

29 September 2023

By Email: regionalplan@gw.govt.nz

Attention: Freshwater Hearings Panel; Part 1, Schedule 1 Hearings Panel (the Panel)

Greater Wellington Regional Council
96 Cuba Street
Te Aro, Wellington 6011

Letter of feedback on the recommendations made in the Section 42A Report for Proposed Change 1 – Hearing Stream Four - Urban Development, Wellington Regional Policy Statement

1. Introduction

- 1.1 Stride Investment Management Limited (**Stride**) and Investore Property Limited (**Investore**) both made submissions on the Wellington Regional Policy Statement Plan Change 1 – Urban Development (**RPS Change 1**) on 14 October 2022.
- 1.2 The Section 42A Report for RPS Change 1 (**Section 42A Report**) was released on 4 September 2023 and the hearing for RPS Change 1 has been set down to begin on 2 October 2023.
- 1.3 Stride and Investore have opted not to appear at the hearing for RPS Change 1 – Hearing Stream Four but wish to provide joint written feedback to the Panel, largely in support of the Council Officer’s recommendations in the Section 42A Report relating to urban development.
- 1.4 For completeness, neither Stride nor Investore could not gain an advantage in trade competition through this feedback.

2. Background to Stride and Investore and the Johnsonville Metropolitan Centre

- 2.1 Stride Property Group is a group of companies and funds, including:
 - (a) Stride Property Limited (**SPL**), which manages one of New Zealand's largest diversified investment property portfolios, with a range of commercial office, retail and industrial properties.
 - (b) Equity Trustees Limited (also known as Diversified Property Fund) (**Diversified**), which is an investment property fund.
 - (c) Investore Property Limited (**Investore**), a commercial property ownership company that was established in 2015 for the purpose of investing in quality large format retail properties. Investore is the only NZX listed company concentrated on large format retail property assets. The value of Investore’s property portfolio across New Zealand is approximately \$1.1 billion.
 - (d) Stride Investment Management Limited (**Stride**) is a specialist real estate investment manager which currently manages the property portfolios of SPL, Diversified and Investore.
- 2.2 Stride and Investore’s investment strategy is to invest in a portfolio of places with ‘enduring demand’. These are places that attract the highest demand in all market conditions because they

meet the needs of tenants, their staff, their visitors and their customers. The attributes of properties that have enduring demand vary depending on the sector and the market but are a combination of accessibility, amenity, functionality and a value proposition that is compelling.

2.3 The Stride Property Group develops properties with a view to long-term ownership and, therefore, invests in its buildings to meet high quality, energy efficiency and design standards. As Stride and Investore continue to reinvest in their portfolio, they wish to ensure RPS Change 1 appropriately supports and enables urban development in locations that give effect to the National Policy Statement on Urban Development (2020) (**NPS-UD**).

2.4 Stride and Investore own and manage significant land within the Johnsonville Metropolitan Centre:

- (a) Stride manages the Johnsonville Shopping Centre which is owned by SPL and Diversified (50:50 share); and
- (b) Investore owns and operates the adjoining retail site at 91 Johnsonville Road, Johnsonville (on the State Highway 1 side of Johnsonville Road).

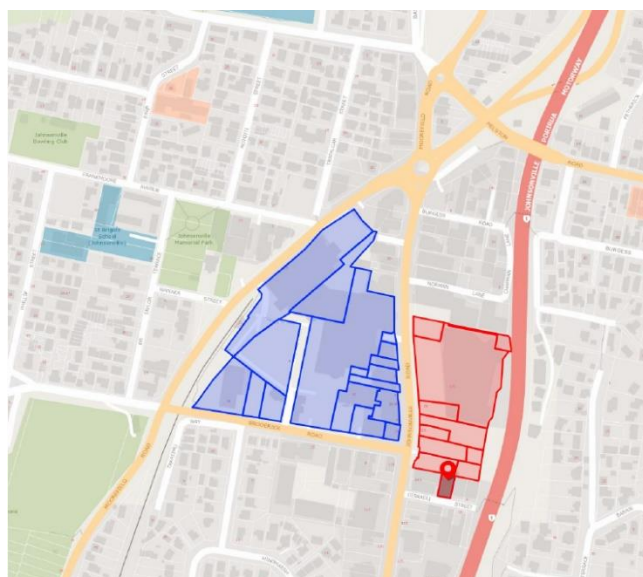


Figure 1: Johnsonville Metropolitan Centre showing Investore's Johnsonville Site (red) and Stride's Johnsonville Shopping Centre (blue)

2.5 The recognition of Johnsonville as a Metropolitan Centre is consistent with the scale, accessibility and range of services within the existing Johnsonville centre, and with Johnsonville's redevelopment potential as a major area of growth within Wellington City and the wider Wellington region.

