

**BEFORE INDEPENDENT HEARING COMMISSIONERS  
AT PORIRUA**

**I MUA NGĀ KAIKŌMIHANA WHAKAWĀ MOTUHAKE  
KI PORIRUA**

**IN THE MATTER  
AND  
IN THE MATTER**

**of the Resource Management Act 1991**

**of the hearing of submissions on the  
Proposed Porirua District Plan and Variation  
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**HEARING TOPIC: Hearing Stream 7 – Variation 1; Plan Change 19;  
Residential; and Commercial Zones**

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**STATEMENT OF PRIMARY EVIDENCE OF MICHAEL JOHN CULLEN  
ON BEHALF OF KĀINGA ORA – HOMES AND COMMUNITIES**

**(URBAN ECONOMICS)**

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## 1. EXECUTIVE SUMMARY

1.1 I have prepared evidence from an economic perspective on confined points of contention between Kāinga Ora – Homes and Communities (**Kāinga Ora**) and the recommendations of the reporting officer as set out in the Section 42A Report on Variation 1 and Section 42A Report Part B: Commercial and Mixed-use Zones and General Industrial zone on the Porirua City Council Proposed District Plan (**PDP**), as well as the Porirua City Council Section 42A Report - Part B – Residential Zones, Planning Maps and General Topics.

1.2 The key points of my evidence are:

- (a) I support the Kāinga Ora submissions seeking to provide greater residential development opportunities close to areas with the highest levels of amenity, services and infrastructure in part on the basis that economically, more growth in proximity to services and transport is better than less growth and more capacity offers an affordability benefit, especially if provided ahead of demand.
- (b) A centre's performance should be a factor in density provision, not simply a centre's position in a hierarchy (Catchment increases can restore centres).
- (c) I question whether the "realisable" dwelling provision assessments are sufficient and robust and propose that there are no meaningful adverse effects to offset in terms of Kāinga Ora's proposed increase in density. In most cases, there will be benefits.
- (d) I support Kāinga Ora submissions seeking the extension of the MCZ to the LFRZ, opening the potential, amongst other things, to take the City Centre to the water to give the MCZ a better chance to revitalise itself.

- (e) I support Kāinga Ora submissions regarding the principle of incidental “commercial activity” on the ground floor of apartment buildings (outside of commercial zones).

## **2. INTRODUCTION**

- 2.1 My name is Michael John Cullen. I am the Principal of Urbacity, based in Sydney, New South Wales, Australia. I have held this role since 1998. Prior to this, I was Sydney Manager for Thomas Consultants (market analysts based in Vancouver, Canada) and prior to that in the late 1980s to early 1990s was General Manager of a firm of economists and statisticians (Ibecon) for 7 years also based in Sydney.
- 2.2 I am an urban planner and urban economist with 35 years’ experience.
- 2.3 My specialty is urban centre economics and urban and built-form design principles. These learned skills sit at the interface between urban design and urban economics. I have extensive experience in economic, social, and cultural analysis and the effects of different forms of centres on economic and social performance.
- 2.4 In addition to my current work with Kāinga Ora – Homes and Communities (Kāinga Ora), the projects that I have led both in Australia and New Zealand include developing and implementing the following:
  - (a) Activation strategy for Wynyard Quarter, Auckland;
  - (b) Destination and retail strategy for The Rocks, and conceptualising and developing The Rocks Markets, Sydney to remerchandise The Rocks to locals and away from tourists;
  - (c) Numerous town centre strategies, including for Gungahlin (Canberra – I sat on the Gungahlin Development Authority Board for 7 years), Rouse Hill (Sydney), Craigieburn (Melbourne) and Margaret River (Western Australia), and

Newmarket, Blenheim, Nelson, Hastings, Hutt City, Frankton and Massey North in New Zealand;

- (d) Growth strategy for Melbourne 2030;
- (e) Growth Strategy for South West and North West Sydney (approximately 1 million people);
- (f) Christchurch Urban Development Strategy;
- (g) Revitalisation strategy for Port Adelaide;
- (h) Revitalisation and redevelopment strategy for Playford Alive (Adelaide) - a renewal project being undertaken by a Kāinga Ora equivalent;
- (i) Wesley Redevelopment Plan (for Kāinga Ora);
- (j) Tāmaki Transformation Project; and
- (k) Hobsonville – centres locations, master planning, and Home Based Business location advice for Waitākere City Council.

