



Te Aroturukitanga o te  
Mahere ā-Wae ki Tāmaki Makaurau

# **Auckland Unitary Plan Section 35 Monitoring**

## B2.5 Commercial Growth

Summary Report

July 2022



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Auckland Council (2022). Auckland Unitary Plan. Resource Management Act 1991, section 35 monitoring: B2.5 commercial growth. Auckland Council technical report, TR2022/10 summary.

Plans and Places Department.

# Overview

As Auckland’s population grows, the region will need more commercial activity to provide goods, services and employment. When located within and near to centres and public transport, commercial activities (such as offices, retail and commercial services) can create economic benefits by having similar activities clustering together. Concentrations of commercial activities in these locations can also support efficient modes of travel, leverage off infrastructure and investment within centres, provide amenities for residents at varying scales, and foster community facilities and activities.

Conversely, dispersed community activities can reduce the ability of centres to function efficiently. This includes decreased use of centres, decreased public transport usage and increased transport emissions and infrastructure costs. This may also result in reduced investment in centres, and poorer amenity outcomes for nearby communities if fewer goods, services and employment are available locally.

Chapter B2.5 of the Regional Policy Statement (RPS) in the Auckland Unitary Plan (AUP) provides a framework for commercial and industrial growth to meet current and future demands. A core component of the RPS Chapter is to encourage commercial activities within a network and hierarchy of centres, with the city centre, metropolitan centres and town centres being the focus of commercial growth. Outside of these centres, the RPS also enables retail activity on identified growth corridors (being select areas adjacent to arterial roads particularly suitable for large format retail that cannot appropriately fit within centres). Chapter B2.5 also provides for commercial growth more generally in AUP business zones, through the expansion of higher order centres, the provision of new centres, and other out-of-centre activity, provided that effects of out-of-centre activity can be demonstrated to be appropriate through a resource consent process.





# Indicator 1:

Employment and commercial development capacity meets current and future demands.

## What can the indicator tell us?

The RPS Chapter seeks that employment and commercial opportunities meet current and future demands. RPS Policy B2.2.2(1) requires sufficient land to be provided within the Rural Urban Boundary to accommodate at any one time a minimum of seven years' projected growth.

## Findings

The AUP is providing sufficient opportunities for commercial and employment growth. Development capacity data<sup>1</sup> indicates that there is sufficient business capacity in the short and medium term (by 2028) at a regional level. At a sub-regional level, all areas in Auckland are expected to have sufficient capacity in the medium-term with the exception of Other Centres in the Urban North.<sup>2</sup> Capacity shortfalls in the long-term (by 2048) are projected to arise in sub-regional areas, but will be offset by significant increases in supply from the development of future urban areas in Auckland.

Employment growth in business areas in Auckland has remained similar during the lifetime of the AUP between 2017 and 2020, compared with prior recorded growth between 2000 and 2016 (Table 1). There has been a reduction in the rate of employment growth in centre-based activities within the retail and office sectors. However, the influence of the AUP approach in informing this trend is likely to be limited given that commercial development completed during the lifetime of the AUP is highly likely to have obtained resource consents prior to the AUP being made operative in part.



**Table 1. Average yearly employment growth within office and retail sectors, 2000-2017 vs 2017-2020.<sup>3</sup>**

Sector	Retail		Office	
	2000-2017	2017-2020	2000-2017	2017-2020
City Centre	1.7%	1.4%	2.5%	4.5%
City Fringe	2.0%	-0.6%	3.7%	3.4%
Employment Areas	5.8%	1.3%	5.1%	0.1%
All other areas	1.5%	0.8%	2.9%	-0.8%
Total	2.5%	0.9%	3.4%	1.8%

<sup>1</sup> Reported through the National Policy Statement on Urban Development Capacity 2016: Housing and business development capacity assessment for Auckland, prepared by Auckland Council, dated 2017.