2.6 Additionally, recognition of Johnsonville as a regionally significant centre is consistent with the creation of well-functioning urban environments in accordance with the NPS-UD because it will enable a variety of homes, will enable capacity for business, and will provide good accessibility between housing, jobs, and community services.

2.7 In addition, the transport infrastructure that serves Johnsonville both now and in the future can support the level of multi-modal demand anticipated in a Metropolitan Centre as proposed in the

Wellington City Proposed District Plan.¹ There are several key factors that support this perspective, including:²

- (a) The Wellington City Council, Waka Kotahi, Greater Wellington Regional Council, and Metlink have combined to provide significant transport improvements within and around the Johnsonville centre through the last decade, including roading infrastructure enhancements, new bus facilities directly adjacent to the Johnsonville rail station, new trains serving the rail station, and the provision of a shared path on Moorefield Road, and cycle lanes on Johnsonville Road to support active mode accessibility;
- (b) The Johnsonville Rail Line provides an established high frequency rail link to the CBD that is capable of competing with travel times by private car during peaks, and accommodating a material share of existing and forward travel demands to/from the Wellington CBD; and
- (c) The Let's Get Wellington Moving (**LGWM**) 'Johnsonville / Ngā Ūranga' corridor project aims to achieve mode shift for people travelling between Johnsonville and the CBD through enhanced bus and cycle connections, including improved access to bus stops and delivery of significant safety improvements for vulnerable road users along this route. These changes will further enhance public transport patronage and serve to support active mode travel between Johnsonville and the Wellington CBD.

2.8 Johnsonville is a Metropolitan Centre and Policy 3 of the NPS-UD directs that:

- (a) in Metropolitan Centre zones, building heights and density of urban form is to reflect demand for housing and business use in those locations, and in all cases building heights of at least 6 storeys (Policy 3(b)); and
- (b) building heights of at least 6 storeys within at least a walkable catchment of the edge of Metropolitan Centre zones (Policy 3(c)).

2.9 In the context of the NPS-UD as a whole, Policy 3 is important as it is a directive policy that requires the most intensification and development to occur within City Centre zones, Metropolitan Centre zones, walkable catchments of those centres and existing or planned rapid transit stops, and within or adjacent to other centres (in that hierarchy).

2.10 The NPS-UD directs intensification and development in these locations as this supports the other objectives and policies of the NPS-UD to create a well-functioning urban environment that:

- (a) enables more people to live in, and more businesses and services to be located in, centres, areas well-served by existing or planned public transport, and areas with high demand for housing or business use (Objective 3, Policy 1);
- (b) Improves housing affordability and enable a variety of homes (Objective 2, Policy 1); and
- (c) supports the reduction of greenhouse gas emissions, and is resilient to current and future effects of climate change (Objective 8).

2.11 The Wellington Regional Policy Statement (**RPS**) must give effect to the NPS-UD. It is also important that the RPS provides clear guidance for the lower order planning framework. We

¹ Mark Georgeson *Statement of Evidence on behalf of Stride Investment Management and Investore Property Limited for the Proposed Wellington City District Plan* dated 12 June 2023 at [18].

² Georgeson, above n 2, at [18(a) – [19].

address below changes recommended in the s42A report that are supported by Stride and Investore, and provide further comment where the RPS objectives and policies could better align with the NPS-UD or be clearer.

