

**SUBMISSION ON PROPOSED CHANGE 1 TO THE REGIONAL POLICY
STATEMENT FOR THE WELLINGTON REGION**

To: Greater Wellington Regional Council
PO Box 11646
Wellington 6142

regionalplan@gw.govt.nz

Name of Submitter: Stride Investment Management Limited

Address: c/- MinterEllisonRuddWatts
PO Box 105249
AUCKLAND 1143
Attention: Bianca Tree / Amy Dresser

bianca.tree@minterellison.co.nz

Introduction and scope of submission

1. Stride Investment Management Limited (**Stride**) appreciates the opportunity to make this submission on Proposed Change 1 to the Regional Policy Statement (**RPS**) for the Wellington Region (**RPS Change 1**). RPS Change 1 was notified by Greater Wellington Regional Council (**Council**) on 19 August 2022.
2. Stride is aware that Investore Property Limited (**Investore**) has also made a submission on the provisions of RPS Change 1, including provisions relating to Johnsonville, and supports Investore's submission.
3. Stride supports RPS Change 1 in part and opposes RPS Change 1 in part. To summarise, Stride seeks amendments to RPS Change 1 to:
 - (a) recognise Johnsonville as a sub-regional centre;
 - (b) give effect to the National Policy Statement on Urban Development 2020 (**NPS-UD**); and
 - (c) provide for well-functioning urban environments.
4. For completeness, Stride could not gain an advantage in trade competition through this submission.

