

**BEFORE THE INDEPENDENT HEARING PANEL  
APPOINTED BY HAMILTON CITY COUNCIL**

**IN THE MATTER** of the Resource Management Act 1991 (**Act**)

**AND**

**IN THE MATTER** of hearing submissions on Plan Change 5 to the Hamilton  
City District Plan

**BETWEEN** **THE ADARE COMPANY LIMITED**  
**Submitter #53**

**AND** **HAMILTON CITY COUNCIL**  
**Local authority**

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**EVIDENCE IN CHIEF OF RICHARD BOWKER  
FOR THE ADARE COMPANY LIMITED**

**RETAIL**

**16 SEPTEMBER 2022**

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## **SUMMARY OF EVIDENCE**

1. My name is Richard Bowker and I am a retail specialist. I am providing evidence in relation to the size and location of the Local Centre zone, and limits on gross floor area of commercial activities in the Neighbourhood Centre zone, from a retail economics perspective.
2. I summarise my evidence, according to the key headings in this statement, as follows:

### ***Local Centre Zones – Size and GFA Caps***

*(Page 6)*

- (a) I consider the 12,700sqm Gross Floor Area (**GFA**) proposed size of the Local Centre to be appropriate, although conservative and at the high-end of what may be required.
- (b) I agree with My Akehurst's recommendation of a 20,000sqm cap on the GFA of the Local Centre, though believe that the activities contained within the cap should be broader.
- (c) The land zoned Local Centre to the east of Peacockes Road is sufficient to accommodate the Local Centre in entirety, including two small-to-medium supermarkets.

### ***Local Centre Zone - Location***

*(Page 9)*

- (d) The Local Centre should be located entirely to the east of Peacockes Road to maximise vibrance, commercial viability and to create an easily walkable Local Centre.
- (e) Expanding the Local Centre Zone to the west of Peacockes Road will split consumer behaviour and spend as the Local Centre will straddle the intersection, and the focal point of the Local Centre will shift away from the river.

### ***Neighbourhood Centre Zones – GFA Caps***

*(Page 12)*

- (f) I agree with the Market Economics report of October 2020 estimating that the total sustainable GFA within the Neighbourhood Centre Zones as per PC5 is 2,600sqm.

- (g) It is my view that the activities captured within the 800sqm GFA cap for the Neighbourhood Centres should be expanded to include a broader range of activities likely to be found in the Local Centre, thus protecting the retail hierarchy.

***Residential Activity – Neighbourhood and Local Centres***

- (h) Both the Neighbourhood and Local Centre Zones are likely to have excess land beyond what is required for commercial activity.
- (i) I support the Section 42A recommendations that residential activity be allowed at ground level on the fringes of the Local Centre (apartments and terraced housing) and Neighbourhood Centres (apartments, terraced and duplex housing) as this will increase the vibrance and viability of those retail and commercial centres by having a close connection to the residential areas.

## INTRODUCTION

1. My name is Richard William Geoffrey Bowker.
2. I am a retail specialist. I hold the qualifications of Bachelor of Business Studies from Massey University.
3. I am the Managing Director of Terra Firma Group Limited, a specialist commercial property management and consultancy company. My consultancy role at Terra Firma Group involves advising clients on retail, hospitality and hotel leasing, and the development of land including shopping centres. I have held roles in Terra Firma Group for eight years, prior to which I held roles at Auckland International Airport Limited, Westfield (now Scentre Group Limited) and as a commercial broker at Barfoot & Thompson.
4. In total, I have 16 years' experience working in the commercial property sector, with a significant focus on the development and leasing of retail, office and other commercial activities.
5. I have advised on various retail and hospitality projects including Ormiston Town Centre, Auckland International Airport retail development, Queenstown Airport retail development, Pinehill Central (Hugh Green Group) Westhaven Marina Retail Centre (Panuku), Britomart CPO redevelopment, Mansons TCLM on projects including retail and hotels, and various Westfield Shopping Centre projects during my employment there.
6. I have consulted to various retailers on both strategy and commercial negotiations including SSP, Emirates Leisure Retail, SwissBel Hotels, Simply New Zealand, Working Style, Mad Mex and many others.
7. Terra Firma Group manages circa \$2.5bn of commercial property with over 450 tenants including various retail and mixed-use assets. We have strong working relationships with our tenants and understand the key property drivers to their commercial success including functionality, tenancy mix, design and commercial metrics.