2.5 I am familiar with Wellington centres due to my previous work and visits to the city over the past 30 years.

2.6 I have undertaken studies, analyses and strategies within urban design and planning teams in the following centres:

- (a) Upper Hutt city centre;
- (b) Hutt City Centre (Spatial Plan with McIndoe Urban);
- (c) Johnsonville centre;
- (d) Tawa centre;
- (e) Porirua centre (I was one of the authors of the 2009 Porirua City Revitalisation Plan);
- (f) Naenae Centre;
- (g) Jackson Street Petone;

- (h) Wainuiomata centre; and
- (i) All centres in Kāpiti Coast.

2.7 My work involves the following:

- (a) Analysing the current state of a place to understand how and why a “place” works now and the factors influencing its current state;
- (b) Developing a strategy for future growth or change. How do we want the place to work in future? What do we need to change, and how do we change it? What are the rewards and risks?
- (c) Implementing the strategy. What do we do when? What are the costs? Is there a logical strategic sequence?

2.8 I have developed growth strategies (including determining the location of new centres and their status) for over 3 million people.

2.9 I am qualified to interpret the issues and dynamics (economic, social, urban and built design) of catchments and centres proposed for Wellington and required by the national policy direction.

2.10 I was engaged in 2022 by Kāinga Ora to provide urban economics advice concerning submissions made by Kāinga Ora on the various IPI planning processes occurring across the Wellington region.

2.11 I undertook a site visit with Mr Nick Rae on 16 January 2023 where we focused on the centres in the Wellington region (including within Porirua) to assist with considering their role and form. The visit included all affected sites/catchments, areas, rail stations and centres relevant to the Kāinga Ora submissions.

### 3. INFORMATION CONSIDERED

3.1 In preparing this evidence, I have reviewed the following documents:

- (a) National Policy Statement on Urban Development 2020 (**NPS-UD**);
- (b) The PDP – Strategic Objectives, Residential, and Commercial Chapters;
- (c) The Kāinga Ora submissions in relation to Variation 1 of the PDP and Plan Change 19;
- (d) Section 32 reports and supporting evidence, including but not limited to:
  - (i) Part A: Overview to Section 32 Evaluation Variation 1 to the Proposed Porirua District Plan and Proposed Plan Change 19 to the Porirua City District Plan
  - (ii) Evaluation Part B – Urban intensification MDRS and NPS-UD Policy 3
  - (iii) Evaluation Report Part 1 – Overview to s32
  - (iv) Evaluation Report Part 2 – Commercial and Mixed Use Zones
  - (v) Evaluation Report Part 2 – Future Urban Zone
- (e) Wellington Regional Housing and Business Capacity Assessment (RHBA – Complete Document-with-Appendices) May 2022;
- (f) Porirua HBA Chapter 4 with Appendix (PHBA) May 2022
- (g) Porirua Council s42A Report – Part A – Overarching Report
- (h) Porirua Council s42A Report – Part B – Residential Zones, Planning Maps and General Topics

- (i) Porirua Council s42A Report – Part B – Commercial and Mixed Use Zones and General Industrial Zone
- (j) Porirua Council s42A Report – Part B – District-Wide Matters
- (k) Property Economics 2022 Porirua Variation 1 and Plan Change 19 Qualifying Matters Assessment
- (l) Property Economics 2021 & 2022 Porirua Housing Typology Demand Analysis
- (m) Property Economics 2022 Pukerua Bay Retail Centre Economic Analysis
- (n) Property Economics 2021 Porirua Feasible Capacity Assessment

#### **4. CODE OF CONDUCT**

4.1 Although this is a Council hearing, I have read the Environment Court's Code of Conduct for Expert Witnesses and agree to comply with it. My qualifications as an expert are set out above. I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

#### **5. SCOPE OF EVIDENCE**

5.1 My evidence will address the following matters:

- (a) Growth and Housing;
- (b) Centre hierarchies and Catchment Dynamics;
- (c) Centre Performance Triggers;
- (d) The supply effect on affordability;
- (e) Porirua City Centre – MCZ and LFRZ;
- (f) Pukerua Bay;

(g) Commercial Activity in the High Density Residential Zone.

