

**BEFORE INDEPENDENT HEARING COMMISSIONERS
AT UPPER HUTT**

**I MUA NGĀ KAIKŌMIHANA WHAKAWĀ MOTUHAKE
TE AWA KAIRANGI KI UTA**

IN THE MATTER of the Resource Management Act 1991
AND
IN THE MATTER of the hearing of submissions on the Upper Hutt
City Council Proposed Intensification Planning
Instrument

HEARING TOPIC: Upper Hutt City Council's Proposed Intensification
Planning Instrument

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

APRIL 14, 2023

Instructing Solicitor
C E Kirman
Special Counsel
Kāinga Ora - Homes and Communities
PO Box 14594
Central Auckland 1051
E: claire.kirman@kaingaora.govt.nz

Counsel Instructed:
N M H Whittington
Hawkestone Chambers
PO Box 12091
Thorndon
Wellington 6140
E. nick.whittington@hawkestone.co.nz

1. EXECUTIVE SUMMARY

1.1 I have prepared evidence from an economic perspective on confined points of contention between Kāinga Ora – Homes and Communities (**Kāinga Ora**) and the recommendations of the reporting officer as set out in the Section 42A Report for Upper Hutt and the Upper Hutt Intensification Planning Instrument (**IPI**).

1.2 The key points of my evidence are:

- (a) I support the Kāinga Ora submissions seeking to provide greater residential development opportunities close to the city centre, which is the area in Upper Hutt with the highest amenity levels, services, and infrastructure to improve prospective residents' choices.
- (b) I am concerned about the dwelling demand and supply numbers' closeness and high conversion rates from “theoretical” to “realisable” (59%) in the HBA¹. These rates are considerably higher than those in Porirua (13%)² and Hutt City (14%)³ and higher than in Wellington City (25%)⁴.
- (c) The conversion rate (HBA for the Operative Plan) appears to come from the high proportion of greenfield sites in the dwelling projection and the absence of apartments. This trend concerns me with respect to the centres, particularly central Upper Hutt. Ideally, encouraging centres with longer activity cycles requires high dwelling numbers within centres and, therefore, apartment development.
- (d) Upper Hutt's future dwelling development profile appears to be almost entirely dominated by medium density and greenfield.⁵ This has implications for centre performance and urban vibrancy (point © above), and especially for the City Centre.

¹ HBA-Chapt-6-UHCC-with-Appendices, Page 59 Table 6.30

² HBA Chapter 4 PCC with Appendices

³ HBA Chapter 3 HCC with Appendices

⁴ HBA Chapter 2 WCC with Appendices

⁵ IBID

- (e) Given that the developer market for density is relatively immature and includes few prominent national players, the ease of high density development in the High Density Residential Zone (HRZ) may be meaningful in meeting targets, not only in terms of numbers but for well-functioning urban environments. I consider that the benefits of density within centres is of such importance that Council requires an apartment-specific feasibility study (for the CCZ particularly) now, rather than wait until the next HBA review. The s42A report⁶ anticipates updated HBA modelling in early 2023 and possibly available for this Hearing, but to my knowledge it has not been commissioned.
- (f) Providing greater capacity on the same sites will improve the “realisable” conversion rate and assist Upper Hutt with its competitive position in the market.
- (g) The NPS-UD sees density in and around places with resources and public transport as a good thing, and therefore optimising development in these areas should be a parallel objective alongside a development and design imperative that requires both a functional and built form response that encourages walking.

2. INTRODUCTION

2.1 My name is Michael John Cullen. I am the Principal of Urbacity, based in Sydney, New South Wales, Australia. I have held this role since 1998. Prior to this, I was Sydney Manager for Thomas Consultants (market analysts based in Vancouver, Canada) and prior to that in the late 1980's – early 1990's was General Manager of a firm of economists and statisticians (Ibecon) for 7 years also based in Sydney.

