

Kia ora Daran,

Thank you for your letters of the 3 December 2021 and 27 April 2022; the thrust of which were to get more certainty around housing intensification numbers for the suburbs along the mass rapid transit (MRT) and bus priority lines.

The first and most crucial point I would like to make is that the city's planning and city design and development resources in staff time and budget is fully committed and focused on the urban regeneration and densification of the LGWM corridor. This is reflected in how we have shaped our teams for the future, and the staff and resources devoted to supporting the LGWM programme.

Whilst we can provide you estimates and updated forecast of the potential for the corridor to achieve certain housing yields, these will invariably change over time depending on economic conditions and immigration trends. What we do know is that housing yields will only be maximised if a co-ordinated all of government effort occurs using all the legislative tools available.

The Wellington City Council recently published the [Wellington City Housing Capacity Assessment 2022](#), which incorporates the draft Proposed District Plan (PDP) and medium density residential standards. It does not consider the limiting effects of off-site infrastructure constraints, nor the enabling effects of MRT from up-zoning, land value uplift and infrastructure upgrades (except for the PDP's City Centre Zone extension along Adelaide Road).

From this pre-LGWM assessment, the commercially realisable housing capacity over the next 30 years in the suburbs along LGWM corridors core, south and east<sup>1</sup> was 46,899 houses in 2021, dropping to an estimated **27,029 houses** in 2022<sup>2</sup>.

Housing demand over 30 years based on median population projections and historic building consent trends is below. This may underestimate demand because it does not consider people who wanted to live in these areas but who move north because housing is more available and cheaper.

- Central Ward: 5,330
- Inner City Ward: 2,750
- South Ward: 2,490
- East Ward: 3,069
- Total: 13,639



<sup>1</sup> These suburbs are Wellington Central, Te Aro, Mt Victoria, Mt Cook, Newtown, Berhampore, Island Bay, Kilbirnie, and half of Miramar's housing (due to its size north and south but only one MRT stop in the centre).

<sup>2</sup> This used a 10% drop in property values from the September 2021 market peak and a 10% increase in construction costs, with the 2021-to-2022 change ratio applied to the LGWM suburbs listed above.

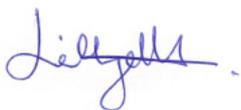
When the Wellington City Council confirmed the PDP to be notified for submissions last week, the Council made some final PDP amendments such as fewer and reduced high-density areas in suburbs along the Johnsonville and Kapiti Rail Lines. Importantly, the inner-city character areas have not been increased from what was approved in the Spatial Plan and contained in the Draft District Plan. The PDP housing capacity assessment will be re-run with these amendments. We anticipate the effect of the amendments on the attractiveness for high density development in the LGWM corridors will remain positive.

LGWM's preferred Option 1 business case is based on increasing high-density mixed-use developments within the MRT corridors. This can be enabled by:

- **District Plan + Long Term Plan changes:** up-zoning, precinct planning and infrastructure upgrades in the MRT corridors, as described in the Wellington City Spatial Plan.
- **SDP urban development:** High density transit-oriented developments around MRT stations, their extent being dependent on partnerships and funding between Wellington City Council, Kāinga Ora, and as to be determined, Waka Kotahi, Greater Wellington Regional Council, Mana Whenua, developers and others. This would be best coordinated within an Urban Development Act Specified Development Project (SDP). This SDP proposal will be presented to both Councils in early 2023.
- **Strategic direction:** The Future Development Strategy (under the National Policy Statement on Urban Development) and the Regional Spatial Plan (after resource management system reform) to prioritise and incentivise investment and development in the MRT corridor catchments. This has begun with the corridor being identified as a regional "complex development opportunity" by the Wellington Regional Leadership Committee.
- **Increased services, amenity and affordable housing:** local and central government agencies involvement in the co-ordination, planning and delivery of community services, such as education, medical, recreation, social alongside improved recreational and urban amenity. New affordable housing and social housing project in these locations will enable more diversity of housing to support economic growth.

LGWM and partner agency staff, along with Kāinga Ora and the Ministry of Housing and Urban Development are preparing a Courtenay-to-Newtown Corridor Plan and an SDP proposal in the second half of this year. These will better define the housing numbers and level of intensity of housing development along the LGWM corridors for the detailed business case phase, including MRT mode decisions. In turn this will drive the housing and business outcomes sought in the SDP.

Nga mihi



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