<sup>2</sup> Such as Birkenhead, Milford, Glenfield and Browns Bay Town Centres.

<sup>3</sup> Employment by Statistical Area 2 2000 – 2020 and by ANZSIC 1 and 2 digit codes, Statistics New Zealand.

# Indicator 2:

Commercial growth and activities are occurring within a hierarchy of centres.

## What can the indicator tell us?

The RPS Chapter seeks to encourage commercial growth and activity within the city centre, metropolitan centres and town centres. This approach reflects the scale of these “higher order centres”, their superior access to public transport, and the opportunity to align growth with existing and planned investment in infrastructure.

## Findings

The data shows that commercial growth between 2016 and 2020 has primarily been focussed within a network of centres, with 61 per cent of all commercial floorspace added (through building consents) between 2016 and 2020 occurring within higher order centres (Table 2). Retail activity is the primary driver of commercial activity within centres,

with 64 per cent of all retail floorspace added between 2016 and 2020 occurring within higher order centres. The Metropolitan Centre (36 per cent) and Town Centre (21 per cent) zones accounted for the greatest share of retail activity. Outside of higher order centres, retail growth has occurred most significantly in the Mixed Use zone (9.3 per cent) and Light Industry zone (16.4 per cent).

Office growth has been concentrated in the city centre, where 39.4 per cent of office floorspace added between 2016 – 2020 has been distributed. Outside of the city centre, office growth has been more dispersed across the AUP business zones, particularly the Mixed Use, Business Park and Light Industry zones. This can be expected as these zones provide for small-scale offices.

**Table 2. Distribution of commercial gross floor area approved between 2016-2020, within and outside of higher order centres.<sup>4</sup>**

Location	All commercial activity		Offices		Retail	
	GFA (m <sup>2</sup> )	Per cent of whole	GFA (m <sup>2</sup> )	Per cent of whole	GFA (m <sup>2</sup> )	Per cent of whole
Higher order centres	534,682	61.3%	170,023	52.8%	319,442m <sup>2</sup>	63.7%
Other business zones <sup>5</sup>	336,919	38.7%	152,413	47.2%	182,208 m <sup>2</sup>	36.3%
<b>Total</b>	<b>871,601</b>	<b>100%</b>	<b>322,436</b>	<b>100%</b>	<b>501,650 m<sup>2</sup></b>	<b>100%</b>



4 Building consent database.

5 Including on identified growth corridors, assessed in Section 4.3 of the technical report.



# Indicator 3:

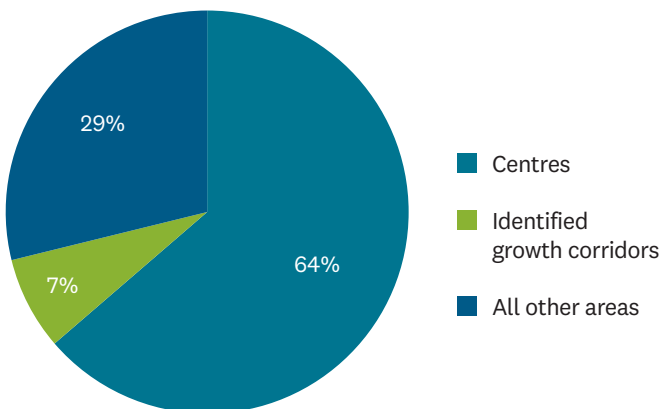
Retail activities are enabled on identified growth corridors, subject to qualifying criteria.

## What can the indicator tell us?

The RPS seeks to enable retail activities on particular identified growth corridors, primarily to accommodate large format retail not desirable within centres due to their effects on in-centre amenity, displacement of finer grain activities, and shortage of appropriate landholdings. In enabling retail on identified growth corridors, the RPS also requires consideration of effects on the centres hierarchy, integration with infrastructure including transport, and achieving a compact urban form.

