



**Prepared for:** LGWM Partnership Board

**Subject:** Urban Development Delivery Report and Growth Plan Roadmap

**Impacted Project(s):** Urban Development and Transformational Programme

**Date:** 6 December 2023

**For:** Noting

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## PURPOSE

[1] Covering paper for the Urban Development Delivery Report and Growth Plan Roadmap.

## EXECUTIVE SUMMARY

- [2] The LGWM Partnership Board wanted greater certainty on how the urban development outcomes will be achieved in the Mass Rapid Transit (MRT) corridor before decisions on MRT mode and route are made in December 2023. It asked the Wellington City Council (WCC) to deliver this work.
- [3] The August 2023 Board meeting endorsed the development of an Urban Development Delivery Report to increase confidence in urban development and inform the Board's decision on mode and route in December 2023. It also endorsed the development of a Growth Plan Roadmap to specify the process and outputs of the Growth Plan.
- [4] The Urban Development Delivery Report explores scenarios and the associated risks and opportunities for the delivery of the enabling infrastructure and housing identified around the MRT route and eastern suburbs in the growth scenarios and Future Development Strategy (FDS).
- [5] Note that the Urban Development Delivery Report responds to the question raised by the LGWM Partnership Board in August 2023 and assumes that MRT is operational within the next decade.
- [6] The Growth Plan Roadmap outlines the approach and outputs of the Growth Plan to be delivered in 2024. This work will be delivered by WCC given their regulatory function as land-use planning authority, and close relationship between the Growth Plan and Spatial Plan and District Plan.
- [7] Note that the Growth Plan Roadmap assumes that MRT will not be operational within the next decade, but that it is delivered within the next 30 years.
- [8] The Urban Development Delivery Report and Growth Plan Roadmap will be taken to the 6 December 2023 LGWM Partnership Board meeting for their discussion and noting.

## RECOMMENDATION

*That the Partnership Leadership Team:*

- 1) **Notes the Urban Development Delivery Report and Growth Plan Roadmap**

## NEXT STEPS

- [9] This paper and the two attached reports will be tabled at the 6 December 2023 LGWM Partnership Board meeting for discussion and noting

## ATTACHMENTS

Attachment 1: Urban Development Delivery **(In Diligent Resource Centre)**

Attachment 2: Growth Plan Roadmap **(In Diligent Resource Centre)**



An architectural rendering of a modern urban development. The scene is viewed from an elevated perspective. In the foreground, a wide, paved plaza leads to a large, multi-level staircase with green grass-like treads. A prominent feature is a long, wooden truss bridge with a bright blue translucent railing that spans across the plaza. To the right, a modern, multi-story building with large windows and balconies is visible. The background shows a cityscape with various buildings, a waterfront area with a sailboat, and hills in the distance under a clear sky.

# Urban Development Delivery Report

Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Poneke



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# 1. Executive Summary

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Wellington City Council (WCC) and partners have the ambition, and the Mass Rapid Transit (MRT) catchment has the land, to deliver significant housing growth on brownfield sites. However, potential development sites are complex, requiring careful management of the challenges associated with fragmented land ownership and the coordination of infrastructure. In short, there are significant market failures, which mean that public sector intervention will be required to deliver 19,000 new homes over the next 30-years.

The LGWM Partnership Board asked for greater certainty on how urban development outcomes will be achieved in the MRT corridor before making decisions on MRT mode and route in December 2023. It asked that WCC deliver this work and in August 2023 the Board endorsed the development of this report and a Growth Plan Roadmap to specify the process and outputs of the Growth Plan.

Announcements by the incoming Government mean that MRT, and in particular light rail (LRT), is unlikely to be delivered in the near term. Nevertheless, to address the question set by the Board this report assumes that LRT is delivered approximately 5-years from today. The work that informs this report has value beyond a conversation about MRT, identifying tools that can leverage transport infrastructure

investment to deliver urban development. Both the sites and delivery approaches outlined in this report will be relevant to a recast Transformational Programme, particularly around the Basin Reserve. It should be noted that without MRT, delivering even close to 19,000 new dwellings in the corridor is out of the question as there will not be the stimulus or intervention required to enable the step change in urban form needed to accommodate this level of growth.

When considering our approach to an urban development delivery report, we were aware that despite the significant work which has been carried out to date, in particular the Corridor Development Framework, the urban development project is early in the decision-making process. The evidence base available to guide the delivery report is at a commensurate level of detail for this early stage of the process. We also recognise that while the Partnership Board is seeking confidence around urban development to inform its decisions on MRT mode and route, it is not the decision-making body for the urban development delivery models outlined in this report. Therefore, our approach and methodology has been to explore a series of development scenarios rather than set out a definitive implementation plan. Each of the scenarios demonstrates a viable

route to delivering 19,000 new homes which, in itself, should provide confidence in that growth is not reliant on a single way of delivering urban development.

The Corridor Development Framework (endorsed in February 2023) provided corridor capacity assessment and growth scenarios, precinct case studies, and an overview of urban development interventions. This report builds on that work with a focus on the areas that we consider will significantly influence the deliverability of urban development – land assembly, infrastructure, and delivery entities.

This report has been produced by WCC officers supported by several consultants. Jones Lang LaSalle provided research and analysis of the current Wellington market and future considerations for urban development. Strategic property advisory was provided by Frequency who helped develop the delivery scenarios and test these with developers and funders. They were supported by MTR Australia, who brought expertise in transport-plus-property models and transit-oriented development. Buddle Findlay provided legal advice on the tools and statutory levers available for land assembly as it relates to the scenarios.

Case study sites within the MRT corridor were used to test development delivery issues in a workshop format with partners, stakeholders and experts from

the private and public sectors. The outputs of the workshops were used to develop urban regeneration scenarios at the block and corridor scale. These were validated with executives from domestic and international developers, who articulated the specific challenges Wellington faces in attracting investment and delivering development at scale – and the conditions that would unlock investment and urban renewal. Findings included:

- Complementing MRT and the improvements in access to jobs and city centre amenities, the affordability of apartments will be a key driver for intensification along the route.
- Existing fragmented land ownership in the corridor cannot support the denser urban form required to achieve 19,000 new dwellings.
- Land assembly is therefore required, by private or public means. In the early stages of corridor development this is likely to fall to the public sector.
- How land is acquired and assembled is important and must be carefully considered, separating property acquisition for transport purposes and urban renewal will likely stymie development and lead to poor city outcomes.
- Addressing the infrastructure deficit in the corridor is a prerequisite for urban development.
- Further work is needed to understand the costs of infrastructure upgrades that support growth in a more granular manner to inform investment decisions and how upgrades could be phased to unlock development in the right places at the right time.
- The area around the Basin Reserve, from Vivian Street south along Adelaide Road to the Hospital, has the greatest potential for urban development, both in terms of quantum and improving place.
- Resources should be deployed to this area first to secure urban development outcomes, as this will have an outsize impact on the ability to deliver 19,000 new homes.
- The scale and number of project interfaces to be managed will require a public sector agency to achieve the urban renewal outcomes. This is likely to require the establishment of a Council Controlled Organisation (CCO) to act as an Urban Development Agency (UDA).
- Initial acquisition costs for site assembly will be significant and are not easily staged.
- Considerable capital will be required to fund the early stages of all scenarios before income streams from development or land sales become established.
- A mixed funding model will be required and will likely include commercial partnerships.
- None of the scenarios are a solution to market failure. Increasing public sector intervention to compensate will have diminishing returns. This is a residual risk that cannot be controlled for.
- Case studies and market engagement indicate that there will be strong market response, particularly where the public sector can package opportunities that are not available to private sector developers acting alone.
- Unless other asset classes are packaged with property it is unlikely that international developers will enter the market. The scale of opportunity would promote broad interest from domestic developers.
- The limited capacity of the market to absorb new dwellings lends weight to staging MRT so the development response can be geographically focussed and phased over time.

# 2. Context

## 2.1 Market & Viability Forward View

The delivery of Light Rail and the Transformational Programme would focus growth towards the LGWM suburbs. In this scenario, WCC has identified the need for approximately 19,000 new homes in the LGWM suburbs over a 30-year period to accommodate this growth. This would require a transformation of the urban form, underpinned by a significant densification of the Central City as part of a wider growth area; particularly in Te Aro and along the arterial transport corridors of Kent and Cambridge Terrace and Adelaide Road towards Newtown. Scope then exists for this to be supported by more limited intensification in areas such as Island Bay, Berhampore, Miramar and Kilbirnie (Figure 2-4).

### The Current Market

Residential rents and capital values have grown consistently over the past decade, becoming less affordable in real terms to residents of the capital. Between 2013 and 2023, median house prices in the growth area (Figure 2-1) increased from \$667,583 to \$1,067,545. This reflects a compound annual growth rate (CAGR) of 4.8%. Similarly, the median apartment price increased from \$293,500 to \$565,833 at a CAGR of 6.8% (Figure 2-1). Annual sales rates are the same today as they were then, but below their long-term average (Figure 2-2). From 2016 onwards, sales rates have slowed whilst prices have risen (Figure 2-3).

	2013	2023	CAGR
Median House Price	\$667,583	\$1,067,545	4.8%
Median Apartment Price	\$293,500	\$565,833	6.8%

Figure 2-1 Median House and Apartment Capital Values in 2013 vs 2023

	2013	2023	10 year average
Number of Houses Sold	535	413	542
Number of Apartments Sold	348	301	468

Figure 2-2 Median House and Apartment Capital Values in 2013 vs 2023

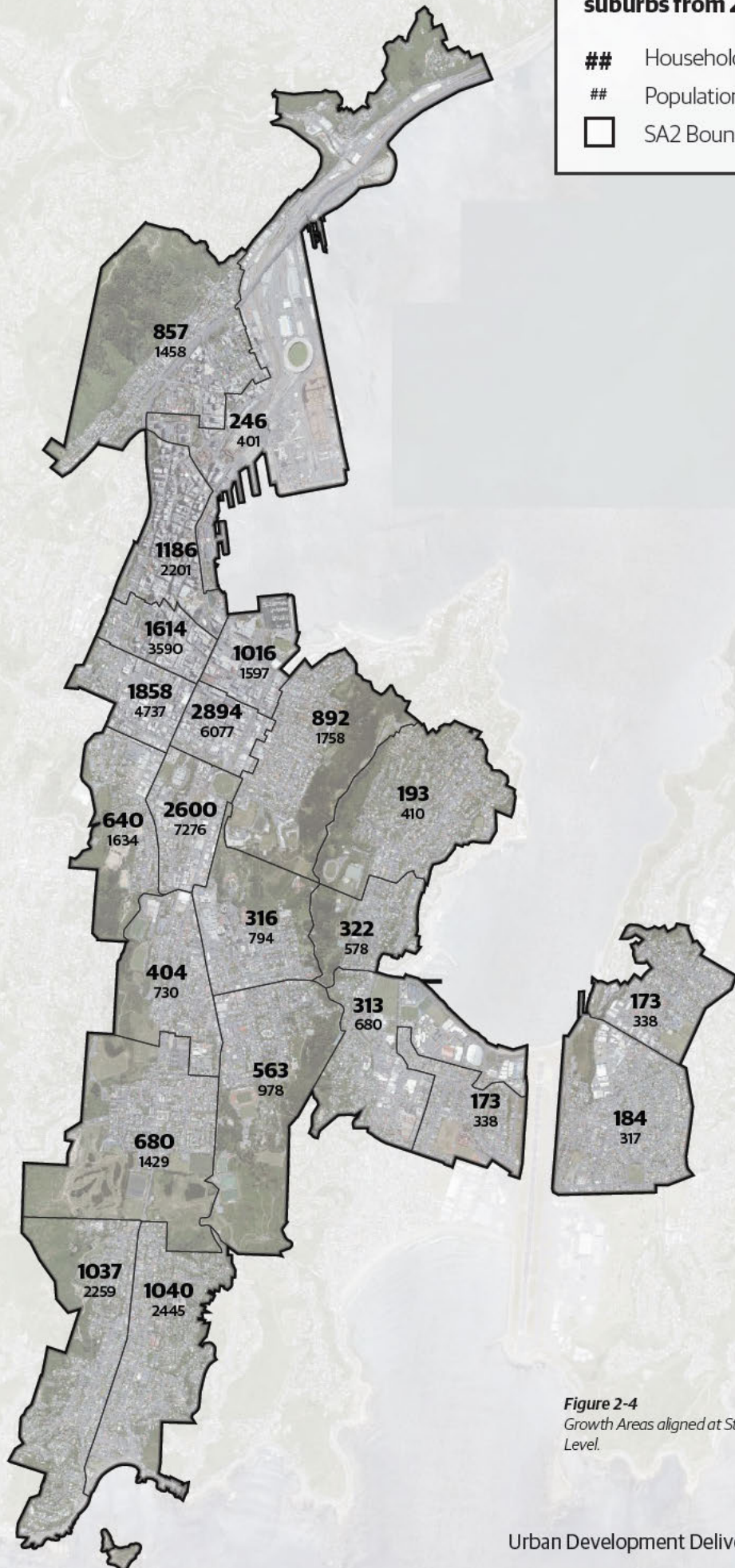


Figure 2-3 Median Sales Price Vs Sales Rate 2013-2023



**Forecast growth for LGWM suburbs from 2021 to 2051**

- ## Household Growth
- # Population Growth
- SA2 Boundary



**Figure 2-4**  
Growth Areas aligned at Statistical Area 2 (SA2) Level.

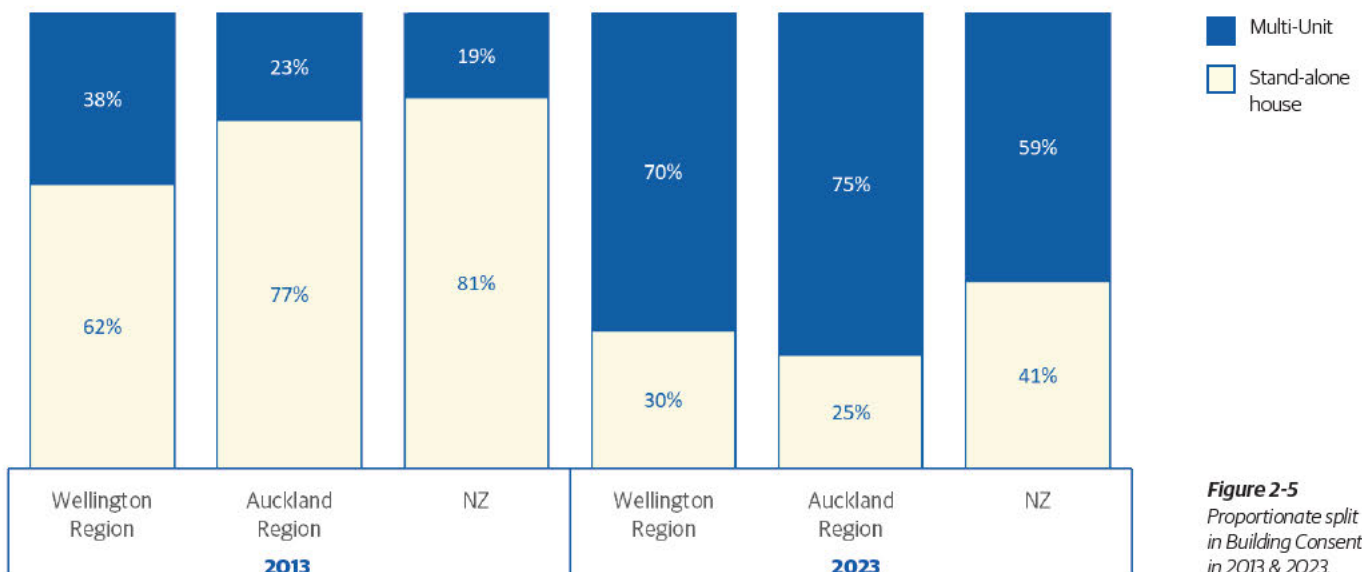
One significant shift in the market over the past decade has been the trend towards apartments and other multi-unit developments such as townhouses. This has increased notably as a proportion of newly consented homes and is reflective of a nationwide trend towards denser forms of living (Figure 2-5). In 2013, the majority of consented homes in the Wellington Region (62%) were stand-alone houses whilst 38% were in multi-unit schemes. By 2023, this had inverted, with 70% of new homes consented in the region being in a multi-unit format and 30% stand-alone. This may be reflective of shifts in both policy and demand. It also implies a growing familiarity amongst developers, contractors, owners and tenants with denser styles of housing.

The social significance of the shift towards apartments as the predominant form of new housing cannot be understated, particularly in the context of real terms affordability. The capital value of the median apartment in the growth area is approximately half that of the median house (53%). This makes apartments substantially more affordable than stand-alone houses. The median household income within the growth area is estimated to be \$134,486 per annum in 2023. If these earnings were taxed at 19.1% and 15% of pay was then set aside, it would take the median household 13 years to save a 20% deposit to purchase the median apartment and 20 years for the median house. If a commercial bank were willing to lend up to a multiple of 4.5 times household income, the median household in the growth area could comfortably purchase an apartment but

would be unable to acquire a home without a 40% deposit.

Price growth in the rental market is not significantly different to that in the sales market. Over the same 2013-2023 period, median house rents increased from \$485 to \$722 per week at a CAGR of 4.1% whilst the median apartment rent increased from \$463 to \$652 per week at a CAGR of 3.5% (Figure 2-6).

There are no signs that demand for housing in the capital is likely to reduce. Indeed, demographic change alone would, irrespective of whether the Council seeks to densify within the envisaged growth area, continue to underpin rents and values in the central city over the long term. StatsNZ's medium growth scenarios (which has a lower population growth projection than Land Use Scenario D and



**Figure 2-5**  
Proportionate split in Building Consents in 2013 & 2023.

does not include MRT) project a 16% increase in population to 2048 from immigration and natural change alone.

The CBD, which might loosely be defined as running from Thorndon to Te Aro, also serves an important function as a commercial office location; albeit with a significant shift in commercial character along the Golden Mile from Parliament towards the Basin Reserve and beyond. This deserves recognition because it comprises a core part of Wellington's regional offering in a functional economic sense. It also represents an opportunity for the capital in that it's the dense mixed-use character of compact cities which makes them such attractive places for residents to live, work and play.

The prime office market experiences high demand and low vacancy rates but is heavily focused along Lambton Quay. Prime office vacancy rates sit at around 5.3% for Q3 2023, with an average rent of \$655psm (Figure 2-7). Values are nonetheless markedly discounted for secondary stock in the office core, extending to Willis Street. Further reductions are then evident for accommodation in the Te Aro market, which has an average rent of \$312psm.

	2013	2023	CAGR
<b>Median House Rent</b>			
Average	\$485	\$722	4.1%
1 bed	\$326	\$459	3.5%
2 bed	\$430	\$647	4.2%
3 bed	\$535	\$794	4.0%
4 bed	\$619	\$962	4.5%
<b>Median Apartment Rent</b>			
Average	\$463	\$652	3.5%
1 bed	\$325	\$457	3.5%
2 bed	\$430	\$639	4.0%
3 bed	\$567	\$816	3.7%
4 bed	\$716	\$932	2.7%

**Figure 2-6** Median House and Apartment Rents by Rooms 2013 vs 2023.

Location	Average	Gross	Net
Prime	\$655	\$601	\$362
Secondary	\$398	\$365	\$211

**Figure 2-7** Wellington's Prime and Secondary office rents (Q3 2023).



## Future Considerations

The core consideration for most real estate development is whether the difference between Gross Development Value (GDV) and Costs, reflecting profit, is sufficient to justify the time, effort and risk required. In this regard, there are considerable challenges to the supply of new homes and workplaces in the present market.

Both residential and commercial markets are affected by the capacity of contractors to deliver at scale and pace as well as a continued and significant rise in build costs, un-helped by the simultaneous need to bring existing stock to higher seismic standards (the Meridian Building, completed in 2007, being an example). The Cordell Construction Cost Index (CCCI) records average build cost inflation of 4.5% per annum over the past decade nationwide, with a peak quarterly growth of 10.4% in Q4 2022. There are also spatial considerations in areas such as Courtenay Place and Te Aro where concerns exist around safety and the quality of public realm, which are reflected in pricing. For residential developers, the limited number of examples of high-quality, dense residential schemes makes the benchmarking for new-build apartments challenging, and high operating costs impact prices. In the commercial office sector, viability is heavily constrained by the cost of business rates and building insurance, which have increased considerably over time and added to the financial

burden which must be accepted by either landlord or tenant.

There are, nonetheless, solutions to help address many of these challenges. Advances in building technology are one potential response to capacity concerns in so much as modular housing can be fabricated off-site and assembled quickly by a small team where required. This has been done successfully elsewhere in New Zealand, such as the recent Tawera Group scheme for 61 homes at 22 Point Chevalier Road in Auckland which has evidenced the quality of construction by achieving a 6 Homestar rating. The curation of a high-quality downtown with a meaningful 'sense of place' is a further component which would support the viability of development within the growth area. Indeed, all measures which align with global trend towards more compact urban forms (such as green space, walking and cycling, and increased travel optionality) would contribute in one form or another to levels of demand.

Options for the Council to play an active role might include capital investment into place-based responses such as enhanced public realm, improved safety and cleaning. Some of these could be managed in partnership with local communities through initiatives such as Business Improvement Districts (BIDs). The coordinated zoning of land through plan-making would provide certainty to the market and there's scope to bring forward exemplars and larger

sites through interventions such as an Urban Development Authority (UDA). The Council could also use its wider powers to help reduce the cost burden and incentivise investment; such as offering business rates relief in defined areas where growth is encouraged. At the same time, it could advocate with national Government on behalf of the city against rising insurance premiums and seismic hazard ratings as well as in favour of the up-front investment into improved and additional public services such as schools and health care where new homes are sought.

One of the key components of the Council's approach to date has been support for a Mass Rapid Transit (MRT) scheme to come forward through the Let's Get Wellington Moving Initiative (LGWM). This would be in-keeping with wider trends in both a global and Australasian context to align upzoning and densification with improvements in infrastructure. Extension of Sydney Metro, for example, is set to realise 46 stations and 113km of track by 2030; with the stated objective of the emerging Northwest Rail Link Corridor being to create sustainable, well-connected communities close to jobs, transport and facilities (the first stage, between Tallawong and Chatswood, opened in May 2019). Similarly, the L2 Randwick Line and L3 Kingsford Line, completed in December 2019 and April 2020 respectively, have each been explicitly aligned with

upzoning and redevelopment, particularly along Anzac Parade.

The key consideration for any investment in infrastructure is invariably the funding; both in terms of up-front delivery costs and in an ongoing context. There are many successful examples of how this can be achieved around the world. The City of Portland, Oregon, as America's most successful scheme, used Tax Increment Financing (TIF), where infrastructure funds are borrowed against anticipated future receipts, to extend their Metropolitan Area Express to the main station, stimulating development of housing along a new tram line through upzoning and a mix of uses. In terms of on-going funding, Paris and other provincial French cities have also made considerable efforts to remove cars from their central areas where light rail has been introduced, with fares kept low and extensions supported by introduction of a Versement Transport (a 2.6% charge on the payroll of firms with more than ten staff; which funded 70% of regional transport in Paris in 2008). There is no reason, therefore, that Wellington should be unable to find a workable model by following the example of other cities.

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## 2.2 Planning

### Narrative

Wellington City is planning for population growth of 50,000 – 80,000 new residents over the next 30 years (20,000 – 32,000 new homes). This is in a wider context of planning for 200,000 more people and 99,000 more homes in the Wairarapa-Wellington-Horowhenua region.

The priority growth areas in Wellington City are the City Centre Zone, suburbs along the MRT and bus priority corridors to the south and east, Johnsonville, around Tawa Valley train stations, and Lincolnshire Farm. More than half of Wellington City's housing growth is planned for the urban areas served by MRT.

In the LGWM MRT and bus priority suburbs, the Proposed District Plan has increased the commercially realisable housing capacity by an estimated 109% to 22,672 new homes. The Proposed District Plan proposes expanding the City Centre Zone along Adelaide Road to John St and enables much taller buildings. High and medium density development is enabled in and around suburban centres along the MRT and bus priority routes. Policies and rules support mixed-use transit-oriented development. These provisions and development capacity may change a bit through decisions on Plan submissions.

Only some of the plan-enabled homes will be built though. Many landowners and developers choose not to, or are financially unable to, develop their properties to the full extent enabled. So, while the new district plan allows these houses in the planning rules, more enabling infrastructure and support for comprehensive transit-oriented development is needed to build 19,000 houses in the MRT and bus priority corridors.

Limited infrastructure capacity, especially 3 waters, creates a major reduction on this district plan capacity. Wellington City has ageing wastewater, freshwater and stormwater assets that need upgrading and expanding. Without this work, high density developments over 30 years in the priority growth areas will be limited. Planning is underway for other infrastructure to enable growth, for example: community parks, schools, and electricity. LGWM's transport infrastructure upgrades help support development through significantly increased capacity and quality of public and active transport.

A district plan change is planned after the MRT mode, route, stations, and funding are confirmed. The plan change will more precisely align the plan provisions with the confirmed MRT details. The Future Development

Strategy, Spatial Plan updates and MRT station precinct plans will guide these changes.

The changes may include:

- More high-density zones around MRT stations in Berhampore and Island Bay, and open space for new parks.
- Re-balancing of character housing protection precincts next to MRT stations that are suitable for intensification.
- Adjusting the specific controls (e.g. active frontages) to new transport lanes and lot layouts.
- Specific design controls for comprehensive transit-oriented development around some MRT stations.
- New walkway designations to extend walkable catchments to MRT stations and improve access.



This future district plan change can be done through one or a mix of:

- Consenting the State Highway Improvements/MRT project, if done as a Proposal of National Significance
- A stand-alone plan change process under Schedule 1 of the Resource Management Act 1991 (RMA): either standard or streamlined.
- A Specified Development Project (SDP) under the Urban Development Act, if Kāinga Ora partners with Wellington City Council (WCC) on major urban redevelopment along the MRT corridor.

The relevant strategic and regulatory planning documents for urban development in LGWM suburbs include:

- Draft Future Development Strategy (FDS) – released for public consultation 9 October 2023.
- Our City Tomorrow: [Spatial Plan for Wellington City](#) June 2021
- [Wellington City Proposed District Plan](#) July 2022, decisions due in March and December 2024.
- Wellington City [Long Term Plan](#) June 2021, due to be updated June 2024
- Precinct planning around MRT stations, scheduled once station locations are confirmed. The legislative basis of this planning has not been decided yet.

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## 2.3 Infrastructure

As mentioned above, infrastructure is one of the main constraints on long-term high-density development. Information within this section has been informed by the 'Enabling Infrastructure Masterplanning – Technical Note #1 (2023).

Three waters infrastructure (for drinking water, sewerage and stormwater) is the most critical, as the district plan and Wellington Water will not allow high density developments to be built in constrained areas without on-site mitigation, such as water tanks, sewerage retention tanks, or stormwater use/absorption. This mitigation can be expensive. The extra costs can make developments financially unviable.

Multi-modal transport infrastructure is also critical for medium and high-density urban areas to function without street congestion. The LGWM transport projects support increased urban density in the LGWM suburbs.

Other infrastructure investments are also important to create successful, well-functioning communities in medium and high-density areas: recreational open space, trees and 'green' infrastructure, school capacity, medical facilities, and community services such as local police, fire service, public toilets, community halls/spaces, sports facilities.

