

**Before Independent Hearing Commissioners appointed by Wellington  
City Council**

In the matter of the Resource Management Act 1991 (**RMA**)

And

In the matter of hearing of submissions on the Proposed Wellington City District  
Plan

Between

**Argosy Property No 1 Limited**

and

**Wellington City Council**

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Statement of corporate evidence of Grant Burns on behalf of  
Argosy Property No 1 Limited (submitter 383)

Hearing Stream 4

Dated 12 June 2023

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## MAY IT PLEASE THE COMMISSIONERS

### INTRODUCTION

1. My name is Grant Alexander Burns.
2. I hold a Bachelor of Property Administration from University of Auckland
3. I currently hold the position of Asset Manager at Argosy Property No 1 Limited (**Argosy**). I have been in this position since 2018.
4. My previous work experience includes 35 years in the property industry. I have worked for various publicly listed companies, private investment companies and multi-disciplinary property firms
5. I provide this evidence in support of Argosy's submissions on the Proposed Wellington District Plan (**Proposed Plan**). This statement relates to the City Centre Zone (**CCZ**) chapter of the Proposed Plan.

### SCOPE

6. My evidence will address the following matters:
  - (a) Background to Argosy, and Argosy's Wellington City Centre properties;
  - (b) The city outcomes contributions points system is too subjective to achieve the outcomes sought;
  - (c) Appropriate height limits are important to the feasibility of constructing good quality buildings; and
  - (d) City Centre zone standards should not impose unnecessary restrictions on development.
7. In preparing my evidence, I have reviewed:
  - (a) The CCZ chapter and the city outcomes contributions in the Proposed Plan;
  - (b) The draft statement of evidence of Cameron Wallace (urban design); and

- (c) The draft statement of evidence of Joe Jeffries (planning).

## **BACKGROUND TO ARGOSY AND ARGOSY'S WELLINGTON CITY CENTRE PROPERTIES**

8. To provide some context, Argosy is a commercial property ownership company that owns a portfolio of high quality industrial, office and retail properties predominately in Auckland and Wellington. Argosy is listed on the NZX and the value of Argosy's property portfolio across New Zealand is approximately \$2.2 billion.
9. Argosy's investment strategy is to maintain a diversified portfolio of quality properties and build its portfolio around a mix of core and value add properties. Argosy's larger vision is to build a better future for its tenants by being adaptable and responsive to change; and delivering sustainable growth.
10. Argosy identifies properties with a view to ensuring strong long-term demand. As Argosy continues to reinvest in its portfolio, it wishes to ensure that the Proposed Plan applies appropriate controls and triggers for resource consent.
11. Argosy owns the following properties in the Wellington CCZ:
  - (a) **7 Waterloo Quay:** This property is in close proximity to the Central Railway Station, Wellington CBD and Parliament and Argosy has recently undertaken significant works to revitalise this building and is looking at the potential for further works on site to add value and enhance the utility of the site. The building is currently office space occupied by government tenants on long term leases.
  - (b) **8-14 Willis Street and 360 Lambton Quay:** The office tower is a recent 11 level development above ground floor retail, which utilised the existing building footprint at Stewart Dawson Corner. This development is targeting a 6 Green Star Built rating, a 5 Star NabersNZ energy efficiency rating and 130% NBS assessment of seismic resilience.
  - (c) **143 Lambton Quay:** this includes the former Tower Insurance Building, now known as Te Puni Kōkiri House. This is a 5 Green Star

Office Built rated building, which retains its heritage values while functioning as an 11 level office building.

- (d) **147 Lambton Quay:** This property is adjacent to 143 Lambton Quay, both prominently located on the corner of Lambton Quay and Waring Taylor Street in Central Wellington. It includes a refurbished mid-1980's three level podium building with a 12 level tower, providing ground floor retail and office accommodation.
- (e) **15-21 Stout Street:** This art deco-styled building is an eight-level office block located in the heart of Wellington's CBD, which balances heritage with sustainability. The current tenant is the Ministry of Business, Innovation and Employment, and the building has a 5.5 Green Star Office Built and a 5 Star NabersNZ rating.

#### **REMOVING HEIGHT LIMITS ARE IMPORTANT TO THE FEASIBILITY OF CONSTRUCTING GOOD QUALITY BUILDINGS**

12. Argosy supports the proposed change to provide no maximum height limit for the City Centre.
13. Height limits are significant constraints on development. If building height is restricted this reduces the spread of the fixed costs of a project. This is particularly important in Wellington, where seismic resilience requirements increase the build cost. Additional height and gross floor area (**GFA**) should always make a development more viable, as maximising the potential of a site creates a more efficient use of resources and avoids replication of the use of materials (also contributing to the decarbonisation effort). Generally, the higher the building the greater the ability to provide a better result architecturally as well as the possibility of extra public amenity.
14. Developers also have an incentive to construct attractive buildings, with high amenity, in order to attract and retain good tenants. Enhancing a building's attractiveness and public amenities are good community outcomes – while building additional storeys on a site often makes these outcomes feasible, not just for initial construction but ongoing maintenance and upkeep.

15. I support deleting the maximum height limits because this recognises that height is important to constructing well designed, good quality buildings and that these are supported in the Wellington City Centre.