## Findings

There is insufficient data to determine whether retail activities are being enabled on identified growth corridors, or whether decision making is having regard to the relevant matters in Policy B2.5.2(5). Building consent data indicates that there is a reasonable level of uptake of retail activity on identified growth corridors, with 7 per cent of all retail gross floor area subject to an approved building consent between 2016 and 2020 occurring within the Identified Growth Corridor Overlay (Figure 1). However, this reflects just four developments approved through building consents on identified growth corridors prior to the AUP being made operative.



**Figure 1. Retail gross floor area (m<sup>2</sup>) added within higher order centres, identified growth corridors and all other areas, between 2016 and 2020.<sup>6</sup>**

<sup>6</sup> Building consents database.



# Indicator 4:

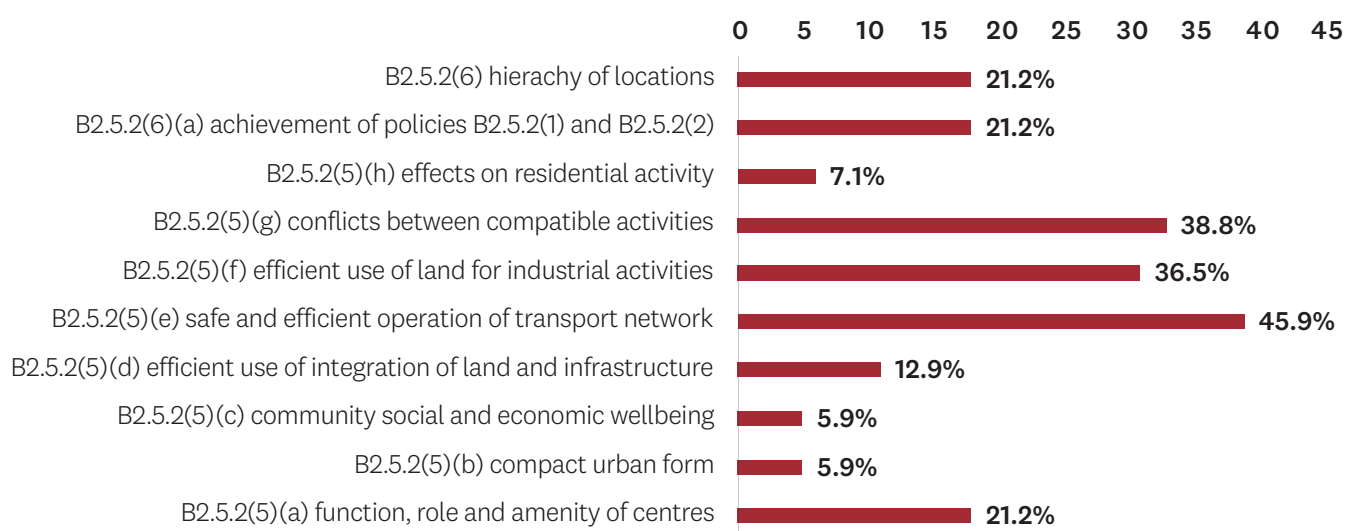
Commercial activities are enabled outside of centres subject to qualifying criteria.

## What can the indicator tell us?

In addition to encouraging commercial activities within higher order centres and enabling retail activity along particular identified growth corridors, the RPS also enables commercial activities in other business zones<sup>7</sup>. However, the RPS requires consideration of a number of matters regarding the centres hierarchy, infrastructure alignment including public transport, community access and wellbeing and avoiding conflicts with incompatible activities.

## Findings

Outside of higher order centres and identified growth corridors, commercial activity is being enabled, as evidenced by the high proportion of resource consents granted in other business zones between 2016 and 2020 (98 per cent). However, decision-making on resource consents for out-of-centre commercial activity frequently does not have regard to the range of matters set out in Policy B2.5.2(2)(6) of the RPS. When eliminating small-scale activities (less than 100m<sup>2</sup> in gross floor area), the data shows that matters such as the function, role and amenity of centres, a compact urban form, and the efficient use and integration of land and infrastructure are not frequently being expressly considered in decision-making on resource consents (Figure 2).



