



# Kiwi Property Private Plan Change Centres Assessment

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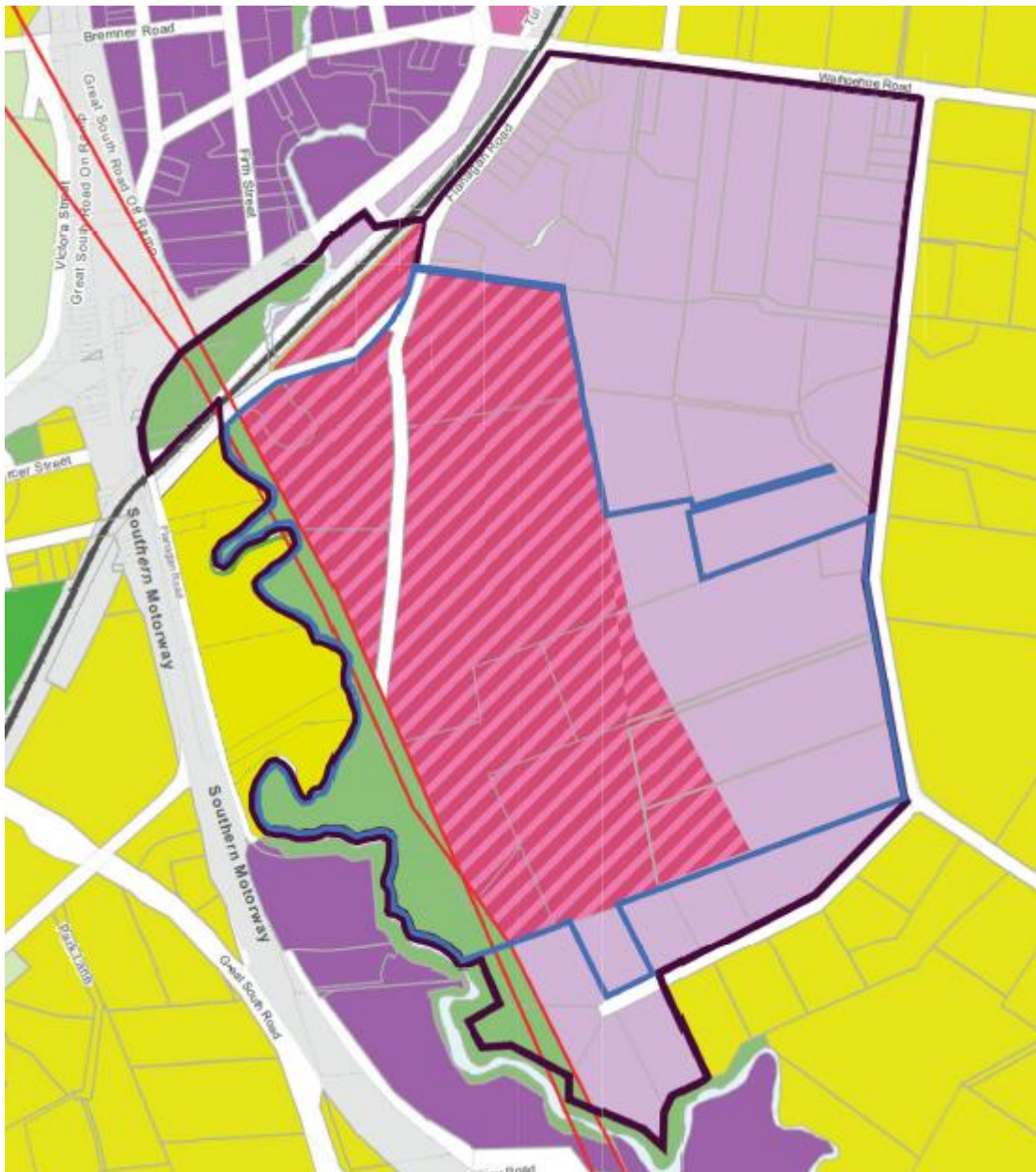


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# 1 Introduction

This report has been prepared to inform a Private Plan Change request behalf of Kiwi Property Group Limited (Kiwi) to rezone land in Drury for a mix of commercial and residential activities. The boundary and proposed zoning of the Plan Change area is shown in Figure 1.1 below.

Figure 1.1: Kiwi Drury Zone Plan, January 2019



The Plan Change area is approximately 85 hectares and is located to the south of the existing Drury Local Centre and Light Industrial area on Great South Road. The Plan Change area has frontage to Fitzgerald Road to the east, Brookfield Road to the south, Flanagan Road to west, and Waihoehoe Road to the north.



The subject sites are primarily used for farming, with some residential activity. Kiwi currently own 52ha of land within the plan change area as shown in blue outline in Figure 1.1.

The other properties within the wider Plan Change area are owned by various parties.

The site is situated in close proximity to Great South Road and State Highway 1, being accessible from Waihoehoe Road at the northern end of Flanagan Road. The interchange provides northern and southern on and off-ramps to State Highway 1. While the railway line is located to the immediate north of the site, there is currently no train station at Drury (this will change as part of the planned upgrades to the trunk line and stations in the area).

The overall topography of the area is undulating, with several elevated ridgelines. The western extent of the Plan Change area is traversed by the Hingaia Creek, which forms part of an inter-connected stormwater catchment which eventually drains into Drury Creek. All catchments discharge into Drury Creek, which is an estuary of the Pahurehure Inlet and Manukau harbour.

The Plan Change area is currently zoned Future Urban under the Auckland Unitary Plan. Kiwi is seeking to rezone the land to a mix of Metropolitan Centre, Mixed Use, and Open Space – Informal Recreation.

Market Economics (M.E) has been commissioned by Kiwi Property Group Ltd to;

- assess likely demand for retail and other commercial activities in and around Drury with particular reference to the extent of Future Urban Zone (FUZ) under the Unitary Plan and the anticipated form and extent of urban development;
- consider the appropriate spatial pattern and distribution of commercial centres in and around Drury to appropriately meet this demand, having reference to the hierarchy of centres provided in the Unitary Plan (metropolitan centres, town centres, local centres and neighbourhood centres);
- assess the suitability of the Kiwi site for a major centre (i.e. metropolitan centre);
- consider the appropriate rate and nature of development of that major centre;
- consider the extent to which development of the major centre might impact adversely on other existing centres in the hierarchy; and
- consider the extent to which development of the major centre and other proposed centres in and around the Drury FUZ area as outlined in Council's Structure Plan should be subject to thresholds or other development constraints.

## 1.1 Background

The Auckland Unitary Plan (AUP) has zoned a significant area of land in south Auckland as "Future Urban Zone" (FUZ). Land in this zone is intended to be developed for a range of uses in the future, subject to the development being adequately supplied with infrastructure, and to certain planning requirements. There



are several large landowners in the FUZ area, including Kiwi Property Group Ltd (Kiwi), Karaka and Drury Ltd (KDL)<sup>1</sup>, Stevensons and Fulton Hogan.

Stevensons has large landholdings at Drury South, an area of some 359 ha that was originally earmarked for light and heavy industry only. The AUP has now live zoned 46ha in the south-west part of the area for residential activities, with capacity for around 1,000 dwellings. The balance of Drury South is live zoned for a mix of Light Industry Zone (LIZ) and Heavy Industry Zone (HIZ)<sup>2</sup>.

Fulton Hogan has interests in land to the east of the motorway, between Fitzgerald Rd in the west and Drury Hills Rd in the east, and extending from about as far north as the current Drury centre and nearly as far south as Quarry Rd. The majority of the Fulton Hogan land is anticipated to be developed for residential purposes. There are likely to be a number of small neighbourhood centres (anticipated to be zoned Neighbourhood Centre) in amongst this residential area.

KDL/Auranga/MADE owns or controls FUZ zoned land around Bremner and Jesmond Roads, to the west of the Southern Motorway, near Drury. Auranga/MADE's intention is to develop that land, primarily for residential uses, but with supporting retail centres and other commercial activities.

Initial design and urban planning work for Drury has been conducted, and residential yields (dwelling counts) have been estimated. Development has commenced in the approved Special Housing Area (SHA) in Drury West, which is expected to deliver around 1,350 dwellings and a local centre on Bremner Road over the next two years. Planning for the balance of the land in the FUZ has progressed to the point where Council has released a Structure Plan (August 2019, for Drury-Opaheke). While this structure plan (discussed further below in Section 3.2) is not the definitive final layout for the area, it provides insight into how Council views development occurring, taking into account its views of the constraints, and opportunities. The Structure Plan indicates where Council believes the most appropriate locations are and scale for centres, housing, business areas, parks and other infrastructure. While the Structure Plan does not rezone the land, it provides the basis for Council initiated plan changes to provide the zoning required.

Estimates and yields contained within the Council's Future Urban Land Supply Strategy (2017) ("FULSS") have been superseded by those in the Structure Plan. The landowners expect that development will now begin in 2020.

The major land-owners (Kiwi, Stevenson, Fulton Hogan and Auranga/MADE) lodged with Council a draft Structure Plan that showed the broad distribution of key infrastructure elements and land uses collectively proposed by them for the Drury FUZ land. The draft Structure Plan represented a range of agreed compromises between the land owners that are most likely to control the shape and timing of development in the area. However, subsequent to this, Council developed the Drury-Opaheke Structure Plan, released in August 2019. This presented a different interpretation of land uses with different scales and timings for some of the larger set pieces (major centres and supporting centres). The Plan Change further amends the land uses and staging to that set out in the Council's Drury-Opaheke Structure Plan.

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<sup>1</sup> Also operating as Auranga or MADE

<sup>2</sup> I understand that Drury South Crossing Ltd are seeking to rezone a portion of the land adjacent to the central spine road as Mixed Use. The aim being to facilitate some office and commercial services development – including a supermarket and associated retail





## 1.2 Objective

The objective of this assessment is therefore to inform planning for the provision of retail and centre space across the Drury FUZ. This assessment is intended to address the future layout and timing of centre zoning in the area, as well as inform planning for the quantum of each zone in each location, so as to appropriately provide for the future needs of the residential and working populations that will establish in Drury. The recommendations are made in the context of, and with reference to, the hierarchy and distribution of established centres identified in the AUP.



## 2 Strategic considerations

Centres and the centre network play a vital role in establishing place within the urban environment. In addition, centres are engines that drive the urban economy, providing goods and services that households require as well as being major employment nodes. As Auckland grows, the centre network needs to adapt and grow to accommodate growth in a manner that enhances the quality of life for individuals and communities.

In this section, strategic considerations regarding the scale, location and timing of centres in the Drury FUZ area are proposed, as is the appropriateness of the Drury Metropolitan Centre proposed by Kiwi Property.

### 2.1 The Auckland Plan 2050

While Auckland's Unitary Plan was made partially operative prior to June 2018, Auckland's Growth strategy is laid down in the Auckland Plan 2050 (which was adopted in June 2018). The Auckland Plan is a *"long term spatial plan that is designed to ensure that Auckland grows in a way that will meet the opportunities and challenges of the future."* The Plan identifies development areas that will undergo significant change to 2050 as well as the main centres (CBD, Metropolitan centres and the Satellite Towns). Of the existing Metropolitan centres identified, only two are not identified as being either Significant Hubs or as part of or adjacent to Development Areas. Those two are Botany and Papakura.

For the southern part of Auckland this is significant, as the Development Areas are where planning and investment will be prioritised and targeted. So, while the Auckland Plan does not say these areas are predictions of where growth will occur, they are the areas where growth will most likely happen. To a certain extent this becomes self-fulfilling as the planning and investment will drive take up of development opportunities.


While the Auckland Plan 2050 sets the strategic direction Auckland is to take, it is the Unitary Plan that sets the zoning framework for this to occur.

### 2.2 The Unitary Plan

#### 2.2.1 Relevant policies

The Auckland Unitary Plan outlines the manner in which the people and communities of the Auckland region will manage Auckland's natural and physical resources while enabling growth and development and protecting the things people and community's value. In effect it provides the framework to implement the Auckland Plan. It does so by providing the regulatory framework within which decisions can be made that help achieve the purpose of the Resource Management Act 1991, while helping make Auckland a quality place to live.

The key issues relating to urban growth and form are covered in Section B2 – Urban Growth and Form. The Plan describes the issue as:



*“Auckland’s growing population increases demand for housing, employment, business, infrastructure social facilities and services.”*

Under section B2.5 Commercial and Industrial Growth, the Plan outlines key objectives to be met. They include:

- The need for employment and commercial and industrial opportunities to meet current and future demands.
- Commercial growth and activities be primarily focussed within a hierarchy of centres and identified growth corridors that supports a compact urban form.

These provisions direct retail growth required to meet the needs of future households residing in the Drury FUZ and surrounds into centres that fit within the retail hierarchy. The decisions that are required with regard to new Drury centres are outlined in the Unitary Plan and require a structure planning process that has regard to (among other factors)<sup>3</sup>:

- The proximity of the new centres to planned medium or high-density residential development;
- The existing network of centres and whether there will be sufficient population growth to achieve sustainable distribution of centres;
- Whether the new centre will avoid or minimise adverse effects on the function, role and amenity of the city centre, metropolitan and town centres beyond those effects ordinarily associated with trade effects on trade competitors.


## 2.2.2 Centres hierarchy

Before addressing those matters in detail, the following general observations are relevant:

- The AUP provides for a hierarchy of centres, in addition to the Central Business District, being; Metropolitan centres, Town centres, Local centres and Neighbourhood centres. Development in Drury should be consistent with that hierarchy – given that the hierarchy is a mechanism for promoting efficiency in the urban environment.
- The hierarchy of centre zones in the AUP reflects the different complementary functions of the various levels of centre:
  - **Neighbourhood Centres** are typically very small and contain a small range of businesses that provide convenience goods or services to the immediate vicinity.
  - **Local Centres** are scarcer but larger than Neighbourhood centres, and include a wider range of shops and services. They serve a larger catchment which may include a number of Neighbourhood centres. Local centres continue to focus

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<sup>3</sup> Section B2.5.2(4) (a) – (g), Auckland Unitary Plan




on a limited range of commonly acquired goods and services, however, and seek to maximise convenience to customers.

- **Town Centres** provide a yet larger range of commercial activities and commercial services and in many cases include activities such as offices and social services, and will increasingly in the future include intensive residential activities. The retail offer is typically much broader in these centres, including goods such as clothing with regard to which purchasers typically want to make comparisons between stores (comparison goods) as well as the “convenience” goods that typically dominate Neighbourhood and Local centres. Town Centre zoning is usually applied to a larger land area than the Local Centre zone.
- **Metropolitan Centres** are scarce (there are currently only 10 in Auckland) but contain a wide range of activities with essentially unlimited opportunities for offices, educational activities, entertainment activities and retail. Metropolitan Centres usually occupy the largest extent of zoned land allocated to centres to reflect their place in the centre hierarchy. The only larger zoned centre is the City Centre Zone.
- Each of the higher order centres in the hierarchy provide the range of services and goods available in the lower order centres but add a broader range of retail and other activities. As a consequence, each higher order centre will serve a number of catchments depending on the role it plays for a given customer. By way of example, a Metropolitan centre will provide a neighbourhood or local function for people who live or work within or immediately adjacent to that centre and will have a physically very confined catchment for that purpose. The Metropolitan centre will also function as the nearest “town” centre for the residential catchment around it and will have a broader catchment for that purpose. Finally, the Metropolitan centre will provide a broad choice of retail and other services that will attract custom from throughout a much wider, sub-regional area. That Metropolitan centre catchment can be calculated with reference to the other Metropolitan centres in the city.
- The nature of a hierarchy is that the higher order components should be allocated primacy over the lower order components. Accordingly, the distribution of centres within the hierarchy at Drury needs to be determined with reference first to the location of the centre that has the highest role pursuant to the hierarchy, with the location of the other centres only being determined once that higher order centre has been fixed. The rationale behind this is that the hierarchy exists to ensure efficiency and effectiveness of the centre network delivering for the community.

