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KAPITI EMPLOYMENT AREAS STUDY

KAPITI COAST DISTRICT COUNCIL



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1. INTRODUCTION

Property Economics Limited (PEL) together with Planit & Associates Limited (PAL) have been engaged by Kapiti Coast District Council (KCDC) to undertake an assessment on employment activity (both current and future) within the Kapiti Coast District, with a specific focus on retail centres and future business land requirements.

This project focuses on gaining a more detailed understanding on the employment areas in Kapiti (drivers, trends, secular breakdown and future requirements) as a pathway to considering the future roles and functions of these areas and how best to cater for the future needs of the employment sectors.

The report is split into two key components. The first part of the process identifies the key employment nodes in the district, highlights their current size and composition, and develops growth projections and business land requirements to assist in planning for future needs across both the commercial and industrial sectors. The report then advances a range of growth scenarios based on a 'with' and 'without' the proposed Wellington Northern Corridor expressway development, and highlights the differences for long term planning purposes.

The second component highlights options KCDC has to best meet the future needs of the residents and role / function of each employment node and will provide a strong lead on current issues with the District Plan from an employment sector perspective (i.e. 'in-centre' vs 'out-of-centre' development trends and implications). Also identified in this section is what changes need to occur in the District Plan to better enable employment and economic growth within the District. This will allow the new District Plan to identify opportunities and pave the way forward for the District's future growth through strategic planning and development of employment areas.

1.1. OBJECTIVES

The main objectives of this report are to:

- Identify and analyse the major employment nodes within Kapiti Coast.
- Analyse temporal trends and changes over time of employment and economic activity for 'in-centre' and 'out-of-centre' locations.
- Identify temporal changes within industrial nodes and discuss the why these changes have occurred and the resulting implications on the wider District.
- Assess recent land 'up-take' rates of each identified employment node.
- Identify and analyse all centre and non-centre employment locations, comparing the differences in land area, type and zonings with employment characteristics.
- Discuss the role of each centre in the District Network.
- Identify the key business location principles that drive business location.
- Undertake interviews with a sample of Kapiti businesses, discussing their businesses' location requirements and future needs, and analyse the findings.
- Identify and assess business sectors in Kapiti which have a competitive advantage.
- Project land demand out to a 40-year planning horizon (2051), using four scenarios based on the influence of the proposed expressway. i.e. 'with' and 'without', to show the influence the proposed expressway would have on Kapiti Coast's future employment land needs.
- Assess recent district employment trends in workforce growth and analyse the implications of these trends.
- Compare the Kapiti employment trends with surrounding areas and highlight emerging opportunities for Kapiti that may not be reflected in surrounding areas.
- Identify and analyse the scale, location and type of business activity that is locating out-of-centre within Kapiti.
- Provide the impetus, rationale and likely process in inserting a broad level Employment Area policy framework within the District Plan.
- Provide an overview of commercial and industrial distribution issues for the District.

- Identify relevant regional and local statutory documents that provide relevant provisions as to the management of business development within the District.

1.2. INFORMATION SOURCES

Information has been obtained from a variety of sources and publications available to Property Economics, including:

- Census of Population and Dwellings 2006 - Statistics NZ (extrapolated to 2011 by Property Economics)
- Household Economic Survey - Statistics NZ
- Retail Trade Survey - Statistics NZ
- Business Frame Employment Data – Statistics NZ
- Kapiti Coast District Household and Population Projections - KCDC
- Kapiti Coast District Employment Count Projections - KCDC
- Kapiti Coast Business Zoned Land Supply – KCDC
- Kapiti Coast Retail Audit June 2011 – Property Economics
- Kapiti Coast Business Interviews June 2011 – Property Economics

2. EXECUTIVE SUMMARY

The commercial environment of the Wellington Sub-Region has been buoyed by significant growth in household formation and respective retail spend over the last decade. However, economic growth has not been comparatively apparent for the Kapiti Coast District, which has a lower than expected employment retention rates, and retail leakage to the wider Region.

Despite the changing legal landscape relating to retail distribution since 1991, it is now settled law that the economic and social effect of a proposed retail activity on the environment can be taken into account. It is appropriate that a district plan should set its face against ad hoc commercial development and instead seek a predicative role in terms of planning. (*National Investment Trust vs Christchurch City Council C152/2007*).

On the basis of analysis there are a number of strategic recommendations that require both statutory and non-statutory consideration; these include the following priorities for action:

- I. The role and function of centres, transport interchanges and consolidated residential activity would be better integrated within the District Plan through the incorporation of a wider Urban Form umbrella 'Policy Section'.
- II. Provisions that consolidate commercial activity primarily within centres should be maintained and strengthened where possible. Additional rezoning for additional commercial areas is unnecessary, with the only exception being in-centre expansion for Supermarket provision.
- III. The District Council should provide integrated forward planning for the formation of a 'community based' design for reinvestment and enhancement of the commercial built form based around Rimu Road (which seeks to proactively facilitate Plan Change 72A). It is suggested that this would form the basis of a planning exercise resulting in statutory (Outline Development Plan ('ODP'), more flexible planning provisions) and non-statutory (Long Term Plan ('LTP') funding¹) mechanisms for improved urban design and commercial enterprise focusing on diversity of uses and employment;
- IV. Specific provisions should be inserted into the District Plan clearly identifying the need to consider cross boundary issues relating to employment retention and retail leakage within the wider Wellington Region (which can have significance in terms of Section 74(2)(c) of the Resource Management Act 1991 ('RMA');

¹ Previously called the Long Term Council Community Plan (LTCCP)

- V. The Kapiti Coast District Council should seek specific advice as to the extent to which urban design controls may limit the ability to consolidate development.
- VI. Provision of a distinction between types of retailing, restricting those that may have consequential implications to Town Centre viability and vitality, and enablement of the more Trade Based related activities (as identified in principle in Plan Change 73). Requires amendment to Rule D5.2.1 *"drive-in access to allow the loading of bulky goods or materials (as opposed to goods or materials in bulk) directly into customer's vehicles"* to provide for Trade Based Outlets, Yard Based Retailing, as well as the existing permission for Restaurants (Food and Beverage) and Service Stations.
- VII. There is no need for the explicit provision or zoning framework to accommodate Large Format Retail activities given the extent of capacity provided in centre.
- VIII. The provision of coherent roading hierarchy for the District within the District Plan as associated with a linked policy framework would assist in the recognition, distinction and management of the integration of the roading network and adjoining land uses.

Specific statutory requirements are incorporated throughout the report in terms of recommendations for the following:

- | | |
|--------------------------|--|
| Recommendation 1: | <i>Individual Town Centre role and function in terms of zoned area.</i> |
| Recommendation 2: | <i>Significant Resource Management Issues for the Kapiti Coast District Council regarding business distribution.</i> |
| Recommendation 3: | <i>'Umbrella' Business Distribution Objectives for the District</i> |
| Recommendation 4: | <i>Business Distribution Policy for the District</i> |
| Recommendation 5: | <i>Reinforcing the consolidated approach for the management and distribution of business activities, without the necessity for rezoning additional land areas.</i> |
| Recommendation 6: | <i>Rule mechanism approach based on territorial authority comparison</i> |
| Recommendation 7: | <i>Fostering mixed use provisions within High Density Residential Overlay areas.</i> |

Recommendation 8: *Policy Approach for individual business zones*

Recommendation 9: *Policy approach for the Road hierarchy*

Recommendation 10: *Definitions*

The continued expansion of commercial activity outside of existing centres, especially the Paraparaumu Town Centre disperses the ability to produce further conglomeration and improve efficiencies. The corollary of this approach is that existing centres must have the ability to absorb such development. However, business zoned capacity issues are not a fundamental concern for the Kapiti District, with the focus then on ensuring the consolidation of efficient facilitation of commercial and industrial activities respectively.

The justification for providing for rules and policy seeking to regulate and intervene in the distribution of business activities within the District is not solely based on moving the Kapiti Coast towards an environmental outcome based on an ideal urban form. Such policy and rules are also necessary for the opposite reason, that where unmanaged, with no explicit direction as to the management and integration of business uses with transport patterns and where communities reside, the resultant patterns of out-of-centre land uses are likely to produce only adverse environmental effects. Such an approach would clearly not achieve the wider sustainable goals that the community hold dear, and have been identified within the Community Outcome Statements for each township within the District.

3. DEMOGRAPHIC PROFILING

This section identifies some of the relevant economic and social characteristics of the catchment compared to the wider regional and NZ markets for comparison purposes and context. A full breakdown of the demographic profiles is provided in Appendix 1.

Some key points from the Demographic Profiling include:

- The Kapiti Coast District has around 49,100 residents in approximately 20,800 households. This comprises approximately 11% of total population within the wider Wellington Region which has around 465,000 people.
- The age profile of Kapiti is distinctly unbalanced relative to the regional and NZ markets. In Kapiti the percentage of people aged 20-29 is only half (7%) the Wellington and NZ average. This is the result of this age cohort leaving the district for tertiary education and job opportunities in larger urban areas such as Wellington and Auckland. There is also a very high proportion of people aged 50+ (42%) compared to Wellington and NZ average (27% and 28% respectively). This results in a significantly higher average age of 45 years for the district.
- Kapiti Coast's age profile has flow on effects into other demographics, such as the proportion of population in the labour force is significantly lower in Kapiti due a higher proportion of retirees, which is roughly double to the regional and NZ average.
- Average annual household income within the District is significantly lower at approximately \$60,100pa compared to the wider Wellington Region of \$75,100pa and NZ average of \$66,200pa. This is due to the lower number of wage / salary workers in the district, where only 32% of households in Kapiti derive their income from wage / salaried work, compared to 43% and 42% in the wider Wellington region and NZ average.
- The Kapiti Coast District also has a lower proportion of two parent families and a higher proportion of couples and single households. This is again a reflection of the higher proportion of the population aged 50+.
- Compared to the Wellington region and NZ average, the ethnicity composition of Kapiti Coast has a higher proportion of European populous and a lower proportion of Pacific Peoples and Asian population.
- Overall, the district profile can be summarised as predominately an older, European market with a lower average annual household income and lower proportion of residents in paid employment. These effects the level of discretionary spending in the district, which would on average be lower on a per household basis compared to the Wellington average.