**Figure 2. Number and proportion of more significant resource consent decisions (>100m<sup>2</sup>) referencing the matters in RPS Policy B2.5.2(6).<sup>8</sup>**

Most noticeably, significant levels of commercial activity have been approved through resource consents in the Light Industry zone between 2016 and 2020 without decision-making explicitly considering matters such as effects on the role, function, amenity and hierarchy of centres, or the contribution of achieving a compact urban form.

The Light Industry zone objectives and policies have a clear focus on the enablement of industrial activities however do not distinctly manage commercial activities within the context of the centres hierarchy expressed in the RPS. In contrast, the objectives and policies for the ‘commercial’ zones<sup>9</sup> contain universal policies repeated in each zone chapter, including a policy to reinforce the centres hierarchy.<sup>10</sup>

<sup>7</sup> Business – Local Centre, Mixed Use, General Business, Business Park, Light Industry and Heavy Industry zones.

<sup>8</sup> Assessment of resource consent decisions recorded in the resource consents database.

<sup>9</sup> H8 Business - City Centre Zone, H9 Business - Metropolitan Centre Zone, H10 Business - Town Centre Zone, H11 Business - Local Centre Zone, H12 Business - Neighbourhood Centre Zone, H13 Business - Mixed Use Zone, H14 Business - General Business Zone.

<sup>10</sup> See for example, Policy H10.3(1) of the Business – Town Centre Zone: *Reinforce the function of the city centre, metropolitan centres and town centres as the primary location for commercial activity, according to their role in the hierarchy of centres.* Further analysis on this issue is provided in the technical report.

# Indicator 5:

A diverse range of activities occurs in centres, with the greatest mix and concentration of activities in the city centre.

## What can the indicator tell us?

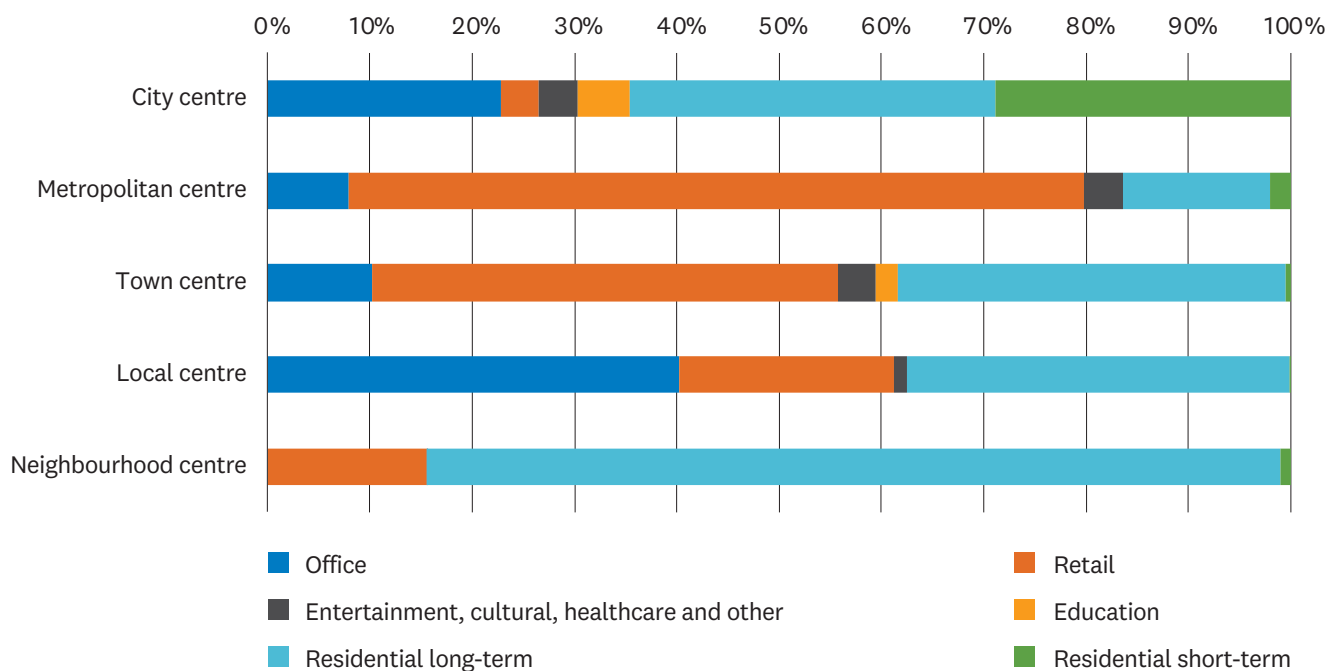
The RPS Chapter seeks that development in centres contributes to a diversity of activity, with the greatest mix and concentration of activities in the city centre. A diversity of activities in centres contributes to centre amenity primarily by providing greater retail and service offerings for local communities, and providing for residential activity to locate near to retail and offices, thereby supporting commercial viability, and enabling people to live and work within the same location.