### 2.2.3 Proximity to higher density housing

The Drury FUZ is expected to accommodate nearly 28,000 households by 2048, and in addition there are anticipated to be over 1,000 dwellings in the Drury South Industrial area controlled by Drury Crossing South Ltd and a general intensification of the rural-residential land that surrounds the FUZ. This is significant – currently in the Papakura Catchment discussed in section 4.7 and Figure 4.1 below, there are around 14,500 households, so the FUZ development represents a very significant increase in households in this southern



part of Auckland. The development form within the Drury FUZ will include a high number of medium density and higher density forms of accommodation (terraced housing and apartments) in close proximity to the area's largest centre. Also of relevance to considering the appropriateness of a Metropolitan centre at Drury is the additional FUZ land around Paerata and Pukekohe. The FULSS indicates that this land will provide for a further 7,200 dwellings in Pukekohe and 1,800 in Paerata.

#### **2.2.4 Distribution of centres**

The Plan requires consideration of the existing network of centres and whether there will be sufficient population growth to achieve a sustainable distribution of centres<sup>4</sup> (RPS B2.5.2(4)(b)). The amount of growth envisaged for Drury FUZ will support a network of centres within its own right. There will need to be a number of centres within the FUZ ranging from small Neighbourhood centres up to Metropolitan centre size. The number, type and distribution of those centres should be planned with reference, first, to the highest order centre. That is, the first decision is to identify where the largest centre should be located. Once that has been determined then appropriate complementary locations should be identified, sequentially, for Town centres, Local centres and Neighbourhood centres. This ensures an appropriate form and distribution of centres to meet the requirements of the residents, employees and businesses in the Drury (and wider) area.

#### **2.2.5 Impacts on other centres**


Any decisions made with respect to the largest Drury centre must take into consideration the impacts it is likely to have on the existing centre network, in particular the effect on Metropolitan and Town centres. Papakura is the zoned Metropolitan centre that services the southern areas of Auckland, therefore in the normal course of events, any potential adverse effects on Papakura in terms of its ability to provide for the wellbeing of residents needs to be taken into consideration. However, Papakura is a Metropolitan Centre in name only – with respect to providing sufficient retail depth and diversity. A comprehensive assessment of Papakura Metropolitan Centre is presented in the associated report that accompanies this one, titled *“Papakura Metropolitan Centre Household Sector Activity – Land Use Survey Analysis”*. The key conclusion from that work was that while Papakura provided its community with a wide range of household services that its comparison retail component was small. It made up only 14% of the total household sector floorspace. This compares with other Metropolitan Centres that average between 50% and 60%. Given this dynamic, M.E do not believe that the development of a Metropolitan Centre at Drury will impact on Papakura as the type and nature of goods on offer at both centres will be widely different.

### **2.3 Papakura Metropolitan centre**

Currently the Metropolitan centre that is intended to serve the southern area of Auckland is Papakura, which is only 5km north of the Drury interchange. Metropolitan centres are highest in Auckland's retail hierarchy behind the Auckland CBD, and therefore afforded primacy over all other centres. However, Papakura is unique among Auckland's Metropolitan centres, because it is by far the smallest of the 10 centres and has struggled competitively for many years in the South Auckland retail market, despite a number of initiatives designed to encourage the centre's development.

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<sup>4</sup> Chapter B – Regional Policy Statement, B2.5.2 (4)(b), Auckland Unitary Plan



There has been significant growth in this part of Auckland for many years, and a corresponding increase in retail demand. Despite this growth, development in the Papakura centre has been very limited. One of the few examples of redevelopment at Papakura is the New World supermarket which shifted within the centre a year ago. That redevelopment was likely motivated by the growing population base in the area, and the small size of the previous store, and is not part of any broader redevelopment within Papakura. In practice, all Metropolitan and Town centres and most Local centres are likely to contain supermarkets so this is not an activity that signifies a Metropolitan centre function. The library was also redeveloped, but there have been no other notable large-scale redevelopments within the centre. There have however been significant out of centre redevelopments, including notably:

- the 21,000m<sup>2</sup> large format retail development at Southgate;
- the 10,000m<sup>2</sup> The Warehouse and Warehouse Stationery building behind Southgate;
- the Papakura Pak'n Save, which is between Southgate and Papakura;
- the Oak Junction retail development on Great South Rd (c. 700m<sup>2</sup>).

This proliferation of out of centre development indicates there is already a lack of ability (and desirability) for these activities to locate in the Papakura centre. Given growth projections in the southern part of Auckland, the lack of suitable retail supply will only become more pronounced in the future.

It is clear that Papakura is not functioning as a Metropolitan centre, and probably hasn't done so for many years. Currently, over 30% of core retail and hospitality demand that arises within the Papakura primary catchment leaks out to other centres, implying that Papakura is not fulfilling its Metropolitan centre retail role. This is borne out by a quick assessment of employment and business activity in Papakura since 2000. Figure 2.1 shows that the number of household focused businesses has dropped by 17% since 2000 while employment in these sectors has declined by 19%. In total the centre has stayed roughly the same size (an increase in 10 actual businesses since 2000), but total employment has dropped by more than 500 workers (17%) since 2000.

Figure 2.1: Papakura Centre Business (GEOs) and Employment (MECs) Activity, 2000 - 2017

Businesses	2000	2005	2010	2015	2017	Growth 2000 - 2017	Growth (%)
Retail	108	108	92	88	83	-25	-23%
Hospitality	40	50	45	34	35	-5	-14%
Recreation and Arts	6	6	6	13	10	4	58%
Household and Other Services	51	47	36	36	42	-9	-17%
Household Focused Businesses	205	211	179	171	169	-36	-17%
Total Centre Businesses	542	553	502	540	552	10	2%
Employment	2000	2005	2010	2015	2017	Growth 2000 - 2017	Growth (%)
Retail	950	1078	894	608	664	-286	-30%
Hospitality	345	368	304	282	344	-1	0%
Recreation and Arts	18	24	20	26	42	24	134%
Household and Other Services	149	175	102	121	134	-16	-11%
Household Focused Employment	1462	1644	1320	1037	1183	-279	-19%
Total Centre Employment	3052	3330	2746	2447	2524	-528	-17%

Physical constraints and fractured land ownership patterns make it extremely difficult for a retail centre developer to build the type of development that might catalyse a change within Papakura. The lack of visibility, through traffic, supporting employment base and opportunities for expansion further impact on Papakura's future as a Metropolitan centre.

There are several key reasons why Papakura has been unable to accommodate the demand for increased retail supply:

- The centre has suffered from a lack of investment, and has a generally aged building stock, much of which is in poor condition.
- The centre's development potential is constrained by the presence of surrounding residential and industrial activity, and the presence of the railway.
- The centre is a brownfields site, which makes redevelopment much more difficult and expensive than greenfields options, especially considering the highly fragmented ownership of land within the centre.
- There are not enough large sites to accommodate larger format retail tenancies, limiting the appeal of the centre to large portions of the retail market, and in particular those that might be likely to fund large scale redevelopment.

Papakura is also less accessible by road than many of Auckland's other Metropolitan centres. While historically Papakura was well located on Great South Rd, and adjacent to the railway, it is some distance from the Southern Motorway which is now the major transport link in the area. That poor motorway accessibility has likely contributed to Papakura's poor performance, while other, more accessible Metropolitan centres that are located on the motorway (e.g. Newmarket, Manukau and Sylvia Park) have thrived. The Council and Auckland Transport, with support from central government, are proposing to extend an upgraded Mill Road between Redoubt Road in Manukau and Drury. That will provide an



alternative north-south route to the east of Papakura centre but, as we understand it, will be a similar distance to the east of Papakura as the motorway is to the west. Accordingly, it is unlikely that the Mill Road link will overcome Papakura's relative inaccessibility for vehicular traffic.

There is little potential for these constraints to be avoided, and so this assessment assumes that Papakura will be incapable of significantly expanding its retail role as would be required to adequately meet the future needs of the southern Auckland population.

Note that a comprehensive assessment of the Papakura Metropolitan Centre, in comparison with both the Westgate Metropolitan Centre and Sylvia Park Metropolitan Centre is contained in the "Papakura Metropolitan Centre Household Sector Activity – Land Use Survey Analysis" report that is appended to this report.

The Unitary Plan defines Metropolitan Centres as being

*"..second only to the city centre in overall scale and intensity and act as focal points for community interaction and commercial growth and development and contain hubs serving high frequency transport."*

One of the key objectives outlined in the Unitary Plan for Metropolitan Centres is that they are *"attractive places to live, work and visit with vibrant and vital commercial, entertainment and retail areas"*. This is simply not the case in Papakura, nor will it be in the future given the aforementioned constraints.

That being the case there are two possibilities: either there is no alternative Metropolitan centre developed in the south, and the large new pool of consumers will continue to travel out of the area to access high level retail and commercial centres; or some other location is chosen to provide new supply locally. Of those two the second is preferable to meet Auckland Plan objectives of providing locally accessible supply of these types of activities, as well as providing local employment for the population.


Central Drury is an appropriate location for that activity because it is easily accessible within the catchment it would serve and there are large greenfields sites available to provide unconstrained development potential to enable a centre of an appropriate size to be constructed. In addition, it is well placed to meet the needs of a wider than immediate catchment as it is located immediately adjacent to the Drury interchange and on the rail networks.

## 2.4 Drury Centre

Given the constraints present at Papakura, Drury and in particular the land immediately east of the Southern Motorway Drury Interchange, stands out as a suitable location for a Metropolitan centre serving households in the south from an economic perspective. The land has the following characteristics:

- **Spatial location:** The subject land is at the centre of the future urban-zoned land in Drury /Opaheke, and is located directly to the south of the existing Drury township providing opportunities for integration. The motorway interchange is approximately 14 kilometres south of the Manukau Metropolitan centre, which is currently Auckland's southernmost centre that has a Metropolitan centre function. Spatially, the land






immediately adjacent to the interchange is a logical location for a centre to service this catchment.

- **Highly connected:** The subject land is at the nexus of key transport connections including: the Railway (proposed to be electrified for passenger trains by 2020); Great South Road; State Highway 1; and with connectivity to the Mill Road corridor and other planned transport projects. There is potential to extend the high amenity green corridor pedestrian/cycleway required in the Drury South precincts further north along Hingaia Stream with connections to the existing Drury township.
- **Potential Drury train station and public transport interchange:** The rail corridor at this location meets design requirements for passenger train stations, including gradient and curvature. Integrating the train station and interchange with the existing Drury township, proposed Metropolitan centre and/or residential activity achieves the objectives of the Auckland Plan and Unitary Plan for centres and integrated land use and transportation planning.
- **Visibility:** The land has a high degree of visibility from the motorway so will attract customers from a wide catchment, something that is not possible at Papakura.
- **No fundamental environmental or natural hazard constraints:** Most of the subject land is elevated above the 1 in 100 year flood plain and therefore not subject to the significant flooding issues experienced elsewhere in the Drury-Opaheke area. Initial investigations on geotechnical, ecological, visual landscape, transmission corridors, heritage and archaeology have not identified any constraints to achieving feasible urban development of the subject land from 2018. As with any greenfields area, further investigation and analysis will be undertaken in the structure planning process.

The land held by Kiwi sits adjacent to Great South Rd and adjacent to the interchange with State Highway 1, and therefore has the characteristics identified above. It is also adjacent to the rail line, meaning that overall accessibility is good from both sides of the motorway. Additional analysis undertaken by Kiwi demonstrates that the site would be highly accessible by all modes of transport. In particular, a rail station and supporting infrastructure can feasibly be located within the centre, and options exist to establish a supporting frequent public transport network that connects with the station and the centre. In addition, proposed linkages directly from the motorway and potentially a new bridge connection to the west at Pitt Rd will ensure good access from the north and west.

The Kiwi land is at the centre of a large area of FUZ land that is anticipated for urban development in the relatively short term. Immediately to the south of the site, Stevenson is developing a large industrial estate that has the capacity to accommodate 3-4,000 workers. This development will also contain an area of SHA and accommodate over 1,000 dwellings (in total). Fulton Hogan's land holding is to the east of the Kiwi site and is expected to be developed for residential purposes. Auranga/MADE's land to the west of the Southern Motorway is also expected to be developed primarily for residential purposes, with supporting education and employment activities and a supporting retail network. These are additional demand factors that support the development of a significant retail and service centre at Drury.



Drury is well placed to provide households from Pukekohe and Waiuku with Metropolitan centre level goods and services, as it is closer than Manukau City, where most of those high level services are currently provided for those rural townships, given that Papakura is not on any major thoroughfare and does not in practice deliver Metropolitan services to the area.

Finally, the Drury site is owned by Kiwi Property which is a major developer of commercial property and town centres. Kiwi has the expertise and experience to maximise the potential of the site. Developing in a well-managed way will ensure that adverse impacts can be mitigated and that the development outcome can be better understood from the outset – rather than allowing an ad-hoc approach that could lead to sub-optimal structure across the Southern sector.

As described below (Section 6), potential impacts on Papakura will be low. Currently there is a significant amount of leakage from the catchment, especially in comparison retail shopping. By simply capturing a portion of that leakage, a large centre at Drury will be able to be successful, while limiting impacts on Papakura centre.

## 2.5 Development requirements

While the rest of this report highlights the scale of the opportunity, and the resulting centre development path, it is important that decision makers recognise the long-term requirements of this catchment and ensure that sufficient land is zoned for centre purposes such that in the long run, once the FUZ in the vicinity of Drury and between Papakura and Pukekohe is built out, there is enough land zoned for centre purposes to meet the needs of residents and businesses in an efficient manner.

If Drury is to become a Metropolitan centre in the long-term then sufficient land needs to be set aside for that purpose. Clearly, the full range and extent of Metropolitan centre functions will not establish immediately, and the centre may initially be of a scale and nature more akin to a Town centre than a Metropolitan centre. While this is desirable in the short term, as it will avoid any significant impacts on the established centres, it is essential to ensure that there is capacity for the centre to develop so that it fulfils the strategic role identified for it in the long term, i.e. as a Metropolitan centre.

It is also desirable that the development at Drury is given planning primacy over other commercial and centre developments in the FUZ area during the development phase. As noted earlier, a Metropolitan centre will not develop immediately at Drury and in practice is likely to be staged over time and to pass through its Local and Town centre functions before reaching its Metropolitan centre function. To this end, it will be desirable that the other centres that will be required to ensure all household needs are met in an efficient manner in the FUZ, are not developed at the same rate as the Drury Metropolitan centre, as this would lead to market confusion and may ultimately reduce the level of amenity and functionality provided by the Drury Metropolitan centre at any given time.

Put another way, if lower order centres are allowed to develop ahead of the Drury Metropolitan centre, that may delay the rate at which the Metropolitan centre is able to develop and hence compromise its convenience and functionality for the public.

