

# Economic analysis of relocated dwellings policy



<b>What we were asked to do</b>	<p>The Ruapehu District Council had proposed in its District Plan to make it a requirement that dwellings relocated into the District would attract resource consent conditions requiring the dwelling to meet insulation and reinstatement standards. The Council intended to impose a performance bond that would be repaid when the standards had been complied with. These provisions had been appealed to the Environment Court.</p> <p>We were asked to use economic analysis to test the appeal claims that the requirements would unreasonably raise the cost of relocating dwellings would cause adverse economic impacts, were unfair because the same provisions were not imposed on new houses, and were unnecessary.</p>
<b>How we approached the project</b>	<p>Using historic Council data, we modelled the expected difference in compliance behaviour between dwellings subject to a performance bond and dwellings not subjected to a performance bond. We then estimated the economic impacts of improvements in population health expected from the insulation standards, and the economic impact of improved visual amenity.</p>
<b>Our findings</b>	<p>We concluded that there was a net economic benefit associated with requiring dwellings to meet the specified standard. That is, the economic benefits for the Ruapehu community would exceed the economic costs.</p> <p>As a result of our work, a settlement was reached between the appellants and the Council.</p>