2.2 I am an urban planner and urban economist with 35 years' experience. My specialty is urban centre economics and urban and built-form design principles. These learned skills sit at the interface between urban design and urban economics. I have

⁶ Council's s42a report Page 226 Point 907 & Page 319 Point 1308

extensive experience in economic, social, and cultural analysis and the effects of different forms of centres on economic and social performance.

2.3 In addition to my current work with Kāinga Ora – Homes and Communities (Kāinga Ora), the projects that I have led both in Australia and New Zealand include developing and implementing the following:

- (a) Activation strategy for Wynyard Quarter, Auckland;
- (b) Destination and retail strategy for The Rocks, and conceptualising and developing The Rocks Markets, Sydney to remerchandise The Rocks to locals and away from tourists;
- (c) Numerous town centre strategies, including for Gungahlin (Canberra – I sat on the Gungahlin Development Authority Board for 7 years), Rouse Hill (Sydney), Craigieburn (Melbourne) and Margaret River (Western Australia), and Newmarket, Blenheim, Nelson, Hastings, Hutt City, Frankton and Massey North in New Zealand;
- (d) Growth strategy for Melbourne 2030;
- (e) Growth Strategy for South West and North West Sydney (approximately 1 million people);
- (f) Christchurch Urban Development Strategy;
- (g) Revitalisation strategy for Port Adelaide;
- (h) Revitalisation and redevelopment strategy for Playford Alive (Adelaide). A Kāinga Ora equivalent renewal project;
- (i) Wesley Redevelopment Plan (for Kāinga Ora);
- (j) Tamaki Transformation Project; and
- (k) Hobsonville – centres locations, master planning, and Home Based Business location advice for Waitakere Council.

- 2.4 I am familiar with Wellington centres due to my previous work and visits to the city over the past 30 years.
- 2.5 I have undertaken studies, analyses and strategies within urban design and planning teams in the following centres:
- (a) Upper Hutt City centre;
 - (b) Hutt City Centre (Spatial Plan with McIndoe Urban);
 - (c) Johnsonville centre;
 - (d) Tawa centre;
 - (e) Porirua centre;
 - (f) Naenae centre;
 - (g) Jackson Street, Petone;
 - (h) Wainuiomata centre; and
 - (i) All centres in Kāpiti Coast.
- 2.6 My work involves the following:
- (a) Analysing the current state of a place to understand how and why a “place” works now and the factors influencing its current state;
 - (b) Developing a strategy for future growth or change: How do we want the place to work in future? What do we need to change, and how do we change it? What are the rewards and risks?
 - (c) Implementing the strategy: What do we do when? What are the costs? Is there a logical strategic sequence?
- 2.7 I have developed growth strategies (including determining the location of new centres and their status) for over 3 million people.
- 2.8 I am qualified to interpret the issues and dynamics (economic, social, urban, and built design) of catchments and centres proposed for Wellington and required by the national policy direction.

- 2.9 I was engaged in 2022 by Kāinga Ora to provide economics advice concerning submissions made by Kāinga Ora on the various IPI planning processes occurring across the Wellington region.
- 2.10 I undertook a site visit with Mr Nick Rae on 16 January 2023 where we focused on the centres in the Wellington region (including within the Upper Hutt City area) to assist with considering their role and form. The visit included all affected sites/catchments, areas, rail stations and centres relevant to the Kāinga Ora submissions. I revisited the city and its centres on 13 April to re-check issues relevant to my evidence.
- 2.11 In preparing this evidence, I have reviewed the following documents:
- (a) NPS-UD;
 - (b) Proposed Intensification Planning Instrument (IPI);⁷
 - (c) The Kāinga Ora submissions in relation to the IPI;
 - (d) Section 32 reports and supporting evidence, including but not limited to:
 - (i) Volume 1 – Overview;⁸
 - (ii) Volume 2 – Residential Zones;⁹
 - (iii) Volume 3 – Commercial and Mixed Use;¹⁰
 - (e) “Upper Hutt City Land Use Strategy” 2016-2043;¹¹
 - (f) Section 42A report for Hearing (Council’s Evidence Report Upper Hutt City Council Intensification Planning Instrument – 6 April 2023);¹²