### **THE CITY OUTCOMES CONTRIBUTIONS POINTS SYSTEM IS TOO SUBJECTIVE TO ACHIEVE THE OUTCOMES SOUGHT**

16. The Proposed Plan proposes to link over height buildings to city outcomes contributions, which is a points system in which buildings must reach a certain number of points to support a building with a height above or below the limits (and now thresholds) in the City Centre zone. Argosy's submission opposes the city outcome contributions in the Proposed Plan.
17. The points system included in the Proposed Plan is subjective in a number of respects. It is unclear how many points would be awarded for providing public amenities such as laneways or public toilets. It is difficult to see how a reduction in embodied carbon would be calculated for the purpose of a points assessment. For example, Argosy recently completed construction of an officer tower above an existing heritage building at 8-14 Willis Street and 360 Lambton Quay and recognises the benefits lowering the carbon footprint of a development by reusing the existing building structure. However, there is no clear or rigid formula to determine how points would be awarded for such a development.
18. For a points system whereby additional GFA / height is allocated to the provision of various amenities (laneways, public amenities, art works) to be practical, the amount of GFA / height in exchange for those amenities would need to be clearly set out so that the feasibility of obtaining extra floor area and therefore height can be calculated with certainty.
19. However, I also consider that forcing specific outcomes also will not always promote good design. For example, including a laneway for the sake of points may not be the best outcome.
20. I consider that the points system is currently unclear, and therefore it is difficult to foresee what additional height would be supported. While it is nice to have a degree of flexibility in providing outcomes for a development, without sufficient certainty resource consent applicants end up chasing their tails. In my experience, it is frustrating preparing development proposals

where there is uncertainty of approval, and there is a real question of whether the uncertainty of the city outcomes process (and time and cost of this) is worth the benefit of a few extra storeys.

21. From a developer perspective certainty of the building height that can be achieved is critical at the outset of a project. This often determines feasibility and the decision to proceed further. If it is too difficult to get certainty as to building height – which it seems like it will be under the city outcomes contributions points system – then developers will consider other options, such as constructing lower buildings (without providing those outcomes) or investing in other cities.
22. Deleting the points system but keeping the flexibility to recognise the positive effects of city outcomes where they are provided, and removing the City Centre height limit, will in my view better support development and reinvestment in the City Centre.

#### **CITY CENTRE ZONE STANDARDS SHOULD NOT IMPOSE UNNECESSARY RESTRICTIONS ON DEVELOPMENT**

23. When master planning a development careful consideration is given to the development parameters in the district plan. Exceeding any parameter and triggering the need for resource consent, or another reason for consent, can lead to additional cost, delay and uncertainty. Where possible development seeks to be compliant.
24. Designing a development around district plan controls can however lead to perverse outcomes, including a less efficient use of the site, reduced innovation, lack of unique design features, and lost opportunity for enhanced public amenity.
25. I also understand that most new buildings or additions to buildings will require resource consent in the CCZ and a range of standards are set out in the Proposed Plan. I accept that it is appropriate for new buildings in the City Centre to require resource consent. However, it can be onerous to respond to and be assessed against matters that seem to have no practical benefit or are overly restrictive.

26. For example, Argosy recently completed a redevelopment of 8-14 Willis Street and 360 Lambton Quay (Stewart Dawson Corner). This was undertaken in light of prescriptive provisions in Appendix 15 to the Central Area chapter of the Operative Wellington District Plan. I have included in **Appendix A** the envelope diagram that applied to this site. Although the permitted height for this site allowed building up to 95m, the site was only developed to 11 stories (approx 40m) due to the market at the time, influence of the heritage controls and tenant requirements. The detailed provisions in Appendix 15 have not been carried over to the Proposed Plan, which I support. However, several constraints that have a similar impact still apply in other parts of the Proposed Plan – for example, the Viewshafts controls. There is an opportunity for the Council to now examine these constraints in light of the National Policy Statement on Urban Development 2020 and consider which constraints are needed for good urban design outcomes, or if they unnecessarily constrain development.
27. Argosy's submission addressed that there are standards in the Proposed Plan that need further clarity or amendment, so the standards do not impose unnecessary restrictions.
28. One specific example is standard CCZ-S7, which requires that verandahs be provided on certain street frontages. There is an exception that this standard does not apply where compliance would result in encroachment into the dripline of an existing street tree. There are several notable Pohutukawa trees at Argosy's property at 7 Waterloo Quay, and it would be impossible for Argosy to provide a verandah without encroaching into the driplines of those trees, even if they are not street trees. It is important that this exemption applies to all trees.
29. Mr Jeffries' evidence addresses the specific provisions that require amendment, and I support these amendments to support ongoing development and investment in the Wellington CBD.

**CONCLUSION**

30. For the reasons set out in this evidence I seek that the Hearing Panel grant the relief sought by Argosy as refined in Appendix 1 to Mr Jeffries' evidence.

**DATED** at Wellington this 12 June 2023

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**Grant Burns**



## Appendix A – Operative District Plan

Appendix 15: Comprehensive development at 360-366 Lambton Quay (CT W48D/184) and 8 Willis Street (CT WN27A/486)

Central Area | Appendices

Operative: 17/05/2021

Figure 1

STEWART DAWSONS CORNER - ENVELOPE DIAGRAM

