

Alternative Financing & Subdivision Design for Communities



Geoff Butcher
Cooperative Sections
Community Housing Trust



Need

- 8,000 properties Red Zoned
- Many section payouts < \$100,000
- Current Sections unaffordable for those people
 - \$170 – \$220,000
- Loss of Equity.

Subdivision Concept for Cooperative Sections

January 2012 ©

Paul Downton Architect



RISK

AND REWARD

One Solution - Cooperative Sections

- Get a group, find some land, Become your own developer and save the risk margin. Standard Residential Title
- Affordable – 25 – 30 % less than market
 - AND no costly covenants And smaller sections if you like
- Generate Equity (\$40 - 50,000 per section)
- Gives the opportunity to create good urban design
- **BUT Pay as you go and take the risks**



Awatea Rd
The Runway

Rich Terrace

N

© 2015 Google

Google earth

2004

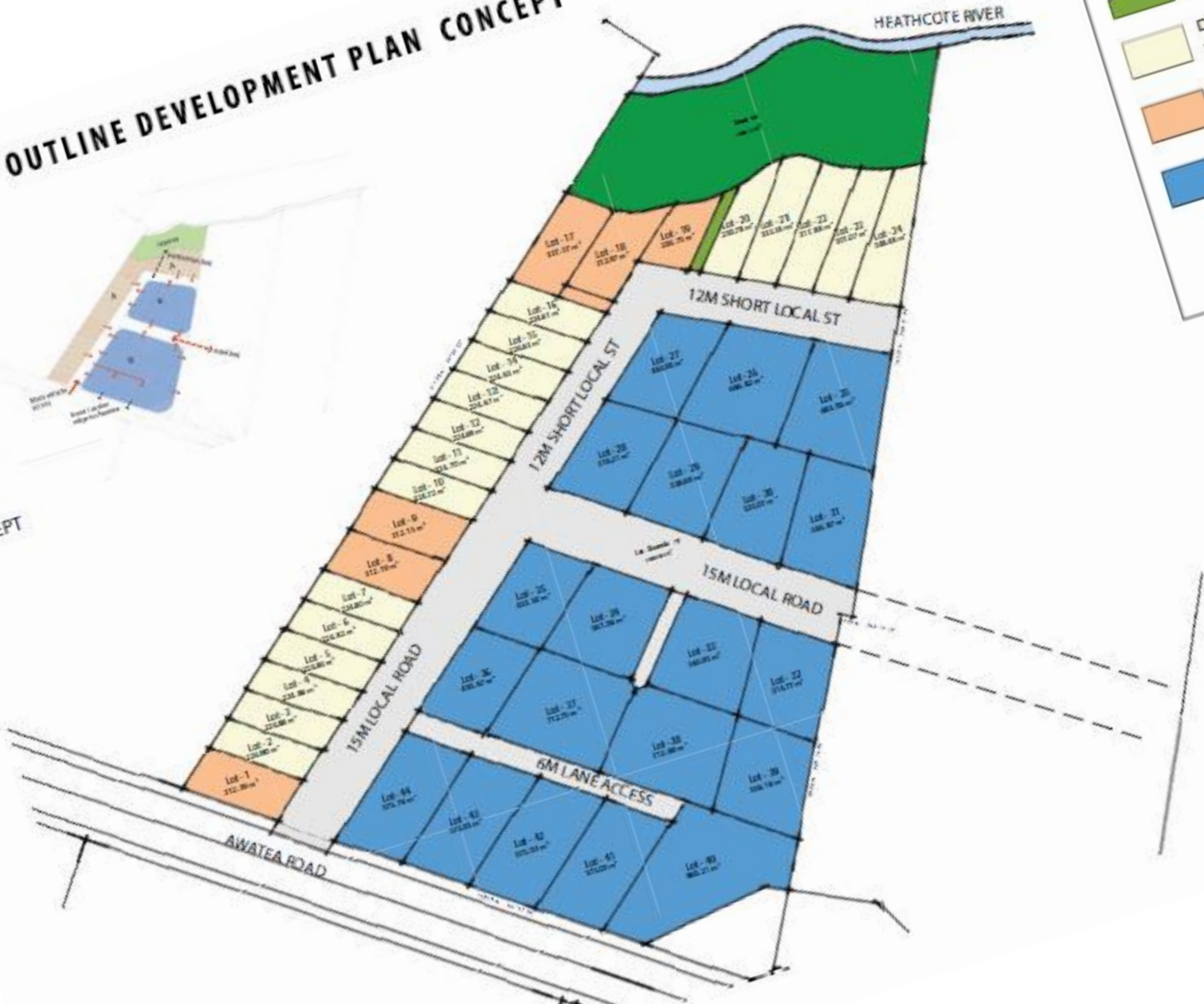
Imagery Date: 4/26/2012 43°33'31.79" S 172°32'53.55" E elev 85 ft eye alt 1819 ft