A pragmatic solution to this issue is to develop the supporting centres in a staged manner. In this way, an appropriate amount of land can be zoned for each centre to ensure its long-term availability ahead of need



to protect it, but a condition placed on the land that stages development in line with either timeframes or growth triggers – in other words through household growth numbers. As it currently stands, the timings that are likely to result from the available capacity to build and recent house build performance, may see no need for a Local centre in Drury West until Decade 2 (or sometime between 2028 and 2038).

While this is not a matter that is being addressed through Kiwi Property's private plan change request, it will need to be considered in the context of any plan changes that provide for urbanisation of other land at Drury. If these types of controls and measures are put in place, there will be confidence that the Drury Metropolitan centre will have the potential to grow and provide its Metropolitan centre function over time, whilst ensuring that the lower order centres are also able to develop at an appropriate rate.

## 3 Planning Framework

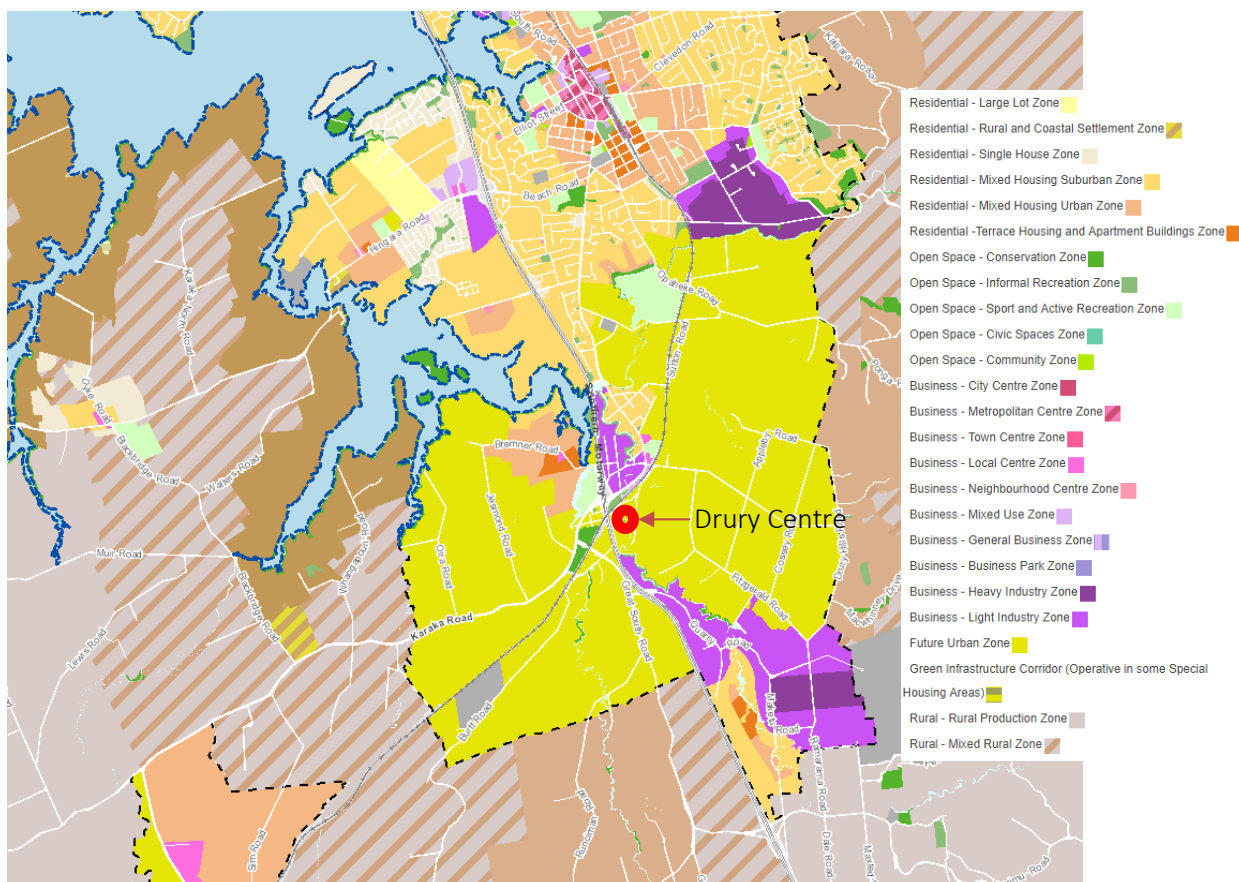
The Auckland Unitary Plan (AUP) identified areas of Future Urban development designed to cater for Auckland expansion needs over the next 30 years. These areas are termed Future Urban Zones (FUZ) to reflect their current non-urban Status, and future role as urban areas. In August 2019, Council released a Structure Plan laying out its strategic direction for the transformation of the FUZ into a desirable urban place.

Kiwi's Drury Centre development is sited to anchor future urban development in the south. In this section the planning framework against which the Drury Metropolitan centre will be assessed, is discussed.

### 3.1 AUP zoning

Figure 3.1 shows the large area of FUZ in Drury and Opaheke, as well as operative AUP zoning, and proximity of the FUZ to the established urban area.

Figure 3.1: Southern Auckland operative AUP zoning, as at July 2017





## 3.2 FULSS and Structure Plan

The Future Urban Land Supply Strategy (2017) (“FULSS”) sets out the order in which FUZ land in Auckland is expected to be made available for development over the next 30 years, and provided estimates of dwelling capacity in the FUZ, based on land areas available for residential and an assumed mix of dwelling typologies. In 2018 the Drury Developers Group (i.e. Kiwi, Fulton Hogan, Stevenson and Karaka Drury Limited) prepared a draft Drury Structure Plan that represented the negotiated positions of the four developers with significant landholdings in the Structure Plan area. The plan was developed with input from a range of specialist consultants. Subsequently, Auckland Council released its Structure Plan (Dated August 2019) outlining its thinking as to how the area is to develop. The Auckland Council Structure Plan differs from the developers’ draft plan, in a number of important respects including the proposed land use pattern and staging. The Drury East developers have now submitted Plan Change requests to guide future development. The Plan Change requests bring forward the release of land and promote a land use pattern that differs slightly from the land use pattern proposed in the Drury-Opaheke Structure Plan.

The Auckland Council Structure Plan proposes a centre at the eastern side of the southern motorway with an intended function as the **main centre** to serve the wider catchment. A smaller, complementary centre is proposed to the west of the southern motorway. Secondary, local and neighbourhood centres within residential communities are proposed to provide day-to-day amenities within walking distance of the growth areas. The Structure Plan provides an indication of the location and distribution of centres – rather than being definitive as to their size and exact location.

Kiwi and the other land owners were engaged early and effectively kick started the Structure Plan process. Collectively they submitted a Draft Structure Plan that took regard of the collective developer aspirations and a range of environmental and infrastructure considerations.

The proposed Drury Structure Plan also puts forward alternative timings (to the FULSS) for commencement of development throughout the broader FUZ land. These are summarised in Figure 3.3, below.

The Council’s Structure Plan (released August 2018), notes that the FULSS sets out a proposed sequencing of future urban areas, and that the Auckland Unitary Plan requires that a staging plan be developed as part of a structure plan. However, it is noted that the Drury-Opaheke Structure Plan does not do this. Instead it states that “*work is ongoing to develop a staging plan*”.

Kiwi’s proposed Structure Plan - based on the aspirations and plans of land owners to the east of the motorway, has adopted the updated dwelling projection figures relied upon in the Auckland Council Structure Plan and in the traffic modelling<sup>5</sup> the updated figures are applied in this assessment. The capacities now anticipated are 10,590 dwellings in Drury east of the motorway, 14,950 in Drury west of the motorway, and a further 750 to 900 in Drury South; being a total of 26,440 dwellings in the FUZ and current live zoned areas in Drury (Figure 3.3). The areas referred to are shown in Figure 3.4. The ‘development ready’ timeframes refer to when land within the area would be live zoned.

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<sup>5</sup> Stantec (Traffic and Transport Engineers) traffic model and land use assumption set

We also note that these figures are slightly higher than those contained within Council's Structure Plan. In Table 1 of that report (replicated in Figure 3.2 below) they estimate around 22,000 houses across the structure plan area housing around 60,000 people and providing around 12,000 jobs.

Figure 3.2: Auckland Council Structure Plan: Indicative Statistics for Drury-Opaheke Structure Plan area

	Net Developable land area Ha	Estimated houses	Estimated population	Estimated jobs
Residential	624	21,600	59,000	3,700
Centre	49	400	1,000	4,500
Industry/Business	150	0	0	3,800
Totals	823	22,000	60,000	12,000

Figure 3.3: Drury FUZ dwelling capacity

Location	Development ready	Dwelling capacity
Drury East	Decade 1	3,213
Drury East	Decade 2	2,280
Drury East	Decade 3	5,092
Total Drury East		10,585
Drury West	Decade 1	1,482
Drury West	Decade 2	4,446
Drury West	Decade 3	9,018
Total Drury West		14,946
Drury South	Total	909
Total Drury FUZ		26,440

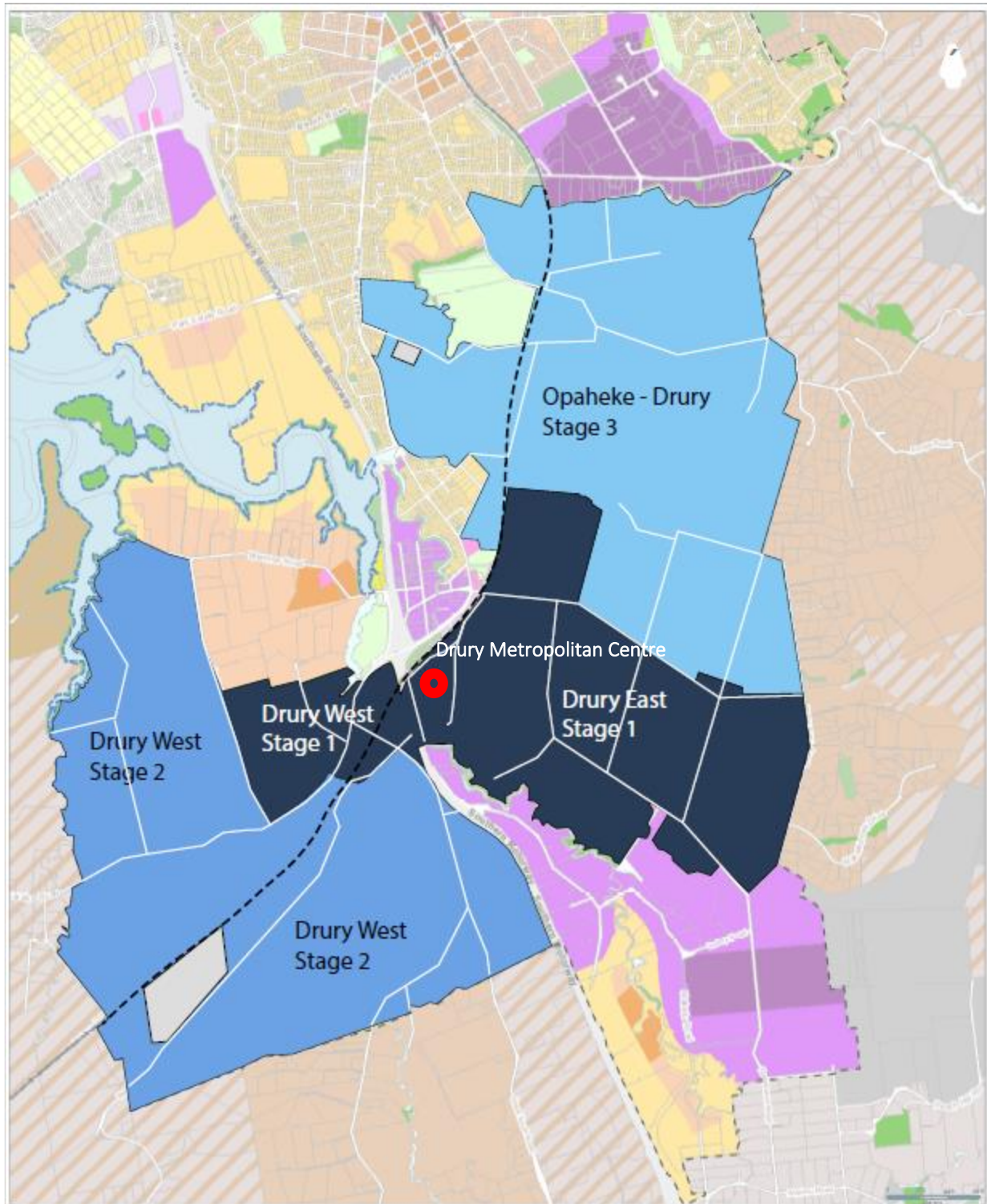
The land-owners' capacities are now somewhat higher than was anticipated by the 2017 refresh of the FULSS, due mainly to an assumed increase in the proportion of higher density dwellings.

Those capacity estimates are the ultimate dwelling yield that might be expected in each area, and do not indicate when dwellings will be constructed, and occupied. To inform centre land requirements for this assessment, the 'development ready' timings indicated have been translated to a dwelling completion profile, based on an assumed development timing profile which spreads development over a period of 10-15 years subsequent to the time when land becomes development ready. In practice it will be many years after land becomes development ready before each of the areas is fully developed, with the development rate being influenced by market attractiveness, the owners/developers' willingness to develop and underlying, regional growth trends.

Kiwi and associated land-owners are keen to work with Auckland council to reach an appropriate staging plan for the area that aligns with appropriate infrastructure investment and timings and to ensure that the various centres are able to establish efficiently to effectively deliver amenity to the overall area.



Figure 3.4: Drury East Developers Proposed Future urban area sequencing



The Kiwi submission points to the fact that, development could, under the conditions informing the Structure Plan preparation, proceed earlier than the FULSS anticipated if suitable infrastructure can be provided. Kiwi and the eastern land holders are pursuing options for earlier development of their land – as laid out in Figure 3.4 above, which is reflected in the development timeframes applied in this centres’ assessment.

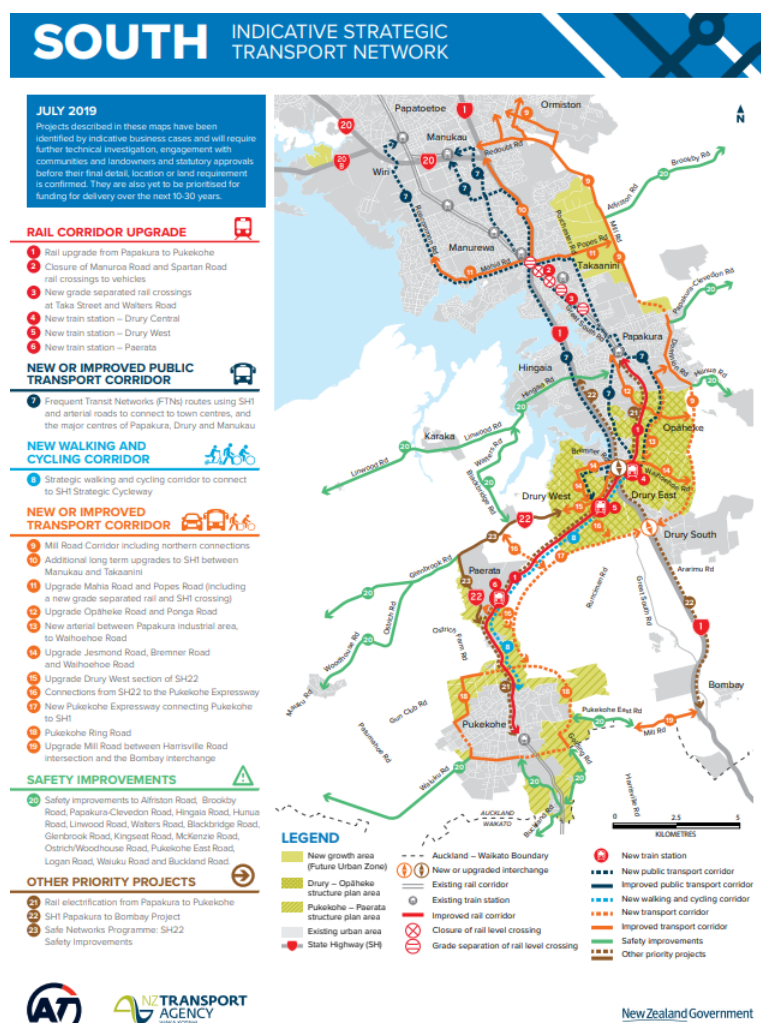
As discussed further in Section 3.4 below, it is anticipated that the Development Ready timings for Drury West and Drury/Opaheke will be updated through either the structure plan process, or established via private plan changes. The timeframes sought by the developers through the structure plan process are shown in Figure 3.3 above.