4. POPULATION AND HOUSEHOLD PROJECTIONS

Table 1 displays the population and household growth projections for the district. These projections are derived from the Property Economics growth model which has its key inputs being the 2006 census population and household counts, Statistics NZ medium series projections and recent building consent data (1996-2011).

TABLE 1: KAPITI COAST DISTRICT POPULATION AND HOUSEHOLD PROJECTIONS

	2 0 1 1	2 0 1 6	2 0 2 1	2 0 2 6	2 0 3 1
Population	49,083	51,744	54,308	56,764	59,055
Households	20,805	22,412	23,925	25,344	26,762
Household Size	2.36	2.31	2.27	2.24	2.21
Population Growth (p.a.)	1.22%	1.06%	0.97%	0.89%	0.79%
Household Growth (p.a.)	1.73%	1.50%	1.32%	1.16%	1.10%

Source: Property Economics Model

For the purpose of this report, year 2011 is classified as current (colour coded in blue), year 2016 is classified as short term (colour coded in yellow), year 2021 is classified as medium term (colour coded in orange) and years 2026 and 2031 are classified as long term (colour coded in pink).

Nominally, population growth in the district is projected to be just under 10,000 people over the period to 2031. In 2011, there are estimated to be around 49,000 people residing in the district, with this figure expected to grow to around 59,000 by 2031. This represents nominal growth of around 10,000 people over the forecast period, equivalent to a 20% population increase.

Households within the catchments are projected to increase by around 6,000 over the forecast period to around 26,800 by 2031. This is equivalent to average growth over the period of nearly 300 dwellings per year.

Table 1 also indicates that the number of households is increasing at a faster rate than the population due to a projected fall in the person per dwelling ratio over the forecast period. This is not isolated to the study area, but a trend projected to occur across the whole country due to an aging population, smaller families and a higher proportion of 'split' or single parent households.

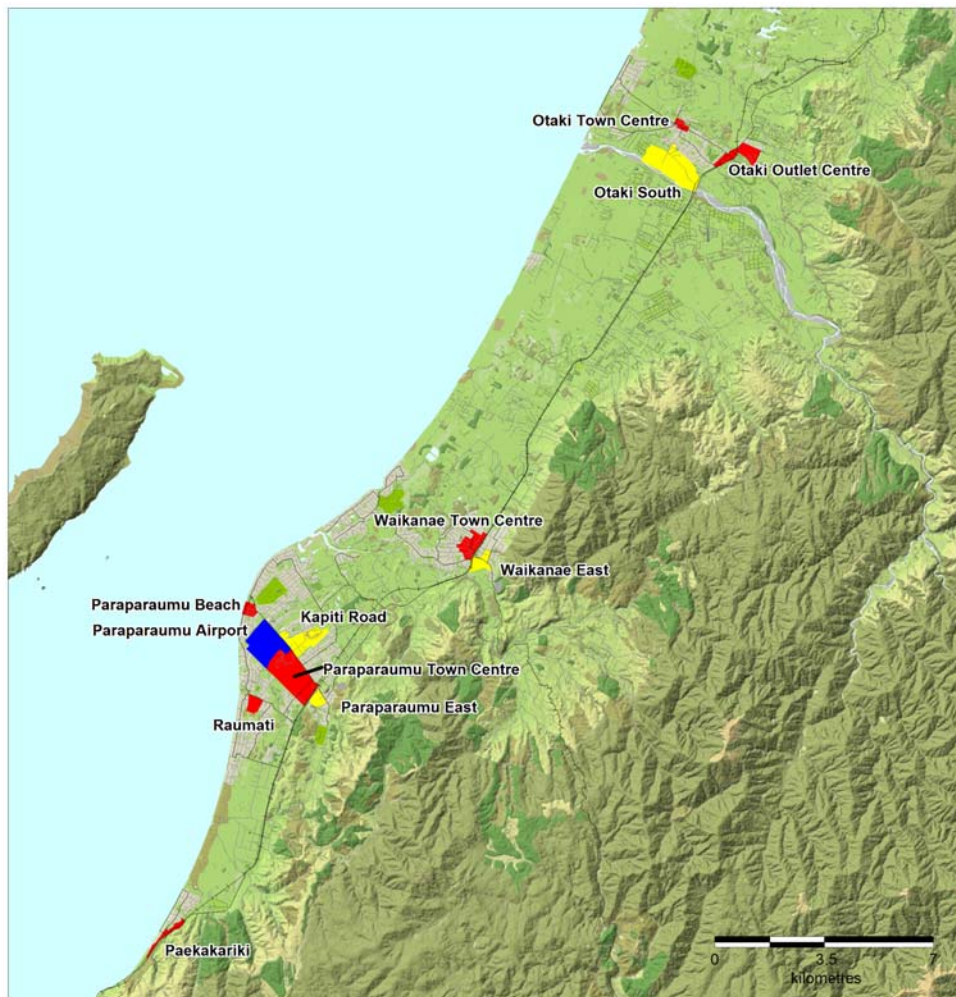
5. CURRENT KAPITI BUSINESS ENVIRONMENT

5.1. KAPITI COAST BUSINESS NODES

For the purpose of this report Property Economics have identified key business nodes within Kapiti. These nodes have been identified based on current sector employment levels within Kapiti on a meshblock level, with a material cluster of activity required for it to be considered a node, i.e. typically over 15 tenancies. These nodes form the basis of the retail centre and industrial / commercial nodes in this report, and represent 'in-centre' activity.

Figure 1 below illustrates the current business nodes present within Kapiti Coast. Due to the close proximity of the nodes, alternating colours have been used to better identify the different nodes.

FIGURE 1: KAPITI COAST BUSINESS NODES



Source: Property Economics

It is important to note that while the area of Te Horo has between 100-200 employees, there is no definitive centre or concentrated cluster of activity within the area, rather a small number of convenience, commercial, and industrial activities spread over a wide area within the meshblock. It is on this basis we have not defined Te Horo, as well as other small activity clusters, as centres or business nodes

The red nodes in Figure 1 represent existing retail nodes, the yellow industrial areas, while the blue are represents the Paraparaumu Airport node.

5.2. KAPITI COAST RETAIL MARKET

This section of the report assesses the current and future retail market within the Kapiti Coast District. Retail expenditure forecasts have been based on the aforementioned projected household growth projections already outlined. These forecasts have been prepared using the Property Economics Retail Expenditure (or available retail spend) Model. A more detailed description of the model methodology and its inputs can be seen in Appendix 2.

Retail expenditure in this report relates to the estimated retail spend generated by Kapiti (measured at the Census Area Unit level) but not spent within the District. It is important to note that the retail expenditure generated by the district does not equate to the sales of the retail shops within the district. Residents can travel in and out of the district freely, and they will choose to shop at centres with a good range and quality of stores (among a range of other reasons). Typically good quality centres attract customers from beyond its catchment, whereas a low quality centre will have retail expenditure leakage out of its catchment. Therefore, the retail expenditure generated in the Kapiti District represents the sales a centre or retail stores within the district could potentially achieve.

Growth in real retail spend has also been incorporated at a rate of 1% per annum over the forecast period. The 1% rate is an estimate based on the level of debt retail spending, interest rates and changes in disposable income levels, and is the inflation adjusted increase in spend per household over the assessed period.

Note the figures below are in 2011 dollars and exclude the retail categories of accommodation (hotels, motels, backpackers, etc.) and vehicle and marine sales & services (car yards, boat shops, caravan sales, Repco, Super Cheap Autos, tyre stores, panel beating, mechanical repairs), as these sectors are not considered to be core retail expenditure, nor fundamental retail centre activities in terms of visibility, location, viability or functionality.

Table 2 illustrates the forecasted retail expenditure and sustainable floorspace figures for the Kapiti, as aforementioned a more detailed breakdown of the PEL retail expenditure model and its inputs can be found in Appendix 2. Table 3 breaks down the figures shown in Table 2 by ANZSIC² retail classifications. Provided in Appendix 3 is a full breakdown of the ANZSIC retail classifications and the store types categorised in each classification.

Sustainable floorspace refers to the level of floorspace proportionate to an area's retainable retail expenditure that is likely to result in an appropriate quality and offer in the retail environment. This does not necessarily represent the 'break even' point, but a level of productivity that allows retail stores to trade profitably and provides a good quality retail environment.

TABLE 2: KAPITI COAST RETAIL EXPENDITURE FORECAST (\$M)

	2011	2016	2021	2026	2031
Food retailing	\$220	\$243	\$267	\$292	\$318
Clothing, footwear and personal accessories retailing	\$48	\$54	\$60	\$67	\$75
Furniture, floor coverings, houseware and textile goods retailing	\$22	\$24	\$27	\$29	\$31
Electrical and electronic goods retailing	\$23	\$25	\$28	\$30	\$33
Hardware, building and garden supplies retailing	\$9	\$10	\$11	\$12	\$14
Pharmaceutical and personal care goods retailing	\$16	\$18	\$20	\$22	\$24
Department stores	\$53	\$59	\$65	\$72	\$79
Recreational goods retailing	\$26	\$28	\$31	\$34	\$37
Other goods retailing	\$27	\$31	\$34	\$38	\$43
Food and beverage services	\$97	\$108	\$120	\$132	\$147
Total	\$542	\$601	\$662	\$729	\$801

Source: Property Economics

TABLE 3: KAPITI COAST RETAIL EXPENDITURE AND FLOORSPACE FORECASTS

	2011	2016	2021	2026	2031
Retail expenditure (\$m)	\$542	\$601	\$662	\$729	\$801
Sustainable net floorspace (sqm)	77,540	86,044	94,765	104,285	114,499
Sustainable GFA (sqm)	110,771	122,920	135,379	148,978	163,570

Source: Property Economics

² ANZSIC - Australia and New Zealand Standard Industrial Classifications

Kapiti Coast currently generates an estimated \$542m in total retail expenditure annually in 2010 dollars. This is estimated to increase to around \$800m annually by 2031 based on aforementioned rates of growth.

