

**BEFORE INDEPENDENT HEARING COMMISSIONERS
AT WELLINGTON**

**I MUA NGĀ KAIKŌMIHANA WHAKAWĀ MOTUHEKE
O TE WHANGANUI-A-TARA**

**IN THE MATTER of the Resource Management Act 1991
AND
IN THE MATTER of the hearing of submissions on Plan Change
1 to the Wellington Regional Policy Statement**

HEARING TOPIC: Stream 4 – Urban Development

**STATEMENT OF PRIMARY EVIDENCE OF TIMOTHY HEATH
ON BEHALF OF KĀINGA ORA – HOMES AND COMMUNITIES**

(ECONOMICS)

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Instructing solicitor:
C E Kirman
Special Counsel
Kāinga Ora - Homes and Communities
PO Box 14594
Central Auckland 1051
E: claire.kirman@kaingaora.govt.nz

Counsel Instructed:
N M H Whittington
Hawkestone Chambers
PO Box 12091
Thorndon
Wellington 6140
E: nick.whittington@hawstone.co.nz

1. INTRODUCTION

- 1.1 My name is Timothy James Heath.
- 1.2 I am a property consultant, market analyst and urban demographer for Property Economics Limited, based in Auckland. I established the consultancy in 2003 to provide property development and land use planning research services to both the private and public sectors throughout New Zealand.
- 1.3 I hold a Bachelor of Arts (Geography) and a Bachelor of Planning, both from the University of Auckland. I have undertaken property research work for 25 years, and regularly appear before Council, Environment Court, and Board of Inquiry hearings on economic and property development matters.
- 1.4 I advise district and regional councils throughout New Zealand in relation to industrial, residential, retail and business land use issues as well as undertaking economic research for strategic planning documents, plan changes, District Plan reviews, and National Policy Statement on Urban Development 2020 (“**NPS-UD**”), National Policy Statement on Highly Productive Land 2022 (“**NPS-HPL**”), and Medium Density Residential Standards 2022 (“**MDRS**”) capacity modelling and implementation.
- 1.5 I also provide consultancy services to a number of private sector clients in respect of a wide range of property issues, including residential capacity assessments, retail, industrial, and commercial market assessments, development feasibilities, forecasting market growth and land requirements across all property sectors, economic cost benefit analysis, and economic evaluations for private plan changes.
- 1.6 I have been engaged by Kāinga Ora – Homes and Communities (“**Kāinga Ora**”) to provide expert evidence on their behalf, as they have made submissions on the Regional Policy Statement for the Wellington Region (“**RPS**”). In this evidence, my economic analysis focuses on identifying the economic benefits of consolidation of activities within commercial centres and the establishment of an appropriate centre hierarchy of the main commercial centres within the greater Wellington Region under the National Planning Standards 2019 (“**NPS**”) framework.

1.7 I have read the Code of Conduct for Expert Witnesses outlined in the Environment Court's Consolidated Practice Note 2023 and confirm that I will comply with it in preparing my evidence. I confirm that the issues I will address are within my area of expertise, except where I state that I rely upon the evidence of other expert witnesses. I also confirm that I will not omit to consider material facts known to me that might alter or detract from my opinions.

2. SCOPE OF EVIDENCE

2.1 This statement of evidence will address the following matters:

- (a) Brief overview of Plan Change 1 (“**PC1**”) objectives and Kāinga Ora’s submission.
- (b) Relevant policy context in terms of centre hierarchy framework.
- (c) Economic benefits of consolidated residential and commercial activity in centres.
- (d) Centre hierarchy assessment methodologies.
- (e) Commercial centre hierarchy in the wider Region.
- (f) Summary of my economic assessment and evidence.

2.2 In particular, my assessment covers a range of key economic metrics and performance measures assessing the scale, composition and breadth of each main centre. In essence, my economic assessment determines each centre’s position in a hierarchy, the economic benefits of centre activity agglomeration and the equivalent status of each centre under the NPS definitions.

3. EXECUTIVE SUMMARY

3.1 One purpose of PC1 is enabling urban development and infrastructure in appropriate locations and encouraging more intensive urban development that is sensitive to the environment and meets the needs of more people under the NPS-UD and MDRS context.

3.2 From an economic perspective, increased heights in and around (walkable catchments) the region’s key commercial centres provide significant economic benefits and efficiencies including:

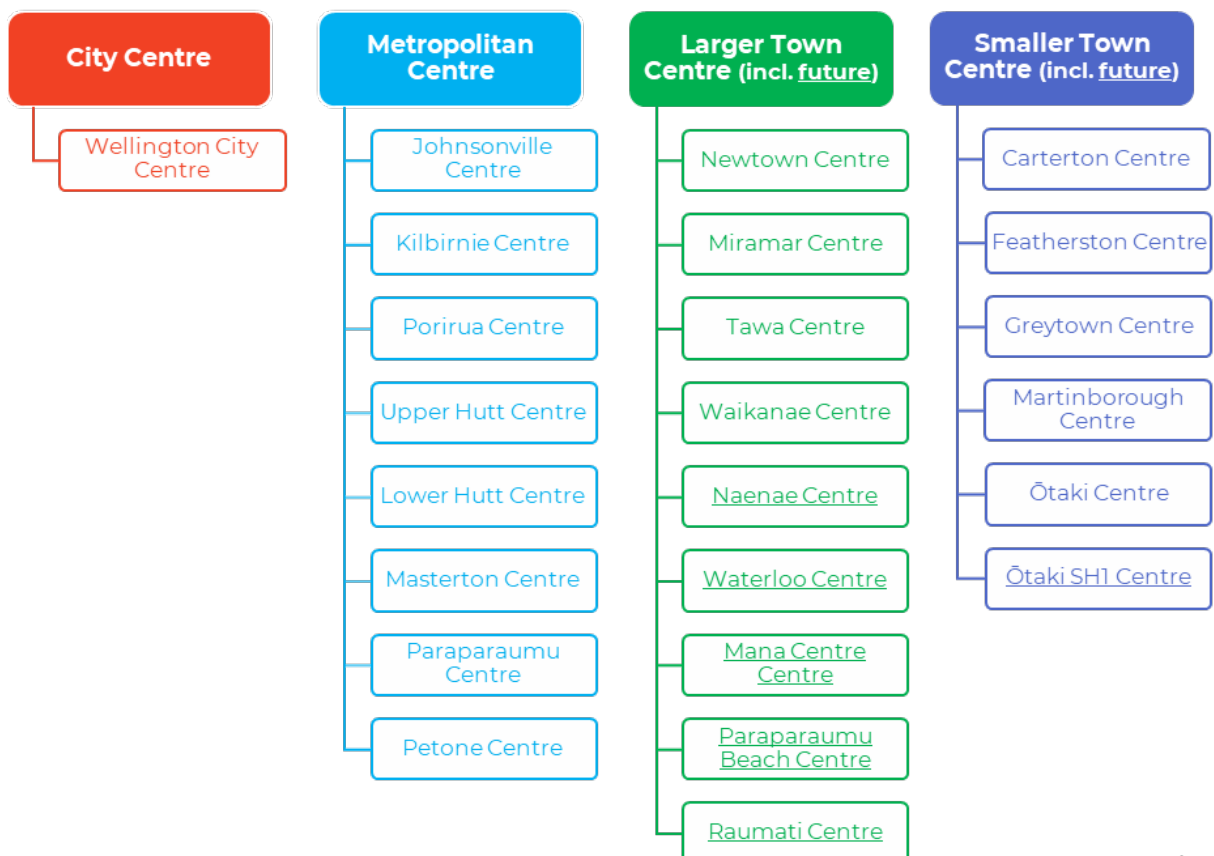
- Increased amenity of centres

- Agglomeration of activity and productivity gains
- Infrastructure efficiencies (lowers marginal cost of infrastructure)
- Transportation efficiencies
- Land use efficiencies (more efficient use of the urban land resource)

3.3 As such, zoning provisions and centre hierarchy are important tools in directing residential and commercial activity and development to achieve greater degrees of density, efficiency and certainty in terms of public and private investment. The level of flexibility and capacity indicated by zoning impacts upon business fundamentals such as locational efficiency, competitiveness, and productivity.