## 3.3 Transport planning

### 3.3.1 Supporting Growth Programme

Some indication of possible future layouts of the FUZ are provided in the Supporting Growth project (Figure 3.5). These layouts are indicative only but provide some context to assist in understanding the possible future urban form of the area around the Drury FUZ. While only indicative, these documents recognise the need for a number of centres to meet the needs of the Drury FUZ, and whilst not located appropriately, show a need for centres to have strong access and be multi-modal in allowing ease of access.

Figure 3.5: Supporting Growth FUZ potential land uses<sup>6</sup>



<sup>6</sup> <https://www.supportinggrowth.govt.nz/assets/2019-Launch-Website/c1c1831b2e/Indicative-Network-2019-Maps-South.pdf>



### 3.3.2 ATAP

In April 2018, Auckland Council and the government jointly announced an updated Auckland Transport Alignment Project which sets out the priorities for transport infrastructure agreement in Auckland. Projects of relevance to the Drury area include:

- Pukekohe electrification, third main Westfield-Wiri and further new electric trains
- Papakura-Drury motorway widening; and
- Mill Road, including construction of the new Drury South interchange.

The net result of this additional investment is that the Drury area is becoming more accessible to the rest of the Auckland region and beyond.

Figure 3.6: Auckland Transport Alignment Strategic Road Network Improvements, April 2018



Figure 3.7: Auckland Transport Alignment Rapid Transit Improvements, April 2018





## 4 Assessment approach

In order to determine the likely demand for centre space across the southern FUZ by time, we have translated future growth in households and businesses into retail and commercial space and land. This is then distributed between centres to meet the Local, Town centre and broader Metropolitan centre needs arising from the FUZ and from across the wider southern catchments of Auckland.

### 4.1 Approach overview

As noted in section 2.5 above, once a decision has been made as to the location of centres within the hierarchy, it is critical that sufficient land be set aside to enable each of those centres to develop in the future. There will need to be constraints on the extent to which the lower order centres can grow in the interim, to ensure that the initial patterns of development do not compromise the overriding strategic goal of an appropriate distribution and scale of centres, within the hierarchy.


The focus of this report is on the retail demand likely to be directed to the Kiwi Metropolitan Centre in Drury. Once that is understood, it is possible to make informed decisions about the amount of space required to meet those needs and therefore the amount of land that needs to be zoned. The scale of demand directed to the Metropolitan centre is a function of growth, competition and the strategic positioning of the Kiwi centre within the hierarchy of centres.

Metropolitan centres sell most of the things the lower order centres do, plus higher order goods, thereby capturing a higher share of household demand, and reaching across a wider catchment. In the long term, it is anticipated that the Drury Metropolitan Centre will need a similar area of land set aside for the core Metropolitan centre zone (along with supporting zones such as General Business and Mixed Use) as has occurred at locations such as Westgate. The following analysis takes a more fine-grained view based on the anticipated catchment.

For the purposes of this report, centres space includes the activities listed in the commerce group in the Auckland Unitary Plan's (AUP) activity table (broadly retail, commercial services and offices). There are a number of other activities that are permitted in centres, and allowance is also made for those in the assessment.

Retail and other space required to meet growth demands in and around the Southern FUZ has been estimated as follows:

- Identify the location, role and range of activities located in all current and planned future retail centres in the area.
- Using this understanding of centres, and considerations of proximity and natural barriers, identify the spatial extent of the Drury centres' catchments. This takes into account the centres hierarchy, and therefore the roles and likely catchments of each centre. The Drury centre as a Metropolitan centre will also act as a Town centre, a Local



centre and a Neighbourhood centre for residents that live in close proximity. This means that its full catchment is an overlay of each catchment type

- The extent of the catchment will differ between each centre type as follows:
  - The Neighbourhood and Local centre functions of the centre will be quite tightly confined geographically and these catchments will be influenced by the locations chosen for the neighbouring Neighbourhood and Local centres.
  - Catchment extent and shape for the Town centre function is determined with reference to the Papakura centre to the north and the Pukekohe centre to the south-west.
  - Once the centre reaches Metropolitan centre functionality, it will have a wider metropolitan centre catchment overlay. This will be constrained in the north by the location of the Manukau Centre and, will fade away into the south outside the Auckland region. The next large centre to the south is The Base development in Te Rapa, so there is potential that Drury will capture some high-level retail trade from households that potentially, live up to half-way between Auckland and Hamilton. While this may be the case, as the development process proceeds, primary research will need to be undertaken to establish the extent of trade that could be drawn from these more distant markets. The assessment in this report assumes very little penetration into that southern area, and so is not at all reliant on attracting trade from there to support space in Drury.
- A stylised map of the overlaying catchments is presented in Figure 4.1.
- Once the catchments have been established, quantify the total demand (in dollar terms) resident in each catchment now and in the future, to 2048. This process uses M.E's 'Market Meter', a proprietary retail model which quantifies retail demand by retail store-type and to a detailed spatial resolution (section 4.2)
- Then translate that demand (in dollar terms) into a floorspace equivalent (current and projected), using sales productivity data (\$ sales/m<sup>2</sup> gross floor area or GFA) from M.E's 'Auckland Spatial Economy Model' ('SEM', as described in 4.3)
- Assess the share of locally resident floorspace demand that would be served locally, as opposed to that which will be served in all other locations. These shares are dependent on the type of centre built. A Metropolitan centre will attract a higher share of total retail demand than a Town centre built on the same location, a Town centre more than a Local centre and so on.
- Drury sits in a broader supply environment, therefore not all of the spend resident locally would be spent in Drury's retail areas. This assessment takes into account the expected development of the FUZ and surrounding areas, and makes provision for a changing retail and commercial role over time as the area grows.

- Translate floorspace demand likely to be focused on the Drury Metropolitan centre into the land area required to provide that quantum of floorspace in each year.
- Distribute locally sustained floorspace across the multiple centres that exist both now and in the future to provide for the community's needs.

## 4.2 Market Meter

Demand projections used in this assessment have been sourced from M.E's 'Market Meter' tool. Market Meter is a proprietary tool that synthesises all of M.E's retail demand data in a single dataset, providing market demand estimates and projections for 42 retail store-types at a meshblock level, and accounts for all retail spending by households, businesses and international and domestic tourists. Household spending is divided into components of total spending power from home and from work.


Retail demand in Market Meter is calculated based on:

- The number of consumers (households, businesses, workers and tourists) resident in each location. This data comes from Census 2013 and SNZ household projections (for households). While residential consumers are by far the most dominant component of total demand, it is important that the other components are also included in the assessment.
- Meshblocks' socio-demographic composition. This socio-demography applies 210 segments defined by age (six segments), household composition (seven segments) and income (five segments), from Census 2013 data.
- The spending power of each consumer segment (households and non-household consumers). The spending power of each segment is sourced from customised output from Statistic's NZ's (SNZ) Household Economic Survey, and calibrated at a national level to total retail spending identified in SNZ's Retail Trade Survey.
- Economic prospects and expected short to medium term spending trends (such as an increase in spending per household). These trends are based on a range of macroeconomic indicators and consensus forecasts of the economic outlook, and drive spend projections.

The output used in this assessment is a meshblock level dataset of total retail demand arising from each meshblock in Auckland from the base year (2017) and then in future census years out to a 2048 horizon.

## 4.3 Auckland Spatial Economic Model

M.E's Auckland Spatial Economy Model (**SEM**) is a model of Auckland's retail centres and non-centre retail areas. It quantifies the range of activities as well as sales and floorspace in centres and non-centre areas, thereby establishing the supply of retail in Auckland. The Model is structured around Auckland's centre hierarchy and is consistent with the Auckland Unitary Plan:

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- **The Auckland CBD:** is Auckland's regional centre, and the largest centre in the Model. In the SEM the CBD is divided into multiple precincts, allowing distinction between the spatial Core and Fringe areas. For the purposes of this study the precinct distinction is not important, and the Core and Fringe have been presented as aggregate areas.
  - **Metropolitan centres:** These are the 10 Metropolitan centres identified in the Unitary Plan, they are the largest centres outside the Auckland CBD. The nearest one to Drury is Papakura. We note that Papakura is significantly compromised as a Metropolitan Centre as physical constraints and fractured ownership patterns have limited Papakura's ability to deliver Metropolitan Centre services to the southern community. Put simply, Papakura does not currently provide a Metropolitan Centre service to its natural catchment. Currently it is the smallest of the 10 Metro Centres and has no real expansion path. With significant growth planned in the South, it is opportune to explore the potential Drury offers to provide the southern Metropolitan Centre function that Papakura has failed to provide in practice.
  - **Town centres:** There are 43 of these identified in the Unitary Plan. They are the suburban centres which serve catchments of around 10-20,000 households each, although there is a large variation in size and range of stores. Town centres are typically located on main arterial roads and the zoning provides for a wide range of activities. A number of these are larger than Papakura – offering more employment and a greater retail offering.
  - **Local centres:** There are 73 of these in the Unitary Plan, serving catchments of around 5-15,000 households, again with a large variation in size. Local centres typically exist to supply the local convenience needs of surrounding residential areas, including local retail, offices, food and beverage, and smaller-scale supermarkets.
  - **Neighbourhood centres,** of which there are around 200 in Auckland: They are much smaller serving catchments typically of fewer than 2,500 households. They typically consist of small blocks of shops which provide residents and passers-by with daily retail and commercial service needs.
  - **Satellite centres and rural towns and villages:** These are centres that lie outside the rural urban boundary (RUB).

A centre high in the hierarchy fulfils a high-level role, but also all of the lower centre roles as well. So, consumers living in or very near the CBD can, in the CBD, satisfy their demand for the types of goods and services that are also found in town, local and neighbourhood centres. This effectively means that the CBD can be thought of as having different catchments for each of these roles. This distinction is incorporated into the assessment that follows.

The non-centres in the SEM include retail destinations (especially large format centres such as Constellation Drive), arterial strips (e.g. Southgate), business and office parks, areas of light and heavy industry, and special activity areas (such as marinas, airports, universities and hospitals). Residential and rural areas fall outside the centre and business area typology and are classified as non-economic areas (for the purposes of this analysis).



Together centres and non-centre employment areas are the location for the vast majority of Auckland's economic activity, and almost all of the retail activity in the Region. The SEM structure then captures how and where Auckland retail demand is supplied, and to which types of centres and other areas Auckland consumers direct their demand.

The SEM quantifies total employment in each location, and from that applies productivity factors to derive estimates of total centre sales and gross floor area in each centre. These productivity estimates have been built up over long periods from our retail assessments throughout Auckland (and wider NZ). The SEM produces estimates of employment, sales and floorspace for each centre in Auckland, by storetype.

## 4.4 Centre types

Estimating the amount of local spending that is likely to be directed to the Drury Metropolitan centre involves assumptions about the number and type of centres that will exist in the area. At a high level this is relatively straight forward and is guided by average catchment dwelling counts from across all Auckland centres, per the Spatial Economy Model described above. For example, an immediate catchment of up to 28,000 households would indicatively support half an average Metropolitan centre, a Town centre, as well as 3 local centres and a number of smaller (neighbourhood) centres (up to 6 additional). However, in light of the strategic considerations described above, the most appropriate role for Kiwi's Drury centre is as the major Metropolitan centre in the South. This means that its influence will spread across a much wider area and draw spend from outside the immediate development catchment.

For example, by adding in the Papakura catchments and the catchments further west towards Glenbrook, in terms of their Metropolitan Centre demands, adds more than 25,000 households by 2038. This is easily large enough a catchment to support a Metropolitan centre because on average they serve around 45,000 households.


Within the Drury South FUZ, the size of centres can be assessed in light of the role each centre plays in support of the hierarchy or urban structure, the expected number of dwellings, and the geographic attributes of the catchment, such as distance to alternative centres.

It is important when planning for the Drury South FUZ that the location and scale of each centre is established in a descending hierarchy. This means that the Drury Metropolitan centre is the most important centre to establish and ensure is successful. Once the scale and timing of this centre is established, the other centres can be located and scaled accordingly. We anticipate a Town centre to the west, up to 3 local centres and a set of neighbourhood centres dotted across both sides of the motorway, in line with local residential development timings, and scale.

Broadly, there are three considerations when assessing what centre types are appropriate in the area;

- First, the scale of future demand growth,
- Second, the different roles that would be played by centres within Drury, and
- Third, the roles relative to other nearby centres.





The distribution of centres within the FUZ (outlined in section 7.1, below) will be driven by where the largest (Metropolitan) centre is located, and that Metropolitan centre location will be determined with reference to the other existing higher order centres outside the area, because there will only be room for one high order centre in Drury.

#### 4.4.1 Number of centres

In order to provide appropriately for the higher order needs of the southern development area, Drury needs to develop as a Metropolitan centre, especially as Papakura currently doesn't offer high order goods and services – and nor will it in future<sup>7</sup>. The new Metropolitan centre should be located in the middle of the FUZ at the confluence of the various transport routes – Southern Motorway, Great South Road and the Rail line. This maximises access by minimising distance and being logically located on the homeward journey when accessed from both the Southern Motorway and Great South Rd.

The future population of the FUZ area is projected to be distributed relatively evenly east versus west of the motorway, which indicates that it would be appropriate to have the major centre located centrally to this population. The other smaller centres meeting Town centre or Local centre needs should be appropriately located around the main centre, to provide efficient access to some centre space for residents across the area.