Some infrastructure investment is responsive to growth. Electrical line upgrades can be installed relatively affordably for "just in time" service growth. Services within existing buildings such as libraries and medical facilities can respond to urban growth and density over time. Other infrastructure needs to be in place to encourage and enable the urban growth. This infrastructure is difficult and much more expensive to retrofit once urban intensification has happened. Examples include sewerage and water lines, school capacity or new schools, local parks.

### **Three waters (drinking water, wastewater/ sewerage, stormwater)**

Wellington Water manages the City's three-waters assets, in coordination with three-waters assets in Lower Hutt, Upper Hutt, Porirua and South Wairarapa.

The City's three water assets are ageing faster than the rate of renewals. Approximately 43% of Wellington City's pipe network assets are due for renewal in the next 30 years. The extent and speed of urban growth is putting pressure on existing and future three-water infrastructure.

Growth studies on three-water renewals and upgrades have been completed for Tawa and

Johnsonville and are underway for the City Centre to Newtown area. Further growth studies are planned for the other City areas.

Wellington Water is sizing the replacement pumps, pipes and other assets for the 30-year population and business growth projected by Sense Partners and does not account for the additional concentration of growth expected around MRT stations. Most investments in three waters are to restore existing levels of service, rather than specifically enabling growth. More engagement with Wellington Water is needed to consider the impact of additional growth around MRT stations.

General material and labour inflation, and price rises from too many projects to limited contractors, has significantly increased upgrade costs. Fewer projects can be delivered within the capital delivery budget.

### **Drinking water**

Around 31% of the treated drinkable water collected from aquifers and storage lakes is lost through leaks before it reaches users. The lack of water meters makes finding leaks and prioritising fixes difficult and encourages inefficient water use. Regional policy requires more baseflow in streams and rivers for ecological functioning and Te

Mana o Te Wai. Combined, this means Wellingtonians are facing significant water restrictions during summer months and other dry periods. This has led to proposals for more water storage lakes.

### **Wastewater/Sewerage**

Wastewater assets are degrading and overflowing in places, sending contaminated water into the environment. Moa Point wastewater treatment plant is at capacity and at increased risk of not meeting capacity requirements and non-compliance, though the new wastewater sludge plant will improve the treatment and discharge of wastewater. Improving the wastewater networks to support water quality targets will take decades and significant investment.

### **Stormwater**

To ensure 10-year level of stormwater services against flooding risk is achieved, continued investment in initiatives to address existing flooding issues in Wellington is required. The Proposed District Plan introduces new permeable surface requirements, which will reduce the increase in stormwater flow over time. Stormwater treatment needs improvement to meet new regional consent requirements. This means that over the next 30 years, volumetric sizing and numbers of pipes is unlikely to need to increase to cater for growth. However, increased investment is needed to improve stormwater quality such as

'green' surface treatments, runoff absorption, trash collection.

### **Proposed investment in infrastructure**

The Council's Long-Term Plan (2021) has identified the following proposed priority investment in three water infrastructure relevant to the MRT suburbs:

- Maintenance services, including water supply leak repairs to reduce network water loss and more detection of faults in the network.
- Prioritisation of relevant asset renewals, including targeted upgrades in key growth areas.
- Completing the Omāroro water reservoir to accommodate urban growth and improve resilience after an earthquake.
- \$40 million in Wellington City's wastewater asset renewals, including on Taranaki, Wakefield, Victoria and Dixon Streets and Wakefield Terrace, and a new wastewater pump station in Inglewood Place (adjoining Taranaki St), to support population growth and allow wastewater re-routing when other upgrades are needed.
- Stormwater pipe renewals in the CBD including Hunter St, Jervois Quay, Hawkestone St and Molesworth St. These are renewals and do not increase stormwater capacity.





Other specific works for the water network will be required. Wellington Water is recommending water metering (demand management) and further water storage as part of this.

### Gap analysis

More work is needed from Wellington Water on how the three water network infrastructure constraints affect development capacity and urban growth, especially for the intensified growth scenario. The results of the growth studies in the Wellington CBD to Newtown areas should be able to refine the projects, timing and costs for infrastructure upgrades to enable this growth.

The southern and eastern LGWM suburbs will need their own capacity for growth studies to understand the three water constraints on urban growth in these MRT and bus priority suburbs.

### Transport

In LGWM suburbs, road corridors are already established. Traffic congestion increases when more homes and businesses are built and remain dependent on private cars. Road widths and intersections cannot be changed easily without expensive and disruptive purchase and demolition of existing buildings. Large multi-lane roads through existing urban areas are also bad for neighbourhood amenity, pedestrian safety, and local businesses.

Instead, transport infrastructure investment to support growth in these medium and high-density areas is focusing on better services and access for walking, cycling, buses and rapid transit. These modes use existing road space much more efficiently, so more people can get to their destinations easily. Private car access remains important for freight, people with disabilities, and when public and active transport is not available, slow or impractical for some trips.

Transport investments by the LGWM partners to cater for the expected growth in LGWM suburbs include:

- Better pedestrian crossings across roads, wider footpaths, seats and shelters, and trees/ greening to make walking more attractive and safer.
- A network of dedicated cycle paths and lanes along main routes into and through the central city to make cycling safer and easier for all age groups.
- Bus lanes and bus priority to reduce bus delays from traffic congestion, making public transport faster and more reliable.
- Mass rapid transit to move large numbers of people smoothly, reliably and quickly between transport and activity hubs and urban growth areas.
- Roading upgrades: a new Aotea Quay roundabout, separation of north-south and

east-west traffic at the Basin Reserve, and a new Mt Victoria tunnel to improve travel times and access for all modes including private vehicles.

### Electricity networks

Wellington Electricity (WE)'s southern network area serving the MRT suburbs is anticipating a 108% increase in demand over the next 30 years. Urban development as based on WCC Spatial Plan is only 30% of this growth. Greater demand is coming from the switch from petrol/ diesel vehicles to electric, and the switch from gas to electricity for domestic and commercial heating. WE expect 3.5% – 4.4% growth in electricity demand per year over the next 30 years.

Transpower is duplicating the Central Park 33 kV Grid Exit Point (GXP) for resilience and growth. This will be completed in 2026. The Kaiwharawhara GXP is expected to exceed sub-transmission capacity by 2024, but the medium-term approach is to shift the load to Ngauranga and monitor the growth.

WE is planning to spend \$2 billion over the next 30 years (increasing from \$32 million to \$72 million per year) on upgrades to meet this increasing demand. There are substantial upgrades in the first ten years to the Grid Exit Points and zone substations, including gas cable replacement, a new Newtown substation, new 33kV cables, and new offload feeders.

The low voltage network is at end of life in many parts of the southern network, so they are being renewed as needed to avoid unnecessary investment. WE is investing in diagnostic technology, training and monitoring to best time when renewals are needed. There is a rolling programme of condition assessments, asset replacement and renewals of distribution transformers and substation across the network.

### Communication networks

Ultra-fast fibre broadband was installed through the area by 2019. The copper communication network will eventually be decommissioned as people continue to migrate from copper to fibre. Chorus have an agreement with the Commerce Commission and Crown Infrastructure Partners that the network capacity will always exceed current and future demand by at least 5%. Data traffic is currently less than 70% of capacity so there is plenty of room for growth.

If network upgrades are needed, typically a per-dwelling charge is requested from developers to assist funding for the upgrade to service the new development. The main upgrade to fibre identified so far for the LGWM suburbs is a fibre feeder cable augmentation for the Miramar and Shelly Bay area. This is being reassessed now that urban development in Shelly Bay will be minimal. Later consultation should include catering for the

more intensive growth projections and how upgrades may be staged.

### Gas networks

PowerCo is the utility supplying piped natural gas in the MRT suburbs. New Zealand's emission reduction plan is working towards net zero carbon emissions. The government is preparing a Gas Transition Plan to outline the approach to 2023 and long-term to 2050. This is likely to include some switching from gas to electricity, but the Plan is also investigating the feasibility of replacing natural gas with hydrogen, biogas, renewable gas/LPG, or a combination of them.

Overall, the current trend is for fewer customer connections in the MRT suburbs. Gas infrastructure renewals are ongoing. PowerCo is projecting its capital expenditure to increase every year 2027–2033 to adapt the existing network to the needs of the future gas options (e.g. hydrogen, biogas, renewables) chosen. Consultation with PowerCo will be needed to understand the status of the gas network in MRT suburbs under an intensified land use scenario.

### Local parks

The Council has identified the Open Space and Recreation Parks investments<sup>1</sup> needed to serve the increased population density in LGWM suburbs over

the next 30 years. Draft long-term options for additional park space being considered by WCC are below. These may change through community consultation and Council Long Term Plan deliberations.

- City Centre (including Te Aro)<sup>2</sup>: Two new urban parks, double number of trees, 'green' 20 existing urban spaces.
- Mt Victoria: One new urban park, increase size of one existing park, improve connections.
- Mt Cook and Newtown: One new neighbourhood park, two new urban parks, increase size of three existing parks, new accessways.
- Island Bay: Two new neighbourhood parks, one new urban park, new accessways. Berhampore has sufficient recreation areas.
- Kilbirnie and Miramar: Two new neighbourhood parks, one new urban park (in/near Kilbirnie Metro Centre), increase sizes of two existing parks, and new accessways.

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<sup>1</sup> Sourced from Draft WCC Open Space Investment Acquisition Plan, August 2023. Its policy direction is not yet public. It contains other actions to improve the use and quality of existing parks as well.

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<sup>2</sup> Sourced from [Central City Green Network Plan](#), May 2022.

## Schools

Schools in the central and southern MRT suburbs will likely require an additional 9,070 m<sup>2</sup> floorspace (medium growth) up to 20,540 m<sup>2</sup> floorspace (high growth) over 30 years<sup>3</sup>. This will likely be a mix of redeveloping intensifying existing schools and building new ones. It may involve sharing community fields and play areas or co-locating in shared multi-storey buildings. The Ministry of Education is evaluating options to cater for this growth.

## Medical services

Medical services along the LGWM corridor are well catered for by services in Newtown and Mt Cook, with existing agglomeration encouraging new and redeveloped medical services (e.g. Regional Children's Hospital, Wakefield Hospital). Similarly, community and social services are already concentrated in Mt Cook, Newtown and Kilbirnie with new developments occurring (e.g. Whakamaru, and within Arlington and Rolleston social housing developments).

## Emergency services

More police will be needed, but this may be served within existing stations and centres. A new fire station may be required somewhere along the MRT route in a high growth scenario.<sup>4</sup>

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<sup>3</sup> Property Economics calculated this from Sense Partners population projections of school ages, school samples and Ministry of Education's tool to calculate space entitlement for each school and student.

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<sup>4</sup> Property Economics: LGWM Residential Capacity Scenario Assessments, January 2023.

## 2.4 Land Considerations

As the Corridor Development Framework (2023, p. 25-26) identified, land optimisation and acquisition, particularly close to proposed stop locations will be essential to delivering the required development capacity. Land assembly can be particularly difficult when redeveloping brownfield sites (existing urban areas). Most existing urban areas are in land parcels of differing sizes, ownership and uses. Projects need enough land in common ownership so a developer (or a group of owners working together) can:

- Make significant changes to urban form to create large-scale, purpose-designed, higher-density mixed-use development. This would

include new roading patterns, linkages to MRT, public spaces and infrastructure.

- Realise economies of scale.
- Re-package and redevelop the land and assets to improve their utilisation or performance and increase their public/private value. (This applies particularly to public land and assets.)
- Possible development areas may also have strategic sites that could unlock the area's full potential because of their location (e.g. near an MRT stop), size (e.g. large supermarket or car parks), or use (e.g. disused or under-utilised commercial land).

Wellington's urban structure and land ownership can be traced back to the New Zealand Company's 1840 Town Plan (Figure 2-8), which set out a structure of town acre parcels (around 0.4 hectares), designed for investment and easy subdivision. A series of ambitious land reclamation projects in the later part of the 19th Century saw the creation of further small land parcels.

This history has had an enduring impact on our urban landscape. Today, the planned street network is largely retained, and the boundaries of the town acres remain, but the parcels have been significantly subdivided – some individually owned; some Council and institutional land; and



Figure 2-8 [Plan of Early Wellington by the New Zealand Company dated 1840'](#)



Figure 2-9 Overlay with current parcels



some medium sized commercial landowners. When we look to plan for 19,000 new homes and associated urban development it becomes clear that the ownership structure significantly constrains large scale urban development.

### Scales of land ownership

Land ownership parcels which could allow for significant density can be put into categories of small (0.08 - 0.15 hectares); medium (0.15 - 0.5 hectares); large (0.5 hectares +). (Figure 2-10)

As a rule of thumb, 800m<sup>2</sup> is the minimum site size required to build to the Te Aro height limit of 42.5m in the Proposed District Plan. This is driven by the ground floor spatial requirements of 10-12 storey buildings, including core size, access, plant, and servicing requirements. As Figure 2-11 demonstrates, there is a good distribution of sites of this size. However, many will not be able to be developed as taller buildings as they are constrained by adjacent buildings (privacy, daylight, access, amenity value etc.), limiting the overall density that can be achieved. These constraints, along with other market factors, mean that plots have been (and will continue to be) developed at lower heights and densities than is permitted by planning controls. There is an opportunity cost for urban development goals in each underdeveloped site, in the direct sense through underutilisation, and because it becomes increasingly

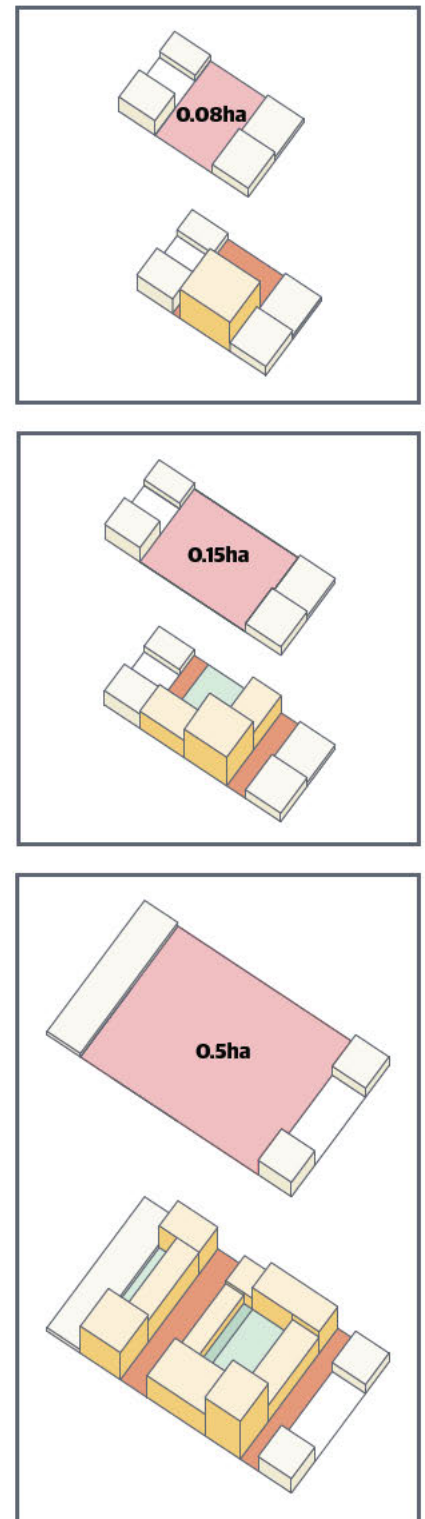
unviable to assemble development sites in the future.

Sites of at least 1500m<sup>2</sup> allow for flexibility through design to deal with some of these constraints without compromising future development on adjacent sites.

Significant densification of the Central City, a requirement in delivering 19,000 new homes in the transport corridor, will need to be underpinned by the development of larger sites (>5000m<sup>2</sup>).

These sites will allow for the delivery of different typologies (e.g tower, dual aspect linear block, townhouses), creating greater choice in the housing market. Amenity space and ancillary uses can be more easily integrated – for example in pocket parks, rooftops, podium parking, primary healthcare and private gardens. It also allows for development to better respond to its context – for example reducing height adjacent to a heritage building; or working with topographical constraints effectively to achieve good design outcomes.

In assessing the development capacity of the corridor, medium and large sites were tested against several key criteria, including site utilisation; environmental resilience; cultural and social value; connectedness; and previous mandates for growth set out in the Spatial Plan. More information on this is set out in Chapter 5.



**Figure 2-10**  
Development potential of various sized sites

Within a 10-minute walking catchment of the MRT and bus priority to the east, approximately 90 parcels are over 0.15ha and 30 are over 0.5ha.

### Corridor Characteristics

Geographically the large privately owned sites (above 0.5ha) are located around Pipitea, Te Aro, Kilbirnie and Miramar. Those in Pipitea and Miramar are largely industrial and associated with movement of goods. Tai Hekenga Ltd, on behalf of Port Nicholson Block Settlement Trust manages several sites in Pipitea including those occupied by several institutional buildings. Sites in Te Aro and Kilbirnie tend to be medium sized commercial landowners which accommodate big box retail and commerce.

Newtown has several medium and large parcels adjacent to Riddiford Street, dominated by medium sized commercial landowners and not for profit organisations. The outer suburbs of Island Bay, Berhampore, Strathmore and Hataitai are characterised by small private landholdings predominately single dwellings of 1-2 storeys; and do not meet the size threshold. The Tenths Trust and quasi-public land holdings dominate the large land parcels in Berhampore.

There is an absence of large privately owned sites within the key growth areas of Kent and Cambridge Terraces and Adelaide Road.

The limited number of parcels that meet the medium and large land parcel thresholds is the primary barrier to a densification and the reason why land amalgamation and intervention, by private or public means, is required to meet the target of 19,000 new homes.

### Adelaide Road

As an example, on the corridor, Figure 2-11 shows the land holdings (based on contiguous ownership) which meet the size within the area surrounding the basin. To the north of the basin there are several large landowners – Top of Tory Limited, Moore Wilsons Limited and Museum of New Zealand Te Papa Tongarewa Board. Several parcels between 0.15-0.5ha are currently in use as car dealerships.

To the south of the basin, large parcels (above 0.5 ha) are limited to Crown land occupied by Massey University; Woolworths Newtown supermarket and the adjacent vacant site, which is currently on the market. Medium sized parcels accommodate some commercial uses, with the remaining parcels below 0.15ha being small businesses and single Dwellings.

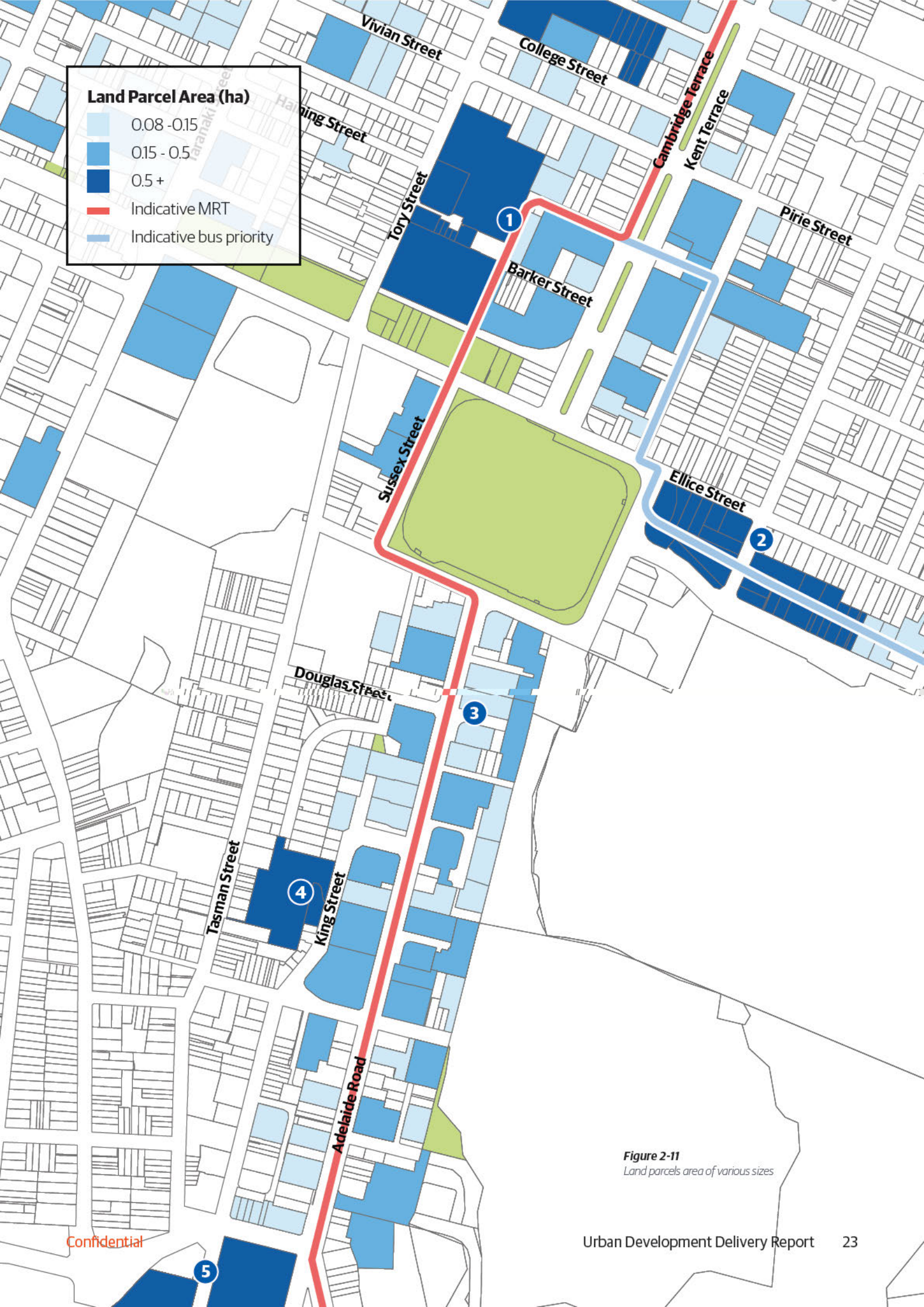
1. Large landowners and implementation of an MRT provide opportunity for high quality, high density development

2. Waka Kotahi and The Roman Catholic Archdiocesan Property Trust Board own significant sites on Paterson Street

3. Parcels along Adelaide Road are small and medium (less than 0.5 hectares).

4. The Crown Estate owns a big parcels which accommodates Massey University buildings





**Land Parcel Area (ha)**

- 0.08 - 0.15
- 0.15 - 0.5
- 0.5 +
- Indicative MRT
- Indicative bus priority

Figure 2-11  
Land parcels area of various sizes

## **Wellington City Council (WCC) Owned Sites**

The importance of public sector land holdings in urban regeneration should not be under-estimated – Wynard Quarter was underpinned by Auckland Council owning 25ha (See Chapter 3). Although WCC is the largest landholder in Wellington, only a small portion is potentially developable. Importantly, WCC is particularly land poor in the two areas identified to deliver the largest portion of the 19,000 new homes – Kent & Cambridge Terraces and Adelaide Road. Similarly, Greater Wellington Regional Council does not own developable land within the corridor.

Most of the Council's parcels across the city are public open space and community buildings. The Town Belt is the largest of WCC's land holdings - 520 hectares of land held in a Trust by WCC under the Town Belt Deed 1873. Other significant Council land includes Wellington Zoo, sports facilities in Kilbirnie, Te Ngākau Civic Precinct, Pukeahu Park, Basin Reserve and some City Housing sites.

Despite large landholdings, the majority of the WCC's land is safeguarded for shared community uses that will be in even greater demand as Wellington grows. Some potential development sites may be constrained by resilience risks – sites in Rongotai, Te Ngākau and the Wellington Waterfront (managed by a council-controlled organisation) are impacted by sea

level rise and ground conditions. 11 Council owned sites meet the site selection criteria and are larger than 0.15ha; only 3 larger than 0.5ha. These include sites operated by the Council's Community Housing Provider. There is a potential role to intensify these, but given most are in residential use, the net gain will be limited.

## **Other large public sector landholdings**

There are several public sector and publicly funded institutions with significant landholdings. The Crown owns several sites which accommodate the Parliament, Wellington Central station and ancillary uses, and several schools, university space and green spaces. Massey University and Victoria University own several parcels within their respective campuses – although many of these are not within 10 minutes' walking catchment. Waka Kotahi own land adjacent to key transport corridors, notably around the Basin and along State Highway 1 to the west of Te Aro and in Kilbirnie. Other key landowners include Centreport and Hospital NZ who own the land for their use. While there may be potential for parcels to intensify and for their own function, there is limited opportunity for these parcels of land to contribute to meeting the City's housing need.

Kāinga Ora has a significant number of small sites providing public housing and have been actively purchasing land along the corridor. These sites are spread

across Berhampore, Newtown, Strathmore, Kilbirnie, south-west Te Aro and Thorndon; and consist of old and new housing stock. Despite Kāinga Ora actively planning for many of their sites, they are not able to act at a scale that could significantly contribute to delivering the 19,000 new homes; and their existing context often limits the density they can build at.

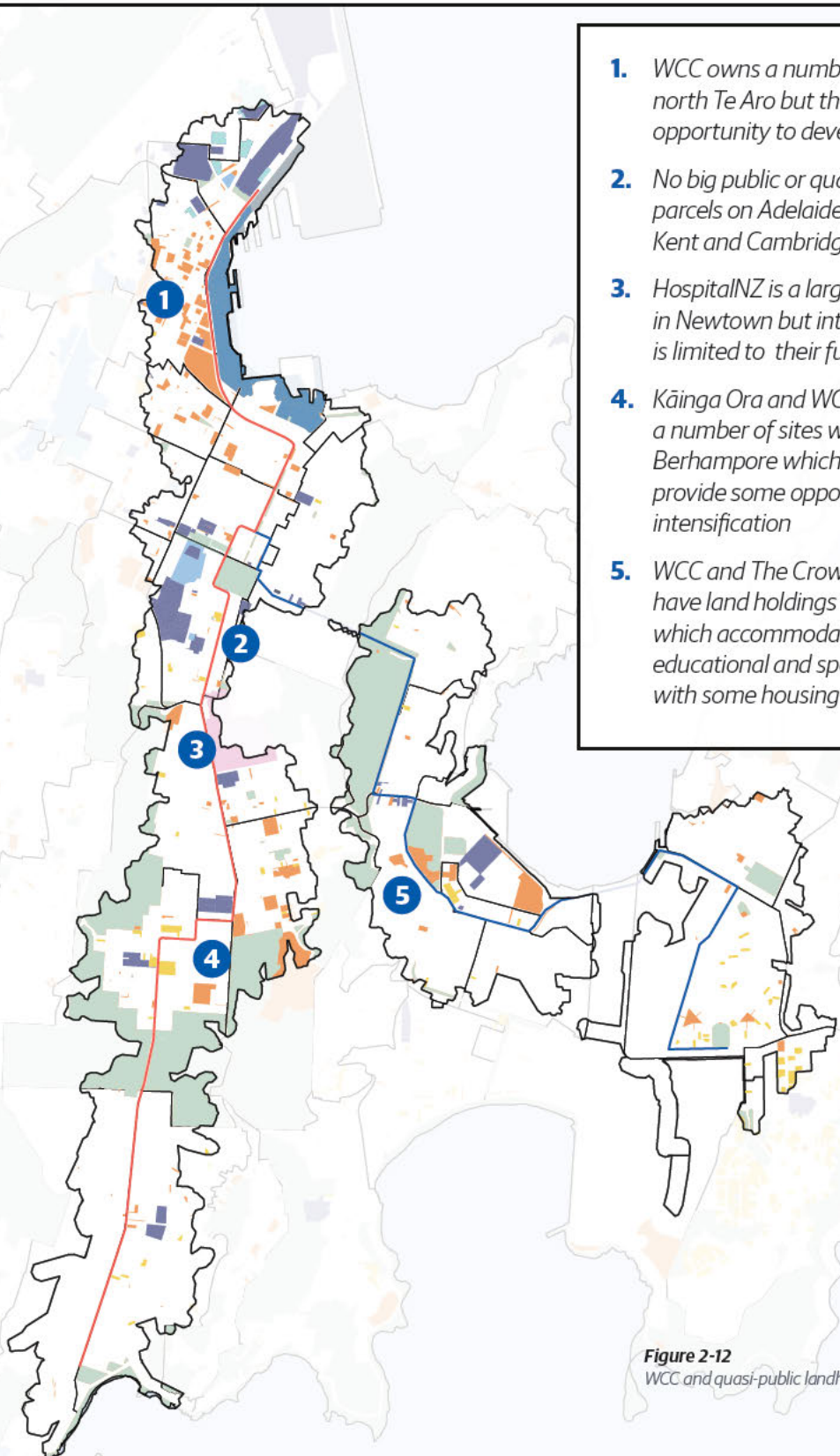
In conclusion, land parcels within the areas of high growth, including Kent & Cambridge Terraces and Adelaide Road are predominately small and medium scale, and in private ownership. When we consider the scale of urban development needed to meet the City's growing population and provide good city outcomes, land assembly through private or public is a pre-requisite.