3.4 To achieve the economic benefits of a centralised city and facilitate the economic growth of the City Centre it is considered necessary to ensure that the City Centre and surrounds possess the greatest development opportunity followed by the identified main commercial Metropolitan Centres (refer to Figure 1 below). This hierarchy is based on the primacy of the City Centre in terms of its role and function. The City Centre fulfils a regional role providing a level of profile and potential agglomeration benefits and efficiencies that trump other centres in the hierarchy.

FIGURE 1: IDENTIFIED HIGHER-ORDER COMMERCIAL CENTRE HIERARCHY



- 3.5 I consider that the continued economic development of the City Centre, and the wider centre network, requires competitive changes to occur. It is now, more than ever, crucial that the economic environment within the Region's hierarchy is as competitively and efficiently managed as possible. Business location, residential intensification and the consolidation of activity in centres is key in the creation of this environment, a well-functioning urban environment and an efficient commercial centre network across the Region.
- 3.6 Overall, the identified centres, being the foremost commercial hubs of the Region and most economically efficient location for built form density to occur, should have the highest enabled height thresholds, followed by a staggered approach down as you move down the centre hierarchy. This is to ensure relative competitiveness between zones and centres so intensive development has a higher propensity to occur in the most economically efficient locations and significant economic benefits to the community can be realised.

4. PC1 AND KĀINGA ORA SUBMISSION OVERVIEW

- 4.1 The RPS implements national direction for the Wellington Region and directs regional and district plans. The RPS identifies the regionally significant issues for the management of the Region's natural and physical resources and sets out what needs to be achieved (objectives) and the way in which the objectives will be achieved (policies and methods). The current RPS for the Wellington region became operative on 24 April 2013 superseding the first 1995 RPS.
- 4.2 Recent national policy statement direction, particularly the NPS-UD, has prompted the changes to the RPS and has been a primary influence on the scope, timing, processes, and approach. PC1, therefore, aims to update the RPS to respond to updated information, current Greater Wellington Regional Council policy, new national directives, or other relevant changes since the development of the operative RPS, for the following four main issues:
- Lack of urban development capacity
 - Degradation of fresh water
 - Loss and degradation of indigenous biodiversity
 - The impacts of climate change.

4.3 Overall, Kāinga Ora is supportive of the approach taken within PC1 particularly in relation to the following topic areas:

- Incorporating the NPS-UD requirements to provide for growth in the region, but most importantly, promoting compact and concentrated urban form and densification in the Region (especially for residential and commercial land uses).
- Promoting well-functioning and quality urban environments, based around transit-oriented development and connected centres, and a centres hierarchy.

4.4 Whilst Kāinga Ora supports PC1 giving effect to the NPS-UD, Kāinga Ora seeks that a defined centres hierarchy is included in line with the NPS and NPS-UD. Specifically, Kāinga Ora seeks to identify Wellington City centre as the City Centre Zone of the region and that additional centres are identified as Metropolitan and Town Centres. These changes are requested in line with the submissions made on the District Council Intensification Planning Instrument (“IPI”)s and Wellington City Council Proposed Plan by Kāinga Ora to achieve regional consistency. Kāinga Ora also seeks better direction as to where high-density development should occur and seeks to include prescribed minimum walkable catchments.

4.5 Given the above context, the appropriate centre hierarchy within the wider Region is the focus of my economic assessment and this economic statement.

5. THE NPS AND NPS-UD POLICY CONTEXT

5.1 For brevity and given the NPS-UD objectives and policies are well known and traversed in other statements of evidence for Kāinga Ora, I will refrain from incorporating them in this statement. However, the key policy considerations under the NPS-UD most pertinent to economic considerations are Objectives 1, 2 and 3, and Policies 1(a)(i), (b), (c), (d), 2, 3(a)-(d), and 6(c)-(d).

5.2 As a summary, the key focus of the NPS-UD relevant to economics matters are:

- *The creation of well-functioning urban environments;*
- *Planning decisions that the improve affordability, housing variety and choice;*

- *Support competitive land and development markets;*
- *Improve accessibility to housing, employment, community services and open spaces; and*
- *In the city centre zones realise as much development capacity as possible to maximise benefits of intensification.*

5.3 The identification of the type of commercial centre therefore is an important consideration when determining where and how NPS-UD Policy 3 and the associated changes to height and density of urban form must be applied.

5.4 In the context of the NPS, 'Centre Zone' is defined to be any of the following zones:

- **City Centre Zone:** *Areas used predominantly for a broad range of commercial, community, recreational and residential activities. The zone is the main centre for the district or region.*
- **Metropolitan Centre Zone:** *Areas used predominantly for a broad range of commercial, community, recreational and residential activities. The zone is a focal point for sub-regional urban catchments.*
- **Town Centre Zone:** *Areas used predominantly for:*
 - i. *in smaller urban areas, a range of commercial, community, recreational and residential activities.*
 - ii. *in larger urban areas, a range of commercial, community, recreational and residential activities that service the needs of the immediate and neighbouring suburbs.*
- **Local Centre Zone:** *Areas used predominantly for a range of commercial and community activities that service the needs of the residential catchment.*
- **Neighbourhood Centre Zone:** *Areas used predominantly for small-scale commercial and community activities that service the needs of the immediate residential neighbourhood.*

5.5 Local and Neighbourhood Centre Zones are provided for completeness only. They do not form part of my economic analysis for this statement. I consider these centres play a role and function smaller than City Centre, Metropolitan and Town Centres and therefore are not required to be identified individually in the RPS. It is enough to allow territorial authorities to determine the local and neighbourhood centres within their territorial jurisdictions.

5.6 It is within the above policy context that the role and function of the existing centres are assessed in this economic statement. It is considered appropriate for the Region to rely on the zone descriptions and intent in the NPS and compare and align this with their current zoning, centre extent, breadth of centre activities to determine each centre's role and function and the nearest equivalent NPS zone.

6. ECONOMIC BENEFITS OF CONSOLIDATED RESIDENTIAL AND COMMERCIAL ACTIVITY

6.1 First it is important to outline some of the economic benefits attributable to consolidation and higher density development enabled through increased height within the existing commercial centre network across the Region. This supports the basis of a commercial centre hierarchy within the region's centre network.

6.2 From an economic viewpoint, zoning provisions are important tools in directing residential and commercial activity and development to achieve greater degrees of density, efficiency, and certainty in terms of public and private investment. The level of flexibility and capacity indicated by zoning impacts upon business fundamentals such as locational efficiency, competitiveness, and productivity.

6.3 The need for exogenous intervention into the market is necessitated by the fundamental intent of seeking to maximise community wellbeing either through improvements in equity or an improvement in economic efficiency. The fact that the market will not seek to maximise community wellbeing but pursue individual party interests is key in understanding whether the market requires a balancing mechanism in order to redress the potential imbalance between community interests and individual interests. It is important to note that this is not simply an academic exercise, as the result of an individual party or parties

gaining an additional proportion in profits (or simply a decrease in costs) could result in the loss of a tangible resource for the community hundreds of times more valuable.