**CODE OF CONDUCT**

8. I have read the Environment Court Code of Conduct for expert witnesses and agree to comply with it.
9. I confirm that the topics and opinions addressed in this statement are within my area of expertise except where I state that I have relied on the evidence of other persons. I have not omitted to consider materials or facts known to me that might alter or detract from the opinions I have expressed.

**SCOPE OF EVIDENCE**

10. I have been engaged by The Adare Company Limited (**Adare**) to provide independent expert evidence on retail issues associated with Plan Change 5 (**PC5**) to the Hamilton City District Plan (**District Plan**).
11. The focus of my evidence is on the appropriate size and location of land zoned for the Local Centre, and the appropriateness of limiting GFA for total retail and commercial activities and for individual Supermarket tenancies, from a retail economic perspective. I also address the Neighbourhood Centre Zone, particularly the appropriateness of limiting GFA in each Neighbourhood Centre and which activities should be subject to such limits.
12. My evidence is structured as follows:
  - (a) Background;
  - (b) Local Centre Zone – size and GFA caps;
  - (c) Local Centre Zone – location;
  - (d) Neighbourhood Centre Zone – GFA cap; and
  - (e) Residential activities – Local and Neighbourhood Centres.

**BACKGROUND**

13. The notified version of PC5 zones approximately 7.8 hectares of land in Peacocke as Local Centre Zone, which is intended to support a single suburban centre of approximately 12,700m<sup>2</sup> of supermarket, retail, office

and commercial activity.<sup>1</sup> The Local Centre Zone is east of Peacockes Road, opposite the planned east-west arterial road (which is referred to as Whatukooruru Drive).

14. Adare's submission supported the location of the Local Centre Zone but sought to reduce the size of the zone by approximately 7,600m<sup>2</sup>. I understand that Adare subsequently abandoned that relief and supports the size and location of the Local Centre Zone as notified.
15. PC5 also zones eight areas throughout Peacocke as Neighbourhood Centre Zone. The Neighbourhood Centre Zone is intended to accommodate approximately 2,600m<sup>2</sup> GFA total, ranging from 300m<sup>2</sup>-800m<sup>2</sup> of retail and commercial activities per centre.<sup>2</sup>
16. Adare's submission sought that the Neighbourhood Centre Zone rules ensure that the scale of activities within those centres be limited, as intended, to avoid undermining the viability, vitality and amenity of the Local Centre.
17. On 25 August 2022 I attended the expert witness conference held in relation to planning, retail economics and urban design concerning the Local Centre Zone and Neighbourhood Centre Zone and participated in the preparation of the Joint Witness Statement for Planning, Retail Economics and Urban Design.
18. I have reviewed the Section 42A report and I summarise my views on the key retail economics related recommendations as follows:
  - (a) I support the recommendation to retain the notified size and location of the Local Centre Zone.
  - (b) I support the recommended cap of 20,000m<sup>2</sup> on the total retail and commercial GFA within the Local Centre Zone and the

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<sup>1</sup> 12,700m<sup>2</sup> is the sustainable floorspace (GFA, m<sup>2</sup>) for the Peacocke Local Centre which has been estimated as being required to service the entire Peacocke Structure Plan area in the report 'Peacocke Structure Plan Retail Assessment' by Market Economics, dated 21 October 2020.

<sup>2</sup> DEV01-PSP: Components of the Peacocke Structure Plan, Business Centres (b).

recommended 4,500m<sup>2</sup> GFA cap on the size of individual Supermarkets.

- (c) I support the recommended total retail and commercial GFA cap of 800m<sup>2</sup> for each Neighbourhood Centre however. However, I consider that a wider range of activities should be subject to the cap for the Neighbourhood Centres so that they do not grow to a size that would adversely affect the Local Centre. Similarly, I consider that a wider range of activities should be subject to the cap for the Local Centre so that it does not grow to a size that could alter its position in the hierarchy of Centres within Hamilton.
- (d) I support the recommended changes which would enable apartments and terraced dwellings at ground level (and above) around the edges of the Local Centre, and apartments, terraced dwellings and duplex dwellings at ground level (and above) around the edges of the Neighbourhood Centres.

19. I explain the reasons for my opinions in the following sections of my evidence.

#### **LOCAL CENTRE ZONE – SIZE AND GFA CAPS**

20. This section of my evidence addresses the appropriate size of the Local Centre Zone:

- (a) I have reviewed the "Peacocke Structure Plan Retail Assessment" prepared by Market Economics, dated 21 October 2020 (the **Market Economics October 2020 report**) regarding the forecast retail demand in the catchment. I generally agree with the conclusions in that report that the potential catchment demand equates to approximately 12,700m<sup>2</sup> of commercial and retail area, though I consider this a conservative assessment and at the maximum end of the suitable size range. Consumer trends towards online and click-and-collect retail, the potential volume of commercial and retail trade in the Neighbourhood Centres and the dilution of primary catchment spend into the wider Hamilton retail offerings could all contribute to reduction in consumer spend at the Local Centre and

therefore a reduction in the size of an economically viable Local Centre.