## 6. GROWTH & HOUSING

- 6.1 As highlighted by the Council's HBA report, there may be a housing shortfall in Porirua<sup>1</sup>. Also, *"The undersupply of housing identified in the 2019 HBA has continued into 2020 and 2021, exacerbating pressure on the existing housing stock, resulting in higher rents and house sale prices."*<sup>2</sup>
- 6.2 The RHBA Table 1.2 Page 6 shows that Porirua has a capacity surplus over demand of 2,533 dwellings. This finding conflicts with Council's findings that undersupply exists.<sup>3</sup> Regrettably, we do not know the level of undersupply, but that figure would increase the total demand figure beyond that assumed in the forecasts. Presently, the estimates do not appear to do so – they only look at forward growth. Factoring in undersupply would make the target figure to 2051 higher than that in the HBA and Property Economics assessments.
- 6.3 The RHBA states *"A key element of providing sufficient capacity to meet the expected demand is ensuring that development capacity is infrastructure ready"*<sup>4</sup>.
- 6.4 The Property Economics assessments do not appear to consider "infrastructure readiness" when determining capacity. They consider a range of other factors – but do not comment on servicing capacity across the city. Rather, the Council identifies that servicing capacity will limit the city's ability to grow. In particular, the HBA says *"Porirua's wastewater and water supply networks will not be able to meet required levels of service for the increasing population."*<sup>5</sup>

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<sup>1</sup> Porirua HBA Chapter 4 with Appendix Page 3

<sup>2</sup> IBID Page Page 51

<sup>3</sup> Wellington Regional Housing and Business Capacity Assessment (RHBA) Page 6

<sup>4</sup> IBID Page 6.

<sup>5</sup> Porirua HBA 2022 Chapter 4 with Appendix Page 3, last paragraph



- 6.5 Accordingly, there may be a need to increase the “growth” target to account for undersupply and that the rollout of additional density may need to deal with two things:
- (a) A longer growth period (beyond 2051) if infrastructure cannot keep up with growth within this period).
  - (b) The possible need for greater dwelling capacity across the city to deal with:
    - (i) staged infrastructure delivery,
    - (ii) a higher total dwelling figure than provided for (due to undersupply), and,
    - (iii) the synchronisation of demand and infrastructure.<sup>6</sup>
- 6.6 The NPS-UD requires that development capacity must be feasible in the short, medium and long term.
- 6.7 There appear to be differences between the RHBA (2022)<sup>7</sup> and Council’s HBA Chapter 4<sup>8</sup> and the Property Economics 2022 Porirua Variation 1 & Plan Change 19 Qualifying Matters Assessment. The HBA reports are dated 2022, but appear to use figures from Property Economics analysis from 2021.
- 6.8 Property Economics assumes dwelling demand, (based on 2022 Sense Partners estimates) with the required margin, is 11,800<sup>9</sup>. A year earlier, this number was 13,978 (over 2,000 dwellings or 5,000 people more).
- 6.9 The quantum of the drop in just one year concerns me and goes to the reliability of the growth estimates.