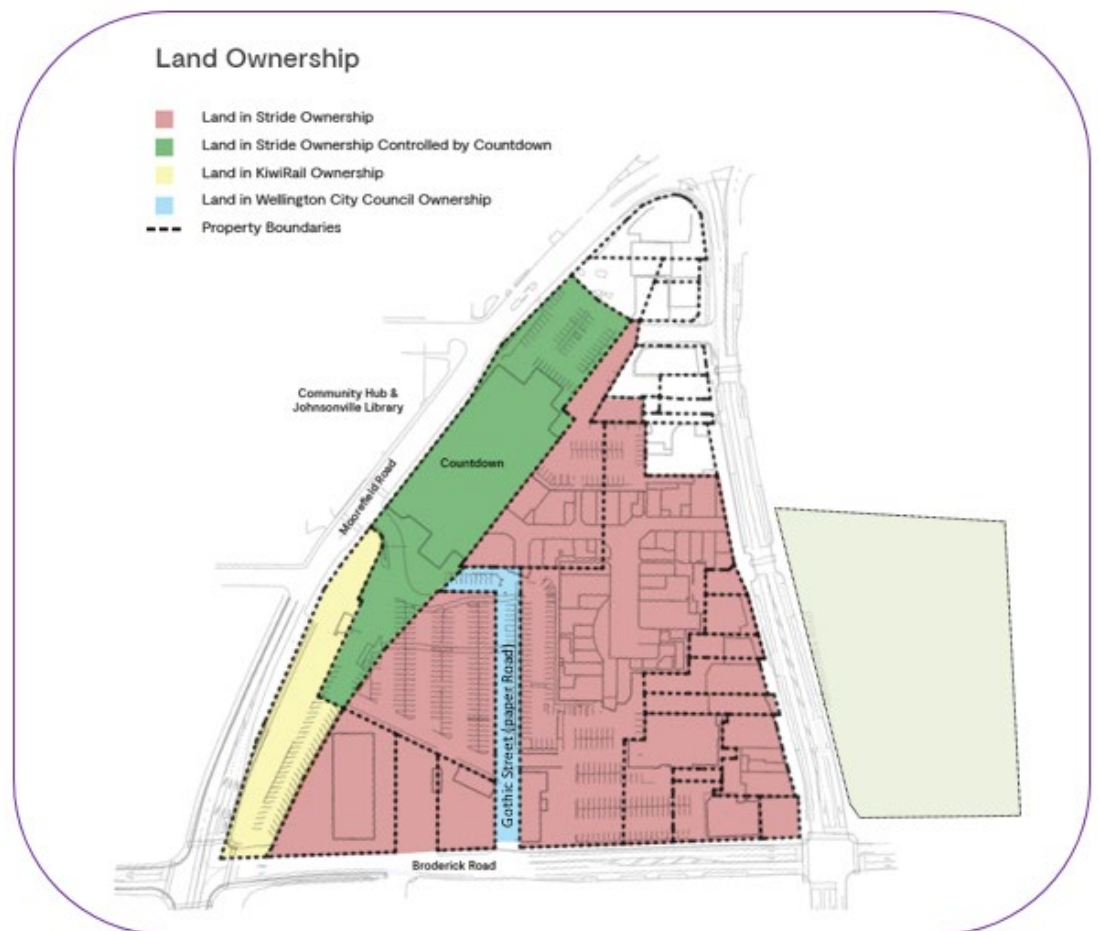
Background to Stride

5. Stride Property Group is a group of companies and funds, including:
 - (a) Stride Property Limited (**SPL**), which manages one of New Zealand's largest diversified investment property portfolios, with a range of commercial office, retail and industrial properties.
 - (b) Equity Trustees Limited (also known as Diversified Property Fund) (**Diversified**), which is an investment property fund.
 - (c) Stride Investment Management Limited (the submitter) is a specialist real estate investment manager which currently manages the property portfolios of SPL, Diversified and Investore.
6. Stride's investment strategy is to invest in a portfolio of places with 'enduring demand'. These are places that attract the highest demand in all market conditions because they meet the needs of tenants, their staff, their visitors and their customers. The attributes of properties that have enduring demand vary depending on the sector and the market but are a combination of accessibility, amenity, functionality and a value proposition that is compelling.
7. The Stride Property Group develops properties with a view to long-term ownership and, therefore, invests in its buildings to meet high quality, energy efficiency and design standards. As Stride continues to reinvest in its portfolio, it wishes to ensure RPS Change 1 appropriately enables urban development.

Johnsonville Metropolitan Centre

8. SPL and Diversified each own 50% share in the Johnsonville Shopping Centre land. Stride manages the Johnsonville Shopping Centre land. This land is identified in red and green in Figure 1 below.

Figure 1 – Stride ownership of Johnsonville Shopping Centre



9. The Johnsonville Shopping Centre originally opened in 1969 as Wellington City's first shopping mall. Current tenants at the Centre include Countdown, Newbolds, Whitcoulls, Life Pharmacy, Just Jeans, Super Liquor, EB Games, 2°, the Caci Clinic, Pizza Hutt, and various banks.
10. The Johnsonville Shopping Centre site is approximately 4 ha in area and occupies the majority of the block bounded by Johnsonville Road, Moorefield Road and Broderick Road.
11. Resource consent was granted in 2009 for the redevelopment of Johnsonville Shopping Centre. This consent provided for a gross floor area for retail and commercial use of 42,000m². If this consent is not given effect to it would lapse in July 2023.

12. In 2017 resource consent was obtained for a further redevelopment of the Johnsonville Shopping Centre (**2017 Consent**). The redevelopment authorised by the 2017 Consent would include:
 - (a) 26,000m² of development including retail, cinema and commercial activities;
 - (b) 900 car parking spaces; and
 - (c) pedestrian linkages (including linkages connecting to bus stops and the Johnsonville railway platform) and road widening works.
13. The lapse date of the 2017 Consent has recently been extended to 27 January 2027.
14. However, Stride is now preparing scheme plans for a mixed-use development at the Johnsonville Shopping Centre site to enable development over time at a far greater density and height than that authorised by the 2017 Consent.
15. Intensive mixed-use development at the Johnsonville Shopping Centre site is necessary to ensure that the redevelopment of the centre is commercially viable. The retail market has been disrupted in the last few years with increasing online sales (including New Zealand based online importers, and ease of access to international online market places). In response, shopping centres must become an 'experience' and 'destination' and include a range of entertainment, food and beverage offerings. To ensure the vitality of a centre it is also critical to provide a customer base by incorporating commercial and residential activities as part of the development.
16. This scale, form and type of development is consistent with the direction in the NPS-UD for the density of urban form in Metropolitan Centres zones "to reflect demand for housing and business use in those locations".¹
17. We address in Stride's submission how the RPS currently recognises the role and function of Johnsonville, and how RPS Change 1 needs to be amended to ensure that the role and function of Johnsonville is recognised and

¹ Policy 3(b) NPS-UD.

development is enabled in a way that will achieve the strategic objectives of the Proposed Plan and give effect to the NPS-UD.