3. Support for recommended changes in the Section 42A Report

- 3.1 Stride and Investore's submissions on the Urban Development objectives and policies sought that RPS Change 1 was amended to enable an urban form in Metropolitan Centres that reflects the demand for housing and business use. In Johnsonville, this would reflect significant demand and intensification.
- 3.2 Additionally, Stride and Investore sought that Johnsonville be identified as a regionally significant centre, which would align with the identification of Johnsonville as a Metropolitan Centre in the Proposed Wellington City District Plan. This would recognise that Johnsonville is a commercial centre which supports the economic and social wellbeing of the Wellington community.
- 3.3 RPS Change 1 as notified proposed that Johnsonville would stop being referred to as a as a sub-regional centre.
- 3.4 In the Section 42A report,³ the Council Officer:
 - (a) recommends that Johnsonville is now included as regionally significant centre in Policy 30 to reflect its Metropolitan Centre zoning and makes specific reference to Metropolitan Centres in Policies 31 and 55; and
 - (b) recommends changes to the explanation of Policy 30 that records the benefits of a centres based regional form, and that district plans are required to identify these centres and include provisions that enable them to achieve their planned purpose and role.
- 3.5 Stride and Investore support the recommendation for the inclusion of Johnsonville as a regionally significant centre, the references to Metropolitan Centres in the RPS, and recognition of the role of centres in urban form:
 - (a) Stride and Investore agree with the analysis of Mr Owen Jeffreys where he recommends that Johnsonville is included as a regionally significant centre to reflect its Metropolitan Centre zoning under the proposed Wellington City Council District Plan. More specifically he noted that:
 - i. the approach should be to align the list of centres with the existing and proposed centres zoning in the city and district plans within the Wellington region;
 - ii. the identification of centres in the policy has a general approach of aligning regionally significant centres with the Metropolitan Centre zones and City Centre zones, whilst the locally significant centres align with the Town Centre zone; and
 - iii. that this amendment ensures that there is a consistent approach to the identification of regionally significant centres in the policy.

³ Mika Zöllner and Owen Jeffreys, Hearing Stream 4 Section 42A report, dated 4 September 2023.

⁴ Section 42A Report, above n1, at [749].

- (b) The proposed amendments to the explanation of Policy 30 appropriately address matters in the objectives and policies of the NPS-UD.
- (c) It is important that the RPS refers to Metropolitan Centre zones to provide consistency with the NPS-UD, and clarity with the directions in the NPS-UD.

4. **Amendments required to better give effect to NPS-UD or provide clearer direction to the lower order planning framework**

4.1 We consider that amendments are required to the following objectives, policies and reasons to ensure that the RPS gives effect to the NPS-UD, and that it provides better direction to the lower planning framework to also give effect to the NPS-UD. We have provided comments on the provisions rather than specific wording changes, so that they can be considered in the context of specific amendments sought by other submitters:

- (a) **Supporting intensification around rapid transit stops, but not along transport corridors** - There is a number of provisions in the RPS that support intensification along transport corridors (including Chapter 3.9 Introduction, Policy UD.4(a)(i),(iv), and Policy31(a)(ii), Policy 55(a)(2)(ii)). This is contrary to the direction in Policy 3 of the NPS-UD which requires intensification to be focused around existing or planned rapid transit stops. The references to “along” should be changed to “at or around” and “public transport corridors” changes to “rapid transit stops”.
- (b) **Better recognising the hierarchy of centres** - The NPS-UD clearly provides for a hierarchy of intensification, first in the City Centres, second in Metropolitan Centres, and then in other centres. However, the RPS is not clear on this hierarchy, and in many provisions, for example Policy 31(a)(ii) has provided the same direction for Metropolitan Centres and “areas with a range of commercial activities and community services”. Policy 55(a)(3)(iii) also lists the hierarchy of centres the wrong way, and should start with the City Centre.
- (c) **Some policies should not apply to considerations for resource consents within existing urban areas** – Policy 57 Integrating land use and transportation and Policy 58 Co-ordinating land use with development and operation of infrastructure, are proposed to apply to any consideration for a resource consent. However, the changes to these policies in RPS Change 1 are significant, and as now drafted address matters that are appropriate for consideration as part of a notice of requirement, plan change, or variation or review of a district plan, but would be onerous to apply to resource consent applications. Policy 57 and 58 should be amended to remove that they apply to “resource consent” applications.
- (d) **The role of centres in contributing to well-functioning urban environments** – Policy UD5 provides for a range of considerations to seek to achieve well-function urban areas. However, this policy does not recognise the role that intensification within centres play in supporting these outcomes. This should be specifically recognised in this policy consistent with Policy 3 of the NPS-UD to provide for the greatest intensification within the City Centre, Metropolitan Centre, within a walking catchment of those centres and rapid transit stops, and other centres.
- (e) **The definition of well-functioning urban environments** – It is proposed to define this term in the RPS. It would be better to refer to the definition in the NPS-UD rather than repeat this in the RPS.

4.2 We request that the Hearing Panel takes this letter into consideration when making their decision on this stream of RPS Change 1.

Yours faithfully

MinterEllisonRuddWatts

A handwritten signature in black ink, appearing to read 'Bianca Tree', with a long horizontal flourish extending to the right.

Bianca Tree
Partner

T +64 9 353 9784

bianca.tree@minterellison.co.nz

Reference: 201027549