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<sup>6</sup> Rolling out infrastructure augmentation will likely switch on some areas before others. Greater dwelling capacity allows for the augmented areas to take more of the projected growth in line with servicing capacity

<sup>7</sup> Wellington Regional Housing and Business Capacity Assessment (RHBA) Table 1.16 Page 31

<sup>8</sup> Porirua HBA 2022 Chapter 4 with Appendix Table 4.24 Page40

<sup>9</sup> Property Economics 2022 Porirua Variation 1 & Plan Change 19 Qualifying Matters Assessment - Comparison of Porirua Demand Under the PDP and Variation 1 P29 Table 11

- 6.10 Assuming the Council and Regional HBA assessments for 2022 are using 2021 numbers, the 2022 Property Economics report indicates 20,531 dwellings via intensification and 6,604 via greenfield as the applicable yields. I assume that the greenfield yield doesn't need a "realisable" filter.
- 6.11 If we divide the dwelling requirement needed to cater to growth (11,800) by the "realisable" figure, we require 44% of the capacity to develop to meet growth targets (or 26% if we remove the greenfield component).
- 6.12 To demonstrate the sensitivity of these sorts of assumptions, I will apply the same rationale to the 2021 figures as determined by Property Economic and Sense Partners 12 months before.
- 6.13 If we divide the dwelling requirement needed to cater to growth (13,978) by the "realisable" figure, we require 65% of the capacity to meet growth targets.
- 6.14 I cannot say whether converting 65% or 44% of all sites to meet the growth targets is adequate cover, as we are all in new territory here. Both seem high conversion rates given the market's complexities around location and housing preference (which is why Property Economics has made the sensible risk adjustment from "feasible" to "realisable").
- 6.15 When we apply an unknown latent demand factor (likely undersupply), and a potential staged rollout of water infrastructure, we may have to increase the 11,800 target figure. For this reason, I do not consider the additional dwelling capacity sought within the Kāinga Ora submissions to be over-reach.

## **7. CENTRE HIERARCHIES AND CATCHMENT DYNAMICS**

- 7.1 Growth will improve the performance of all centres. However, using centre performance as a basis for testing the level to which growth is influential should be an additional factor in determining density, not just a current hierarchy.

- 7.2 Struggling centres will benefit most from more density, and an existing hierarchical order should not limit their potential for a marked performance improvement. In seeking improved centre performance, we may wish for more density than a centre's current status provides.
- 7.3 When we associate centres with rail stations, the benefits of a more vibrant centre reflect a greater propensity to use public transport, as vibrant or successful centres increase the desire to walk. Failing centres reduce the desire to walk – even to rail stations. In other words, the qualities and amenity of centres influence the size of walkable catchments to stations.
- 7.4 With Paremata, for instance, elevating the “centre” to a higher status to trigger more people close to it to improve its performance lacks functional logic but appears to be the only mechanism available. For that reason I am not opposed to an increase in density throughout the zone, in recognition of its proximity to the rail station. The centre zone is more of a convenience for rail station patronage. Whether expanding the capacity for density switches on the centre's retail resources is an open question. Hence the reference to centre performance at 7.1 above.

## **8. THE SUPPLY EFFECT ON AFFORDABILITY**

- 8.1 It is trite that the effect of providing more than market demand results in downward pressure on prices.
- 8.2 The potential influence of competition for market share between housing developers within a market of abundant supply offers an affordability benefit to the city.
- 8.3 Typically, meeting demand has little effect on affordability or the desire of developers to deliver a product that exceeds market expectations. The NPS – UD Objective 2: “*Planning decisions improve housing affordability by supporting competitive land and development markets*” requires growth supported by plentiful housing (ahead of market demand) to improve housing affordability.

- 8.4 Property Economics provided a Report to Council that follows guidelines/instructions under the NPS-UD regarding projected long-term dwelling demand and margin. As I noted above, it concluded that 11,800<sup>10</sup> dwellings are needed by 2051.
- 8.5 Property Economics assessed the housing required for growth and did not consider a potential housing shortfall, which would increase the target dwelling yield.
- 8.6 In my opinion, the assessment is a baseline requirement to help inform the Plan provisions but it does not necessarily prevent the release of more development than provided for in the study. The projection is an estimate only and may be inaccurate (i.e. over or understating growth).
- 8.7 I consider (as do Property Economics) that site development across Porirua to 2050 will be patchy and is unlikely to match the area-by-area growth forecasts. There will be areas of the city that will achieve the modelled density, and there will be areas where market conditions and preferences do not encourage the development of typologies in the model.
- 8.8 An additional influence is 3-waters servicing, where and when this might roll out and what effect that might have on a place-by-place basis.
- 8.9 I am concerned that the Property Economics work excluded infrastructure constraints as influences on “realisability.”
- 8.10 If we can enable more housing in the market than an estimated base under today’s projections, then the following benefits are likely:
- (a) Greater levels of competition within the market; therefore