- (b) The Conceptual Design Options for the Peacocke Local Centre prepared by Urbanism Plus (Appendix F of Mr Wayne Bredemeijer's Evidence in Chief)<sup>3</sup> accurately demonstrate how the potential retail and commercial footprint required can be supplied entirely within the area zoned Local Centre, with capacity to expand further if so required. The design options also show that the Local Centre has room to accommodate complimentary activities which are important for the vitality, vibrancy and viability of a successful commercial centre, including community facilities, public open space and residential development.
- (c) The Local Centre zoned area to the east of Peacockes Road is large enough to cater for either one large supermarket (of approximately 4,500m<sup>2</sup>)<sup>4</sup> or two supermarkets (should they be required) comprising one medium and one small supermarket as per the Market Economics recommendations.<sup>5</sup> I consider that one large supermarket is likely to be sufficient to meet local demand.
- (d) Having a Local Centre that is easily walkable from a single parking location, with continuous canopy protection from rain and visual connection to the Waikato River, will provide the optimal customer experience across all retail and hospitality categories.
- (e) I have read the Section 42A report and the statement of retail economic evidence prepared by Mr Greg Akehurst for HCC. I particularly agree with:

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<sup>3</sup> Evidence of Chief of Wayne Bredemeijer for the Adare Company Limited dated 16 September 2022 at Appendix F.

<sup>4</sup> The Conceptual Design Options for the Peacocke Local Centre demonstrate that a supermarket of 4,800m<sup>2</sup> GFA could be accommodated which is based on the sustainable supermarket floorspace estimated in the Market Economics October 2020 report. The concepts were prepared prior to the Section 42A report which recommends that the GFA of individual supermarkets in the Local Centre Zone should be limited to 4,500m<sup>2</sup>. I support that recommendation for the reasons given in para. [20(e)] of my evidence.

<sup>5</sup> Statement of evidence of Gregory Akehurst (Retail Economics) dated 2 September 2022, at [62].



- (i) Mr Akehurst's recommendation to restrict the GFA of commercial activities within the Local Centre Zone to 20,000m<sup>2</sup>.<sup>6</sup> I consider such a restriction is appropriate to ensure the Local Centre retains its position in the hierarchy of retail centres within Hamilton City. This is particularly important given the land area of the Local Centre Zone is larger than required to accommodate the expected catchment demand for retail and commercial activities. However, I disagree with the range of activities Mr Akehurst proposes to be within the 20,000m<sup>2</sup> cap. In addition to ancillary retail, retail, banks, restaurants, cafes and licensed premises, food and beverage outlets and supermarkets which are recommended by Mr Akehurst, the caps should also include gymnasiums, office, healthcare facilities, tertiary education and specialist training facilities. The addition of these activities would assist in ensuring that the Local Centre does not grow to a size which could alter its position in the hierarchy of Centres within Hamilton.
- (ii) Mr Akehurst's recommendation to limit the GFA of supermarkets in the Local Centre Zone to 4,500m<sup>2</sup> per tenancy.<sup>7</sup> I consider this is appropriate because a single supermarket larger than 4,500m<sup>2</sup> would be disproportionate with the overall retail tenancy mix of the Local Centre (being excessively dominant). Should customer demand warrant additional grocery retailers this can be provided via either a small format grocer, or various specialty offerings (butcher, baker, wine specialist for example).
- (iii) Mr Akehurst's assessment of the impacts of expanding the Local Centre Zone area in response to the submission by Woolworths New Zealand Ltd (**Woolworths**).<sup>8</sup>

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<sup>6</sup> Statement of evidence of Gregory Akehurst (Retail Economics) dated 2 September 2022, at [18], [32], and [60].

<sup>7</sup> Statement of evidence of Gregory Akehurst (Retail Economics) dated 2 September 2022 at paragraph 97(b).

<sup>8</sup> Statement of evidence of Gregory Akehurst (Retail Economics) dated 2 September 2022 at paragraphs 90 to 93.

- (f) In summary, I consider that the appropriate size for the Local Centre Zone should be as provided for currently in PC5. It has ample area to accommodate future growth beyond the economic forecasts (should that eventuate) and benefits from being located in a single and easily walkable location.