18. Stride notes that Wellington city faces considerable barriers to development and the city is in competition for capital for development nationally and within the Wellington region. Wellington has a relatively high operating expenses environment (e.g. in terms of rates and insurances), high construction costs (due in part to seismic requirements), and faces economic pressures due to the post-Covid environment and a challenging retail sector. For these reasons it is important that the RPS is enabling of development in centres.
19. Without a sufficiently enabling RPS, Wellington and Johnsonville risk losing the competition for development capital to cities with more favourable development conditions.
20. This information is provided to give context to the matters raised and relief sought in Stride's submission.

Stride seeks for Johnsonville Town Centre to be recognised as a sub-regional centre

21. Johnsonville is currently appropriately recognised as both a suburban area of regional significance and a sub-regional centre in the operative RPS.
22. Johnsonville centre includes regionally and sub-regionally significant facilities and businesses, such as the Wellington Traffic Operations Centre, the Johnsonville train and bus interchange, the Johnsonville Pacific Radiology ultra-sound and x-ray facility, the head office of Heritage Lifecare and the Wellington office of the MAS insurance and investment company.
23. Johnsonville also has a number of significant community and recreational facilities that serve the sub-region, including the Johnsonville police station, medical centre, community centre, the Waitohi community hub (which includes a new library, café and kindergarten), citizens advice bureau, Keith Spry pool, and Alex Moore Park.
24. It is clear that Johnsonville is a sub-regional centre and the focal point for a sub-regional urban catchment. Its provision of regionally and sub-regionally facilities has not reduced since the RPS was prepared. To the contrary, the Proposed Wellington District Plan (as notified on 18 July 2022) (**Proposed**

District Plan) recognises and provides for the significant intensification and mixed use development that is appropriate to be enabled at Johnsonville.

25. However, RPS Change 1 proposes to stop referring to Johnsonville as a sub-regional centre. This is inaccurate and will not give effect to the NPS-UD.
26. The Johnsonville Metropolitan Centre (including the Johnsonville Shopping Centre) falls within the definition of a “metropolitan centre” under the National Planning Standards and is recognised as a metropolitan centre in the Proposed District Plan. The description of the Metropolitan Centre zone in the National Planning Standards is “Areas used predominantly for a broad range of commercial, community, recreational and residential activities. The zone is a focal point for sub-regional urban catchments”. This supports Metropolitan Centre-zoned land being recognised as sub-regional centres.
27. Consistency with the National Planning Standards is also desirable to enable Greater Wellington to take a cohesive approach to the implementation of the NPS-UD.
28. The Wellington Regional Growth Framework also identifies that Johnsonville is an Urban Renewal Area. A key spatial initiative identified in this Framework is to “maximise mixed-use and residential opportunities for Johnsonville and partner to deliver transformational urban development”.²
29. Wellington City’s population is projected to grow by 50,000-80,000 people over the next 30 years.³ The Growth Framework is premised on a population increase for the Wellington-Horowhenua region of 91,000 – 151,000 over the next 30 years. A large proportion of this is expected to occur in Wellington City, including a 5,000 to 6,000 increase of the population of Johnsonville.⁴ This is a significant increase, which is likely to be conservative based on the intensification to be provided for in Johnsonville under the Proposed District Plan.
30. Johnsonville is located in close proximity to two of the Future Urban Areas for accommodating Wellington City’s population growth identified in the Wellington

² Wellington Regional Growth Framework, July 2021 at 66.

³ Wellington City Council *A snapshot of Wellington’s future infrastructure and growth* (13 July 2022).

⁴ Planning for Growth and Wellington City Council *Our City Tomorrow: Draft Spatial Plan For Wellington City – Citywide Estimated Growth Distribution Figures* (25 September 2020).

Regional Growth Framework 2021 (Upper Stebbings Valley and Lincolnshire Farm)⁵ and the already rapidly growing Churton Park suburb. Johnsonville is also adjacent, and highly connected, to State Highway 1.

31. Supporting the development of Johnsonville as a Metropolitan Centre with significant commercial office space and established community services is also critical for risk management in the event of a natural hazard that impacts the Wellington CBD.
32. Johnsonville is also located roughly equi-distant from the Wellington CBD, the Porirua City centre and the Hutt City centre. This means that Johnsonville is accessible to these city centres and can play an even greater role as a commercial hub to support the Wellington CBD.
33. Stride opposes the removal of Johnsonville from the definition of sub-regional centres under RPS Change 1.
34. Stride seeks that RPS Change 1 is amended to appropriately recognise Johnsonville as a sub-regional centre.

