Let's Get Wellington Moving

Baseline report: Land use and urban form

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Executive summary

Introduction

The purpose of the report is to spell out the current and planned land use and urban form patterns in the Let's Get Wellington Moving project area. The report also identifies ways the project could influence 'liveability' in Wellington's central city.

Future vision for Wellington City

A number of documents spell out Wellington's future vision for its central city. They are:

- Towards 2040: Smart Capital (2011)
- Wellington Urban Growth Plan: Urban Development and Transport Strategy 2014-43 (2015)
- District Plan – Central Area (2013)
- Wellington Waterfront Framework (2001)
- Central City Framework (2011)

A main theme of Towards 2040 is the desire for the city as a whole and the central city in particular to be 'people-centred' ie to be an attractive place to live in, work in and visit, to be vibrant and to have a strong identity and 'sense of place'.

Another theme is for the central city to continue to drive the regional economy and to offer the lifestyle, entertainment and amenities of a much bigger city. The compact nature of the central city is stated as a positive feature which makes it unique among Australasian cities and is a big part of Wellington's attractiveness.

The Urban Growth Plan identifies the central city as a main area for residential intensification. It promotes land use patterns that encourage active modes and the use of public transport, and reduces pressure on resources and infrastructure. The Urban Growth Plan seeks to deliver a compact, liveable and resilient city that is set in nature. It aims to protect the natural environment and to minimise the impact of urban development and transport on the environment.

The District Plan identifies the importance of the Golden Mile and Cuba Street as key retail destinations and promotes the nearby location of office activities, enhancements to the pedestrian environment and the roll-out of quality public transport infrastructure.

The District Plan identifies the central area as a location for high quality inner city living supported by a high quality public environment. It also encourages better accessibility between the city and the waterfront.

The Waterfront Framework aims to bring coherence along the waterfront and to express its connections with the city and the harbour. It contains a number of recommendations to improve the interface between the city and the waterfront, including along the quays.

The Central City Framework contains projects related to street structure, landscape and built form. It includes a vision to transform the main north-south streets in Te Aro into tree-lined boulevards. It identifies Vivian Street as the only continuous east-west street in Te Aro, providing connection from the Town Belt to Victoria University. It promotes improvements to laneways and open spaces, amongst others.

Current land uses in the central city

Residential accommodation

The population of the central city has grown steadily since the 1990s. This growth partly reflected a reduction in demand for office space in the 1990s and early 2000s, with a number of older and lower-grade office buildings converted to apartments. It is also the consequence of new apartment construction in the central city. Between the 2006 and 2013 censuses, the population of the central city (ie the Te Aro, Wellington Central and Thorndon-Pipitea census areas) increased by some 4,000 residents to reach 17,000. Some 40% of all new dwellings built across Wellington City during this period were located in Te Aro; almost all of these were apartments.

Residential development trends

The rate of residential development in the central city depends on the economic cycle and fluctuates considerably. After the 2008 Global Financial Crisis residential development in the central and wider city declined sharply. While increasing gradually since 2014, the number of newly consented dwellings has yet to return to pre-GFC levels.

Other factors influencing residential development include whether the market is dominated by investors or owners-occupiers as they tend to demand different types of products; the availability of land; the availability of office buildings suitable for residential conversion; and land values – high amenity apartments tend to locate on high value land (near the waterfront or the Core CBD).

Office accommodation

The Wellington office market can be broken down into three precincts: Core CBD, Thorndon and Te Aro. The Core CBD represents the largest proportion of Wellington office space (65% of total office space in the central city) and is where the bulk of major corporate occupiers locate. Thorndon has traditionally been the preferred location of government departments. Te Aro is characterised by older, lower quality office stock. Te Aro occupiers tend to be SMEs and smaller corporates in multiple tenancies across single floors. Cheaper rents in Te Aro also attract start-up companies.

Since the early 2000’s, the majority of new office stock has been concentrated in the Core CBD, and to a lesser extent, in Thorndon. This is reflected in the quality of office stock: Te Aro has the lowest average quality of office space with over 80% of the stock being classed as C or D Grade.

Retail accommodation

The Golden Mile accommodates some 30% of the central area’s total retail floorspace, within over 550 stores.

The Golden Mile comprises three separate areas performing different retail functions:

- The premium retail area, along Lambton Quay south of Woodward Street, attracts larger, well-known local and international brands (eg David Jones, Whitcoulls and Glassons). This area has high levels of foot traffic due to the surrounding concentration of CBD office workers.
- Courtenay Place is the city’s night life area and provides 25% of the city’s Bars, Pubs, Taverns and Clubs.
- The rest of the Golden Mile attracts local and national retailers, both in the goods retailing and hospitality industries.

Outside the Golden Mile, retail is expanding in Cuba Street and in secondary locations, such as Featherston Street, at the periphery of the Golden Mile.

Forecast growth

Wellington Region

The population of the Wellington Region stands at around 500,000 people with some 40% located within Wellington City. The regional population is forecast to grow by nearly 100,000 by 2043. Around 55% of this growth expected to be accommodated in Wellington City. The Kapiti Coast and Porirua are forecast to accommodate about 12% of the regional growth each.

In terms of economic activity, the largest sectors in the region are Public Administration & Safety, and Professional, Scientific & Technical Services. These two sectors contributed nearly 50% of the total growth in GDP over the last 10 years. Those sectors of the regional economy that are driving employment and GDP growth are more likely to be located in the Wellington CBD. Resilience and business continuity objectives may however result in a more dispersed model of business activity over time.

Wellington City

The population of the city is currently around 210,000. The city's forecasters expect the population to grow to 250,000 by 2043, at an average rate of 0.8% per year. Should the current wave of immigration continue, the population could reach 280,000 by 2043, based on an average growth of 1.2% per annum.

The city's population is ageing and there are more and more people living alone. By 2043, nearly 60% of all households will be singles and couples without children. Reflecting this shift, there is a trend towards more apartment development in Wellington – these apartments are predominantly located in the central city.

Future land uses

Wellington Region

The majority of growth outside of Wellington City will be in the form of urban expansion into greenfield land. Porirua's Northern Growth Area is the largest such extension, which could deliver housing for over 7,500 people. Waikanae North is another large-scale greenfield extension planned to accommodate over 5,200 new residents.

Some apartments and medium density housing are planned around existing urban centres, such as Hutt Central, Petone Central and Porirua City Centre. Together, these areas could provide dwellings for over 4,100 people.

Wellington City

The city plans to accommodate its population and economic growth through a mix of intensification in existing urban areas and limited urban expansion into greenfield areas.

The central city is forecast to be the fastest growing area in the region over the period to 2043. The central city comprises the census areas of Te Aro, Wellington Central and part of Thorndon-Pipitea. Together, these three areas will accommodate some 15,650 additional residents in 2043 compared with 2013.

Other fast-growing areas include Lincolnshire Farm/Woodridge which is planned to accommodate nearly 5,000 more residents by 2043 and Newtown which is expected to grow by over 4,000 residents in the same period.

In terms of employment activities, the concentration of new office buildings in the core CBD and Thorndon is expected to continue as poorer office stock is gradually replaced with high seismic performance stock. Central Government's review of its office accommodation is driving investment at the northern end of the CBD.

Retail activities are anticipated to continue to follow office workers, inner city residents and students with the Golden Mile and Cuba Street providing the highest footfall for the foreseeable future.

Outside the central city, the Council has plans to intensify the Adelaide Road corridor, Johnsonville town centre and Kilbirnie town centre.

Liveability

One of the four objectives of the Let's Get Wellington Moving project is to 'enhance the liveability of the central city'. The last part of the document therefore seeks to define liveability in the context of the central city. It breaks the concept down into four related topics: walkability, amenity, vibrancy and building investment. The potential effect of the Let's Get Wellington project on each concept is explored.

1. Introduction

1.1 Background

Wellington City Council, Greater Wellington Regional Council and the NZ Transport Agency are currently investigating options for improving movement by all modes in the Ngauranga to airport corridor. This work is known as the "Let's Get Wellington Moving" project.

The project has wider aspirations than just delivering transport improvements. It also seeks to increase the liveability, economic growth, safety and resilience of the central city.

1.2 Purpose of the report

The purpose of the report is to explain the current and planned land use and urban form patterns in the Let's Get Wellington Moving project area. By way of context, some commentary is provided on regional population growth and current land uses activities in Wellington City outside the project area.

The report is based on forecast population projections for the region and the city, on current development trends and on the future vision for the city presented in *Towards 2040: Smart Capital* (2011), the *Wellington Urban Growth Plan: Urban Development and Transport Strategy 2014-2043* (2015), the District Plan, the *Wellington Waterfront Framework* (2001) and *WGTN 2040: Central City Framework* (2011).

This report will help establish where change in the transport system is needed to support the Council's vision for the city. It will also form the baseline against which effects of the project on land uses, urban form and liveability can be assessed.

2. Future vision for Wellington City

2.1 Towards 2040: Smart Capital

Adopted in 2011, this document sets a vision for the future of Wellington City. It aims to *"position Wellington as an internationally competitive city with a strong and diverse economy, a high quality of life and healthy communities."* [1]

The vision is supported by four goals:

- ***"People-centred city***
  Wellington's people are the city's greatest asset. Wellington's shape and character will continue to reflect the people who live in, work in, and visit the city.
  Wellington's people-centred city will be healthy, vibrant, affordable and resilient, with a strong sense of identity and 'place'. This will be expressed through urban form, openness and accessibility for its current and future populations.
- ***Connected city***
  As a connected city, Wellington's people, places and ideas access networks - regionally, nationally and globally.
  Connections will be:

[1] Towards 2040: Smart Capital (2011), WCC, page 3.

    - *physical - allowing for ease of movement of people and goods*
    - *virtual - in the form of world-class ICT infrastructure*
    - *social - allowing people to connect to each other and their communities.*
- ***Eco-city***
  Developing Wellington as an eco-city involves a proactive response to environmental challenges. It recognises the importance of Wellington taking an environmental leadership role as the capital city of clean and green New Zealand.
  Wellington's many natural assets give the city a head-start and opportunities as part of a green economy.
- ***Dynamic central city***
  As a city with a dynamic centre, Wellington will be a place of creativity, exploration and innovation. The central city will be a vibrant and creative place offering the lifestyle, entertainment and amenities of a much bigger city. The central city will continue to drive the regional economy"[2]

The document states:

"Our compact and dynamic central city, unique in Australasia, has developed over recent years into one of the most distinctive features of Wellington, attracting people to work, live, visit and play.

It is the economic engine room of the Wellington regional economy. It is the locus for significant culture, arts and events, which drive the success of our city. The central city provides Wellington with many of the outstanding quality of life features [needed] to be a place where talent wants to live."[3]

"Wellington's population has the highest education levels in the country and the highest proportion of people employed in knowledge jobs (requiring degree-level skills or higher). Our smart people are a significant asset for Wellington, but they also present the city with a challenge – world-class skills expect to live in a world-class city."[4]

The strategy identifies the need to protect and enhance the outstanding quality of life that attracts talent to the city and region. *"Individuals and families moving to Wellington are attracted by the unique physical and social qualities of the city: its beauty and compactness, convenience, diversity"*[5], *"walkability, the accessibility of arts, culture and events, the waterfront, as well as a vibrant social scene."*[6]

"The mix of activity in the city is at the heart of Wellington's vibrancy. Future growth in the city [is expected to] *continue to support mixed use – residential, commercial, entertainment, education, parks and open spaces, and strong links to the wider city and region*. [The Council intends to] *develop the streets, laneways, boulevards, built form and open spaces to reinforce Wellington as a city built for people."*[7]

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[2] Towards 2040: Smart Capital (2011), WCC, page11.
[3] Ibidem, page 7.
[4] Ibidem, page 9.
[5] Ibidem, page 13.
[6] Ibidem, page 33.
[7] Ibidem, page 33.

2.2 Wellington Urban Growth Plan: Urban Development and Transport Strategy 2014-43

Adopted in 2015, the Plan is the Council's growth management strategy.

"The objectives of the Plan are to:

- *Direct new growth to suitable areas to maintain the city's compactness, liveability and natural setting.*
- *Ensure development occurs close to employment, services, and public and other transport links. This will continue to encourage active modes and the use of public transport, and reduce pressure on our resources and infrastructure. [The Council] expect most new development to occur along the growth spine from Johnsonville through the central city to Adelaide Road and Kilbirnie.*
- *Improve the resilience of the city against the risk of natural hazards and climate change.*
- *Ensure urban growth contributes to the city's economic, social and environmental success.*
- *Help target the Council's investment on priority projects.*

The Plan seeks to deliver the following key outcomes:

A compact city

The city's urban areas are surrounded by the Wellington Town Belt and the reserves, rural land and hilltops that form the Outer Green Belt. This has led to the city being compact, which is one of its distinctive features. It also makes our city walkable and helps minimise the need for new infrastructure. To keep Wellington compact, this plan directs future development to locations with quality transport links, infrastructure and community facilities.

A liveable city

The central city is the main economic, social and cultural hub of the region. It is attractive, lively, accessible and safe. At a local level, suburban centres provide a focus for community life and access to shops and services. This plan supports vibrant centres through a range of projects.

A city set in nature

The city's distinctive character is enhanced by protecting our natural environment, minimising the impact of urban development on the environment and making sure people can easily get to the waterfront and other open spaces. To achieve this, the plan emphasises the importance of better green infrastructure such as open spaces, trees and waterways; sustainable transport options; energy efficient buildings and water-sensitive urban design.

A resilient city

Our heritage assets, coastal areas, infrastructure networks and neighbourhoods all need to be managed to minimise the risk of damage from natural hazards, such as earthquakes, and the effects of climate change. This plan supports our continued leadership in identifying earthquake-prone buildings, planning for emergencies and preparing for climate change."[8]

[8] Wellington Urban Growth Plan: Urban Development and Transport Strategy 2014-43 (2015), WCC, pages 12-13.

2.3 District Plan – Central Area

The Central Area chapter of the District Plan (last amended October 2013) spells out the desired future for the central city.

The District Plan sets a vision for a vibrant, prosperous, liveable city. At its heart is a contained Central Area comprising a commercial core with a mix of related activities. The Plan's Central Area provisions are based on eight principles that will guide future development:

"Enhance the 'sense of place'

Many qualities and characteristics contribute to the 'sense of place' people experience in the Central Area. The underlying topography and landscape, and the adjacent harbour provide a memorable backdrop to the central city. A strong identity is anchored in being the nation's capital and a hive of government activity; both central and local. Complementing this formal role are pockets of distinctive character and activity. The diverse environments of the central city include high-rise towers and offices, classic heritage buildings, character areas, the mix of public and open spaces, and harbour views. A diverse range of people is also attracted to the array of activities on offer in the Central Area, and they add to the flavour of the city in turn.

Enhancing this 'sense of place', and protecting the features that make Wellington special and unique, are essential ingredients of a stimulating and memorable city.

Sustain the physical and economic heart of the Central Area

The city has a natural tendency towards physical containment, with an amphitheatre of hills leading down to the inner harbour. This containment makes the city more accessible, and accentuates its urban feel. Maintaining the strategic role of transport infrastructure leading to and from the city centre is crucial to this goal.

Wellington's downtown is the commercial base of the city and region. Encouraging flexible and diverse activities will sustain the economic viability of the city centre. This includes capitalising on cultural and recreational facilities and events the city has to offer, including the Stadium, Te Papa and the waterfront. Ultimately this will lead to an adaptive city centre that encourages positive growth and the city's comparative advantage. Development in the fringes to the Central Area should complement the vitality and viability of downtown Wellington.

Continuing to contain Central Area development will help achieve a compact, viable city centre.

Enhance the role of the 'Golden Mile' and 'Cuba'

The 'Golden Mile' refers to the main retail and commercial strip extending from the Cenotaph near Parliament Buildings, to the eastern end and entertainment hub of Courtenay Place. This 'Golden Mile' concept reflects the natural form of the Central Area, and helps structure people's perceptions of the city and the way they move within it. Cuba Street is a premier pedestrian-based retail promenade that forms an important axis with the 'Golden Mile'.