## Findings

The data shows that a diverse range of activities is occurring within the city centre, as evidenced by new activities added through buildings consents between

2016 and 2020 (Figure 3). These are primarily residential (both long-term residences and short-term accommodation, such as hotels and motels) and office activities. Whilst retail growth in the city centre has been limited compared with other centres, this can be attributed to the spatial extent of the city centre (less widespread) and limited tenancies at ground floor for retailing. Employment data for the city centre also indicates a diversity of activity, though it is expectedly weighted towards office-based service industries.

Outside of the city centre, commercial growth within the Metropolitan Centres and Town Centres has largely been taken up by retail activity, with long term residential activities and offices also represented in these zones.



**Figure 3. Extent and balance of activities in centres subject to building consents between 2016-2020.**



# Indicator 6:

Expansion of metropolitan and town centres is enabled and is consistent with centre hierarchy.

## What can the indicator tell us?

The RPS provides for expansions of metropolitan and town centres, as a means of meeting current and future demands, provided that it achieves outcomes, such as improving access to facilities, goods and services, maintaining or enhancing compact mixed-use environments, and supporting the existing network of centres. While the RPS does not specify what planning mechanisms will be used for centre expansions, this report has explored both private plan changes and resource consents relating to land on the periphery of metropolitan and town centres.

## Findings

The AUP is, to a degree, enabling the expansion of metropolitan and town centres. While no plan changes have been sought or approved to rezone land adjacent to metropolitan or town centres,

this can reasonably be expected given the volume of plan changes to the AUP and the limited spatial application of these centres, and therefore limited opportunities for such expansions.

However, expansions to metropolitan and town centres are being enabled through commercial development (as recorded by building consents and resource consents) occurring within the Mixed Use zone within a walkable catchment of these centres (Table 3).

However, the matters outlined in Policy B2.5.2(3) are not consistently being had regard to in decision-making. It appears that it is not immediately clear to decision-makers that Policy B2.5.2(3) is applicable or relevant to resource consent applications for commercial activities adjacent to metropolitan and town centres.

**Table 3. Commercial growth occurring in the Mixed Use zone (approved building consents) within a walkable catchment of higher order centres, 2016-2020.<sup>11</sup>**

	Number of commercial developments approved 2016 – 2020 in the Mixed Use zone	Extent of commercial floor space approved 2016 – 2020 in the Mixed Use zone
Within a 1200m to city centre or 800m walk to metropolitan or town centres	29 (63%)	75,419m <sup>2</sup> (88%)
Beyond a walkable catchment	17 (37%)	10,285m <sup>2</sup> (12%)
<b>Total</b>	<b>46</b>	<b>85,704m<sup>2</sup></b>



<sup>11</sup> Auckland Council building consents database.