**Land Ownership**

- WCC owned
- Town Belt, Parks, Reserves (WCC owned)
- Wellington Waterfront Ltd (CCO)
- Univeristy land (Victoria & Massey)
- Centreport

- The Crown Estate
- Kāinga Ora
- Hospital
- 10 minutes walking catchment
- Indicative MRT
- Indicative bus priority



- 1.** WCC owns a number of sites in north Te Aro but there is limited opportunity to develop
- 2.** No big public or quasi-public parcels on Adelaide Road; and Kent and Cambridge Terrace
- 3.** HospitalNZ is a large landowner in Newtown but intensification is limited to their function
- 4.** Kāinga Ora and WCC own a number of sites within Berhampore which could provide some opportunity for intensification
- 5.** WCC and The Crown Estate have land holdings in Kilbirnie which accommodate educational and sports uses, with some housing.

**Figure 2-12**  
WCC and quasi-public landholdings



## 3. Case Studies

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To understand how we might deal with some of the issues discussed above, relevant case studies have been drawn from. Case studies are pertinent to urban renewal including land aggregation and approaches to contracting with the private sector in Auckland; together with a case study from the current Sydney Metro programme in New South Wales, Australia.

### 3.1 Wynyard Quarter

#### Size

37ha

#### Entity

Eke Panuku

#### Location

Auckland, New Zealand

Wynyard Quarter comprises approximately 37 ha. of public and private sector owned land.

Of this Auckland Council holds c.25 ha. of land managed by the Council Controlled Organisation (CCO) Eke Panuku.

Eke Panuku, the city-wide urban development entity for Council, is responsible for the long-term redevelopment of Wynyard Quarter as mixed-use precinct encompassing residential, commercial, marine and tourism activities over a 30-year timeframe

There has been strong focus on masterplanning, place making and activation from the initial stages of redevelopment planning in 2008/9 and this continues to be a key focus. Investment by Council in required infrastructure and public realm has led the progressive development of new buildings undertaken by the private sector

The first stage of development was delivered 2011 and included a seawall rebuild, provision of horizontal infrastructure, and development of the North Wharf 'restaurant' precinct with short life buildings expected to be redeveloped in a 10-year timeframe.

Subsequently Eke Panuku packaged and offered to the market two main development parcels targeted to attract Tier 1 developers from either offshore or domestically. From this process Eke Panuku partnered with 2 major New Zealand developers, one to deliver commercial office development of c.48,000 m<sup>2</sup> in several stages; and the other to deliver staged development of c.500 apartments (overall apartment numbers in the order of 1,500 dwellings including future stages)

Development Agreements set out various design and development requirements and milestones to be met by the developers with land paid for as it is progressively drawn down for development. "Use it or lose it" conditions are provided for if development is not progressed as agreed, or otherwise varied, over time.

Several other sites within Wynyard Quarter have been separately let for a range of uses including the initial commercial development of the ASB bank new headquarters, the new Auckland Theatre development, hotel, and marine/maritime uses

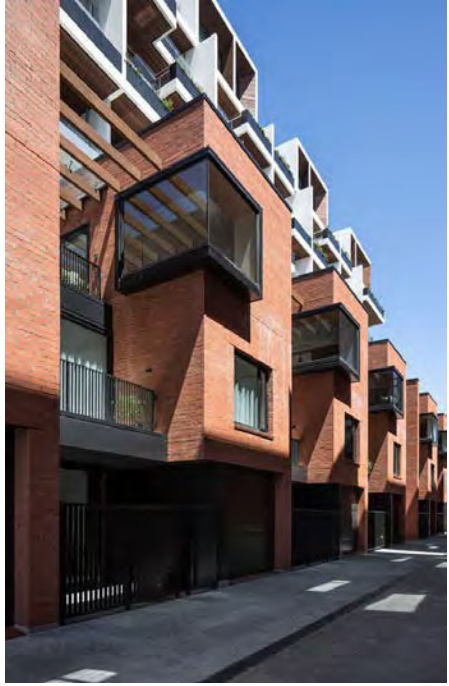
Significant development of the privately held land within the wider Wynyard Quarter has occurred responding to the catalyst effect of the overall precinct development lead by Eke Panuku

The original North Wharf 'short life buildings' are now up for redevelopment with an RFP process currently underway

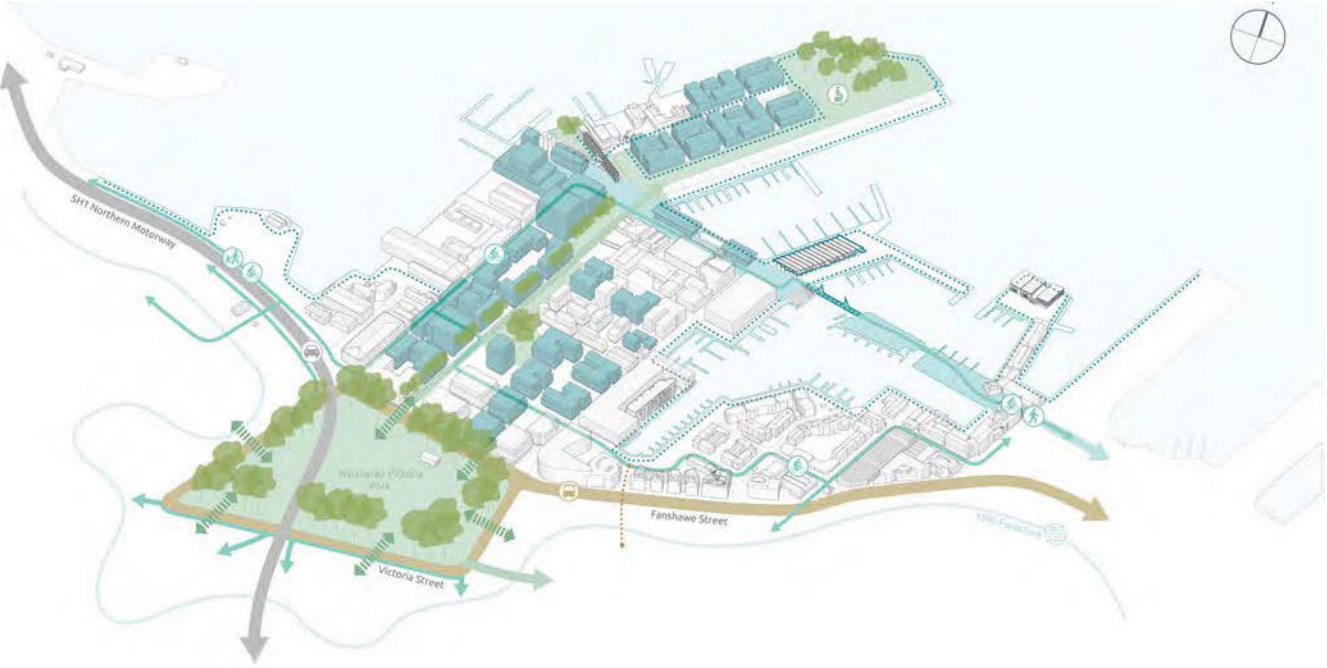
Long term Wynyard Quarter is expected to provide for 25,000 workers, 3,000 residents



**Figure 3-1** 3 layers of Buildings: Daldy Pavilions, Mews Houses, Artisan Apartments



**Figure 3-2** Mews Houses



**Figure 3-3** West Waterfront Auckland City Centre Masterplan

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## 3.2 Northcote Town Centre

### Size

5.0ha

### Entity

Eke Panuku

### Location

Auckland, New Zealand

The Northcote Town Centre project comprises c.5.0 ha gross/3.1 ha net of land owned by Auckland Council,

Kāinga Ora is a significant adjoining landowner, other key private sector owners including a supermarket own large holdings adjacent to the town centre

Whilst Council owned the underlying freehold interest in the land, the town centre holding had previously been disaggregated by the sale of a large number of perpetual leasehold interests in the land, with subsequent multiple occupancy leases then attaching to such leasehold interests.

Eke Panuku, as the urban renewal entity for Auckland Council initially undertook area wide master planning in conjunction with Kāinga Ora and subsequently developed a predominantly residential but mixed-use town centre reference master plan.

Bulk infrastructure/storm-water management upgrades have been undertaken to enable future development and a 'greenway' connecting the wider community, the town centre, schools, and Kāinga Ora land holdings completed in conjunction with Kāinga Ora and Healthy Waters.

Eke Panuku has undertaken a compulsory acquisition programme

under an 'Urban Renewal' purpose to re-amalgamate the multiple leasehold titles and to buy-out occupancy leases. In total 25 leasehold interests were acquired and buy-out of 90 occupancy leases undertaken. There were no challenges to the process and all acquisitions were completed by agreement.

Pre-planning has taken 3-4 years and acquisition a further 2 years – in total 5-6 years to date

The project is now going through a market engagement process, initially by way on an EoI and then subsequently by a short-listed RFP process to select and then negotiate an overall town centre development agreement with a single developer/consortium.

A new town square and community facility forms part of the renewal project to be delivered by the selected development partner

There is ongoing wider public realm and open space development by Eke Panuku in conjunction with Kāinga Ora.





Figure 3-4 Northcote Town Centre artist impression by Isthmus



Figure 3-5 Northcote Town Centre artist impression by Isthmus

### 3.3 Transport orientated development in Australia

Australia has undertaken a substantial transport infrastructure program across all transport modes including Light Rail and Metro.

Sydney Metro is a great example of a development authority that has evolved over time to transition from solely transport focused outcomes to placemaking projects incorporating a transport element. The placemaking teams have been resourced to manage the desired outcomes and now both transport and placemaking teams share a common goal. This transition is summarised below:

#### Sydney Metro Northwest (Transport only)

- Significant investment in infrastructure assets through undeveloped areas
- Organic, market led development of surrounding property
- Placemaking outcome focus by client and government

#### Sydney Metro City & Southwest (Precinct intervention)

- x6 Over Station Developments (OSD) included with Transport investment offset
- Developer and Market led - only 2 will increase housing
- Placemaking outcome focus by client and government

#### Sydney Metro West (Precinct and focused housing intervention)

- Large parcels of land available + consortium packaging adjacent land
- Competitive procurement process undertaken
- Specific Placemaking body created to compulsory acquire, master plan, initiate base case design and usage mix, initiate planning approvals, procure developers and integrate into the rail network
- Placemaking approach is outcome led
- Market conditions have reduced commercial GFA viability
- Example of Government intervention to significantly increase housing on transport backbone and maximise return on capital investment



Figure 3-6 Artist impression of Hunter Street Metro Station



Property value uplift along the new Sydney Metro route is shown in Figure 3-7. The dark green section represents an average of 31% greater property value uplift compared to surrounding areas. In Castle Hill there has been total capital growth in the order of 72%..

Where Metro services act a transport backbone, light rail services act as a feeder service or an end of journey services. Property results in Australia show that a Light Rail transport mode has a similar effect on property value uplift – see Figure 3-8.

**Sydney Light Rail – 12km & 19 stops**

- Circular Quay/George St. is by far the most popular usage area - non-residential, transport rich and possibility of 10-minute walking distances for most journeys
- Good example of CBD route that connects multiple transport modes and acts as an end of trip or walking alternative

**Canberra Light Rail - 12km & 14 stops**

- Patronage is as per business case – 15,000 trips per day
- Line selection based on housing stock growth outcomes

**Newcastle Light Rail – 2.7km & 6 stops**

- Opening year patronage was almost double business case (3400 vs. 1800 daily)
- 23% increase in total public transport

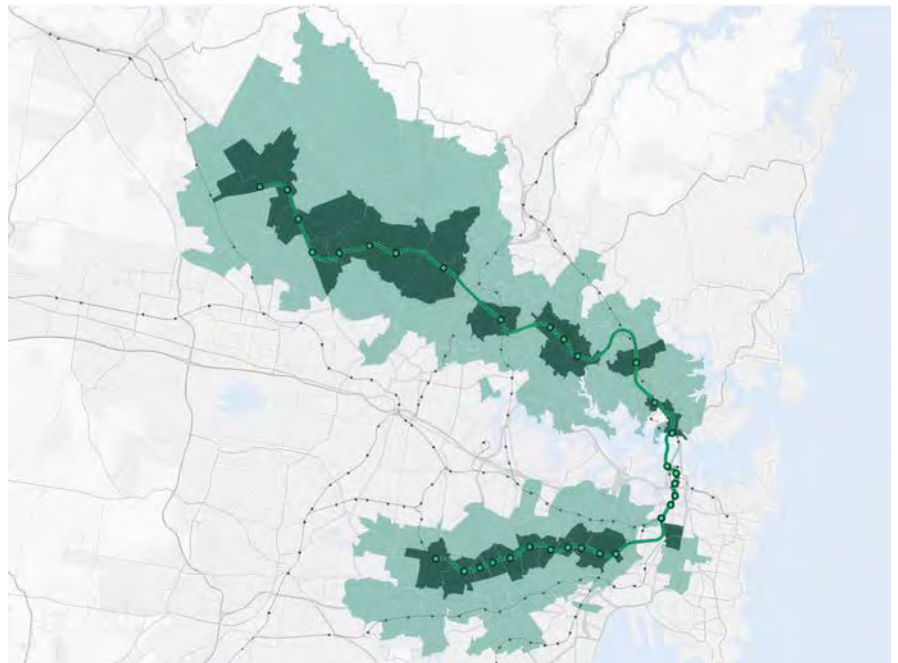


Figure 3-7 Growth of Sydney’s Metro suburbs compared to surrounding suburbs

Project	Property value uplift on transport route vs. surrounding areas
Gold Coast Light Rail	30%
Canberra Light Rail	21%
Newcastle Light Rail	17%
Sydney Metro	31%
Melbourne	0-3.5% increase in immediate vicinity of LX removal

Figure 3-8 Property value uplift from transport projects

# 4. Work Done to Date

A series of milestones and commitments have informed where we are today and the direction of this report.

## 24 June 2021: 3.2: Approval of 30-year Spatial Plan

Agree that Council will seek to get the agreement of Kāinga Ora to develop at least one Specified Development Project through under the Urban Development Act 2020 to facilitate more affordable and sustainable housing.

## 6 July 2022: Item 2.2 Let's Get Wellington Moving: MRT/SHI Preferred Programme Option

Endorse the working objectives for LGWM urban development to guide collective cross-agency work on urban development within the Mass Rapid Transit corridor catchment with a particular focus on delivering affordable and public housing set out in in Attachment 5 to this report. These objectives are listed in Figure 4-1.

## 6 July 2022: Item 2.2 Let's Get Wellington Moving: MRT/SHI Preferred Programme Option

Endorse LGWM on behalf of partners, including mana whenua, preparing a proposal for a Specified Development Project with Kāinga Ora, noting that LGWM will report back to partners with final recommendations on a Specified Development Project proposal.

Note that the cost of purchasing and consolidating land parcels and delivering community outcomes around Mass Rapid Transit stations as part of facilitating comprehensive urban

### Urban Development Objectives

Type	Objective	Measure
Enabled growth target	Land use controls and infrastructure upgrades help enable 18,000 to 21,000 new homes to be built within 10 minutes' walk of MRT stations over the next 30 years	Forecast dwellings WCC Housing Model (updated May 2022)
Intervening to facilitate homes	LGWM partners facilitate between 2,000 to 5,000 new homes to be built near MRT stations (total across the corridor) over the next 30 years where the market would not otherwise deliver them to scale, pace, quality	Informed by City to Newtown Corridor Development Plan
Assisted/affordable housing	Assisted and affordable housing is encouraged and where appropriate developed in the project area to give opportunities to live in affordable, accessible, good quality housing.	Informed by Proposed District Plan settings/WCC
Public and social housing	Public and social housing is facilitated to meet targets and settings in Kāinga Ora and WCC plans	Informed by Proposed District Plan/Kāinga Ora Plans
Māori housing and papakāinga	TBC with iwi partners (eg, commercial opportunities, Māori housing, papakāinga) - work commencing with PNBST and Ngāti Toa	TBC
Quality environment	New public spaces, retain or improve recreation, health, education, social services particularly in proximity to MRT stations	4.95 m2 p.p. public urban green space
Quality buildings	Commercial and residential buildings actively facilitated by partners have low embodied carbon, are energy efficient and are accessible	Rated at least 3-star Lifemark and 8 Homestar (for homes) and 4 Green Star (for commercial)

Figure 4-1 Lets Get Wellington Moving Urban Development Objectives

development and intensification are not included in any option or programme costs but will be subject to ongoing work including through the Detailed Business Case phase.

Endorse the expressions of collective and organisational commitment agreed by cross-agency partners associated with LGWM work on urban development set out in this report.

The commitments are listed in the left side of Figure 4-2, with progress made on these commitments on the right side.

<b>Agreed commitment by LGWM partners on urban development</b>	
<b>LGWM expressions of commitment</b>	<b>Progress towards meeting the commitments</b>
<b>The parties involved in LGWM cross-agency work on urban development have reaffirmed their commitment to continue working together to progress the urban development opportunity.</b>	
Advance LGWM as a regional priority, supporting the work occurring through the Wellington Regional Leadership Committee on Complex Development Opportunities (CDOs), noting that the LGWM Courtenay to Newtown section of the corridor has been confirmed as one of seven regional CDOs.	The Future Development Strategy retains LGWM projects as a regional priority, now called 'Priority Development Area'.
Support public announcements on the preferred MRT option.	On 29 June 2022, the Transport and Infrastructure Ministers announced the preferred MRT option with public notices and interviews of support from the council partners.
Contribute resources (staff, expertise, funding) to a working group to develop a Corridor Development Plan throughout 2022 and associated business case for urban development.	The Corridor Development Framework was completed in January 2023 and endorsed in February 2023. From there, the responsibility for business cases and growth planning for urban development around the MRT was returned to WCC.
Continue to partner to advance the LGWM urban development mahi at LGWM Board, Urban Development Steering Group and Working Group levels including on developing a proposal for a Specified Development Project (SDP) under the Urban Development Act	This urban development delivery report is the latest update to the LGWM Board. The SDP proposal has not been developed yet.
<b>There are a number of actions/commitments sitting with individual organisations in support of LGWM urban development mahi, including for example:</b>	
For Wellington City Council: notify the Proposed District Plan, including giving effect to the NPS-UD and MDRS (and varying the District Plan as MRT stops are confirmed) and ongoing work associated with redevelopment of WCC sites, Te Kāinga and Community Housing Provider opportunities	The Proposed District Plan is notified, applying the NPS-UD and MDRS. This report identifies potential district plan changes around MRT stops. Redevelopment of WCC sites and partnerships for housing are ongoing.
For Greater Wellington Regional Council: Varying the RLTP to include MRT stops when confirmed	MRT stops are not confirmed yet, so will be incorporated in a later RLTP review.
Kāinga Ora – with the LGWM partners will (where appropriate) align and share investigations and studies that the parties are commissioning in Central Wellington to avoid duplication and replication of work in supporting the Corridor Development Plan and work on an SDP proposal	Kāinga Ora and LGWM partners are sharing studies and reports where relevant to corridor development and a future SDP.
Ministry of Housing and Urban Development – provide strategic and policy input into the development of the business case for the MRT corridor with a particular focus on the urban development tools and affordable housing opportunities	The urban development business case has not started yet.

**Figure 4-2** Agreed commitment by LGWM partners on urban development

## Wellington City Spatial Plan Action Plan (2022):

### Actions relating to urban development along MRT/key public transport corridors

#	Action	Who	When
1.1.1	Ensure higher density residential and commercial development is concentrated in the Central City, and in and around suburban centres and public transport corridors.	WCC	Short term
1.1.2	Enable increased housing density and commercial development in the intensification areas identified in the Spatial Plan and on key public transport corridors	WCC	Short term
1.1.3	Enable good quality mixed use development within suburban centres that are supported by public transport.	WCC	Short term
1.1.5	Work with Kāinga Ora, Ministry of Housing and Urban Development, iwi and other housing providers to improve alignment and coordination of planning and investment to unlock priority areas for housing development (including key opportunity sites) identified in the Spatial Plan.	WCC, partnering with Kāinga Ora, Ministry of Housing & Urban Development, iwi, other housing providers	Ongoing
1.2.4	Facilitate place-based planning processes with local communities and mana whenua where medium to high density development is planned, including identifying values and key principles for consideration to help manage future growth and change.	WCC, local communities, mana whenua, other parties as relevant	Short-medium term
1.3.1	Develop and implement a long-term prioritisation and investment strategy focussed on the upgrade and establishment of three waters infrastructure, including green infrastructure and methods for reducing the City's water consumption, to support the city's housing growth priorities identified in the Spatial Plan and improve environmental outcomes. Regularly review this strategy in conjunction with the Council's 3-yearly Long-Term Plan process and the long-term Infrastructure Strategy.	WCC with Wellington Water Ltd and other infrastructure providers as relevant	Short term & then Ongoing (review every 3yrs)
1.3.2	Review and update the Development Contributions Policy to ensure contributions are appropriately set to provide necessary infrastructure that supports growth and development.	WCC	Short term & then Ongoing/regular review
1.3.3	Work with the Ministry of Education and Ministry of Health to ensure that the identification of new schools, healthcare facilities and/or additional capacity requirements are informed by the city's projected population growth rate and associated growth locations.	WCC with Ministries of Education and Health	Short term & Ongoing
1.3.5	Investigate the use of alternative funding and financing tools to accelerate infrastructure delivery to support and enable the city's growth and the priorities identified in the Spatial Plan.	WCC	Short term
2.1.6	Support the introduction of a mass rapid transit system through Let's Get Wellington Moving (LGWM) programme that connects the Wellington rail station to the southern and/or eastern suburbs.	WCC and LGWM partners	Short-medium-long term
5.1.2	Undertake precinct planning of identified areas of change, including around the future mass rapid transit stations, to support higher density mixed-use urban development, and quality public spaces. Integrated transport planning around the mass rapid transit stations will also be included.	WCC and LGWM partners	Short - Medium term

Figure 4-3 WCC Spatial Plan Action Plan urban development related objectives



## Corridor Development Framework

### Endorsed in February 2023

This Framework sought to understand the urban development potential that could be realised within the MRT corridor. It included an updated housing capacity assessment which tested different growth scenarios based on levels of government led intervention; and understood what the quantum and distribution of growth could be. Case study sites in key locations explore how these areas could change and the degree of investment needed. The Framework points to the facilitation of growth as being critical at unlocking catalyst sites in the MRT precincts and stimulating earlier development. This report builds off this Framework.

## Joint Wellington City and Greater Wellington councillor workshops

### 5 April 2022:

- Update on LGWM and Council work on urban development
  - Test your comfort with how we are taking the work forward
  - Urban development objectives and commitments - Is there anything else you would like to see reflected here to better reflect what your Council is doing to contribute towards the objectives?
  - Specified Development Project (SDP) - Is there anything else you would like to see reflected in this mahi?
  - High Land Use scenario and assessment of the options against 'Liveability'
  - Timeline and milestones from here
- Scene setting briefing
    - The Inspiration - inspiration from other cities and experts
    - View of international development themes
    - Examples from other cities introducing MRT into a dense brownfield context
    - Holistic people centric development – this includes both hard and soft infrastructure to support housing growth (commerce, schools, office retail, community)
    - Examples of where growth have amplified community outcomes, equality, diversity and economic benefits
  - Wellington in 10, 30 and 50 years
  - Density – what do we really mean – facts and figures / examples... breaking it down so we get a common understanding of what the decided growth figures mean

### 24 May 2023:

- Intro – why are we here today – where have we come from and what we will be working on the next 18 months (previous decisions and regulatory requirements in UDA)
- Vision – a City of Impact
- The opportunity – Wellington models – interactive
- Different ways of stimulating urban development to achieve desired outcomes – learnings for other strategic urban developments.

# 5. Approach

## 5.1 Workshop Methodology

The approach taken in this Urban Development Delivery Report has been underpinned by an understanding of how 19,000 homes could be realistically delivered along the corridor. This work will be refined next year, as set out by the Growth Plan Roadmap.

To understand with a level of confidence how 19,000 new homes will be delivered along the corridor a methodology was developed to understand what sites could come forward for urban development and what the appropriate density on them would need to be. This process informed the scenarios taken forward in this report.

First, we considered development capacity at a corridor wide scale (MRT and bus priority). Each parcel within a 10-minute walking catchment of the proposed transport infrastructure was assessed against a series of criteria.

This included:

- Using Geographic Information System (GIS) tools and professional judgement to understand site utilisation and purpose.
- Assessing parcels based on cultural and social value.

- Understanding the resilience risks and environmental impacts of intensifying parcels.
- Working with the surplus land parcels which may be left as part of the transport infrastructure implementation.
- Incorporating previous mandates for growth set out in the Spatial Plan.

Once a catalogue of parcels was identified, a pragmatic approach was taken to cluster them into significant development sites. These sites then had a density matrix applied to them, assuming a masterplan would be needed for each site to achieve high-quality, high-density development. Density typologies included making assumptions on efficiencies, form, and mix; and an understanding of what levels of density might be appropriate for the City's growth. Through an iterative process, these density typologies were applied based on professional judgement, proximity to proposed transport infrastructure stations and context.

Applying density typologies to the identified significant development sites informed our understanding that there is sufficient land available but for the 19,000 new homes and complimentary uses to be delivered land amalgamation and intervention will be required. From this process, we were

able to extract three case study areas which formed the basis of a workshop with leaders from key organisations. From the described method, we were able to prorate the 19,000 homes onto the three case study sites.

Workshop participants were invited as they will be key stakeholders in the design and implementation of urban development. This included representatives from Let's Get Wellington Moving, Ministry of Housing and Urban Development and Kāinga Ora (see Figure 5-1). Within this workshop three typical significant development sites were assessed against varying levels of delivery intervention. Sites were chosen as case studies as they are typical of the corridor - in relation to land ownership structures; constraints and opportunities; and impact of the proposed transport infrastructure. Sites included around [REDACTED] and in the key growth areas; but will require different forms and approaches due to their circumstances.