The 'Golden Mile' and 'Cuba' will be enhanced and supported by reinforcing their key retail function, promoting nearby office location, enhancing the pedestrian environment and improving the roll-out of quality public transport infrastructure.

Enhance the Central Area as a location for high quality inner city living
Increasing the amount and quality of residential dwellings will be encouraged, building on the overall vibrancy of the Central Area and supporting the primary commercial function of downtown Wellington and the 'Golden Mile'.

Enhance the built form of the Central Area
*The Central Area's amphitheatre setting is enhanced by the maintenance of the compact 'high city'/'low city' urban form. The 'high city' relates to the downtown area [*between Parliament and the Civic Centre] *where most of the city's high rise buildings are clustered. The Low City is effectively the balance of the Central Area* [Te Aro and Thorndon] *where the lower buildings spread out north and south. The lower height on the waterfront completes the stepping down from the hills to the harbour.*

Enhance the quality of the public environment
The quality of the public environment helps make a city more liveable. A high quality public environment is safe and healthy, easy to move around in, rich in quality urban design that enhances people's experiences, and consistent with appropriate environmental standards. The quality of the public environment is affected by the function, location and character of public space, as well as by the buildings and structures that define the edges of public space.

Enhance city/harbour integration
The city and sea relationship that characterises Wellington makes for a dynamic cityscape. The waterfront is an integral and defining feature of the city. However, accessibility between the city and the waterfront, and access to the water's edge itself, needs to be improved so that the waterfront becomes part of the 'pedestrian flow' that extends across the whole city. Better links are needed, including physical connections and visual links such as views and signage. A promenade that connects the different parts of the waterfront and provides a sequence of changing, rich and interesting experiences [enhances] *people's ability to move around the waterfront itself.*

Enhance the sustainability of the Central Area
Buildings and other forms of development that reduce the consumption of natural and physical resources (including energy consumption), whilst maintaining the reasonable development expectations of landowners will ensure that the goal of a sustainably managed city centre will be achieved. Innovative design and construction of buildings exhibiting new principles of environmental sustainability will be encouraged."[9]

"The District Plan sets standards to guide the form of new development. However, it places minimal direct controls over land use and the location of activities. Most activities can take place anywhere within the Central Area, provided they meet performance standards that ensure the city's environmental quality is maintained."[10]

"Several unique neighbourhoods and precincts crucial to the Central Area's cultural heritage and sense of place are identified in the Plan as heritage and character areas."[11] The heritage areas include sites around the Parliamentary Precinct, Stout Street Precinct, Post Office Square, the former

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[9] Wellington City District Plan, Chapter 12 Central Area: Introduction, Objectives and Policies, pages 2-4.
[10] Ibidem, page 4.
[11] Ibidem.

BNZ Head Office, Civic Centre, St John's Church, Cuba Street and Courtenay Place. Character areas include land along the Inner City Bypass and in the Pipitea Precinct (port office area).

The District Plan has no minimum car parking requirements for the Central Area – this has contributed to achieving a dense urban form in the central city.

2.4 Wellington Waterfront Framework

The Wellington Waterfront Framework (2001) guides *"waterfront development in a way that makes the most of this unique and special part of the city.* […] *The Framework aims to bring coherence along the waterfront and express its connections with the city and the harbour. The Framework is based around five themes: historical and contemporary culture, city to water connections, promenade, open space, and diversity."*[12]

The vision for the waterfront is: "*Wellington's Waterfront is a special place that welcomes all people to live, work and play in the beautiful and inspiring spaces and architecture that connect our city to the sea and protect our heritage for future generations."*[13]

The Framework contains performance briefs for the whole waterfront and five individual areas: North Queens Wharf, Queens Wharf, Frank Kitts Park, Taranaki Street Wharf/Lagoon and Chaffers area.

The 'waterfront-wide' part of the brief states:

- pedestrians have priority over vehicles on the waterfront
- the edge of the quays and Cable Street should be welcoming and safe; there should be frequent, convenient and direct connections to existing streets and pedestrian ways that adjoin the waterfront; and there should be shelter where possible
- views down city streets to the harbour and hills should be enhanced

The rest of the document provides more detail, including:

- Views of the waterfront and harbour down Whitmore, Johnston and Waring Taylor Streets will be preserved and improved where possible. At-grade pedestrian crossing points should be enhanced at each of these intersections.
- Queens Wharf is the heart of the waterfront. The primary symbolic entry to the waterfront from the city is through the Queens Wharf gates.
- Thought should be given to making the Jervois Quay edge of Frank Kitts Park safer, especially for children using the playground.
- Better and easier pedestrian access is needed to Frank Kitts Park from across Jervois Quay.

2.5 Central City Framework

The Central City Framework was adopted in 2011 and is a supporting document to Towards 2040. The Framework contains a series of projects related to street structure, landscape and built form which will influence the future shape of the central city. The key projects are listed below.

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[12] Wellington City District Plan, Chapter 12 Central Area: Introduction, Objectives and Policies, pages 4.
[13] The Wellington Waterfront Framework (2001), Waterfront Leadership Group, page 11.

2.5.1 Boulevards

The City Council has a vision to transform the main north-south streets in Te Aro into tree-lined boulevards. The idea is to improve the quality of the public realm to attract private investment in more intensive, mixed-use developments. The three inner city boulevards identified in the Wellington Urban Growth Plan are Victoria Street, Kent and Cambridge terraces, and Taranaki Street. Other north-south streets of importance include Tory, Cuba and Willis streets

These streets *"are important both for people and vehicles getting in and out of the city, but they are not performing as well as they could, either as transport corridors or as pedestrian areas, largely because:*

- *street blocks are too big – larger blocks mean fewer route options for pedestrians and so less diversity of shops, cafés and other services*
- *there are not enough areas of interest to encourage people to stop and spend time*
- *poor sight lines make it hard to navigate, and break the connection between the city and the waterfront.*

In effect, these streets are merely acting as transport corridors – rather than as spaces where people will spend time. Future improvements to these streets will:

- *clarify the alignment of buildings, kerbs and footpaths*
- *clarify the role these streets play in connecting people and vehicles throughout the city and form appropriate streetscape responses*
- *improve pedestrian spaces*
- *promote active uses at street level – such as shops, cafés and other uses with open doorways and/or dynamic window displays*
- *provide street trees, where appropriate, transforming them into urban boulevards."*[14]

Tree-planting and other streetscape improvements have already taken place along Victoria Street. This has supported development activity at Victoria Street Precinct (140 apartments at the corner of Victoria and Ghuznee streets), the new creative campus for Whitireia WelTec and ground floor retail on the corner of Cuba Street and Dixon Street, and planned apartment development on the Dixon/Victoria Street corner.

Improvements along Kent and Cambridge terraces are planned to take place between 2019 and 2024 according to the city's Long-term Plan 2015-25. *"These streets have an important role to play in relation to the Basin Reserve and the waterfront. The intention is to combine a number of the median islands into a linear park."*[15]

Taranaki Street *"forms part of the processional route through the city from Parliament up to Government House [via the Pukeahu National War Memorial Park]. The vision for greening the street will seek prioritisation of pedestrian comfort through comprehensive landscaping, paving and lighting upgrades."*[16]

[14] Central City Framework (2011), WCC, page 34.
[15] Ibidem, page 35.
[16] Ibidem.

Taranaki Street has more complexities than the other two boulevard projects because a major stormwater upgrade is required. This will influence the timing of the project which is currently outside the 2015-25 Long-term Plan.

In addition to the three above-mentioned boulevards, the Central City Framework provides visions for Willis Street (the footpath widening along the Golden Mile section was completed a few years ago), Tory Street and Cuba Street. It states:

"Tory Street is an important street for views. Because the elevated south end is visible along the street, it also helps people to understand the topography of Te Aro. Uneven building alignments and encroachments make Tory Street feel 'messy'. These will be reviewed, along with comprehensive street landscaping, finishes, furniture and lighting. "[17]

Regarding Cuba Street, the Framework states the need to protect the character of this heritage area. Streetscape improvements are proposed to *"enhance character through lighting, planting, paving and street furniture. The incorporation of an enlarged Te Aro Park, and improvements to key lanes"* [18] (Opera House Lane, Eva Street, Leeds Street – all of which have been completed in the last few years) are also proposed.

2.5.2 East-west connectors

East-west streets in the central area can help better connect *"the city to the Town Belt, waterfront, and university campuses.*

The longer East-West streets in Te Aro provide cross-valley links. […] *They could function better with clearer pedestrian connections into the Town Belt and up to Victoria University's Kelburn campus. These pedestrian connections, in turn, have the potential to increase the amount of pedestrian activity into and within Te Aro.* [This is proposed to] *be achieved through the introduction of street trees and shared spaces, which would enhance urban ecology and soften the cityscape, making it more comfortable for pedestrians.*

Improving the intersections and amenity of the shorter east-west streets between Lambton Quay and the quays could provide more direct connections from the city to the waterfront."[19]

"Vivian Street (adjoined by Pirie and Buller streets) provides a direct line of sight and is the only continuous road across the valley. [Changes to this street should include] *improvements to pedestrian comfort* [and] *enhanced pedestrian connections at the edges to the Town Belt and Victoria University."*[20]

Willeston Street *"is an axis with notable heritage sites (Stewart Dawsons corner and the Old Bank Arcade), one of the highest levels of pedestrian activity in the city"* [21] and a visual link to the waterfront. *"Its potential as a short connection to the waterfront from the Golden Mile is not*

[17] Central City Framework (2011), WCC, page 35.
[18] Ibidem.
[19] Ibidem, page 36
[20] Ibidem, page 37.
[21] Central City Framework (2011), WCC, page 37.

realised. This could be achieved through an improved ground level crossing point to Frank Kitts Park and new ground level activity along the street and at the corner of Jervois Quay."[22]

Waring Taylor Street *"offers a clear visual connection to the waterfront. Its potential as a primary pedestrian access route is likely to increase with developments in the Kumutoto area of the waterfront. The physical quality of the street (ie lighting and paving) should be improved as part of its next scheduled upgrade."*[23]

2.5.3 Laneways

"The central city has a number of lanes that are under-utilised, unattractive or unsafe. Lanes provide short-cuts for pedestrians through large urban blocks and, if lined with shops, cafes and other public uses, they can contribute to the liveliness of the city."[24]

The Council has gradually been upgrading laneways, starting with Opera House Lane, Eva Street, Leeds Street, Mason's Lane, Cable Car Lane, Felix Lane, Egmont Street and Holland Street. These projects are about increasing the level of economic activity and pedestrian movements along inner-city lanes. Future laneway projects include Lombard Street, Bond Street, Garrett Street, Wigan Street, Left Bank, and Edward Street.

2.5.4 Open spaces

"The central city is literally surrounded by nature: hills, sea and sky are dominant features of the urban landscape. The central city itself, by contrast, is characterised by hard surfaces and little vegetation.

[The Central City Framework] *aims to introduce more green spaces* […] [in the central area] *including small parks, green roofs and green links. These* [are planned to] *be introduced when streets are upgraded and areas are revitalised* […].

These spaces are needed because of growth in the inner-city population. Inner-city residents are increasingly looking for comfortable spaces for relaxation and recreation. Green spaces are also needed because of changing patterns of activity in the inner-city, for example as people use the inner-city for exercise or to attend events and festivals."[25]

The Framework proposes the re-design of a number of existing public spaces: Te Aro Park, Victoria and Wakefield streets intersection, streets around the Lambton Quay / Hunter Street / Willis Street block, Post Office Square and Michael Fowler car park. It also proposes upgrades of Civic Square and Cuba Mall, a neighbourhood park in east Te Aro and a linear park between Kent and Cambridge terraces.

2.4.5 Precincts

"Though Wellington's central city is compact, it is also made up of a series of distinct precincts or neighbourhoods. Each has its own character – from the region's premier shopping high street [on

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[22] Ibidem.
[23] Ibidem.
[24] Wellington Urban Growth Plan – Implementation Plan (2015), WCC, page 19.
[25] Central City Framework (2011), WCC, page 52.

Lambton Quay], *to the entertainment district around Courtenay Place, to the creativity of Cuba Street,* [to the office concentration of the core CBD] *and to inner-city residential areas."*[26]

The Framework identifies the following precincts which require further planning and investment:

Parliamentary Precinct

This *"precinct's primary function is government. It is home to Parliament, ministries, departments and foreign embassies. It's also home to the judiciary, Victoria University's Law School and cultural institutions such as the National Library and Archives New Zealand.*

Though it is busy during the day, it is relatively quiet during evenings and weekends in spite of the presence of the Cathedral of St Paul and the addition of a number of apartment blocks in the last decade or so. […]

This precinct's critical function is as a centre of government, and this will continue to be the case long into the future. […] [However,] a wider variety of uses are encouraged, so that the precinct is busy all week round, not just during working hours. Open spaces within the precinct [should] connect it better to Te Ahumairangi Hill (Tinakori Hill) and the waterfront."[27]

Memorial Precinct

Prior to the construction of the Arras Tunnel and Pukeahu National War Memorial Park, the Framework acknowledged the need for further planning in the area around Karo Drive and of the Carillon.

"This area has three main functions. It acts as a transition space between the central city and southern suburbs, provides traffic movement across the city, and is an educational area with Massey University's city campus, two high schools and a primary school in close proximity. It is also bordered by nationally significant buildings such as Government House and the National War Memorial, as well as the Basin Reserve. […]

The area has a number of characteristics that can be harnessed to make it a distinctive and desirable neighbourhood. As an elevated area that is relatively open, it is well suited to an increase in residential living. The creation of a National War Memorial Park [provides an open space] *for students and local residents.*

Its east-west vista provides clear links between the Town Belt and Kelburn. Its proximity to Adelaide Road – an identified area of revitalisation – will complement its growth, meaning more people will walk and cycle through the area."[28]

East Te Aro Precinct

"This precinct covers the area between Taranaki Street and Kent/Cambridge terraces. The area has a variety of functions:

- *inner-city living – over the last decade or so there has been rapid growth in the number of residential apartments*

[26] Central City Framework (2011), WCC, page 64.
[27] Ibidem, page 66.
[28] Ibidem, page 68.

- *‘hidden’ bars, night spots and boutiques*
- *destination shopping – such as large-format retail and car yards*
- *transit – Vivian Street and Kent and Cambridge terraces are main thoroughfares*
- *employment – [start-up companies], some light manufacturing, and service outlets*

[…] The mix of building types and ages gives the area an urban, gritty feel, while the dominance of low-rise buildings means that it operates on a human scale. However, the area suffers from:”[29]

- empty sites, used for car parking or for low intensity activities
- little greenery and very few open spaces where people can gather
- being dominated by cars – only a few areas are pedestrian friendly
- a ‘broken’ street grid which makes it difficult for people to navigate across town from east to west.

“East Te Aro has attracted a significant amount of apartment development. This can continue, but space also needs to be provided for [street level businesses] *which will provide not only places of work but also more lively streets. As the area becomes more densely populated, it is crucial to improve the east-west streets and laneways to provide walking routes and protect access to sunlight and views.*

With the commercial heart of the city concentrated on the quays and [The] *Terrace, Te Aro can develop as a mixed-use inner-city neighbourhood, retaining some of its existing ‘gritty’ character while also developing more of an urban residential feel with sustainable buildings, greener streets, and more activity at street level.”*[30]

Victoria / Cuba Precinct

“Cuba Street is a heritage area filled with eclectic shops, cafés and bars. It is a physical expression of the city’s creativity, diversity and openness. […] Victoria Street, by contrast, […] [is] dominated by cars; its primary function is one of transit across or out of the city. Unlike Cuba Street, it has many sites that are underused or used only for parking, and very little street-level activity to encourage pedestrian activity.”[31]

Victoria Street is one of the areas where the Council wants to see more people living and working in the future so streetscape improvements were undertaken in 2015 to make it more pedestrian friendly.

