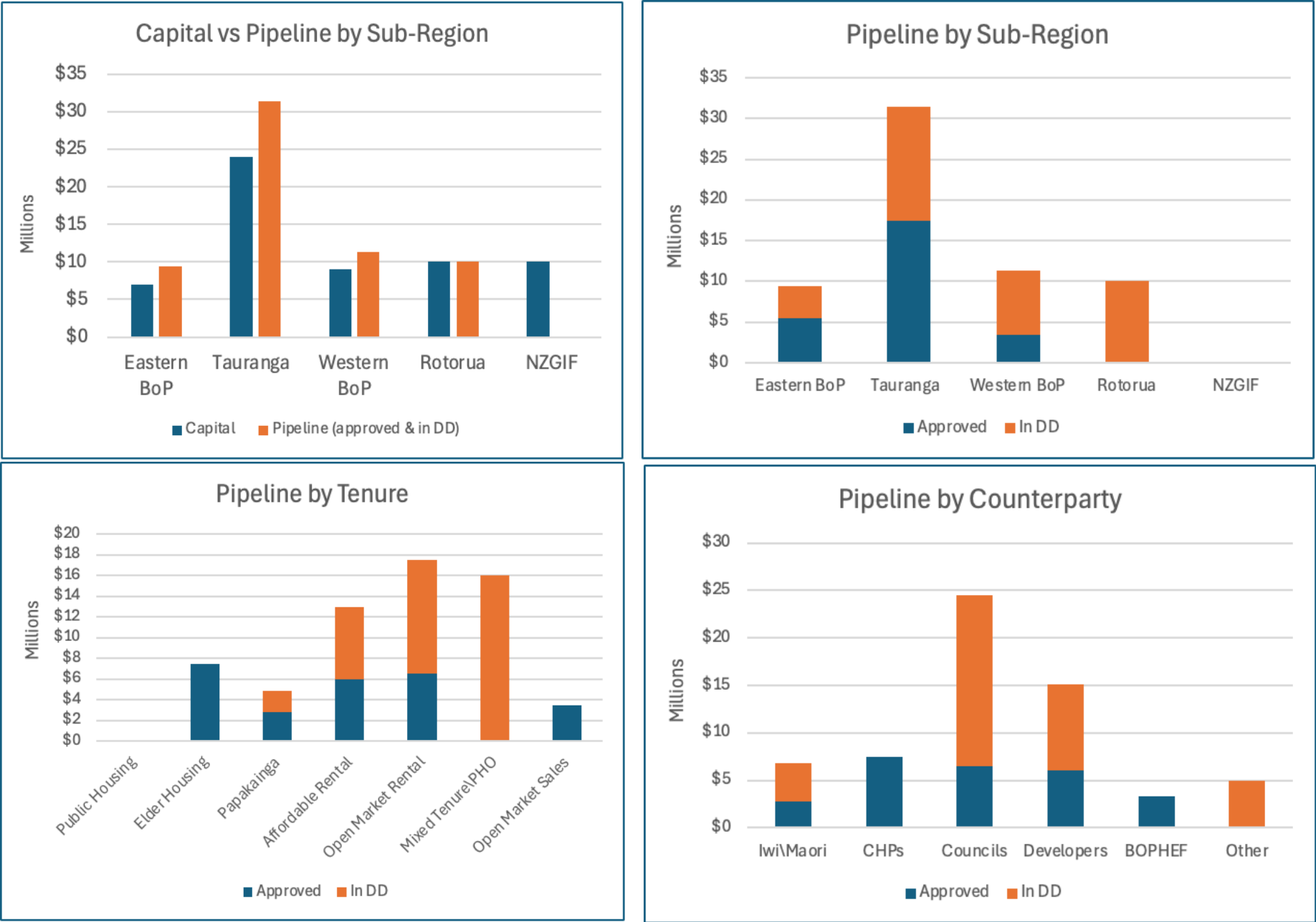
Bay of Plenty
Housing Equity Fund

Looking Forward

Future Growth Plans

Bay of Plenty Housing Equity Fund

- Recycling capital as often as possible

- Securing up to $40m debt funding at the fund level

- Raising new equity capital from institutional investors ex BoP

Discussion

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