The Metropolitan Centre would support a majority of the civic and community facilities space required in the wider Drury catchment, and be the focal point for retail and commercial, and most community space in Drury. There is no basis for concluding that any more than one Metropolitan centre should be provided in the FUZ area between Papakura and Pukekohe. The development potential in that area could only support a single Metropolitan centre therefore providing for two large centres would erode the ability of either to provide the full range of functions and services anticipated in the Unitary Plan. In that regard:

- There are agglomeration benefits of having a preeminent centre in the area, because a wider range of businesses would be attracted to the area with a larger/smaller centre configuration than if there were two similarly sized centres (medium/medium configuration). Different sized centres attract different types of businesses, with more specialised businesses favouring larger centres due to the critical mass of consumers living, working and shopping, and smaller centres having more of a focus on convenient access to more frequently purchased goods and services. Two similar sized centres are likely to mean that neither reaches the critical mass to ensure higher level goods and services are able to be provided for the Drury FUZ. These would need to be sourced from elsewhere (most likely Manukau City Centre given the lack of provision in Papakura). This represents a significant travel cost.
- Accommodating a wider range of retail, commercial and community organisations would be beneficial to the community, because a larger share of consumer needs can be satisfied close to home. Providing two centres of a similar size would likely result in duplication of roles, and limit the degree to which local spend would be retained in

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<sup>7</sup> Refer to “Papakura Metropolitan Centre Household Sector Activity”, 16 September, 2019





Drury. That will be avoided if centres of different sizes are developed. A smaller (e.g. local or town) centre would serve a smaller catchment, with a more limited range of retail goods and services than the larger centre. The town/local centre would have a large proportion of space occupied by supermarkets and more frequently purchased goods, with smaller amounts of space for comparison retail such as clothing and furniture, professional services and civic amenities. The larger Metropolitan centre would have a broader range of retail offer, more office space and more floorspace overall.

In addition to the Metropolitan Centre, there will be a number of smaller, Local and Neighbourhood centres that would serve the convenience retail needs of smaller, neighbourhood catchments. The location and size of these would be determined with reference to the location of the Metropolitan centre and otherwise influenced by the distribution of the population, given they are intended to provide walkable access to their catchment, and they would be much smaller than the larger centre.

#### 4.4.2 Location of centres


Having established that an appropriate configuration of centres in Drury is one large Metropolitan centre, one town centre and a number of smaller Local and Neighbourhood centres, the next issue to address is where those centres should establish. The logical manner to approach this is to first set the position of the Metropolitan centre, and then to distribute others around it to complete the network of centres in the area.

The highest accessibility overall, for the greatest number of people is achieved by locating the largest centre in the middle of the catchment. In the case of Drury, this means the Kiwi land adjacent to Great South Rd next to the motorway off/on ramp and the railway line. Although there is not a lot of difference between areas in the immediate vicinity of the Drury SH1 interchange in terms of ability to accommodate a large centre, given their proximity to the various on and off ramps, there are several reasons that indicate that the large centre should locate centrally on the Kiwi site in the centre of the Structure Plan area. These are as addressed in section 2.4.

### 4.5 Growth projections

Household projections used in the assessment were sourced from Barkers and Associates (dated 1/7/2019). They are the result of Barkers assessing development yields that were being achieved in the area where development had begun, and through discussion with both the developers themselves and Stantec (Traffic and Transport Engineers). They effectively revise up (slightly) the numbers presented in the Auckland council Structure Plan.

Auckland Council's Regional level transport model (the 'ART model') produces a set of projections, which were adopted for this study, and the ART output used was "*Scenario I Modified, Version 11*". Those ART projections are used for the non-FUZ parts of the catchment, however in the FUZ, the ART model understates the likely quantum of growth, and so the Barker and Associate estimates have been applied to inform the ultimate number of households in the FUZ, and when they might form. There is uncertainty about that formation timing, given the relatively long time until the area becomes development ready. The important point is the ultimate capacity of the area, however, as that is what will be the key driver of



ultimate centre size. It is the ultimate centre size that needs to be planned for with respect to allocating and zoning land for the centre, and not some smaller version of the centre that will serve a smaller market in 10 or 20 years from now.

We note that there are potentially detailed local factors that will influence the number of houses that are finally delivered to market, meaning that the estimates relied on in this report may change once more is known about the different residential development areas – plus demand for local apartment and centre based living.

Council's ART Model growth projections have a 2046 horizon, and so the 2048 estimates presented in this report are extrapolated from the times series of ART projections. Some ART zones are projected to have reached capacity by 2046, in which case nil additional growth is applied for them to 2048. Details of the resulting growth projections are outlined in Section 5.1 below.

## 4.6 Storetype aggregations

Retail demand and supply data presented in this assessment is summarised to the following retail store or retail activity types:

- Food and liquor: supermarkets, butchers, fruit and vegetable stores, other specialised food retailers
- Comparison Small Format Retail: all apparel stores, plus a share (10%) of all Large Format Retail stores
- Department stores
- Hospitality: cafes, restaurants, takeaways, pubs, bars and taverns
- Large Format Retail: 90% of furniture, floor coverings, housewares, Manchester and other textiles, electrical and electronic, computers and sports and camping stores
- Automotive: vehicle sales, fuel retail and automotive services such as panelbeaters, mechanics etc.
- Household services: hairdressers, drycleaners, clothing alterations etc.
- Professional services: includes general practice, dental, physiotherapy, optometry, real estate, accounting and legal.

## 4.7 Catchments

To assess future land demand for business activity in Drury, the first step is to define catchments from which that demand will come. These catchments are defined with reference to:

- Likely centre type – i.e. a Metropolitan Centre located at Drury

- Competing supply. This includes other centres by type, and other areas with business zoned land.
- Topographic constraints, such as rivers, hills, coastlines.
- Roothing network.
- Population distribution both currently and into the future

In line with the assessment above in section 4.4, the Metropolitan centre would service the wider Drury area – in fact given its status as a Metropolitan centre, the Drury centre would attract people from a much wider area. This makes its location at the confluence of transport options and major routes very important as it ensures maximum visibility, a wide reach and that the maximum number of residents benefit from easy access to Metropolitan centre goods and services.

The smaller Local and neighbourhood centres would serve geographically constrained parts of that broader area. While the broader Drury area is bisected by State Highway 1, and there are relatively few crossing points over the motorway this is not expected to have much influence at all on shopping patterns. There may be some minor influence on consumer movements to access lower order retail goods and services<sup>8</sup>. Those constraints will only influence where the smaller centres locate.

Across Auckland, the major metropolitan centres sit immediately adjacent to major motorways (Manukau, Sylvia Park, New Market, Westgate, Albany). In all these cases the centres serve the metropolitan needs of households on both sides of the motorway with ease. There is very little evidence that the motorways cause these communities to view the Metropolitan Centre as being in another catchment due to being on the other side of the motorway. It is my belief that Drury Metropolitan Centre will operate the same way in its location, for its catchment.

The large Pukekohe centre will continue to serve as the service centre for much of rural Franklin, except the parts closer to Drury. The larger centres in urban Auckland (especially Manukau and Sylvia Park to the north and the smaller centres at Papakura and Southgate) will constrain where consumers come from to shop in Drury. However, the Metropolitan centre role the proposed Drury South centre will fill means that shoppers for higher order goods in rural Franklin will have less distance to travel to meet these needs, because they will be able to be met in Drury rather than in Manukau City centre – given Papakura really has not been able to provide for those higher order needs for some time, and nor will it in the future.

The study area includes the FULSS areas as well as the rural catchment immediately around the RUB. The assessment applies different market penetration rates to different parts of the catchment, based on proximity to other centres etc., so that areas closest to the centre will direct larger shares of their spending there. The catchment map below is a stylised representation of the way a Metropolitan centre at Drury would interact with the surrounding catchments. The overlays of different catchment extents highlights the manner in which the centre will compete with other centres in the area and how it meets the different levels of need for catchment households. In combination, the Metropolitan centre will have the highest market share as and penetrations in the main trade areas immediately surrounding the centre (i.e. in the FUZ). The Town centre catchment extends further towards Papakura and south towards Pukekohe.

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<sup>8</sup> ME note that additional crossing points are planned at the extension of Mill Rd and Pitt Rd at least.

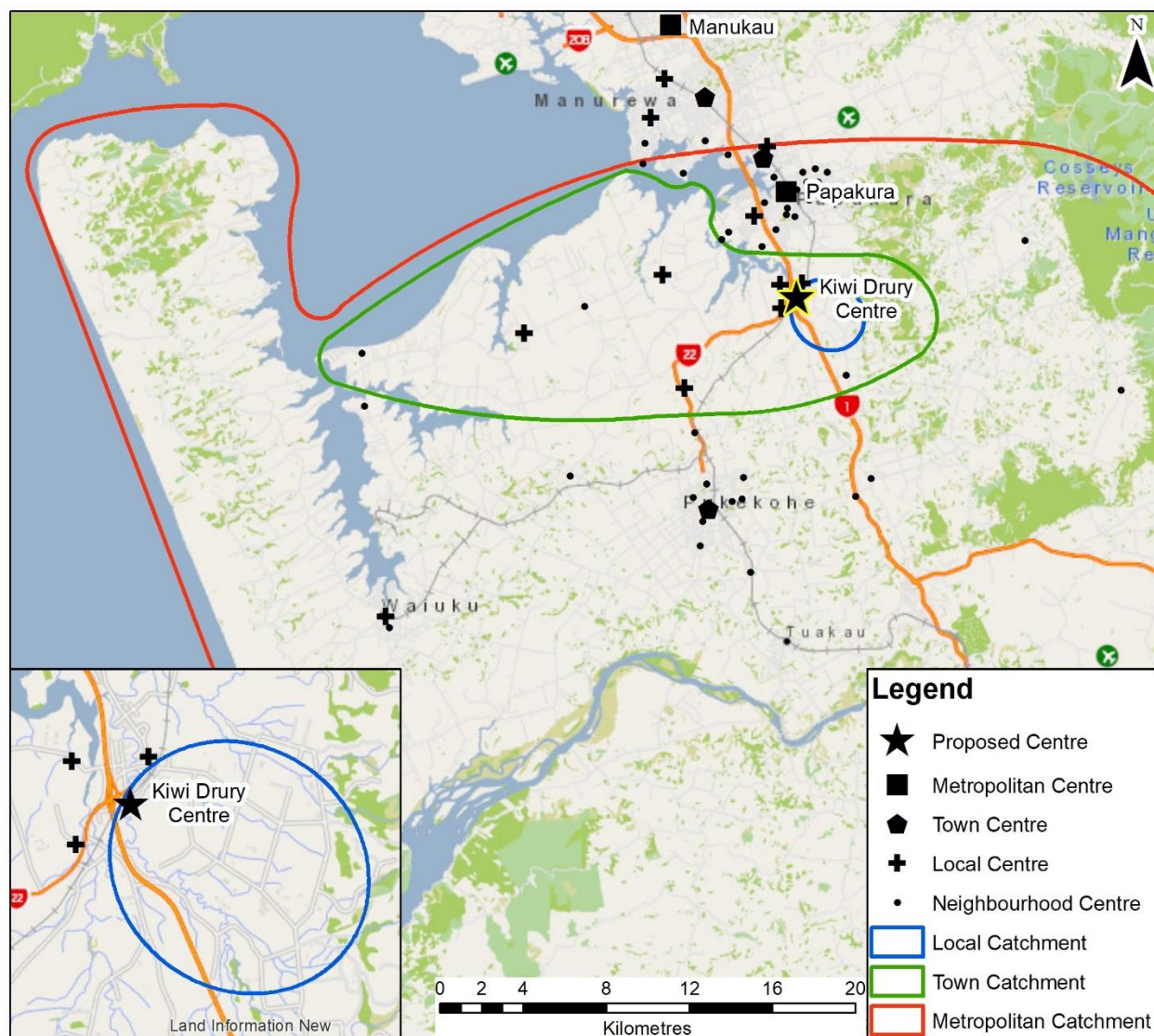


As per the discussion above in section 4.4, it is assumed that Papakura will not be capable of accommodating a Metropolitan centre role, therefore the Papakura catchment is included as a catchment from which the Drury Metropolitan centre would be expected to draw some custom. Penetration into that catchment would be lower than the main trade catchment as Drury will only be fulfilling a Metropolitan centre role for these households, given that Papakura will remain as a Town centre for much of the catchment.

Drury Metropolitan Centre will have a lower penetration into the large rural catchment to the west of Drury than in the main trade catchment, as Drury is likely to only fulfil a Metropolitan centre role for these households, while the Town centre role is likely to be met by the Drury West centre and Pukekohe. However, the natural traffic flows out of the area towards Auckland will direct households past Drury rather than Pukekohe, so we have modelled a slightly higher share of Metropolitan Centre spend capture from these areas than 50:50.

The southern extent of the Metropolitan centre catchment is an object of speculation at this stage. As mentioned above, there is potential for households up to half way to Hamilton to favour Drury over The Base at Te Rapa (the next closest Metropolitan-type centre), however that would depend on a large number of unknown factors including work patterns entrenched habits, perceptions and the final mix and offer at Drury. We believe that a small share of trade will come from these southern areas, however for planning purposes they are not significant and our assessment includes only minimal penetration into those catchments.

Figure 4.1: Drury study area and catchments





## 5 Future retail centre demand

This section provides an assessment of the demand for space in Drury. As discussed in the methodology section the focus of this assessment is to provide an estimate of future land requirements to cater for retail demand. Demand assessed in this section covers:

- All retail store types, including supermarkets, apparel, homewares, furniture and appliances etc.
- Hospitality, including cafes, restaurants, takeaways, bars etc.
- Automotive services and sales, including vehicles, fuel, repairs. These automotive services typically locate both in and outside centres, and for this assessment a portion is assumed to be sustainable in Drury. That portion is guided by the rate observed in centres across Auckland now, although a lower rate is applied given the availability of other zones (such as General Business and Light Industry) to accommodate those activities.
- Out of centre retail types, notably hardware and garden centres. The share that is captured locally is derived using the same rationale as for automotive, as described above.
- Household services, especially hairdressers, dry cleaning etc.

The structure of this section is to summarise total catchment size, quantify total spend generated and the equivalent floorspace required to support that spend, assess the proportion of that which might be retained locally, and to convert that into a land area required to accommodate the retail supply.

### 5.1 Household projections

While the FUZ area is projected to experience rapid population growth, and a very marked change from the current predominantly rural environment, the retail demand assessment also takes in demand arising from a broader catchment around the Drury FUZ, given the role the Drury Metropolitan centre will play in serving that broader catchment. For example, Drury Metropolitan Centre will fulfil a Metropolitan Centre role for households across the wider Franklin area, but may not fulfil a town, local or neighbourhood centre role for these areas (depending on proximity). This means that it competes for the Metropolitan Centre retail demand that arises from these households – not the entire retail demand that arises from them.

Different market penetration rates are applied to each of the sub-catchments, to reflect their relative proximity to Drury and alternative destinations.

Barker and Associates have provided M.E with a set of household projections and broad timings for the FUZ area immediately surrounding the proposed Drury centre (Figure 3.3 and Figure 3.4). Those FUZ capacity figures and development timings have been used as the basis for household growth projections to 2048 (Figure 5.1). The timing of household growth has been assumed to begin when the land becomes development ready, and is allocated to five year periods (corresponding to census periods) based on an



assumed build-out period, where total build out of each area takes at least 10, and in some cases for the larger areas up to 15 years. The ultimate household counts in each area (as at 2048) are not influenced by that assumed timing, which affects only the household counts in intervening years.

In total there were just over 1,100 households resident in the Drury catchment in 2016 when development began. This is projected to change rapidly once the land becomes development ready, and by 2048 the total FUZ area will have grown to accommodate almost 26,500 households. Note also that the terms Drury East and Drury West simply refer to the portions of the Drury FUZ that sit either side of the motorway – for all intents and purposes the Drury FUZ operates as one single catchment.