⁷ Upper Hutt City Council Intensification Planning Instrument (IPI) for the Upper Hutt City District Plan
July 2022

⁸ Proposed Intensification Planning Instrument for the Upper Hutt City District Plan Section 32
Evaluation Report Volume 1: Overview

⁹ Proposed Intensification Planning Instrument for the Upper Hutt City District Plan Section 32
Evaluation Report Volume 2: Residential Zones

¹⁰ Proposed Intensification Planning Instrument for the Upper Hutt City District Plan
Section 32 Evaluation Report Volume 3: Commercial and Mixed Use Zones

¹¹ Upper Hutt City Land Use Strategy 2016-2043 – September 2016

¹² Council’s Evidence Report Upper Hutt City Council Intensification Planning Instrument – 6 April
2023

- (g) Housing and Business Land Development Capacity Assessment – Chapter 6 Upper Hutt City Council¹³.

3. CODE OF CONDUCT

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

4. SCOPE OF EVIDENCE

- 4.1 My evidence will address the following matters:
 - (a) Demand and Sufficiency
 - (b) Centre classification and scale;
 - (c) Centre performance triggers; High density & well-functioning urban environments;
 - (d) Walking, economic capacity & ground floor activation;
 - (e) Commercial Activity – apartment ground floors status & role;
 - (f) The supply effect on affordability.

5. DEMAND AND SUFFICIENCY

- 5.1 The implementation method within the NPS-UD (Part 3 Implementation 3.2(2))¹⁴ requires an assessment of plan-enabled yield, infrastructure-ready, feasible and reasonably expected to be realised dwellings. On completing this analysis, the method requires Tier 1 and 2 local authorities to add an appropriate (not defined) “competitiveness margin.”

¹³ Wellington Regional Housing and Business Land Capacity Assessment Housing Update May 2022

¹⁴ New Zealand Government, National Policy Statement on Urban Development 2020 (updated May 2022)

- 5.2 There are two inter-woven elements in determining whether the provision of housing enabled by the IPI (as defined under the above method in the NPS-UD) is sufficient to meet demand.
- (a) The first is whether the result of this method, which requires a margin (20% above the dwelling demand assessment) and a “realisable” filter, is robust enough (without a substantial additional margin) to ensure that the market will deliver the requisite dwelling numbers to meet the forecast to 2051.
 - (b) The second is the robustness of the dwelling estimates for the short, medium, and long terms to 2051. For Upper Hutt City, the realisable yield under the IPI is unknown, but given that the HBA assessment under the Operative Plan came close to meeting the growth targets, I am informed by Ms Blackwell that the capacity is substantially more significant than that of the Operative Plan.
- 5.3 I consider the Council's approach to assessing growth and implementing a complex process of determining feasible development for the next 30 or so years appropriate overall.
- 5.4 However, I cannot determine the effects of IPI on “realisable development” levels or housing mix and diversity (the city scores low in terms of housing diversity) for the city.
- 5.5 My evidence focuses not on the integrity of the HBA assessment undertaken but on two key questions:
- (a) Have we accounted for undersupply or do we need to add it to the growth projection?
 - (b) Does the IPI appropriately address Objective 2 in the NPS-UD?
- 5.6 I am concerned about the conversion rate of “theoretical” to “realisable.”¹⁵ The rate is high at 59%. By way of comparison, the Porirua rate is 15%¹⁶ and Lower Hutt 14%¹⁷. Wellington City,

¹⁵ Wellington Regional Housing and Business Land Capacity Assessment Housing Update May 2022 – Chapter 6 Upper Hutt City Page 59 Table 6.30

¹⁶ HBA-Chapter-4-PCC-with-Appendices

¹⁷ HBA-Chapter 3-HCC-with Appendices

which I consider a different market from Upper Hutt, has a conversion rate of 25%¹⁸.