- 6.4 There is a distinct thread running through the RMA that deals with community wellbeing in terms of efficiency. A primary guiding principle of the RMA is the efficient (and sustainable) utilisation of scarce resources within a community. There has been recognition from the Environment Court that efficiency, as it pertains to the RMA, relates to economic efficiency and there is a need for this to instruct policy governing the utilisation of these resources. This implies that the decisions by which these resources are consumed are derived in an economically efficient manner.
- 6.5 The market is indeed a powerful mechanism for the efficient allocation of resources and all too often unnecessary intervention causes markets to operate inefficiently with potential benefits lost to the community in order to protect private concerns. However, the essential proviso here is that society's resources are priced according to their real value to society as a whole rather than value to individuals. This is the basis for Kāinga Ora's economic position that left to its own devices the commercial and residential markets will not operate efficiently given the fact that the market fails to consider total community wellbeing.
- 6.6 Economic efficiency is essential when providing for sustainable resource use. As stated and consistent with the RMA, this efficiency should not be a rationalization for the protection of individual businesses, developers or business locations through simple trade competition. However, what is essential is the identification of any distributional effects from the market's operation. These distributional effects are costs or benefits that are not considered by the market and yet are critical to enhancing the community's economic and social wellbeing. In relation to PC1 these are not simply the potential decreases in business or residential activity in any given area but the additional real benefits to the community of having these activities in these specific locations.
- 6.7 In term of residential and commercial activity, Councils curb the spread of residential and commercial development to more intensive zones because the cost of allowing dispersal are significant and are not considered by the market,

such as increased infrastructure costs, reduced transport efficiencies, inefficient land use, as well as reduced community amenity. These are factors that an individual participant in the market does not always consider, not just the impact of these costs on themselves but the cost of their decision on others. While councils generally seek to improve the overall attractiveness of appropriate locations, this 'reinforcement' however is seldom enough to change individual behaviours sufficiently and generally requires some form of regulation.

- 6.8 It is important to note that this level of activity is proportionate to the competitive size of the district and economy in general. It is not appropriate to assume that the level of centralised activity, in the primary centre, within a larger economy is the same as in a small district. Larger economies typically have a greater number of business centres that represent a smaller proportion of the total activity while still creating economies of scale and efficient resource use. The recent global economic decline has however elevated the importance to the regional economy of centralising activity to improve efficiency and competitiveness. As businesses seek to improve efficiency and productivity it is vital that the Region offers a competitive centre network.
- 6.9 The potential loss to the community of 'decentralised' activity is coined in this section in terms of the benefits of 'in-centre' activity. The benefits (or alternatively dis-benefits) discussed here include the decline in centre function and amenity along with adverse effects on the roading network, public transport provision, resource productivities, land efficiencies, community facilities, productivity and centre infrastructure. Each is also assessed in terms of whether they should be regarded as 'true' externalities and to what level the market may (or should) be considered to have regard for them.
- 6.10 I comment further below on some of the elements that I consider make up a well-functioning urban environment: amenity, agglomeration and productivity gains; efficient use of transport infrastructure and efficient land use.

Amenity of Centres

- 6.11 A fundamental factor in operating competitive vibrant business centres is the level of amenity offered; key to this is the level and choice of activity within a given area. To remain competitive and fulfil its role and function in the community it is crucial that primary business centres provide an appropriate level

of both retail and commercial activity, and increasingly residential activity as part of mixed-use environments. This is a symbiotic relationship where one relies on the level of activity produced by the other. This relationship primarily between activities creates more vibrant community centres which translates to greater community wellbeing.

- 6.12 The amenity of a centre is directly related to its vitality and vibrancy, which in turn has a strong correlation with the level and potential level of people within a centre. A loss of residents and patronage to a centre is not only likely to result in decreased infrastructure efficiencies and a fall in other activities but is very likely to reduce the amenity and value residents place on the vibrancy and sense of community achieved there.
- 6.13 It can be argued that this activity and vibrancy act as a competitive advantage for the centres and thereby work as trade competition. However, the value of a centre to patrons is not just determined by their own decisions but those of other participants who do not consider this loss in their decision making, resulting in a direct resource effect on a third party. By dispersing activity, the amenity and value of a vibrant centre is reduced, there is little doubt that, allowing for congestion, there is typically a direct relationship between the level of activity in a centre and the average amenity value achieved from it.

Agglomeration and Productivity Gains

- 6.14 The arguments for agglomeration pertain mainly to specific productive activities within an economy. The basis for these arguments is that increased densities lead to synergies, improved flow, economies of scale and utilisation of resources. The presence of agglomeration effects within the New Zealand market is somewhat contentious, however the supporting academic and

empirical evidence identifying the economic benefits are particularly strong and widely accepted¹.

6.15 Agglomeration benefits are generally based around the ability for clusters of activities and higher density areas, typically in the form of centres, to provide the following:

- increased specialisation;
- knowledge spillovers, both between firms in the same sector and across sectors, leading to increased innovation;
- competition – the presence of lots of firms offering similar products spurs on competition, innovation and efficiency and there are lots of buyers to compete for;
- larger labour markets offer wide choices for employers and the opportunity to recruit staff with specialist skills; and
- economies of scale are created by serving larger markets.

6.16 The consolidation of activity, within the existing centres of the Region, is a fundamental means by which the wider Region will attain a degree of these agglomeration benefits and improve its economic competitiveness.

6.17 The agglomeration of commercial and residential activity in the form of a centre has two effects which are important to distinguish between. The first is the increased profile created by a critical mass of activity. There are obvious 'flow-on' benefits to suppliers of locating within a vibrant and active centre along with the potential for some economies of scale. These benefits however are for the most part considered by the market in its locational decisions. Based on these benefits alone there would be no requirement for intervention as the market would operate efficiently.

6.18 However, the second impact of agglomeration has to do with the environment that is created through this critical mass. Centralised business activity creates both amenity and diversity with the local area. The agglomeration of activity

¹ Work undertaken in 2007 by Ascari Partners and Richard Paling Consulting (Williamson, Paling & Waite, 2007) has shown a doubling of employment densities accompanied by accessibility will result in productivity gains of around 6%. Work undertaken in Britain (Dan Graham 2006) found that the doubling of the effective density rate (in a given area) resulted in average productivity gains of 12.5% and service sector gains of 22.1%.

into centres provides an environment that will facilitate that agglomeration of other activities and allow for the productivity gains identified above.

Effects on Community Infrastructure

- 6.19 The provision of community facilities and infrastructure is a social investment. The justification for this investment is the social value that these services and facilities provide to the community. This is considered to be significant enough that they are publicly funded and supplied. The reason they are publicly supplied is because given their social value the free market would not supply enough of them given a patron's individual value (price).
- 6.20 These facilities may include libraries, civic and administrative functions, community centres, public meeting areas, police stations, etc. These are generally provided in centres with high activity so as to coincide with other land uses. The scale of these facilities also coincides with the scale of activity located within the centre. This in, and of itself, is reason to suggest that there is a direct relationship between use of community facilities and other activity such as residential, retail and commercial activity. Simply put the greater the level of activity and accessibility in a centre the greater the utilisation of such public assets. Not only is profile important for these types of facilities but they are located to make good use of multi-use trips.
- 6.21 There are two potential effects of reduced usage of community facilities within centres. The first is that the marginal cost per patron increases thereby reducing efficiency and reducing the social benefits through its provision, and the second is that the infrastructure has to be duplicated (even on a small scale) elsewhere causing significant inefficiencies of community resources. The costs involved in underutilisation of these resources or indeed their duplicate are relatively obvious and must be considered when locating associated activities.
- 6.22 The Council provides these resources because they have significant social benefit to the community, to undermine their use, in any way, diminishes that benefit. The basic principle here is to try and maximise the net social benefit gained through provision of these goods, therefore the location of these is extremely important.

Transportation Efficiency

- 6.23 The basis for this argument lies in the transport efficiencies achieved through the agglomeration of activities with the key generators or these travel patterns being residential, employment and retail activities.
- 6.24 Efficient transportation networks provide obvious benefits to the community that are not considered in these decisions. These benefits include:
- Reduced public costs for roading and transport infrastructure (reducing the need for duplication)
 - Reduced pollution
 - Increased certainty around public and private sector infrastructure investment
 - Reduced marginal cost (reducing the 'per trip' cost)
- 6.25 It is generally accepted that there are transport efficiencies associated with centralised activity. It is fundamental to note that not all these benefits are considered in individual decisions. Given that the level of investment into this form of infrastructure climbs into the billions of dollars it is critical that this be given some level of security as to its efficient utilisation and therefore effective return. Residential and commercial location is essential both directly and indirectly in the provision of transport infrastructure, due both to the level of activity generated by this market and the co-location of other activities due to amenity.
- 6.26 The locations of Wellington's rail station and bus network has influenced the land uses that are now establishing in proximity to it. The more intensive use of land in proximity to the rail and bus stations will further support the use of this infrastructure investment and more sustainable modes of travel.