“The improvements included:

- *realigning, widening and significantly improving the footpaths on both sides*
- *retaining the existing road width to allow for future bus and cycling improvements*
- *developing two new paved parks – one at the corner of Dixon Street (Volunteer Corner) and the other, Te Niho Park, near the intersection with Vivian Street*
- *planting more than 55 street trees to give the street a boulevard feel*
- *a new southbound cycle lane*

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[29] Central City Framework (2011), WCC, page 70.
[30] Ibidem, pages 70-71.
[31] Ibidem, page 72.

- *a new left-turn lane onto Vivian Street*
- *evening peak-hour clearways on both sides of the road between Vivian and Abel Smith streets."*[32]

The upgrade supports a number of pipeline projects including new apartment complexes and the redevelopment of the Farmers/Deka site fronting Cuba, Dixon and Victoria streets that includes a new WelTec/Whitireia creative arts campus.

Long-term, the Council's aspiration is for the area to become *"an inner-city neighbourhood, with quality residential buildings and space for shops and small businesses."*[33] The increased residential presence – along with the street upgrade – is expected to improve the footfall in the area and make street-level businesses more viable.

The revitalisation of Victoria Street is expected to have positive effects (attractiveness, footfall, safety, economic viability) on *"neighbouring areas, including Cuba Street and nearby university campuses including Victoria's architecture school and Massey's main campus."*[34]

Pipitea Precinct

"The Pipitea Precinct is a large area that includes major city infrastructure: the operational port, the Wellington Regional Stadium, and the Railway Station. The port is a vital part of the city's economy. There are no known or foreseeable changes planned in its core operations in the coming decades. A portion of port land – Harbour Quays – was deemed surplus to port operations and [developed for office accommodation]."[35]

The precinct borders the Parliamentary precinct (home to Parliament, courts, government offices and a university campus among other things), the Lambton precinct (home to offices as well as the region's premier shopping street) and the waterfront.

Prior to the Kaikoura earthquake, the Central City Framework's priorities for the Pipitea precinct were *"to enhance connections between the precinct and the rest of the central city, while maintaining the integrity of existing vital functions such as:*

- *moving of goods*
- *providing a gateway to the city for commuters and for visitors on cruise liners and ferries*
- *providing access to the stadium for major events that are important to civic pride."*[36]

The 2016 earthquake exposed vulnerabilities with reclaimed land and infrastructure along the harbour's edge. This is likely to change the long-term future of the office park and could affect other port-related functions.

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[32] http://wellington.govt.nz/your-council/projects/victoria-street-transformation-project accessed 25/05/2017.
[33] Central City Framework (2011), WCC, page 72.
[34] Ibidem.
[35] Ibidem, page 76.
[36] Ibidem.

Golden Mile

The Central City Framework does not mention the Golden Mile, as the programme of improvements to the city's prime retail route was well advanced when the Framework was prepared.

The Golden Mile runs through the central city from Courtenay Place to the railway station, including Manners Street, Willis Street and Lambton Quay. The Golden Mile houses 30% of the central city's total retail offering (by floorspace) and is the main route for buses through the central area.

Over the years, the Council has invested significantly in improving pedestrians' and public transport users' amenity and safety along this route. This has included widening footpaths, planting trees and making improvements to the quality of streetscapes generally. It has also included lowering the speed limit and adding traffic lights at key pedestrian crossing points.

At the eastern end of the Golden Mile, the Council has undertaken a complete re-design of Courtenay Place Park; improved lighting along Courtenay Place, Allen and Blair streets; and introduced artworks and a series of light boxes used for art exhibitions. The Council has also supported applications for outdoor dining areas along footpaths. These various initiatives aim to increase footfall, support local businesses and events, and make the city safer, more interesting and more attractive.

3. Current land uses in the central city

3.1 Residential accommodation[37]

Wellington is seeing a significant increase in the number of people living in the inner city.

Central Wellington's population grew substantially during the 1990s and the first half of last decade, increasing by an average of 5.5% per annum between the 1991 and 2006 censuses. This happened at a time when the size of the public sector was shrinking and many corporate head offices were relocating to Auckland or Sydney.

In part, the reduction in demand for office space in Wellington contributed to growth in the inner city's population, with a number of older and lower-grade office buildings being converted to apartments. The increased number of people living in the central city also flowed through into demand for a more diverse range of retail facilities and a large number of entertainment options.

After the Christchurch earthquakes in 2011, Wellington's office market went through another transitional phase, with strong demand for space in high-grade and seismically safe buildings, while lower-grade buildings struggled to attract or retain tenants. The surplus of lower-grade space became even greater in the first half of 2016 as government departments continued their process of consolidation, moving into refurbished and upgraded premises. This surplus was reversed after the November 2016 Kaikoura earthquake with vacant office buildings filling up with displaced office tenants (see office accommodation, below).

[37] Source: Regional Hotspots 2016 (November 2016), Infometrics

Central Wellington's population grew by 6.1% in the June 2016 year, supported by new apartment construction and office conversions. This activity is particularly concentrated in Te Aro, although the Lambton and Thorndon areas also experience significant population growth.

Increasing tertiary student numbers in Wellington also contribute to growth in the inner-city population. Victoria University has been steadily increasing its number of hostels over recent years, and the opening of the Whitireia-WelTec campus on Cuba Street will also add to student numbers in Central Wellington.

The Census population of Central Wellington (Te Aro, Wellington Central and Thorndon-Pipitea) was 16,881 in 2013, an increase of 4,008 over the 2006 Census. This comprised 9,654 residents in Te Aro (2,742 more than in 2006), 2,958 residents in Wellington Central (an increase of 906 from 2006) and 4,269 residents in Thorndon-Pipitea (a gain of 360 from 2006).

Census unit	**2006 Population**	**2006 Dwellings**	**2013 Population**	**2013 Dwellings**	**Change Population**	**Change Dwellings**
Te Aro	6,912	3,066	9,654	4,665	+2,742	+1,599
Wellington Central	2,052	1,362	2,958	1,356	+906	-6
Thorndon-Pipitea	3,909	2,175	4,269	2,226	+360	+51
Total	12,873	6,603	16,881	8,247	+4,008	+1,644

Table 1: Population and dwellings in Wellington Central Area 2006 & 2013. Source: ID Profile

Te Aro added some 1,600 new dwellings to its residential property portfolio between the two Censuses. By comparison, the city as a whole gained 4,100 dwellings during the same period. This means that some 40% of all new dwellings in Wellington were developed in Te Aro in the 2006-13 period.[38] The vast majority of these units were studios, one and two bedroom apartments. This reflects the population profile of the area which has a heavy representation of tertiary education students (18 to 24 years olds make up 39% of Te Aro residents compared to 14% for the city as a whole) and young workers (25 to 34 year olds make up 31% of Te Aro's population but only 17% of the city's population).

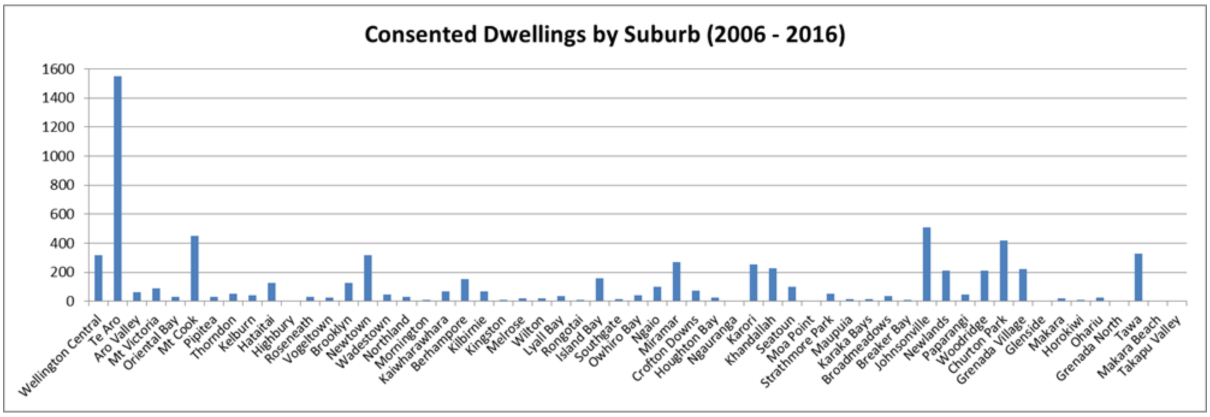

Figure 1: Consented Dwellings by Suburb 2006-2016. Source: WCC

The above graph shows the disparity between the rate of development in Te Aro and the other suburbs of Wellington. In the ten years to 2016, Te Aro was growing at over three times the rate of the next fastest growing suburbs.

[38] ID Profile, http://profile.idnz.co.nz/wellington/dwellings?WebID=10&BMID=10, accessed 24 May 2017

3.2 Residential development trends[39]

Population growth in the central city very much accords with the city's vision for the area. The rate of development is however highly dependent on the economic cycle and fluctuates considerably.

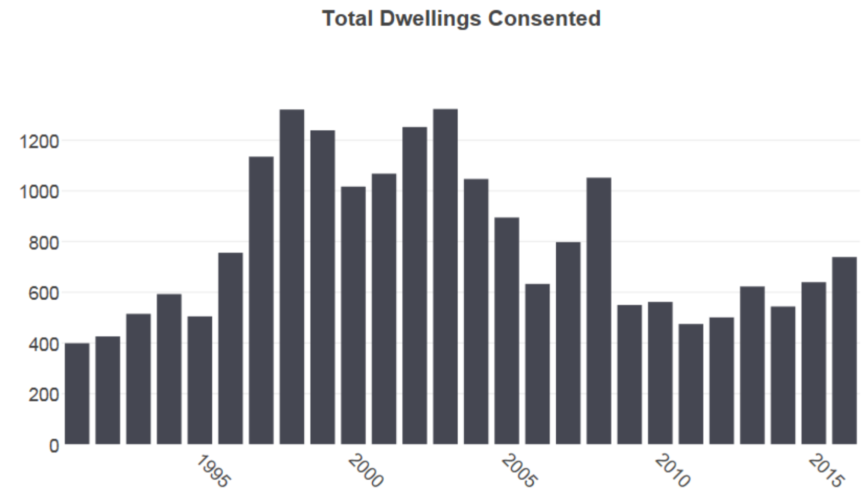

Figure 2: Total Dwellings Consented in Wellington City 1991-2016. Source: WCC

The above graph demonstrates the cyclical variation in the number of consented dwellings across Wellington City over the last 25 years. Noticeably, after the Global Financial Crisis in 2008, there was a decrease in the number of residential construction projects. This type of activity has picked up again since 2014, with the number of newly consented dwellings increasing steadily year on year.

Below is a similar graph showing the development pattern for Te Aro since 2004. This shows a similar peak of residential consents (almost all of which are for apartments) in 2008 followed by a sharp decline post GFC.

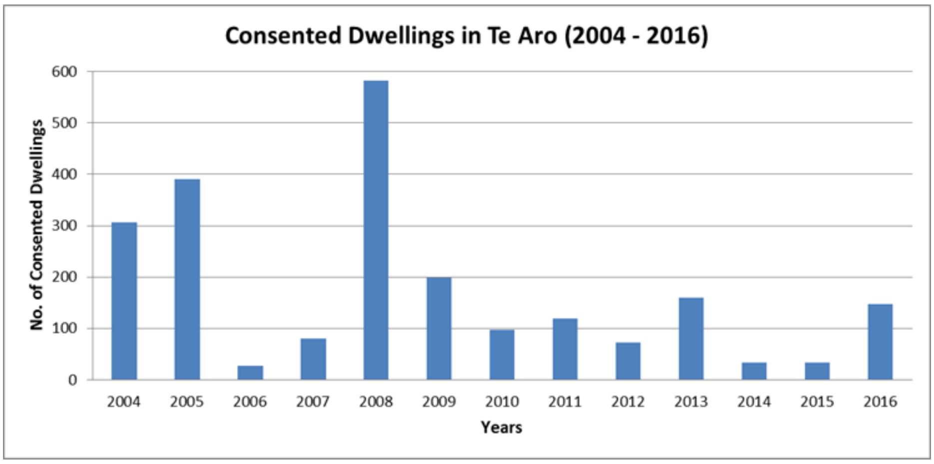

Figure 3: Consented Dwellings in Te Aro 2004-2016. Source: WCC

The fluctuations in the apartment market reflect the risks to the developers and lenders. The relatively long development timeframe for apartments (large developments can take at least two to three years from planning to completion) means that the risk of changing market conditions is high.

[39] Source: Market Study - Te Aro East Regeneration, June 2015, CBRE

The completion of an apartment building may be in a different economic climate from its planning stage, increasing uncertainty around sale prices and the length of time needed to sell all units. Larger, more complex developments have longer timelines which increase these risks and affect the finance and holding costs for the developer.

Almost all housing stock in Te Aro consists of apartments and 75% of residential units are rentals. This is in sharp contrast to the city as a whole where 60% are owner-occupied.

Investment owners are looking for a return on investment and do not normally occupy the apartment themselves. The type of stock that investment owners usually purchase is low to mid quality, 1-2 bedrooms, with slightly smaller floor areas than owner-occupied units.

Owner-occupiers in the central city comprise principally downsizers, empty nesters and single parent families. Some owner-occupiers comprise first home buyers (principally professional couples/singles) and new migrants. Part of the purchase decision is lifestyle based (living close to work and entertainment), and part financial based on the price difference between apartments and houses. This is especially relevant to empty nesters freeing up some equity in their house. Owner-occupiers tend to acquire, and drive the demand for, higher quality apartments.

Another important influencer of apartment development is the availability of land. In Te Aro, this is constrained to an extent by the proportion of businesses who own their site. Commercial owner-occupiers are typically concerned with the efficient operation of their business rather than the value of their underlying land assets. Relocating to a lower value area to release value from their land would incur significant costs in securing new premises. In many cases, it is only on closure of the business that the land will be disposed of and redeveloped.

As explained in the next section, Te Aro is home to low quality office stock with 85% of stock in the “C” or “D” grades. Te Aro also had around 60,000 sqm (or two and a half State Insurance buildings’ worth) of vacant office space in 2015. The office vacancy rate in Te Aro stood at around 18% in 2015 and had been increasing since December 2011. Given the low demand for office use in Te Aro, some of the low quality office stock may present opportunities for the re-purposing of buildings to residential use or the re-development of office sites for new-built apartments.

Land values also influence the type and location of residential development. The highest land values within Wellington are centred on the waterfront and the core CBD. Land values in Te Aro follow this pattern with the highest price located between the waterfront and Courtenay Place; followed by land to the north-west (north of Vivian Street and west of Taranaki Street); land to the north-east (bounded by Courtenay Place, Cambridge Terrace, Vivian Street and Taranaki); and last the land south of Vivian Street which has the lowest value. High value, high amenity apartment developments (Elevate Apartments (24 Taranaki Street), Clyde Quay Wharf (22 Herd Street) and One Market Lane are recent examples) tend to locate on higher value land.

3.3 Office accommodation [40]

The Wellington office market comprises approximately 1.4 million square metres of Net Lettable Area ("NLA") and is typically broken down into three main geographical areas or precincts: Core CBD, Thorndon and Te Aro.

In broad terms, approximately 65% of the total office market stock is located within the Core CBD, 23% is within Te Aro, and the balance of 12% is within Thorndon.