Table 2 also converts the retail expenditure into net retail floorspace demand, by applying retail sales productivity rates (i.e. typical retail sector sales/sqm) on a sector by sector basis. Table 2 & 3 indicate that as the retail expenditure grows, the sustainable net retail floorspace is forecast to increase from around 77,500sqm to 114,500sqm between 2010 and 2031.

There is a need to translate net retail trading floorspace into Gross Floor Area (GFA) as net retail trading floorspace excludes floor area in a retail store used for storage, warehousing, staff room, office, toilets, etc. These activities typically occupy around 25-30% of a retail store's GFA. It is important to separate out 'back office' floorspace as it does not generate any retail spend.

A store's net retail floor area only includes the area which displays the goods and services sold and represents the area the general public has access, whereas the GFA typically represents the total area leased by the retailer.

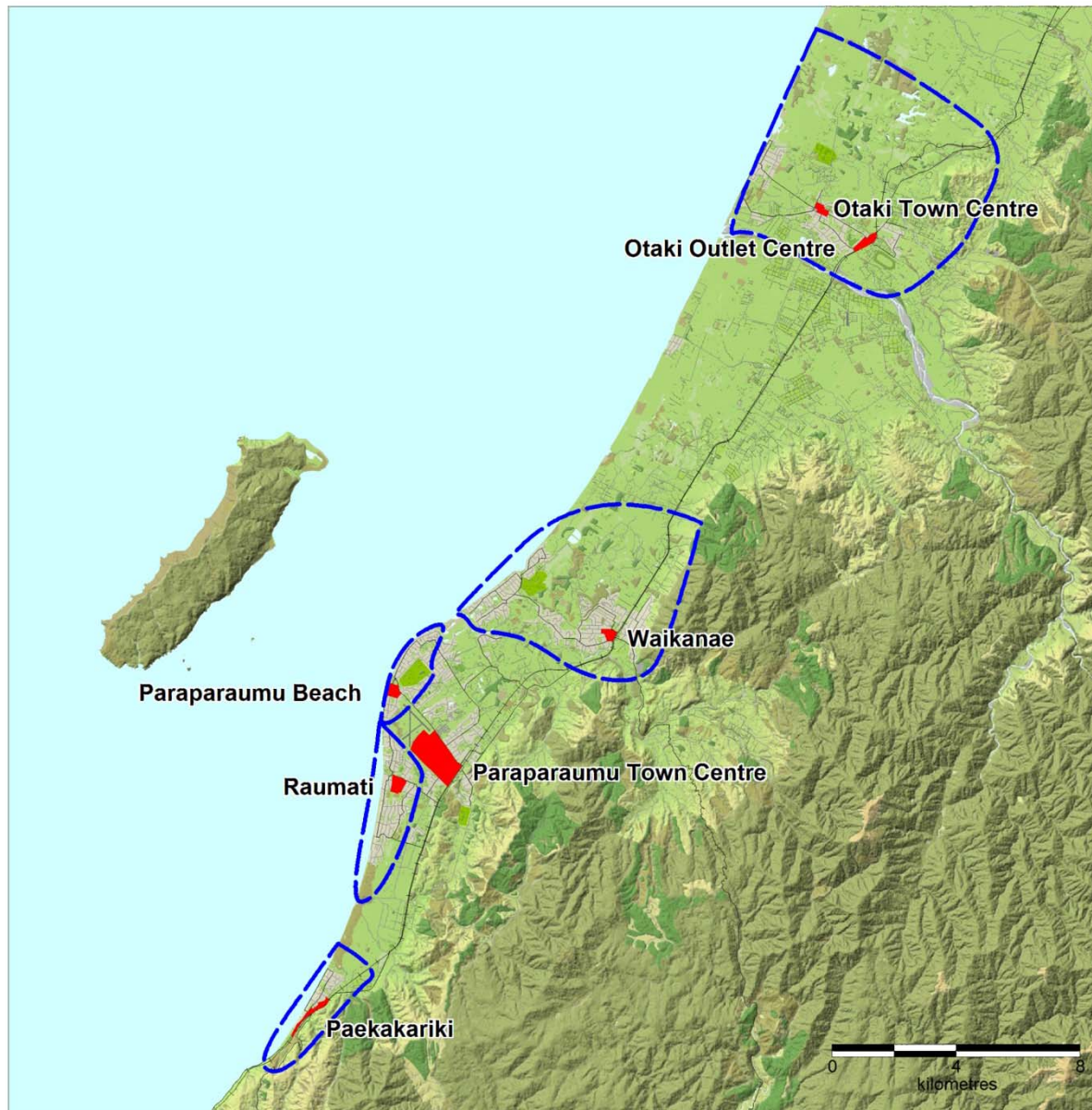
In terms of GFA, and adopting a 30% ratio, the figures in Table 2 equate to a total of around 111,000sqm of sustainable GFA currently, estimated to increase to around 163,500sqm by 2031, representing growth in sustainable retail GFA of almost 53,000sqm over the projected period.

Figure 2 illustrates the indicative trade catchment for each of the identified retail / commercial nodes. These have been based on the role / function of the centres in the network, their respective locations, centre offer, roading network, competing centres and natural geographic constraints. This has been done in order to accurately estimate the retail and commercial and sustainable floorspace requirements of the nodal areas. These have been identified based on the concentration and distribution of retail and commercial activity located in the Kapiti Coast District.

Due to the unique nature of the Otaki Outlet Centre, i.e. its 'outlet offer' and multi-district customer draw, a catchment has not been identified for the centre. Given the district-wide draw of the Paraparaumu Town Centre, and the physical geography of Kapiti, it has been assumed the retail catchment for this centre is represented by the entire Kapiti Coast District which represented in Table 2.

These catchments form the basis of the subsequent retail and commercial analysis, and these are not considered likely to materially change with the development of the expressway due to their convenience focus.

FIGURE 2: KAPITI COAST RETAIL CENTRE CATCHMENTS



Source: Property Economics

Table 4 illustrates the total retail expenditure generated within the identified retail catchments (in 2010 dollars) and the corresponding sustainable net retail floorspace and GFA in these areas.

Note these catchments are not intended to represent the entire catchment of the centres, but where the vast majority of their retail sales would be derived.

TABLE 4: RETAIL CENTRE CATCHMENT FORECASTS

Retail Expenditure (\$ m)	2 0 1 1	2 0 1 6	2 0 2 1	2 0 2 6	2 0 3 1
Waikanae Town Centre	\$62.4	\$71.9	\$81.6	\$91.7	\$102.4
Raumati	\$11.8	\$13.7	\$15.6	\$17.7	\$20.0
Otaki Town Centre	\$10.6	\$11.7	\$12.8	\$14.0	\$15.4
Paraparaumu Beach	\$8.4	\$9.0	\$9.6	\$10.2	\$10.9
Paekakariki	\$3.1	\$3.3	\$3.5	\$3.7	\$3.9

Sustainable Net Floorspace (sqm)	2 0 1 1	2 0 1 6	2 0 2 1	2 0 2 6	2 0 3 1
Waikanae Town Centre	5,665	6,529	7,407	8,324	9,299
Raumati	1,314	1,520	1,736	1,971	2,222
Otaki Town Centre	1,181	1,298	1,421	1,559	1,706
Paraparaumu Beach	938	1,002	1,066	1,136	1,212
Paekakariki	342	365	388	413	439

Sustainable GFA (sqm)	2 0 1 1	2 0 1 6	2 0 2 1	2 0 2 6	2 0 3 1
Waikanae Town Centre	8,093	9,327	10,581	11,892	13,284
Raumati	1,877	2,171	2,480	2,815	3,175
Otaki Town Centre	1,687	1,855	2,030	2,227	2,437
Paraparaumu Beach	1,340	1,432	1,523	1,623	1,731
Paekakariki	488	522	554	590	626

Source: Property Economics

For the purpose of analysis the identified retail catchments of Raumati, Otaki Town Centre, Paraparaumu Beach and Paekakariki have been assumed to generate convenience retailing expenditure only. This is based on the nature of these centres, existing offer and their current position within the Kapiti Coast centre hierarchy. The position of Waikanae Town Centre within the retail hierarchy has also been considered in the retail forecasts in this report with a supermarket and convenience function.

Convenience retailing can be generally defined as stores used for quick stop and frequently required shopping, used primarily due to their close proximity to the customer. These stores are not exclusive to any one retail category or restricted to only out-of-centre retail stores, examples of such stores include dairies, liquor stores, cafes and restaurants. Convenience retail spend is estimated to

represent around 17% of all retail expenditure. These ratios have been adopted for the purpose of this analysis.

Currently the Waikanae Town Centre catchment generates around \$62.4m per annum in 2010 dollars, this is expected to grow to around \$102m pa by 2031. Splitting this according to convenience and supermarket retailing expenditure, the Waikanae Town Centre currently generates around \$22m pa in convenience expenditure and \$41m pa in supermarket expenditure.

By 2031, convenience expenditure is forecast to reach \$35m pa with supermarket retailing expenditure in the catchment projected at an estimated \$67m pa. Translating this to GFA, the Waikanae Town Centre catchment can currently sustain around 3,400sqm in convenience retailing and 3,300sqm in supermarket retailing, forecast to grow to 5,600sqm and 5,300sqm respectively by 2031.

Within the Raumati catchment, convenience retail expenditure generated is currently around \$12m pa, forecast to grow to \$20m by 2031. Sustainable net floorspace within this catchment is currently around 1,300sqm (1,900sqm GFA), and estimated to grow to 2,200sqm (3,200sqm GFA) by 2031. In terms of percentage growth, over the projected period the Raumati catchment is forecast to grow the quickest with just under 70% growth over the period.

Convenience retail expenditure within the Otaki Town Centre is currently around \$11m pa with a sustainable net floorspace of 1,200sqm (1,700sqm GFA). This is forecast to grow to \$15.5m pa and 1,700sqm net (2,400sqm GFA) by 2031.