Land Use Efficiencies

- 6.27 A key purpose of planning is to produce the most efficient use of an economy's land resource. Planning regulations are designed to control private uses for this resource so as to produce a sustainable long-term outcome.
- 6.28 Kāinga Ora's relief identifies the value inherent in the establishment of a centre hierarchy in the RPS that seeks to maximise land use efficiencies and the

locational advantages of centres. In terms of economic efficiency the maximisation of the activity in within centres identifies the locational advantages that will provide a competitive advantage for the centre network as a whole.

- 6.29 The first issue is associated with the potential lack of information available to private developers. This may take the form of making decisions without full knowledge of competitor investment plans. Inaccurate forecasts of future demand may affect the efficient allocation of this land resource. This potentially leads to an oversupply of commercial space or residential land within the market. The relevance to centre locations is that there is a propensity of out-of-centre development to have a greater degree of viability (and lower risk) in the short-run thus resulting in the over-supply.
- 6.30 Secondly potential efficiencies are lost where a resource is over allocated as the market has no necessity to utilise these efficiently, e.g., without restrictions on residential land, or residential development opportunities, some efficiencies would be lost from higher density living. The efficient use of land is fundamental to community wellbeing. The provision of relatively cheap land in inefficient locations provides the market with misleading signals which has the potential to reduce the productivities of land for the entire economy.
- 6.31 This position is only partly tempered by the need to provide adequate quantities of land in appropriate locations to meet the potential demand and provide a competitive environment. However, the negative impacts of an oversupply of land are most acutely felt in the commercial market and so are most crucial in terms of net effects. Within a market the provision of what is seen as low-priced commercial land will inevitably result in reduced land efficiencies.

7. CENTRE HIERARCHY ASSESSMENT METHODOLOGIES

- 7.1 The economic performance of a centre is generally determined by its ability to attract businesses, especially high value retail and commercial businesses, and shoppers. There are two main reasons for this – the first is that these businesses are both more productive than others and are the drivers of productivity growth. The second is that a high profile and successful centre provides a regional and national profile for business and therefore contributes to the area's competitive advantage.

- 7.2 The general level and breadth of employment is also critical to a successful centre as it creates additional footfall for shops, bars, and restaurants and together these developments contribute to the overall amenity provided. This amenity, in turn, influences the liveability of the surrounding residential environment and people's decision to live in the local area of the centre.
- 7.3 Given these factors, my economic analysis adopted a three-step approach to assess the position of the assessed centres in the wider regional centre network. Such analysis assists in understanding the current role and function of the centre and appropriate extent of higher-density residential development in and around a centre.
- 7.4 Firstly, my analysis geospatially delineates the extent of each assessed centre based on centre or commercial zonings in the corresponding District Plans (from various territorial authorities), Stats NZ Meshblock 2018 boundaries and the practical function of the centres.
- 7.5 Following the delineation of practical centre extent, the current and historic employment count² trends of centres are assessed to identify their changing scale and role in the regional market. The employment count data is sourced from the latest Business Demography Statistics by Stats NZ (February 2023) and refers to headcount of all salary and wage earners but excludes working proprietors.
- 7.6 This employment analysis provides a high-level understanding of the activity mix and land uses within each centre. While it does not identify all detailed activity, such as residential, religious, cultural or community, it provides some understanding of the commercial activities and the primary use / function of the centre.

² Note that this employment count data is measured at the meshblock level which may not perfectly align with the commercial centre extent but represents a 'best fit'. A meshblock is the smallest geographic unit for which statistical data is collected and processed by Stats NZ and is defined by a geographic statistical area, which can vary in size from part of a city block to a large area of rural land.

7.7 Finally, my economic analysis includes an assessment of the existing full-service³ supermarkets and department stores⁴ within each identified centre. This analysis assists in understanding the extent of the centre's primary catchment area. Essentially, centres that accommodate full-service supermarket(s) or department store(s) tend to function as a retail destination for a broader economic catchment. The more supermarkets and department stores a centre has, the stronger the business agglomeration effects, leading to increased appeal and drawing power.

7.8 Note that in addition to the economic metrics mentioned, for some locations I cross-check my economic analysis against the centre heights enabled by the IPI for the respective assessed centres. These height limits have the potential to drive increased urban density in strategic and well-positioned centres for density from a regional perspective to support consolidation. These provisions are incorporated into my economic analysis to ensure a consistent growth approach and a proposed hierarchy that is forward looking rather than simply representing a 'current day' snapshot.

8. COMMERCIAL CENTRE HIERARCHY IDENTIFICATION

8.1 Overall, the extent of a centre's core market or catchment often depends on the level or scale of activity, the breadth of the business activities within the centre, the ability of those activities to attract customers and the distance customers are prepared to travel to the centre. As such, there are a few critical factors that need to be considered to differentiate the role and function of these centres, including:

- Centre scale / size
- Centre core catchment / market
- Breadth / extent of activity

³ This considers full-service supermarkets only - food groceries such as Four Square with a GFA less than 500sqm are not included as they do not provide a wider range of products and offerings that satisfies the diversified demand of customers and therefore primarily service their immediate residential catchment.

⁴ This refers specifically to retailers such as Farmers, The Warehouse and K-mart which have predominant retail sales in clothing and retail a wide variety of goods (e.g., furniture, kitchenware, textile, electrical, cosmetics, sporting goods) other than food or groceries.

- Level of retail and commercial employment
- Centre growth (recent employment history)
- Quality and type of tenants / national banner brands
- Centre health / performance / vitality

8.2 Based on the identified factors, Table 1 following summarises some important economic metrics to comparatively assess differences between the main commercial centres within the wider Wellington Region.

TABLE 1: ECONOMIC METRICS OF MAIN COMMERCIAL CENTRES

Hierarchy	Commercial Centre	Zoned Land Area (ha)	Centre Height Enabled under IPI (with RDA Resource Consent)	Walkable Catchment	Total ECs (2022)	Total ECs Growth (2000-22)	Retail ECs (2022)	Commercial ECs (2022) ¹	Existing Super-market(s) ²	Existing Department Store(s) ³
City Centre	Wellington City Centre	242.1	Unlimited	1200m	117,994	+34,422	7,810	101,643	5	2
Metropolitan Centre	Johnsonville Centre	13.4	35-42m	800m	2,297	+260	723	1,370	2	1
	Kilbirnie Centre	10.3	35m	800m	1,199	-146	519	366	2	1
	Porirua City Centre	27.7	53m/15 storeys	800m	4,814	+831	1,907	2,720	3	3
	Upper Hutt City Centre	23.2	Unlimited	800m	2,579	+438	1,037	1,336	3	2
	Lower Hutt City Centre	36.9	Unlimited	1200m**	8,963	+1,305	2,717	5,210	4	2
	Masterton Town Centre	63.4	15m	n/a	5,092	+1,467	1,518	2,938	3	2
	Paraparaumu Town Centre	72.4	53m/15 storeys	1200m	3,606	+2,136	1,044	2,161	2	2
	Petone Centre	36.0	Area 1 - 10m (outside Heritage Precinct) Area 2 - Unlimited	800m	7,271	+368	1,258	4,195	2	2
Larger Town Centre (incl. future)	Miramar Centre	2.3	22m	800m	512	-426	247	169	1	0
	Newtown Centre	11.6	27 m	800m	8,331	+3,779	629	7,505	2	0
	Tawa Centre	4.0	27m	800m	799	+510	227	398	1	0
	Waikanae Centre	5.6	21m/6 storeys	800m	702	+21	351	223	2	0
	Naenae Centre	1.6	22m/6 storeys	400m**	189	+6	24	144	0	0
	Waterloo Centre	4.5	22m/6 storeys	400m**	249	-127	35	181	0	0
	Mana Centre	5.4	22m/6 storeys	400m**	390	+163	203	182	1	0
	Paraparaumu Beach Centre	5.2	21m/6 storeys	400m	193	-84	62	110	0	0
	Raumati Centre	3.0	21m/6 storeys	400m	592	+292	63	524	0	0
Smaller Town Centre (incl. future)	Carterton Centre	11.6	15m	n/a	676	+171	269	328	1	0
	Featherston Centre	4.7	15m	n/a	164	+78	95	54	1	0
	Greytown Centre	5.8	15m	n/a	339	+150	161	104	1	0
	Martinborough Centre	7.2	15m	n/a	483	+220	161	174	0	0
	Ōtaki Centre	5.9	12m/3 storeys	<400m*	512	+96	93	387	1	0
	Ōtaki SH1 Centre	6.3	21m/6 storeys	400m	356	+188	250	79	1	0