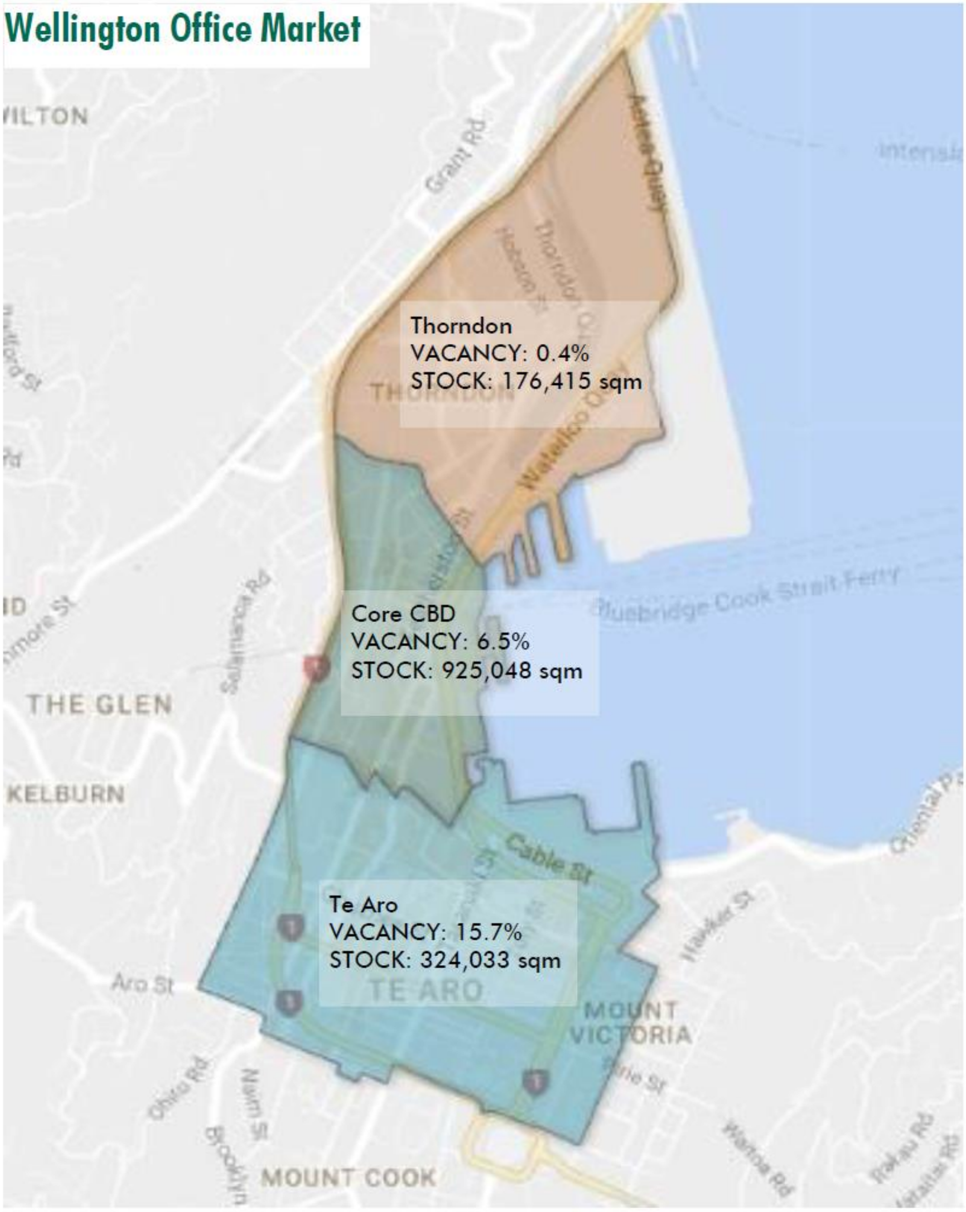

Figure 4: Wellington Office Market. Source: CBRE, April 2017

[40] Source: Wellington Central Area – Commercial Property Market Composition Report (April 2017), CBRE

Historically Thorndon has had a high proportion of Government occupiers as this area is centred around Molesworth Street and the connection to the Beehive and Parliament. A number of high profile and large government departments are located in this precinct; Police, Ministry of Education, Ministry for the Environment, Ministry of Justice (including the Office of Treaty Settlements), NZ Defence and GCSB are examples.

Figure 5: Thorndon and the Parliamentary Precinct. Source: WCC

The Core CBD represents the largest proportion of Wellington office space and this is where the majority of major corporate occupiers prefer to locate. Manners Street is generally considered the southern boundary of the Core CBD. It should be noted that there is a large presence of Government and public service occupiers within this area as well, particularly at the northern end of The Terrace.

Figure 6: Core CBD. Source: WCC

Te Aro is characterised by mixed quality, age and construction of office stock. Occupiers tend to be SMEs and smaller corporates in smaller tenancies, with multiple tenants across single floors in many cases. Notwithstanding, Te Aro has recently started to cater towards the growing technology sector, (TradeMe and Xero are headquartered here for example) and it is not unreasonable to expect that this technology sector will continue to develop and grow, attracting similar occupiers to this area. Related businesses tend to cluster and the availability of lower rents/cheaper buildings in Te Aro is supportive of this trend.

Figure 7: Te Aro. Source: WCC

Overall, the Wellington office market grew by some 600,000sqm since the early 2000's, with the majority of the new stock being in the northern part of the Core CBD and to some extent Thorndon. This additional capacity includes new-build developments and refurbishments.

The growth in the office market over the last decade has served to reinforce the preference for CBD Core locations for corporate occupiers and Thorndon for Government. This can be viewed in part as a "flight to quality" which to some extent has negatively impacted vacancy and rental growth in Te Aro. Depressed rents attract start-ups and emerging businesses so the shift of corporate occupiers to the CBD Core had created opportunities for other segments of the economy in Te Aro. It has also created opportunities for residential re-development.

The quality of office space is broadly divided into two major categories of Prime (being Premium and A Grade) and Secondary (being B Grade and below). Only 4% of current CBD office accommodation is considered Premium while 20% is A Grade, 29% is B Grade, 30% is C Grade and 17% is D Grade.

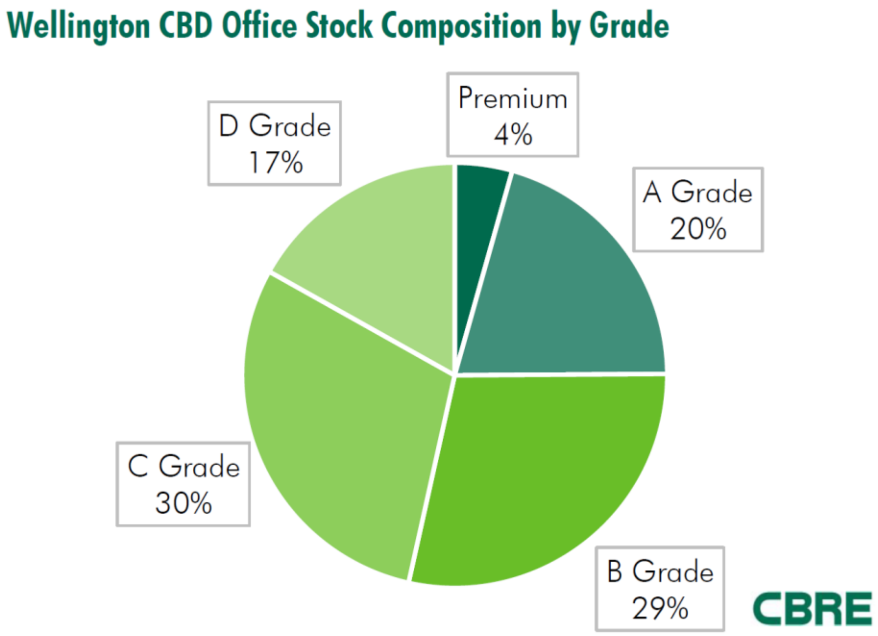

Figure 8: Wellington CBD Office Stock Composition by Grade. Source: CBRE, April 2017

Premium grade space is generally leased by higher end corporate occupiers. It is widely considered that there is a shortage of premium accommodation in Wellington. There are two buildings which are currently under construction for the private market which will add to the Premium office stock within the city. These are 20 Customhouse Quay, which will add 16,000sqm to market and the PWC Centre on Kumutoto Wharf which will add a further 9,800sqm.

Generally government occupiers have a preference for A and B grade accommodation. Grade C accommodation is widely considered to provide acceptable and relatively affordable office accommodation, however Grade D office stock is typically considered throughout the city as least desirable and is difficult to find tenants for. Invariably D Grade stock is older and more likely to be below market acceptable levels of seismic resilience and may only be suitable for redevelopment, repurposing or demolition.

The three office precincts within the city have differing quality grade compositions in terms of their office stock. Te Aro has the lowest average quality of office space with over 80% of the stock being classed as C or D Grade. Thorndon has the highest proportion of Prime space at 40%.

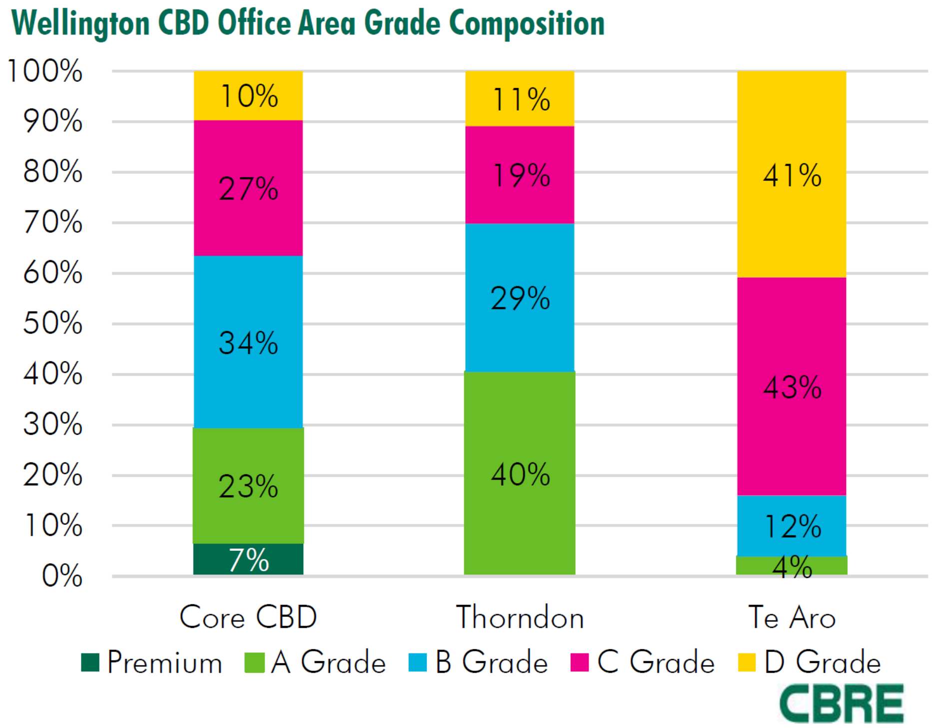

Figure 9: Wellington CBD Office Area Grade Composition. Source: CBRE, April 2017

The relative composition of each office precinct in terms of the quality grade of accommodation has tended to drive the nature of development at that location. Te Aro for example has been subject to very little new build office development activity but significant redevelopment and adaptive re-use, particularly toward residential apartment use. Thorndon and the Core CBD on the other hand have been the recipients of almost all of the new build Prime grade office accommodation, further reinforcing the nature of those locations as the preference for corporate and government occupiers.

The repurposing of office buildings is expected to continue as residential demand in the central city increases. However not all buildings are suited to such conversions and there are few other alternative uses suited to this type of buildings. Long-term, some older office buildings are likely to be demolished and the land re-used for residential and mixed-use developments.

3.4 Retail accommodation[41]

In Wellington CBD, there is approximately 326,000 sqm of retail space across 1,618 individual stores. Of these, 72,572 sqm across 504 different stores are Cafes, Restaurants, and Takeaway Food Services (‘Dining Hospitality’), and 35,414 sqm across 241 stores are Clothing, Footwear and Personal Accessories (‘Fashion’) retailing. Traditionally these two industries types have been the major components of any city’s retail offering, and as such it is not surprising that Wellington reflects this.

[41] Source: Wellington Central Area – Commercial Property Market Composition Report (April 2017), CBRE

The premium retail space within the city is defined as Lambton Quay from Woodward Street to Willis Street. Whilst location is a key driver for office and retail uses, retail is inherently more sensitive to location which can have a material bearing on turnover. Some high end retailers will only occupy prime locations – these occupiers prefer to wait for accommodation to become available rather than rent sub-optimal accommodation in the interim.

Seismic standards are a major factor for office occupiers, but less so for retail: Cuba and Courtenay precincts are good examples where businesses occupy buildings with relatively low seismic ratings.

The Golden Mile is of vital importance to the vibrancy and economic sustainability of the Wellington Central Area. The Golden Mile represents around 30% of the total retail floorspace, with over 98,000 sqm of floor space within 554 stores.

The Golden Mile provides 54% of all 'Fashion' retailing floorspace within Wellington city and 27% of all 'Dining Hospitality'. Cafes, Restaurants and Takeaway Food Services comprises 19,868 sqm of space across 172 stores along the Golden Mile, while Clothing, Footwear and Personal Accessories Retailing follows very closely behind with 19,164 sqm across 124 unique locations. These two types of retail represent 53% of total net lettable area (NLA) of the Golden Mile.

Another important component of the retail market are Pubs, Taverns, Bars and Clubs ('Evening Hospitality'). 47% of all the 'Evening Hospitality' in the Wellington CBD is found on the Golden Mile.

The Golden Mile comprises three separate areas performing different retail functions:

- The Prime portion, along Lambton Quay south of Woodward Street, attracts larger, well known international brands which are looking to establish a footprint within the city. The highest quality retail within the city rests in this area. The largest store in this area is the David Jones Department store which makes up roughly 28% of the entire retail space. Other major occupiers, with a store size over 1000 sqm include Whitcoulls, Farmers, Glassons and Countdown. This area is almost entirely comprised of goods retailing with very little additional retail offering. This is due to the high levels of foot traffic created by the surrounding CBD office workers. 'Dining Hospitality' barely features along Lambton Quay but is a major component throughout the City and the rest of the Golden Mile.
- Courtenay Place is the city's night life area and provides 25% of the city's Bars, Pubs, Taverns and Clubs. Courtenay Place is Wellington's pre-eminent hospitality area, with the highest density of hospitality retailers in the city. The area provides 47% of all hospitality (Dining and Evening) on the Golden Mile.
- The rest of the Golden Mile typically attracts local and domestic retailers, both in goods retailing and in the hospitality industries.

Major retailers continue to be attracted to prime locations, with the small Countdown and David Jones acting as retail anchors and maintaining the demand for space along Lambton Quay. These nodes have historically been the most sought after retail space along the Golden Mile, establishing the upper rental parameter, and this continues to be the case.

Interestingly the 'metro' supermarket concept has taken hold in the central city, consistent with other main cities, coinciding with an increase in inner city residential accommodation.

The recent introduction of Mecca Maxima to the Lambton Quay end of Willis Street emphasises the high level of occupier demand in the precinct, not just from the domestic market, but also from international retailers looking to expand their New Zealand presence.

Interest in secondary retail locations is gaining traction as retail demand grows and with minimal vacancy along the prime retail strip (Lambton Quay south of Woodward Street). Examples are retailers choosing to occupy nearby locations, such as Australian shoe retailer Wittners and fashion designer Trelise Cooper opening shops along Featherston Street.

Elsewhere, the northern end of Cuba and Willis streets have seen strong leasing and high quality stock returning from refurbishment. One such example is the Cuba Dixon development which provides attractive options for retailers interested in the demographics and pedestrian traffic Cuba Street offers.

4. Forecast growth

4.1 Wellington Region

The estimated resident population in the Wellington Region at 30 June 2016 was 504,900[42]. Population growth has averaged 0.9% per annum over the last 5 years.

