

6 April 2024

Attn: Chris Bishop
Minister for RMA Reform
Parliament Buildings, Wellington

A Plea to the Minister for RMA Reform: Require owner consent for heritage designation

Dear Minister,

The Voluntary Heritage Group respectfully requests that in your reform of the RMA you include a requirement that no Council heritage designation is possible without the owner's consent. That is:

"A property may only be added to a Council's District Plan as heritage-designated with the express written consent of the property owner."

Right now, Councils across the country are increasing the areas, homes and buildings that they declare to have heritage status. In Hutt City, for example, the Council has on three separate occasions in the last twelve years sought to expand the number of heritage listings, in opposition to the wishes of the community. The Hutt Council's latest draft plan proposes a three-fold increase in the number of Council-designated heritage properties.¹ This is despite an independent panel rejecting outright just last year the Council's attempt to add six new heritage zones.

Wellington City Council has recently experienced the horrors of heritage designations, having to endure the eyesore of the Gordon Wilson flats and the cost blowouts of the Town Hall. As the Council notes in its letter to you, made public last week, "This situation is mirrored in regions and cities across New Zealand where the decisions made by previous generations of heritage advocates are resulting in expensive legacy issues." We support WCC's call for Councils to be able to remove heritage listings (national or local) from buildings with a simple majority vote.

A heritage designation means the buildings must remain as they are, or as they were originally built. Modifications must not alter the appearance.

Justifications for heritage designations are usually vague, but tend toward sentimentality about the past, and unspecified special interests in restricting certain areas from development and much-needed housing intensification.

This is a **substantial limit and cost on personal property and a reduction in the affordability of housing for a very feeble and imprecise public good.**

Requiring compensation from Councils is not sufficient recompense for such a situation. Nor is compensation easy to value given it is not valuing an outright purchase, but a limit on freedom to use. This limit will require new costs and will affect the owner's long term ability to maintain or earn additional value from the asset. The suggestion that Heritage property owners will or can be compensated for their losses and additional costs by Councils is unrealistic and misleading. Many of the losses and increased costs continue each year, and the charges and expenses incurred in seeking compensation from Councils, eg fees from consultants and lawyers,

¹ Hutt City Council currently designates, in its operative District Plan, 59 individual properties as heritage beyond the 55 properties identified by Heritage New Zealand. The Council is now proposing that an extra 113 properties, including private residences, be designated as heritage under its draft District Plan.

can be expected to be substantial. Further Councils are expected to resist claims and the level of any compensation in reality is likely to be paltry. For example, Hutt City has provided in its Operative District Plan only around \$150,000 for Heritage Compensation for the 59 designated properties.

What is irrefutable about unilateral heritage designation is that it:

- is applied with very weak justification related to unspecified public amenity of uncalculated value – a substantial absence given it affects private property, and in spectacular contrast to the threshold required for public works;
- is applied with criteria that are inexact and subjective, are specific to each council, and originate from Council officials, usually supported by one selected and commissioned “expert” opinion. Regularly the proposals are made without there having been any requests for the proposal from the public or elected Councillors;
- is applied without consent of the owner – and often even without input from the current or past owners;
- imposes costs on the owner - costs not borne or alleviated by Councils in any meaningful way and not itemised or estimated by the Councils;
- removes the owner’s self-determination and control over their property; and
- removes the owner’s control of their immediate environment, their future, and their own personal and family relationship with the property.

The costs of heritage designation are substantial. They include:

- a 10% to 30% reduction in the value of the home with potential buyers losing interest when they learn that a property is heritage-listed.²;
- substantial ongoing maintenance costs and associated challenges for property owners;
- increased premiums (25% or more) from Insurers, increased excesses and insurers even refuse to provide cover for the additional costs in repairing heritage homes (refer the Annex to this letter);
- restrictions on what can and can’t be done with the property. The precise restrictions vary from council to council but typically special consent from Council is required to:
 - make any changes to the exterior of the home;
 - change a window frame;
 - take a chimney down to remove any risks from earthquakes;
 - add a solar panel to help mitigate climate change; and
 - make any other meaningful modifications to the home that are visible from the street.