OPTION 1 - OUTLINE DEVELOPMENT PLAN CONCEPT

LEGEND

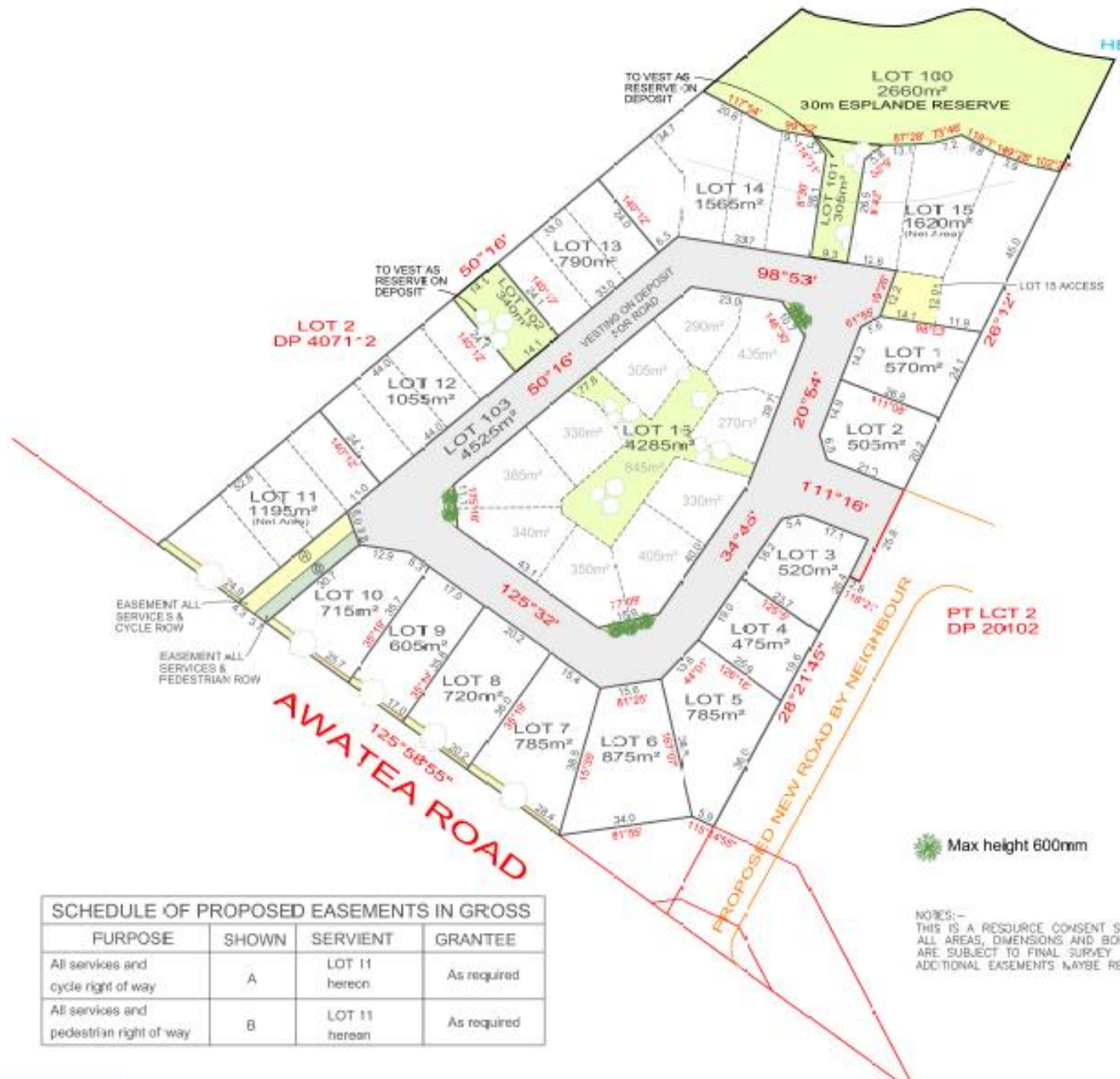
- 30M RIPARIAN RESERVE
- WALKWAY
- DENSITY A 200-350 m²
2 STOREY TERRACE - 19 UNITS
- DENSITY A 200-350 m²
STANDALONE - 5 UNITS
- DENSITY B 450-800 m²
20 UNITS