Stride also seeks amendments to RPS Change 1 to give effect to the NPS-UD

35. Because Wellington region is a tier 1 urban environment, the Council is required to amend the RPS to give effect to the NPS-UD and specifically the objectives and policies applying to tier 1 urban environments.
36. Specifically, the Council is required to amend its RPS to enable building heights and urban form to reflect demand for housing and business use in metropolitan centre zones under Policy 3 of the NPS-UD. However, the changes proposed under RPS Change 1 are not consistent with the recognition of metropolitan centre zones in the NPS-UD, which make it difficult for the Council to then implement Policy 3. The RPS may fail to give effect to the NPS-UD in this regard.
37. To give effect to Policy 3, it is important that the Council provides for urban development in metropolitan centres in light of current demand and expected population growth. Stride considers the proposed amendment to Policy 31 of “Identifying and enabling a range of building heights and density promoting”

⁵ Wellington Regional Growth Framework, July 2021.

higher density and mixed use development – district plans”, for example, is not sufficient to give effect to Policy 3.

38. Stride seeks that RPS Change 1 is amended to enable an urban form in metropolitan centres that reflects the demand for housing and business use. In Johnsonville, this would reflect significant demand and intensification, as noted above.
39. More generally, the NPS-UD anticipates that there will be a comprehensive review of district plans and regional policy statements to ensure that they enable an urban form that gives effect to the requirements for well-functioning urban environments in the NPS-UD. RPS Change 1 does not reflect this approach. The amendments to the RPS are disparate and are unlikely to achieve the strategic purpose of the NPS-UD, including Policy 1 of the NPS-UD to contribute to well-functioning urban environments.
40. For example, RPS Change 1 includes amendments to support a reduction in transport emissions (Objective CC.3) and support the transition to a low-emission region (Objective 22) which are supported. However, RPS Change 1 also provides for appropriate urban expansion (Policy 55) to provide for commercial and industrial development in appropriate locations, including employment close to where people live (Objective 22(j)) without clear direction on what is ‘appropriate’ and the reference to ‘close to where people live’ could be used to support development in a wide range of locations, and proposes to delete references to “compact, well-designed and sustainable regional form” (Policy 67).
41. These later amendments are not supported as they fail to recognise that the NPS-UD seeks to focus intensification around centres and rapid transport nodes, to ensure efficient use of infrastructure, and to enable more sustainable urban environments.
42. Stride seeks amendments to RPS Change 1 to give effect to the NPS-UD including amendments to the following provisions, objectives and policies to recognise that intensification is to be focused around major centres and rapid transit nodes, to support the efficient use of infrastructure and create well-functioning and sustainable urban environments:
 - (a) Chapter 3.9: Regional form, design and function, Chapter introduction;

- (b) Objective 22, including Objective 22(j);
- (c) Policy 30;
- (d) Policy 31;
- (e) Policy 33;
- (f) Policy 55;
- (g) Policy UD.3; and
- (h) Policy 67.

Relief sought and reasons for submission

- 43. In addition to the specific relief sought, Stride seeks such additional or consequential relief to give effect to the matters raised in this submission.
- 44. The amendments sought by Stride are to ensure that the RPS Change 1:
 - (a) will give effect to the objectives and policies of the NPS-UD;
 - (b) will contribute to well-functioning urban environments;
 - (c) is consistent with the sustainable management of physical resources and the purpose and principles of the Resource Management Act 1991 (**RMA**);
 - (d) will meet the requirements to satisfy the criteria of section 32 of the RMA;
 - (e) will meet the reasonably foreseeable needs of future generations; and
 - (f) is consistent with sound resource management practice.
- 45. Stride wishes to be heard in support of its submission.

46. If others make a similar submission, Stride will consider presenting a joint case with them at a hearing.

DATED this 14th day of October 2022

Stride Investment Management Limited by
its solicitors and duly authorised agents
MinterEllisonRuddWatts



Bianca Tree / Amy Dresser

Address for service of submitter

Stride Investment Management Limited c/- MinterEllisonRuddWatts
PO Box 105249
AUCKLAND 1143
Attention: Bianca Tree / Amy Dresser

Telephone No: (09) 353 9700

Fax No. (09) 353 9701

Email: bianca.tree@minterellison.co.nz
amy.dresser@minterellison.co.nz