The workshop was organized to critically analyse how the three sites could be delivered to provide good city outcomes; and how this contributed to corridor wide change. Workshop participants were given a brief to plan and

discuss how one could deliver the desired homes with tools set out in low, high, or maximum intervention scenarios. Workshop participants generally agreed that an Specified Development Project (SDP) for the corridor(s) could be a useful mechanism to deliver the desired urban development and transport outcomes; and to deliver on the 19,000 new homes it would be reliant on investment in land and MRT infrastructure.

Outputs of this workshop underpinned the testing and refinement of the scenarios developed in Chapter 6. Considering how the case studies tested in the workshop would apply to the rest of the corridor, specialists (Frequency and MTR) developed scenarios and sort to understand requirements of acquisition, funding and the development and organisational approach needed. These were tested, both domestic Tier 1 and international developers. Legal advice was also sought, particularly to inform land assembly assumptions. This process was used to refine delivery scenarios which form the basis of this report.

Name	Title	Organisation
Rebecca Maplesden	Partnership Director	Ministry of Housing and Urban Development
Kim Kelly	Programme Director	Wellington Regional Leadership Committee
Anna Harley	Urban Regeneration Specialist	Place Collective
Peter Nunns	Director	Economics at New Zealand Infrastructure Commission
Amy Kears	Urban Development Manager	Let's Get Wellington Moving
Adam Nicholls	General Manager Programmes	Let's Get Wellington Moving
Jonathan Manns	Head of Strategic Advisory & Head of Wellington	JLL
Dave Mitchell	Principal Spatial Planner	Kāinga Ora
Paul Kos	Principal Advisor - Urban Development Delivery	Ministry of Housing and Urban Development
Richard Te One	Trustee	Wellington Tenths Trust
Phil Peet	DBC Business Case and Economics Lead	Let's Get Wellington Moving
Liam Hodgetts	Chief Planning Officer	WCC
Vida Christeller	Manager City Design	WCC
Paul McCorry	Manager Housing Development	WCC
Peter Croft	Team Leader City & Centres Regeneration	WCC
Martin Udale	Property Advisory	Frequency
Gordon Baulch	Senior Manager - Rail + Property	MTR Australia
Jonathan Barry	Partner, Funding & Advisory	Frequency

**Figure 5-1** Workshop attendees list

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

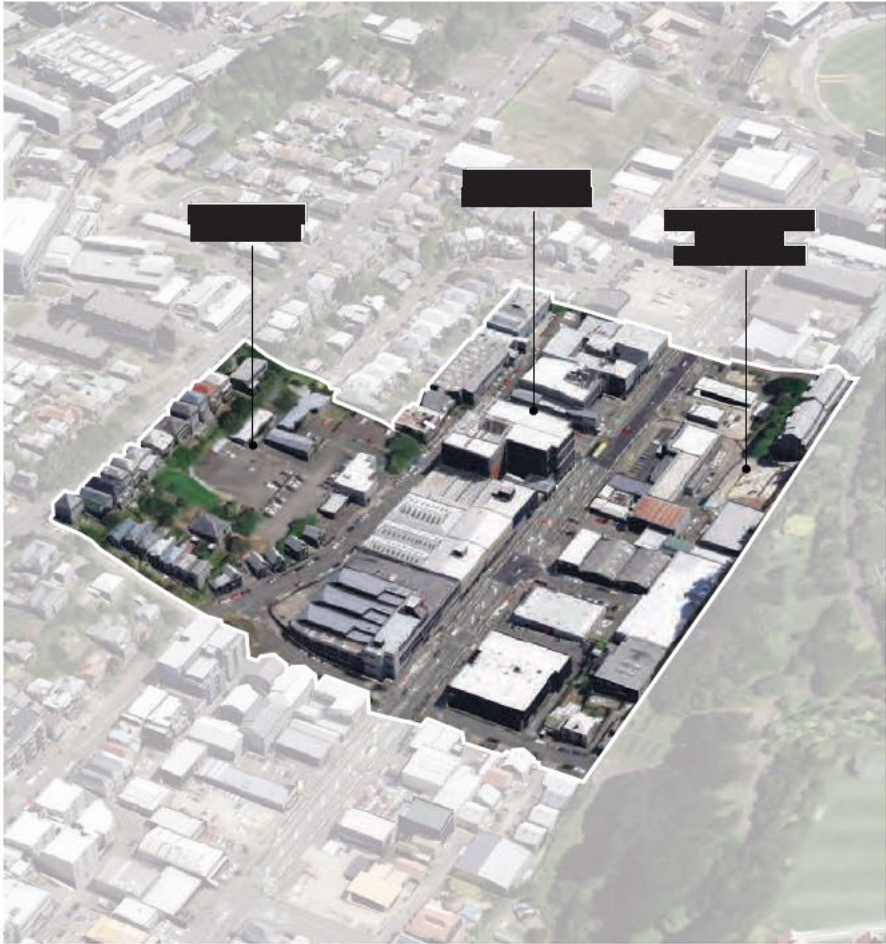
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[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

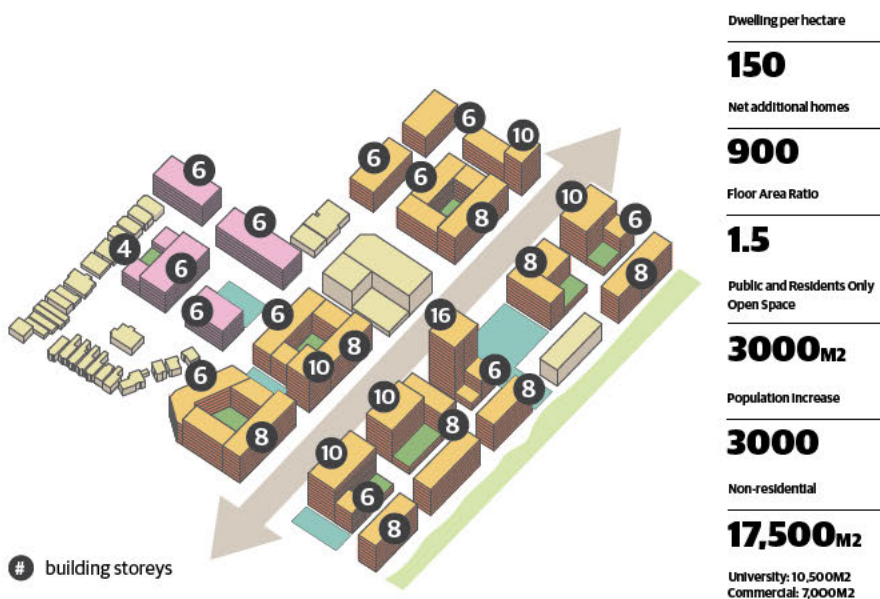
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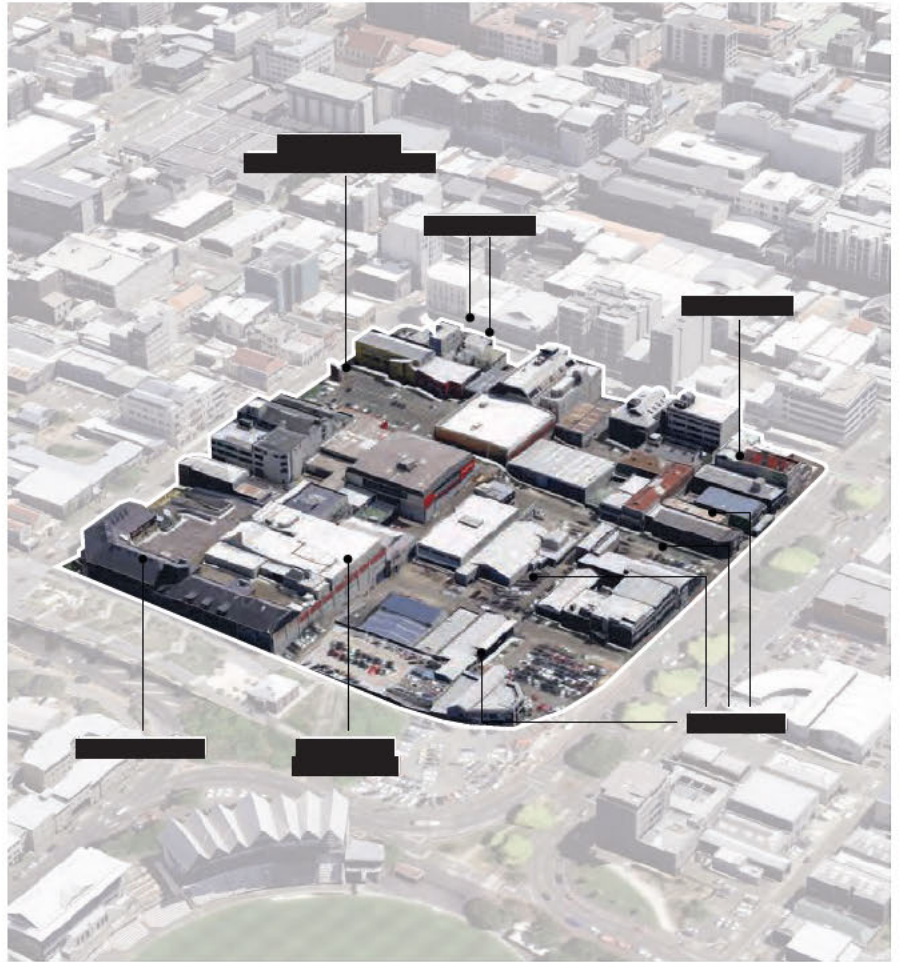


**Figure 5-3**  
The Adelaide Road case study is made up of a series of small and medium landholding

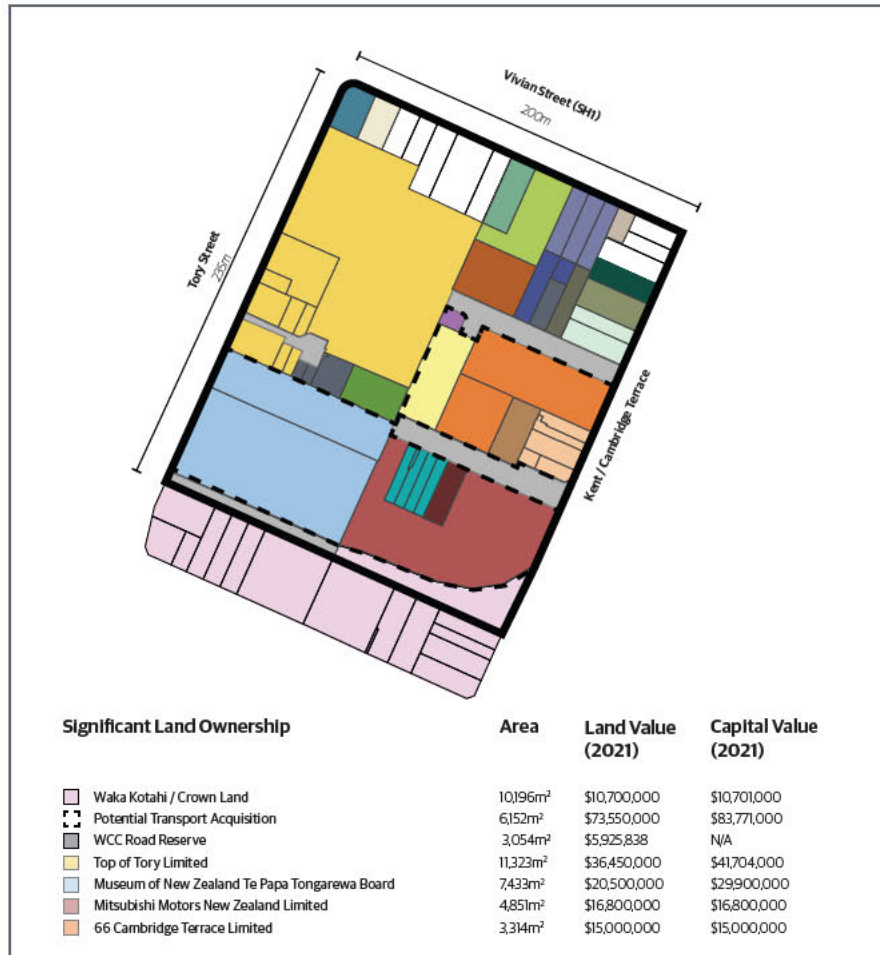


**Figure 5-4**  
Adelaide Road development scenario where the MRT route runs through the site

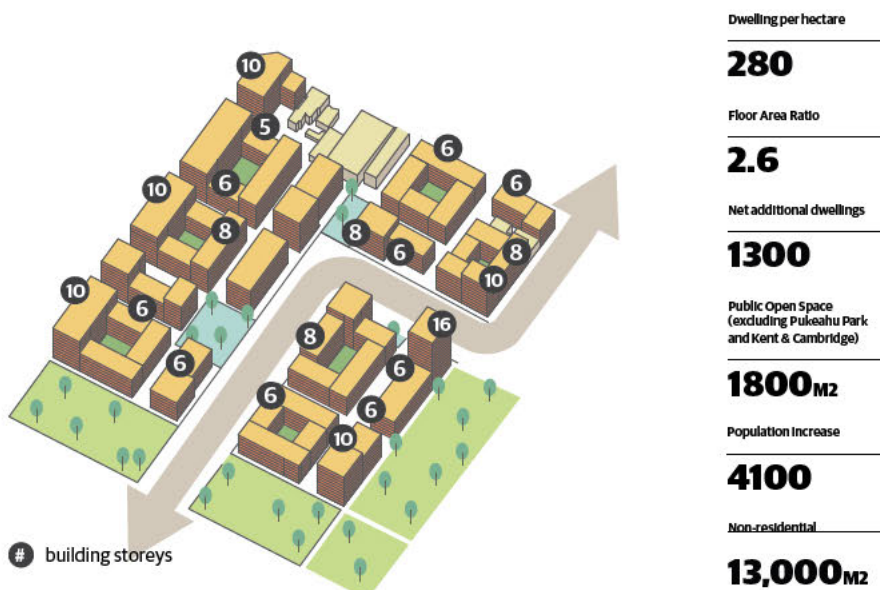
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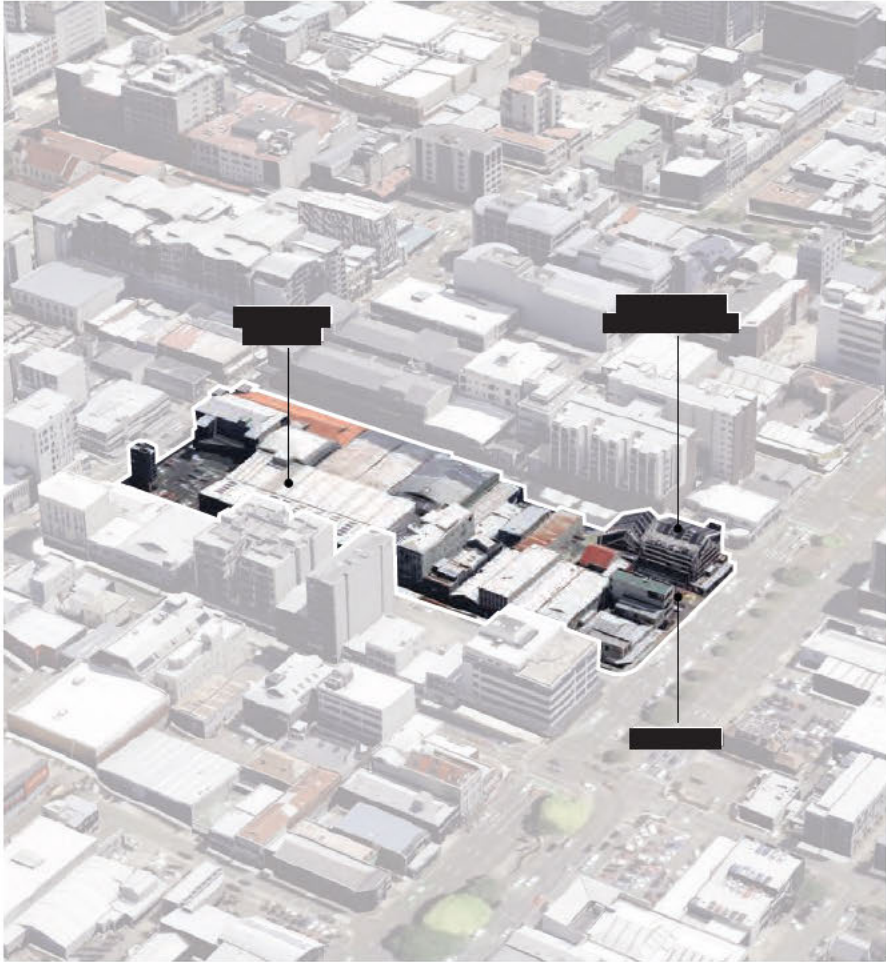
**Figure 5-6**  
The Fifehshire Ave case study has some significant landowners. Approach will need to be coordinated with property acquisition for transport infrastructure.



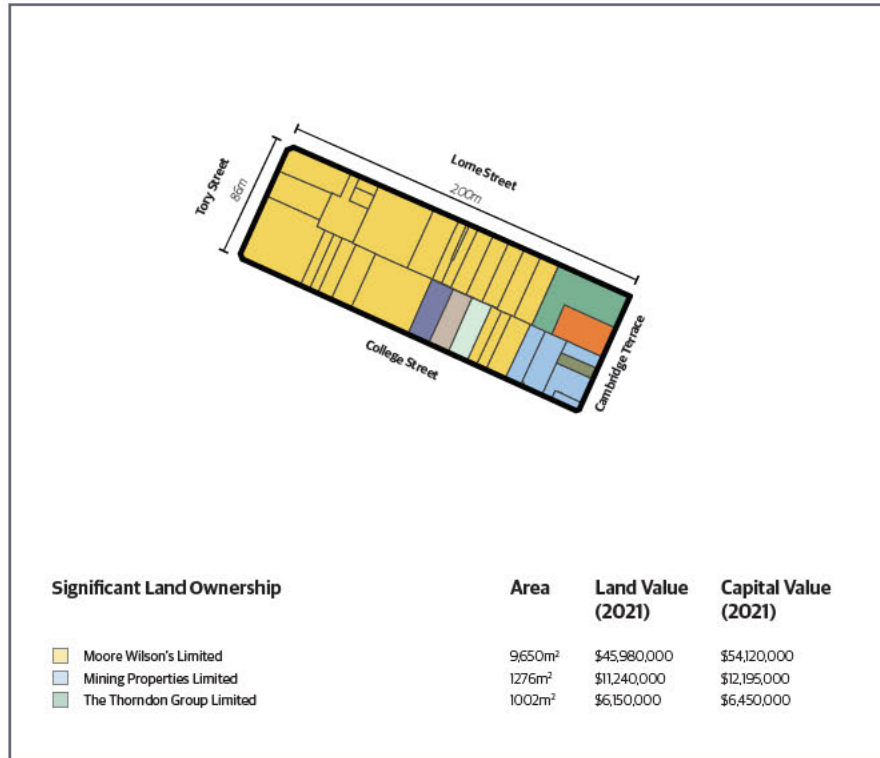
**Figure 5-7**  
Fifehshire Ave development scenario where the MRT route runs through the site



[REDACTED]

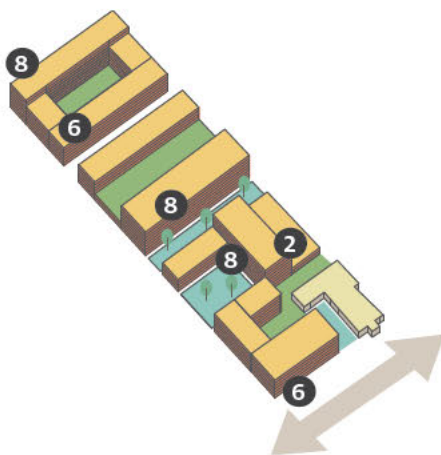






**Figure 5-9**

The College Street case study was an example of a site with a reasonably simple ownership structure with Moore Wilson's supermarket owned sites making up 1ha of the 1.4ha site.



# building storeys

Dwelling per hectare

**250**

Floor Area Ratio

**2.7**

Net additional dwellings

**320**

Public Open Space

**1000M<sup>2</sup>**

Population increase

**1100**

Non-residential

**10,000M<sup>2</sup>**

**Figure 5-10**

College Street development scenario where the MRT route runs adjacent to the site

# 6. Urban Renewal Delivery Options

## 6.1 Introduction

The LGWM Board has asked for greater certainty on how development outcomes will be achieved, particularly how 18-21,000 new homes can be enabled in the corridor. However, a city is not made of houses alone. The delivery scenarios in this chapter apply a holistic view of Urban Regeneration, which can be described as the opportunity to reimagine existing urban areas that are degraded, deprived or where significant new infrastructure and services are planned to be delivered.

It is an approach that typically brings together physical rebuilding in a community alongside wider programmes of investment to change people's lives for the better. This approach aims to improve a range of aspects of people's lives from providing additional housing across a range of tenures and typologies, attracting business and other investment in to the area, through improving public spaces to ensure they are both appropriate in quantity and quality and are safe and enjoyable to be in, to working with cultural, education, health and business organisations to support the vital roles that they play in the community.

Urban regeneration involves unlocking under-utilised/under-realised areas for jobs, investment, and housing. It will

often involve rezoning land, improving an area's amenity, and identifying transport and infrastructure needs to support the level of renewal proposed.

Urban regeneration activities encompass a wide variety of partnerships between stakeholders including councils, communities, developers, financial institutions, and government organisations within the area of interest.

The following sections outline a general approach to large block development and then 3 'corridor' development scenarios that are informed by the workshop process (see section 5 above), informal market testing with developers, market intelligence, legal advice, and technical infrastructure feedback. These scenarios focus in detail on the section of the MRT route that extends through Te Aro and then along Adelaide Rd to the hospital and Newtown. In all cases it is assumed that Stage 1 of the MRT, Wellington Station to Newtown, is operational within a 5-year period from now.

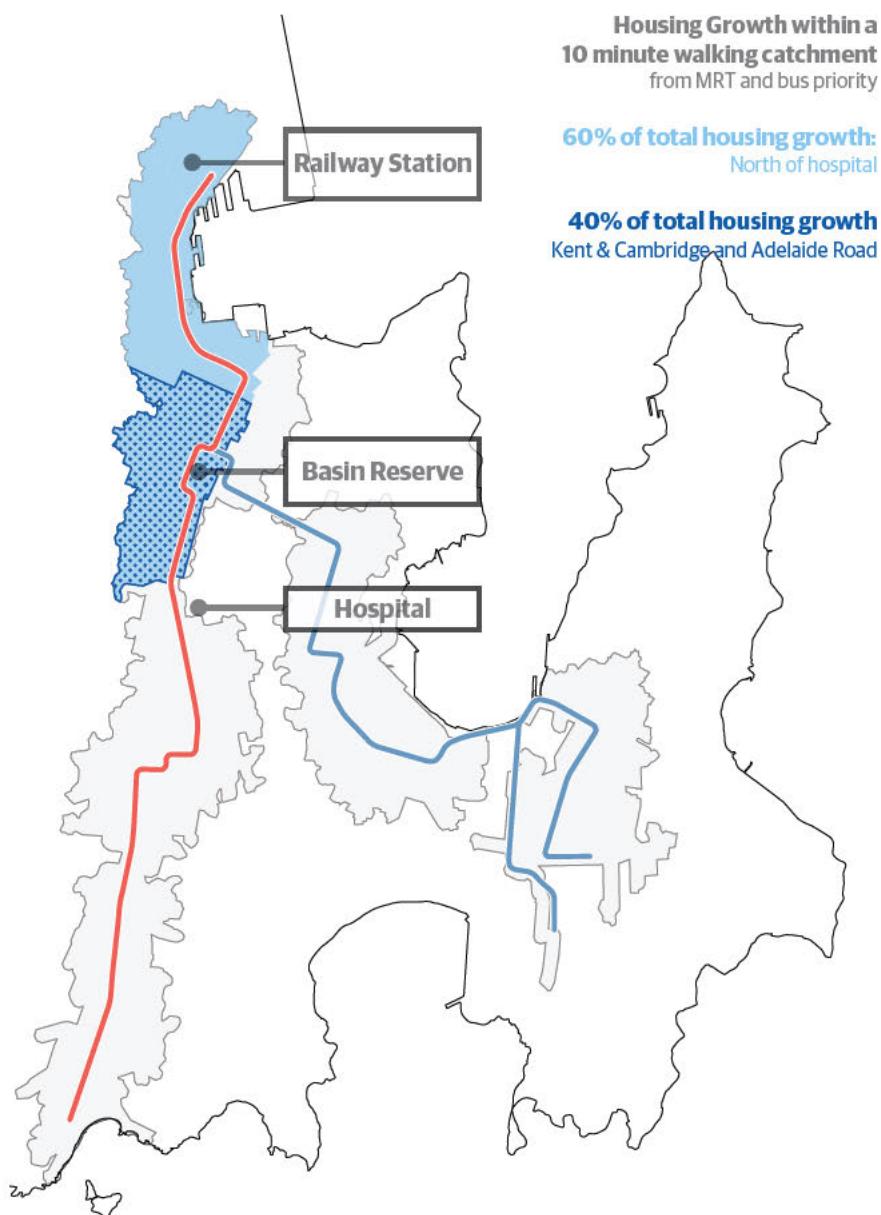
The scenarios focus on this section of the corridor is because it has the largest potential for growth. Analysis demonstrates that there are a high proportion of underutilised parcels relative to the LGWM suburbs; there are also relatively few environmental and heritage constraints, and it is within

a walking catchment to key city centre functions. This is confirmed by what the community told us through the Spatial Plan process, and growth projections of the draft Future Development Strategy. Specialists highlighted that this area is likely to have the fastest land use response to MRT being confirmed.

Within the MRT and bus priority catchment, approximately 60% of housing growth over the next 30 years is projected to occur north of the hospital, with 40% of total housing growth within a 10-minute walking catchment of Kent & Cambridge Terraces, and Adelaide Road: it is important we get it right here. (Figure 6-1)

Land ownership in the area is fragmented so a proactive land amalgamation strategy will be required to deliver the growth potential. If piecemeal development happens at scale and underutilisation is 'locked-in' through redevelopment then the growth opportunity will be lost as site amalgamation becomes increasingly unviable. It should be noted that the Proposed District Plan (PDP) minimum building height of six storeys in the City Centre (which includes the focus areas) will help in this regard but will not provide the solution alone.

