

16 February 2023

Hearings Panel
Proposed Wellington District Plan
c/- Wellington City Council
PO Box 2199
Wellington 6140

Wellington
Level 2
5 Cable Street
PO Box 24137
Wellington 6142
Auckland
Level 4
12 Viaduct Harbour Avenue
PO Box 2007
Auckland 1140
willisbond.co.nz

For: Jaskirat Kaur, Hearings Administrator

Wellington Proposed District Plan: Hearing Stream 1 – Submitter Statement

1. Introduction

- 1.1. Thank you for the opportunity to participate in the hearings on the Proposed District Plan (“PDP”).
- 1.2. Willis Bond and Company Limited (“Willis Bond”) has been actively involved in development in Wellington since 1988. Our projects include the Clyde Quay Wharf Apartments, Chews Lane Precinct and various other developments along the Wellington Waterfront. We have recently completed the Bell Gully Building (Site 9) on the Waterfront and are close to completing the Victoria Lane Apartments at 151 Victoria Street.
- 1.3. We pride ourselves on high-quality and resilient developments. Many of our recent developments, such as Bell Gully Building and Victoria Lane, are base-isolated. Sustainability is also of increasing importance and in Tauranga we are currently constructing what will be the largest mass timber office building in the country. Our upcoming Wellington projects are targeting high Greenstar and NABERS ratings and we are investigating timber options.
- 1.4. The PDP is a crucial document for Wellington which will shape the city over the coming years: its success will be judged in the developments that proceed under it. We hope our expertise and experience in property development and investment will be useful for the Hearings Panel as it works through the submissions on the PDP.
- 1.5. Our submission concentrated on specific zoning and heritage provisions; those are the provisions we deal with on a day-to-day basis. Some of the key themes raised are the need to allow for flexibility – to ensure we are not unnecessarily constraining innovation – while also providing clear, certain and fast decision-making processes. We will present our submissions on these issues in Hearing Streams 2, 3 and 4.
- 1.6. For Hearing Stream 1, we refer the Hearings Panel to our submission points relating to the strategic direction in Part 2 of the PDP. While we support the proposed strategic direction, improvements could be made. We also question the inclusion of the design guides in the PDP. This is an overlapping issue spanning multiple streams.

1.7. Rosalind Luxford (Senior Development Manager) and myself (David McGuinness, Director) will speak to this statement in the Hearing.

2. Infrastructure Costs

2.1. SCA-01 to SCA-06 contain high-level objectives relating to the provision of infrastructure. As drafted, these provisions may require developers to bear infrastructure costs beyond those directly stemming from their particular development.

2.2. SCA-02 limits out of sequence developments to developments that support “a significant increase in development capacity”. This unnecessarily limits out of sequence development. If developers can fund the extra infrastructure costs (and meet all relevant requirements in the PDP), out of sequence development should be able to proceed regardless of the increase in development capacity achieved. SCA-02 could also be clarified to ensure that developers only bear the *net increase* in infrastructure costs caused by their development.

2.3. SCA-03 appears to require “additional infrastructure” to be incorporated in large-scale new developments.

2.4. These provisions place greater costs on developers, affecting feasibility and accordingly creating an undesirable bar to new development. We also agree with the submission of the Retirement Villages Association (350.15) that the provisions may result in ‘double-dipping’.

2.5. The section 42A report (at [1012]) responds to our submission by stating that the matters we have raised are relevant to the development contributions policy. We agree; we have raised these matters precisely because the objectives stray into allocating development costs. They should not be included in the PDP, which should be focused on effects and whether they can be appropriately managed, and instead dealt with in the development contributions policy. If they are dealt with in the PDP, it should be clear that developers are only liable for the increased costs caused by their particular development.

2.6. As set out in our submission, we request SCA-02 is amended as follows:

New urban development occurs in locations that are supported by sufficient development infrastructure capacity, or where this is not the case the development:

1. *Can meet the net increase in development infrastructure costs associated with the development (as assessed against the costs expected to be incurred by Council were it not for the development), and*
2. *Supports a significant increase in development capacity for the City.*

2.7. We also request SCA-03 is deleted:

Additional infrastructure is incorporated into new urban developments of a nature and scale that supports Strategic Objective UFD-06 or provides significant benefits at a regional or national scale.

2.8. We do not mean to downplay Wellington’s infrastructure challenges or shy away from the need for developers to contribute to infrastructure costs. However, requiring developers to do more than

respond to the infrastructure demands of their particular site could unnecessarily constrain new development.

