

ATTACHMENT 1.2

ADDITIONAL INFORMATION REQUEST

ECONOMIC DEVELOPMENT

This attachment sets out the questions and responses to the clause 23 request (request for additional information) from the Council on the original plan change. This addresses the matters related to economic development.

This attachment sets out the topic, Council's question, the technical expert who prepared the response and the additional information sought by the Council.

'Proposed Plan Change xx (Private) – Te Auaunga' Amending I334 Wairaka Precinct

Applicant: Minister of Housing and Urban Development

Address: 1-139 Carrington Road, Mt Albert

Proposed activities: PPC – Partial Rezoning and Revised (currently Wairaka) Precinct Provisions

Question	EA1
Specific request	<p>Please provide an expert's assessment of the appropriate level of retail space and distribution within the precinct, including the proposed supermarket.</p> <p>NB: The response to this question may be combined with the RFI in UD6.</p>
Reasons for request	<p>There has been a sizeable increase in the proposed number of dwellings (and their location) since the earlier retail assessment that informs the existing retail caps. It is important to understand what level of retail activity would adequately serve the likely future residents (and other retail demand arising within the precinct) and be appropriate within the context of the surrounding urban centres hierarchy. It is important this takes account of any updated yield information. Changes to the appropriate spatial distribution of retail within the precinct (from the previous assessment) may occur as a result of both changes to the proposed distribution of land uses within the precinct as well as increases to the overall dwelling scale (and consequent retail demand).</p>
Applicant response provided by	<p>Tim Heath, Property Economics and John Duthie of Tattico</p>
Applicant response	<p>1 This proposed plan change is advanced on the basis of adopting without change, the current retail cap and core retail location within the existing Wairaka Precinct.</p>

- 2 The retail issues were extensively worked through at the time that the precinct was introduced into the Auckland Unitary Plan (Operative in Part). Here the appropriate balance between providing for local servicing for the new Te Auaunga community, Unitec and the residential dwellings east of Carrington Road, while retaining the economic viability of Point Chevalier and Mount Albert town centres, was carefully worked through.
- 3 That resulted in establishing a retail cap within the precinct as a permitted activity of 6,500m² gross floor area and a supermarket cap inclusive within the 6,500m² of 1,500m² gross floor area (GFA).
- 4 Property Economics have undertaken a high level analysis of the current provisions to determine the validity or otherwise of those standards. Their professional opinion, summarised below, is that the level of retail opportunity remains appropriate and the location of a retail hub at the Farm Road Gate 3 area is the preferred location.
- 5 This plan change request effectively keeps the same cap on retail, the same limit on a supermarket and the same core location.
- 6 The plan change request does involve a reallocation between the campus use and general retail use due to the change in type and location of development within the precinct, i.e. a reduction in the campus and an increase in general residential.
- 7 To assist determining the appropriateness of the proposed retail floorspace cap (up to 6,500sqm, including supermarket of up to 1,500sqm) within the Te Auaunga Precinct, Property Economics has forecast the level of convenience retail spend and sustainable GFA utilising its Retail Growth Model.
- 8 The retail cap of 6,500sqm is small in retail market terms and would predominantly provide convenience retail store types and commercial service activities. These store types in practise would not be able to draw customers from a wide catchment due to superior offers in close proximity (Point Chevalier, Mount Albert, St Lukes and Stoddard Road). Therefore, the stores would primarily be servicing local Te Auaunga Precinct residents, workers, and visitors.
- 9 The supermarket potential within the Te Auaunga Precinct is limited given the surrounding supermarket network.
- 10 As such, a smaller 1,500sqm GFA supermarket (i.e., the operative supermarket cap) is considered appropriate to cater for the day-to-day, frequently required 'top-up' food requirements of residents within the precinct.
- 11 The location of the supermarket, specifically accessible through the Farm Road intersection, is considered suitable due to the presence of Te Auaunga / Oakley Creek to the precinct's west side. This natural barrier would hinder the accessibility and visibility of the supermarket. By locating it adjacent to the Farm Road intersection, a relatively central position within the precinct, it would enable a more efficient functioning of the supermarket and enhance its integration with the neighbouring residential areas and the existing Unitec campus.
- 12 The Property Economics analysis indicates the operative retail floorspace cap of 6,500sqm GFA would be more than sufficient to cater for the convenience retail and commercial service requirements of an 'at capacity' residential yield of 4,000 – 4,500 dwellings within the Te Auaunga Precinct, and there is likely to be flexibility in the 6,500sqm provision for non-commercial tenancies such as community facilities and other amenity and social based activities.

- 13 The analysis shows the operative 6,500sqm retail floorspace cap is appropriate to cater to the local demand, without affecting the growth potential, role, and function of the adjacent commercial centres, particularly given the 1,500sqm supermarket cap.
- 14 Under I334.8.1 the Council will restrict its discretion to several matters when assessing a restricted discretionary activity resource consent application within the precinct. This includes restricting its discretion to "the effects on the needs of the Campus and servicing the local demand within the precinct, the role, function and amenity of the Point Chevalier and Mount Albert town centres" (5(d).ii). This means that the potential detrimental impact (if any) of retail activities within the precinct on the campus and other centres can be assessed at that time.
- 15 Additionally, considering economic efficiency, Property Economics considers that a majority of the GFA (circa +70%) should be concentrated within the core location for the retail hub. Any remaining retail floorspace in other locations should be limited in scale and primarily focused on providing convenience-based offerings. Therefore, Property Economics considers that the proposed allocation of retail space, as outlined in the Retail threshold standard I334.6.2 (i.e., a GFA cap of 4,700sqm within the Business - Mixed Use Zone and a cap of 1,800sqm within the Special Purpose - Tertiary Education Zone), is appropriate.

Question**EA2****Specific request**

Please provide an expert's assessment of the likely level and take up of other commercial activity within the precinct and its alignment with Auckland's intended pattern of business growth.

Reasons for request

This is important to understand the likely level of other (non-retail) business development within the precinct and how this aligns with Auckland's intended patterns of business growth. This includes understanding the projected uptake of business capacity provided within the precinct. Other business activity enabled within the precinct may also overlap with the types of activities locating within the surrounding urban centres hierarchy. Employees and businesses within the other (non-retail) business activity will also generate additional demand for retail, hospitality and services within the precinct.

Applicant response provided by

Tim Heath, Property Economics

Applicant response

- 1 In Property Economics view, considering the consented 4,000 – 4,500 dwellings, the sustainable non-retail commercial development within the precinct would be circa 1,400 – 1,700sqm, depending on the scenario used. This is similar to the non-supermarket convenience retail provision as these are typically of similar proportion in local convenience centres.
- 2 The uptake of this 'business' provision, like the retail provision, is likely to be commensurate with population and dwelling growth within the Te Auaunga Precinct. This growth will occur as the wider local catchment also grows to support the other centres in the surrounding catchment. As identified earlier, this level of business provision is commensurate with the 'at capacity' future market requirements and can be realised without compromising the growth potential, role and function of any other centre in the network.
- 3 In respect of whether this aligns with the intended patterns of business growth across Auckland, these business growth patterns need to reflect where residential development occurs, or is planned, to ensure an economically efficient distribution of business activity is provided across Auckland.
- 4 Providing business opportunities (employment, convenience retail and commercial services activities) is more efficiently delivered to the market closest to the source of that demand. In this instance this is within the Te Auaunga Precinct.
- 5 The higher the level of employment internalisation in a growth node, the more efficient the growth is from a business and retail perspective. The Te Auaunga Precinct provision is more than sufficient to accommodate this demand without compromising the surrounding centre or their growth.