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Wellington City Council

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## Draft Spatial Plan for Wellington City

### 1. Recommendations

- 1.1 Property Council New Zealand’s Wellington Branch (“Property Council”) recommends that Wellington City Council (“the Council”) agree to the draft Spatial Plan. We support the intensification of the central city, inner and outer suburbs while also supporting greenfield developments.
- 1.2 To ensure the city growth, we also recommend the Council consider the following when developing its District and Long-Term Plans:
- Work with central government, Greater Wellington Regional Council and other Councils within the Wellington Region to fully integrate the Spatial Plan into a Future Development Strategy.
  - Provide increased investment in infrastructure especially three waters and transport to help accommodate the intensification of Wellington.
  - Work with central government to ensure there is capacity for shops, schools and health services to promote investment in the growth of suburban centres.
  - Create an Urban Design Panel which is empowered to provide independent design reviews of significant private and public projects across Wellington.
  - Work with central government, the property sector and insurers to find solutions to the rising cost of insurance.
  - Consider the risk profile of buildings when defining character areas and listing heritage protection.
  - Utilise the new powers under the Infrastructure Funding and Financing Act 2020 to help fund the required infrastructure in greenfield developments.

### 2. Introduction

- 2.1 Property Council’s purpose is; “Together, shaping cities where communities thrive”. We believe in the creation and retention of well-designed, functional and sustainable built environments which contribute to New Zealand’s overall prosperity. We support legislation that provides a framework to enhance economic growth, development, liveability and growing communities.
- 2.2 Property Council’s Wellington Branch has 138 businesses as members. The Property Industry contributed \$8.6 billion to the Wellington Economy. This includes a direct impact of \$3.3 billion (11 per cent of total GDP) and flow-on (indirect and induced) impacts of \$5.3 billion. It employs 17,260 directly which equates to eight per cent of total employment in Wellington. That makes it the region’s second largest economic sector.

### 3. Overview

- 3.1 Property Council supports the draft Spatial Plan in principle. However, more can be done to deliver quality urban environments and make room for growth. The Wellington region is lagging behind other regions such as Canterbury and Waikato with new dwellings consented. Recent Stats New Zealand data show that Wellington had only around 3,163 dwellings consented compared to 5,653 in Canterbury and 4,105 in Waikato.<sup>1</sup>
- 3.2 The Spatial Plan does not address in sufficient detail the inter-relationships with the Wellington Regional Growth Framework, Let's Get Wellington Moving or the other Council's district plans within the Wellington Region. We believe this could be addressed by a more fully integrated Future Development Strategy as outlined in the National Policy Statement on Urban Development (NPS-UD). Over the long run, the issue that dominates Wellington is the perceived risk of a major earthquake. Because the epicentres of Porirua, Wellington and the Hutt Valley are all about 20km apart, it is unlikely that the event will affect all three centres with the same severity. The best way to minimise the overall risk is to balance residential and commercial activity across the three centres. Strong commercial centres in the Hutt and Porirua will not only reduce overall seismic risk but will also potentially reduce pressure on traffic and infrastructure.
- 3.3 We agree that more development is required to cater for the expected population growth, and that it should be good quality and in the right locations. However, to achieve this the Council should allow for increased intensification in the central city, inner and outer suburbs while also supporting greenfield developments in Upper Stebbings Valley, Glenside West and Lincolnshire Farm.
- 3.4 Businesses need clarity and certainty. The Plan must thus communicate clear principles so that developers, contractors, planners and council officials have a sound understanding of where specific rules have emanated from and what their intentions are. It is also important for economic feasibility to be accounted for. Otherwise, development will not take place.
- 3.5 Planning decisions can sometimes be about balancing trade-offs and weighing up development against those trade-offs. For development to move fast, the property sector requires certainty. In addition, the costs and benefits of urban development need to be considered when making decisions on consent applications. If the Council wants to achieve the number of houses to meet the anticipated growth then it needs make tough decisions and support developers in what they do best, build.

### 4. Central city

- 4.1 We support the proposed intensification of the central city to enable more residential and commercial development. The Council must continue to encourage a central city which consists of a 'compact' commercial core while encouraging increased residential development. This will help increase footfall in the main shopping areas along the golden mile, especially in evenings and weekends.

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<sup>1</sup> Building consents issued: August 2020. Retrieved from <https://www.stats.govt.nz/information-releases/building-consents-issued-august-2020>