The Paraparaumu Beach catchment is currently generating convenience retail expenditure of \$8.5m pa growing to \$11m by 2031. In terms of sustainable net floorspace, this catchment can sustain around 1,300sqm GFA. By 2031 the catchment is forecast to be able to sustain around 1,700sqm.

Paekakariki represents the smallest identified centre and has a retail expenditure level of around \$3.1m pa currently growing to \$4m pa by 2031. Sustainable GFA for the catchment is currently around 500sqm (or roughly 5 small stores), growing to 600sqm by 2031.

5.3. KAPITI RETAIL SUPPLY

In June 2011 Property Economics undertook a retail audit of the Kapiti Coast 'in-centre' retail supply. This involved measuring the net retail floorspace of all retail centre stores within the Kapiti Coast by

sector. These figures were then translated to GFA using an average 70% net to GFA ratio. Floorspace information from the NZSCD³ has also been used as part of this audit.

The results of the audit are displayed on Table 5, and shown by gross retail floorspace, number of retail stores, and the respective percentages by ANZSIC retail sector. A full breakdown of each centre's retail composition is provided in Appendix 4.

TABLE 5: KAPITI COAST RETAIL SUPPLY JUNE 2011

	Store #	GFA (sqm)	Store %	GFA %
Supermarket	6	15,191	2%	14%
Food, Liquor Retailing	29	5,021	7%	4%
Cafes, Restaurants, & Takeaways	105	11,535	27%	10%
Pubs, Taverns and Bars	10	5,529	3%	5%
Clothing, Jewellery and Personal Accessories	72	12,721	18%	11%
Footwear	8	2,181	2%	2%
Furniture, Floor Coverings, Homeware and Textiles	27	13,521	7%	12%
Electrical and electronic goods	9	3,026	2%	3%
Hardware, Building and Garden Supplies	14	15,892	4%	14%
Chemist	8	1,364	2%	1%
Department store	3	9,972	1%	9%
Recreational Goods	23	5,247	6%	5%
Other Stores	42	5,168	11%	5%
Vacant	37	5,513	9%	5%
Under Construction	1	114	0%	0%
Total	394	111,994	100%	100%

Source: Property Economics

Within the Kapiti Coast there are currently just under 400 retail stores delivering to the market an estimated 112,000sqm of retail GFA. Current vacancy levels in Kapiti Coast total to around 37 stores, encompassing an estimated 5,500sqm in GFA. This represents around 5% of the total retail market by store number and GFA. Given the current 'downturn' in the retail market nationally, this vacancy level is considered acceptable and should reduce as the retail market 'picks up' as is forecast over the coming years.

It is worth noting the survey is a 'snapshot' in time and retail stores are constantly opening, closing and relocating due to a variety of individual store circumstances. In this regard the retail market is fluid and undergoing constant change. Given this, the vacancy percentage is not of concern at its current level, but any increase in vacancy trends would start being of concern and start to

3 NZSCD – New Zealand Shopping Centre Directory

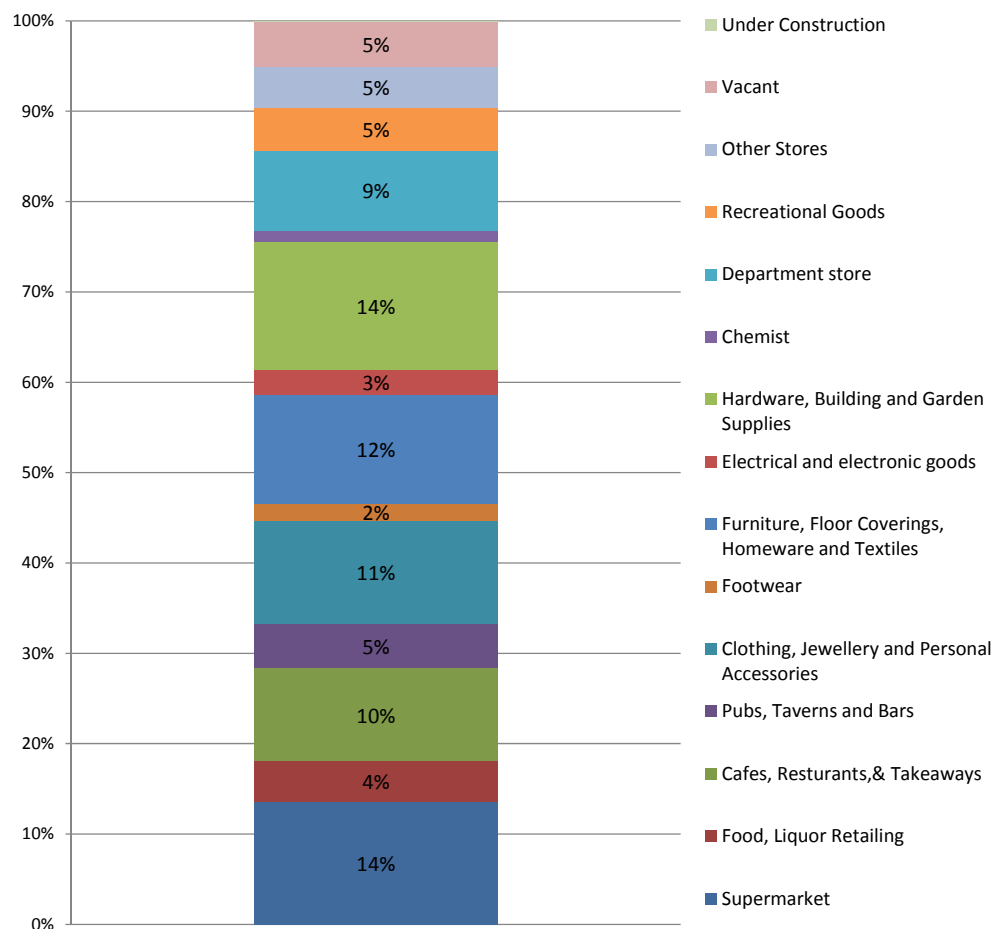
compromise further the quality of the district's retail offer, centre environments and subsequently the shopper experience.

The retail sector representing the largest proportion of the market in terms of store count (by some margin) is Cafes, Restaurants & Takeaways with 105 stores or 27% of the total retail market by store number. Clothing, Jewellery and Personal Accessories represents the second largest proportion of the market in terms of store count with 72 stores representing 19% of the total market.

Combined, these two sectors alone comprise 46% of the Kapiti Coast retail offer. This is not unusual given the key focus of these two sectors in the shopping destinations within Kapiti and the broad commercial appeal these sectors have in the community.

Figure 3 below illustrates the current Kapiti Coast retail GFA composition distributed by retail sector. This is a graphic representation of the GFA information in Table 5.

FIGURE 3: KAPITI COAST RETAIL GFA DISTRIBUTION JUNE 2011



Source: Property Economics

In terms of GFA, the largest proportion of GFA in Kapiti Coast is represented by the retail category of Supermarkets and Hardware, Building and Garden Supplies. Interestingly, while these two retail sectors represent only 5% of all retail stores in Kapiti Coast, they comprise 28% of the total retail GFA. This is due to their preference to offer their goods and services to the market via a store with a larger footprint resulting in a larger average store size, which when combined, is 1,550sqm GFA per tenancy on average.

Table 6 breaks the retail audit down further by store numbers in three store size categories by sector, namely 0-500sqm, 500-1,000sqm and 1,000sqm plus. This provides a more detailed synopsis of the district's existing retail structure.

TABLE 6: KAPITI COAST STORE SIZE BREAKDOWN

	Store Count				GFA (sqm)			
	0-500	500-1000	1000+	Total	0-500	500-1000	1000+	Total
Supermarket				6				15,191
Food, Liquor Retailing	29			29	5,021			5,021
Cafes, Restaurants, & Takeaways	105			105	11,535			11,535
Pubs, Taverns and Bars	5	3	2	10	1,243	2,229	2,057	5,529
Clothing, Jewellery and Personal Accessories	69	3		72	10,253	2,469		12,721
Footwear	7		1	8	1,069		1,112	2,181
Furniture, Floor Coverings, Homeware and Textiles	20	4	3	27	4,421	2,857	6,243	13,521
Electrical and electronic goods	7	1	1	9	1,266	540	1,220	3,026
Hardware, Building and Garden Supplies	8	3	3	14	2,006	1,929	11,957	15,892
Chemist	8			8	1,364			1,364
Department store			3	3			9,972	9,972
Recreational Goods	20	3		23	4,028	1,219		5,247
Other Stores	42			42	5,168			5,168
Vacant	36	1		37	5,013	500		5,513
Under Construction	1			1	114			114
Total	357	18	19	394	52,501	11,742	47,752	111,994
Total %	90%	5%	5%	100%	47%	10%	43%	100%

Source: Property Economics

This sheds a different light on the Kapiti Coast retail composition. At present, a significant 92% of retail stores are small (below 500sqm) specialty / finer grain retailers, however these smaller boutique stores only represent 47% of Kapiti Coast retail GFA. Average store GFA in the 0-500sqm category is 150sqm. This is a reflection of the role and function of centres in the district which is to primarily

provide the day-to-day convenience needs of the market, apart from the Paraparaumu Town Centre which also has a higher order role, and the relatively small size of the respective centre's catchments.

Interestingly, retail stores 500sqm GFA plus represents only 10% of store numbers but a significant 53% of Kapiti Coast retail GFA. These stores, because being over 500sqm, are typically classified as large format stores and have an average GFA of 1,600sqm. The bulk of Kapiti Coast's LFR offer is situated in the Paraparaumu Town Centre, and forms an important part of this retail core of the district.

With 90% of stores under 500sqm, the analysis shows it is the finer grain specialty stores that are crucial to the Kapiti Coast retail centres, and undermining this store type is likely to adversely affect the role, function, performance, vitality, vibrancy and amenity of the centres in Kapiti.

Table 7 aggregates the figures shown in Table 6 and categorised them by their respective retail centre. A full breakdown of each centre's retail composition is provided in Appendix 4.