At the time of the 2013 Census, the population of the Wellington Region was distributed as follows:

Area	Population 2013	% of region's population
Wellington City	197,500	41%
Hutt City	101,200	21%
Porirua City	53,700	11%
Kapiti Coast	50,700	10%
Upper Hutt City	41,300	8%
Wairarapa	42,400	9%
Region	486,800	100%

Table 2: Population in the Wellington Region 2013. Source: ID Profile

The regional population is forecast to grow by over 96,000 residents to around 583,000 by 2043.[43] This equates to an average of 0.7% growth per year over the 30 years period from 2013. The distribution of population growth across the region is expected to be as follows:

Area	Population 2043 (forecast)	Pop increase 2013-2043	% increase 2013-43	% of region's growth
Wellington City	250,000	52,500	27%	55%
Hutt City	109,900	8,685	9%	9%
Porirua City	64,800	11,143	21%	12%
Kapiti Coast	63,700	12,986	26%	13%
Upper Hutt City	49,900	8,604	21%	9%
Wairarapa	44,727	2,353	6%	2%
Region	583,044	96,270	20%	100%

Table 3: Population forecast in the Wellington Region 2013-43. Source: ID Forecast

[42] Wellington Region Annual Economic Profile 2016, Infometrics
[43] ID Forecast, updated July 2016

The fastest growing part of the region is Wellington City, which is expected to grow by 52,500 residents by 2043. Wellington City will contribute 55% of the region's population growth during this period. Kapiti Coast is expected to grow by nearly 13,000 residents, or 13% of regional growth. Porirua City will grow by over 11,000 residents, Hutt City by around 8,700 and Upper Hutt City by around 8,600 during the same period. The Wairarapa is forecast to grow the slowest, gaining around 2,350 residents over the same period.

With regards to economic activity, *"the largest single sector in the region is Public Administration & Safety at 12%, followed by Professional, Scientific & Technical Services (PSTS) at 11.5%. These two sectors contributed 47% of total growth in GDP over the last 10 years. […]Wellington City has a very similar economic structure to that of the region although Public Administration, PSTS and Finance & Insurance sectors are a greater proportion again at 15.1%, 13.6% and 13.2% respectively."*[44] *"From an employment perspective, absolute growth* [in the region over the last decade] *is most evident in public administration, PSTS, Health Care & Social Services, Education & Training, and Accommodation & Food services. For GDP, Financial & Insurance Services and Information Media & Telecommunications can be added to the employment growth sectors above."*[45] […] *"Those sectors of the regional economy that are driving employment and GDP growth are more likely located in the Wellington CBD. Resilience and business continuity objectives may result in a more dispersed model of business activity over time, and supported by effective connections (eg. public transportation, road network)."*[46]

4.2 Wellington City

The population of Wellington City continues to grow as more people make the city their home, attracted by work opportunities, lifestyle and culture, high-quality services and the proximity to natural areas.

The estimated resident population in Wellington City at 30 June 2016 was 207,900. The city's population increased by 20,400 residents (or 1.1% per annum) over the 10 years to 2016, and by 44,500 residents (or 1.4% per annum) over the 20 years to 2016.[47]

Much of this growth is due to migration. Some 11% of the 2013 Census population (or 20,454 people) had moved to Wellington from outside the city (regional and national migration) in the previous five years and some 10% (or 19,803 people) had moved from overseas (international migration) over the same period.

The city's forecasters expect the city's population to grow to 250,000 by 2043, at an average of 0.8% per year.[48] Should the current wave of immigration continue, the population could reach 280,000 by 2043, based on an average growth of 1.2% per annum.[49] New housing, services and infrastructures will be required to accommodate these new residents.

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[44] Background Economic Information for LGWM (2017), Greater Wellington Regional Council, pages 1-2.
[45] Ibidem, page 3.
[46] Ibidem, pages 4-5.
[47] Source. Statistics New Zealand Subnational Population Estimates. Wellington City's population in 2006 was 187,500; and in 1996 was 163,400.
[48] http://forecast.idnz.co.nz/wellington, accessed 8/05/2017
[49] Stats NZ's high population projection, Subnational Population Projections: 2013(base)–2043 update

The city's population is ageing and there are more people living alone. By 2043, the city will have nearly 31,000 more people 60 years and over. This age group represents nearly 60% of the total population growth (52,500 people) for this period and coincides with the demographic wave of Baby Boomers reaching older age.

The number of households made up of couples with no dependents and people living alone is expected to increase by about 16,300[50] between 2013 and 2043. These smaller households make up 70% of our expected household growth to 2043. By then, 56% of all households will be singles or couples without children. They will require different housing to the current predominantly family housing stock.

Changes in the population composition and household types are reflected in the types of dwellings built. Building consents for dwellings are a good proxy for actual new dwelling construction as few projects are abandoned past the building consent stage.

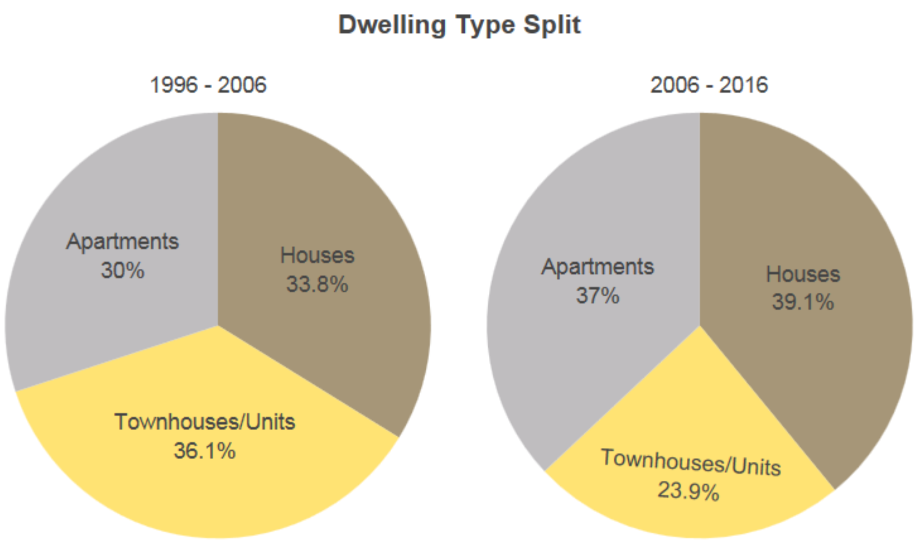

Figure 10: Wellington building consents by type of dwelling. Source: WCC, using Statistics NZ data

The graphs above show a trend towards more apartment development in the city as a whole; those apartments are predominantly located in the central area. In the 1996-2006 period, slightly more houses were consented than apartments. Since 2006, the proportion of apartments consented has increase relative to houses and townhouses. The adoption of 'District Plan Change 56: Managing Infill Housing Development' in 2009 and the increasing paucity of suburban lots large enough for multi-unit developments explains the drop in the proportion of townhouses after 2006.

The trend towards more apartment development is expected to continue.

[50] Forecast ID Forecast household types

5. Future land uses

5.1 Wellington Region

The key growth areas around the region (except Wellington City, which is addressed below) are expected to be:

Area	Suburb	Change 2013-2043 (population)	Type of development
Hutt City	Wainuiomata	1,079	Infill
	Hutt Central - Waterloo West	1,424	Intensification and apartments
	Korokoro - Petone Central - Wilford	1,256	Intensification and apartments
Porirua City	Northern Growth Area	7,563	Greenfield
	Whitby East	1,743	Greenfield
	Porirua-Elsdon-Takapuwahia	1,509	Intensification and apartments
Kapiti Coast	Waikanae North	5,245	Greenfield
	Paraparaumu North	1,420	Greenfield
Upper Hutt City	Trentham	2,295	Infill and intensification
	Akatarawa-Rimutaka-Kaitoke-Mangaroa-Moonshine Valley	1,583	Greenfield
	Silverstream - Heretaunga	1,139	Greenfield
	Te Marua	947	Greenfield
Wairarapa	Carterton / Greytown / Featherston end of the Wairarapa (commutable)	2,000 to 3,500	Greenfield and infill

Table 4: Key growth areas in the Wellington Region 2013-43. Source: ID Forecast

The majority of growth outside of Wellington City will be in the form of urban expansion into greenfield land. Porirua's Northern Growth Area is the largest such extension, which could deliver housing for over 7,500 people. Waikanae North is another large-scale greenfield extension planned to accommodate over 5,200 new residents.

Some apartments and medium density housing are planned around existing urban centres, such as Hutt Central, Petone Central and Porirua City Centre. Together, these areas could provide dwellings for over 4,100 people.

The rest of the growth is likely to take the form of infill housing, ie the subdivision of existing lots such as backyard development.

5.2 Wellington City

The city plans to accommodate its population and economic growth through a mix of intensification in existing urban areas which have good transport links, infrastructure and community facilities, and limited urban expansion into greenfield areas. Containing the city's outward expansion minimises the need for new infrastructure, maintains the city's natural setting and makes walking, cycling and public transport viable transport options.

The main projected growth areas in Wellington City are:

- The central city: over 15,600 more people are expected to be accommodated in Te Aro, Wellington Central, Pipitea and Thorndon by 2043.
- New urban areas north of the city: over 11,000 new residents are expected in Lincolnshire Farm, Woodridge, Churton Park and Stebbings Valley by 2043.
- The sub-regional centres (Johnsonville and Kilbirnie), the Adelaide Road corridor and Newtown are expected to accommodate over 11,000 more people by 2043.
- Around other existing suburban centres.

In the period to 2043, forecasters expect 40% of new dwellings to be apartments, 35% to be medium density housing types (eg townhouses), and 25% to be detached houses.

The ten fastest growing areas in the city are expected to be:

Area	Change 2013-2043 (population)	Average growth rate per annum	Predominant development type
Te Aro	9,388	2.2%	Apartments
Wellington Central	4,760	3.0%	Apartments
Lincolnshire Farm - Woodridge	4,447	2.0%	Greenfield
Newtown	4,176	1.3%	Intensification and apartments
Tawa - Grenada North – Takapu Valley, including Stebbings Valley	3,835	0.8%	Greenfield
Churton Park - Glenside	3,180	1.3%	Greenfield
Johnsonville	3,076	0.9%	Infill and intensification
Mt Cook	3,039	1.2%	Intensification and apartments
Kilbirnie - Rongotai - Moa Point	1,669	0.9%	Infill and intensification
Thorndon - Pipitea	1,498	1.0%	Apartments

Table 5: Key growth areas in Wellington City 2013-43. Source: ID Forecast

Additional employment land is planned to be provided at Lincolnshire Farm (45 hectares) with easy access to SH1 at Grenada and to the future Petone to Grenada link road, which will provide a direct link between Tawa/Porirua and the Hutt Valley.

The key growth areas are addressed in greater detail below.

5.2.1 Central city

Population profile

The central city is forecast to be the fastest growing area in the city and the region over the period to 2043. The central city comprises the census areas of Te Aro, Wellington Central and part of Thorndon-Pipitea. Together, these three areas will accommodate some 15,650 additional residents in 2043 compared with 2013.

The population of Te Aro is expected to reach nearly 20,000 by 2043, almost doubling from its 2013 level. This equates to an average annual growth rate of 2.2% per year. Residential accommodation in Te Aro is forecast to increase by an average of 140 dwellings per annum to 2043.

Albeit smaller, the Wellington Central area is set to grow at 3% per year, going from a population of 3,300 in 2013 to over 8,000 residents in 2043.

Thorndon-Pipitea is expected to see more modest growth but should nevertheless gain some 1,500 new residents, for a total of nearly 6,000 by 2043.

Apartment living

Almost all of these new Central City residents will live in apartments. High rise apartment buildings are currently being developed or are in the planning stage along Victoria Street, Molesworth Street, Dixon Street and Taranaki Street. Long-term, apartment buildings are expected to be present throughout the Te Aro area. These will generally have retail, commercial or hospitality activities on the ground floor and apartments above.

Given its proximity to a number of tertiary education institutions and to places of employment, Te Aro will continue to attract students and young adults. Between 2013 and 2043, the population of the 18-24 age group is expected to grow by 1,205 individuals, and the 25 to 34 age group will grow by 1,671 individuals. This will continue to drive demand for studios and small apartments.

Much of Te Aro has a permitted building height of 27m (roughly 9 storeys) but buildings can be up to 36m (roughly 12 storeys) if certain criteria are met. Buildings can be higher in the north-western quadrant of Te Aro (north of Ghuznee Street and west of Taranaki Street) where the permitted height is 43.8m (roughly 14 storeys) but buildings can be up to 59m (roughly 19 storeys) in certain circumstances. In the core CBD, maximum buildings heights are higher still and vary between 60m and 95m above mean sea level.

The permissive District Plan settings for the Central Area and continued investment in infrastructure and the public realm support the trend for more apartment developments in the inner city.

Waterfront

In order to encourage more people to live in or visit the central city, the City Council is planning to complete the development of the waterfront.

This will include completing the development of North Kumutoto, north of the Meridian building, near the Waterloo Quay-Whitmore Street intersection. This development will include[51]:

- The PWC Centre[52] (currently under construction). It is expected around 600 more workers will use that area each day once the PwC Centre is fully occupied
- a new 6000 square-metre public space with a pavilion and seating areas, covered walkways and new art installations (to be completed by July 2018)
- a new building on site 8, south of the PWC Centre. This is likely to be a mixed use building and could accommodate residential or visitor accommodation and commercial floorspace.

[51] http://willisbond.co.nz/projects/site-10-kumutoto/, accessed 9/05/2017
[52] http://willisbond.co.nz/projects/site-10-kumutoto/ , accessed 9/05/2017

Other improvement projects along the waterfront include the redevelopment of Frank Kitts Park. This is planned to include a Chinese garden, a teahouse style café, renewal of the children's playground, improved perimeter shelter planting and the creation of a space well suited for public events.[53]

Improving pedestrian and cycle connections between the city and the waterfront is also a priority. This supports the Council's objective of making the waterfront the premier recreation area for the city, particularly for children.

Core CBD and Thorndon

The core CBD (Lambton Quay, The Terrace, Featherston Street and Customhouse Quay south of Whitmore Street) will continue to accommodate the bulk of corporate office accommodation into the future. This is due to the high accessibility of the area by public transport (a short walk from the train station), high quality office accommodation, high amenity (harbour views, access to Lambton Quay) and proximity to Government and other large organisations (clustering effect).

New buildings (eg PWC Centre and 20 Customhouse Quay[54]) are being designed and built with base isolated structure providing seismic performance significantly greater than typical Wellington office buildings. It is to be expected that poorer office stock in the core CBD will gradually be replaced with modern, high seismic performance stock.

The presence of Parliament will continue to attract ministries and other government agencies at the northern end of the CBD and into Thorndon. Central Government has triggered a wave of investment in office buildings through its Wellington Accommodation Project (WAP)[55], which aims to save costs, improve flexibility and provide safer buildings for government workers in Wellington. This has led to investment in William Clayton House, Pastoral House, Mayfair House, 3 The Terrace, Unisys House and Stout Street's MBIE building, among others. The Government has secured long term leases on these upgraded premises so will continue to occupy them for the foreseeable future.

Part of WAP, the Bowen Campus, behind the Beehive, is currently undergoing a major upgrade with seismic strengthening and a floor plan extension that will increase the floor area from 26,100 sqm to 38,400sqm. The third building on the campus, the West Annex, and the car park might be redeveloped in the future.[56]

Office buildings in Thorndon affected by the Kaikoura earthquake (eg 61 Molesworth Street and Freyberg House) are planned to be replaced with new, higher seismic specification buildings.

A number of high rise apartment buildings are also currently at the planning stage in Thorndon and likely to get built in the medium term.