Figure 5.1: Drury FUZ Household Growth and Timing, 2016 - 2048

Scenario	2016	2018	2028	2038	2048	Growth 2016-48	
						n	%
Drury West	400	545	1,482	5,928	14,946	14,546	3637%
Drury East	600	1,213	3,213	5,493	10,585	9,985	1664%
Drury South	100	242	909	909	909	809	809%
Main Trade Area	1,100	2,000	5,604	12,330	26,440	25,340	2304%

All parts of the study area are projected to experience very rapid growth. The Drury West catchment is expected to increase by 14,550 households, and Drury East by 9,990, resulting in total FUZ Trade Area growth for Drury's centres of 25,340 by 2048, a twenty-three-fold increase over current levels.

## 5.2 Retail and services demand projections

Having established the direct growth in the main FUZ area of the trade catchment, in this section we focus on the **total catchment retail demand growth**. Note that (as discussed above) the total catchment area for Drury is made up of a series of overlaid catchments, with the Metropolitan catchment extending to the south and half way to Manukau in the north (i.e. a broader area than just the FUZ which forms the Drury centre's main trade area). The share of capture from this catchment to the south is likely to be low. In Figure 5.2, below total demand in these areas is portrayed.

It is estimated that households in the total Drury catchment generated about \$816m in retail spending in 2016. The strong household growth projected in the catchment will drive a similarly strong increase in total retail demand resident in the catchment, and this is projected to increase to \$2.7b by 2038, and \$4.1bn by 2048 (Figure 5.2). Note that this is the total spend resident in the catchment, and not the spend that would be directed to any single retail destination.

Figure 5.2: Drury Main Trade Area (MTA) retail demand (\$m)

	2016	2018	2028	2038	2048	Growth 2016-48	
						n	%
Food and Liquor	\$ 225	\$ 261	\$ 464	\$ 730	\$ 1,117	\$ 892	396%
Comparison SFR	\$ 104	\$ 120	\$ 215	\$ 339	\$ 518	\$ 414	399%
Department Stores	\$ 50	\$ 58	\$ 104	\$ 163	\$ 250	\$ 200	395%
Hospitality	\$ 101	\$ 117	\$ 209	\$ 329	\$ 503	\$ 402	396%
<b>Total Metro Centre Zone</b>	<b>\$ 481</b>	<b>\$ 557</b>	<b>\$ 992</b>	<b>\$ 1,561</b>	<b>\$ 2,388</b>	<b>\$ 1,907</b>	<b>397%</b>
LFR	\$ 140	\$ 162	\$ 289	\$ 456	\$ 697	\$ 557	397%
Automotive	\$ 194	\$ 225	\$ 402	\$ 635	\$ 969	\$ 775	399%
<b>Total General Business Zone</b>	<b>\$ 335</b>	<b>\$ 387</b>	<b>\$ 691</b>	<b>\$ 1,090</b>	<b>\$ 1,666</b>	<b>\$ 1,332</b>	<b>398%</b>
<b>Total Centre</b>	<b>\$ 816</b>	<b>\$ 944</b>	<b>\$ 1,683</b>	<b>\$ 2,652</b>	<b>\$ 4,055</b>	<b>\$ 3,239</b>	<b>397%</b>

## 5.3 Total sustainable floorspace projections

Retail spend that arises in the catchment supports retail and services floorspace in a wide range of centres – both internal to the FUZ and beyond. Currently, some of the spending will be directed to the larger centres in the southern part of Auckland (e.g. Manukau and Sylvia Park), some will travel to destination centres such as Southgate, some spend will be near consumers' workplaces (e.g. the Auckland CBD, Newmarket etc.), while other parts will be spent in smaller centres.

Demand that arises locally in the Drury centres' catchment (Figure 5.2) equates to around 116,200m<sup>2</sup> of retail and services gross floor area (GFA) in all locations (2016). Nearly two-thirds of that is supported by residents of the Papakura sub-catchment (78,300m<sup>2</sup>), although that proportion decreases over time with the more rapid growth in the FUZ areas, so that by 2048 more spend will be resident in the main FUZ zone around Drury than in Papakura.

Total catchment GFA supported in all locations is projected to increase to 377,400m<sup>2</sup> GFA by 2038 and 575,400m<sup>2</sup> by 2048 (Figure 5.3). That floorspace includes space for household and professional services (estimated from employment in those categories), for which sales turnover is not a meaningful metric.

Figure 5.3: Drury MTA centres floorspace supported in all locations (GFA, m<sup>2</sup>)

	2016	2018	2028	2038	2048	Growth 2016-48	
						n	%
Food and Liquor	17,800	20,500	36,600	57,600	87,900	70,100	394%
Comparison SFR	16,500	19,180	34,380	54,060	82,430	65,930	400%
Department Stores	12,300	14,200	25,300	39,700	61,000	48,700	396%
Hospitality	18,100	21,100	37,300	58,800	89,900	71,800	397%
Household Services	2,800	3,300	6,000	9,400	14,200	11,400	407%
Professional Services	18,100	20,900	36,900	57,600	86,800	68,700	380%
<b>Total Metro Centre Zone</b>	<b>85,600</b>	<b>99,180</b>	<b>176,480</b>	<b>277,160</b>	<b>422,230</b>	<b>336,630</b>	<b>393%</b>
LFR	18,700	21,520	38,920	61,440	94,070	75,370	403%
Automotive	11,900	13,800	24,500	38,800	59,100	47,200	397%
<b>Total General Business Zone</b>	<b>30,600</b>	<b>35,320</b>	<b>63,420</b>	<b>100,240</b>	<b>153,170</b>	<b>122,570</b>	<b>401%</b>
<b>Total Centre</b>	<b>116,200</b>	<b>134,500</b>	<b>239,900</b>	<b>377,400</b>	<b>575,400</b>	<b>459,200</b>	<b>395%</b>





## 5.4 Locally sustainable floorspace projections

Of the total floorspace supported in all locations by the households in the Drury catchments, a significant portion will be captured by businesses within the Drury FUZ area. Of spend resident in the Drury FUZ catchment, around 29% (averaged across core retail store types) is projected to be directed to the Drury Metropolitan centre. Given particular retail categories have higher shares of total trade occurring in LFR and other trading formats, combined with the fact that certain retail types have a much more local catchment (food in particular), these shares vary across retail store types.

Any smaller centre west of the motorway would have a lower rate of retention, given the smaller range of retail goods and services available there. In the rest of this report the largest centre in Drury is referred to as the Drury Metropolitan centre, and the next largest centre as the Drury West Local or town centre. The report assumes construction of the Drury West Local Centre near State Highway 22 (Karaka Rd).

Local retention around the Metropolitan centre is relatively high in the Auckland context because of the large distance to the nearest large source of comparison retail supply, given the fairly limited presence of same in Papakura. Local retention around the Drury West Local or Town Centre would be similar to comparable average Auckland centres and not higher, because the large Drury Metropolitan centre would provide a larger alternative retail destination for those living near the local centre. These two centres will play complementary roles in the southern Auckland retail hierarchy.

Spend retained in Drury will be spread across a range of locations, to provide access to a range of retail and services businesses for a large population. Retail supply would centre on what would start as a large Town (and ultimately become a Metropolitan) centre and supporting Local centres, as well as smaller Neighbourhood centres, and would form part of the broader network of established centres in the southern Auckland.

The share of spend that will be retained locally would be expected to increase significantly from current levels as the Drury population grows, more retail supply is provided in Drury, and a wider range of businesses allow residents to meet more of their needs locally without having to travel north to Papakura and centres in Manukau and the isthmus. Local retention assumed in this assessment is based on the eventual, higher level of retention that is achieved once Drury supply matures, and is consistent with how similar centres elsewhere in Auckland currently operate.

As the Drury catchment population increases in the future, sustainable floorspace supported in the Drury centres is expected to increase significantly. The large Drury Metropolitan centre would, assuming a degree of critical mass was present, be able to support 8,560m<sup>2</sup> of core retail floorspace now, although that would be mostly supported by consumers living in Papakura, and who now currently shop in centres to the north (or to a lesser extent locally). In future, a large retail development would be expected to change patterns of retail spend, and a larger share of currently leaking spend from Papakura south would be retained locally. In total, demand arising out of the surrounding catchments will be able to support and sustain 19,430m<sup>2</sup> of core retail GFA by 2028, 36,680m<sup>2</sup> in 2038, and approximately 68,710m<sup>2</sup> by 2048 in the Drury Metropolitan centre.

In addition, the large format retail area that is proposed to establish adjacent to the core retail centre will sustain LFR GFA of 2,840m<sup>2</sup> in 2018 rising to almost 19,190m<sup>2</sup> by 2048. On top of that LFR total is space

that would be used by the Automotive sector (500m<sup>2</sup> rising to 4,800m<sup>2</sup> by 2048). These estimates of supported GFA are based on capture of spend from consumers living within the Drury FUZ and the wider Franklin and Papakura catchments.

Currently the Drury West population would only support a retail centre of 800m<sup>2</sup>, although that will increase to 2,000m<sup>2</sup> by 2028, 5,930m<sup>2</sup> by 2038, and 14,450m<sup>2</sup> by 2048 (Figure 5.4). As discussed above, while it is important to zone enough land to cater for a full build-out, staging development of this Local Centre site and other Local centres is imperative to ensure the overall network of centres (and in particular the Metropolitan centre) develops effectively.

Figure 5.4 includes estimates of the large format retail space, which is likely to be required in the catchment, and for which the Local centre would be a suitable home. Because LFR tenancies are large, relatively few LFR tenancies require a large amount of space. For example, many LFR stores (remembering that department stores are provided as a separate category) are over 1,500m<sup>2</sup>. The projections exclude large hardware stores (such as Mitre 10 Mega and Bunnings), which can occupy tenancies of up to 10,000m<sup>2</sup> GFA, on sites of 2-3ha. Those activities frequently establish in the Light Industry zone in Auckland, and so additional provision would need to be made for those type of space extensive trade retail activities elsewhere in Drury.

Figure 5.4: Sustainable floorspace in Drury's Metropolitan Centre and west local centre (GFA, m<sup>2</sup>)

	2016	2018	2028	2038	2048	2018 - 2048 sqm	%
<b>Drury Metropolitan Centre</b>							
Food and Liquor	900	1,300	3,400	6,600	13,000	11,700	1300%
Comparison SFR	1,920	2,460	5,630	10,880	20,410	17,950	935%
Department Stores	1,200	1,500	3,600	7,200	14,300	12,800	1067%
Hospitality	1,200	1,500	3,200	5,700	10,100	8,600	717%
Household Services	200	300	600	1,100	2,000	1,700	850%
Professional Services	1,200	1,500	3,000	5,200	8,900	7,400	617%
<b>Total Metro Centre Zone</b>	<b>6,620</b>	<b>8,560</b>	<b>19,430</b>	<b>36,680</b>	<b>68,710</b>	<b>60,150</b>	<b>909%</b>
LFR	2,380	2,840	5,870	10,920	19,190	16,350	687%
Automotive	500	600	1,300	2,500	4,800	4,200	840%
<b>Total General Business Zone</b>	<b>2,880</b>	<b>3,440</b>	<b>7,170</b>	<b>13,420</b>	<b>23,990</b>	<b>20,550</b>	<b>714%</b>
<b>Total Centre</b>	<b>9,500</b>	<b>12,000</b>	<b>26,600</b>	<b>50,100</b>	<b>92,700</b>	<b>80,700</b>	<b>849%</b>
<b>Drury Local Centre (West)</b>							
Food and Liquor	200	300	800	2,700	7,000	6,700	3350%
Comparison SFR	-	100	200	730	1,950	1,850	0%
Department Stores	100	100	200	500	1,100	1,000	1000%
Hospitality	100	100	300	1,000	2,600	2,500	2500%
Household Services	-	-	100	200	300	300	0%
Professional Services	200	200	400	800	1,500	1,300	650%
<b>Total Local Centre Zone</b>	<b>600</b>	<b>800</b>	<b>2,000</b>	<b>5,930</b>	<b>14,450</b>	<b>13,650</b>	<b>2275%</b>
LFR	-	-	100	470	1,050	1,050	0%
Automotive	100	100	100	300	500	400	400%
<b>Total General Business Zone</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>770</b>	<b>1,550</b>	<b>1,450</b>	<b>1450%</b>
<b>Total Centre</b>	<b>700</b>	<b>900</b>	<b>2,200</b>	<b>6,700</b>	<b>16,000</b>	<b>15,100</b>	<b>2157%</b>

In addition to retail supply in the Metropolitan and Local centre, a small amount of retail supply would be supported in Drury's small neighbourhood centres, to provide for efficient access to frequently visited

stores such as dairies, bakeries, takeaways outlets and other convenience retail. The quantum of space sustainable in those smaller centres would be much less than the two largest centres, and by 2048 would amount to around 3,000m<sup>2</sup> in neighbourhood centres to the west of the motorway, 2,200m<sup>2</sup> in centres to the east, and just over 700m<sup>2</sup> in Drury South (Figure 5.5).

These neighbourhood centres are small retail centres of 500-2,000m<sup>2</sup> each, and so indicatively there might be between two and four such centres on each side of the motorway, depending on topography, proximity to residential areas, and access to roading links.

Figure 5.5: Sustainable floorspace in Drury's neighbourhood centres (GFA, m<sup>2</sup>)

	2016	2018	2028	2038	2048	Growth 2016-48	
						n	%
Drury West	60	90	270	1,140	3,100	3,040	5067%
Drury East	140	210	590	1,130	2,330	2,190	1564%
Drury South	50	110	470	610	740	690	1380%
<b>Total</b>	<b>250</b>	<b>410</b>	<b>1,330</b>	<b>2,880</b>	<b>6,170</b>	<b>5,920</b>	<b>2368%</b>

*Note: The amount of sustainable space in Drury South is dependent on final household numbers and potential location of large format supermarkets in the Drury East area.*

Although the catchments include large rural areas, no retail provision is likely to be required in those areas to accommodate their growing population, because that is inappropriate from an urban form point of view, and the dispersed nature of dwellings there makes it difficult to provide efficient access to retail supply, which is more suited to locating in centres in the (still relatively close) urban area.

## 5.5 Centre land requirements summary

In summary, the floorspace and land area needed to support the local needs of the population as projected are shown in Figure 5.6. Total floorspace required for the Drury Metropolitan Centre zone is estimated to be 19,400m<sup>2</sup> by 2028, 36,700m<sup>2</sup> by 2038 and 68,700m<sup>2</sup> by 2048 (Figure 5.6). A further amount will be required for a Large Format Retail area within the centre zoning to accommodate associated retail and services activities, especially LFR and Automotive, and that GBZ would accommodate up to 24,000m<sup>2</sup> of GFA by 2048. It is important to note that the manner in which large retail centres are developed may not follow exactly the growth within a catchment. The need to build to a certain scale in a staged manner means that development is likely to move ahead of retail demand growth.

The smaller Drury West Local Centre could sustain 2,000m<sup>2</sup> in 2028 rising to 5,900m<sup>2</sup> by 2038 and 14,500m<sup>2</sup> by 2048. That centre would likely accommodate all activities within a single zone, although the configuration of that space is beyond the scope of this assessment.