TABLE 7: KAPITI COAST RETAIL SUPPLY BY CENTRE GFA (SQM)

Area	GFA (sqm)
Paraparaumu Town Centre	69,976
Waikanae Town Centre	12,607
Otaki Outlet Centre	10,329
Otaki Town Centre	7,400
Paraparaumu Beach	7,286
Raumati	3,864
Paekakariki	533
Kapiti Total	111,994

Source: Property Economics

As indicated by Table 7, the current retail GFA within the district is around 112,000sqm. The most dominant and highest order centre in the district is the Paraparaumu Town Centre (including Coastlands) with an estimated total of around 70,000sqm GFA, accounting for approximately 62% of total retail floorspace in the Kapiti Coast.

With nearly two out of every three square metres of Kapiti's current retail provision in the Paraparaumu Town Centre, the other centres in the district primarily play a supporting role and service the more localised and convenience needs of their surrounding communities, compared to the Paraparaumu Town Centre which has a district wide function and attracts shoppers from across Kapiti.

The remaining 38% of Kapiti's retail activity is dispersed across the balance of centres. Some of these are larger than what their local catchment can sustain (i.e. Paraparaumu Beach), but this is due to the influx from visitors throughout the year. This is reflected in the very high proportion of Cafes, Restaurants and Takeaway outlets in the centre – 38%. This will be discussed further later in this section.

Interestingly, the Otaki Outlet Centre is larger than the Otaki Town Centre and has surpassed it in terms of depth and breadth of its retail offer. While the centres have different functions in the market, the emergence of the Otaki Outlet Centre has weakened the role of the Otaki Town Centre locally and had effects on the quality of offer, local shopping patterns and retailer location preferences, with Otaki Outlet Centre performing significantly higher than the Otaki Town Centre and drawing shoppers from a much wider geo-spatial catchment.

In this regard the Otaki Outlet Centre is a unique / niche centre in Kapiti as it serves a market much greater than Otaki and Kapiti Coast itself, particularly given its SH1 location. It's 'outlet' store focus offering goods at discounted prices attracts shoppers from Wellington and Manawatu to the north, as well as 'through traffic' on SH1.

Not surprisingly the Otaki Outlet Centre has a very high proportion of retailers in the Clothing, Jewellery and Personal Accessories sector (40%), significantly higher than any other centre in the district. This is clearly affecting this sector's offer in the Paraparaumu Town Centre, and Coastlands in particular, as is the district's close proximity to Wellington.

The Waikanae Town Centre is significantly larger than what the localised Waikanae catchment can sustain, also suggesting many retailers located in Waikanae 'feed off' the SH1 traffic to remain viable. This 'through traffic' helps support the high proportion of Cafes, Restaurants and Takeaway stores (35%), but in general the quality of offer and environment of the Waikanae Town Centre is not considered of a good standard comparably, applying today's retail market standards as a yard stick.

5.4. DEMAND VS. SUPPLY

Table 8, compares the current retail floorspace offer within the district against the projected sustainable retail GFA. This provides an insight into the possible under/oversupply of retail floorspace in the area, and dynamics in relation to market shopping patterns and the effects of these on Kapiti Coast's current and future retail provision.

TABLE 8: KAPITI COAST RETAIL GFA DEMAND VS. SUPPLY

	2011	2016	2021	2026	2031
Retail Expenditure (\$m)	\$541.8	\$601.3	\$662.4	\$729.1	\$800.7
Sustainable GFA (sqm)	110,771	122,920	135,379	148,978	163,570
Current Retail GFA Supply (sqm)	111,994	111,994	111,994	111,994	111,994
Supply / Demand Differential	-1,224	10,925	23,385	36,984	51,575

Source: Property Economics

Table 8 indicates that the current retail floorspace supply within the Kapiti District is on par with the potential sustainable GFA level, i.e. the demand / supply balance is in approximate equilibrium.

However, as already noted, these forecasts do not represent actual retail expenditure, rather the potential level of retail expenditure that would be generated if all retail expenditure generated in the district was internalised. In terms of floorspace supply, while GFA is at adequate levels, this does not mean that the amount of retail expenditure spent within the district is at a level able to support local supply to a good standard.

Based on the quality of the retail offer currently exhibited by retail centres within Kapiti, which is considered only low-average quality in many instances), it is highly likely that a significant level of retail expenditure leakage occurs to other centres outside the district (predominantly to centres in Wellington). This translates to a lower than optimal level of retail floorspace performance locally.

This means the current retail provision in Kapiti is more than the current level of sustainable demand once retail leakage has been factored in. Based on Table 8, this means a significant proportion of Kapiti Coast's existing retail provision is absorbed by lower quality, lower performing stores which is typically represented by a lower proportion of national banner brands as is the case in Kapiti at present.

This is one of the underlying reasons for the significant volume of 'lower quality' retail space in Kapiti at present. This means a significant proportion of retail expenditure generated locally is not being internalised or spent within Kapiti, but elsewhere (predominantly Wellington). This is an important issue for Kapiti Coast to tackle moving forward if it is to improve the quality, vibrancy, viability, performance and amenity of the retail stores and environments in Kapiti.

The importance of attracting national (or international) banner brands to Kapiti Coast, which is realistically only achievable in the Paraparaumu Town Centre, is considered fundamental to improving the performance of the district from a retail perspective and reducing retail expenditure leakage to Wellington.

Banner brands can extend the trade catchments of centres, and increase the market realisation or market share within catchments. As such these store types are crucial 'consumer attractors' for centres, and at present Kapiti has a limited range of key national banner retail chains with Kapiti Coast residents having to travel to Wellington, Palmerston North (or further afield) to shop at these stores.

Quality refers to not only the retail products or brands but the entire retail experience and includes elements such as quality of retail environment, store fit-outs, in-store service, physical built form, public realm, parking and access. In today's competitive retail market retail is more than simply buying retail goods or services, but providing a breadth of experience that encourages shoppers not only to visit a centre, but to purchase products and visit again and again.

The offer must be compelling, enticing and a gratifying experience for the consumer starting from how people get to and access the centre, to when and how they leave. However, without the key banner retail brands to attract shoppers, much of the other elements identified become less relevant and tend to struggle when working in isolation.

5.5. FUTURE CENTRE ROLES

There are a number of important considerations to take into account when assessing the longer term role and function of centres in the Kapiti Coast network. The key one is the proposed SH1 road realignment from Wellington to Levin (Wellington Northern Corridor road of national significance), with the proposed expressway an integral component of this and the implications this will have on shopping patterns in local catchments in Kapiti, as well as wider retail trends that are continuing to evolve and change the way consumers shop.

Paraparaumu Town Centre is the heart of the Kapiti Coast retail market, and is the key centre to develop / extend on an on-going basis to meet the growing retail and commercial needs of the District.

At present there is ample land supply to meet foreseeable needs, based on the vacant zoned land within the centre (around 36ha). However, the proposed SH1 roading upgrades have the potential to undermine this supply unless significant improvement in the Paraparaumu Town Centre occurs in respect of scope and quality of the retail and commercial offer, both in terms of physical built form and environment.

The expressway, in particular the Transmission Gully segment will enable access from Kapiti to Wellington to become easier and quicker, reducing the drive time by approximately 8-10 minutes. This is considered of concern given the significant level of employment and retail leakage already occurring from Kapiti to Wellington. All things being equal, the expressway will actually increase retail leakage out of the district due to the more expansive and higher quality retail offers in Wellington becoming 'less of a drive' and therefore easier to access.

The centre considered most 'at risk' from the SH1 roading realignments is the Paraparaumu Town Centre, i.e. the higher order centre with the store types consumers are traveling to Wellington to shop at. The more convenience oriented centres in the balance of Kapiti would not be jeopardised to any material degree. The road realignments will in effect knit the Wellington Region closer together meaning the Kapiti retail network will work in closer tandem with the Wellington and Porirua City networks and be more affected by changes in that network.

By way of an example, the consented but yet to be developed new Johnsonville Mall will have a greater effect on Kapiti shopping patterns and the Paraparaumu Town Centre with the proposed SH1 realignments completed than under the status quo environment.

This is an upcoming risk to any redevelopment or expansion of the Paraparaumu Town Centre. It also needs to be recognised that while Kapiti Coast is projected to increase in population (and by default have increased retail expenditure generated locally), this may not automatically translate to increased performance and expansion of the Paraparaumu Town Centre if retail leakage increases. However, if a retail offer in the Paraparaumu Town Centre can be provided that repatriates current leakage then there is significant future potential for the Paraparaumu Town Centre.

The Paraparaumu Town Centre needs to be more than a retail centre, but a wider commercial centre offering lifestyle and entertainment options, as well as having a more compelling retail offer to act as the 'glue' to bring all the different land use activities together. This should be a key focus for the District to mitigate against the upcoming impacts of the new SH1 realignments.

From a retail perspective, Waikanae Town Centre and Otaki Town Centre currently, and in the future will, fulfill a local convenience and supermarket function rather than a 'town centre' function. This is a

result of wider retail market trends that have influenced and substantively changed their position in the retail hierarchy and role in the market.

The Waikanae and Otaki Town Centres are not alone in battling this issue. At a higher level, the retail market is undergoing constant change in terms of how retail goods and services are delivered to consumers, resulting in changing retail formats as retailers try to better position themselves to attract the increasingly discerning shopper. This is leading to significant changes in the way consumers shop and crucially changes in the role and function of centres.

Major changes that have occurred over recent decades, and shaped the retail market into what it is today, include the development of shopping malls from around 1970 onwards and the emergence in more recent times of LFR centres. Coinciding with this was the emergence of the 'fast food' market that provided convenience for the increasing 'time precious' consumer. Emerging now is the growing influence of Internet retailing, which allows consumers to purchase previously inaccessible goods from stores not only outside their local catchment, but right around the world. All these changes have had, and will continue to have, cumulative and underlying influences on the more 'traditional' town centres in terms of the role they play in the community and the retail offer provided.