Site assembly should align with the transport property acquisition strategy. A holistic approach to



**Figure 6-1** Key growth areas within the corridors

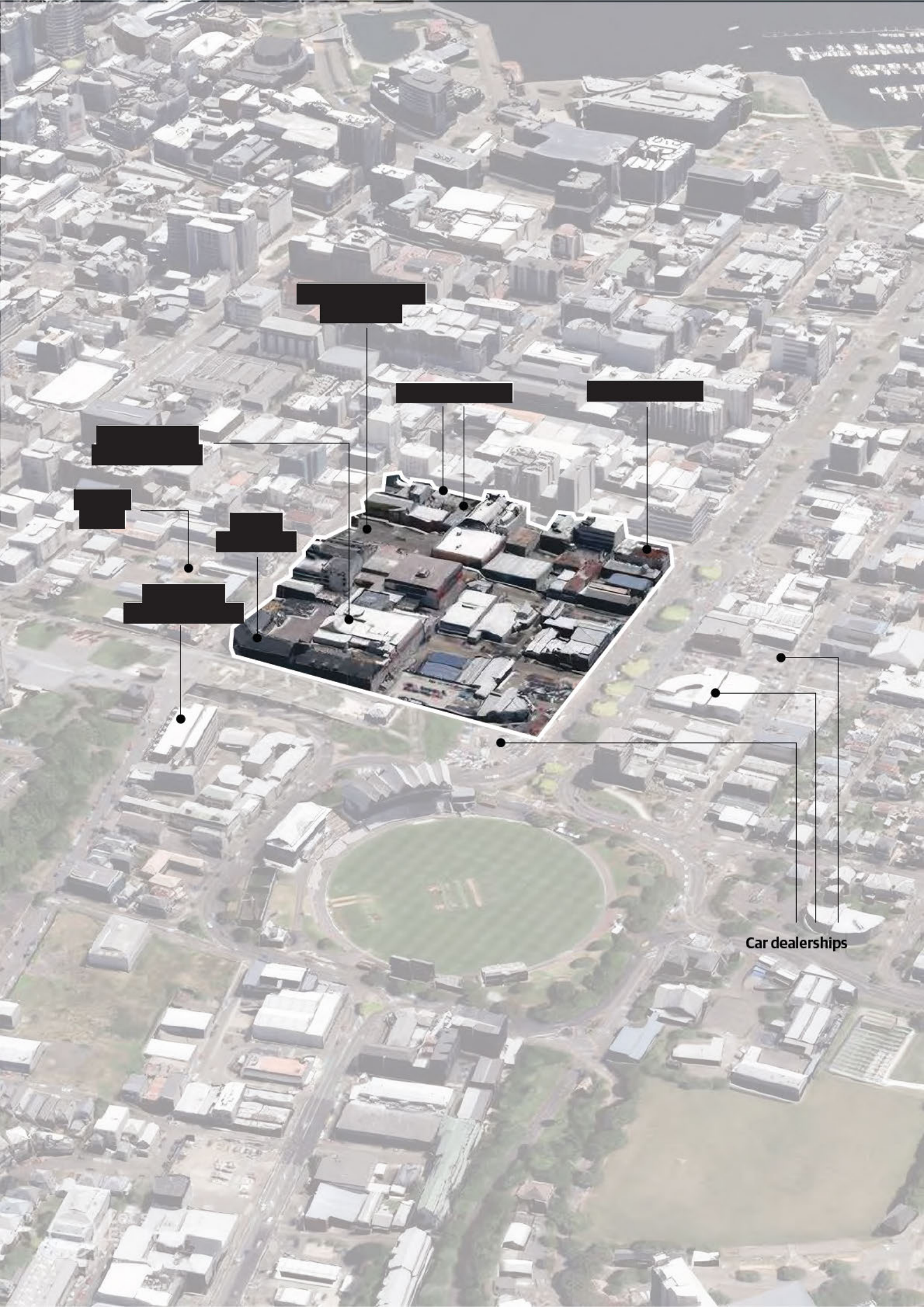
acquisition could allow part of parcels which are acquired for transport infrastructure but are surplus in use to be secured for high quality urban development. This particularly effects the area around the Basin Reserve.

In general, NZ domestic developers take a targeted 'site by site' approach to development in Wellington – this reflects both inherent risks to developing in Wellington – e.g. seismic requirements, poor ground,

and infrastructure availability – and that land amalgamation is inherently difficult for developers to undertake as they have no pathway to do so other than by private treaty negotiation. Holding large landholdings on balance sheet for extended periods of time also limits capacity to undertake other projects, and spread risk, and tends to depress returns on capital over time. Nevertheless, there would be strong interest from Tier 1 domestic developers to partner with WCC on larger parcels such as the [redacted] where they can control a larger landholding and progressively develop and pay for it as it is drawn down for development. This also provides that the developer can deploy good place-making skills and curate the overall mix and end user experience for a precinct which is not possible with a single site. The Wynyard Quarter case study demonstrates such an approach.







[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Car dealerships

## Acquisition

Site assembly, whether for transport or urban development purposes, should include private treaty where possible.

[Redacted]

Both WCC and Waka Kotahi have compulsory acquisition powers available to them under the Public Works Act 1981 (PWA) and WCC has further acquisition powers under the Local Government Act 2002 (LGA).

[Redacted]

Overall, because of the potential complications with transferring land acquired for transport purposes to WCC for urban renewal purposes, it may be preferable for any land acquired with a dual purpose in mind (i.e. transport and urban renewal), to be acquired by both Waka Kotahi and WCC for those dual purposes from the outset. This would require careful planning and management but is feasible and there is a precedent for this approach in the RiverLink project. This pathway is likely to provide more flexibility for development following completion of the transport project.

[Redacted]

[Redacted]

[Redacted]

It should be assumed that such acquisition costs would arise in the early years of any development programme and are not easily staged over a longer period.

[Redacted]

It should be recognised that the costs of acquisition, for this or any other block, may not be fully recovered through a subsequent

development process as the land value for development purposes could be lower than the initial acquisition costs which would be based on current investment value. An initial overall development appraisal should be undertaken to inform funding decisions.



## Development Approach



As a standalone project, the site offers the opportunity to work with a single development partner, or consortium, to achieve placemaking goals without the need to significantly increase existing resources within WCC.

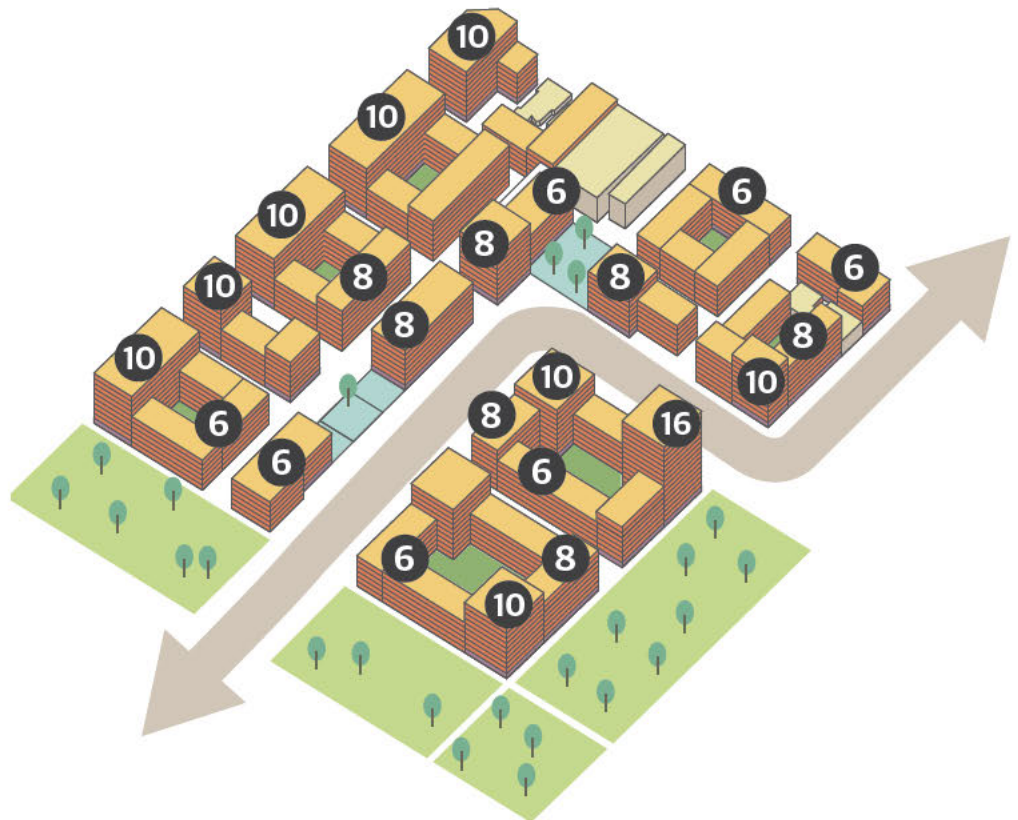
An example pathway for delivery is set out below:

1. WCC undertakes a reference masterplanning and development appraisal process to inform funding and acquisition decisions for the block
2. Subject to (1) being acceptable the [redacted]
3. WCC competitively procures a development partner based on design, amenity, and commercial considerations
4. Preferred developer selected and conditional Development Agreement confirmed
5. Development partner pays for and undertakes detailed design and planning including Resource Consent for the first delivery stage
6. Unconditional agreement reached
7. Developer undertakes development over time to agreed milestones and deliverables
8. Land payments by developer on a 'draw down' basis as each delivery stage is brought forward in accordance with agreed milestones

It is likely that under a Development Agreement WCC would be responsible for delivering public realm enhancements outside of the site [redacted] with such works delivered in accordance with agreed milestone to ensure they are in line with the overall development – and preferably in advance to establish quality of place of the wider area. Such public realm works will require committed funding or alternatively can be 'set-off' against the purchase monies from the development partner.



[REDACTED]



# building storeys

[REDACTED]

[REDACTED]

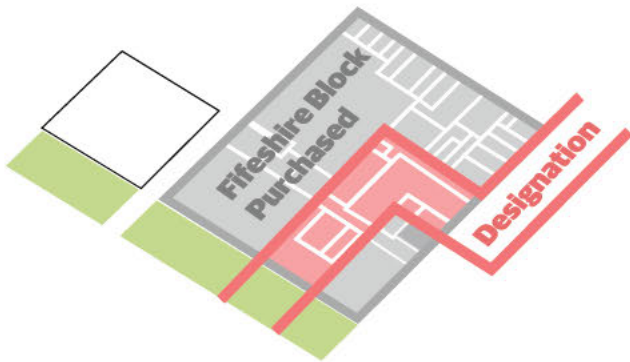


Figure 6-5 Phase one

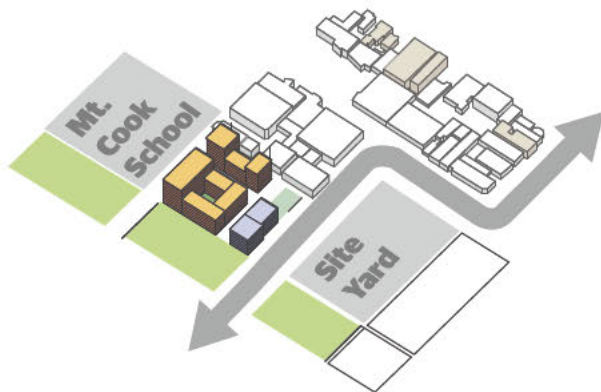


Figure 6-6 Phase two

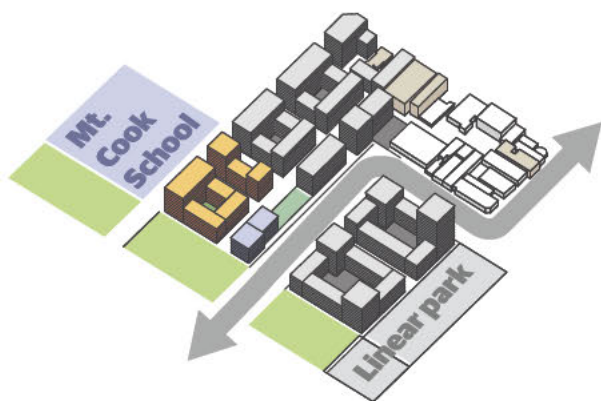


Figure 6-7 Phase three



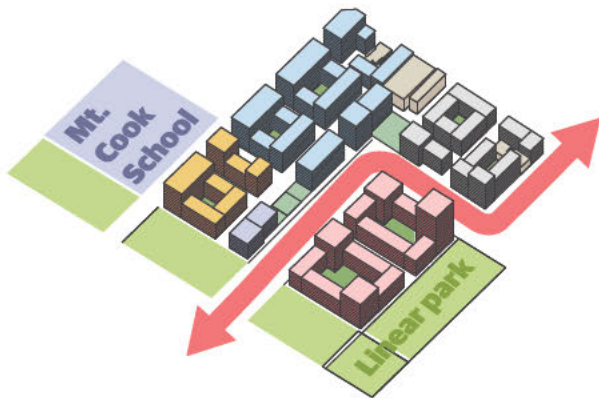


Figure 6-8 Phase four

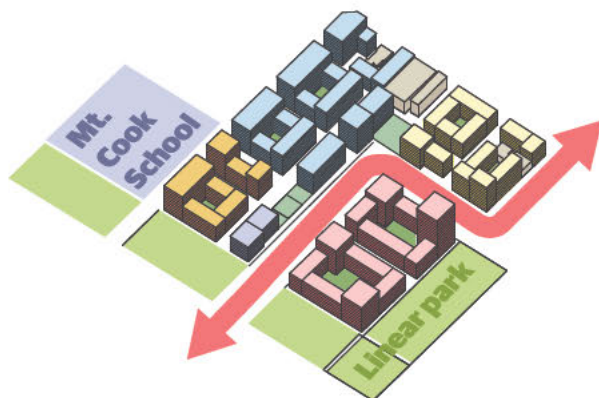


Figure 6-9 Phase five



### Resourcing

██████████ were a standalone project, a dedicated business unit/team within WCC could manage the reference master-planning, site acquisition and packaging to the development market without the need to significantly increase existing resources. It does require a significant initial capital injection which would need to be held for a minimum 5-10 year period.

### Organisation

The following corridor-wide scenarios show that there will need to be ongoing intervention to achieve the urban development goals. The scale and number of project interfaces to be managed will require concurrent delivery of many inter-dependent public sector and private sector projects over an extended period. As the complexity of the infrastructure project and urban renewal outcomes increase so does the need for greater involvement from a public sector agency to

ensure that both the transport and urban renewal projects work with each other to achieve desirable placemaking outcomes.

Given that, it is not considered viable for an internal business unit of Council, using existing resources, to undertake this scenario.

To achieve the level of urban renewal anticipated under LGWM an entity that provides for significant intervention, in particular land aggregation, packaging and contracting with private sector partners will be

required. Creation of a separate Council Controlled Organisation (CCO) with a clear mandate is a well understood process in New Zealand. There are well established examples, such as Eke Panuku in Auckland, that have a demonstrated track record of delivering high quality outcomes that successfully renew existing areas of the city and deliver a range of outcomes dependent on location.

The establishment of a CCO provides the ability to make commercial decisions while providing for robust accountability mechanisms to the shareholder(s). The challenge is to agree the desired scope and scale of the entity, in a way that allows it to achieve maximum impact while managing risk.

First order settings for a COO could include:

### **Purpose and Vision**

- The CCO's activities should occur against the backdrop of a clear Council vision for the corridor and surrounding areas together with associated performance measures. At a minimum, the vision will need to reflect the Future Development Strategy and Proposed District Plan and should provide an overall masterplan for the corridor
- The CCO will be a vehicle to accelerate long term redevelopment along the corridor through packaging

opportunities and attracting new investment (both public and private) across a range of uses (not just housing.)

- The CCO will provide a single point of entry working with a range of partners to promote investment and other market opportunities.

### **Mandate and Authority to Act**

- Responsibility needs to be divested to the CCO. A CCO will be more effective if it is able to make decisions and optimise across its portfolio of assets and development opportunities. In practice, this will see the Board of the CCO given the delegation to negotiate and agree transactions with private sector and other partners without referring these to the Council. This delegation would be subject to the transaction being aligned with the strategic plans agreed with Council.
- Retaining decision-making control over the pattern of investment and its asset base within the Council would remove the ability of the CCO to operate in line with private sector expectations and severely limit its ability to secure private investment and achieve strategic outcomes.
- In practice, the Council would continue to be responsible for the vision and strategy that the CCO operates under and would

approve the CCO's strategic plans and appoint Board members. Establishment and constitutional documents will define the CCO's role and powers and it will operate within the bounds of a Statement of Intent.

- While the CCO will have delegation to negotiate and agree transactions, it is expected that the Council will continue to exercise some level of approval, over the projects it would seek to advance, including those arising from unsolicited approaches from investors, through approval of the CCO 5 Year Plan and Statement of Intent.

### **Organisational form of a CCO**

- It should be a standalone entity with a commercial focus, incorporated as a limited liability company
- It would need to be seeded with assets and or capital to create a balance sheet, based on the makeup of the portfolio of projects to be managed in the first instance.
- A CCO needs a skills-based Board of Directors appointed by shareholders
- It would need a mandate to negotiate and contract with private and public sector partners, within agreed boundaries.



## Scope of CCO

- It would operate across the whole of the LGWM corridor and within a defined geographic footprint e.g. the 10-minute walking distance to proposed station sites
- Initial project(s) should be identified and agreed as part of the establishment process. For a CCO to have meaningful impact on the redevelopment activities along the corridor it would need to own and control a substantial asset base which it can then leverage to have the desired regeneration impacts.
- The CCO would have scope and mandate to buy and sell land assets to facilitate its urban renewal and housing targets, so long as it is operating within the scope of its approved mandate and plans

## Operational Detail

- The CCO would have the authority to work at arm's length from the shareholders so long as it is operating within scope of its approved five-year plan and statement of intent. While regular reporting would be provided to shareholders, the CCO Board is able to make decisions without requiring endorsement by Council.
- As part of its establishment process the CCO should establish performance metrics around growth in dwellings/

residents, commercial/non-residential space and activities, visitor experience/quality of place, and educational, health and other social infrastructure provision.

## Funding and Financing

Urban development is expensive. It requires significant amounts of funding in the early stages before income streams from development or land sales become established.

Different approaches will be required to funding and financing the three corridor wide scenarios in the following chapters. This section discusses the high-level constraints and opportunities for funding [REDACTED] development via a CCO.

The Corridor Development Framework outlines central government housing-related funding mechanisms, which should be explored if [REDACTED] development is taken forward. However, for the purposes of this scenario, it is assumed that there is limited central government funding available.

Tools such as targeted rates and development contributions in the MRT corridor may unlock future funding and financing opportunities but will not be available in this instance, where large scale land assembly is required well before the MRT is complete.

A CCO will require a mix of funding models, in part because of the variety of things it will fund – land may be purchased and disposed

of within 5 years for commercial benefit, whereas new areas of public realm, that may stimulate third party investment, will be held and maintained. It is also unlikely that any one model will be sufficient to fund the early stages of a multi-year urban regeneration programme given the low-level of WCC existing land ownership in the LRT corridor.

On establishment, the CCO will be seeded with a direct transfer of assets to create a balance sheet. Revenue from the sale of properties and assets can be reinvested in the urban regeneration programme for capital investment in public amenity, development and placemaking. This approach relies on enough council-owned valuable sites for disposal and would not be sufficient or sustainable in the early stages, with the intention that it would become a capex funding mechanism for urban regeneration once the programme is up and running.

While unlikely to cover the full cost of land amalgamation [REDACTED], an initial reinvestment approach could be used to establish a Strategic Development Fund (SDF). SDFs act as a revolving credit facility to enable CCOs to acquire land or property for development purposes. Eke Panuku, for example, can utilize a \$100m SDF and has the mandate to acquire property for urban renewal using the Public Works Act, which it has used in assembling Northcote (see case study).

Where investment requirements are too large for re-investment to work alone, as would likely be the case at the land assembly stage of [REDACTED], direct debt funding could support growth and urban regeneration outcomes. A well-established urban development funding tool, debt funding could be used to purchase land, secured against CCO-owned assets, and supported by land value-uplift from LRT. This would be repaid when land is sold to developers. As discussed, land for [REDACTED] would need to be held for 5-10 years.

While future Long Term Plans could feature a degree of debt-funded regeneration (for public realm improvements, for example) it is unlikely to be sufficient to fund land assembly at this scale. Like many NZ councils, WCC is highly leveraged and has limited budgetary headroom. It is unlikely that a UDA CCO would be 'off balance sheet', as ratings agencies and lenders will view "a council-controlled organization where there is a high degree of political control or ownership, alongside a high level of indebtedness, as either part of its parent council's tax-supported debt or at least a material contingent liability."<sup>1</sup>

In 2022 Eke Panuku established a commercial partnership with NZ Super Fund to accelerate their urban regeneration programme. Partnership funding has the

potential to play a large part in the early-stage funding model of a CCO, with superannuation and some Kiwisaver funds able to provide access to long-term capital and supported by aligned objectives. In general, they will be looking for large scale (>\$100m) property investments. Funding is not guaranteed: the CCO would present opportunities for investment, with decisions made on a case-by-case commercial basis and in line with set urban development outcomes. If selected, the partner would provide development funding, including funding land acquisition costs, and receive a return. Once completed, the phases of [REDACTED] will be sold to investors – it should be noted that an institutional fund, such as the NZ Super Fund, is also a potential investor/acquirer of assets post-development, for example as part of a 'build-to-rent' investment portfolio. A further benefit of an investment partnership is that the additional focus on funding, commercial rigour, and governance, can provide confidence and delivery assurance to the wider development market.

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<sup>1</sup> S&P New Zealand Local Government Outlook 2024

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## 6.3 Scenario 1- [REDACTED]

This scenario builds on the [REDACTED] concepts and introduces additional tools to facilitate corridor regeneration and catalyse the overall delivery of the target 19,000 new dwellings.

[REDACTED]

In this scenario the private development sector begins to assemble development sites in response to the confirmation MRT in the first instance and to the catalyst effect of [REDACTED] development progressing, which sets a standard for high-quality, dense residential schemes and aids benchmarking for new-build apartments.

[REDACTED]

[REDACTED]

[REDACTED] This block would lead development under this scenario.

[REDACTED]

### Acquisition

[REDACTED]

[REDACTED]

[REDACTED]

### Funding/Financial

[REDACTED]

While capital will be recycled through the staged development [REDACTED], and could be applied to further acquisition of land, it is likely that such funds would only be released progressively as the development partner draws down land and pays for each stage over time.

[REDACTED]

Experience from other jurisdictions demonstrates that land values will progressively increase over time in response to announcement, commitment, delivery, and operation of an MRT. Early acquisition of lands is therefore

likely to generate the greatest opportunity to participate in such land value uplift over time to recoup initial costs and defray the risk that future development land value does not equate to initial acquisition costs.

### Development Approach

The development approach for this scenario would be broadly in line with that discussed above under [REDACTED]. Sites, once acquired, would be prepared for sale and progressively released to the development market over time.

Developers would be concerned if too much development capacity is released within any one period as it would cause an overhang of capacity in the market. This can be mitigated to an extent by broadening the mix of uses and development in different precincts such that they do not compete with those currently in development. [REDACTED]

[REDACTED] This would have the dual benefit of providing a greater range of amenities within the area, thus attracting further users/residents/businesses and accelerating the overall rate of development activity within the corridor. Such differentiation would also allow for earlier disposal of land acquired and the return of capital employed for acquisition purposes.

[REDACTED] he wider development sector would be able to assess the response of the market to such development. The initial release of land in the [REDACTED] precinct would commence in year 5 and be progressively delivered over the next 10-15 years noting the comments above.

To attract a wider developer audience land could be offered to the market as a single site, a bundle of sites, or as a precinct. This would enable both larger and smaller developers to participate with a mix of use preferences, capacity and capabilities. An optimum packaging strategy would be developed considering the mix of uses, market capacity to absorb, and developer appetite for larger or smaller development packages.

As land values progressively increase in response to the MRT delivery, developer interest in the area will also increase as rising values are a signal of raised market interest and willingness to pay. Over time the increasing amenity and attractiveness of the wider precinct combined with an increased developer awareness and interest may also accelerate the rate at which land can be released and programme target development outcomes are delivered.



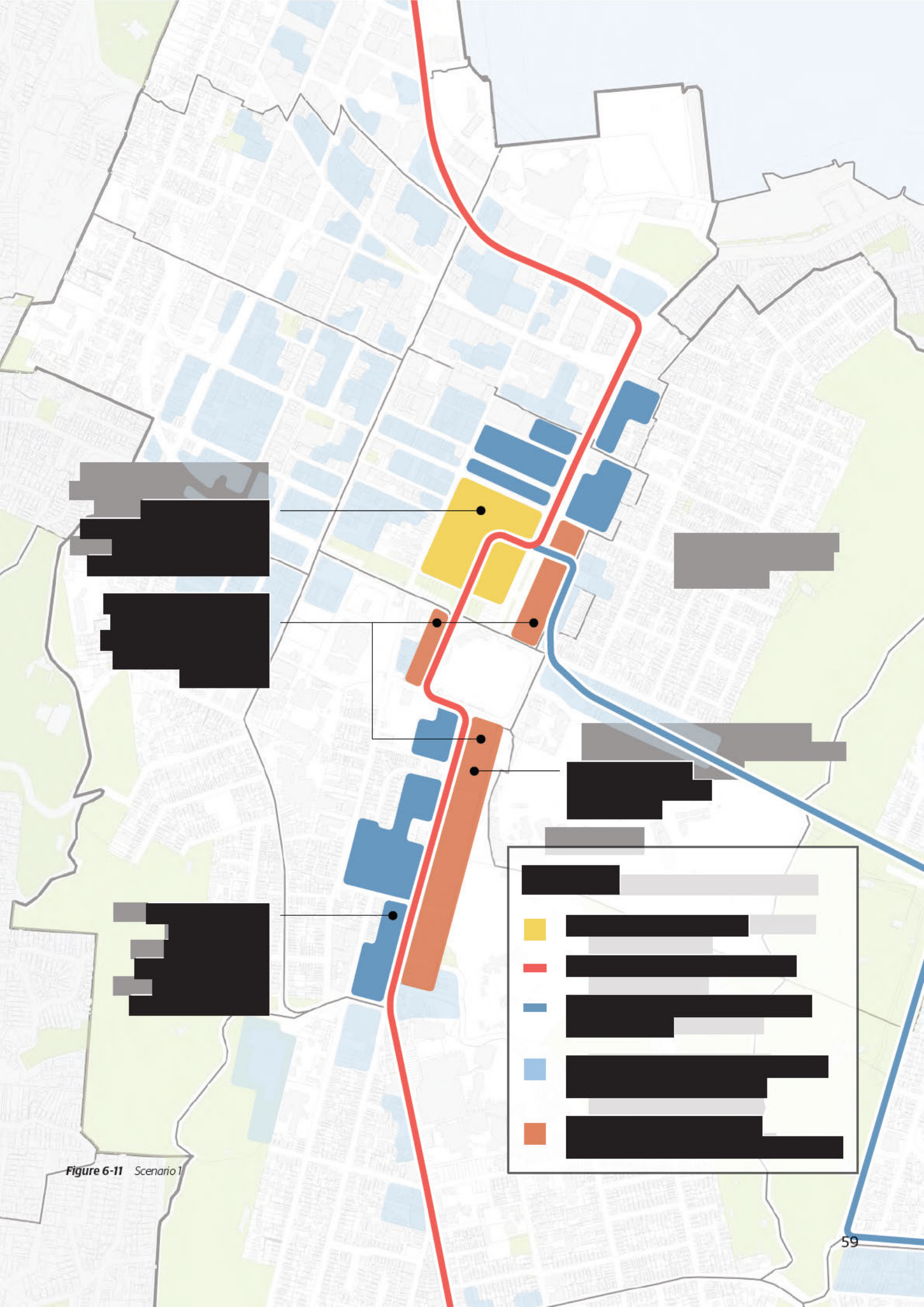


Figure 6-11 Scenario 1





**Holo  
Image**





# Building - WIP



## 6.4 Scenario 2 - [REDACTED]

This scenario contemplates similar initial land acquisition of the [REDACTED] precinct but contemplates that there is little or only muted development market response to these projects or the MRT occurring. In consequence this scenario contemplates the need for ongoing intervention by the Council and Government over a long period of time with ongoing investment requirements in terms of land acquisition and delivery of built product.