# Indicator 7:

New metropolitan, town and local centres are enabled, subject to structure planning and plan changes, and are consistent with the centres hierarchy.

## What can the indicator tell us?

The RPS provides for the enablement of new metropolitan centres, town centres and local centres in accordance with structure planning and plan change processes, subject to a number of matters having had regard to. These include proximity to existing or planned high or medium intensity residential development, effects on the centres hierarchy, adverse effects on existing or planned infrastructure, and integration with the transport system.

## Findings

The data shows that new metropolitan centres, town centres and local centres are being enabled, subject to structure planning processes. At the time of writing, two private plan changes to enable new centres have been approved since the AUP was made operative in part (Table 4):

**Table 4. Private plan changes to the AUP to rezone land to Metropolitan Centre, Town Centre or Local Centre.**

Plan Change	Description	Status	Centre zoning (ha)	Decision outcome
<b>PC24 Waiata Shores Local Centre</b>	Private plan change to rezone 1.92 hectares of land at 2 Te Napi Drive, Waiata Shores from Residential – Mixed Housing Urban to Business – Local Centre.	Operative	Local Centre zone: 1.92ha	Approved without modifications to centre zoning
<b>PC25 Warkworth North</b>	Private plan change to rezone approximately 99 hectares of Future Urban zoned land to a mix of business and residential zones	Appeal	Local Centre zone: 2.5ha	Approved with modifications to centre zoning

Both plan change requests were approved, and decision-making for both plan changes are considered to have had regard to the matters in RPS Policy B2.5.2(4). Therefore, it is considered that the RPS Policy B2.5.2(4) is operating effectively, both in terms of enablement of new centres, in respect of new centres being subject to structure planning and plan change processes, and decision-making for centres having regard to matters in B2.5.2(4)(a) – (g).

However, the sample size for this indicator is evidently small, and therefore further monitoring of plan change decisions for new centres is required to better understand the effectiveness and efficiency of the plan.



# Indicator 8:

Efficient transport modes are promoted for improving access to the city centre.

## What can the indicator tell us?



Policy H8.3(11) of the Business – City Centre Zone chapter seeks that ‘The city centre is accessible by a range of transport modes with an increasing percentage of residents, visitors, students and workers choosing walking, cycling and public transport.’ The indicator can tell us the extent to which the city centre can be accessed by a range of transport modes and in particular, walking, cycling and public transport. However, the relevance of this indicator to the AUP is limited, as the funding and implementation of transport improvements occurs through processes outside of the Resource Management Act 1991.

## Findings

Limited conclusions can be drawn on whether efficient transport modes are being promoted for improving access to city centre.

Between 2016 and 2021, public transport capacity has increased significantly for bus and train networks, and more modestly for the ferry network (Table 5). In particular, train network capacity has increased by 48 per cent and bus network capacity by 36.9 per cent, despite a 2.7 per cent reduction in bus routes from consolidating infrequent routes and instead promoting public transport transfers.

**Table 5. Change in public transport capacity for services into the city centre from 2016-2021 (morning peak).<sup>12</sup>**

Mode	2016		2021		Change 2016 – 2021 (%)	
	Service level (trips)	Capacity	Service level (trips)	Capacity	Service level (trips)	Capacity
Ferry	33	4,708	34	5,246	3.0%	11.4%
Bus	801	46,997	779	64,333	-2.7%	36.9%
Train	75	17,550	111	25,974	48.0%	48.0%

Between 2016 and 2019<sup>13</sup>, the modal share for people movement into the city centre during peak hours shifted incrementally from cars towards bus, train and active transport modes. However, the modal share during peak hour as of 2019 was still weighted towards cars. This modal share shifted further towards cars in 2020 due to lockdowns<sup>14</sup> associated with the COVID-19 pandemic and an associated trend toward working from home (once lockdowns eased).

