

# Some Proposed s32 Content for Qualifying Matters Relating to Oriental Bay

## Hearing Stream 2 3 April 2023

### *Author*

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### *Background to this note*

The Oriental Bay Height Precinct (OHBP) would require an enabling qualifying matter for any portion within a designated walkable catchment. PPRI have also proposed two qualifying matters: to avoid the OHBP being undermined by unconstrained height limits for buildings behind the 'front row'; and on health and safety grounds, for houses above 9 Hay Street in Oriental Bay.

Any changes to the notified DP have flow on implications for the s32 reporting requirements, notably the s77J and s77L requirements relating to qualifying matters. This note proposes content for two critical s77J components: the impact on development capacity, and the assessment of costs and broader impacts.

### *Impact on development capacity*

S77J(3)(b) requires the section 32 evaluation report to: "assess the impact that limiting development capacity, building height, or density (as relevant) will have on the provision of development capacity."

### *OBHP*

#### *Background*

The Oriental Bay Height Precinct (OBHP) was incorporated into each of the Spatial Plan (SP), Draft District Plan (DDP), and Proposed District Plan (PDP) for Wellington city. Estimates of development capacity that were made for the SP and the DDP are therefore inclusive of OBHP height restrictions.

The site-specific height limits in the OBHP are more restrictive than the at least 6 stories height limits applicable to a designated walkable catchment from the City Centre, under NPS-UD 3 (c).

The extent of the walkable catchment has yet to be determined. Contingent assessments are made here for a 10-minute walkable catchment, and for a 15-minute walkable catchment.

For the purpose of this report, it is assumed that a 10-minute walkable catchment would extend to include 202 Oriental Parade (Clifton Towers) and a 15-minute walkable catchment would extent to include 274 Oriental Parade (Wharenuui Apartments).

#### *Assessment*

In the OBHP (excluding two large hotels, Bay Plaza and Copthorne, and listed heritage sites) there are:

- 50 sites within 10-minute walkable catchment.
- 74 within a 15-minute walkable catchment.

Existing building heights range from 1 to 11 stories. The number with 3 stories or less are 27 within a 10-minute Walkable Catchment and 39 within a 15-minute catchment. The number with 5 or more stories are 17 for a 10-minute catchment and 25 for a 15-minute catchment.

The impact of the OBHP would be to prevent the development, for some proportion of the overall sites identified above, that would otherwise be developed in accordance with NPS-UD 3 (c).

For this evaluation, this 'uptake' proportion is assumed to be 14%, consistent with Table 1 of:

<https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/plans-and-policies/a-to-z/spatial-plan/citywide-estimated-growth-distribution-figures-september-2021.pdf>

Using this uptake factor, it is assessed that the OBHP would constrain the following number of sites from developing to at least 6 stories:

- 4 sites for a 10-minute walkable catchment
- 6 sites for a 15-minute walkable catchment

In this context, it is assessed that these sites would have averaged 10 dwellings more, per site, than under the OBHP restrictions.

Bringing these elements together, the OBHP would constrain the following number of dwellings (that would otherwise have been developed under NPS-UD 3(c) limits):

- 40 dwellings for a 10-minute walkable catchment
- 60 dwellings for a 15-minute walkable catchment.

These estimates compare with previously estimated city-wide estimated dwelling increases (inclusive of OBHP restrictions) of:

- 24,000 – 31,000 additional dwellings under the Adopted Spatial Plan<sup>1</sup>
- 127,300 realisable (Scenario 1) under the Draft District Plan and MDRS<sup>2</sup>

*Proposed Assessment for the other qualifying matters proposed by PPRI*

The updated city-wide estimated growth distributions figures for the Spatial Plan<sup>1</sup> provided an estimate of the impact (excluding the OBHP) arising from an extension of the walkable catchment from 10 minutes to 15 minutes. The impact shown in Table 6 of that report for Oriental Bay was an extra 5 to 10 dwellings. That estimate assumed NPS-UD 3(c) limits would apply within the walkable catchment behind the OBHP. If, instead, qualifying matters limited heights in this area, some of these extra 5 to 10 dwellings wouldn't be built. At an extreme, if the qualifying matters stopped all these extra dwellings from being built, the constraining impact of the qualifying matters would be 5 dwellings (using the lower figure) to 10 dwellings (using the higher figure).

## Costs and Broader Impacts

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<sup>1</sup> <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/plans-and-policies/a-to-z/spatial-plan/citywide-estimated-growth-distribution-figures-september-2021.pdf>

<sup>2</sup> <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/reports/supplementary-documents/wellington-city-commercially-feasible-residential-capacity-assessment.pdf?la=en&hash=F92B91D81D51FB60919D730EF765475A093F5469>

S77J(3)(c) requires the section 32 evaluation report to: “assess the costs and broader impacts of imposing those limits”.

The following assessment is applicable to the OBHP and the other qualifying matters proposed by PPRI, although the health and safety based matter would have the additional benefit of enhancing the safety and wellbeing of the residents.

#### *Costs*

The property owners affected by these constraints would incur a direct cost in the form of lost development potential. Property developers affected by these constraints would incur a cost through the impact on potential profitability. Given that overall development within the city is limited by capacity constraints, this would be offset to some extent by the diversion of development to other parts of the city.

#### *Broader Impacts*

In addition to the direct costs, there are numerous economic externalities: that is, the impact on others not party to the purchase and sale of the affected properties, or the development of them.

The Oriental Bay area has an unusually high number of people who use the area for recreational purposes, given its accessibility and characteristics. People who live in the area are greatly outnumbered by those who use the area but live elsewhere. That provides a community benefit, including for people who cannot afford to live in this highly priced area.

There are large numbers of people who walk or cycle along the promenade, use the Oriental Bay beaches, and boat or paddle on the harbour. These numbers are likely to increase further given the projected increase in city-wide population and greater intensification near the inner city.

Impact on public amenity:

- The large number of people who visit Oriental Bay would benefit from the preservation of existing amenity. This includes views up through to the green belt of Mount Victoria, with housing set up in a manner that creates a natural amphitheatre. Maintenance of this amenity would contribute to their cultural and social well-being. The Environment Court assessment identified the OBHP as the tipping point beyond which the wider public amenity would be vulnerable to diminution.

Impact on housing affordability:

- Constraints on housing supply in Oriental Bay would negatively impact the supply of housing (and therefore affordability) at the higher-cost end of the market, affecting an older demographic than for the broader city. Given that property development is constrained by capacity issues, this would likely lead to some substitution of development towards housing that is less expensive and accessed by a broader range of ages.

Economic Benefits:

- The tourism industry would benefit from the preservation of amenity in Oriental Bay, as it is a popular destination for tourists.
- The cafes etc. that cater to visitors to Oriental Bay would likely benefit from greater patronage if the visual amenity of the area is preserved.