[REDACTED] obtains Specified Development Project status under the Urban Development Act 2020 (UDA), which is extended to cover [REDACTED] areas in year 5.

The benefits of SDP status would include additional regulatory and planning powers not available to WCC, alignment and integration of other government agencies such as education and health, additional funding and financing options, and additional land acquisition powers available to Kāinga Ora under the UDA . This could occur in conjunction with or following the formation of a CCO as discussed above.

Kāinga Ora acquisition powers under the UDA are summarised by Buddle Findlay advice:

1. *Kāinga Ora has general land acquisition powers under Part 5 of the UDA. These powers are not able to be delegated to Waka Kotahu or WCC. Kāinga Ora is also empowered to transfer land it acquires to a developer.*
2. *The land acquisition power in the UDA is for 'specified works' that Kāinga Ora initiates, facilitates, or undertakes ..... 'Specified work' means a work for the purpose of urban development. It includes a wide range of work, including work for the purpose of housing, urban renewal, transport networks, infrastructure and more.*
3. *Kāinga Ora may also request the transfer of an existing public work to Kāinga Ora...despite the offer back provisions in the PWA. However,.... when the land is no longer required for the 'specified work', the land must be disposed of in accordance with the offer back provisions in the PWA.*

Whilst an SDP initially focused on [REDACTED] [REDACTED] is contemplated this could be extended over time to cover other/all parts of the corridor if considered necessary and beneficial.

### Development Approach

Given the slow response of the market to the commitment and delivery of the MRT Council and government would need to take on a far more active and extensive planning and delivery role than is contemplated in Scenario 1.

An entity, most likely the CCO (or a joint Council / Crown entity),

would need significant additional resources to undertake such planning and delivery tasks. This would come with greatly increased operating costs for the CCO and then need for additional capital to undertake delivery of agreed projects. These expanded planning and delivery functions would also come with added risks and complexity to be managed.

Under the assumption that there is limited catalyst response to the initial development of [REDACTED], where the private sector begins to act of its own accord, there would be a need for further de-risking and partnering with developers through interventions such as further land assembly, site investigations to remove risk of unknowns such as ground conditions and infrastructure provision. As it becomes clearer over time that there is both end purchase/user acceptance and demand in this location it is likely that there will then be increased interest and participation by developers and investors to acquire and develop land within this area of the corridor. Nonetheless, under this scenario it is likely that the rate of development and delivery of new dwellings will be lower and slower than under Scenario 1.

To sustain development over a long period of time along the corridor a rolling and ongoing land acquisition





**Figure 6-13** Placeholder

and development programme would be required until such time as the market responds of its own accord. It could be possible to also create an investment product based on affordable (e.g. Build to Rent) and social housing provision to build and maintain some momentum (noting that 70% of people who live in the central city rent their home) until such time as market housing supply builds over time. Developers/investors for such a product are likely to require a known and predictable return on funds invested, probably requiring a Council/Crown revenue under-write. Effectively this would be a form of Public Private Partnership (PPP) or similar arrangement but with Council/Crown needing to take on the planning and development delivery role, perhaps through an agency such as Kāinga Ora.

Under this scenario it would make sense to focus and maximise development into a defined area, given the high cost of land acquisition, most probably the [REDACTED] sector of the corridor. To achieve the maximum number of new dwellings in a more concentrated area a higher level of intensification would be needed were it to make a meaningful contribution to achieving the delivery of 19,000 new dwellings. This approach could well prove implausible and potentially deliver poor place and community outcomes given the much higher levels of density this would require. This is not

considered realistic and more likely to deter whatever market interest there might be as well as any future private sector development in the corridor at scale.

### **Organisation**

As noted above this scenario would establish an SDP under the provisions of the UDA. This could be in conjunction with formation of a CCO or following the establishment of the CCO. Initially set up in a relatively small area to allow for the definition of focussed outputs, the extent of the SDP is expanded over time as deemed necessary to achieve the transport and urban renewal outcomes contemplated by LGWM.

The roles of each of the CCO and SDP would need to be clearly agreed with appropriate management and governance in each to undertake agreed planning and delivery functions. Each of the CCO and SDP would have accountability to their respective 'shareholders' being Council and the Crown.

Strong political will at all levels, Council and Crown, over a long period of time would be required to sustain this level of intervention in corridor

### **In Summary**

This scenario is likely to require ongoing intervention in terms of land assembly and other measures, as discussed above, for an extended period of time. It is inherently difficult to judge the extent and term of

intervention required to over time give the wider developer sector confidence to participate of its own accord. Delivery would be slower than other scenarios, particularly if reinvestment is part of the funding model.

While a 'maximum' intervention scenario may give additional control of urban development outcomes, it is not a solution to market failure. The high levels of capital required to be invested over a long period of time in such a delivery programme may well prove unviable when considered against other demands on both Council and Crown balance sheets and funding capacity. That said, this scenario explores a muted market response – if there was a similar private sector response to that outlined in Scenario 1, and the Australian case studies suggest this is likely, then the additional tools available under an SDP would enable urban development to unfold at pace while securing agreed outcomes.



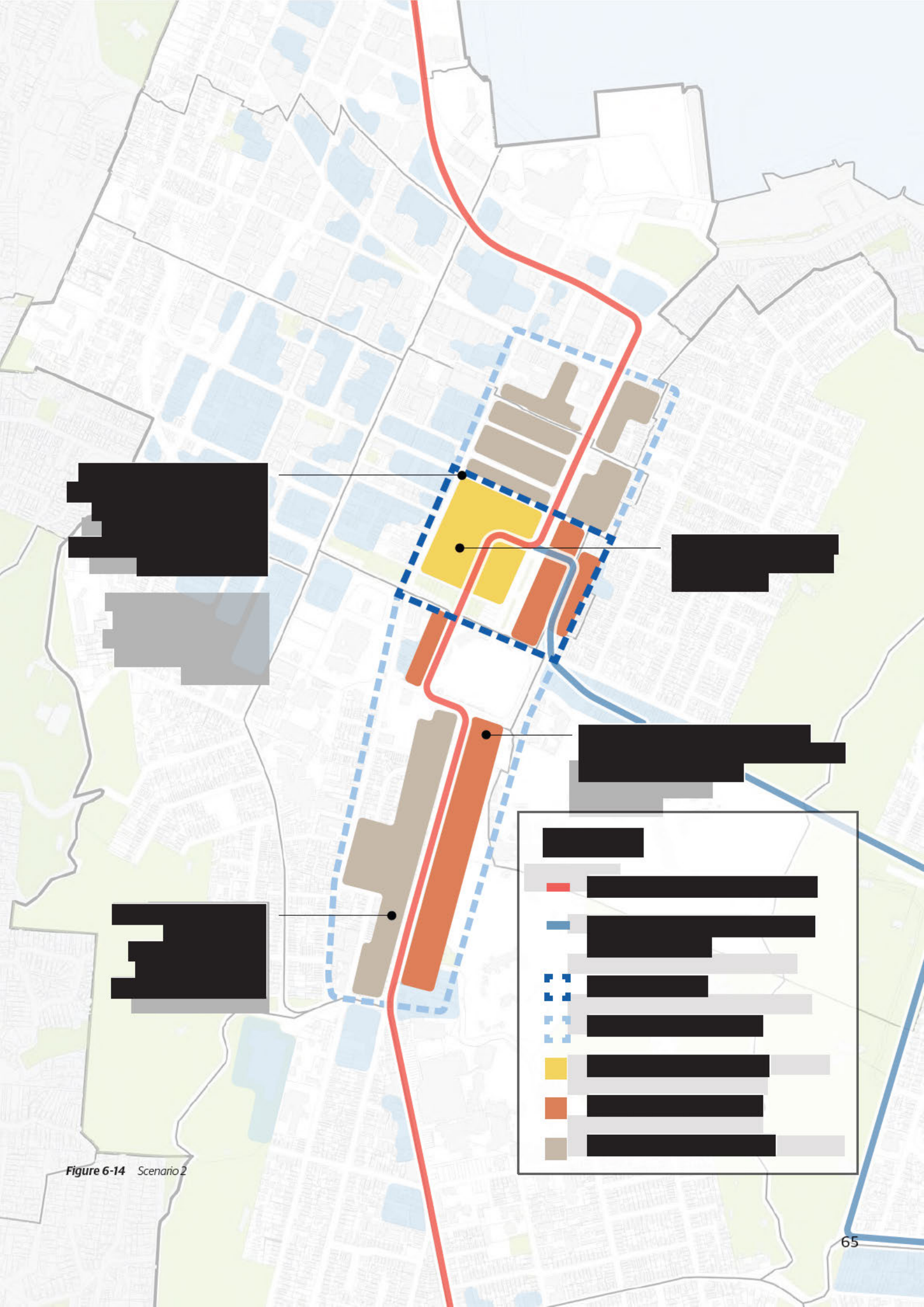


Figure 6-14 Scenario 2



Figure 6-15 Artist impression of north of the Basin









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## 6.5 Scenario 3 - Development of MRT with private sector Property Development at the [REDACTED]

Scenario three contemplates the package elements required to attract international parties to participate in a competitive procurement process to deliver the MRT project and deliver urban renewal outcomes.

### New hub considerations

Entering a new hub is a long-term decision for international developers, where they are deciding how to best use and invest their resources. During informal market testing there were high level requirements outlined for international developers to progress internal governance approvals for opportunities in a new hub:

#### 1. Diversity of asset classes

International developers will be looking to invest in projects, or a pipeline of projects, that have a diverse mix of asset classes, potentially including transport, commercial, residential, retail and financial components.

Scenario 1 and Scenario 2 focus on developing property assets in Wellington. This defined set of asset classes presents a market entry barrier for international developers when isolated to a singular city. When considering property only opportunities, international developers and industry funds want to reduce

exposure to localised risks by entering multiple locations. Wellington plus an additional city would be the starting point for a new hub to be considered in a property only scenario.

Introducing different asset class opportunities like transport, operations & maintenance or project financing is a second method to progress internal governance in a new hub. This scenario enables a singular location to be considered because the exposure is shared across a broader range of asset classes.

#### 2. Pipeline of projects

To enter a new market there needs to be a convincing pipeline of projects to justify the opportunity cost of setting up a new international hub and to pass internal governance processes.

Developers want to maximise their investment in systems, supply chains, sales teams and brand awareness by having a pipeline of opportunities available. Scenario 1 outlines the [REDACTED], ideally there would be a complementary site in a different location which can enable a staggered development schedule to manage resources. This would include opportunities that provide long duration contracts and a base level workforce, short term opportunities that can be sold

down and opportunities of scale to ensure quality of development is controlled and maintained.

One aspect around a combined Transport + Property deal will be the timing of different projects. Generally, a developer will stage the MRT project to minimise disruption to the property development with the goal of maximising property sales value. The purchasing government organisation can also realise a benefit in this scenario through two pathways:

- Firstly, that developers are incentivised to develop a project sooner because they are in control of the transport project programme and associated disruption. When compared to Scenario 1 or Scenario 2, the assembled land is transferred to the developer sooner and reduces the time on balance sheet for the acquiring Government body.
- Secondly the developer fees can be realised sooner by the Government body which again improves the balance sheet earlier than Scenario 1 or Scenario 2. Additionally, there is usually a super-profits clause to ensure that any unexpected property value increase is shared between the developer and the client.



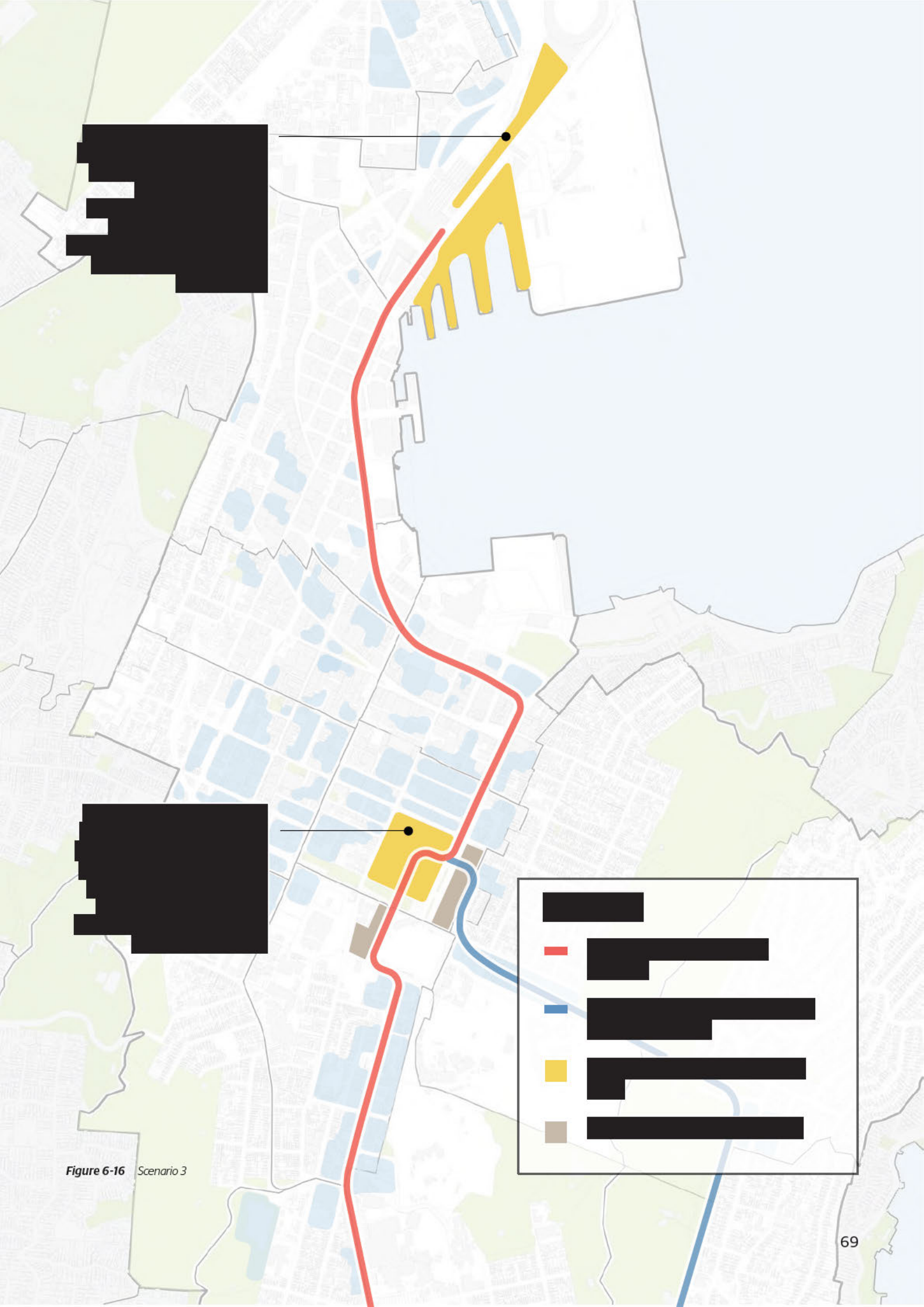


Figure 6-16 Scenario 3

### 3. Market position

Complementing asset classes and project pipeline is how an international developer manages their market position. Often a new party will form consortia with domestic parties where the synergies offer value to both parties. International developers can reduce exposure and capitalise on local expertise and domestic parties gain access to complementary skillsets and international capital.

Ability to maintain market position will be an important decision factor of a new market entrant and part of the internal governance process will be the level of client support on offer. Scenario 1 and Scenario 2 outline how the client can manage property only assets with a focus on increasing housing supply. This approach may not present a strong market position for an international developer to consider participating; there is no restriction on domestic developers pursuing competing opportunities in a similar area. Local developers and investors tend to focus on sites where they believe value can be added or where their resources are best deployed. Looking at Wellington broadly, and considering the sites put forward in Scenario 1 & Scenario 2, local developers may not necessarily choose sites aligned to the MRT route. Scenario 3 increases the competitive advantage for a new international market entrant when considering availability of resources and materials in a small market. Scale and diversity

Project	Contract
Sydney Metro Northwest	PPP
Sydney Metro Western Sydney Airport	PPP
Sydney Light Rail	PPP
Canberra Light Rail	PPP
Gold Coast Light Rail	PPP
Melbourne Level Crossing Removal Programs	Alliance
Melbourne Metro Tunnel Project	PPP & Alliance packages

**Figure 6-17** Contract model of various projects

of projects will enable decisions to be made around project timing, cost of construction, availability of resources, ability to retain/re-deploy resources and market power on contracts.

## Contracting model

Australia uses a variety of different models depending on how the client resourcing is set up, the outcomes that are been targeted, and the risk of the project.

Selecting the right contracting model is a critical decision for the success of the Transport Project and Urban Development outcomes. It will also determine market interested and how consortium will form between domestic and international parties. The contracting model will need to provide certainty on the transport project delivery for the client and incentivise the contractor to deliver Urban Renewal outcomes. Two different contracting models which can enable these outcomes are widely used are outlined below:

### Public Private Partnership (PPP)

PPP contract models involve long-term contracts that include funding, planning, building, operation, maintenance and divestiture. Design and Build + Operation & Management PPP's are common for transport infrastructure project where the delivery and finance risk are allocated to the Private Sector and the Public partner retains ownership of the asset.

- Design-build (DB). The private-sector partner designs and builds the infrastructure to meet the public-sector stakeholder's specifications, often for a fixed price. The

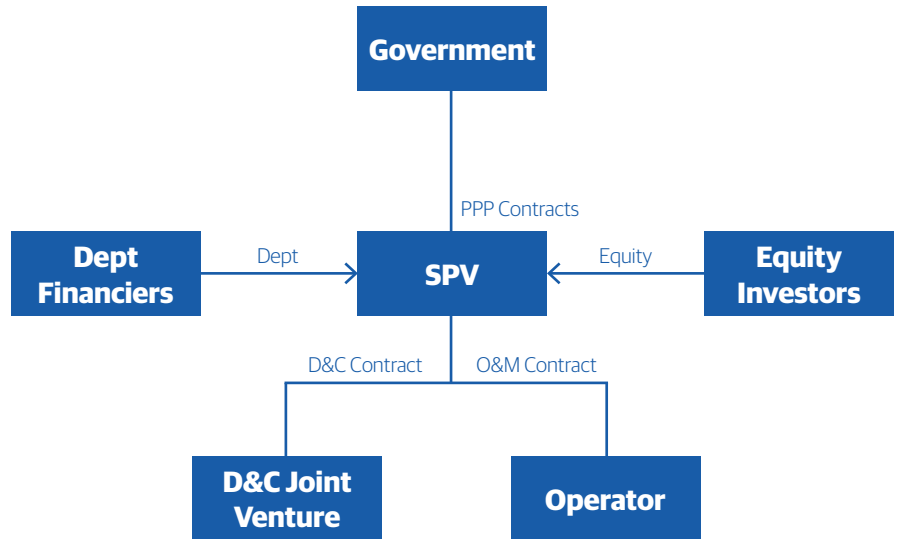


Figure 6-18 Basic Public Private Partnership structure

- private-sector partner assumes all risk. Lesson Learnt from Sydney's George Street Light Rail and Melbourne's West Gate Tunnel has resulted in contractors reluctant to accept ground condition or in ground asset risk.
- Operation and maintenance contract (O&M). The private firm, under contract, operates a publicly owned asset for a specific period. The public partner then retains ownership of the assets.

A PPP model is well suited to delivering the Wellington MRT and introducing property development incentives.

- Similar to Scenario 1, client-side resourcing of a PPP is relatively low as the risk is transferred to the contractor.

- Contractor risk exposure can be spread across the transport project, O&M, and property development.
- It introduces project financing and opens the ability to create diverse consortium with international and domestic parties
- Project requirements need to be well defined to avoid costly contract changes due to the relatively of a PPP versus more traditionally publicly funded contract delivery models
- If the light rail is staged, then line extension considerations need to be well defined for construction and O&M

The basic PPP model used in transport projects is shown in Figure 6-18



## Alliance Model

The Alliance delivery model is a relationship-style arrangement, that brings together the client and one or more parties to work together to deliver the project, sharing project risks and rewards. Collaborative procurement methods are usually used for highly complex or large infrastructure projects that would be difficult to effectively scope, price and deliver under a more traditional delivery model.

Alliancing has worked well for the Victoria Government to deliver significant volumes of infrastructure projects with a high level of control over the outcome. This level of control

does come at a cost, typically Alliancing is a more expensive model to deliver projects.

Alliance structures, contracting overview and contract elements are shown in Figure 6-19.

### Packaging Options for Transport plus Property Model

Procuring property development sites on their own has the potential to offset the cost of the transportation project and these options are outlined in Scenario 1 and Scenario 2. Combining the MRT project and several property developments sites is the type of package which will attract international developers and industry funds.

Elements presented in these models include diversity of asset classes, long term project pipeline, relationship with the client and ability to deploy capital.

Both Alliancing and PPP models can be combined with property development sites, where the development sites are defined and included as part of the procurement process.

- Client procures MRT project as either Alliance or PPP depends on risk profile, resourcing capability and funding models
- Property development sites are included with a similar level of client input as described in Scenario 1

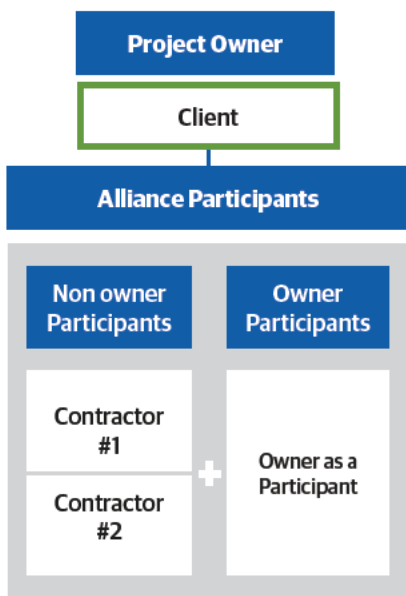
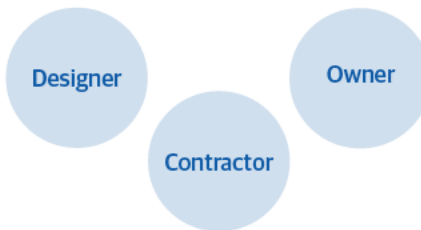


Figure 6-19 Alliance Model structure and overview

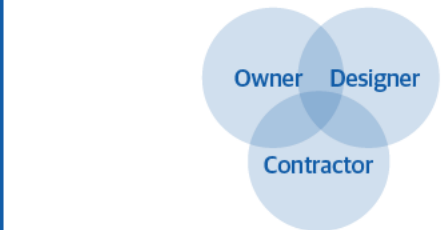
### Traditional forms of contracting



#### Characterised by

Risk & Opportunity allocation	Litigation possible
Based on Win / Lose outcomes	Separate management structure
Best for organisation decision making	Best endeavours
Lack of open book documentation & reporting	

### Alliancing - Integrated Team:



#### Characterised by

Risk & Opportunity allocation	Commitments to 'no disputes'
No fault - no blame culture	A joint management structure
Best-for-project unanimous decision making	Good faith
Transparency expressed as open book documentation & reporting	

- Development density and delivery time frame clauses are included to ensure that development outcome meet the Urban Development needs

Two possible property development sites are attractive to developers due to their scale, layout, and proximity to the MRT.

- Scenario outlined in the Development Block Discussion is ideal for a developer. Land assembly is conducted by the client, master planning is undertaken by the developer and scale is available to enable controlled staged release by the developer.

- [Redacted]



The client is expected to provide detailed information for the any of the contracting models:

- MRT route is confirmed, and project requirements are developed
- [Redacted]
- [Redacted]
- [Redacted]
- Suitable resourcing to enable both a MRT project (dependant on Contract Model) and Urban Renewal outcomes

### Certainty of Urban Renewal outcomes

Combining MRT project with Property Developments sites will offer a similar level of Urban Renewal outcome certainty that is outlined in Scenario 1 and Scenario Two, where the sites and volume of housing possible is similar. The tools and client requirements are again like Scenario 1 and Scenario 2, the difference will come in the ability to attract international developers and offshore capital over a long period of time.

The certainty of project delivery and arrival of new market entrants may act as a catalyst for wider urban renewal and capital investment in Wellington, which improves business case viability for Urban Renewal projects generally.

The risk comes in the ability for Wellington and New Zealand to build supply chain ability without detrimental cost increases in construction costs.

### TOC Components

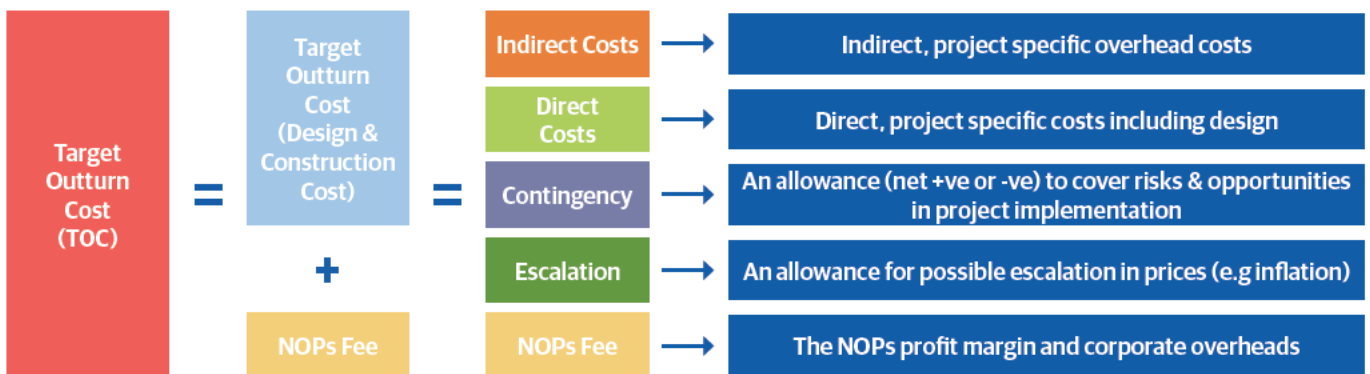


Figure 6-20 Target Outturn Cost components



Figure 6-21 Artist impression of Pipitea Precinct









## 7. Conclusion

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30-years is a long time. Any delivery strategy adopted will need to be flexible and capable of adapting to future requirements and circumstances – our approach in setting out delivery options in the format of scenarios has sought to do just that. There will not be one solution for housing development across the corridor but a hybrid of different solutions to suit the individual needs of sites.

As the Corridor Development Framework established and the delivery scenarios confirm, land assembly facilitated by the public sector (as a minimum) will be necessary in early the early stages of corridor development. Mixed funding models will be required, and further work should be undertaken to identify funding options that minimise the burden on ratepayers. For most scenarios a Council Controlled Organisation (CCO) will be the appropriate agency responsible for delivering urban renewal outcomes.