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<sup>10</sup> Property Economics 2022 Porirua Variation 1 & Plan Change 19 Qualifying Matters Assessment P29 Table 11

- (b) More diversity with developers competing for limited market share and based on product quality; and
- (c) Due to more supply than demand, a drop in prices and an increase in affordability.

8.11 There are benefits on the “more is better” path for density. I support the propositions by Kāinga Ora for greater intensification, which I consider to be economically sound.

## **9. PORIRUA CITY CENTRE, THE MCZ & LFRZ**

9.1 For more than 20 years, the Council has endeavoured to revitalise the current MCZ area and failed.

9.2 The LFRZ presents an opportunity for the centre to renew itself and develop city living at density on a site with the requisite amenity needed to deliver centre-supportive development at scale.

9.3 With an appreciation of the harbour's amenity and recognition of the high land value of harbour-view sites across Porirua, it would be incongruous today to propose an LFRZ on this land.

9.4 In my opinion it is time to give maximum possible land use and density flexibility to transform this hugely under-valued LFRZ area.

9.5 The absence of housing density in the confined MCZ over many years appears to be a function of market forces – not zoning. The s32<sup>11</sup> and s42A<sup>12</sup> reports on the MCZ and LFRZ repeat current behaviours but expect a different outcome.

9.6 The qualities of the MCZ do not apply to the LFRZ. Yet, the s42A report<sup>13</sup> seeks to exclude housing density (within 400 metres of the MCZ, which would cover the LFRZ) or higher-order commercial activity (via an extended MCZ).

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<sup>11</sup> Section 32 Evaluation Report Part 2 - Commercial and Mixed Use Zones, Officer's Commentary on the performance of the City Centre

<sup>12</sup> Section 42A Officer's Report: Part B – Residential Zones, Planning Maps and General Topics

<sup>13</sup> Ibid. Chapter 3.10

- 9.7 The LFRZ perpetuates a car-dominated environment with generous impervious, hard-stand car parking, low-value warehouse-style buildings and low site cover. These uses effectively screen the “City Centre” from the harbour.
- 9.8 The dynamics for business (not just retail) and residential in the MCZ need to change.
- 9.9 The LFRZ presents an opportunity for centre transformation as it has relatively low quality, low economic value activities and buildings with low site coverage. This zone (over time) can evolve as a quality interface with the harbour, with bars and restaurants, high-density apartments, continuing tertiary education and retail that lives off the lifestyle nature of the location. The policy framework of the LFRZ does not effectively enable such an outcome, whereas the MCZ would.
- 9.10 The start point for MCZ renewal is not within the current/proposed MCZ zone. The LFRZ (as a component of the MCZ) offers a range of settings for businesses and dwellings at density. It has an amenity benefit (the harbour) that does not exist in the “heart” of the MCZ. The zone extension provides the ability to rejuvenate the centre from the harbour back.
- 9.11 Given the condition of the “heart,” it is understandable that people are not living in density within the centre. The Census Area Unit covering the centre (Porirua Central) has the lowest average-income residents within the Local Government Area (“LGA”) and Wellington.
- 9.12 Despite the socio-economic picture of the MCZ, Porirua LGA has some of the highest average household incomes in New Zealand. The centre’s condition and lack of investment belies this fact. In most places, the state of the major centre reflects the socio-economics of the catchment. Not so in Porirua.
- 9.13 The Council’s s42A<sup>14</sup> analysis refers to “*The reduced footprint combined with a more permissive activity framework intends to*

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<sup>14</sup> Ibid. Pages 17 & 18

*focus and encourage high density commercial and residential development in the core area of the city. It recognises the established lower density built environment and more vehicle focused activities in the northern part of the current City Centre Zone and provides for them in a more suitable Large Format Retail Zone.”* This approach perpetuates a continuation of the status quo and I do not consider that it is likely to encourage development in the core area of the city at all.