- 5.7 It appears (from the HBA analysis)¹⁹ that Upper Hutt does not presently have a market for apartments (historic StatsNZ shows only 0.02% of Upper Hutt dwellings as higher than 2 storeys)²⁰. At this point we do not have analytical data for apartment development, which suggests we need to make apartment development opportunities as attractive as possible, especially in Upper Hutt city centre.
- 5.8 Unfortunately, because we are dealing with predictions and forecasting over a 30 year period, we will not know whether the IPI provision (in a planning sense) is sufficient and will likely not know for a few years after the IPI becomes operative.
- 5.9 I understand the politics of a softer approach to exceeding growth targets, with most Councils using the base requirements of the NPS-UD to satisfy the targets without any reference to affordability (Objective 2 in the NPS-UD).
- 5.10 I consider it reasonable to add capacity where it is most worthwhile to give effect to Objective 3 of the NPS-UD.
- 5.11 In summary, I consider:
- (a) That the dwelling requirement in the HBA may be underprovided due to the exclusion of undersupply;
 - (b) That we are uncertain of the ability of the IPI to meet and exceed the growth projections and added undersupply;
 - (c) That the assessment and Council evidence fails to consider Objective 2 of the NPS-UD. Kainga Ora's submissions seek greater enablement around the city centre and therefore more directly provide for Objective 2;

¹⁸ HBA-Chapter 2-WCC-with Appendices

¹⁹ HBA-Chapter-6-UHCC-with-Appendices, Page 59 Table 6.30

²⁰ StatisticsNZ; Households Usually Resident in Multi-Unit Permanent Private Dwellings by Number of Storeys in Building as a Percentage of Households Usually Resident in Private Occupied Dwellings 1996 and 2001

- (d) That the catchment provisions for Silverstream relate to a Local Centre role;
- (e) That Silverstream is suited to an urban centre expansion along Kiln Street to Field Street;
- (f) I consider that Trentham should remain as a Local Centre, with the additional expansion of the local centre zone, as outlined in Mr Rae's updated maps (which I have seen in draft); and
- (g) The scale of the Trentham North centre on Fergusson Drive is slightly expanded to allow for a better function as a local centre, as outlined in Mr Rae's maps;
- (h) The Wallaceville centre also benefits from incremental additions, as outlined in Mr Rae's maps. I note that the west side of the rail line has a larger catchment than the east side, and a more dominant movement network, as well as good access to the adjacent rail station.

6. CENTRE PERFORMANCE TRIGGERS, HIGH DENSITY & WELL FUNCTIONING URBAN ENVIRONMENTS

- 6.1 Residential growth will improve the performance of all centres. Using centre performance as a basis for testing the level to which growth is influential should be a factor in determining density, not just a current hierarchy.
- 6.2 Despite NPS-UD provisions, a centres hierarchy alone should not be the sole basis and scale for residential density. Taking a **more liberal than restrictive view of catchments and density**, I consider additional community infrastructure such as schools, parks, and libraries to form part of the influence package for centre status **and** potential. The Kāinga Ora approach seeks to grow catchments so that centres can do better and provide more resources closer to where people live.
- 6.3 The NPS-UD regards density as a good thing if applied in these areas, with the further point that **all else being equal, more density is better (economically) than less density**.

- 6.4 The Policy envisages an “up and out” condition. In the absence of identifying the triggers for “up” Council may achieve its dwelling targets without going “up” in its centres. Density in the suburbs outside of walkable catchments is unlikely to generate the same urban vibrancy (many people walking) and well-functioning urban environments as apartment and other developments within the CCZ, Town and Local Centres and their walkable catchments.
- 6.5 Struggling centres will benefit most from more density, and an existing hierarchical order should not limit their potential to return to viability or to a marked improvement in performance. In improving centre performance, we may wish for more density than a centre’s current status provides.
- 6.6 I make this point again to illustrate that expanded, denser catchments allow centres at all scales to deliver more for the people in their catchments. This outcome is particularly important for the CCZ where Kāinga Ora has sought an expanded walkable catchment for the HRZ and increased heights and density within a 400m walkable catchment.