### **LOCAL CENTRE ZONE - LOCATION**

21. This section of my evidence addresses the appropriate location of the Local Centre Zone:

- (a) I agree with the conclusions in the Market Economics October 2020 report that the optimal location of the Local Centre Zone is to the east of Peacockes Road.<sup>9</sup>
- (b) The location of the primary supermarket is critical to the success of the Local Centre, as it will be the anchor from which consumer behaviour will be formed. Locating the anchor adjacent to specialty retail and other commercial activity allows and encourages customers to visit the Local Centre for multiple purposes and increases foot traffic to the other businesses. In the event that a second, smaller supermarket becomes required, strategically locating this second site on the eastern side of Peacockes Road (as per the Conceptual Design Options for the Peacocke Local Centre prepared by Urbanism Plus) would further solidify the customer's ability to cross-shop within both the supermarket sector and the broader commercial and retail offerings.
- (c) Having a supermarket to the west of Peacockes Road would split the retail trade either side of the minor arterial road, to the detriment of the specialty retail and hospitality businesses on the eastern side. The role and the economic benefits of the anchor (supermarket) to the Local Centre would diminish as customers visiting the western side of the road to attend to their grocery would have less incentive to cross a busy road to utilise the smaller retail and hospitality businesses on the eastern side of the road.

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<sup>9</sup> Peacocke Structure Plan Retail Assessment, Market Economics, dated 21 October 2020, at section 3.5.1.

- (d) There is a risk that extending the Local Centre west of Peacockes Road would attract other smaller retailers who might seek to co-locate with a supermarket. This would have particularly detrimental adverse effects on the Local Centre because it could shift the focus of the centre to the west of Peacockes Road.
- (e) Locating the Local Centre entirely to the east of Peacockes Road allows for the optimal master-planning of the retail mix, utilisation of car parking for frequenting various businesses and focuses the customer journey on the pedestrian-orientated main street and public plaza as the nucleus of the Local Centre.
- (f) The Joint Witness Statement for the Planning, Retail Economics and Urban Design conferencing records the agreement that was reached by urban design experts, Mr Bredemeijer for Adare and Mr Munro for HCC, that it is desirable for the Local Centre to be accommodated east of Peacockes Road from a social focal point and built form amenity point of view.<sup>10</sup> I agree and consider that a concentrated centre with optimised opportunities for cross shopping will add to the centre's vitality and vibrancy.
- (g) To summarise, having the entirety of the Local Centre to the east of Peacockes Road will deliver the optimal customer experience and business outcomes, whereas extending it to the west would adversely impact on the centre by diverting customer focus. I do not support extending the Local Centre to the west, particularly in light of the evidence that there is a potential oversupply of Local Centre zoned land on the eastern side of Peacockes Road.

### **NEIGHBOURHOOD CENTRE ZONE – GFA CAP**

22. This section of my evidence addresses the importance of GFA caps for the Neighbourhood Centre Zone:

- (a) I agree with the conclusions in the Market Economics October 2020 report regarding the amount of total sustainable retail GFA within the PC5 catchment and the allocation of 2,600m<sup>2</sup> total floorspace to

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<sup>10</sup> Joint Witness Statement in relation to: Planning, Retail Economics and Urban Design (Local Centre) dated 25 August 2022 at section 3.2.

the Neighbourhood Centre Zone.<sup>11</sup> If more floorspace than this was to be located within the Neighbourhood Centres, it would risk the Neighbourhood Centres drawing from a wider catchment and being of a scale that could impact on or undermine the Local Centre.

- (b) The PC5 provisions refer to the Neighbourhood Centre Zone as providing for small scale commercial and community activities that service the needs of the immediate residential neighbourhood. The Neighbourhood Centres are planned to meet day-to-day needs and act as activity nodes for walkable neighbourhood catchments.<sup>12</sup> I agree that this is an appropriate role for Neighbourhood Centres.
- (c) I support the cap on retail and commercial GFA in the Neighbourhood Centres of 800m<sup>2</sup> as sought by Adare to ensure that they service their immediate catchment areas with day-to-day goods and services, rather than competing with the Local Centre.
- (d) I understand that the land area zoned for each Neighbourhood Centre ranges between approximately 900m<sup>2</sup> and approximately 8,700m<sup>2</sup> with an average land area of approximately 3,750m<sup>2</sup>. The Neighbourhood Centres with larger land areas could accommodate significantly more retail and commercial activity than 800m<sup>2</sup> GFA. Should the Neighbourhood Centres not have development caps, they could be developed to compete with the Local Centre for tenants and trade, and dilute the impact of the Local Centre in the hierarchy of retail offerings. The total sustainable retail GFA for the catchment would become spread across multiple locations and the Local Centre would likely struggle to become fully occupied and financially viable.
- (e) The 800m<sup>2</sup> cap would provide for up to 12 tenancies of varying sizes suitable for the catchment, and consistent with those that can currently be found in many neighbourhoods.