- 9.14 At risk of repetition, high-density development adjacent to the City Centre Zone will have the same effect on the centre’s performance. It is a question of where to best start.
- 9.15 The lack of vibrancy in the public realm of the MCZ is largely because most of the pedestrian movement is inside the centre’s shopping mall. As rents are a function of footfall, the lack of pedestrians in the urban environment results in lower rents and lower-quality tenants. Urban retail performance is the most public of land uses, so vacancies or low-quality tenants engender a belief that the entire centre is failing. Porirua (MCZ) needs more than the current batch of retail and business settings.
- 9.16 The s42A (P18) states; *“the need to recognise the commercial heart of the city centre from the lower density large format retailing to the north.”* This statement differentiates the two locations based on an existing (and in my opinion) erroneous pattern. This pattern needs to change as continuation comes at a significant opportunity cost. Reinforcing the status quo is the report’s follow-on statement *“Options 3 and 4 have similar outcomes and intentions with respect to separating the City Centre Zone into either two precincts or two zones – one focusing on central city commercial activities, or the commercial ‘heart’ of the city and the other focusing on large format retail approach. It is considered that these two areas are appropriate, however, the key consideration then becomes whether Precincts or Zones are more appropriate as resource management tools”.*

- 9.17 These statements do not consider the potential for, or role of, high-density housing and where leveraged amenity offers the start of the transformation of the (current) MCZ.
- 9.18 There are two parts to the commercial “heart” of the city. One is a dominant internal shopping mall (which penalises the potential of the centre's other components). The other components are a scattered series of building precincts with weak urban relationships with other surrounding precincts, all of which interface with generous hardstand car parking.
- 9.19 Further, on this point, studies by my company on over 100 centres of different types across Australia and New Zealand (initially for the Western Australia Planning Commission) on the relationship between the economic yield of centres (expressed in terms of numbers of jobs and the income levels of those jobs) showed a considerable difference in employment capacity, employment diversity and wage levels between shopping malls and urban centres.
- 9.20 Shopping centres employ fewer people at lower wage levels than urban centres (we excluded CBDs). For every single non-retail employee in or around a mall, there are an average of 5.2 non-retail employees in urban centres. When working well, urban retail is a catalyst in attracting non-retail employment and housing.
- 9.21 Retail and food and beverage services generate the lowest wages in the economy. But, if they generate vibrant streets, they switch on additional demand for business premises and high-density housing. In seeking optimum economic and social capacity, with centres, one cannot stop at retail. Retail's task should be to deliver higher-order social and economic outcomes.
- 9.22 I view the implications in the officer's s42A report that the current condition of the centre (MCZ) is either:
- (a) Desirable and/or
  - (b) Needing of protection and/or



- (c) That improved urban commercial opportunities on the harbour-front, north-facing site would diminish the “core” or “heart” area.
- 9.23 The s42A statement reinforces the status quo for the centre that an accompanying s32 report<sup>15</sup> references as “*an underperforming asset*”. The s32 report continues by saying “*It is car dominated with vast areas of car parking and a lot of previous developments are of poor quality. A lack of pedestrian amenity and the poor relationship of the City Centre with Te Awarua-o-Porirua Harbour and Porirua Stream are further main issues.*”
- 9.24 This statement correctly recognises the problem of the harbour interface. One can start at the City Centre (as proposed by defensive attitude in the s32 report) and work toward the harbour. Or start at the harbour and work toward the City Centre. I consider that starting at the harbour makes sense, and that the former has been tried and the current state of the centre is the outcome.
- 9.25 Council is (admirably) committing \$21 million for public realm improvements but is not offering the centre the possibility of a meaningful urban interface with the harbour. This means the underlying dynamics will remain.
- 9.26 Public realm improvements are a great civic gesture but do not address the existing fundamentals determining the centre’s poor performance.
- 9.27 I was one of the authors of the 2009 Porirua City Revitalisation Plan, which proposed a series of envisaged outcomes; “*..improving the quality of the pedestrian environment and public spaces and promoting a mix of activities, including residential, to broaden the range of goods and services and to increase the presence of people.*” The proposed civic expenditure does not increase the mix of activities, broaden the mix of activities, including residential, broaden the range of goods or increase the