7. CENTRE CLASSIFICATION AND SCALE

- 7.1 I support the Kāinga Ora submissions (and Council catchment principles) seeking to provide greater residential development opportunities close to areas with the highest levels of amenity, services, and infrastructure (rapid transit) to provide greater choice for developers and prospective residents. These opportunities exist mainly around the CCZ (to River Rd, and incrementally elsewhere).
- 7.2 Greater capacity offers the market an increased volume of “realisable” residential development in and around the centres (and transport networks) and ultimately gives effect to Objective 3 of the NPS-UD.
- 7.3 In my opinion, growth in the wider Upper Hutt City catchment requires consideration of an incremental expansion of the CCZ (adding city centre-capable capacity), as represented in Mr Rae’s maps and Ms Blackwell’s submission.

- 7.4 I am unable to determine a benefit in a reduction of the size of the CCZ (reducing enablement) or a relative benefit in attaching a Mixed Use Zone (rather than a CCZ) to an edge of the CCZ. All existing uses in these areas can thrive if they choose, but it appears counter-intuitive to limit the range and scale of activities in the city centre as a response to acknowledged growth and the NPS-UD.
- 7.5 Upper Hutt City Council uses somewhat different centre hierarchy qualifiers from other Wellington Councils. Rather than seek to modify Council centre hierarchy definitions, Kāinga Ora has sought walkable catchment density provisions in line with a more refined application of the centre hierarchy for consistency across the Wellington region. This method applies mainly to Silverstream Town Centre Zone and Upper Hutt City Centre Zone.
- 7.6 Given the coexistence of the rail station and the Silverstream centre, I consider appropriate proposed centre expansion as it appears as one of the best Local Centres (a regional consistency definition only) in Upper Hutt and could attract substantial residential investment. What the centre lacks is an urban continuum, providing a broader range of business settings commensurate with its role. The Kāinga Ora proposed expansion deals with the proposition of a larger catchment (due to IPI enablement) and adds a more business settings (not just retail) and improved walkable condition to and from the centre.
- 7.7 The proposed Kiln Street extension recognises the current difficult (low density) residential interface, the fact that the intersection of Field St and Kiln St represents the centre's major access point from the Motorway, and that Kiln Street along this length is almost completely parked-out during weekdays.

8. WALKING, ECONOMIC CAPACITY & GROUND FLOOR ACTIVATION

- 8.1 Recent studies by the World Economic Forum indicate the economic power and importance of walking. *“Only 1.2% of the land mass of the largest 35 metropolitan areas in the US are walkable areas. This fraction of land in the top 35 metropolitan areas*

generates 20% of the US GDP.²¹” This analysis supports Kāinga Ora’s submission concerning commercial occupation opportunities within the ground floors of apartment buildings, as well as their submissions on catchments and density. Similarly, the same submissions recognise that the density around these incidental, street-facing, and walkable activities contributes to their viability and the vitality of the street (for street life, when combined with ground floor activity, more density is better).

- 8.2 Kāinga Ora submissions support the density proposed for the City Centre, albeit with some limited proposed additions to zones and catchments, but raises the issue of the viability of the HRZ in Upper Hutt and associated economic benefits.
- 8.3 Council Section 32 and 42A reports seek to limit the walkable extent of catchments by imposing a 10 minute walking boundary. However, the Section 42A report adds some uncertainty as to how to apply and measure these catchments.

