

Gerald Blunt
Wellington City Council
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4 August 2017

RE: SHELLY BAY DEVELOPMENT SUBMISSION

Property Council of New Zealand (Property Council) welcomes the opportunity to respond to the Shelly Bay Development consultation Wellington City Council (the Council) is undertaking.

Property Council is a member-led, not-for-profit organisation that represents the country's commercial, industrial and retail property owners, developers, managers, investors, and advisors. Property Council's membership also includes professional service providers that support development such as major architecture, engineering, planning, and construction firms. Our primary goal is the creation and retention of well-designed, functional and sustainably built environments that contribute to New Zealand's overall prosperity. We support the formulation and implementation of a statutory and regulatory framework that enhances, rather than inhibits economic growth and development. To achieve these goals, our advocacy and research focuses on urban strategy, infrastructure, regulation and compliance, legislation and capital markets.

BENEFITS

We support the development as it will bring several benefits to the area, Wellington and the Wellington region. Shelly Bay is an under-utilised space. Property Council believes that the proposed development will rejuvenate an area that is currently in decline. The proposed development will also signal to the property and associated industries that Wellington is open for greater investment and development.

Economic benefits

Property Council believes the redevelopment of an existing and degraded site will bring significant economic benefits. Wellington City Council (the Council) believes that these will be approximately \$500 million, with \$200 million being a result of construction. Additional jobs will also be created through the building of a hotel, cafes and restaurants; all of which will benefit the local and wider community.

While both the Council and Shelly Bay Ltd need to fund infrastructure upgrades, we believe that the rates generated, estimated at \$1.5 million, could provide a targeted means to pay the capital infrastructure costs off and any operating costs associated with managing them. We believe that this investment makes far better sense than spending \$6million over 10 years to keep the existing structures in their existing poor state.

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We are supportive of the Council entering into an agreement with Shelly Bay Ltd. The Council should be open to asset recycling, particularly if it means an under-utilised asset is sold and used to its full potential. Selling and leasing land and buildings to Shelly Bay Ltd is a positive outcome for the city and region as the development.

Housing

We support the development as it will provide an additional 350 houses, with a range of different typologies. This approach should be dynamic enough to reflect the changing housing requirements of individuals and families. The National Policy Statement on Urban Development Capacity has Wellington City as a medium growth area. We believe that this development will assist the Council in meeting the requirements of the National Policy Statement.

Amenity

Important to emphasise that the development intends to restore existing buildings that are currently dilapidated. The existing buildings and Shelly Bay has a long military history, and we believe there is an opportunity to tell the history of this; one of the ways to do this is through restoring existing buildings. Property Council believes another way to do this is using greenspace and walkways that the development intends to create. There is a real opportunity to create a space that showcases the history and unique natural environment of Shelly Bay, Scorching Bay, Massey Memorial and the proposed heritage reserve above Miramar Peninsula Te Motu Kairangi. Without this development occurring, we do not think that Council will be able to deliver amenity like what the development envisages.

POTENTIAL IMPACTS

Property Council views any potential adverse effects of the development as being minor. The development offers the opportunity to upgrade essential existing infrastructure like the roading network and three water systems. Upgrading these systems, to a higher standard, will provide tangible and positive environmental outcomes. We do not believe the size or scale of the development will affect the natural environment significantly. The heights of the proposed development fit within the landscape as well.

Kind regards

A handwritten signature in blue ink that reads "Mike Cole".

Mike Cole
WELLINGTON BRANCH PRESIDENT