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[53] http://wellington.govt.nz/your-council/news/2016/06/chinese-garden-part-of-frank-kitts-park-revitalisation , accessed 9/05/2017
[54] http://20cq.nz/#section-safety-2 , accessed 9/05/2017
[55] http://www.mbie.govt.nz/info-services/nz-govt-procurement-and-property/government-property-group/priority-projects/wap-2 , accessed 9/05/2017
[56] http://www.stuff.co.nz/business/91233334/construction-underway-on-bowen-campus , accessed 9/05/2017

Golden Mile and Cuba Street

The presence of office workers, students and a growing inner city population will continue to support retail activities in the core CBD, along the Golden Mile and on Cuba Street.

The prime area for fashion shopping is expected to remain Lambton Quay as it has the highest footfall of all Wellington streets. Featherston Street and Willis Street also have fairly high footfall and have seen new fashion outlet, cafes, banks and specialist shops open in recent years.

Further afield, the refurbishment of the Courtenay Central complex, which houses Reading Cinemas, shops, cafes, travel agents and other services, will continue to provide a major destination at the southern end of the Golden Mile and to complement the nightlife and hospitality precinct around Courtenay Place, Allen Street and Blair Street.

Cuba Street is another area with fairly high footfall and a concentration of specialist shops, cafes and restaurants. The redevelopment of the Cuba/Dixon corner for the Te Auaha New Zealand Institute of Applied Creativity[57] will bring more students to the area. Established by Whitireia New Zealand and the Wellington Institute of Technology (WelTec), Te Auaha brings together programmes from Whitireia's and WelTec's visual and performing arts, design, media and creative technologies. The campus is expected to produce more than 1000 graduates each year.

The approaching deadline for the strengthening of earthquake-prone buildings should see further investment in the Cuba Street area and a consolidation of its retail activities.

5.2.2 Intensification of existing suburban areas

Adelaide Road

Adelaide Road is an important part of the city. It provides employment and a range of services. It is close to the central city, Wellington Hospital, the Newtown shops, the Basin Reserve and Massey University's Wellington campus.

The *Adelaide Road Framework: A long-term vision for future growth and development* was adopted in November 2008. The document provides a vision and action plan for the development of the northern Adelaide Road area (between John Street intersection and the Basin Reserve). It envisages significant urban change over the next 20 years to create a prosperous and high quality mixed-use area.

The northern Adelaide Road area is well located in terms of being able to support residential and employment growth – it is within walking distance of the CBD, the hospital, and the Newtown shops, has excellent access to public transport, and is located on the key arterial route to the southern suburbs.

Growth considerations in the *Adelaide Road Framework* include:

- accommodating about 1550 more residents (870 dwellings) by 2026
- recognising the importance of Adelaide Road as an employment area and providing opportunities for a diverse range of business and commercial activities, retail, institutional activities and other services

[57] http://www.whitireia.ac.nz/about/Pages/TeAuaha.aspx , accessed 9/05/2017

- enhancing the effectiveness of Adelaide Road as a major transport connection (including public transport, walking, cycling).

Along Adelaide Road, building heights are planned to be up to 24m (roughly 8 storeys), to achieve a mix of commercial and business uses and apartments. To encourage a more people friendly, attractive and vibrant environment, street frontages at ground level are to be occupied by ‘active’ uses (eg commercial, business and retail activities) rather than residential uses.

To support the increased employment and residential intensity of this area, improvements to the Adelaide Road corridor, including improving pedestrian safety, street trees, landscaping and public space improvements are planned. Significant heritage buildings are proposed to be retained and enhanced to contribute to the vibrancy and sense of place of this area.

In the wider Adelaide Road area the zoning also supports a mix of employment and residential uses, however, at a lower intensity than the Adelaide Road corridor itself. Building heights are planned to be up to 18m (roughly 6 storeys). Public space and streetscape improvements will support an increased number of residents. To protect the amenity and character of adjacent residential areas from new neighbouring development, height and setback restrictions will be applied. Pedestrian connections (eg footpaths, walkways and steps) are planned to be enhanced to ensure safety, good linkages and accessibility.

There has been an increasing level of interest from developers in the Adelaide Road area since it was made a ‘Special Housing Area’ under the Housing Accord and Special Housing Area Act of 2013. A number of apartment developments have also been built further south, in the vicinity of the Hospital, over the last decade.

Planned streetscape and public transport improvements were put on hold pending the resolution of transport issues around the Basin Reserve. The Let’s Get Wellington Moving project provides an opportunity to unlock this situation and bring about the transformation of Adelaide Road into an urban boulevard and fast growing inner-city neighbourhood.

Johnsonville town centre

Johnsonville is the largest town centre in Wellington outside the central city and plays a key role in servicing the northern suburbs. The town centre is transforming, with significant changes proposed to its retail heart, improvements to its transport systems completed, and continuing residential growth.

The *Johnsonville Town Centre Plan* was adopted in November 2008. It outlines a framework to guide the future development of Johnsonville.

The vision is for the town centre to provide a wide range of employment opportunities, quality shopping and leisure experiences and be a great place to live, providing a variety of housing choices.

Future growth is planned to provide much greater housing choice with apartment living in the town centre and different housing styles in the surrounding area. Local transport, public realm and retail investment, as well as population growth are expected to attract small businesses to the area. Johnsonville’s community facilities are planned to be enhanced and linked together in a new community hub.

The Plan aims to:

- accommodate 2500-3000 more residents (1300-1700 dwellings) and 3500 new jobs by 2031
- encourage more people to live in and around the town centre in townhouses and apartments
- develop Johnsonville Road as the main street and direct through traffic away from it
- improve the quality of the buildings and public spaces
- ensure a full range of town centre functions (shops, entertainment and recreational facilities) are available
- create a new community hub by relocating the library next to the community centre and Keith Spry Pool.

Following the adoption of the *Town Centre Plan*, land within 10 minutes' walk of the shopping area was up-zoned for 'medium density housing'. This zoning has seen a good level of up-take from developers and is reflected in the number of new houses and townhouses built around the town centre since 2014.

Within the commercial area, to achieve a mix of commercial and business uses and apartments, the District Plan allows building heights to be up to 24m (roughly 8 storeys) around the junction of Johnsonville Road and Broderick Road and up to 18m (roughly 6 storeys) in the rest of the town centre.

In line with the *Town Centre Plan*, the City Council and NZTA have implemented a range of transport improvements. "*The changes* [completed in 2015] *include:*

- *a wider two-lane off-ramp from State Highway 1 and new traffic lights at the intersection of Johnsonville Road and Fraser Avenue*
- *an upgrade of the intersection of Johnsonville and Broderick roads*
- *new traffic lights and signalised pedestrian crossings at the intersection of Broderick Road and Gothic Street*
- *replacing the Broderick Road / Moorefield Road bridge over the railway lines with a new bridge that is longer and wider, providing cycle lanes and allowing for possible future dual rail tracks into Johnsonville Railway Station*
- *improvements to the signalised pedestrian crossings on Johnsonville Road*
- *a new path for cyclists and pedestrians to by-pass the two northern roundabouts (at the intersection of Johnsonville and Moorefield roads, and Ironside, Helston and Middleton roads)*
- *cycle stop boxes at intersections and cycle lanes*
- *a new shared path for pedestrians and people on bikes that runs from the roundabouts, past the pool and Alex Moore Park, to Onslow College and Raroa Intermediate School*
- *better bus flow around the Johnsonville triangle (Johnsonville, Moorefield, Broderick roads), new bus stops on Johnsonville Road and upgraded bus shelters*
- *real-time bus travel information."*[58]

[58] http://wellington.govt.nz/your-council/projects/johnsonville-projects/johnsonville-triangle-road-improvements accessed 30/05/2017.

The works have improved transport connections for all road users and will complement the planned redevelopment of Johnsonville Mall. They will also support future commercial and residential growth in the area.

The redevelopment of the Mall has been planned by the owners for a number of years (two different schemes have been granted planning approvals in the last decade) but the GFC and a sluggish retail market have delayed this project.

Kilbirnie town centre

Strategically located on the transport corridor between the airport and the central business district, Kilbirnie town centre performs an important role as an employment and services hub for the southern and eastern suburbs.

Kilbirnie town centre provides a range of community services and is the location of major recreational infrastructure: the Wellington Regional Aquatic Centre and the Indoor Community Sports Centre.

The *Kilbirnie Town Centre Revitalisation Plan* was adopted in August 2010. It provides a long-term vision for Kilbirnie to consolidate its status as a sub-regional centre.

The goals of the plan are to:

- encourage more people to live in and around the town centre – some 1000 people and 600 dwellings by 2031
- enhance Bay Road as the main street
- attract a wider range of retail and non-retail activities (offices, entertainment, recreational and civic)
- increase the quality of buildings and public spaces
- maximise public transport use
- improve pedestrian and cycle access to the centre, schools and other key destinations
- ensure stormwater drainage, water, sewerage and other utilities in low-lying areas can cope with climate change effects, such as sea-level rise

Land in close proximity of the shopping area was up-zoned for 'medium density housing' in 2010. Within the commercial area, the zoning enables building and up to 18m high (roughly 6 storeys). This development potential has not yet been realised due to poor demand for new accommodation in the Kilbirnie area.

The Council also invested in a re-design of Bay Road (the main shopping street) in 2012-13. This included improved public spaces with wider footpaths, new paving, lighting, signage, street furniture and artworks. While this investment triggered some building improvements, it has not led to intensification or site redevelopments around the town centre to date.

One key opportunity identified in the plan was to redevelop the bus barns site into a high-quality mixed use development (predominantly residential with some commercial activities) to increase the population catchment and vitality of the town centre. This was predicated on the relocation of the bus depot. The lack of alternative sites for the buses has caused this opportunity not to be realised.

Future medium density areas

To accommodate the growth in people living alone or in small households, the city is planning to facilitate the development of medium density housing. Semi-detached, terraced and town houses are all forms of medium-density housing.

Medium density housing is best located around town centres that have shopping, services and local employment, good access to public transport networks, and good access to community facilities. This allows its residents to walk to most services and to reduce their reliance on car travel.

The Wellington Urban Growth Plan identifies potential future medium density areas: Berhampore, Crofton Downs, Island Bay, Karori, Khandallah, Miramar, Newlands and Tawa.

Planning and community engagement work on potential medium density zones has started in Tawa and Newlands.

5.2.3 Greenfield expansion

Lincolnshire Farm

Lincolnshire Farm is a 400 hectare greenfield site zoned for future urban growth. It is located between Woodridge and Grenada North, on the eastern side of SH1.

Lincolnshire Farm is Wellington City's largest opportunity for residential and business development and one of the largest and most strategically located development sites in the whole Wellington region. The site is planned to be traversed by and connect to the proposed Petone to Grenada link road.

A Structure Plan governs future land uses on the site. This allows for:

- around 45 hectares of employment land
- A new neighbourhood centre with shops and services
- Over 200 hectares of residential land which will provide in excess of 1,000 new dwellings, from family housing to medium density housing and apartments in the centre
- The protection of Belmont Gully and other areas of ecological or landscape significance
- Vehicular access to SH1 at Grenada and to the Petone to Grenada link road

Stebbings Valley

Lower Stebbings Valley lies directly north of Churton Park. The area is zoned for residential development and is expected to accommodate some 600 dwellings.

Upper Stebbings Valley comprises rural-zoned land between the Lower Stebbings Valley and Tawa. The Northern Growth Management Framework (2003) identified this land as a future greenfield extension. The area could accommodate in excess of 400 dwellings. This land would form an extension of Churton Park and Lower Stebbings Valley. The land has yet to be re-zoned for residential development.

5.2.4 Low growth areas

The rest of the city is expected to experience slower population growth and residential development.

Eastern suburbs
The eastern suburbs comprise Kilbirnie, Rongotai, Moa Point, Miramar, Maupuia, Seatoun, Karaka Bays, Breaker Bay, Strathmore Park, Lyall Bay and Hataitai.

Excluding the 'Kilbirnie – Rongotai – Moa Point' area, the eastern suburbs are expected to grow by 2,615 residents over 30 years. This represents average growth of 0.3% per annum. The largest development in this area is likely to be Shelly Bay which could yield some 350 new dwellings.

Southern suburbs
The southern suburbs include Newtown, Berhampore, Brooklyn, Island Bay, Owhiro Bay, Southgate, Houghton Bay, Melrose, Kingston, Mornington and Vogeltown.

Apart from Newtown and Berhampore, which are expected to grow at 1.3% and 0.9% per annum, the rest of the southern suburbs are set to gain 2,139 new residents between 2013 and 2043 – an average annual growth rate of 0.2%.

Western suburbs
The western suburbs comprise Karori, Northland, Wilton, Wadestown, Crofton Downs, Ngaio, Kaiwharawhara, Khandallah, Broadmeadows, Ohariu, Makara and Makara Beach.

These suburbs are expected to collectively gain 3,168 new residents between 2013 and 2043, an annual average growth of 0.3%. The fastest growing parts are 'Ngaio – Crofton Downs' which are set to grow at 0.4% per annum on average over the 30 years forecast period.

6. Liveability
One of the four objectives of the Let's Get Wellington Moving project is to 'enhance the liveability of the central city'.

There is limited literature on liveability in New Zealand so in order to define this term local references are complemented by overseas ones.

Liveability is a broad concept which encompasses a number of factors:

"Livability is the sum of the factors that add up to a community's quality of life—including the built and natural environments, economic prosperity, social stability and equity, educational opportunity, and cultural, entertainment and recreation possibilities."[59]

"The liveability of urban environments is dependent on unique combinations of amenity values (eg. open space, design features, urban vegetation); historic and cultural heritage; location; and intangible attributes such as character, landscape and 'sense of place'. Liveability contributes to both 'sense of place' and 'sense of community' and allows for more successful community ownership and enjoyment of urban areas. The design of cities and towns is a crucial factor that influences the way

[59] Partners for Livable Communities http://www.livable.org/about-us/what-is-livability accessed 5/04/2017

people interact with their environment and an appropriate urban form is a critical factor for urban sustainability”.[60]

“Community livability directly benefits people who live in, work in or visit an area, increases property values and business activity, and it can improve public health and safety. Conversely, improving community livability can help achieve transport planning objectives such as reduced automobile travel, increased use of other modes, and more compact land use development (Holian and Kahn 2012). Livability is largely affected by conditions in the public realm, places where people naturally interact with each other and their community, including streets, parks, transportation terminals and other public facilities, and so is affected by public policy and planning decisions.

Transportation decisions can have major impacts on community livability. Streetscapes that are attractive, safe and suitable for a variety of transportation modes (particularly walking) are a key factor in community livability.”[61]

In seeking to define what liveability means in Wellington’s central city, it is informative to review the outcomes of the project’s early community engagement. More than 10,000 people participated in this initial exercise and identified what they valued most about the city. The top ten values are:

- A compact city that’s easy to get around
- The natural environment and its accessibility
- The harbour and the waterfront
- Cafes, restaurants and bars
- The vibrant and diverse culture
- Tourist attractions
- Public events
- Public facilities
- The sense of community
- The feel and heritage of the city

Some aspects of liveability are not influenced by the transport system and therefore are less relevant to this project. Those aspects of liveability the Let’s Get Wellington project can affect are grouped under the following headings:

- Walkability
- Amenity
- Vibrancy
- Built environment

6.1 Walkability

Walkability can be defined as follows:

“Walkability reflects overall walking conditions in an area. Walkability takes into account the quality of pedestrian facilities, roadway conditions, land use patterns, community support, security and

[60] Office of the Parliamentary Commissioner for the Environment (1998), The Cities and their People: New Zealand’s Urban Environment, page 37.
[61] Victoria Transport Policy Institute (Canada), TDM Encyclopedia, http://www.vtpi.org/tdm/tdm97.htm accessed 7/06/2017.

comfort for walking. Walkability can be evaluated at various scales. At a site scale, walkability is affected by the quality of pathways, building accessways and related facilities. At a street or neighborhood level, it is affected by the existence of [footpaths and pedestrian crossings], and roadway conditions (road widths, traffic volumes and speeds). At the community level it is also affected by land use, such as the relative location of common destinations and the quality of connections between them."[62]

The walking conditions are not homogeneous across the central city. At one end of the spectrum are:

- The Golden Mile, which offers the highest walking conditions in the CBD. The Golden Mile generally benefits from wide footpaths (relative to the rest of the central city), signalised pedestrian crossings, continuous footpaths across side streets (along the eastern side of Lambton Quay), fairly continuous weather protection by way of verandahs, retail activities on ground floors, shop windows, good levels of passive surveillance from adjoining buildings and perceived personal safety, and attractive paving, street trees, street furniture, signage and public art. Cuba Street, while it suffers from over-crowding at times (ie the footpaths are not wide enough in places for the level of pedestrian activity), can be classified as providing some of the best walking conditions after the Golden Mile.
- Featherston Street, which has fairly wide footpaths, almost continuous verandah cover, signalised junctions, retail ground floors and shop windows. It doesn't have the quality of paving and street furniture of the Golden Mile, nor the public art and street trees, but nevertheless offers good walking conditions.
- The laneways (eg Chews Lane, Woodward Street, Egmont Street, Eva Street and Opera House Lane) are mostly shared by pedestrian and vehicles in a slow speed environment. A number of them have been improved by way of new paving, lighting, signage and public art in recent years and they are attractive to pedestrians.
- The waterfront, which is shared by pedestrians and cyclists (and vehicles in some places) provides a scenic, recreational route for pedestrians but lacks weather protection and therefore offers poor walking conditions in bad weather.