Commercial activity – apartment ground floors status & role

- 8.4 I note Council’s Planning report²² recognises an existing provision in the District Plan with a Discretionary threshold for commercial activity at the ground floor of apartment buildings in the HRZ. I consider that deliberately encouraging such uses through a lower planning hurdle (the Restricted Discretionary threshold sought by Kāinga Ora) contributes more meaningfully to Objective 1 (NPS-UD) in that it assists with “well-functioning urban environments” and is therefore more explicit in its encouragement.
- 8.5 In addition, the dynamics of buildings and land use that influence walking also increase the size of walkable catchments.²³ Kāinga Ora proposes a 200 square metre commercial occupation capability on the ground floor of apartment buildings. This activity requires an

²¹ Rodriguez, M.A. and C.B. Leinberger (2023). Foot Traffic Ahead: Ranking America’s Largest Metros, 2023. (Report). Washington: Smart Growth America and Places Platform, LLC and; <https://www.weforum.org/agenda/2023/03/why-walkable-urban-areas-are-america-s-efficient-economic-engines/>

²² Councils Evidence Report UHCC IPI Final, Appendix 1 – Recommendations on submissions and further submissions

²³ Duncan, Mitch & Winkler, Elisabeth & Sugiyama, Takemi & Cerin, Ester & Du Toit, Lorinne & Leslie, Eva & Owen, Neville. (2010). Relationships of Land Use Mix with Walking for Transport: Do Land Uses and Geographical Scale Matter?. Journal of urban health bulletin of the New York Academy of Medicine. 87. 782-95. 10.1007/s11524-010-9488-7.

urban interface and will increase the distance people choose to walk (reducing perceived distances to centres and public transport). This added urban interface capability recognises Objective 1 in the NPS-UD concerning “social, economic, and cultural wellbeing, and for their health and safety” and supports the walkable catchments and high levels of high density enabled through the IPI in its implementation of Policy 3c of the NPS-UD.

- 8.6 I envisage tenancy opportunities scattered in their locations and an eclectic mix in their tenancies. For example, having observed similar typologies in Australia, I found all sorts of tenancies; small-scale professional offices, real estate agents, dentists, wellness and health, coffee shops/cafes, hairdressers, printing, art studios, beauty etc. to a marching continuum of ground floor residential.
- 8.7 Adding HRZ capacity will benefit the performance of existing centres, but a land use diversity variation within it provides a functional activation benefit to extend walkable catchments.²⁴
- 8.8 Apartment ground floor adaptability (without jumping through approval hoops that dampen developer enthusiasm to provide these amenities) to enable Live/Work, Cafés, Dairies, Personal Services etc, is entirely appropriate for the following reasons:
- (a) The HBA estimates²⁵ a growth figure of 24,300 (additional) people by 2051. Whilst the number varies across New Zealand, most local authority areas’ retail provision per capita is above 2m². To determine the effect of incremental additions to the ground floors of apartment buildings, we can check the effect of this growth on generated retail spend and increase in floorspace demand.
 - (b) We will use 2.2m² to check demand levels as a retail rule of thumb, but some places are as high as 3. If we multiply 2.2 by the estimated 24,300 additional people, we get a demand requirement for additional retail floorspace (across the City) of 53,500m². Yet, the IPI offers no new

²⁴ I note that Council prefers time as a walkable catchment measure than distance. However, the research shows that adding ground floor mixed use within neighbourhoods reduces the perceived distance that people walk. In other words, they walk further and for longer.

²⁵ HBA Chapter 6 Upper Hutt City Council; Page 17, Table 6.10.

centres, only incremental expansions around some existing centre zones and the reduction of others (CCZ).

- (c) Considering the annual average retail spend per capita (from the Statistics NZ Household Expenditure Survey)²⁶, this population will add almost \$334 million of additional retail expenditure growth to existing centres as a catchment windfall. They do not need to do anything to benefit.
- (d) The commercial/retail offer outside major centres will always be on the ground floor. 200m² is a small enough figure to be an incidental activity and not threaten the viability of commercial centres, which (as stated above) will be significant beneficiaries of the increased density and associated catchment spend.