CONCEPT





Drawn by T. PAVAS



SCHEDULE OF PROPOSED EASEMENTS IN GROSS

PURPOSE	SHOWN	SERVIENT	GRANTEE
All services and cycle right of way	A	LOT 11 hereon	As required
All services and pedestrian right of way	B	LOT 11 hereon	As required

 Max height 600mm

NOTES:-
THIS IS A RESOURCE CONSENT S
ALL AREAS, DIMENSIONS AND BOX
ARE SUBJECT TO FINAL SURVEY
ADDITIONAL EASEMENTS MAY BE RE

Environment and Community – Design Ideas

- Narrow Roads to reduce lost space and slow Traffic – CCC traffic not keen
- Create a sense of neighbourhood by less sterile more organic layout;
- Enable Diversity of dwelling forms (reduce restrictive covenants)
- Limit Fence heights / insist on permeability of fences; Enable privacy with hedges



Legal And Buyer Protection Issues

- Securities Act and Prospectuses
 - The \$80,000 three month process;
- Mortgages are exempt – if not contributory
 - No contributory mortgages, so multiple individual mortgages = unequal risks. First in gets best security.
- Making sure the manager can't run off with the money –
 - Lawyers Trust Acct – 3 signatories including the manager and two members
- Tax Stuff
 - GST timing
 - Owners are not property developers – so not liable for tax on profits?

11/1/2015
 4 2015



Image © 2015 CNES / Astrium

Google ear

2004

Imagery Date: 11/1/2015 43°33'33.13" S 172°32'55.82" E elev 82 ft eye alt 1734



HIKUWAI
 A landscape that is unified as a whole by using a standard kit of parts, but allows residents flexibility to manage their requirements for privacy and individuality. A landscape that facilitates recreation and play for people of all ages.

- KEY**
- ① Commons area - public space
 - ② Private dwelling space
 - ③ Privacy hedges
 - ④ Clothes line
 - ⑤ Orchard
 - ⑥ Petanque court
 - ⑦ Property boundaries
 - ⑧ Pedestrian connection / greater connection to Awatea Basin / Heathcote River

Petanque court + informal seating



OUTCOMES – Cost Containment and Quality

- Sections cost from \$115,000 for 250 m² to \$200,000 for 875 m²
- Savings of \$40,000 - \$60,000 from market value
- Even found a source for 60 % debt finance
- Large areas of cobblestones on the road to improve the amenity; Paths to reserves
- Low Fences – but otherwise build what you like. Relocatables OK



Conclusions

- Affordable sections are do-able in ChCh BUT it is very hard to get people to do it.
- We need to make a cooperative process more mainstream – to enable more people to afford housing without government support
- NFPs can save a lot by taking some risk.