At the other end of the spectrum are:

- The quays (Waterloo Quay, Customhouse Quay, Jervois Quay, Cable Street and Wakefield Street), which carry up to six lanes of fast-moving vehicular traffic, have variable footpaths widths (some segments have a footpath on one side only), discontinuous weather protection, some blank building facades which do not provide visual interest or retail activity at street level, long waiting times for pedestrians at signalised crossings, and generally poor streetscape (paving, street furniture, etc). These factors combine to create poor walking conditions.
- Taranaki Street, which also carries high volumes of traffic in a wide corridor (generally four lanes plus turning lanes and on-street parking, which make for long pedestrian crossing distances), has relatively narrow footpaths, lacks formal pedestrian crossings on many lateral

[62] Victoria Transport Policy Institute (Canada), TDM Encyclopedia, http://www.vtpi.org/tdm/tdm92.htm accessed 2/06/2017.

streets, has few street trees, little weather protection, scattered street-facing retail activities and poor streetscape.
- Cambridge and Kent terraces, which benefit from a planted central median and some public art, but share many characteristics of the quays and Taranaki Street.

The east-west streets in Te Aro fall in between these two extremes. They tend to be narrower road corridors with fewer traffic lanes than the key arterials and are therefore generally easier for pedestrians to cross, but the quality of the pedestrian facilities and the mix of land uses at street level are variable.

The Let's Get Wellington Moving project has the potential to affect walkability in the central city by reallocating road space to different modes of movement or street trees, by reducing volumes of vehicular traffic in certain locations and by enabling streetscape improvements.

6.2 Amenity

The word 'amenity' derives from the latin word for 'pleasant'. The Resource Management Act defines amenity values as *"those natural or physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes."*[63]

Research undertaken for the Ministry for the Environment identified *"twelve core areas that are commonly referred to as being of significance to the management of urban amenity. These include:*

- *Noise and vibration*
- *Nuisance effects (dust, odour, glare etc)*
- *Open space (public and private) / recreational space*
- *Population, housing, and urban density*
- *Vegetation*
- *Landscape*
- *Urban design (architecture, "fit of buildings" etc)*
- *Cultural heritage and features*
- *Character of neighbourhoods/special character areas*
- *Visual amenity and views*
- *Public personal safety and accessibility*
- *Sense of place and well-being."*[64]

Those areas relevant to the transport system are discussed below.

6.2.1 Noise

Vehicular movement is one of the main sources of noises in the urban environment alongside railways, airports, ports, helicopter landings and construction activities.

"Transportation noise can cause a range of impacts on people and communities from general interference with everyday activities through to more significant health issues. Activities that are

[63] Resource Management Act, Part 1, Section 2 Interpretations
[64] Urban Amenity Indicators: The liveability of our urban environments (2000), Ministry for the Environment.

regarded as sensitive to noise include education centres, hospitals, healthcare facilities, elderly care facilities, residential activities and traveller accommodation."[65]

Estimates of noise levels based on average daily traffic (see map below) show that the quays, Vivian Street, Karo Drive, Taranaki Street, Vivian Street, Cambridge and Kent terraces and part of Victoria Street have the highest noise levels in the central city.

The Let's Get Wellington Moving project has the potential to alter noise levels in the central city by reducing traffic flows along local streets (which host apartments, outdoor cafes/dining and other street level activities that benefit from a quiet environment) and open spaces (waterfront, Frank Kitts Park, Waitangi Park and Cobblestone Park).

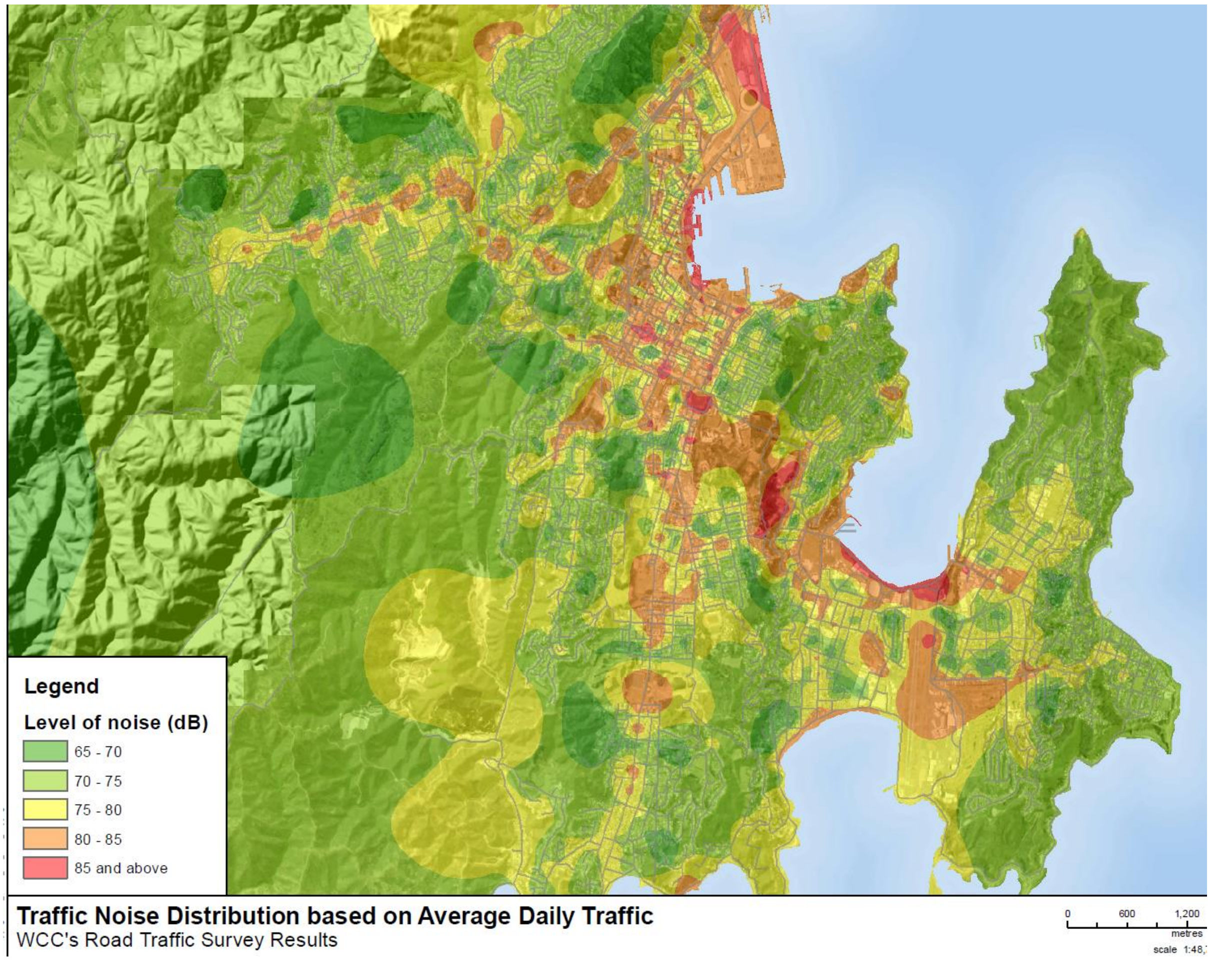

Figure 11: Traffic noise distribution based on average daily traffic. Source: WCC.

6.2.2 Air quality

"In New Zealand the sources of air pollution vary seasonally and by location but major contributors typically include: vehicle emissions, wood burning (for home heating), industry and natural occurring sources, such as dust, sea salts, and pollens.

[65] Transportation and noise: land use planning options for a quieter New Zealand (2006), Land Transport New Zealand Research Report 299.

Vehicle emissions can be a significant contributor to local air pollution, especially near heavily travelled or congested roadways […].”[66]

There are no systematic measurements of air quality across the central city. However, it is reasonable to assume that air quality is likely to be poorer in the dense urban environment of Te Aro where vehicles are more likely to idle in slow, heavy traffic.

The Let's Get Wellington Moving project could improve air quality in the densely populated and intensifying area of Te Aro. This could be achieved by reducing congestion and/or vehicular traffic levels across the area, and by supporting modes of transport with lower emissions.

6.2.3 Open spaces

The key areas of public open space in the central city are the waterfront, the Town Belt, Waitangi Park, the Parliament grounds, Frank Kitts Park, Pukeahu National War Memorial, Midland Park, the Civic Square, Cobblestone Park, Glover Park, Te Aro Park and the Basin Reserve.

The transport system can affect the accessibility of public open spaces (whether they can conveniently be reached), their quietness and visual quality (eg whether an open space is surrounded by moving traffic, parked cars and road signage).

The Let's Get Wellington Moving project has the potential to improve pedestrian access to the waterfront and other public open spaces, and to reduce noise, air quality and visual nuisances around open spaces.

6.2.4 Vegetation

“Street trees can transform the character of streets and provide numerous environmental, aesthetic, cultural and economic benefits. In the long term, they often create a very real ‘sense of place’ and dramatically enhance the public domain.”[67]

Street trees assist in reducing the perception of some of the less desirable aspects of urban environments such as air pollution, noise and wind exposure. They also provide visible greenery and habitats for birds.

Street trees contribute to the character of the Golden Mile, Cambridge and Kent terraces, the quays and Victoria Street.

The Let's Get Wellington Moving project could help increase the number of street trees in the central city through re-allocation of road space and by incorporating tree planting in transport initiatives.

6.2.5 Heritage

Wellington City's rich and diverse historic heritage includes buildings and structures, townscapes, streetscapes, landscapes and other historical sites or features. The city's built heritage is a precious

[66] New Zealand Transport Agency, https://www.nzta.govt.nz/roads-and-rail/highways-information-portal/technical-disciplines/air-quality-climate/air-pollution/air-pollution-faqs/ accessed 7/06/2017.
[67] http://www.botanybay.nsw.gov.au/Environment/Street-Tree-Master-Plan/The-Benefits-of-Trees accessed 8/06/2017

resource and is important in shaping the character of the city. It is part of what makes Wellington unique and attractive. Built heritage also plays a significant role in the economy and tourism offer.

The city's Heritage Policy states:

"The following factors are relevant to the protection and management of Wellington's heritage:

- *the compact and integrated urban layout*
- *the historic street patterns*
- *the underlying pattern of Māori settlement*
- *traditional and ritual Māori land-use patterns*
- *the distinct character of communities, neighbourhoods, urban quarters and suburban centres, including people, buildings, sites and trees*
- *the pivotal role – and diverse and vibrant character – of the central city*
- *the symbols, images, places and buildings that identify mana whenua and the people of Te Whanganui-a-Tara/Wellington City and tell their collective history.*

The Council will work to ensure that all new growth respects these values and, if possible, enhances them.

Conserving heritage is an integral component of a 'creative city'. It demonstrates how the city values the diversity of its environment. It provides a sympathetic human scale and form to the urban environment and enhances the wellbeing of its citizens. It can also make a significant contribution to the economy, through employment, tourism and the provision of interesting and alternative work and recreation spaces."[68]

There are eight protected heritage areas within the central city – see map below. The central city also includes sites of significance to tangata whenua and other Māori (for example Te Aro Pa), individually listed buildings, heritage objects (for example the Queen Victoria statue on Kent and Cambridge terraces), heritage trees and residential "character areas".

[68] Wellington Heritage Policy (2010), WCC, page 4.

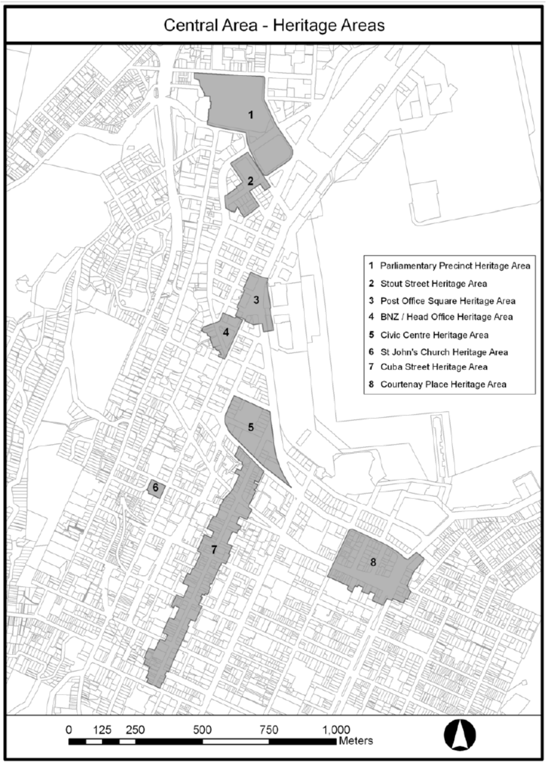

Figure 12: Central Area – Heritage Areas. Source: Wellington City District Plan.

The Let's Get Wellington Moving project has the potential to improve the setting of heritage buildings by reducing vehicular traffic around protected buildings and through heritage areas. Conversely, the presence of heritage buildings/areas in close proximity to the strategic road network (eg Cuba Street Heritage Area on either side of Karo Drive) may constrain transport solutions. A challenge of the project is to find a way to protect our valued heritage places while meeting the needs of a rapidly changing community.

6.2.6 Visual amenity and views

Visual amenity covers the visual quality of the built environment (streets, public spaces and buildings) as well as the natural environment (harbour, Town Belt and distant hills).

One of the objectives of the District Plan is to *"protect, and where possible enhance, identified public views of the harbour, hills and townscape features from within and around the Central Area."*[69]

The District Plan identifies 21 protected viewshafts in the central city – see map below.

[69] Wellington City District Plan, Chapter 12 Central Area, Policy 12.2.6.7, page 12.

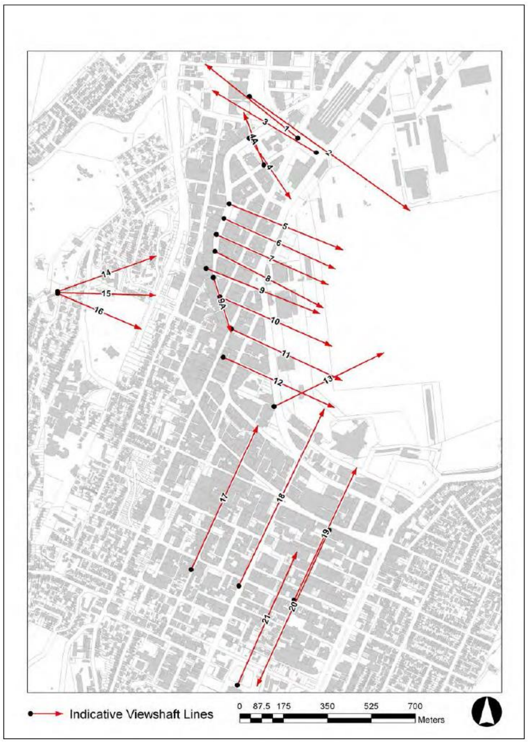

Figure 13: Central Area – Protected viewshafts. Source: Wellington City District Plan.