3. Affordable Housing

- 3.1. In our submission, we asked for greater recognition of the need for affordable housing.
- 3.2. Housing affordability is a key theme of the National Policy Statement on Urban Development (see 2.1 Objective 2, 3.9 and 3.23). In its section 32 assessment, Council identified housing affordability as one of the key issues to be covered in the PDP, noting “the [Operative District Plan] is silent on the issue of housing affordability, yet this is one of the City’s biggest issues with high house prices and rents” (Part 1, 7.3, p29). Similarly, one of the six priority objectives in Council’s Long-term Plan 2021-2031 is that “Wellington has **affordable**, resilient and safe housing” (our emphasis) (p15).
- 3.3. The need for affordable housing is not controversial. While it is included to some extent in the PDP, it is insufficiently dealt with in the strategic objectives. Affordable housing is not mentioned in any of the strategic direction objectives and only appears in Part 2 in the introduction to Capital City and Urban Form and Development.
- 3.4. In our submission, we asked to amend UFD-06 to acknowledge the importance of affordable housing options:

A variety of housing types, sizes and tenures, including assisted housing, supported residential care, and papakainga options, and affordable housing options, are available across the City to meet the community’s diverse social, cultural, and economic housing needs.

- 3.5. The s42A report (at [444]) responded to our submission by pointing out that the PDP “includes definitions and an approach recognising the benefits of ‘assisted housing.’” Assisted housing is more specific, however, than affordable housing. It will not be appropriate for all and does not encompass affordable market-based owner-occupier housing.
- 3.6. It is important affordable housing is mentioned, as it affects the approach taken on many of the more detailed zoning provisions, many of which Willis Bond has submitted on. Height restrictions (and minimum heights), minimum unit sizes, outdoor space requirements and the various design guide requirements (which we will come to) inevitably increase cost. The cost of these provisions must always be balanced by the benefits they provide.

4. Kilbirnie Metropolitan Centre – Walkable Catchment

- 4.1. In our submission, we asked for the areas surrounding the Kilbirnie Metropolitan Centre to be included within the High Density Residential Zone.
- 4.2. We agree with the recommendation in the section 42A report to re-zone various areas surrounding the Kilbirnie Metropolitan Centre (at [375]).
- 4.3. Although not previously proposed by Council, there is a clear national direction in the National Policy Statement on Urban Development that must be followed (Policy 3(b)). It is also important to allow

sufficient land within Wellington for the future development of the city. Kilbirnie is a key centre, close to the city and with good public transport and roading connections.

5. Historic Heritage

- 5.1. We support retention of the historic heritage strategic objectives (HHSASM-01 and HHSASM-02) and agree with the section 42A report (at [917]).
- 5.2. We will address in Hearing Stream 3 our concerns on specific heritage provisions. Our overall position is that heritage protections need to be clearly identifiable. An existing lack of clarity in this respect, particularly in interface areas, has led to differing interpretations of how a proposed development has to respond to a heritage area or building resulting in significant delay and additional cost during the consenting process.

6. Design Guides

- 6.1. Part 4 of the PDP contains six design guides, covering Centres and Mixed Use, Residential, Heritage, Signs, Subdivision and Rural.
- 6.2. We appreciate the design guides will be considered in other Hearing Streams but wish to touch on our submission now as this point covers multiple streams.
- 6.3. While we are generally supportive of the material in the Design Guides, we oppose their inclusion in the PDP for the following reasons (as set out in our submission):
 - *In many areas, the Design Guides overlap with the objectives and policies in Part 3. This will cause confusion for both planners and developers in attempting to interpret the Design Guides alongside Part 3. In particular, we query how the 'Outcomes' in the Design Guides are to be read alongside other provisions in the plan.*
 - *It will be simpler to update the Design Guides to reflect best practice if they remain non-statutory.*
 - *The way the Design Guides are included as relevant criteria for restricted discretionary activities significantly expands the Council's discretion beyond what could normally be expected, for example, the Residential Design Guide contains various provisions dealing with internal areas such as G114-116 (internal living spaces) and G130-131 (internal storage).*
- 6.4. We consider the design guides should be non-statutory (in a similar way to the Auckland Design Manual) and used for guidance as to how the objectives and policies in Part 3 may be implemented. We are also happy to explore other options, such as paring back the design guides and/or implementing design excellence panels (or similar) for particular projects and on which Council could rely when exercising its discretion. If a design outcome is fundamental, then it should be included as a rule in the Plan. The current inclusion of the Design Guides creates a murky halfway house that undermines the certainty the PDP should be striving for to foster good development outcomes for Wellington in the future.
- 6.5. Willis Bond has had some initial experience with the design guides for one recent consent application where an assessment has been required against aspects of the PDP. The assessment has been an overly prescriptive process and it has been unclear how Council is to exercise its discretion over the

various matters within the design guides. This introduces considerable uncertainty to the consenting process.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D McGuinness', with a stylized flourish at the end.

David McGuinness
Director