Note: ¹ This includes both commercial and community employment; ² This considers full-service supermarkets only - food groceries such as Four Square with a GFA less than 500sqm are not included; ³ This refers specifically to Farmers, The Warehouse and K-mart which have predominant retail sales in clothing and retail a wide variety of goods (e.g., furniture, kitchenware, textile, electrical, cosmetics, sporting goods) other than food or groceries.

Decisions version

WCC Post Hearing reply

* Due to increased extent of Ōtaki Takiwa Precinct

** Walkable catchment greater due to overlap with walkable catchment from train station

Source: Various Greater Wellington Councils, Stats NZ, Property Economics.

City Centre Zone

- 8.3 Under the NPS centre zoning framework, City Centre Zone is the highest order commercial centre for the region and is “*used predominantly for a broad range of commercial, community, recreational and residential activities*”.
- 8.4 Based on the economic metrics, Wellington City Centre stands out with its expansive zoned land area of over 242ha⁵, boasting the most extensive and diverse employment opportunities and the region's highest concentration of business activities. These distinct attributes reflect its unique and significant role and function within the broader Wellington Region, which corresponds to the criteria outlined for a "City Centre" as defined under the NPS centre framework.
- 8.5 More specifically, the current (2022) employment base in Wellington City Centre has grown to nearly 118,000 people, marking a substantial growth of over 34,400 employees or +41% over the past 22 years. This employment base is approximately 13 times larger than the next largest commercial centre in the Region - Lower Hutt City Centre. Consequently, Wellington City Centre clearly performs as the main centre for employment and business activities within the wider Wellington Region.
- 8.6 The scale and diverse composition of Wellington City Centre reflects the pivotal role it plays as a significant economic engine for the Region.
- 8.7 Beyond its substantial size and diverse range of activities, Wellington City Centre also accommodates a greater number of supermarkets, department stores, and well-known national brands, all of which cater to a regionally significant economic catchment. Consequently, there is no doubt that Wellington City Centre functions as the single highest-tier commercial centre, namely the City Centre, within the wider Region's centre network.

Metropolitan Centre

- 8.8 As mentioned earlier, under the NPS zoning framework, the Metropolitan Centre Zone is “*areas intended to be predominantly for a broad range of commercial,*

⁵ This land area is based on a measurement of the Wellington City Operative District Plan “Central Area” Zoning.

community, recreational and residential activities” and is “a focal point for sub-regional urban catchments”.

8.9 In addition to this definition, Ministry of Environment, in the NPS - Guidance on Zone Framework and District Spatial Layers Standards document (“**the NPS Guidance**”) (page 9) mentioned that “*Auckland Council, in its submission on the draft first set of planning standards, provided the following examples:*

Metropolitan centres differ from town centres in that they:

- *Generally contain medium-high density, vs medium density*
- *Are sub-regional destinations, rather than servicing local needs (e.g., cultural and civic facilities and tertiary education)*
- *Support high quality public transport with high trip generation*
- *Serve an important economic function (e.g., provide for head / regional offices vs local offices); have an evening and night economy*
- *Provide high quality public spaces vs local spaces that similar in scale*
- *Have a strong emphasis on employment with a higher employment-residential ratio than town centres”.*

8.10 I consider the above provides useful guidance and base context for the assessment of the Region’s centre hierarchy. As a result of my assessment, I have identified eight centres in the broader Region that meet the criteria of a ‘Metropolitan Centre’ under the NPS centre framework.

8.11 **Johnsonville Centre:** Encompassing approximately 13.4ha of zoned land, the Johnsonville Centre currently accommodates around 2,300 employees. This represents a modest growth of +260 individuals over the past 22 years. Currently the centre is primarily organised around three key street blocks, offering a variety of shops, two supermarkets, and a shopping mall along with adjacent parking facilities.

8.12 Furthermore, the newly opened Waitohi, a multi-level community hub housing a library, aquatic centre, and community centre, conveniently sits within the centre’s offering adjacent to the rail station. This presence complements the broader role and function of the Johnsonville Centre, enhancing its capacity to serve the community.

- 8.13 While Johnsonville Centre is comparatively smaller as a commercial hub when compared to other centres in the wider Region within the same 'Metropolitan' category, its strategic location positions it efficiently to support higher density development within the wider Region in the future. In terms of economics, the Johnsonville Centre could be considered an underperforming and underutilised asset, with increased commercial and residential density through increased heights enabling the potential for a lot of economic efficiencies from a regional perspective and would support the consolidation approach. Additionally, the centre benefits from a direct rail link to the City Centre and a readily accessible bus interchange that connect commuters to places of employment and various other parts of the City and the wider Region.
- 8.14 Therefore, from my perspective, Johnsonville Centre will increasingly function as a smaller Metropolitan Centre within the broader Region under the NPS centre framework, and the RPS should facilitate this function with such a status in its centre hierarchy. Its strategic location positions it well to support the necessary population density, which would make a valuable contribution to the creation of a well-functioning urban environment of both Wellington City and the wider Region.
- 8.15 **Kilbirnie Centre:** The Kilbirnie Centre is situated to the southeast of Wellington City Centre. Its boundaries are adjacent to Evans Bay to the north, the airport to the east, and Lyall Bay to the south. Similar to the Johnsonville Centre, Kilbirnie Centre exhibits relatively smaller economic metrics, including land area (size), employment figures, and the variety of anchoring commercial activities, in comparison to other identified Metropolitan Centres within the wider Region.
- 8.16 Kilbirnie Centre contains many non-commercial community and recreational amenities like a library, a community centre and a sports and recreation hub including the Wellington Regional Aquatic and ASB Sports Centres situated immediately to the north of the centre. These amenities complement the services and activities offered within the main commercial area of the Kilbirnie Centre, and service the wider Wellington City catchment.
- 8.17 The centre also benefits from a nearby bus hub, offering convenient and frequent bus services to both the City Centre and neighbouring employment

areas. According to the Wellington City Spatial Plan 2021⁶, Kilbirnie, along with Hataitai, records one of the highest percentages of commuters who opt for bus transportation to reach their workplaces in the City.