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<sup>11</sup> Peacocke Structure Plan Retail Assessment, Market Economics, dated 21 October 2020, at Figure 3.12.

<sup>12</sup> PREC1-PSP: Issues, NCZ-PREC1-PSP: O1, NCZ-PREC1-PSP: O2 and NCZ-PREC1-PSP: P1.

- (f) Mr Akehurst's evidence supports applying the 800m<sup>2</sup> cap only to ancillary retail, retail, banks, restaurants, cafes and licensed premises and food and beverage outlets. In my opinion, some of the activities that Mr Akehurst would exclude from the 800m<sup>2</sup> cap have the potential to impact on the function of the Local Centre. In particular, I consider that gymnasiums, healthcare services, office, tertiary education and specialised training facilities should also be restricted by the cap as these would all be activities likely found in a Local Centre. Restricting these activities will assist in ensuring that the Neighbourhood Centres do not grow to a size which would undermine the Local Centre or alter their role as activity nodes for immediate walkable neighbourhood catchments.
- (g) It is my view that providing caps on the GFA (and appropriately capturing the activities that should fall within that limitation) will be important to ensure the Neighbourhood Centres serve the role that PC5 intends them to serve and that the Local Centre's position in the hierarchy of retail offerings is retained. This is due to the size of the area zoned for the various Neighbourhood Centres, and the amount of retail and commercial activities that could be built on the sites.

### **RESIDENTIAL ACTIVITIES – LOCAL AND NEIGHBOURHOOD CENTRES**

23. This section of my evidence addresses the appropriateness of enabling residential activities in the Local Centre and Neighbourhood Centres:
- (a) As I have previously explained, the Local Centre and many of the Neighbourhood Centres are likely to have more zoned land capacity than will be required to meet retail and commercial needs in accordance with the role of each centre.
  - (b) The S42A report recommends that apartments and terraced dwellings should be enabled in the Local Centre at ground level (and above).<sup>13</sup> It also recommends that apartments, terraced dwellings and duplex dwellings should be enabled in the Neighbourhood

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<sup>13</sup>

LCZ-PREC1-PSP: R21 and LCZ-PREC1-PSP: R38.

Centres at ground level (and above).<sup>14</sup> Assessment criteria have been recommended to ensure that where residential activities are proposed to be located at ground level within the centres, they must be on the fringe of the zones outside of the core of the centres and it must be proven that there is no need for the land being required to meet future commercial needs of the community.<sup>15</sup>

- (c) I support this approach because it will enable efficient use of the land within the centres. I consider there will be a need for residential development at ground level (and above) in some of the centres, particularly the Local Centre and the larger Neighbourhood Centres, given the oversupply of zoned land. In conjunction with caps on retail and commercial activities, enabling medium and high-density residential activities around the edges of the centres is the most appropriate approach because it will maintain the role of the centres in the retail hierarchy, and support the viability of those centres.

## CONCLUSION

24. I agree with the Local Centre GFA size of 12,700sqm, and the cap of 20,000sqm with an expansion of the activities within the cap.
25. The land zones Local Centre to the east of Peacockes Road is sufficient for both 20,000sqm of commercial/retail activity, and being inclusive of two supermarkets.
26. I believe that expanding the Local Centre to the west of Peacockes Road will be severely detrimental to the success of the Local Centre, both in terms of commercial viability and vibrancy that it brings as the heart of the community, as it will split the consumer behaviour and spending patterns.
27. I support the GFA cap of 800sqm for the retail and commercial activity within the Neighbourhood Centres. However, I believe that the activities within the cap should cover more of those likely to be found within the Local Centre.

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<sup>14</sup> NCZ-PREC1-PSP: R22, NCZ-PREC1-PSP: R27 and NCZ-PREC1-PSP: R28.

<sup>15</sup> Appendix 1.3.3, P4(e).

28. I support the recommendations of allowing residential at ground level in the Local and Neighbourhood Centre zones as the land in both zones is unlikely to be fully utilised for commercial activity. Bringing the residential dwellings to the fringes of the commercial activity will be beneficial to the Local and Neighbourhood centres.

**Dated this 16<sup>th</sup> day of September 2022**



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**Richard Bowker**