Internet retailing (sometimes referred to as e-tailing) is a factor that will have an increasing influence on the future retail provision required and shopping patterns, and is now at a point where it should be factored into forward planning considerations. Growing retail expenditure will account for an increasing proportion of total retail sales which will effectively reduce the amount of retail expenditure available for physical stores, which in effect would lower the need for on-the-ground retail activity in the future, which ultimately will slow the rate of retail growth in respect of provision required to meet the future market's needs.

Historically, town centres were the heart of a community with a wide ranging retail offer and mix including supermarket, fashion, hardware, footwear, department stores, restaurants, community and recreational facilities, and localised commercial services. However, while the term 'town centre' has remained, the traditional meaning of it cannot be applied to many of the modern day centres that carry the title.

As a result of the trends identified above, town centres today have had their historical role reduced to primarily one focused on supplying convenience retail and commercial activities for the communities they serve. Shopping malls and LFR centres have largely removed the 'higher order' comparison stores such as local hardware stores, fashion and footwear stores, department stores, which have been absorbed by larger more centralised stores in retail centres attracting shoppers from far more extensive catchments.

This has been supported by improvements in the roading network, and better quality and cheaper cars (imported second hand cars from Asian countries primarily) making travelling quicker and easier, allowing consumers more retail choice and the ability to travel further afield to undertake their retail shopping. This has also been driven by retailers' desire to reduce overhead costs and duplication of stores to improve competitiveness against increased competition, i.e. have one larger store that services a larger market rather than 2 or 3 separate smaller stores to service the same market.

The 'upshot' of the identified changes in the market is that traditional town centres are unlikely to go back to their more halcyon days of having an offer that serviced that vast majority of the local community's retail needs, and their future role will primarily be based around providing convenience based retail goods and services that are more frequently purchased, particularly food & beverage retailing.

Waikanae and Otaki Town Centres fall into this category (as would have been the case for the Paraparaumu Town Centre if were not for Coastlands Mall), and it is on this basis these centres are currently considered to be 'oversupplied' in retail terms for both the current markets they serve, and importantly the future markets they will serve. Waikanae in particular, assuming the expressway is developed, will lose the SH1 traffic which will negatively affect centre performance and amplify the 'over provided' nature of the centre. At best, both these centres will play a supermarket based neighbourhood centre role in the market.

In other locations in NZ where road realignments have diverted SH1 traffic away from existing town centre, and where PEL have undertaken some research, the effect some retailers in the existing centres has been in the order of 20%-25%. It is anticipated the proposed expressway will bear similar effects on Kapiti centres. Paraparaumu Beach and Raumati centres are neighbourhood centre primarily servicing the convenience needs of their local catchments. However, the current size of these centres is greater than what is required for each centre to fulfil this role. That is due to these centres also playing an important role servicing the needs of tourists / visitors to the beaches in Kapiti, particularly in the food and beverage sectors. This is seasonal, but nonetheless still needs to be provided, and putting these activities in existing centres is efficient, better utilises existing infrastructure and services and benefits other retailers in the centres. In this regard, providing these activities in the centres at Paraparaumu Beach and Raumati is considered a good planning outcome.

While this results in these centres being slightly larger than required for large parts of the year, this does not have any effect on the performance, viability or role and function of other centres in the network. These centres can operate and fluctuate in size depending on the tourist / visitor demand, as the core convenience retail offer remains. In effect, if these centres grow then that would suggest more tourists / visitors are staying in and around Kapiti beaches, which is only positive for the Kapiti economy as it will not jeopardise the higher order Paraparaumu Town Centre.

Paekakariki is a small local centre servicing the local area. Based on projected residential and retail market growth in Paekakariki's local catchment this is not anticipated to change in the future.

5.6. COMMERCIAL CENTRE HIERARCHY AND ROLE

In terms of strategic planning, the commercial centres of the Kapiti Coast District vary in terms of scale and purpose. The scale and diversity of activity (functional amenity) provided by these centres ranges from those with a District wide catchment, to those with a more neighbourhood function (as identified in Figure 4). The importance of State Highway 1 access and visibility to increasing the functional amenity of these centres is most apparent at Papaparaumu Town Centre, Waikanae Town Centre, and the more 'niche' centre at the Otaki Outlet Centre. Accordingly, the function and viability of these centres are most at risk from changes in transport patterns introduced through the expressway.

The local and neighbourhood centres, which for the purposes of this report also include Paekakariki, Raumati, Paraparaumu Beach, and the Otaki Town Centre tend to provide a cluster of shops, including a small scale dairy or limited range supermarket. The functions provided by these centres relate to the more convenience needs of the local catchment. It is noted however, that Raumati is lifted in functional amenity and aesthetic by both a small range of comparison outlets and a consistent urban design character.

Smaller centres at Raumati South, Te Horo, Kena Kena and Waikanae Beach support the immediate convenience needs of adjoining residents and pass by trips. Whilst these centres are important local resources, they do not play a strategic role in the hierarchy of the centres within the District.

The larger commercial centres such as Paraparaumu Town Centre and Waikanae Town Centre, provide a comparatively limited range of activities and functional amenity, given the population size. These centres consist of shopping, small scale commercial and industrial service activities, and in the case of Paraparaumu Town Centre a targeted consolidation of civic facilities, including the library, Council offices, and a proposed aquatic centre to the west of Rimu Road.

A significant proportion of the Kapiti Commercial centres contain lower quality, lower performing stores with a lower proportion of national banner brands than could be expected. Accordingly, only moderate physical amenity (Appendix 7) and functional amenity is apparent in almost all of the Kapiti Centres than what would otherwise be expected (as identified in Figure 5).

The Council has sought to overcome the absence of private led investment through public spending on amenity and public space improvements at Paraparaumu Town Centre, and Otaki Town Centres.

However without addressing the fundamental economic and functional conditions of these centres, such investment may not yield sustained economic improvements.

FIGURE 4: LOCAL COMMERCIAL CENTRE HIERARCHY

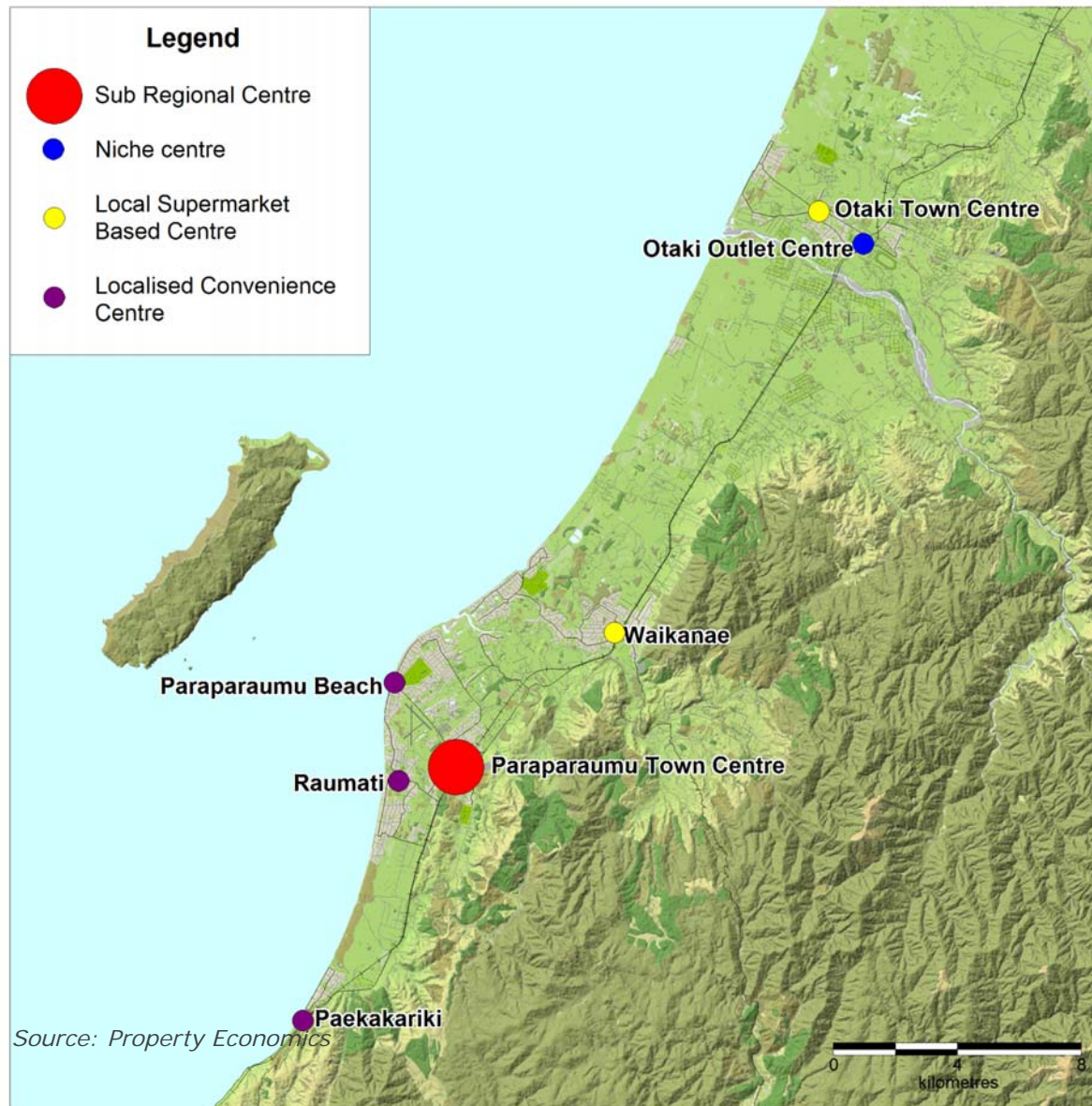
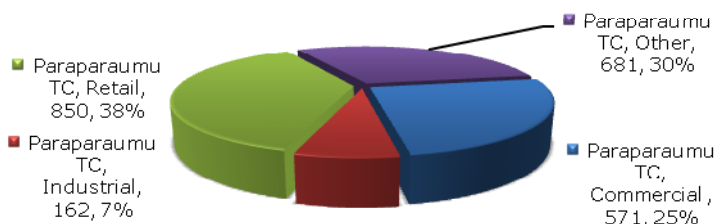
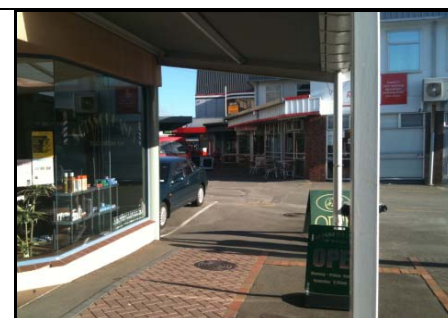
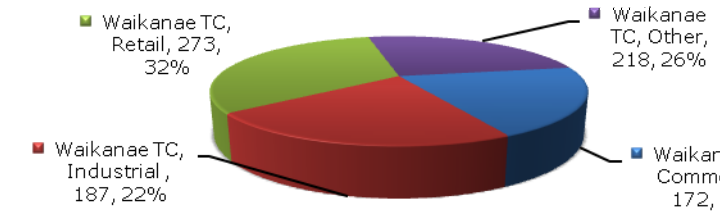