- 8.18 While the development landscape around Kilbirnie Centre typically comprises single-storey dwellings on individual plots, there are also evident instances of new and ongoing higher density apartment developments in and around the centre (e.g., Kāinga Oratuku Apartments at 609 Evans Bay Parade and ARC apartments on 66-70 Rongotai Road). This reflects the growing demand for higher density living options near the centre, and the centre is well-positioned to accommodate such demand efficiently. Therefore, identifying the centre as a Metropolitan Centre will reflect its future potential and offer greater clarity regarding its future growth and vertical expansion.
- 8.19 **Porirua City Centre:** Porirua City Centre is the central focal point for commercial, civic, and cultural activities within Porirua City, and it has been maintaining its status as a significant regional centre. Currently, this centre accommodates around 4,810 employees within a zoned land area spanning around 28ha. Over the past 22 years, this employment base has experienced steady growth, adding +830 additional people to its workforce. The centre currently accommodates three full-service supermarkets, three department stores, and a large number of national brands, all of which cater to a regionally significant catchment.
- 8.20 Moreover, Porirua City Centre enjoys several strategic locational advantages, including being highly accessible to public transport connectivity, proximity to substantial open space amenities, community facilities, and educational institutions. These favourable attributes underscore its suitability for encouraging greater urban intensification in and around the centre. As such, Porirua City Centre is well-suited to be identified as a Metropolitan Centre within the broader Region's centre network.
- 8.21 **Upper Hutt City Centre:** The Upper Hutt City Centre functions as the principal commercial and community focal point for Upper Hutt City, covering an area of around 23ha. As per Stats NZ data, the current workforce in Upper Hutt City

⁶ *Our City Tomorrow: Spatial Plan for Wellington City – An integrated Land-use and Transport Strategy, dated 24 June 2021*

Centre comprises around 2,600 people, with roughly 40% employed in the retail sector. Commercial and community employment collectively amounts to 1,340 people, making up around half of the total employment within the centre.

- 8.22 The centre currently accommodates a diverse array of businesses, encompassing supermarkets, department stores, big national brands, professional services, food and beverage services, community activities, etc. Additionally, the centre serves as a crucial transportation nexus, with bus stops and train station facilitating connectivity between Upper Hutt and other areas within the Wellington Region.
- 8.23 Given these roles and functions, it is appropriate to identify the Upper Hutt City Centre as a Metropolitan Centre within the broader Region, recognising its significant contribution to the regional economy and its role as a vital community and transportation hub into the future.
- 8.24 **Lower Hutt City Centre:** The Lower Hutt City Centre stands as the primary commercial and community hub within Lower Hutt City, occupying a land area of around 37ha along High Street. At its core is the Queensgate Shopping Centre, and it accommodates the second-largest employment pool in the broader Region, offering nearly 9,000 employment opportunities. Over the past 22 years, this represents a noticeable increase of +1,300 individuals. Out of the 9,000 individuals employed in the centre, more than 5,200 are engaged in the combined commercial and community sectors. This highlights the centre's significance as a pivotal commercial and civic hub, not only for Lower Hutt City but also for the broader Region.
- 8.25 In addition to its substantial employment base, the centre ranks second in terms of the number of supermarkets in the wider Region, following only behind Wellington City Centre. These current functions and roles are an integral component of the Metropolitan Centres within the broader Wellington Region. Good rail and bus connectivity round out the centre's appropriateness to be considered a Metropolitan Centre in the RPS commercial hierarchy.
- 8.26 **Masterton Town Centre:** Masterton Town Centre encompasses a land area of around 63.4ha, predominantly concentrated along a single linear strip on Queen Street within the Masterton township. In my view, this centre serves as the

largest commercial and community hub not only within Masterton but also across wider central Wairarapa .

- 8.27 Over the past 22 years, the employment levels in the Masterton Town Centre have witnessed a substantial increase, with a growth of approximately +1,500 individuals, marking a +40% increase. This reflects the growing demand for retail, commercial, and community spaces within the centre. At present, the centre accommodates around 5,100 employees and is anchored by three full-service supermarkets and two department stores.
- 8.28 Moreover, apart from the retail sector, employment in commercial and community services totals approximately 2,940 individuals, constituting around 58% of the centre's overall employment figures. This suggests that the centre serves not only as a retail hub for the district but also as a vital commercial and civic epicentre for the wider rural area of the region.
- 8.29 As such, I consider that the Masterton Town Centre is well-suited to be classified as a Metropolitan Centre within the broader Region, given its significant size, role and functions, which cater to a wide range of commercial and community needs.
- 8.30 **Paraparaumu Centre:** Paraparaumu Centre is situated approximately 40 minutes by car or 53km away from Wellington City Centre via SH1. It stands as the primary and most noteworthy commercial hub within the Kapiti Coast District, boasting the second-largest zoned land area in the broader Region. Although it maintains a relatively modest employment level, with around 3,600 individuals, Paraparaumu Centre has undergone substantial growth of an additional +2,140 people over the past 22 years. This increase in employment is comparable to creating a new Johnsonville Centre (i.e., 2,300 employees), underscoring the high performance and strategic location of Paraparaumu Centre in enabling accommodation of density within the wider Region.
- 8.31 The recent completion of the Transmission Gully motorway will improve connectivity with the wider region and likely stimulate growth in the district. This includes improved bus connectivity and travel times. Paraparaumu Centre also has a rail station for direct connection to the Wellington City Centre.

- 8.32 **Petone Centre:** Petone Centre constitutes a substantial concentration of retail, commercial, and community activities within the bounds of Lower Hutt City. It spans the second-largest land area among Lower Hutt City's centres, covering around 36ha, and accommodates a considerable workforce. Presently, Petone Centre accommodates a diverse array of retail and commercial enterprises, including several prominent national brands such as PAK'n SAVE, Countdown, Briscoes, Bunnings, PB Tech, and The Warehouse. With an existing employment base of around 7,270 people, Petone Centre ranks as the third-largest employment hub within the broader Region.
- 8.33 As per Stats NZ's 2018 Census data (at the Statistical Area 2 level), Petone Centre emerges as a regionally significant employment destination. Approximately 64% of its workforce comes from other areas within Lower Hutt, while the remaining 36% commute from Wellington City (18%), Upper Hutt City (11%), Porirua (5%), Kapiti Coast (2%) and South Wairarapa (1%).
- 8.34 This travel to work pattern, coupled with its close proximity to Wellington City (and consequently the Wellington City Centre), reflect Petone's strategic positioning geographically to efficiently accommodate higher density. As such, I consider Petone Centre as a regionally significant Metropolitan Centre looking longer term and within the broader Region and this distinct role and function need to be recognised in the regional centre network.

Town Centre Zone

- 8.35 Under the NPS centre zoning framework, in urban areas, Town Centre Zones are "*areas used predominantly for a range of commercial, community, recreational, and residential activities*". Having assessed the economic metrics of the remaining Greater Wellington centres, in my view, there are nine centres that can fall within the "Town Centre" category. These are split Larger and Smaller Town Centres depending on whether they are situated in an urban area or represent a rural township.
- 8.36 **Miramar Centre (Larger):** Miramar Centre, situated along Miramar Avenue / Park Road in Wellington City, is an established commercial hub, covering around 2.3ha of land. It features a relatively limited range of services and amenities, including the Roxy cinema, retail shops, a library, and a supermarket. Despite its comparatively smaller employment base, consisting of around 510

individuals, the centre features as a strategic location that can accommodate higher-density residential, retail, and commercial development opportunities.

- 8.37 For instance, the centre boasts five intersections along the Miramar Avenue section and benefits from a nearby bus hub, offering frequent services to the Wellington City Centre and neighbouring employment areas like Newtown and Wellington Airport. Meanwhile, Miramar is identified as a vital stop to connect eastern suburbs, Wellington Airport, and the central city in the Let's Get Wellington Moving "*Miramar to City Connection*"⁷ programme. These features align with the directives of the NPS-UD to enable urban intensification within at least a walkable catchment of the existing and planned rapid transit stops. This is also consistent with the building height enabled within the centre under IPI (i.e., 22m or around 6 storeys), which essentially means that the centre is well-located to accommodate density.
- 8.38 At present Miramar is not a town centre based on the economic metrics. However, Miramar, like Johnsonville and Kilbirnie, is a well-positioned strategic asset to facilitate density in the future given the efficiencies it affords the community from a regional perspective.
- 8.39 Given the above, I consider that Miramar Centre should align with the definition of a 'Town Centre' as outlined in the NPS centre zoning framework. Moreover, in my view, this 'Town Centre' hierarchy is particularly crucial considering the centre's challenges in maintaining its market position over the past 22 years (i.e., an employment decline of approximately 430 people). This means that further (higher density) opportunity and investment holds the potential to enhance the centre's role and function within the broader Region, optimising land use efficiencies in this strategic location.
- 8.40 **Newtown Centre (Larger):** Newtown Centre stands out in the wider Region due to the significant presence of Wellington Regional Hospital, which has resulted in a substantial employment base of around 8,330 people, setting it apart from most other 'Town centres' in the region. As a result, the centre's employment has a notable emphasis on commercial and community services. Furthermore, the centre is home to two supermarkets and a variety of food and

⁷ See <https://lgwm.nz/all-projects/miramar-to-city-connection/>

beverage stores, effectively meeting the retail needs of the neighbouring suburban communities.