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<sup>15</sup> Section 32 Evaluation Report Part 2 - Commercial and Mixed Use Zones, Officer’s Commentary on the performance of the City Centre - Page 24

presence of people. It only deals with the public realm. Public realm quality is not the problem or the solution.

- 9.28 Some 14 years have passed since the study's recommendations sat with Council. The centre was then and still is an *"underperforming asset."* The narrow focus on the "heart" is a part of the problem. Creating increased value at the edge will beneficially affect the middle.
- 9.29 Expanding the MCZ to the existing large format retail area does not preclude the continuation of this activity; instead, it offers a transition to a broader and more intensive series of activities over time.
- 9.30 I, therefore, take a different view to the advice referred to by Council report.
- (a) Most economic consultants are retail consultants who, in my view, misunderstand the dynamic nature of urban centres and over-value the importance of a consolidated retail core. I have a different perspective, having designed and built urban, mixed-use centres. Good towns are dynamic and have a series of pulse points. Some have a core, but many good towns exist without one (see Greytown for instance).
  - (b) The effective proposal within the s42A report is to protect the core. I would accept that approach if there were a development path to revitalisation of the core. There isn't.
  - (c) At the risk of repetition, Porirua's actual core (the highest pedestrian energy zone, which is a large part of the problem) is internal within the mall. The urban retail environment outside the mall represents the secondary and tertiary retail and business sectors. It is not attractive or busy enough to facilitate demand for responsive activity (business and housing) at density.

- 9.31 The rest of the centre lacks an available harbour interface and must rely on its urban qualities to renew itself. The problem is that these qualities are poor (as stated in the s32 report).
- 9.32 These qualities and dynamics do not provide a basis for intensification or renewal. The current MCZ lacks the amenity conditions necessary for wholesale investment to renew and revitalise the MCZ.
- 9.33 The most prominent amenity device available to the Centre is the harbour. The City needs to use it, as it offers an amenity-based business setting and sites for (future) intensive housing.
- 9.34 For these reasons, I support the submission of Kāinga Ora seeking the extension of the MCZ to include the LFRZ. In my opinion the Council is unlikely to achieve its desired outcomes for the MCZ if it does not accept this submission.

## **10. PUKERUA BAY**

- 10.1 Property Economics<sup>16</sup> forecast 7,000 additional people in the “Pukerua Bay” greenfield land east of the State Highway. A proposed centre is (appropriately) at the southwestern end of the development.
- 10.2 Due to access constraints, proximity to its proposed centre and the home domain pattern of flow (toward Wellington), this additional population will provide little support to the existing Pukerua Bay centre on the State highway. Unfortunately, Boffa Miskell’s Urban Design Assessment<sup>17</sup> does not resolve access to the current Pukerua Bay area’s centre and rail station from the greenfield area.
- 10.3 I support Kāinga Ora’s submission for additional commercial capacity and increased density for this small centre. The centre currently serves around 1,800 residents for daily needs. Expanding the centre zone offers an urban interface with the highway, increases catchment size and may inspire a quality

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<sup>16</sup> Property Economics 2022 Pukerua Bay Retail Centre Economic Analysis

<sup>17</sup> Boffa Miskell 2022 Urban Design Assessment Northern Growth Area Plan Variation

development response, including redeveloping the existing low-quality centre buildings.