While addressing the infrastructure deficit and upgrades required to support growth will be a huge challenge, there is a financial incentive in prioritising infrastructure in the MRT corridor. In Wellington, infrastructure costs per dwelling in high-density areas are around half the cost of peripheral low-density areas. From a long-term financial point of view, this creates an incentive for WCC to facilitate a compact urban form that makes best use of resources

and puts into perspective the short-term capital requirements of enabling such development.

Ongoing demand for housing in the city and real terms affordability trends mean that the market will likely deliver future housing growth in high density typologies. A place-based approach to urban regeneration alongside catalyst developments that set a high standard and enable benchmarking will facilitate this change to the urban form. The [REDACTED] offers the greatest potential for this approach.

While we have set out the challenges of delivering urban development, some universal and some unique to Wellington, the evidence gathered shows that if the right conditions are created then the corridor can accommodate growth at this scale. We have not attempted to show how and where every home will be built but have focussed on where the first interventions need to occur and how that may play out over the first 15 years, over which there can be greater confidence.

Like MRT itself, urban renewal will require long-term investment, policy direction and political will at all levels. This report sets out to provide the Partnership Board with additional detail on how the urban development outcomes could be delivered to inform its decision making on MRT mode and route. While this decision may be moot

the issues that inform it are not: Wellington will still need to house a growing population, making best use of resources in doing so.

It is WCC's job is to plan for the future of the city. The urban development workstream will be progressed in two ways:

Firstly, through the Growth Plan, as set out in the Growth Plan Roadmap that accompanies this report, which will set out what, where, and how growth will occur in the MRT suburbs and other areas of Wellington over the next 30 years and beyond, focusing on the areas of greatest development opportunity, primarily driven by investment in infrastructure.

Secondly, a more detailed workstream will respond to the elements of the Transformational programme that are continued to leverage these investments and enable the best urban development outcomes. This will have a tighter geographic focus [REDACTED] and will develop options for delivering urban regeneration in the area.



# Growth Plan Roadmap

Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Poneke



# Contents

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# 1. Background

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Significant population growth, a housing crisis, and the impacts of climate change driving a societal desire to cut carbon emissions are shaping the future of Wellington City. How we densify and further urbanise our existing areas effectively needs a considered and integrated urban development process to ensure we are building a well-functioning and resilient city. To do this we need alignment between planning for urban development and infrastructure investments required in water, electricity, community, social and green infrastructure, and transport improvements.

Wellington City is forecast to grow by 50,000–80,000 more people over the next 30 years. The previous operative District Plan settings did not provide enough houses to meet this growth, so the Spatial Plan and Proposed District Plan increases development potential across the City.

The Spatial Plan is consistent with the direction set out in the National Policy Statement on Urban Development (NPS-UD) 2020 to set out a strategic plan of action in response to the future growth pressures, and create 'well functioning urban environments'.

The Spatial Plan has identified key growth areas in the city for focused intensification and infrastructure investment. Among these are the north-south corridor from the train station to Island Bay, Johnsonville, and the eastern corridor to Kilbirnie. The Growth Plan will focus these areas with opportunity for growth to help to address items in the Spatial Plan Action Plan (shown on the map in section 2). The Growth Plan will identify interventions, investments and policy decisions at greater level of detail and specificity than the Spatial Plan to provide confidence in the Spatial Plan actions and outcomes being realised.

The District Plan is the main regulatory tool for implementing the Spatial Plan, setting out the policy and rule framework for land use and subdivision. It is the 'rulebook' for land development to implement the goals and directions outlined in the Spatial Plan, through a combination of zones, precincts, overlay protections (e.g. natural hazards, heritage), and development areas. The Growth Plan will identify additional interventions, investments and policy decisions beyond the scope of the District Plan to help realise the Spatial Plan goals. The District Plan effectively says what is allowed to be built, but additional incentives, utility services and urban improvements may be required to make medium and high-density development more commercially feasible and attractive in the City's priority growth areas.

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This goals of the Growth Plan are supported by a number of related strategies, decisions and policies outlined below.

The Regional Land Transport Plan (RLTP) 2021 sets ambitious targets for mode shift (40% increase in share of trips by active travel and public transport) and emission reductions (35% less carbon emissions from transport). To achieve these at a regional scale, Wellington as the City with the highest population and most compact urban form, will need to focus on the provision of compact urban development alongside high-quality public and active transport choices connecting these.

As part of the LGWM Preferred Option Decision in May 2022, GWRC and WCC agreed that the next stage of investigation should include planning for intensive urban development and urban amenity to give greater confidence that the urban development can be delivered over the next 30 years and beyond. This included providing for 18-21,000 new homes in the suburbs along the route of the proposed MRT (Mass Rapid Transit) and eastern bus priority, which covers from the CBD to Island Bay, and out to the airport and Miramar.

The Future Development Strategy (FDS) is planning for 200,000 more people and 99,000 more homes in the Wairarapa-Wellington-Horowhenua region over the next 30 years. WCC has provided projections for the FDS that include around 19,000 new dwellings in the MRT and eastern bus priority suburbs.

The WCC 2024 Long-term Plan includes the following priorities relevant to the Growth Plan:

- Increase access to good, affordable housing to improve the wellbeing of our communities
- Collaborate with our communities to mitigate and adapt to climate change
- Revitalise the city centre and suburbs to support a thriving and resilient economy and support job growth



## 2. Proposed Approach

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The Growth Plan will establish what, where and how growth will occur in specific areas of Wellington over the next 30 years and beyond, focusing on the areas of greatest development opportunity, primarily driven by investment in infrastructure. It will help address the Spatial Plan Action Plan, inform updates to the District Plan, and identify specific interventions and policy decisions to enable development.

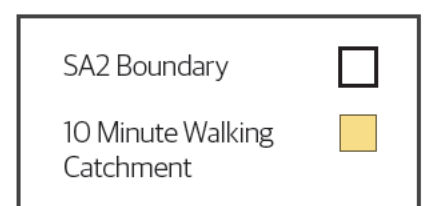
The focus areas for the Growth Plan are within 10 minute walking catchment of the proposed MRT route, eastern bus priority, and Johnsonville, as shown in the following map.

Tawa is out of scope as there are fewer commercially feasible opportunities for infrastructure enabled densification beyond what is already done and planned: Town Centre upgrade 2015, district plan up-zoning, Porirua Joint Venture wastewater upgrade, flooding works, Metlink On Demand trial, etc.

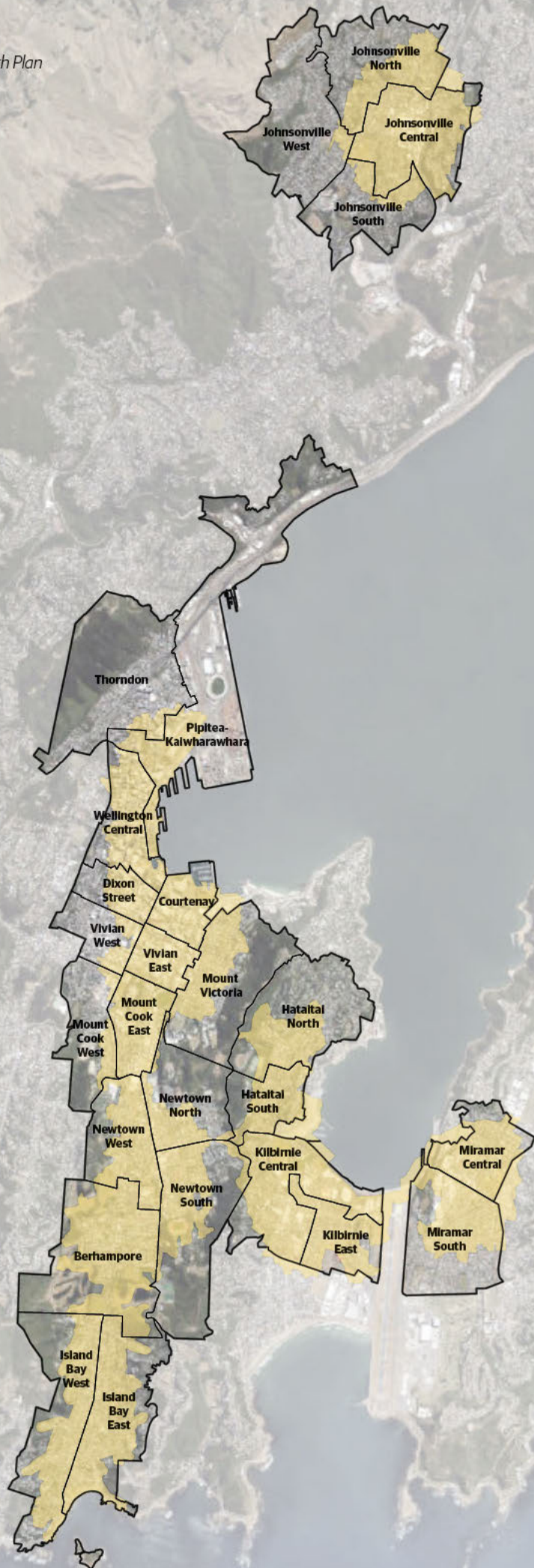
The Growth Plan is a mechanism for testing the phasing of infrastructure and associated development for the focus areas identified, to ensure that the two are aligned and informed by each other. It will understand the infrastructure that is required to deliver intensification and enable quality urban development. It will provide an understanding of how growth looks and feels in the key growth areas identified, going beyond a quantitative city model-based approach and focusing on place and site-specific analysis.

The Growth Plan will provide a more detailed understanding in specific areas than the Spatial Plan of interventions, investments and policy decisions needed within the timeframes of 10, 30 and 50 years to inform funding and decision-making strategies. It will identify sufficient development capacity and attractive development opportunities in the short, medium and long term in the right places to accommodate the forecast growth.

The Growth Plan work will be funded by Wellington City Council through existing budgets.



**Figure 2-1**  
Map showing scope of the Growth Plan  
areas of focus



0 0.5 1.0 1.5 2.0  
km

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## Objectives

The Spatial Plan objectives will be adopted by the Growth Plan:



### Compact

Wellington builds on its urban form with quality development in the right locations.



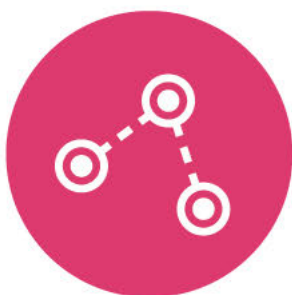
### Greener

Wellington's natural environment is protected, enhanced and integrated into the urban environment.



### Vibrant + Prosperous

Wellington builds on its identity by welcoming social and cultural diversity, supporting innovation and investing strategically to maintain our thriving economy.



### Inclusive + Connected

Wellington has a world-class transport system with attractive and accessible public spaces that support our diverse community and cultural values.



### Resilient

Wellington's natural and built environments are healthy and robust, and we build physical and social resilience through good design.



### Partnership with Mana Whenua

Wellington recognises the unique role of mana whenua within the city and advances a relationship based on active partnership.



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The Growth Plan will also be informed by the draft LGWM Urban Development Working Objectives endorsed by GWRC and WCC Councillors in May 2022, recognising that MRT delivery is likely to be later than initially planned due to the change of government in 2023. These objectives are also intended to be reviewed and updated.

These are:

**Enabled growth target:**

Land use controls and infrastructure upgrades help enable 18,000 to 21,000 new homes to be built within 10 minutes' walk of MRT stations over the next 30 years

**Intervening to facilitate homes:**

LGWM partners facilitate between 2,000 to 5,000 new homes to be built near MRT stations (total across the corridor) over the next 30 years where the market would not otherwise deliver them to scale, pace, quality

**Assisted/affordable housing:**

Assisted and affordable housing is encouraged and where appropriate developed in the project area to give opportunities to live in affordable, accessible, good quality housing

**Māori housing and papakāinga:**

TBC with iwi partners (e.g. commercial opportunities, Māori housing, papakāinga)

**Public and social housing:**

Public and social housing is facilitated to meet targets and settings in Kāinga Ora and WCC plans

**Quality environment:**

New public spaces, retain or improve recreation, health, education, social services particularly in proximity to MRT stations

**Quality buildings:**

Commercial and residential buildings actively facilitated by partners have low embodied carbon, are energy efficient and are accessible



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## Delivery Approach

The Growth Plan will primarily be delivered by the WCC City & Centres Regeneration team, working with key partners, in particular relating to enabling infrastructure. There will also be key specialist input and participation as required.

It will address a number of specific items in the Spatial Plan Action Plan (2022)

### 1.1.1

#### **Density location:**

Ensure higher density residential and commercial development is concentrated in the Central City, and in and around suburban centres and public transport corridors.

### 1.1.2

#### **Density enablement:**

Enable increased housing density and commercial development in the intensification areas identified in the Spatial Plan and on key public transport corridors

### 1.1.3

#### **Transport supported development:**

Enable good quality mixed use development within suburban centres that are supported by public transport.

### 1.1.5

#### **Investment alignment:**

Work with Kāinga Ora, Ministry of Housing and Urban Development, iwi and other housing providers to improve alignment and coordination of planning and investment to unlock priority areas for housing development (including key opportunity sites) identified in the Spatial Plan.

### 1.2.4

#### **Neighbourhood plans:**

Facilitate place-based planning processes with local communities and mana whenua where medium to high density development is planned, including identifying values and key principles for consideration to help manage future growth and change.

### 1.3.3

#### **New and more capacity schools and healthcare:**

Work with the Ministry of Education and Ministry of Health to ensure that the identification of new schools, healthcare facilities and/or additional capacity requirements are informed by the city's projected population growth rate and associated growth locations.

### 2.1.6

#### **Let's Get Wellington Moving:**

Support the introduction of a mass rapid transit system through Let's Get Wellington Moving (LGWM) programme that connects the Wellington rail station to the southern and/or eastern suburbs.

### 5.1.2

#### **Precinct planning:**

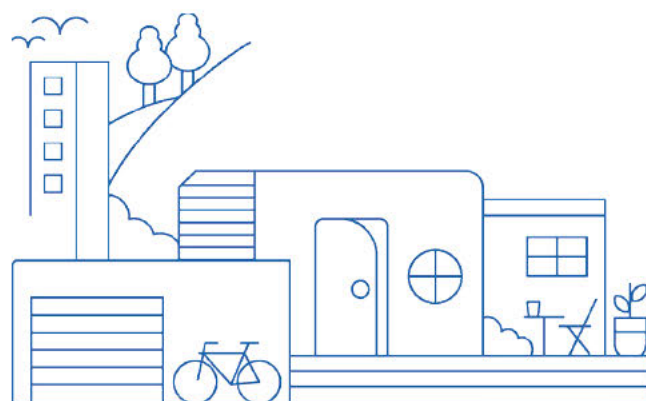
Undertake precinct planning of identified areas of change, including around the future mass rapid transit stations, to support higher density mixed-use urban development, and quality public spaces. Integrated transport planning around the mass rapid transit stations will also be included.

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The Growth Plan will consider individual sites, including master planning, capacity testing, and strategies for realising growth. However it will not necessarily be responsible for delivering the interventions required to realise these opportunities, which may include establishing an Urban Development Agency or Specified Development Project<sup>1</sup>

The Growth Plan will be a document with an end-point, with content for the outputs and outcomes listed in section 5 below. These outputs and outcomes could include integration with or updating existing Council policies and plans, including the following:

- District Plan changes
- Housing Strategy and Action Plan updates
- Business case/justification for urban development interventions, whether as part of a Specified Development Project or individual city development projects
- Long Term Plan and Annual Plan updates
- MRT Detailed Business Case assessment and approval



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<sup>1</sup> <https://kaingaora.govt.nz/working-with-us/specified-development-project/>



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## Designations

The Growth Plan will help inform appropriate designations to help future proof development opportunities identified. WCC wants to make sure that the mass rapid transit (MRT) route from Wellington Train Station to Island Bay is protected for future transit investment. This includes dedicated lanes with street positions, camber, gradient and curves suitable for a future rail mode. A designation in the district plan would mean other developments such as buildings, utilities or road works within the designation could not prevent or hinder future MRT construction without written approval of the requiring authority (the Council in this case). It is also a useful tool for landowners and the general public to know where future MRT will be built.

The application for this designation must consider existing RMA policies and plans, and the environmental effects of MRT including alternative sites, routes or methods. The MRT detailed business case process so far has completed most of the consideration of options, with a preferred route available. The project still needs a fuller assessment of environmental effects and reports before the application is ready.

The Council or hearing panel processing the application may require an outline plan before work begins on any MRT. The outline plan provides the detail not available when the notice of requirements is lodged: staging, construction, design, and it must be consistent with the designation. This outline plan can wait, while the designation remains to protect the route.

Where the MRT designation covers private land, the Council can buy the land through negotiation or compulsion (under Public Works Act 1981) where sufficient funding or financing is available to purchase the land. The landowners can also ask the Environment Court to direct the Council to buy or lease the land if the designation is preventing reasonable use and sale of the land.

An MRT designation will have a lapse date, although it can be extended, and "rolled over" into new district plans. In practice, transport designations can remain for decades. The designation can be transferred from the Council to another requiring authority that may end up funding and delivering the MRT.









# 3. Scope

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## In Scope

- A Spatial Framework which draws together visions and master planning strategies for the growth areas
- Development capacity testing on identified Sites for Growth following a level of growth endorsed by Councillors in line with the FDS
- A strategy to show how growth could be realised in the timeframes of 10, 30, 50 years and what are the interventions, investments and policy decisions needed
- Meaningful engagement and communication with identified stakeholders, including mana whenua as partners
- How the policy function of WCC will influence and contribute to the delivery of the Growth Plan, including future changes and updates to the District Plan and Spatial Plan where needed
- Site analysis at a strategic and Sites for Growth scale which understands place from different perspectives and informs development capacity
- Understand the baseline urban growth scenario to measure benefits of the delivery of the Growth Plan interventions
- Targeted public engagement
- Central government agency collaboration including through the Priority Development Area Leadership Group sitting under the Wellington Regional Leadership Committee.

## Out of Scope

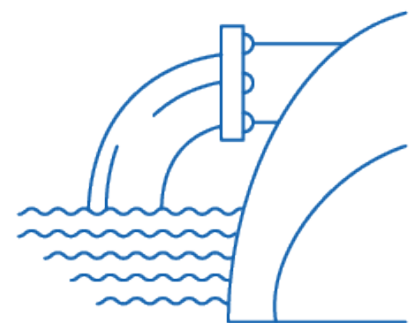
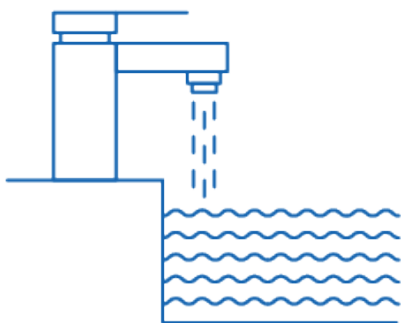
- Site specific development planning which provides a detailed masterplan, including establishing a Specified Development Project under the Urban Development Act
- Land acquisition planning
- Transport corridor design (although integration with proposed designs is critical)



## 4. Key Assumptions

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- A level of flexibility within the prioritisation of interventions, investments and policy decisions to allow for changing conditions and circumstances
- To spatially illustrate how growth could look along key transport corridors a number of assumptions will need to be drawn on including the design, viability and deliverability of typologies
- Information on enabling infrastructure masterplan is available to inform development of the Growth Plan, for example the LGWM Infrastructure Masterplan, and WCC Infrastructure Strategy
- The walkable catchment of key transport corridors (for example the proposed MRT route and eastern bus priority corridor) is around 10 minutes' walk to stations / stops<sup>1</sup>
- That WCC will take the lead in land use planning for urban development in Wellington City, in line with its regulatory function role, working with partners as appropriate
- Light rail will not be delivered within the short to medium term but the Growth Plan will assume that the MRT corridor is future-proofed for development around a rail-based rapid transit at a later stage
- That a second Mt Victoria tunnel and Basin Reserve improvements are delivered in the short to medium term



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<sup>1</sup> Refer to [WCC Walking catchment information sheet](#)

# 5. Outcomes and Outputs

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## Outcomes:

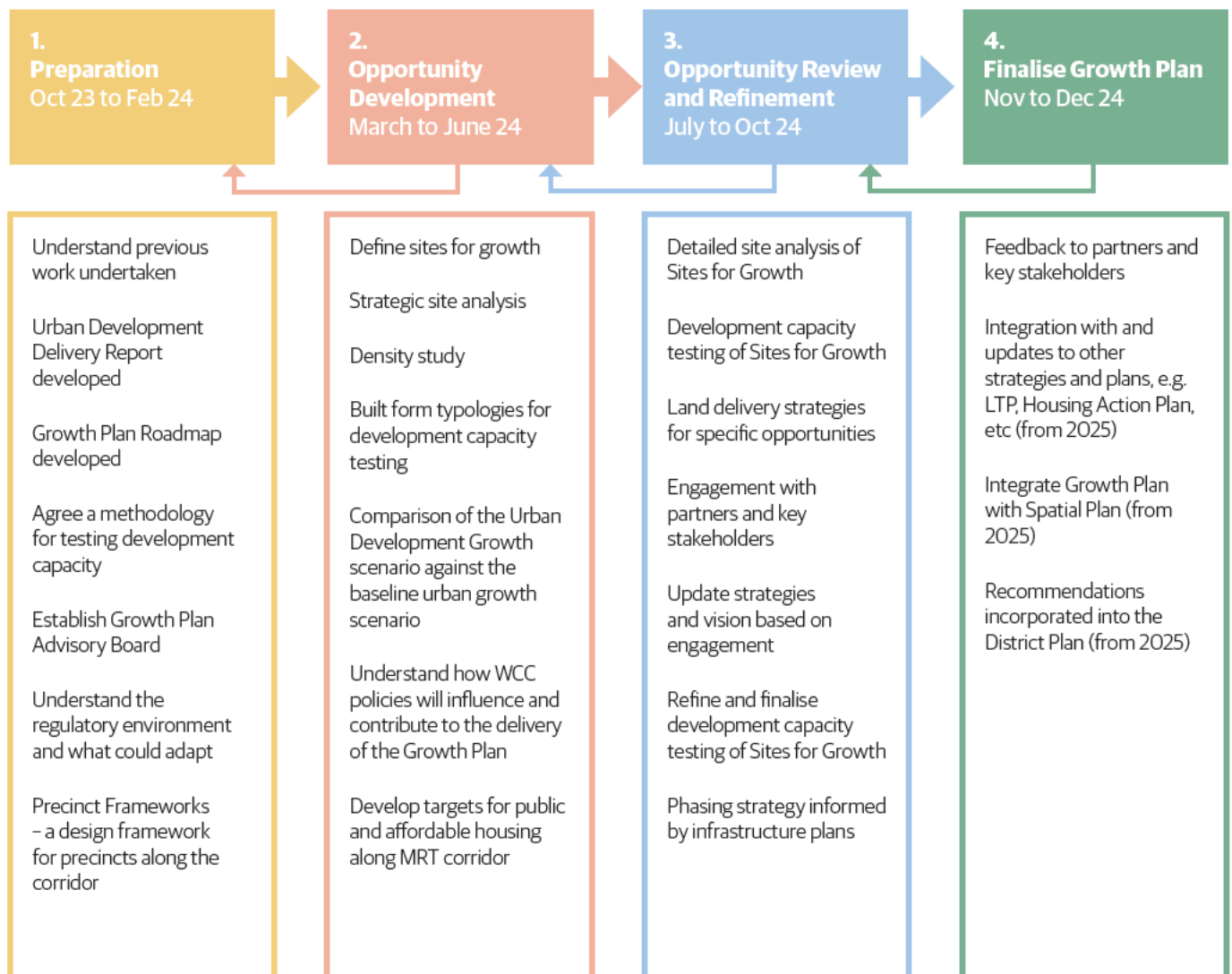
- Additional growth in Wellington homes over the next 50 years above baseline growth in the priority growth areas of Johnsonville and the MRT corridors, enabled by specific interventions, investments and policy decisions to encourage development
- Advancement of the spatial plan actions, particularly those relating to alignment of investment in housing, new schools and healthcare facilities, and undertaking neighbourhood and precinct planning
- Meaningful engagement and communication with Mana Whenua and identified stakeholders

## Outputs:

- Inputs to relevant planning strategies for the growth areas identified including the District Plan, and updates to existing precinct plans and strategies where needed to enable the growth opportunities identified.
- Targets for social and affordable housing collated from existing strategies, action plans and research, and endorsed by Councillors, based on the growth opportunities identified, to address an item in the Housing Action Plan. Relevant sources to inform the targets include housing research underway by the City Insights Team, the New Homes research by Martin Rosevear, the Beca Housing Affordability report, FDS, the Regional Housing Action Plan, the GPS on Housing, and the MHUD Housing Dashboard. These targets will be greater than Council investments into Te Toi Mahana (social) and Te Aroha (affordable) projects, and will include government investments and community housing providers.
- Development capacity testing on identified sites for growth following a level of growth endorsed by decision makers. This will provide a quantity of housing and other uses, and how this growth might look and feel. This includes developing a methodology for how sites for growth are identified; and how the development capacity is measured and tested.
- A strategy to show how growth could be realised in the timeframes of 10, 30, 50 years and the interventions, investments and policy decisions needed to enable this development, and how it can be adaptable over these periods to respond to different drivers: policy, investment, and market factors.
- A strategy for how the policy function of WCC will influence and contribute to the delivery of the Growth Plan. This will include how some existing policies may be adapted to facilitate a level of Growth endorsed by Councillors.
- Site analysis at different scales which understands place from different perspectives and informs development capacity, and future partnering, investment, or acquisition opportunities.
- A comparison of the Growth Plan scenario against the baseline urban growth scenario. The baseline has no investment in MRT or urban development beyond what is currently planned for. This will allow us to measure the benefit of the interventions identified to enable additional development beyond the base case.

# 6. Programme

The Growth Plan Programme has four phases, and will be delivered over the course of 2024, feeding into other areas from 2025 onwards. An iterative approach will be taken to the phases.



Governance and oversight through fortnightly SRO Updates, six monthly joint WCC & GW Councillor Workshops, and monthly Growth Plan Advisory Board Meetings



# 7. Governance

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The Growth Plan work will be governed by its SRO (Senior Responsible Owner), Vida Christeller, Manager City Design, and sponsored by Liam Hodgetts, WCC Chief Planning Officer. The SRO has overall responsibility for ensuring that the Growth Plan meets its objectives and delivers the projected benefits. The sponsor is the ELT member responsible for the Growth Plan.

Regular meetings between the City & Centres delivery team and SRO will be held to understand:

- Progress against plan
- Risks and issues
- Dependencies
- Mana Whenua engagement
- Stakeholder engagement
- Budget

A **Growth Plan Advisory Board** will be established to provide non-binding advice and support to the Growth Plan work. They will:

- Provide current knowledge, critical thinking and analysis to increase the confidence of the Growth Plan decision-makers
- Provide a sounding board on issues of debate
- Raise key risks and issues relevant to the Growth Plan work
- Support sector engagement on the Growth Plan

The Growth Plan Advisory Board will be chaired by the Growth Plan SRO. Should the Chair not be present for a meeting, the Chief Advisor Planning & Environment will act as the chair.