- 4.2 Parks, convenient transport links, general layout, safety, and proximity to recreational activities, shops, schools, health services and community infrastructure are all fundamental factors which determine where individuals decide to live. It is therefore vital that the Spatial Plan facilitates the provision of these in identified growth areas and serves as a catalyst for mixed-use development. Te Aro has a lot of potential in this regard.
- 4.3 The Council needs to consider a number of other issues when deciding on how to intensify the central city area. The rising cost of insurance for high storey buildings is affecting the demand for multi-unit apartments requiring higher building standards to mitigate earthquake and climate change risks. The social implications of mandating high cost design and high occupancy cost could further exacerbate the economic divide. This is compounded by the need to upgrade an already under-developed infrastructure to meet the requirements of increased density in the central city. The Council must work with central government and the property sector to find the best solutions to these issues.
- 4.4 With regards to Pipitea, we believe Council should work Centerport, Kiwirail, Greater Wellington Regional Council and Central Government to assess what is the best use of the land given that much of the area is currently under-utilised. Options that could be considered are whether some elements of the railyard and port (like the maintenance yards and workshops) could be moved to places in the wider Wellington region thus freeing up some land for both residential and commercial development.
- 4.5 We have some concerns with the proposal to develop guidance to encourage better apartment design. While we support the overall intent of these recommendations, we are concerned that the guidance might be too prescriptive and create perverse outcomes by discouraging innovation. Consistent rules provide certainty which is important for development. However, they also provide little flexibility which results in poor overall urban design and loss of potential amenity values.
- 4.6 We recommend that the Council creates an Urban Design Panel which is empowered to provide independent design reviews of significant private and public projects across Wellington. The Urban Design Panel would provide preapplication recommendations to developers and Council representatives on private and public developments. This would be a step towards strengthening the process for delivering design excellence in Wellington. A good example of this is Auckland Council's Urban Design Council which plays a key role in improving the quality of the built environment across the Auckland region. We support good urban development, rather than restricting or constraining it.
- 5. Inner suburbs**
- 5.1 The inner suburbs are an attractive place for further development as they are readily accessible, with good connections and close to existing and future public transport routes. In addition, they are generally less vulnerable to natural hazard risks. If the Council wants to meet the housing supply that Wellingtonians demand and allow much needed development to increase density, it should reduce the current restrictions around character areas..
- 5.2 With Let's Get Wellington Moving, the Council has an opportunity to concentrate future development in areas along existing bus routes and around the proposed mass rapid transit route. Both Mt Cook and Newtown are areas which are ripe for increased density. However the Council must invest in infrastructure to service the future needs within these areas.



### *Heritage protection and character areas*

- 5.3 While we commend the Council on trying to balance the interests of preserving the character of the inner suburbs, continuing to place restrictions in these areas will only lead to more impediments on increasing the supply of housing close to the central city.
- 5.4 Wellington has a number of beautiful buildings, which reflect our history and therefore require protection. . However, to date, judgments on the listing of heritage buildings and defining character areas have been based on aesthetics and historical factors. The risk profile of the buildings and the economic implications of strengthening to enable retention have not been adequately regarded. Given the significant costs involved in strengthening our building stock, there needs to be far more careful consideration of the extent to which district plans will seek to retain these buildings. Unrealistic expectations on heritage buildings and character areas will have significant detrimental impacts on both the local community and building owners.
- 5.5 Where it is in the community's interest to strengthen (rather than demolish) an earthquake-prone building, but it is not economic from the landowner's perspective, the community should be prepared to make a financial contribution to make strengthening viable . In the absence of such a commitment, it is questionable whether the community truly values the building, and unreasonable for the regulatory regime to require uneconomic upgrading from owners. As such, demolition ought to be enabled and the building should no longer be classified as heritage.

## **6. Outer suburbs**

- 6.1 To fully meet the growth pressures facing Wellington over the next 30 years the Council cannot just rely on intensifying the central city and inner suburbs. There is an opportunity to utilise transport corridors to intensify in the key centres of the outer suburbs. It also supports the resilience of the city as many of these suburbs have a lower level of natural hazard risk relative to other parts of the city. Places like Johnsonville offer an opportunity for more intensive development especially around the mall.
- 6.2 To achieve further intensification in the outer suburbs there will be a need for increased investment in infrastructure, especially three waters and transport. However, the Council must provide open space for parks and recreational areas while working with central government to ensure there is capacity for shops, schools and health services to promote investment in the growth of suburban centres. Intensification is the only way of achieving this goal given the land constraints within these suburbs.

## **7. Opportunity sites**

- 7.1 Intensification alone will not solve the growth pressures in the city. The Council must allow for some greenfield development in Upper Stebbings Valley, Glenside West and when infrastructure permits in Lincolnshire Farm. It must also develop a framework for the future of the Miramar peninsula and the regeneration of Strathmore Park.
- 7.2 Both Upper Stebbings and Glenside West are well placed for future development as they are in close proximity to shops and services in Tawa and Churton Park as well as transport links at Takapu train station and the State Highway interchange at Westchester Drive. We support the Council's work on a masterplan to develop these new communities.
- 7.3 The Council must work with the landowners (both private and public) to put in place a clear and consistent plan to provide the necessary infrastructure to accommodate this growth.



Development contribution policies can either enable or stifle growth. The Council must be wary of placing too much onus on the industry who are building the necessary residential and commercial developments. Furthermore, we recommend that the Council investigate using the new powers under the Infrastructure Funding and Financing Act 2020 to help fund the required infrastructure.

- 7.4 With Lincolnshire Farm, further work is required. We support the Council's plans to review the Structure Plan and work with central government to ensure that any future development is aligned with plans for a Petone to Granada link road.

**8. Conclusion**

- 8.1 We commend the Council on developing a very thorough draft Spatial Plan. While the intentions are good we hope that it is not watered down by the different interest groups who seek to protect their areas to the detriment of wider society. For the city to grow there needs to be a strategic approach which encompasses all areas so as not to restrict development and allow for a variety of different buildings typologies.
- 8.2 Property Council wishes to thank the Council for the opportunity to submit on the draft Spatial Plan. We would like to speak in support of our submission at an oral hearing.
- 8.3 Any further queries do not hesitate to contact James Kennelly, Head of Advocacy, email: [james@propertynz.co.nz](mailto:james@propertynz.co.nz) or cell: 021 779 312.

Yours sincerely,

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