Figure 5.6: Drury sustainable centre floorspace (m<sup>2</sup>)

Retail Type	2028	2038	2048	2028	2038	2048
	<b>Drury Metro centre</b>			<b>Drury Local Centre (West)</b>		
Food and Liquor	3,400	6,600	13,000	800	2,700	7,000
Comparison SFR	5,600	10,900	20,400	200	700	2,000
Department Stores	3,600	7,200	14,300	200	500	1,100
Hospitality	3,200	5,700	10,100	300	1,000	2,600
Household Services	600	1,100	2,000	100	200	300
Professional Services	3,000	5,200	8,900	400	800	1,500
<b>Total Centre Zone</b>	<b>19,400</b>	<b>36,700</b>	<b>68,700</b>	<b>2,000</b>	<b>5,900</b>	<b>14,500</b>
LFR	5,900	10,900	19,200	100	500	1,100
Automotive	1,300	2,500	4,800	100	300	500
<b>Total General Business Zone</b>	<b>7,200</b>	<b>13,400</b>	<b>24,000</b>	<b>200</b>	<b>800</b>	<b>1,600</b>
<b>Total Centre</b>	<b>26,600</b>	<b>50,100</b>	<b>92,700</b>	<b>2,200</b>	<b>6,700</b>	<b>16,000</b>


That floorspace requires a certain amount of land to accommodate it, and that land area is important for the current stage of the planning process which is investigating land provision for centres. For the purposes of this assessment two different development intensities have been used: a lower density scenario and a higher density scenario. The scenarios apply different assumed floor area ratios<sup>9</sup> to each zone within the centres, to reflect the different intensity of each zone in Auckland now, as follows:

- The Drury Metropolitan centre would initially be developed to a FAR of 0.40-0.50 (2018), increasing over time to 0.50-0.65 by 2048 (note that this is for retail activities only. Other centre activities are far higher – meaning the centres FAR overall will be far higher than these values. The higher FAR makes allowance for multi-level development (mostly non retail in upper levels, but retail on the ground).
- Other locations (Drury West Local Centre, the Metropolitan centre's LFR area and Drury South) are assumed to maintain a constant FAR over time, consistent with similar business zones across Auckland. The FAR applied for those locations was 0.35-0.45. It is therefore indicative of the development intensity seen in the sort of retail and commercial developments that might eventuate in Drury. The FAR range reflects a generally single level development, with allowance for some multi-level development.

Figure 5.7: Drury centres land areas required (ha) to accommodate GFA in Figure 5.6

	2028	2038	2048	2028	2038	2048
	<b>Drury Metro centre</b>			<b>Drury Local Centre (West)</b>		
Core Centre Zone	3.5 - 4.3	5.6 - 7.3	10.6 - 13.7	0.5 - 0.6	1.5 - 1.9	3.6 - 4.6
Additional LFR Area	1.6 - 2.0	3.0 - 3.8	5.3 - 6.9			
<b>Total Centre</b>	<b>5.1 - 6.4</b>	<b>8.6 - 11.2</b>	<b>15.9 - 20.6</b>	<b>0.5 - 0.6</b>	<b>1.5 - 1.9</b>	<b>3.6 - 4.6</b>

<sup>9</sup> A measure of development intensity which is a ratio of a building's total floor area to the land area the building occupies. If the building is single level, a FAR of 0.4 indicates the building footprint takes up 40% of the site. A two-level building which occupies 40% of the site would have a FAR of 0.8



The total net land area required to accommodate that floorspace in the Drury Metropolitan centre would be up to 7ha of land area by 2038, and 14ha by 2048, with up to an additional 7ha of LFR land by 2048 for a total of around 21ha net land (Figure 5.7). Implicitly those areas allow for some at grade car parking and on-site manoeuvring for delivery trucks etc., as is observed across Auckland's existing Metropolitan centres. Were Drury to develop to a different intensity, those land areas required would change accordingly. It is noted that those land areas are net areas, and do not include additional land required for purposes other than the Metropolitan centre zoned retail activities. Additional land is likely to be required for:

- Roads that might be required within the Metropolitan zone
- Reserves and open space
- Any stormwater detention etc.
- Commercial Office activities
- Other commercial activities (eg: hotels)
- Residential activities
- Healthcare and educational activities
- Public and community facilities.

In total these other activities might increase the centre land requirements by 25% to 30%.

The Metropolitan Centre zone in particular will provide for activities not picked up in this assessment, such as education, hotels, and residential. Land area required for those types of activities will vary depending on the economic climate at the time of each development stage, the developer's desired activity mix and changing housing preferences, and so are difficult to project at this point. Some of those activities would likely locate above ground floor retail, and therefore require minimal additional land to accommodate them, however overall the range of activities not assessed in this work would generate the need for additional land to accommodate them.

### 5.5.1 National Policy Statement – Urban Development Capacity

It is also important to note that if dwelling yield in the area was higher than Barkers anticipates, retail demand would be correspondingly higher. The National Policy Statement (NPS) on Urban Development Capacity (UDC) directs that councils make provision for accommodating uncertainty in future growth their planning, including that in the long-term<sup>10</sup> feasible residential development capacity should include a buffer of 15% over and above the projected demand in the longer term. Currently the estimates of demand rely on projections of growth. Should the future be different and Drury proves to be more popular than currently anticipated (potentially driven by the type and nature of development there), then the centres could potentially be larger.

It would be prudent in light of the NPS-UDC, to incorporate provision for a buffer of 10 – 15% magnitude in the floorspace and land requirements presented in this section, to account for that dwelling yield

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<sup>10</sup> defined in the NPS as 30 years

uncertainty and to align with NPS-UDC thinking. That would equate to a Core Metropolitan Centre zone of 15.8ha by 2048, and an additional 7.9ha for LFR. This gives a total of 23.7ha, excluding roads, and any areas of open space, stormwater management etc. If these areas are included, the gross land area requirements for the core Metro Centre and the LFR area comes to approximately 33 ha.

Figure 5.8: Drury Metropolitan Centre land areas required (ha) – with NPS-UDC Buffer

	Floorspace (GFA, sqm)	Land Area (ha)
Core Metro Centre Zone	68,700	12.2 - 15.8
Additional LFR Area	24,000	6.1 - 7.9
<b>Total Development</b>	<b>92,700</b>	<b>18.3 - 23.7</b>
<i>Other land - open space, stormwater, etc (approx)</i>		10.0
<b>TOTAL CENTRE - Max</b>		<b>33.7</b>

For comparison, the Metropolitan centre with the most similarity to Drury in terms of location and future growth prospects is Westgate. Currently the Westgate Metropolitan centre zones is 28.6ha, with a further 11.3ha of General Business zone, 12.3ha of Mixed Use zone and 6.3ha of Light Industry zone.

## 5.6 Staging: Metropolitan centre and Local centre

One of the key issues a retail developer will face in establishing a new centre (such as the Drury Metropolitan centre) is that the full potential will not be reached until some point in the future, yet the consenting and initial development needs to happen today. Aligned with this is that decision makers must be mindful of the potential impacts and adverse effects the development could have on the existing retail network. This could point decision makers towards insisting that the scale of development closely follows demand growth – that way the potential impacts are minimised. However, that will have the unintended effect of making the entire development non-viable.

The Drury centre needs to be able to be developed initially to a scale that allows for a degree of feasibility while also minimising the potential impacts (if any) on the surrounding retail centre network. The reality is that the key competing Metropolitan Centre is Papakura. As discussed above, Papakura does not currently deliver the range of Metropolitan Services its community requires. The nature of its location, ownership and existing structure mean that this is unlikely to change in the future. It is not the case that by providing for a new Metropolitan Centre at Drury that will undoubtedly have a retail sales impact on Papakura, Council is in any way diminishing Papakura's role as a Metropolitan Centre. This role has diminished by itself over the past 20 years or more (as demonstrated above).

However, the full potential for the Drury centre needs to be identified, recognised by decision makers as being important and therefore provided for at this stage. M.E also note that the development of a new Metropolitan Centre such as that proposed at Drury is likely to act as a catalyst for residential growth in the surrounding area - bringing residential development forward as a result. This implies that staging should be solely based on the ability of the developer to ensure that the retail offer works, or that the developer is willing to take the risk – because of the beneficial effects of catalysing residential development.



The most appropriate way to achieve this is to zone sufficient land to provide for the full build out at this stage, and work with the developer to ensure the development is consistent with infrastructure provision. This may require staging conditions triggered by the development of infrastructure, which in turn will enable the housing to develop that will sustain the centre.

Allowing other centre developments within the Drury FUZ to develop at a rate or in a manner that would compromise the viability of the Metropolitan centre would be counterproductive. If consenting authorities decided to allow development of the full GFA anticipated to be sustainable in the long run at a Drury West Local centre immediately, along with the Drury Centre, it would send the wrong signal to the market, and create a risk that early development of the area's primary centre (the Metropolitan centre) might be constrained.

That risk is real and important, given that a nascent Metropolitan centre is at risk of adverse effects from other commercial development in the area that might compete for tenants that would more appropriately, be located in the Metropolitan centre.

It is important to send a strong signal to the market and prospective retailers that the Drury Metropolitan Centre is preeminent and that while the Drury West Local Centre may initially be of similar size it will be subservient in the medium to long term. Otherwise this will compromise the rate and quality of development of the Metropolitan centre, which in turn, could reduce the extent of residential growth in the vicinity. In addition, the overall urban form will not develop as efficiently or effectively to meet long term household needs.



## 6 Potential Retail Impacts

At this stage, the assessment of retail impacts on the existing centre network is an estimate and requires further analysis to substantiate once a more complete picture of the Drury Metropolitan Centre is established. Decisions on timing, scale and staging will all have an effect on actual impacts, as will decisions made by other developers on the scale and timing of their retail developments.

In this section the potential effects of new Metropolitan Centre development at Drury on the vibrancy and vitality of existing centres is discussed.

### 6.1 Metropolitan Centre estimates

Assuming that the Metropolitan centre develops entirely in line with demand growth outlined above (Figure 5.6), then centre sales in the core retail and hospitality sectors will grow from \$140m in 2028, to over \$490m by 2048 (in current terms). To these sales are added, LFR and Automotive sales.

Figure 6.1: Drury Metropolitan centre Sales Projections, 2028 – 2048 (\$2018)

Retail Component	2028	2038	2048
Food and Liquor	\$ 43	\$ 84	\$ 165
Comparison SFR	\$ 36	\$ 70	\$ 131
Department Stores	\$ 15	\$ 30	\$ 59
Hospitality	\$ 18	\$ 32	\$ 57
Household Services	\$ 4	\$ 7	\$ 13
Professional Services	\$ 24	\$ 42	\$ 71
<b>Total Metro Centre Zone</b>	<b>\$ 140</b>	<b>\$ 264</b>	<b>\$ 495</b>
LFR	\$ 43	\$ 79	\$ 140
Automotive	\$ 21	\$ 41	\$ 79
<b>Total General Business Zone</b>	<b>\$ 64</b>	<b>\$ 120</b>	<b>\$ 219</b>
<b>Total Centre</b>	<b>\$ 204</b>	<b>\$ 384</b>	<b>\$ 714</b>

The majority of these sales will be drawn from households residing within the FUZ, who currently do not live there. Therefore, the majority of sales do not represent a direct retail sales impact on the existing centre network. It is only trade that is currently focused on the existing centres and is drawn to the Drury Metropolitan Centre that represents a retail impact. Note that these are generally termed trade competition effects and in the normal course of events decision makers should set them aside when making decisions on granting consents. It is only when the flow on effects arising as a result of the trade effects, reach a level of significant adverse impact that they affect the vibrancy and vitality of a centre as a whole that these effects may be taken into consideration.

## 6.2 Metropolitan Centre Catchment Draw

We anticipate that the Drury Metropolitan Centre will draw from both the east and the west of the Drury FUZ as it is the main centre for the entire Drury FUZ, and from the Papakura catchments as outlined in sections 4 and 5. Based on these assumptions we anticipate the draw from across the three sets of catchments to be as outlined in Figure 6.2.

Figure 6.2: Retail sales draw by broad catchment

Drury Catchments	2016	2018	2028	2038	2048	Growth 2016-48	
						n	%
<b>Drury Catchment</b>							
Food and Liquor	\$ 6	\$ 10	\$ 33	\$ 69	\$ 146	\$ 140	2200%
Comparison SFR	\$ 4	\$ 7	\$ 21	\$ 46	\$ 101	\$ 96	2143%
Department Stores	\$ 2	\$ 3	\$ 9	\$ 22	\$ 49	\$ 47	2280%
Hospitality	\$ 2	\$ 3	\$ 8	\$ 17	\$ 38	\$ 36	2133%
Household Services	\$ 1	\$ 1	\$ 2	\$ 4	\$ 10	\$ 9	1400%
Professional Services	\$ 2	\$ 3	\$ 10	\$ 21	\$ 44	\$ 42	2650%
<b>Total Metro Centre Zone</b>	<b>\$ 17</b>	<b>\$ 27</b>	<b>\$ 82</b>	<b>\$ 179</b>	<b>\$ 387</b>	<b>\$ 370</b>	<b>2200%</b>
LFR	\$ 4	\$ 6	\$ 17	\$ 39	\$ 87	\$ 83	2280%
Automotive	\$ 2	\$ 3	\$ 10	\$ 26	\$ 57	\$ 56	3400%
<b>Total LFR Area</b>	<b>\$ 5</b>	<b>\$ 9</b>	<b>\$ 27</b>	<b>\$ 66</b>	<b>\$ 144</b>	<b>\$ 139</b>	<b>2628%</b>
<b>Total Centre</b>	<b>\$ 22</b>	<b>\$ 36</b>	<b>\$ 110</b>	<b>\$ 245</b>	<b>\$ 531</b>	<b>\$ 509</b>	<b>2302%</b>
<b>Franklin Catchment</b>							
Food and Liquor	\$ 3	\$ 3	\$ 6	\$ 9	\$ 12	\$ 10	331%
Comparison SFR	\$ 5	\$ 5	\$ 9	\$ 15	\$ 20	\$ 16	331%
Department Stores	\$ 1	\$ 2	\$ 3	\$ 5	\$ 6	\$ 5	331%
Hospitality	\$ 3	\$ 3	\$ 5	\$ 8	\$ 11	\$ 9	331%
Household Services	\$ 0	\$ 0	\$ 1	\$ 1	\$ 2	\$ 1	331%
Professional Services	\$ 3	\$ 3	\$ 6	\$ 10	\$ 13	\$ 10	331%
<b>Total Metro Centre Zone</b>	<b>\$ 15</b>	<b>\$ 17</b>	<b>\$ 30</b>	<b>\$ 48</b>	<b>\$ 64</b>	<b>\$ 49</b>	<b>331%</b>
LFR	\$ 11	\$ 12	\$ 22	\$ 36	\$ 48	\$ 37	331%
Automotive	\$ 4	\$ 4	\$ 8	\$ 13	\$ 17	\$ 13	331%
<b>Total LFR Area</b>	<b>\$ 15</b>	<b>\$ 17</b>	<b>\$ 30</b>	<b>\$ 49</b>	<b>\$ 65</b>	<b>\$ 50</b>	<b>331%</b>
<b>Total Centre</b>	<b>\$ 30</b>	<b>\$ 34</b>	<b>\$ 60</b>	<b>\$ 97</b>	<b>\$ 129</b>	<b>\$ 99</b>	<b>331%</b>
<b>Papakura Catchment</b>							
Food and Liquor	\$ 2	\$ 3	\$ 4	\$ 5	\$ 7	\$ 4	187%
Comparison SFR	\$ 3	\$ 4	\$ 6	\$ 8	\$ 10	\$ 6	187%
Department Stores	\$ 1	\$ 2	\$ 2	\$ 3	\$ 4	\$ 3	187%
Hospitality	\$ 3	\$ 3	\$ 5	\$ 6	\$ 8	\$ 5	187%
Household Services	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1	187%
Professional Services	\$ 5	\$ 6	\$ 9	\$ 12	\$ 14	\$ 9	187%
<b>Total Metro Centre Zone</b>	<b>\$ 15</b>	<b>\$ 17</b>	<b>\$ 27</b>	<b>\$ 36</b>	<b>\$ 44</b>	<b>\$ 29</b>	<b>187%</b>
LFR	\$ 2	\$ 2	\$ 3	\$ 4	\$ 5	\$ 3	187%
Automotive	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 2	186%
<b>Total LFR Area</b>	<b>\$ 3</b>	<b>\$ 4</b>	<b>\$ 6</b>	<b>\$ 7</b>	<b>\$ 9</b>	<b>\$ 6</b>	<b>187%</b>
<b>Total Centre</b>	<b>\$ 18</b>	<b>\$ 21</b>	<b>\$ 33</b>	<b>\$ 43</b>	<b>\$ 53</b>	<b>\$ 34</b>	<b>187%</b>

The retail trade impacts likely to fall on established centres within Franklin and on Papakura, are limited to **a share** of the trade estimated to be diverted from those catchments.