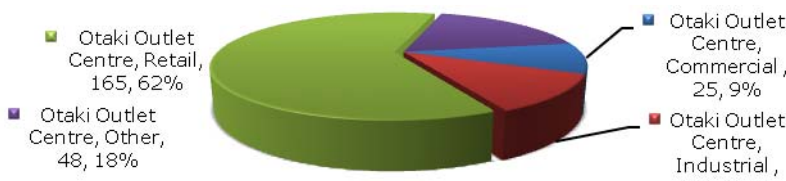
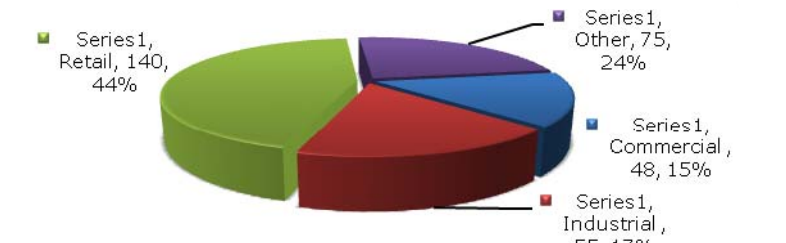

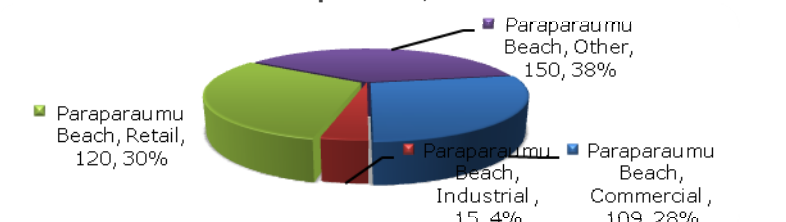


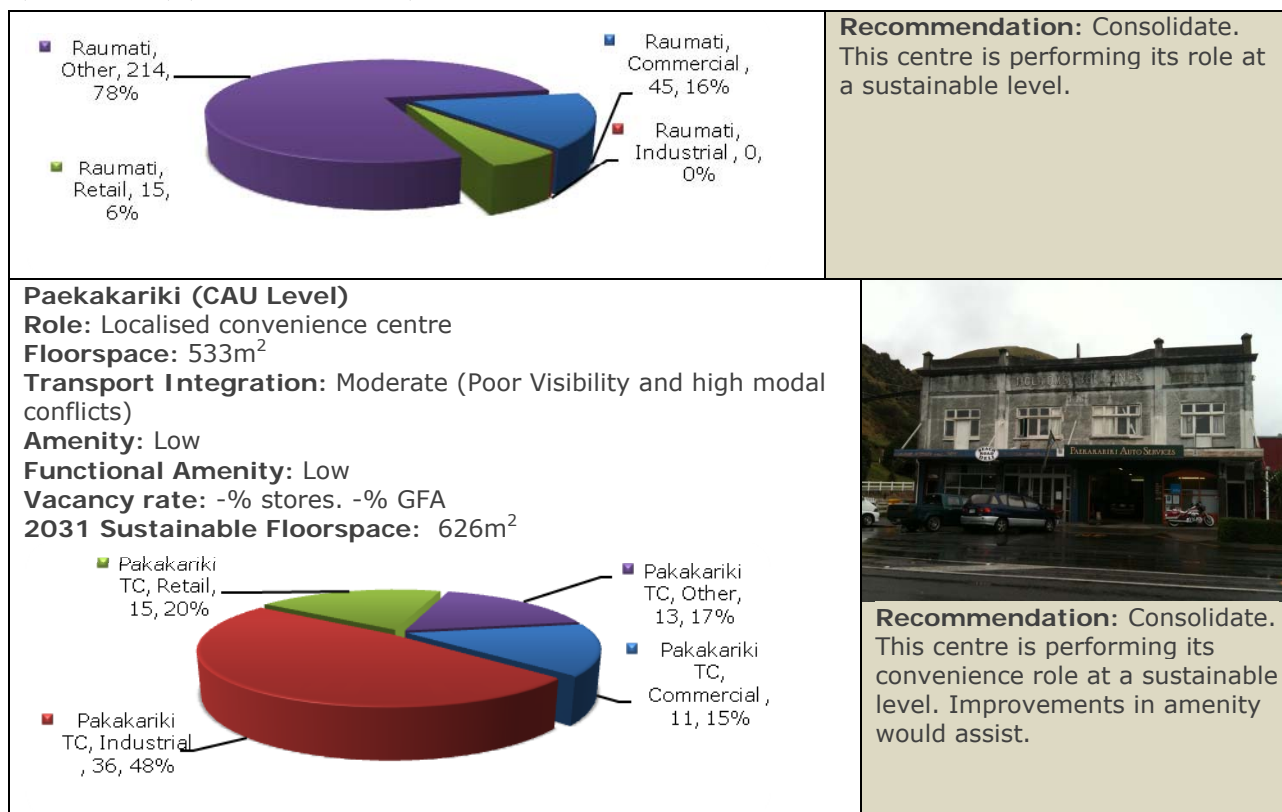


FIGURE 5: SUMMARY COMMERCIAL NODES FACTSHEETS

<p>Paraparaumu Town Centre (CAU Level) Role: Sub Regional Centre Floorspace: 69,976m² Transport Integration: High (SH1, rail node) Amenity: Moderate Functional Amenity*: Low Vacancy rate: 10% stores. 4% GFA Vacant Land Area: 36.1Ha 2031 Sustainable Floorspace: Commensurate to role.</p>  <p>■ Paraparaumu TC, Retail, 850, 38% ■ Paraparaumu TC, Industrial, 162, 7% ■ Paraparaumu TC, Other, 681, 30% ■ Paraparaumu TC, Commercial, 571, 25%</p>	 <p>Recommendation: Consolidate and develop Transit Orientated Development focus. Actively manage the centre so that the centre can either continue to fulfil its commercial and community role successfully.</p>
<p>Waikanae Town Centre (CAU Level) Role: Local Supermarket Based Centre Floorspace: 12,607m² Transport Integration: High (SH1, High Visibility, rail node) Amenity: Moderate Functional Amenity: Moderate Vacancy rate: 11% stores. 4% GFA 2031 Sustainable Floorspace: 13,284m²</p>  <p>■ Waikanae TC, Retail, 273, 32% ■ Waikanae TC, Industrial, 187, 22% ■ Waikanae TC, Other, 218, 26% ■ Waikanae TC, Commercial, 172, 20%</p>	 <p>Recommendation: Consolidate. Actively manage the centre so that the centre can either continue to fulfil its commercial and community role successfully.</p>
<p>Otaki Outlet Centre (CAU Level) Role: Niche Centre Floorspace: 10,329m² Transport Integration: Moderate (SH1, High Visibility) Amenity: Moderate Functional Amenity: Low Vacancy rate: 13% stores. 8% GFA 2031 Sustainable Floorspace: Commensurate to role.</p>	 <p>Recommendation: Diversify. Actively improve the community role and foster a sustainable niche role for this centre to</p>

 <p> Otaki Outlet Centre, Retail, 165, 62% Otaki Outlet Centre, Other, 48, 18% Otaki Outlet Centre, Commercial, 25, 9% Otaki Outlet Centre, Industrial, 30, 11% </p>	<p>remain successful.</p>
<p> Otaki Town Centre (CAU Level) Role: Local Supermarket Based Centre Floorspace: 7,400m² Transport Integration: Low (Poor visibility and access) Amenity: Low (under construction) Functional Amenity: Low Vacancy rate: 3% stores. 3% GFA 2031 Sustainable Floorspace: 2,437m² </p>  <p> Series1, Retail, 140, 44% Series1, Other, 75, 24% Series1, Commercial, 48, 15% Series1, Industrial, 55, 17% </p>	 <p>Recommendation: Transition. Centre role is split with Otaki Outlet Centre. Extent of centre to be limited to existing zoned area.</p>
<p> Paraparaumu Beach (CAU Level) Role: Localised convenience centre Floorspace: 7,286m² Transport Integration: Low (Poor Visibility, access and congestion) Amenity: Moderate Functional Amenity: Moderate Vacancy rate: 5% stores. 8% GFA 2031 Sustainable Floorspace: 1,731m² </p>  <p> Paraparaumu Beach, Retail, 120, 30% Paraparaumu Beach, Other, 150, 38% Paraparaumu Beach, Commercial, 109, 28% Paraparaumu Beach, Industrial, 15, 4% </p>	 <p>Recommendation: Consolidate. This centre is performing its role at a sustainable level.</p>
<p> Raumati (CAU Level) Role: Localised convenience centre Floorspace: 7,400m² Transport Integration: Low (Poor Visibility and access) Amenity: Moderate Functional Amenity: Moderate Vacancy rate: 15% stores. 8% GFA 2031 Sustainable Floorspace: 3,175m² </p>	



* Using Employment type and counts at CAU level (not zoned spatial extent) as a broad measure of functional amenity. Accordingly the higher the employment counts, and diversity of employment, the higher the choice and diversity of choices available to the surrounding community in terms of access to employment, retail goods and services, and social and recreational facilities. Typically, the larger a centre is the greater its functional amenity. The category 'other' consists of a range of employment associated with education and medical facilities.