If elevated transport structures (eg bridge) were proposed across protected viewshafts, the Let's Get Wellington Moving project could impact these protected views. The project could also affect the visual amenity of streets, either positively (eg through streetscape improvements) or negatively (eg by increasing visual clutter through additional road-related paraphernalia such as gantries and road signs).

6.2.7 Sense of place

"Sense of place is shaped by both an area's social activity (how spaces and areas are used) and by the character and quality of the built environment.

An array of qualities and characteristics contribute to people's sense of place in the Central Area. Diverse experiences of the central city include high rise towers and offices, classic heritage buildings, distinctive heritage and character areas, a range of public and open spaces, and harbour views. Enabling all types of activities within the Central Area attracts a variety of people who, in turn, add to the flavour of the city. Enhancing 'sense of place' and protecting those features that make Wellington special and unique is an important part of achieving a stimulating and memorable city."[70]

The 'sense of place' of the central city is influenced by the different character of its precincts (waterfront, Parliamentary precinct, Memorial precinct, Te Aro, Victoria/Cuba precinct and Pipitea precinct), the presence of surrounding character neighbourhoods (eg Mount Victoria), the concentration of retail activities along the Golden Mile, landmark buildings (eg Stuart Dawson corner and Old Bank Arcade), notable structures (eg City to Sea bridge) and public art (eg Phil Price's Protoplasm and Len Lye's Water Whirler), amongst others.

[70] Wellington City District Plan, Chapter 12 Central Area, Policy 12.2.3.2, page 12.

The Let's Get Wellington Moving project could help enhance the sense of place of the central city in a number of ways. For example, by reducing general vehicular traffic in areas of high pedestrian activity, such as Cuba Street, Willis Street and Lambton Quay, the project could strengthen the distinctive character of these areas and facilitate greater appreciation of their heritage features. The project could help improve access to the waterfront from the Golden Mile, thus better linking two areas of strong character. A range of streetscape improvements, greening and traffic calming measures would also enhance the identity of the central city and provide opportunities for locals and visitors to pause and take in those features that make the city memorable.

6.3 Vibrancy

Vibrancy can be defined as *"the state of being full of energy and life: the vibrancy of the city centre"*[71].

A number of factors influence the vibrancy of the central city including the concentration of places of employment in the core CBD, the street-level retail activity along the Golden Mile and other streets, the residential density generated by apartment buildings, the volumes of pedestrian movements, the presence of several universities, institutes of technology and private training establishments, and the presence of many tourist destinations.

The central city is home to Wellington's coffee culture, craft beer brewing, music venues, cultural events and some of New Zealand's largest culinary, film and art festivals. It effectively functions as the main shopping, social, cultural and tourism destination for the region.

The aspects of vibrancy that can be affected by the transport system include the number of street-facing businesses and pedestrian volumes. These two factors are related:

"The creation of a walkable environment […] is a fundamental incentive to reduce vacancies and to promote the creation of thriving active street frontages. The presence, number and size of storefront businesses are fundamental indicators of neighbourhood economic health and vitality."[72]

The Let's Get Wellington Moving project has the potential to influence the vibrancy of the central city by making individual streets more or less conducive to street level retail activities (cafes, dining, shops, etc), and to walking and cycling. A transport system that enables further residential intensification and the concentration of employment in the central area will also help maintain the CBD's vibrancy.

6.4 Building investment

Liveability and building investment are closely related. Investment in new and existing buildings can help improve the liveability of an area by increasing population/employment density and by providing modern accommodation.

"Land and property values are indicators of the level of attractiveness and desirability of a neighbourhood."[73]

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[71] https://en.oxforddictionaries.com/definition/vibrancy accessed 10/06/2017
[72] Cities Alive: Towards a Walking World (2016), Arup, page 63.
[73] Cities Alive: Towards a Walking World (2016), Arup, page 62.

In the central city, land and property values are highest in the core CBD and along the waterfront.

Approximate land values derived from the rating database (as land is seldom sold without buildings in the CBD, the land values are indicative rather than absolute) show:

- Consistently high land values between Customhouse Quay and the urban motorway from the train station (to the north) to Boulcott Street (to the south)
- Land values as high as in the core CBD between Cable and Wakefield streets
- A gradual reduction in land values towards the south as sites are further away from the waterfront and closer to the inner city bypass.

Figure 14: Land values in Core CBD. Source: WCC.

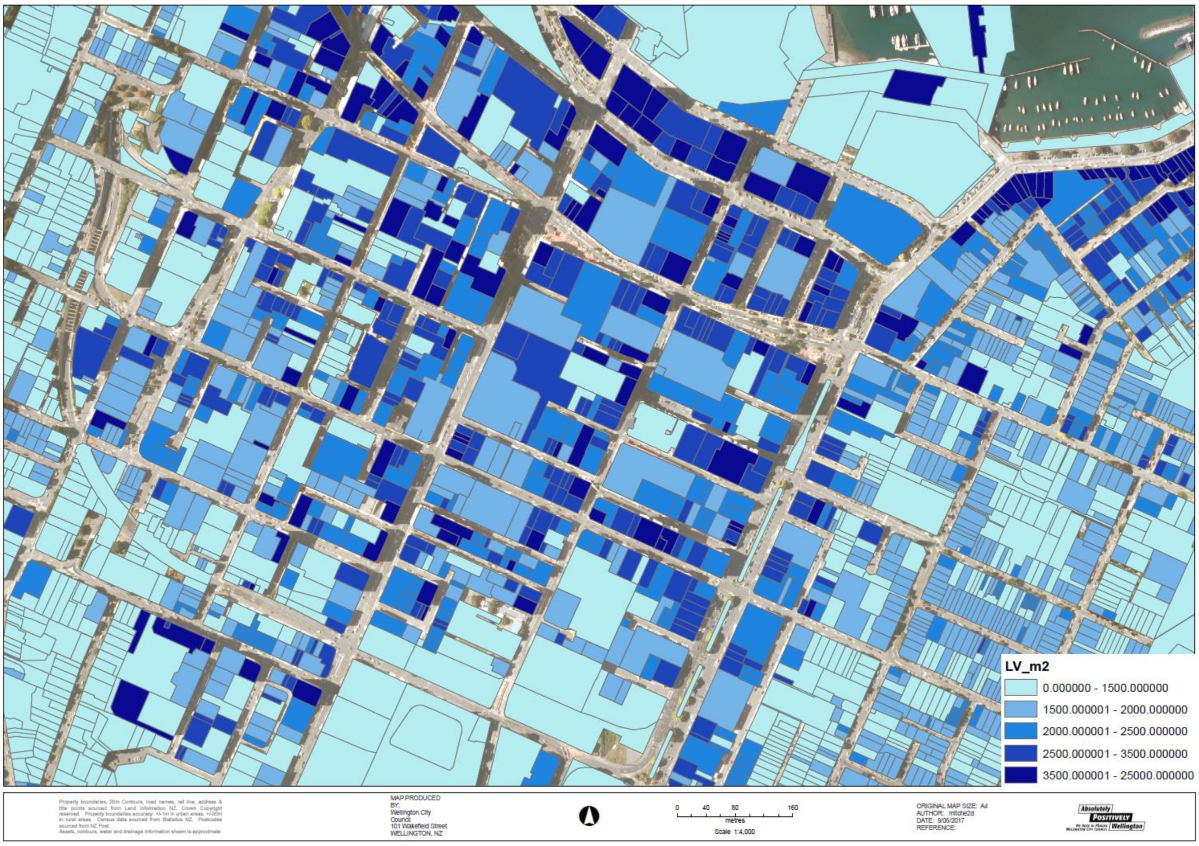

Figure 15: Land values in Te Aro. Source: WCC.

Comparing the capital value of sites (land + building) relative to the land value illustrates the level of investment in a site. It is a reasonable proxy for how efficiently the land is utilised. The maps below show this 'improvement ratio' and demonstrate:

- Land in the core CBD generally has high levels of building investment. This land is unlikely to get intensified further given the high value of the existing buildings.
- Directly south of the CBD, north of Dixon Street and west of Taranaki Street, the value of buildings is relatively high and few sites are likely to offer an economically viable redevelopment opportunity.
- The value of buildings varies in the rest of Te Aro but generally fall from the north-west corner to the south-east. Te Aro has a high number of under-capitalised sites ie sites with modest buildings which will become economical to redevelop for higher intensity uses (eg apartments) in the future.
- The value of buildings relative to land values is low for many sites facing Taranaki Street, Kent and Cambridge terraces and Vivian Street.

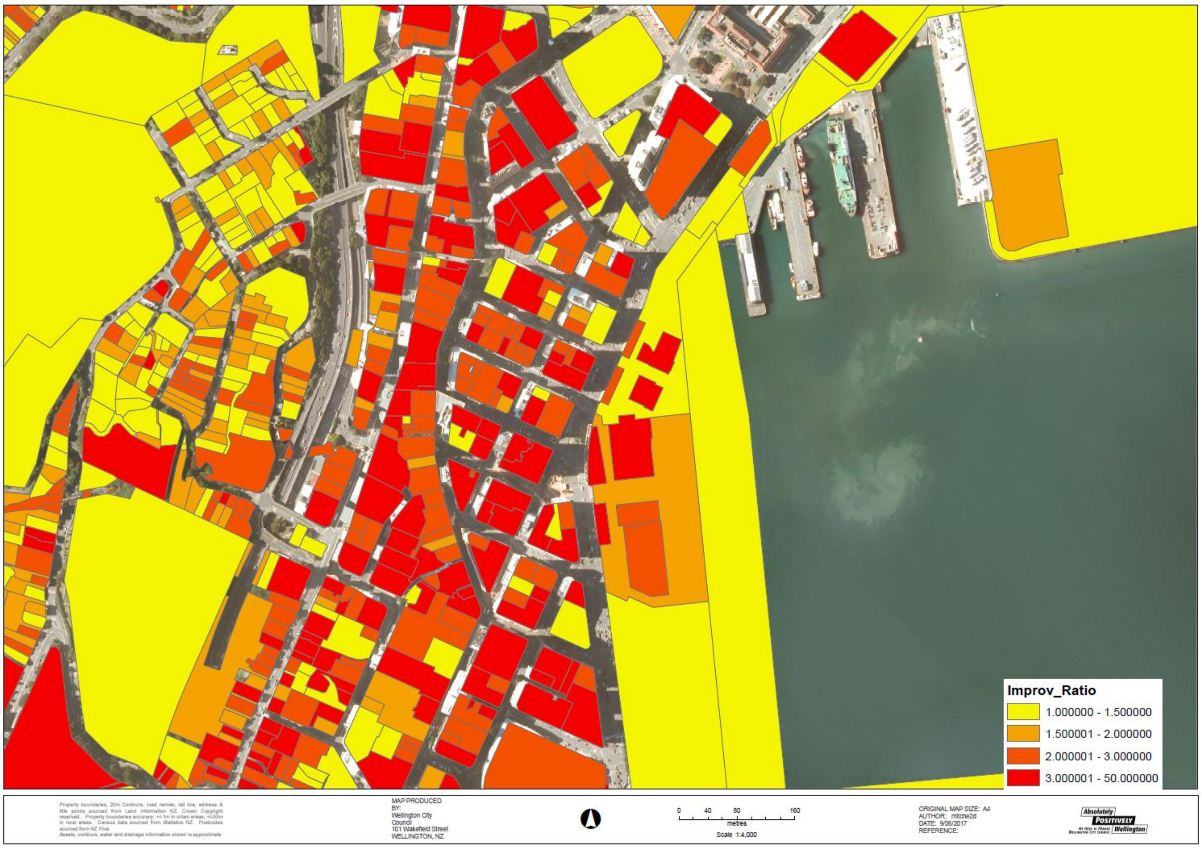

Figure 16: Improvement ratio in Core CBD. Source: WCC.

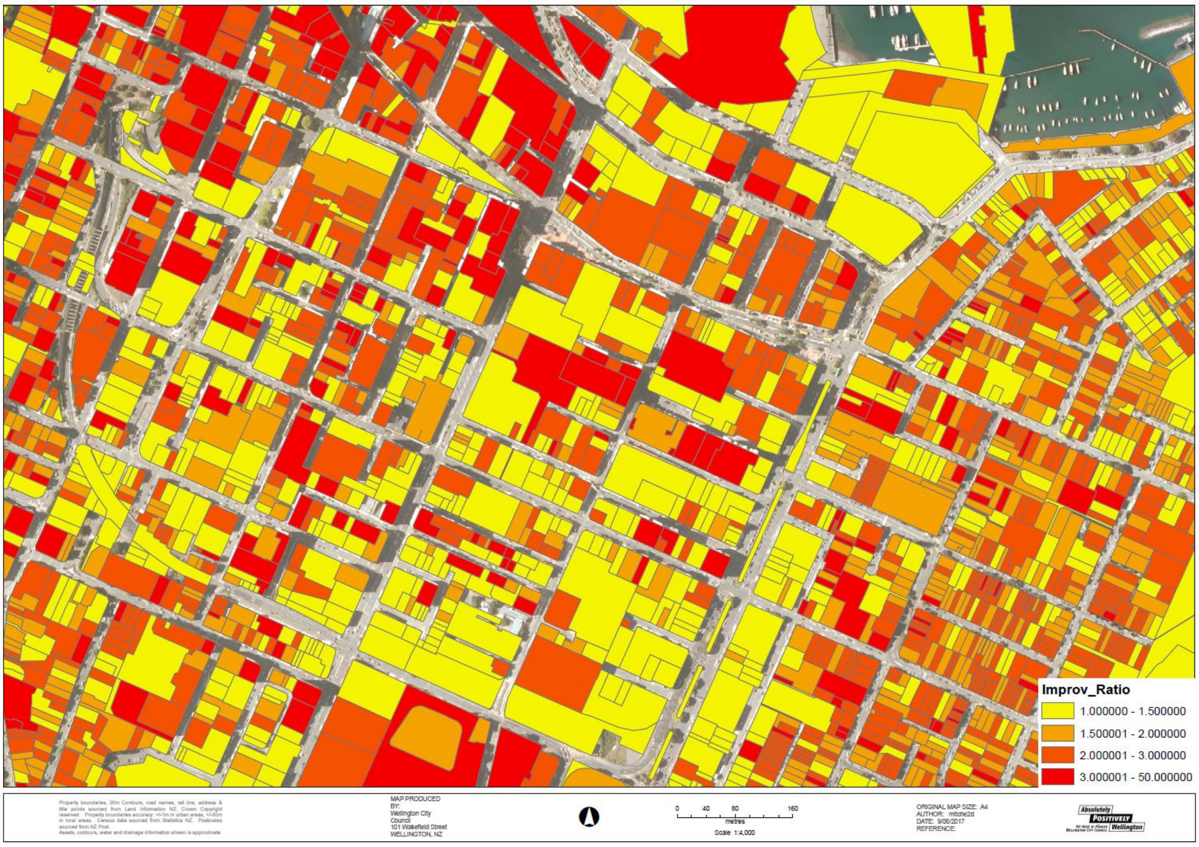

Figure 17: Improvement ratio in Te Aro. Source: WCC.

The Let’s Get Wellington Moving project could be a catalyst for building investment and redevelopment in the central area. In particular, it could support investment in Te Aro by improving the streetscape of Taranaki Street, Kent and Cambridge terraces and Vivian Street; by reducing vehicular traffic levels along local streets thus making them more attractive for apartment developers; and generally by making the central area a more desirable place to live and work.