Supporting and Encouraging Walkability

- 8.9 The urban conditions that promote walking should be a factor in determining these catchments. Some across Wellington suffer from topographic challenges, but most in Upper Hutt do not. There are compelling economic, social, and public health benefits to walking, apart from “well-functioning urban environments”.
- 8.10 In seeking to limit walkable catchments Council is ignoring these benefits and is narrowly focused on a radiating approach from centres and transport, not on public health or community economics (net benefits to society as a whole). Said more simply, we don’t want a rationale that determines that people will only walk if there are centres or transport to walk to.
- 8.11 The more enabling provision for ground floor commercial-capable activity and public realm supportive buildings sought by Kāinga Ora is one means of increasing levels of walking and increasing the distances that people are prepared to walk.
- 8.12 I recognise that the conditions that promote walking (not just the kind of functional activation proposed by the 200m² activity sought

²⁶https://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7552&_ga=2.182604768.713554812.1678839528-298322673.1668983336

by Kāinga Ora) require architectural rigour in the design and elements of buildings that promote walking. These elements are well-known through many peer-reviewed studies. Hopefully, this is where design requirements (within or outside the District Plan) are important.

- 8.13 The reporting officer's s42A response to Waka Kotahi's seeking of enablement of greater walking distances (S50.26) states that taking such an approach "*would result in some high density residential development being enabled within areas that are less suitable due to their difficulty in reaching the City Centre Zone or rapid transit stops via walking*"²⁷. I suggest that this is a one-dimensional view that ignores the benefits of walking, the enjoyment of the journey, the possibility of informal social exchange (as now there are more people walking) and the possibility of 200 square metres of commercial activities, cafes, and other activities in some buildings along the walk.
- 8.14 The reporting officer sees centre or public transport as the sole motivator of the walk. I consider that the urban and built qualities of buildings along the journey should be a factor in Council regulatory plans – otherwise we have failed in our delivery of "well-functioning urban environments". The officer has (probably by omission) interpreted well-functioning urban environments as belonging to centres – not diverse residential neighbourhoods. We cannot and should not give up on future denser neighbourhoods being walkable (for their own sake). The Trentham North centre on Ferguson Drive might well be a small centre, but linear density and buildings directly addressing the street will improve its walkable context, its role and performance.
- 8.15 Ideally, the urban environment should be good and vibrant enough to encourage people to walk as a means of improving their overall well-being.

²⁷ Upper Hutt City Council Intensification Planning Instrument Council Evidence Report, paragraph 563.

9. THE SUPPLY EFFECT ON AFFORDABILITY

- 9.1 The potential influence of competition for market share between housing developers within a market of abundant supply offers an affordability benefit to the City.
- 9.2 Typically, meeting demand has little effect on affordability or the desire of developers to deliver a product that exceeds market expectations. Objective 2 of the NPS-UD requires growth supported by plentiful housing (ahead of market demand) to improve housing affordability.
- 9.3 Enabling more housing in the market than an estimated base under current projections will likely result in the following benefits:
- (a) Greater levels of competition within the market; therefore
 - (b) More diversity with developers competing for limited market share and consequently an increase in product quality; and
 - (c) A price drop and an increase in affordability due to more *supply than demand*.
- 9.4 There are benefits to the “more is better” path for density. I support the propositions by Kāinga Ora for more significant intensification, particularly in the CCZ as I do not consider the proposed uplift to be an extreme solution; rather, it is based on sound economic principles.
- 9.5 The HRZ provisions and realisable capacity should be a major issue for the CCZ, requiring further analysis and feasibility studies. I consider that the Council should not wait for three years until the next round of HBA.

10. SUMMARY

- 10.1 I support Kāinga Ora’s submissions that seek to extend walkable catchments and additional intensification in close proximity to the CCZ aligned with the potential for active ground floor occupation that improve walkability and the distances people will walk.

10.2 I also support an extended “Town Centre” Zone for Silverstream, incremental extensions to the CCZ, and to the other Local Centres as outlined.

Michael Cullen

14 April 2023