## 6.2.1 Papakura potential impacts

It is important to note that not all of the trade captured from those catchments (listed above in Figure 6.2) is drawn from centres within those catchments. The majority is likely to be diverted from spend already leaking – but to other centres within the southern Auckland area. **This is especially the case for the Papakura catchment spend.** Currently Papakura is not operating as a Metropolitan centre. The depth of retail offer and the range of goods sold there do not meet catchment needs. Most Metropolitan retail comparison needs are either being met at Manukau City Centre or are being captured by the LFR retail traders operating along the Takanini Straight.

Based on employment levels (drawn from the Business Directory) and household demands it is possible to align broadly sales from retailers within the Papakura catchment and demand arising from the catchment. Figure 6.3 presents sales, demand and resulting **net leakage for 2016**. It indicates that total core retail leakage is almost **\$116m annually from the Papakura catchment**. Unsurprisingly the food and grocery sector has the lowest leakage as these are goods most likely to be purchased locally. However, well over half of the leakage is from the comparison retail sector – indicating that Papakura simply does not offer the depth and range of goods and services residents require. Residents currently source these elsewhere.

Figure 6.3: Papakura Catchment Retail Demand and Supply (\$m), 2016

Sector	Sales	Demand	Leakage
Food and Grocery	\$ 138.74	\$ 151.5	\$ 12.8
Comparison Retail	\$ 80.95	\$ 147.5	\$ 66.5
Hospitality	\$ 31.70	\$ 68.2	\$ 36.5
<b>Core Retail and Hospitality</b>	<b>\$ 251.38</b>	<b>\$ 367.20</b>	<b>\$ 115.82</b>

The amount of comparison retail trade estimated to be diverted to the proposed Drury Metropolitan centre is 10% of total Papakura household comparison demand. Of this, we estimate that more than half already leaks out of the catchment (as indicated in Figure 6.3, above), leaving less than half (or under 5%), likely to be diverted from comparison retailers from within the catchment.

In 2028, we estimate that represents an amount of trade less than \$13m diverted from comparison stores within the existing centre. At an average level of productivity this translates to approximately 2,300m<sup>2</sup> of GFA. However, between 2018 and 2028 total additional demand arising in Papakura to be met locally and from outside the catchment is estimated at \$97.7m, or 59% growth.

This means that the volume of trade estimated to be diverted to Drury represents only 13% of the anticipated growth in catchment expenditure. When combined with the fact that there is currently a very high level of leakage from Papakura (i.e. much of that volume of trade that will be diverted to Drury will already be leaking from Papakura to other centres), there is very high likelihood that Papakura stores will experience no adverse impact at all.

## 6.2.2 Franklin potential impacts

The impacts Drury Metropolitan centre is expected to have on the retail centre network in Franklin are lower than in Papakura. This is because not only are the volumes of diverted sales lower (\$12m across



comparison goods retailers compared with \$26m from Papakura), but the portion of that spend likely to currently be spent at Franklin located retail centres is smaller (likely to be lower than 33% compared to lower than 50% for Papakura). This is because the catchment being drawn from is not centred on a retail centre (either Pukekohe or Waiuku), rather it is primarily made up from the areas between the motorway (SH1) and Waiuku, lying to the north of Pukekohe.

These residents are likely to be currently focused on comparison goods shopping either in Pukekohe or (possibly to a greater extent) closer to the centre of Auckland for a large portion of their comparison goods. While Pukekohe offers a wide range of comparison retail, it's offer is not as deep as the large metropolitan centres closer to central Auckland. Despite being significantly closer to the residents' homes, a lesser retail offer combined with a natural travel to work trip towards central Auckland means a lower share of comparison goods spend arising from the defined Franklin catchment is captured.

When this is coupled with the amount of growth anticipated between now and 2028 (when the estimate is based), we are estimating the Drury Metropolitan Centre will capture around 26.6% of growth. There is also a chance that no impact on existing centres will arise – in comparison with their current level of sales.



## 7 Future centre distribution

The final distribution of centres to meet the needs of anticipated households within the Drury FUZ will depend on a wide range of factors (ownership, development path, road layout etc). In this section, we explore potential locations for the centre network once Drury FUZ fully develops.

### 7.1 Drury Metropolitan Centre

The location of all other centres within the Drury centre network stem from decisions made on the location of the main Metropolitan centre. Once that is set, a natural structure most appropriately falls into place around it. This ensures that households can meet all their needs in an efficient manner. Given that the shape of the FUZ land at Drury is nearly circular, the most efficient location for the Metropolitan centre is in the middle. In addition, the centre of the catchment coincides with both the motorway on and off ramps and Gt South Rd and is close to the rail station that will serve catchments to the east of the motorway. Kiwi owns a site immediately adjacent to Great South Rd centrally located. As discussed above, this becomes the most obvious location for the Metropolitan centre.

This Metropolitan centre would be within 2km for nearly all the southern and central cells, and approximately half of the northern cell (straight line distance). Thus access to the Kiwi site is good across the entire Drury FUZ land. Having established the Kiwi land as most appropriate for the Metropolitan centre, the other smaller centres should be located around the FUZ. These locations are discussed briefly below in general terms. We note that this report is focused on the Kiwi Metropolitan Centre, so gives some information about the location of other centres as they relate to the Metropolitan centre only. It is not the aim of this report to provide a comprehensive centre layout of the entire FUZ.

### 7.2 Other Centres

#### 7.2.1 West of the Motorway

The main centre west of the motorway is likely to be the Drury West Local Centre (Figure 7.1). There are fewer topographic constraints in Drury West that would limit where neighbourhood centres could locate, so in order to provide good access to the local population for local needs, the local centre could locate on the main road through (SH22).

In addition to this main local centre, there is already local centre zoning in the north of Drury West, and sufficient land there to accommodate a centre of 1,500-2,000m<sup>2</sup> of centre retail and services GFA.

An additional 2 or 3 other neighbourhood centres would be sustained in the west.

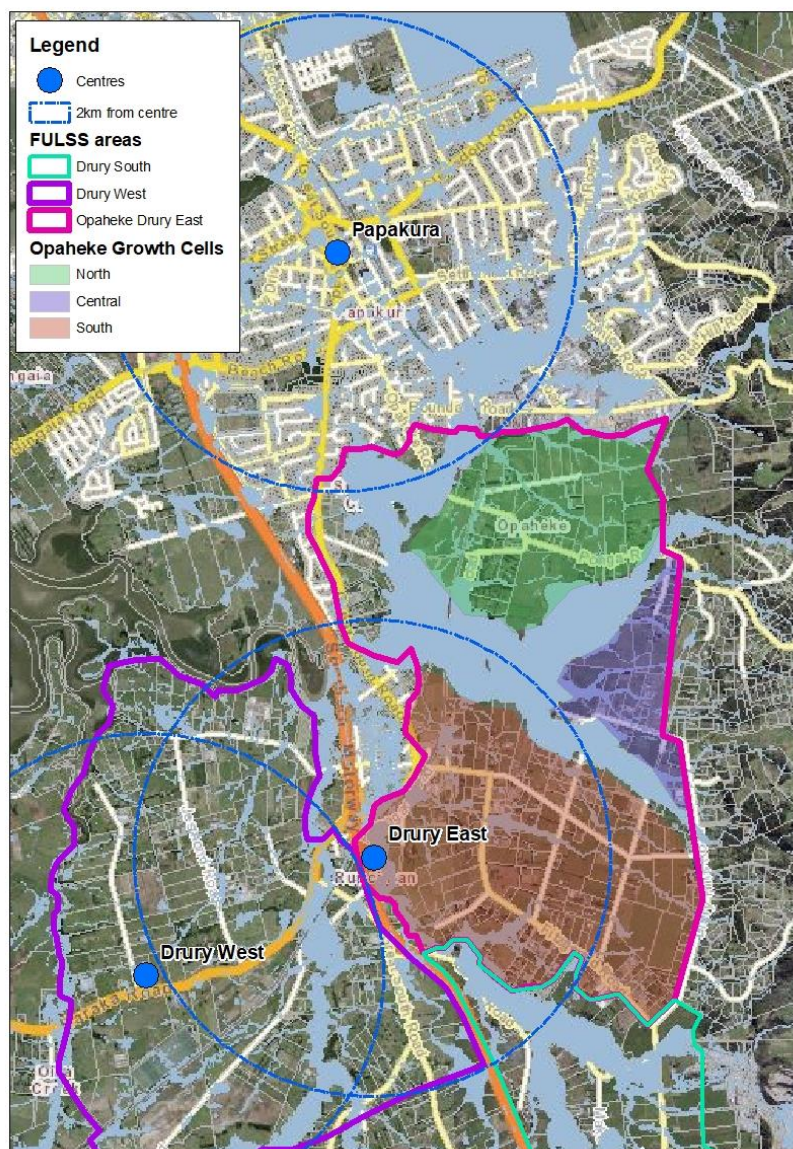
#### 7.2.2 East of the Motorway

The influence of the floodplains within Drury East is important. The floodplains effectively create three different cells within which growth will occur, as shown in Figure 7.1. The three cells are defined by



floodplains, and their separation indicates that in addition to the Drury Metropolitan centre, a single neighbourhood centre in each cell would be appropriate to provide for easy access to convenience retail goods and services. Further work would be required to establish the appropriate size of each of the three neighbourhood centres, as their size should be broadly proportional to the numbers of households living in the cell, however each would indicatively need to be around 500-2,000m<sup>2</sup> to provide for the range of goods and services typically found in neighbourhood centres.

Figure 7.1: Centre proximity and Drury East growth cells



### 7.2.3 Drury South

The small population base in Drury South aligned to a large workforce would likely support 1 or 2 neighbourhood centres, as most retail needs of households there would be satisfied to the north in the Drury Metropolitan centre. The large workforce and the businesses in Drury South would generate additional retail demand, which is likely to be focused on 1 or 2 neighbourhood centres.



The key determinant of the overall retail centre supply in Drury South is the potential for one of the larger Supermarket chains to locate a supermarket on the intersection of the Mill Rd extension and the Drury South Centre spine Rd. This would serve the needs of households in the southern part of the Drury East residential areas as well as households to the west of the motorway and workers and residents in Drury South. If that were to locate, then a surrounding sleeve of convenience retail is likely to co-locate with the supermarket. In addition, the SHA development in the southern part of Drury South is likely to sustain a neighbourhood centre to meet its immediate convenience needs.

In total we anticipate Drury South having 2 neighbourhood centres – 1 based around a large supermarket, the other with a smallish grocery store (450sqm). In total (excluding the supermarket space) we expect there to be no more than 4,500sqm of core retail provided in Drury South. We note that in addition to this, there are likely to be a number of trade-based wholesale/retail outlets that offer building supplies and other bulky construction sector goods to both the household market and to the construction sector (lighting outlets, floor coverings and so on).





## 8 Conclusions and implications

Auckland has the opportunity to ensure that the southern parts of the city are well served by an efficient, well-structured, retail centre hierarchy, that anticipated growth needs in the form of retail requirements and employment opportunities are catered for and that community wellbeing is enhanced. The development of the FUZ surrounding Drury into almost 30,000 residences, represents a significant portion of Auckland's future growth.

Kiwi owns a key piece of land in the middle of this potential growth cell. Kiwi has the expertise and experience to develop this site into the main centre catering for the town and Metropolitan Centre needs of growth households for Drury and beyond.

While the purpose of this report is not to outline the entire layout of the retail structure to serve Drury and the southern catchments, a logical centre network based around the Metropolitan Centre might look like this.

- A large Metropolitan centre of up to 70,000m<sup>2</sup> to the east of the motorway, which would require around 16ha of Metropolitan centre zoned land (net), and a further 8 ha of net land to cater for Large Format Retail. It would offer a broad range of retail goods and commercial businesses to service the needs of the wider Drury FUZ, as well as surrounding rural and established residential areas. The Drury Metropolitan centre would act as a primary retail destination for most of the FUZ, and would be preferable to accommodate a major expansion of retail offer in this part of southern Auckland due (amongst other reasons as previously noted in this report) to the constraints that exist in the current Papakura centre. The Metropolitan centre would not need to be subject of any constraints on growth rates (i.e.: there is no need for thresholds to be imposed).
- A Local centre west of the motorway, adjacent to the rail station of up to 16,000m<sup>2</sup>, ultimately requiring around around 5ha of (net) land. The Drury West Local centre would primarily support the local retail needs of the Drury West population, as well as a smaller share of the needs of the rural population in the area between Drury and Kingseat. This would be a supermarket-based centre, and have a smaller range of comparison retail stores, hospitality and service businesses than the Drury Metropolitan centre. The centre will most appropriately be staged such that it does not conflict with the development of the Drury Metropolitan Centre. This staging should be tied to residential dwelling growth in the west.
- A network of small neighbourhood centres. Indicatively there might be between two and four of these centres on each side of the motorway, and another two in Drury South. The distribution of those centres would be influenced by the roading layout planned for the area, as well as topographic constraints, and the location of the larger centres. The objective behind laying out these centres should be that they should provide ready access to their surrounding population, and therefore be based broadly on walkable catchments of around 800m radius. Each centre would be of 500-2,000m<sup>2</sup>

GFA, and require only up to about 0.6ha. Provided the scale of the centres is sufficiently small and at the time of zoning there is confidence to both the Metropolitan centre and the Drury West Local Centre will be able to be established, there should be no need to subject them to additional thresholds or staging.

Staging the development of the main Drury centre should be at the discretion of the developers given the role the centre plays in catalysing growth around it and also the nature of large retail developments where they cannot be built piecemeal as residential comes on line.

Staging the development of the supporting centres and in particular the Drury West Local Centre would ensure that not only are impacts on existing centres mitigated, or avoided altogether, but that the main centre serving Drury develops in a way that maximises its potential. Over time, this centre has the potential to develop into the new Metropolitan Centre serving southern Auckland households. Its location, ownership structure and timing are aligned to cater for foreseeable growth to 2048 and well beyond.

Figure 8.1: Drury Metropolitan centre parameters (2048)

	Floorspace (GFA, sqm)	Land Area (ha)
Core Metro Centre Zone	68,700	12.2 - 15.8
Additional LFR Area	24,000	6.1 - 7.9
<b>Total Development</b>	<b>92,700</b>	<b>18.3 - 23.7</b>
<i>Other land - open space, stormwater, etc (approx)</i>		<i>10.0</i>
<b>TOTAL CENTRE - Max</b>		<b>33.7</b>