The Chair will:

- Chair Growth Plan Advisory Board meetings fairly and in a manner that allows the group to fulfil its role
- Encourage open communication where all members can contribute to conversations
- Not allow individuals or sub-groups to dominate the meeting
- Act as the spokesperson for Advisory Board and represent the view of the group as required
- Have the final approval in the case of a deadlock

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The Growth Plan Advisory Board will be made up of the following members :

- Vida Christeller, Manager City Design (Chair)
- Representative(s) from the developer community
- Representative(s) from urban development specialists
- Representative(s) from relevant community groups with an interest in the Growth Plan areas of focus
- Representative(s) from Let's Get Wellington Moving (or Waka Kotahi depending on LGWM future)
- Representative(s) from the Ministry of Housing and Urban Development
- Representative(s) from the New Zealand Infrastructure Commission
- Representative(s) from Kainga Ora
- Representative(s) from Greater Wellington Regional Council (TBC)
- Representative(s) from Wellington Regional Leadership Committee (TBC)
- Representative(s) from Wellington Water (TBC)
- Representative(s) from iwi (TBC)

The Growth Plan Lead will attend Growth Plan Advisory Board meetings, along with any additional attendees as required for specific agenda items.

The Growth Plan Advisory Board will meet as required, approximately six times a year. Notice of each meeting will be given to each member. Urgent meetings may be convened with the agreement of the Chair.

The convener will determine the agenda with the relevant papers being assembled and distributed to the members at least two working days before the meeting. It is at the discretion of the Chair to accept late agenda items and papers.



## 8. Risk and Issues

<b>Risk/Issue Description</b>	<b>Treatment</b>
LGWM DBC and WCC LTP priorities, timeframes, budget unknowns. This includes possible city and national political decisions to change, delay or stop LGWM	Make robust assumptions based on the most current information, but allow flexibility within the plans for areas of known uncertainty (e.g. MRT)
Lack of support from Councillors	Keep them informed and engaged through regular updates and general openness throughout the visioning of the city of the future
Scope creep – Strategic nature of project needs to take account of a large group of factors and, stakeholders and existing projects	Scope of the project to be regularly monitored and any scope changes to be considered carefully. Significant changes to scope will require a formal change request sign off by the Growth Plan SRO
Public and iwi engagement re-covers topics they've already given feedback on, without acknowledging the decisions and trade-offs already made from this feedback. Leading to frustration, consultation fatigue, withdrawing	Read and note feedback from previous engagement work. Summarise and share this and Council decisions on it as base information to start the engagement
Missed opportunities due to timeframes	Strong leadership and programme management to help escalate opportunities and mitigate risks
The Growth Plan is not fit for purpose to deal with our changing climate	Inclusion of Climate Resilience and Adaptation risks in Growth Plan site assessment criteria
Resourcing for a complex project, needs a range of particular skills that are tight in the current market	Address through Growth Plan Procurement Strategy and programme to allow time to secure suitable resource
Recommendations become outdated by time of implementation	Prioritisation to develop greater detail for short to medium term opportunities that are less likely to change before implementation. Identify potential risks for interventions proposed, particularly key dependencies (e.g. infrastructure)
Growth visualisations and possibilities get captured by the current construction constraints and demands for housing	The Growth Plan focuses on future outcomes, considering but not being bound to current commercial realities. The Growth Plan has housing affordability, variety and quality as a key principle



# 9. Procurement

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The Growth Plan will largely be delivered by existing WCC resource but may require additional support in areas including:

- Specific areas including Green & Blue Infrastructure, Local Movement & Public Realm, Cultural Heritage, and Climate Resilience & Adaptation
- Property / funding expertise
- Public engagement and communications support
- Legal advice
- Programme management
- Any other services identified as required

Services will be procured as required in accordance with WCC Procurement policies. Appropriate procurement strategies will be adopted based on the value and associated risk of each service to ensure that the desired procurement and delivery outcomes are met.



# 10. Dependencies

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## Dependencies

### Spatial Plan

## Description

The Spatial Plan is a growth strategy for our city that sets out a plan of action for where and how we should grow and develop over the next 30 years. The Spatial Plan feeds into other policy decisions and helps to shape the District Plan review. It also help the Council prioritise investment for things like transport, new community facilities and infrastructure upgrades. The Spatial Plan helps shape our city by considering a range of topics relating to the City's growth including land use, transport, three waters infrastructure, natural hazards, heritage, and natural environment values. The Growth Plan and Spatial Plan teams will work closely to ensure alignment of purpose and outputs.

### Infrastructure Strategy and Masterplan for MRT corridor and WCC Infrastructure Strategy

Critical inputs to the Growth Plan to identify that understand the infrastructure is planned, and whether it will enable the growth objectives.

### LGWM Transformational Programme Engineering

Recommendations on transport mode, route, MRT stations, integration, staging, timing (particularly relevant given likely changes), infrastructure design, delivery, etc. Includes multi-criteria assessments, costs and benefits, affordability, risk, consenting, property acquisition, roles/responsibilities, urban design and other factors

### WCC Community Facilities Network Plan

This plan looks at how Wellington's community facilities are meeting people's needs and what might be needed in the future. Identified gaps need to be considered within the Growth Plan on top of understanding the need in the context of the Growth Plan.

### Housing and Business Development Capacity Assessment (HBA)

The 2023 Wellington Regional (HBA) has been completed by the ten councils of the Wairarapa-Wellington-Horowhenua region. Wellington City will update its capacity numbers once the district plan's Intensification Planning Instrument is completed around April 2024. This will inform the final 2024 LTP and will be crucial in understanding the realisable residential capacity which WCC can deliver without the LGWM/WCC Urban Development Programme, which will form the base case for the Growth Plan.

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**Future Development Strategy (FDS)**

The Wairarapa-Wellington-Horowhenua Future Development Strategy (FDS) describes how, through working together [the region] will deliver well-functioning urban environments in existing and future towns and cities and provide enough development capacity in the next 30 years to meet at least the expected demand. It outlines regional priorities for housing and business development and the investment in infrastructure that supports it. Hearings on the draft FDS are scheduled Dec 2023 and it is intended to be finalised Q1 2024.

**Proposed District Plan**

The Proposed District Plan is in its final stages before decisions are issued (in 2025) and in early to mid-2024 parts of the plan subject to intensification become operational. The Growth Plan will need to understand how the district plan can contribute to the delivery of the Growth Plan and what provisions need to be adapted to facilitate the level and form of urban growth in the Growth Plan.

**Wellington Central City Green Network Plan**

The Central City Green Network Plan was approved by the Pūroro Āmua committee in October 2021 and the implementation framework was completed in May 2022. Currently a business case is being developed to seek Long Term Plan funding to achieve the four central city targets: no net loss; double the number of trees; upgrade greening of 20 existing park and develop 2 new parks. The Growth Plan will need to include that set out within the Green Network Plan and consider what green infrastructure is needed to accommodate growth along the corridor.

**Open Space and Recreation Strategy**

The Open Space and Recreation Strategy provides an overarching framework and strategic direction for the Council to manage its open space, and its recreation facilities, programmes and services over the next 30 years.

**WCC Infrastructure Strategy**

The Infrastructure Strategy covers a 30 year view guided by the Outcomes and Priorities and linked closely with WCC's Financial Strategy to outline key infrastructure issues WCC are facing. It covers options for addressing the issues, outlines implications from the options, and describes how Council will manage infrastructure assets over the long term.



# 11. Communications / Engagement

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## Iwi / Key Stakeholders

### **WCC Mana Whenua partners:**

The Port Nicholson Block Settlement Trust, Te Rūnanga o Toa Rangatira Incorporated and Te Rūnanganui o Te Āti Awa

### **Wellington Tenths Trust**

### **WCC Internal Teams**

Including Capital Projects, Climate Change Response, Corporate GIS, Cultural Heritage, District Planning, Housing Capital Projects, Housing Development, Mataaho Aronui, Open Space & Recreation Planning, Resilience & Sustainability, Strategic Planning, and Urban Regeneration

### **Key government partners**

Including Ministry of Housing and Urban Development, New Zealand Infrastructure Commission, Kāinga Ora, Wellington Regional Leadership Committee

### **Let's Get Wellington Moving**

### **Industry stakeholders**

Including developers and landowners

## Proposed Engagement Approach

Work with WCC's Mataaho Aronui team to use existing engagement channels in the first instance, and provide additional engagement opportunities where appropriate and sought by iwi. Note coordination with LGWM engagement with Mana Whenua to ensure context and interface between projects is clearly and consistently articulated

Work with WCC's Mataaho Aronui team to use existing engagement channels in the first instance, and provide additional engagement opportunities where appropriate and sought by iwi

Monthly update calls to keep teams informed about the Growth Plan, and specific meetings with individual teams as required during development of the Growth Plan

Meetings / briefings as appropriate during development of the Growth Plan and regular updates.

Collaboration as appropriate during development of the Growth Plan and regular updates

Potential representation on the Growth Plan Advisory Group plus meetings / briefings as appropriate during development of the Growth Plan, for example targeted engagement with landowners who might be affected by the Growth Plan.

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**Key infrastructure partners**

Including Wellington Water, Wellington Electricity, Waka Kotahi, Ministry of Education, Greater Wellington Regional Council

**WCC and GWRC Councillors****Local interest groups****General Public**

Potential representation on the Growth Plan Advisory Group plus meetings / briefings as appropriate during development of the Growth Plan

Regular updates to Councillors on the Growth Plan

Potential representation on the Growth Plan Advisory Group plus meetings / briefings as appropriate during development of the Growth Plan

Targeted conversations with the public such as 'shop front' activities , to be detailed further as the Growth Plan is developed, with a better understanding of the specific area scenarios and implications. Engagement will depend to some degree on the nature of the sites for growth, and therefore the most appropriate approach depending on the stakeholders involved and interventions identified



**Prepared for:** LGWM Partnership Board

**Subject:** Incorporation of Urban Development in Transformational Programme

**Impacted Project(s):** Urban Development and Transformational Programme

**Date:** 6 December 2023

**For:** Endorsement

**Author:** Moana Mackey, Chief Advisor, Planning, WCC

**Endorsed by:** Liam Hodgetts, Chief Planning Officer, WCC

**Doc no:** AGN-00295/2023 **Agenda item:** 8.4

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## PURPOSE

- [1] To propose undertaking work to support the delivery of LGWM's programme objectives and vision to enable urban development outcomes.
- [2] The two proposed inter-related pieces of work are to:
  - a. Understand urban development opportunities enabled by proposed Basin Reserve improvements and second Mt Victoria tunnel and identify their benefits and disbenefits, to inform the LGWM Transformational DBC.
  - b. Understand potential urban development delivery options, including whether the Specified Development Project process could be appropriate.
- [3] These pieces of work will give LGWM and its Partners increased confidence that urban development outcomes can be delivered in addition to transport outcomes. They inform each other and there are synergies from developing them in parallel.

## CONTENT

- [4] Improved urban development outcomes are a core part of LGWM, including the greater liveability objective which includes enhanced urban amenity and enabling urban development outcomes, and the following LGWM principles:
  - a. **Wider view** recognise that there is a wide range of benefits to be realised from integrating urban form and transport thinking
  - b. **Future-proof and resilient** ...recognising the role of transport services in encouraging urban development where we want it
  - c. **Past, present, future** ...transport system that ensures infrastructure developments are integrated with their built environment
  - d. **Compact city** reclaim urban space to support a compact and liveable city.
  - e. **Growth** encourage continued economic growth and support population growth and intensification of Wellington city as the economic engine of the region



- [5] The National Party has committed to begin construction of the proposed Basin Reserve improvements and second Mt Victoria tunnel in its first term of government. Their Transport for the Future<sup>1</sup> plan clearly links transport to urban development to deliver housing outcomes. “National will issue a new Government Policy Statement on Land Transport in our first six months in office which will prioritise reducing travel times, creating a more efficient and safer transport network, increasing productivity, *delivering housing growth*, and building resilience.”
- [6] The National Party Housing Plan<sup>2</sup> intends to “unlock land for housing, *intensify transport corridors*, build infrastructure, and support communities.” And “National’s strategic vision for cities is to enable more density in transit corridors with the requisite infrastructure to support growth, with more flexibility for councils to reduce intensification in suburbs without infrastructure capacity. A National Government will consider the use of urban development authorities to support infrastructure and growth in those corridors.”
- [7] The LGWM Transformational DBC is expected to increase its transport focus, but still would benefit from being clear how it will be supporting urban development and housing outcomes.
- [8] The transformational DBC assessment of options includes effects on urban development generally but does not include any specific works or catalyst developments outside the transport corridors.
- [9] In the absence of any specific urban development intervention planning there is likely to be minimal urban development from these significant investments in transport infrastructure, and opportunities will be lost to encourage development along this corridor.
- [10] As demonstrated by the Urban Development Delivery Report it will not be possible to achieve the level of new housing development sought by the Future Development Strategy (FDS), WCC Spatial Plan, or LGWM Preferred Option Decision in May 2022 without investment in enabling infrastructure, and specific planning interventions to enable and catalyse new development.
- [11] Work to better understand the urban development benefits which could be realised alongside the Transformational project will likely improve the cost benefit analysis for the LGWM Transformational DBC. It is noted that a poor cost benefit was contributor to the failure of the previous Basin Reserve flyover project in 2015.
- [12] The areas potentially impacted by the proposed Basin Reserve Improvements and second Mt Victoria tunnel, shown below, provide scope for urban development. Wherever there are potential transport acquisition then urban development opportunities should be explored.

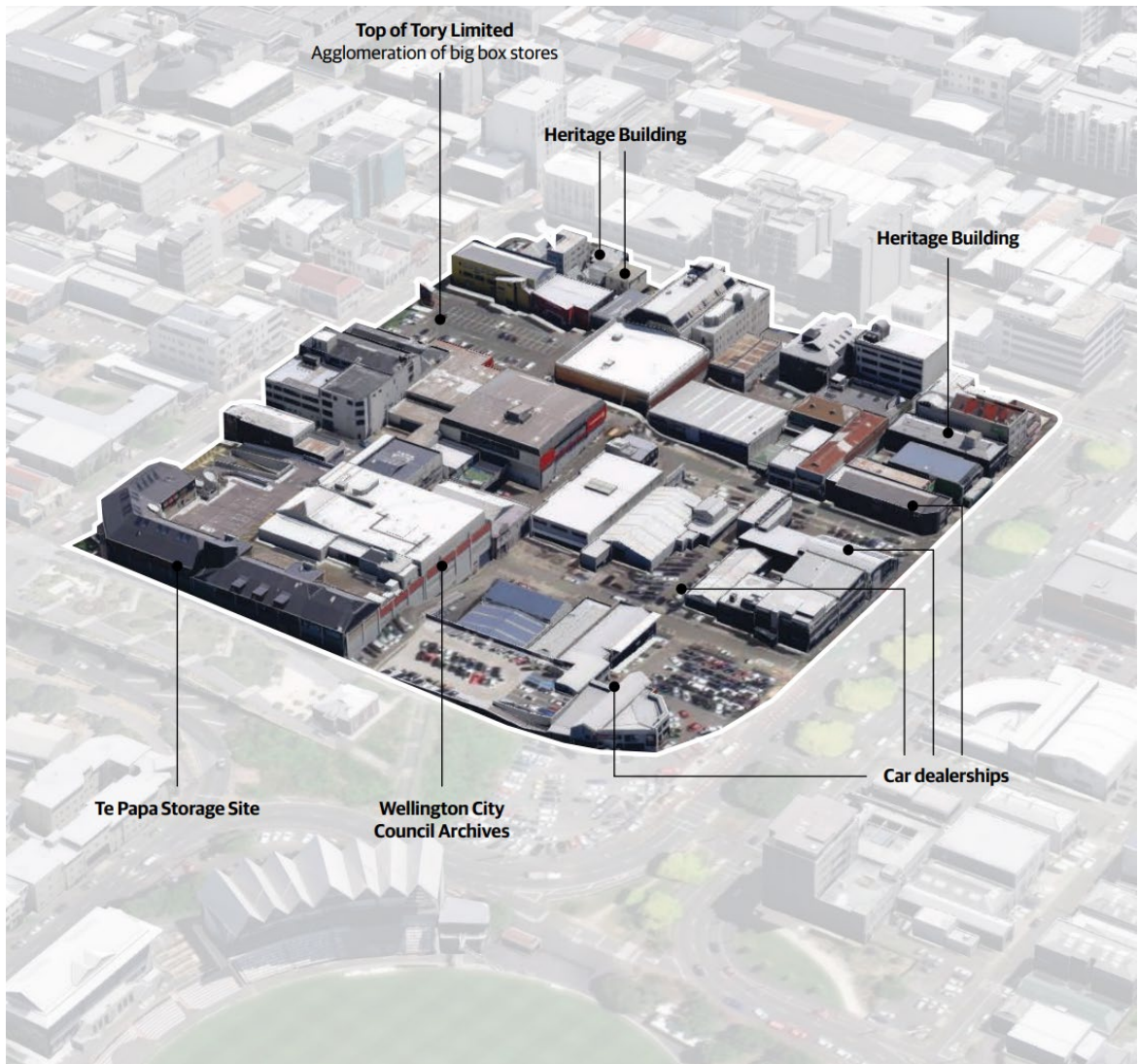
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<sup>1</sup> [https://assets.nationbuilder.com/nationalparty/pages/18131/attachments/original/1690759286/Transport\\_for\\_the\\_Future.pdf?1690759286](https://assets.nationbuilder.com/nationalparty/pages/18131/attachments/original/1690759286/Transport_for_the_Future.pdf?1690759286)

<sup>2</sup> [https://assets.nationbuilder.com/nationalparty/pages/17928/attachments/original/1685403005/Going\\_for\\_Housing\\_Growth.pdf?1685403005](https://assets.nationbuilder.com/nationalparty/pages/17928/attachments/original/1685403005/Going_for_Housing_Growth.pdf?1685403005)



- [13] The Urban Development Delivery Report demonstrates the potential for quality urban development in this corridor ( [REDACTED] ), but there is a short term (within 3-5 years) window to secure this potential given the likelihood of ad hoc land sale and lower value development within the corridor.



[14]

[15] A discrete piece of work is recommended to understand urban development opportunities enabled by proposed Basin Reserve improvements and second Mt Victoria tunnel and identify their benefits and disbenefits, to input into the LGWM Transformational DBC cost benefit analysis. This work would be undertaken in parallel with the LGWM Transformation DBC.

[16] This work would be led by WCC given their lead in land use planning for urban development in Wellington, in line with its regulatory function role. WCC will work with other agencies as, and where, needed with key specialist input and participation. It is recommended that the same business case writer is used for this standalone content as the LGWM Transformational DBC to ensure consistency and alignment.

[17] It would be prudent to investigate in parallel the potential delivery options to enable the urban development outcomes sought. Options to consider include establishing an Urban Development Authority or a Specified Development Project (SDP).



- [18] For context Council decided on 24 June 2021 3.2: Approval of 30-year Spatial Plan Agree that Council will seek to get the agreement of Kāinga Ora to develop at least one Specified Development Project through under the Urban Development Act 2020 to facilitate more affordable and sustainable housing
- [19] Projects can move into the assessment phase of the SDP process in two ways – Kāinga Ora can be directed by Joint Ministers (Housing and Finance) to assessment a project as a potential SDP, or the Kāinga Ora Board can select a project for assessment as a potential SDP. Following selection the assessment process takes about 12-18 months depending on the complexity of the project.
- [20] Project Assessment is a statutory process led by Kāinga Ora, working in partnership with council and others. Kāinga Ora prepares the Assessment Report with a recommendation to establish/not establish an SDP, and then provides the report and recommendation to the Joint Ministers for their decision. There are key steps in the assessment process that seek public feedback and a formal response from the relevant territorial authority. [Appendix 1](#) outlines the process and [Appendix 2](#) outlines the questions to address in a Project Assessment Report.
- [21] There are synergies to understanding the urban development opportunities enabled by proposed Basin Reserve improvements and second Mt Victoria tunnel, and the delivery options available. There is a strong relationship between developing the objectives to be delivered and the anticipated benefits and disbenefits of development within the corridor identified.
- [22] More work is needed to quantify the resourcing required to deliver these two related pieces of work, which will be brought to the February 2024 LGWM Partnership Board.
- [23] Proposed next steps and timings:
- a. December 2023, secure endorsement from the Board for the two proposed pieces of work.
  - b. By February 2024, quantify the work required and resources to undertake both pieces of work.
  - c. By December 2024, complete the urban development investigation in parallel with the LGWM Transformational DBC, noting that these timings may change.

## RECOMMENDATION

*That the LGWM Partnership Board:*

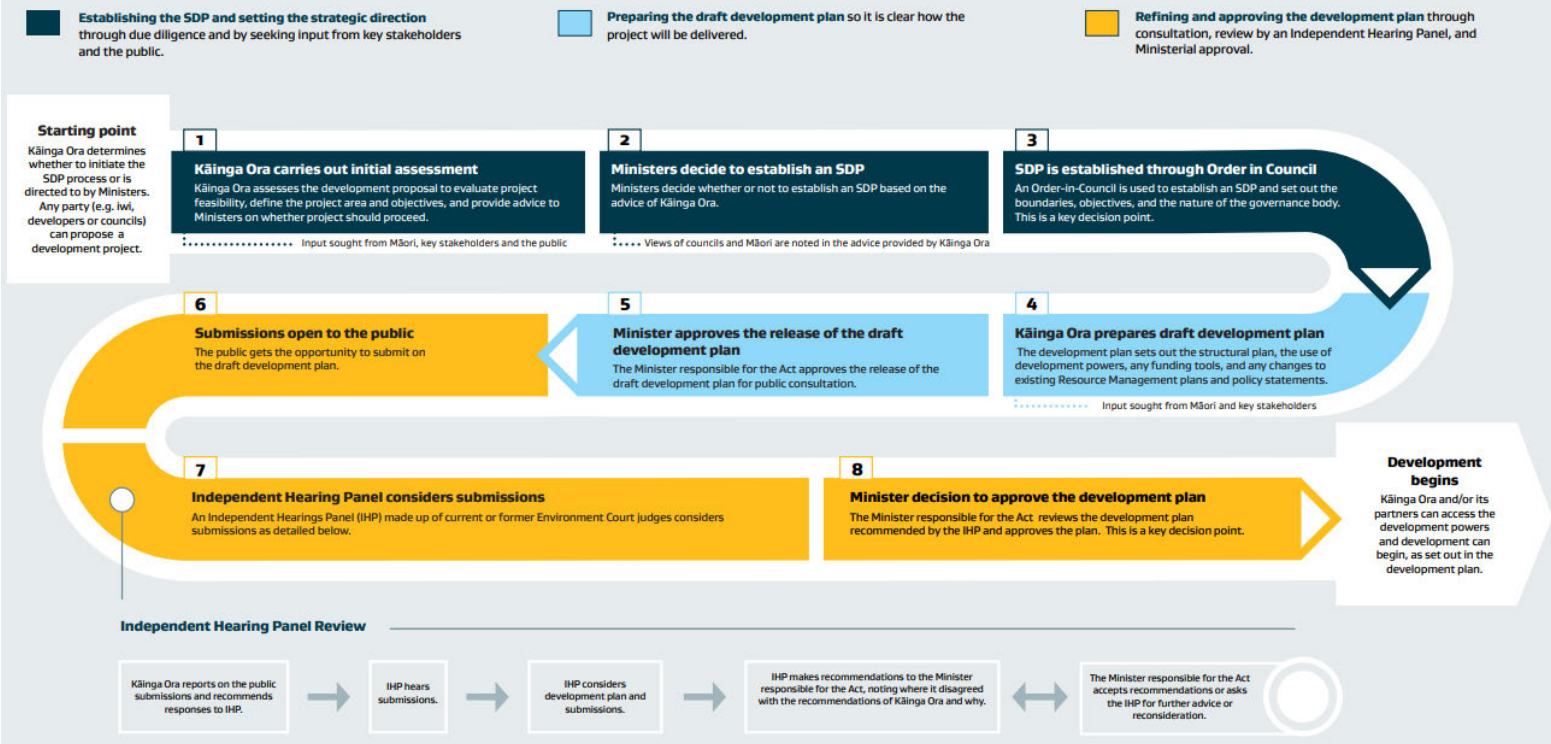
- 1) **Notes** that the LGWM Transformational DBC has a transport focus with limited urban development planning and interventions outside the road corridors, and note that key decisions are yet to be made.
- 2) **Notes** that the National Party has signalled that the proposed Basin Reserve improvements and second Mt Victoria tunnel should start construction in the first term of government.
- 3) **Endorses** developing an understanding of the urban development opportunities enabled by the proposed Basin Reserve improvements and second Mt Victoria tunnel.
- 4) **Endorses** developing an understanding of potential urban development delivery options.
- 5) **Endorses** that urban development outcomes remain part of the LGWM Transformational DBC, and supporting work is committed to as part of the DBC development.
- 6) **Requests** a workplan and cost estimate for the two pieces of work by the February 2024 Board meeting.



APPENDIX 1 – SDP Process

## The Specified Development Project process

Specified Development Projects (SDP) will support Kāinga Ora to transform our towns and cities by providing a new way to do complex urban development. The SDP process is designed so that planning, infrastructure, land use and funding arrangements are sorted upfront, so delivery can get underway quicker. This is balanced with protections for Māori interests, and environmental, cultural, and heritage needs.





## APPENDIX 2 - Project Assessment Report questions to address

- a. Is sufficient information available to suggest that the Proposed Project will achieve the purpose of the Act contained in s 3 and the principles for SDPs contained in s 5 of the UDA, namely:
  - i. (a) providing, or enabling,—
    1. (i) integrated and effective use of land and buildings; and
    2. (ii) quality infrastructure and amenities that support community needs; and
    3. (iii) efficient, effective, and safe transport systems; and
    4. (iv) access to open space for public use and enjoyment; and
    5. (v) low-emission urban environments; and
  - ii. (b) promote the sustainable management of natural and physical resources and, in doing so,—
    1. (i) recognise and provide for the matters in section 6 of the Resource Management Act 1991; and
    2. (ii) have particular regard to the matters in section 7 of that Act; but
    3. (iii) recognise that amenity values may change.
- b. Is the Proposed Project likely to support the principles of the Treaty of Waitangi? Have the principles of the Treaty of Waitangi been taken into account?
- c. Does the Proposed Project cover any land identified as protected in s 17 (eg, Māori Customary Land, national parks etc.), or affected by s 18 (Former Māori Land) or s 19 (RFR Land)?
- d. Does the Proposed Project contain key outputs and outcomes (“Proposed Objectives”) that the Proposed Project intends to deliver?
- e. Are the boundaries of the Proposed Project area clearly defined and easily identifiable in practice?
- f. Do the Proposed Project and the Proposed Objectives appear to be consistent with existing national directions under the Resource Management Act 1991?
- g. Is the Proposed Project area in an urban area or on land generally suitable for urban use? Are there any technical constraints on the suitability of the land for urban use (eg, contamination)?
- h. Has there been any prior engagement with Iwi/Māori, communities or other stakeholders? What is the nature of that engagement and what feedback was produced? Was the engagement appropriate and commensurate with the nature and likely scale of the Proposed Project?
- i. What is the perspective of the relevant territorial authority and key infrastructure operators within the Proposed Project area?
- j. Is the SDP process likely to be suitable for the Proposed Project? Considering this, a relevant question may be:
  - iii. Are there other, more suitable, processes available for the Proposed Project to be implemented, such as under the Resource Management Act 1991?
- k. Is the information available to date adequate to determine whether the Proposed Project should be selected for assessment?
- l. Are there other relevant factors which should be considered in respect of the particular Proposed Project? (For instance is the Proposed Project in the national interest?)