- 10.4 Growing the centre can also support safer pedestrian movement across the Highway by facilitating a more formal pedestrian crossing between the centre and the station. Currently, rail users in the catchment require both courage and some athletic ability to walk to the station, reducing potential patronage.

## **11. COMMERCIAL ACTIVITY – APARTMENT GROUND FLOORS**

- 11.1 Kāinga Ora submits that a low approval threshold (Restricted Discretionary) should apply for up to 200 square metres of ground-floor commercial activity within apartment buildings in the HRZ.

- 11.2 Applying required density provisions to enable more residential intensification will materially change the character of all places across the city. Universally, this will meaningfully benefit the performance of existing centres, but the quality of streets with apartment buildings can be an issue.

- 11.3 Apartment ground floor adaptability (without jumping through approval hoops that dampen developer enthusiasm to provide these amenities) to enable Live/Work, Cafés, Dairies, Personal Services etc., is entirely appropriate for the following reasons:

- (a) Property Economics estimates a figure of 11,800 new dwellings or 30,000 people by 2051. Whilst the number varies across New Zealand, most local authority areas' retail provision per capita is above 2 square metres. We will use 2.2 square metres to check provision levels as a retail rule of thumb, but some places are as high as 3.
- (b) If we multiply 2.2 by the estimated 30,000 additional people, we get a demand requirement for additional retail floorspace (somewhere across Porirua) of 66,000 square metres. Yet, except for the Pukerua /Plimmerton growth areas small centres, the PDP/Variation 1 offers no new centres.

- (c) Therefore, around \$420 million of retail expenditure growth will go to existing centres as a catchment windfall. They do not need to do anything to benefit.
- (d) Whilst increased height applies across the city's centres, the retail offering outside of major centres is always on ground floors.
- (e) 200 square metres is a small enough figure to be an incidental activity and not threaten the viability of commercial centres, which (as stated above) will be significant beneficiaries of the increased density and associated catchment spend.
- (f) The occasional appearance of commercial activity within an apartment environment will improve the desire to walk to centres and rail stations. Research by California Air Resources Board (ARB)<sup>18</sup> found that retail activity on walking journeys to transit or a regional shopping centre significantly increased the numbers of people walking and the distance they were prepared to walk.
- (g) Street activity facilitated by active ground floor uses will improve walkable safety, with more eyes and activity on the street.
- (h) A commercial activity on the ground floor requires a pedestrian-friendly design response – a relationship with the street, which inherently requires the building's ground floor to be pedestrian friendly.
- (i) I am unsure of the PDP/Variation 1 design provisions or controls for the ground floor of apartment buildings. My experience elsewhere is that they can be high-fenced, entrances set back from the street, and comprise a single door and window with the curtains pulled and miserly in

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<sup>18</sup> ARB, Analysis of Indirect Source Trip Activity – Regional Shopping Centers – Nov 1993

their height dimensions. A linear continuum of these features can make the street cold and unwelcoming.

- (j) The floor-to-ceiling heights for adaptable ground floors will or should be higher, adding variation to the streetscape and a sense of generosity at the ground floor.

11.4 I envisage these opportunities to be scattered in their location and eclectic in their tenancies. Having observed similar typologies in Australia, I have found all sorts of tenancies appear; small-scale professional offices, real estate agents, dentists, wellness & health, coffee shops/cafes, hairdressers, printing, art studios, beauty etc.

11.5 The s42A report<sup>19</sup> author noted his confusion over the term “public facing” but interpreted its meaning to be serving the public. The usual term that should have been used is “street-facing” or “urban.”

11.6 Having these amenities in scattered locations, improving walkability, and increasing commercial capacity by expanding the range of business settings (these are not just retail opportunities) in out-of-centre locations is an important economic tool.

11.7 This proposition will be a meaningful addition to high-density housing areas, in some cases making a small component of the ground floor available to businesses that would prefer to be out of centre but not in a home office.

**Michael Cullen**

24 February 2023

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<sup>19</sup> Section 42A Report – Residential Zones and General Topics 3.11.7 Pages 123-126