However, the promotion of efficient transport modes occurs primarily through investment in transport networks, which is undertaken through processes other than the Resource Management Act 1991, and therefore there is little correlation between the effectiveness and efficiency of the AUP and this outcome.

<sup>12</sup> Unpublished data provided by Auckland Transport.

<sup>13</sup> Using 2019 as a parameter rather than 2020 due to lockdowns associated with the COVID-19 pandemic.

<sup>14</sup> Including strict lockdown under Alert Level 4, and more lenient lockdowns under Alert Levels 2 – 3 imposed by central government.



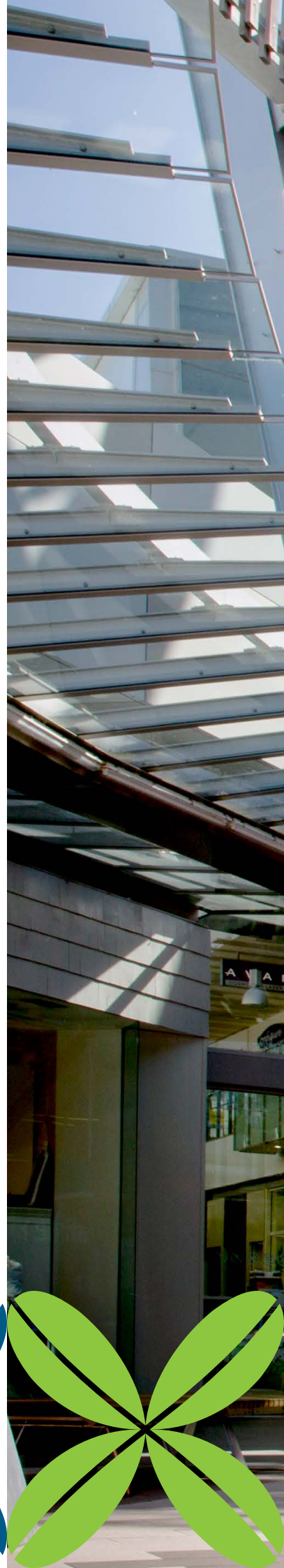
# Summary of main findings

- Commercial growth is generally occurring within a hierarchy of centres, with retail acting as a particular driver for growth in higher order centres. Growth in general retail and restaurants, cafes and bars in particular has occurred primarily within centres.
- Significant amounts of office floorspace have been added within the city centre between 2016 and 2020, consistent with the anticipated function and role of the city centre as enabling the most significant concentration of office activity in Auckland.
- Outside of higher order centres and identified growth corridors, commercial activities are being enabled, as evidenced by low rates of refusal for resource consent applications.
- A diverse range of activities are being added within centres, with the greatest diversity of activity occurring within the city centre. This is consistent with the role of the city centre anticipated by the RPS, as having the 'greatest mix and concentration of activities'.
- New metropolitan, town and local centres are being enabled through plan changes supported by structure planning, and are being appropriately considered against the RPS matters.

## Where is the plan underperforming?

- A significant amount of commercial growth is occurring outside of the city centre, metropolitan centres, town centres, and identified growth corridors. This is likely to reinforce private vehicle travel rather than public transport, drawing investment outside of centres and reducing the amenity of centres as places for local convenience and community activity. Some of this growth can be expected in the form of smaller scale retail and office activities in local centres and mixed use areas, large format retail, and ancillary offices in the light and heavy industry zones.
- Decision-making on applications for commercial development outside of centres and identified growth corridors is not sufficiently considering the matters expressed in the RPS. In particular, resource consent decisions for the Light Industry Zone are not expressly considering the role and function of centres and a compact urban form in determining applications for commercial development.

Recommendations from these findings are not included in this summary report. See the **technical report** for more detail and recommendations.









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