- 8.41 Adelaide Road, a major transport route passing through the centre, offers convenient access to the central city. Newtown, itself, also serves as a key transportation hub, making buses the most common mode of transportation for residents commuting to work. Given its proximity to the City Centre and its strategic location, Newtown Centre is considered as the closest equivalent to a 'Town Centre' within the NPS centre framework. Wellington Hospital and surrounding support medical services, drawing people from across the region (employees, patients and visitors), entrenches this position further.
- 8.42 **Tawa Centre (Larger):** Tawa Centre, situated as the northernmost centre within Wellington City, is positioned just south of Porirua City and approximately 17km away from the Wellington City Centre. This centre spans around 4ha of land and comprises approximately 800 employment opportunities. It is primarily anchored by one New World supermarket located on Cambridge Street and benefits from rail connectivity, facilitated by a rail link and station (Tawa Rail Station) that are easily accessible by foot.
- 8.43 It is worth mentioning that the building height enabled under IPI within this centre is 27m, which means that the centre is well-located and already considered appropriate to enable greater density in its walkable catchment to contribute to a well-functioning urban environment. Therefore, in my view, the centre closely aligns with the characteristics of a larger 'Town Centre'.
- 8.44 **Waikanae Centre (Larger):** Waikanae Centre ranks as the second-largest commercial centre within the Kapiti Coast District, encompassing around 5.6ha of land along Main Road. It houses a variety of retail and commercial enterprises, and a popular community library. Over the past 22 years, the centre's employment base has remained relatively stable. Currently, the centre relies primarily on the presence of two supermarkets and does not encompass a diverse mix or extensive range of commercial, recreational, and community services or activities that cater to the broader regional market. The centre also has a rail connection improving access to the rest of the region. Therefore, from my perspective, this centre is most aptly categorised as a 'Town Centre',

aligning with its current level, scope, and breadth of businesses within the centre.

8.45 **Naenae Town Centre (Future Larger)**: Naenae Centre occupies a small land area of 1.6ha and operates as a relatively compact retail centre with a limited employment base (i.e., around 190 people), mainly consisting of convenience retail and community services such as a library, medical centre, and community hub. This composition indicates that the centre primarily serves the localised catchment of the surrounding suburb and, as a result, does not fall within the category of higher order commercial centres in the broader Region.

8.46 However, when the maximum building height enabled under the IPI (i.e., 22m or 6 storeys) is considered, higher density development is clearly considered appropriate and encouraged by Council. Whether this is realised or not will ultimately be up to the market to decide, but the '*town centre*' status would provide the opportunity for that to occur over time and sends the appropriate signal to the market whilst providing increased market certainty. Consequently, even though the centre's current role and functions do not align with those of a larger 'Town Centre' within the broader Region, its potential role in the wider Region's centre network justifies facilitating greater growth and development in the area. I consider it appropriate to provide the opportunity for Naenae to grow into a town centre in the future, particularly with its train station connection to the wider Region as well.

8.47 **Waterloo Town Centre (Future Larger)**: As with Naenae Centre, Waterloo Centre is a small centre situated in a central and easily accessible location within Lower Hutt City, covering an area of around 4.5ha. Although it features a limited employment base (i.e., around 250 people), the centre is directly connected to the Waterloo Train Station, which serves as a vital bus-rail interchange. This advantageous location is evident in the permissible building height allowed under the IPI, which is 22m or 6 storeys. Consequently, it is expected that future growth and increased density will be directed to this area, potentially elevating the centre's standing within the broader Regional context. However, it's worth noting that the current status of the centre does not categorise it as one of the more prominent commercial centres, such as town centres. This is a status focused on the future and providing that opportunity in a strategically positioned centre would represent improved economic efficiency and a more well-functioning urban environment.

- 8.48 **Mana Town Centre (Future Larger)**: Mana Centre, located within Porirua City, is a small convenience centre featuring a New World supermarket as its primary anchor tenant. It spans an area of approximately 5.4ha and houses a diverse array of retail and commercial services, including cafes, restaurants, a gas station, medical centre, real estate, and a supermarket, among others. The centre predominantly serves the convenience retail requirements of the local suburban catchment, particularly in Plimmerton and Camborne, as well as catering to holidaymakers in the vicinity. However, because of its overlap with the walkable catchment area of the existing train station, the maximum building height allowed within this centre under the IPI is set at 22m or 6 storeys, which closely aligns with the maximum building height permitted in larger urban areas like Waikanae Centre. This underscores the centre's potential for future expansion, with the prospect of advancing its future position within the broader regional centre hierarchy.
- 8.49 **Paraparaumu Beach Town Centre (Future Larger)**: Paraparaumu Beach Centre is a small coastal retail node situated to the northwest of the Paraparaumu main centre in Kapiti Coast, covering around 5.2ha of land. Currently, the centre employs just over 190 people, marking a decrease of around 80 people over the past 22 years, largely attributed to the impact of the COVID-19 pandemic over the last few years. This centre has a strong emphasis on convenience retail and food and beverage services, primarily catering to the local community and visitors. Given its constrained scope of business activities and low scoring economic metrics, I consider that the Paraparaumu Beach Centre is currently not positioned within the higher-order commercial centre hierarchy. Nevertheless, there is potential for it to expand in the future, driven by the higher urban density encouraged by the IPI in the area, where a maximum building height of 21m is permitted. A town centre status would assist facilitating this opportunity, albeit based on its residential rather than commercial potential.
- 8.50 **Raumati Town Centre (Future Larger)**: Raumati Centre, situated at the intersection of Raumati Road and Margaret Road within Kapiti Coast, encompasses an area of approximately 3ha. It currently provides employment opportunities for around 600 individuals, primarily attributed to the presence of the schools in the vicinity. The centre features small-scale retail and commercial activities that are not of a magnitude sufficient to serve a broader market beyond

the immediate residential base. As a result, the Raumati Centre is presently not considered forming the more prominent commercial centres in the broader Region. However, considering the maximum centre height (i.e., 21m) enabled by the IPI, there is potential for the centre to expand in the future, thereby elevating its relative position within the wider regional centre hierarchy. A town centre status would assist fulfilling that opportunity and Council's aspirations for residential density in the centre.

8.51 **Carterton Town Centre (Smaller):** Carterton Centre serves as the principal commercial hub within the Carterton District, situated along a single linear stretch on SH2. It covers an area of around 11.6ha and currently accommodates a limited array of retailers, featuring an appealing mix of supermarket, shops, eateries, and service providers, collectively providing local employment opportunities for around 680 people. The centre has demonstrated its ability to effectively cater to the local demand for retail and commercial services within the Carterton local community and surrounding rural environs given its continuous growth in employment (+170 people) over the last 22 years. In my opinion, the Carterton Centre is best classified as a smaller Town Centre, aligning with its current characteristics and role within the Carterton District and the wider Region.