² <https://www.sciencedirect.com/science/article/abs/pii/S0264837719317016> and <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1540-6229.2010.00293.x>

- seeking Council approval to modify a heritage-designated property is costly, grossly time consuming and success is by no means guaranteed; and
- owners of heritage-designated houses are not able to develop or intensify their property in the way that their neighbours are able to.

Minister, we congratulate you and the coalition government on the steps you have taken to halt any new SNAs and on your pledge to replace the RMA with new resource management laws premised on the enjoyment of property rights. An essential next step is to remove Council's ability to mandate heritage status on private property and to change the RMA to so that a property can only be added to a Council's District Plan as heritage with the express written consent of the property owner.

Yours sincerely

Philip Barry

Convenor, Voluntary Heritage Group

021 478 426

phil.barry9@icloud.com

cc: Simon Court, ACT Parliamentary Undersecretary for RMA Reform

About Voluntary Heritage Group (VHG)

VHG was formed in Lower Hutt in 2010 to combat efforts by Hutt City Council to designate hundreds of homes as heritage. After public meetings and other pressure, the Council cut the designation by two thirds. We work with communities across the country to fight similar Council designations.

Annex : Impact of heritage designation on insurance premiums

From: Debbie Hutton <debbie@albanyins.co.nz>

Sent: Friday, 21 May 2021 7:50 am

Subject: Heritage designation

Morning

I've now had 3 responses from our 3 domestic insurers as follows;

Ando

Each property is taken on a case by case basis & would largely depend on what the class 2 designation entails. Please advise what the implications are on the client as part of the class 2 designation regard to the property, it's appearance etc?

NZI

There are commonly three types of classification they may be given if Heritage/Council NZ designated – list can be found [Search the List | Heritage New Zealand](#);

- HNZ or council designated Category 1 & 2 – for places of special or outstanding historical or cultural significance or value
 - We require a satisfactory builders report and also a valuation taking into account the cost to re-build to council spec.
 - If accepted, higher excess will be imposed and minimum 25% loading
- Historic Area/precinct – groups of related historic places such as a geographical area with several properties or sites, or a cultural landscape. Emphasis is on the significance of the area in Wellington.
 - We require a satisfactory builders report and also recommend a valuation taking into account the cost to re-build to council spec.
 - If accepted, higher excess will be imposed and minimum 25% loading
- Council Character Area
 - If within the Wellington region and meets pre-1935 criteria then;
 - o Satisfactory builders report and valuation required.
 - If within the Wellington region and does not meet pre-1935 criteria then declined.
 - Anywhere else in NZ requires referral to us and provided it is a normally acceptable risk, the character area would generally not play into our underwriting decision.

Vero

In regards to the heritage Question If the home is pre 45 rewired , Re- gibboned and Heritage it would be rated as such no increase in the premiums but the following terms would apply

"Where the home is registered with the New Zealand Historic Places Trust, we will not pay for any additional costs or fees required to comply with any heritage covenant(s) that apply to the property"

So, 3 different responses. Although Ando still need to know exactly what heritage status it would fall under in order to confirm their underwriting stance, which is the one you particularly are trying to place your property with Vero, as they don't like insuring much in the Wellington region.

I trust that this assists you. If you can provide more information, I can approach Ando again for you.

Please note, effective 15 March 2021 our Disclosure & Regulatory requirements have changed. To view our Disclosure Statements, Terms of Business and other Regulation Documents please follow this link;

[Disclosure & Regulation Documents \(albanyins.co.nz\)](#)

Best regards,



DEBBIE HUTTON
DIRECTOR
Phone: 09 415 8211 | Email: debbie@albanyins.co.nz | www.albanyins.co.nz
222 Dairy Flat Highway, Albany Village, North Shore | PO Box 205, Albany 0752

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