8.52 **Featherston Town Centre (Smaller):** Featherston Centre is situated along SH2 and stands as the westernmost commercial hub within the wider South Wairarapa area, covering an area of around 4.7ha. In terms of employment, it lags behind other town centres in the broader Region with a total employment of only 164 people, predominantly catering to convenience retail and commercial services. Despite its relatively smaller employment base, Featherston has been identified suitable for transit-oriented development in the district's Spatial Plan and the Wellington Regional Growth Framework 2021 ("**WRGF**")⁸. This acknowledges Featherston's potential for growth and its strategic location to accommodate higher densities. The township also has a direct rail link to Wellington. Therefore, I consider Featherston Centre to be most closely aligned with the classification of a 'Town Centre' (Smaller) recognising its current role and function within the South Wairarapa market.

⁸ See Appendix 1 for Rapid Transit / Core Public Transport Network identified in WRGF.

- 8.53 **Greytown Town Centre (Smaller):** Greytown Centre spans around 5.8ha of land, positioned on the northern periphery of the South Wairarapa District. It functions as a smaller town centre, providing local employment opportunities for approximately 340 people. This centre offers a limited range of convenience retail, food, beverage services, and commercial offerings. Notably, it places a significant emphasis on food and fashion retailing, particularly along Main Street. Similar to Featherston, Greytown has been identified in the WRGF as a suitable location for transit-oriented development within the broader Region. Given its existing role and function, Greytown Centre is most appropriately categorised as a 'Town Centre' (Smaller) under the NPS centre framework.
- 8.54 **Martinborough Town Centre (Smaller):** Martinborough Centre is positioned in a relatively isolated location of the South Wairarapa District, spanning an area of around 7.2ha. This centre features two major anchor tenants, Mitre 10 and Four Square, in addition to an array of convenience retail establishments and food and beverage services. The absence of full-service supermarkets and department stores within the centre indicates that its primary focus is on serving the immediate local retail catchment. However, this township has a high number of visitors that inject a lot of economic activity into the centre boosting its status in the regional hierarchy. As such, Martinborough Centre is most closely aligned with the classification of a 'Town Centre' (Smaller) based on the NPS centre zoning framework, given its current characteristics and vital function in the market.
- 8.55 **Ōtaki Town Centre (Smaller):** Ōtaki Centre functions as a small commercial hub, providing employment opportunities for around 510 people within the Kapiti Coast local market. It encompasses an area of about 5.9ha and is primarily anchored by a Countdown supermarket. Additionally, it provides for a mix of convenience retail and commercial service activities along Main Street. In my view, the most fitting classification for this centre is 'Town Centre' (Smaller), as it reflects the present level, range, and extent of business activities within the centre. The township is above the northern urban fringe of the region and intensive development in this location would not represent consolidation of activity relative to other intensification opportunities available.
- 8.56 **Ōtaki SH1 Town Centre (Future Smaller):** Ōtaki SH1 Centre currently functions as a small retail and commercial node anchored by New World supermarket and discount outlet stores. This centre also adjoins SH1 and the

existing Ōtaki Rail Station to the immediate south, which is well-connected to the centre. Although the Ōtaki SH1 Centre is relatively small and currently hosts a diverse range of activities, it does not currently operate as one of the higher order commercial centres in the network. However, the future expansion of activities facilitated by the maximum centre height allowed within the centre (i.e., 21m or 6 storeys) under the IPI signifies that there is the potential for the centre to experience further growth in the future, ultimately advancing its position within the broader regional centre hierarchy. However its non-urban location means this should be smaller than other more efficient centres in the hierarchy to facilitate consolidation of activity.

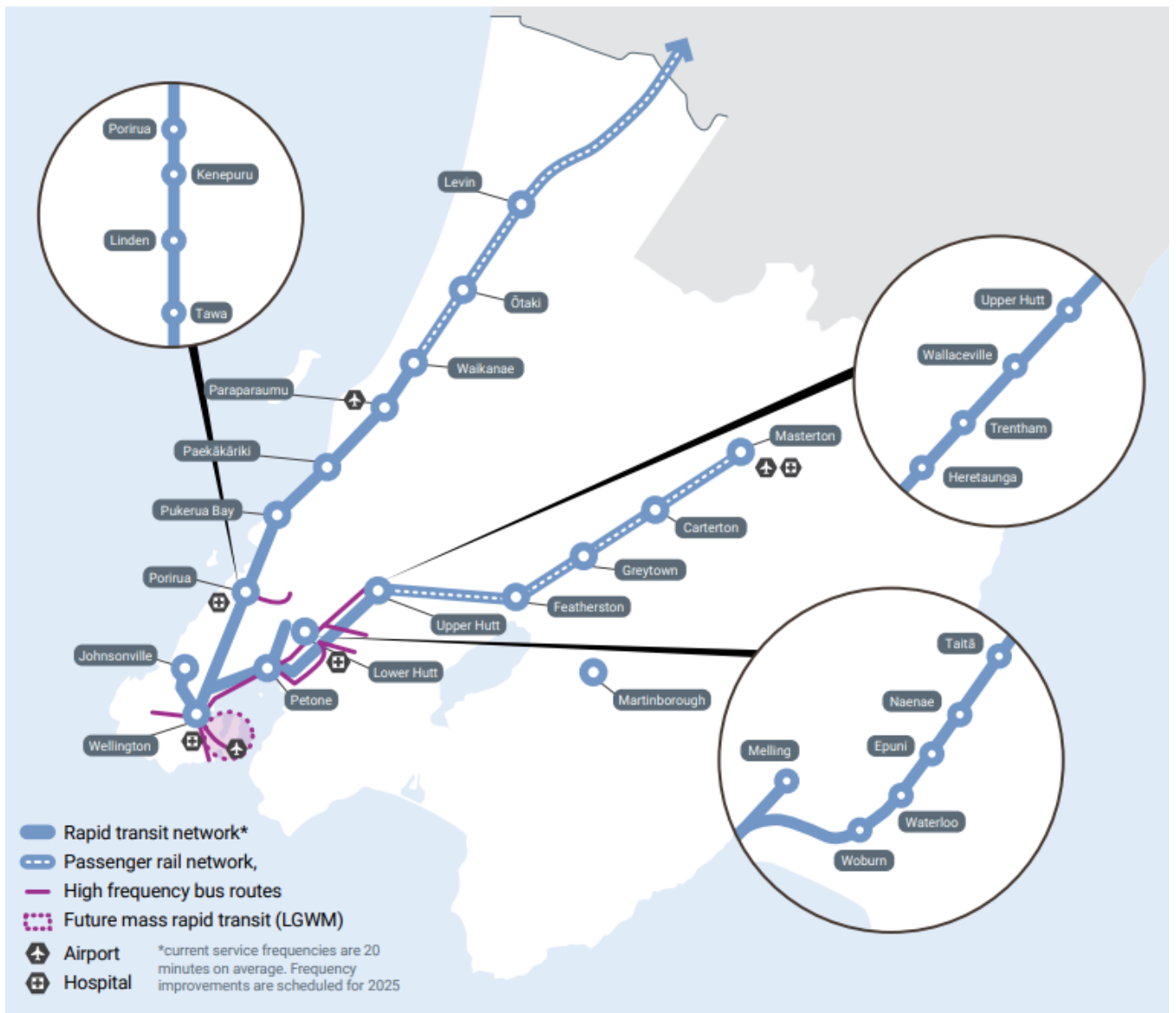
9. CONCLUSION

- 9.1 Kāinga Ora’s proposed centre hierarchy is considered the most appropriate for the Region. It reflects the current role and function of the key centres across the network, height enablement promoted through respective territorial authority IPI processes and identifies centre with opportunity to fulfil higher order functions in the future based on their strategic positioning within the region and ability to accommodate higher density development in the future.
- 9.2 Kāinga Ora’s proposed centre hierarchy also enhances land use efficiency, agglomeration benefits, transport and infrastructure efficiencies and amenity values of centres, whilst assisting the RPS achieve a more consolidated urban form.

Tim Heath

15 September 2023

APPENDIX 1. WRGF RAPID TRANSIT / CORE PUBLIC TRANSPORT NETWORK



Source: Wellington Regional Growth Framework, Page.44