Recommendation 1: It is recommended that the Implementation of the Community Outcomes Statements (2007) for centres be tempered by the following:

- **Paraparaumu Town Centre:** Main focus for centre expansion west of Rimu Road. The key approach should be to diversify activities and consolidate and develop Transit Orientated Development focus within and surrounding this centre.
- **Waikanae Town Centre:** Activities at the centre should be diversified where possible but not at the expense of expanding the centre. The main focus recommended is to consolidate commercial density, and promote higher density residential activity surrounding the centre. Commercial and residential renewal and intensification is a critical pre-requisite for building a viable community focal point in future
- **Otaki Outlet Centre and Otaki Town Centre:** These centres are effectively operating as a split

centre with considerable overlap in the convenience / supermarket offer.

The Town Centre is oversupplied with floorspace based on its market catchment, mainly for historical reasons, and should continue to consolidate. The Kapiti Coast District Council Community Outcome Report (Greater Otaki Vision 2007) identifies that the Otaki Town Centre should maintain and expand its retail offer – this should be undertaken within centre where possible. At present the commercial area is underutilized, and care should be taken not to provide for a linear expansion of the Business zone, as there are not sufficient anchors (or household expenditure) to underpin such a scale of development. The only exception should be the facilitation of any supermarket expansion.

By comparison the Outlet Centre needs to diversify its activities. There is some downgrade risk to the Outlet Centre trading from Sandhills Bypass, unless it can retain and build upon its niche role.

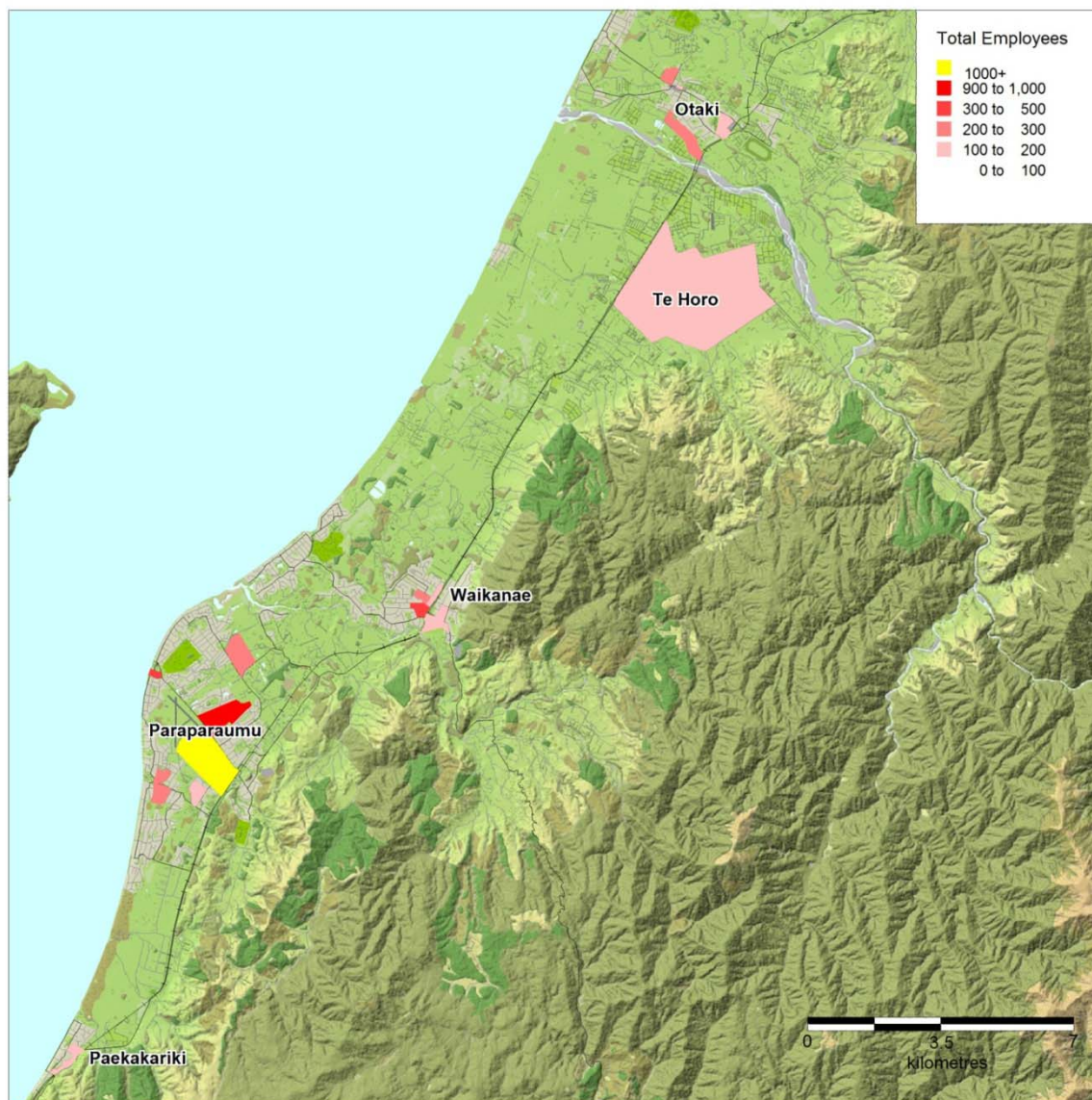
- **Paraparaumu Beach:** This centre performs beyond its local catchment floorspace based on influxes of visitors and tourists, but should retain its local centre status, with support for activities that consolidate the entertainment, convenience and Food and Beverage range of activities offered. The centres identification within a 'Regional Focus Area' within the Proposed Regional Policy Statement will provide increasing tensions between any expansions of the commercial centre, and the intensification of surrounding residential areas.
- **Raumati:** Excellent design aesthetic and population influx results in this centre performing beyond its local catchment floorspace. A narrow targeted niche market could be facilitated (i.e. Farmers Market).
- **Paekakariki:** Consolidate existing local convenience role.

6. CURRENT EMPLOYMENT DISTRIBUTION

In order to best identify key business locations currently adopted by the market within Kapiti, employee numbers have been thematically mapped to highlight the distribution and areas of higher density employment.

Figure 6 below illustrates the employment distribution within Kapiti Coast, this provides an overview of the current employment market within the district.

FIGURE 6: KAPITI COAST EMPLOYMENT DISTRIBUTION





Source: Property Economics

Table 9 below shows the breakdown of Kapiti employees by ANZSIC sector, and temporal trends in the district's employment structure between 2000-2010.

TABLE 9: KAPITI COAST EMPLOYEE COMPOSITION AND TEMPORAL TRENDS 2000-2010

ANZSIC	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	% Growth 2000-2010
A Agriculture, Forestry and Fishing	491	430	542	380	377	357	376	354	353	310	322	-34%
B Mining	12	12	9	9	6	9	6	6	12	15	12	0%
C Manufacturing	973	818	838	856	869	855	847	858	840	801	792	-19%
D Electricity, Gas, Water and Waste Services	84	46	60	72	72	88	59	99	91	112	94	12%
E Construction	742	774	859	966	1,035	1,245	1,376	1,481	1,514	1,261	1,230	66%
F Wholesale Trade	207	190	203	206	229	213	178	195	192	169	165	-20%
G Retail Trade	1,877	1,909	1,911	1,915	1,972	1,954	2,081	2,184	2,138	2,120	2,008	7%
H Accommodation and Food Services	835	805	772	956	1,107	1,060	1,169	1,227	1,244	1,252	1,303	56%
I Transport, Postal and Warehousing	215	220	231	238	264	292	308	291	314	332	275	28%
J Information Media and Telecommunications	131	148	158	208	175	199	189	171	244	234	266	103%
K Financial and Insurance Services	114	120	127	156	163	153	169	203	228	191	171	50%
L Rental, Hiring and Real Estate Services	168	206	195	217	279	306	321	298	228	200	190	13%
M Professional, Scientific and Technical Services	390	376	450	473	526	594	622	623	592	591	539	38%
N Administrative and Support Services	193	176	211	125	280	228	250	276	380	277	173	-10%
O Public Administration and Safety	201	265	259	279	286	294	316	352	352	356	382	90%
P Education and Training	1,055	1,202	1,290	1,335	1,374	1,408	1,299	1,319	1,401	1,295	1,320	25%
Q Health Care and Social Assistance	1,121	1,078	1,228	1,189	1,127	1,298	1,173	1,272	1,525	1,661	1,824	63%
R Arts and Recreation Services	199	219	160	175	155	205	221	236	217	210	213	7%
S Other Services	359	418	408	454	493	424	463	470	458	463	474	32%
Total All Industries	9,367	9,412	9,911	10,209	10,789	11,182	11,423	11,915	12,323	11,850	11,753	25%

Source: Statistics NZ Business Frame

Overall, Kapiti Coast has experienced a net increase in employment over the 10 year period by nearly 2,400 employees (25%). The largest employment sectors in Kapiti are the Retail Sector and Health Care & Social Assistance. Given the age profile of Kapiti the latter is not unexpected.

However, there are two distinct periods within the 2000 – 2010 period inclusive. The 2000 – 2008 period represented a period of sustained economic growth or 'boom' period, which saw employment in the district experience a net increase of nearly 3,000 employees, equating to 32% employment growth. The major growth sectors were the Construction Sector, which basically doubled its employment base (which is a cyclical sector), and the Retail Sector which grew by around 300 employees based on significant consumer spending during the period, which was largely debt funded.

Interestingly, the Manufacturing Sector declined over the entire period with a net loss of 181 employees over the decade, representing a 19% decline. This shows a gradual decline in the manufacturing base of Kapiti during a period of strong economic growth. If Council want to capture a greater proportion of this market, a new strategy will be required.

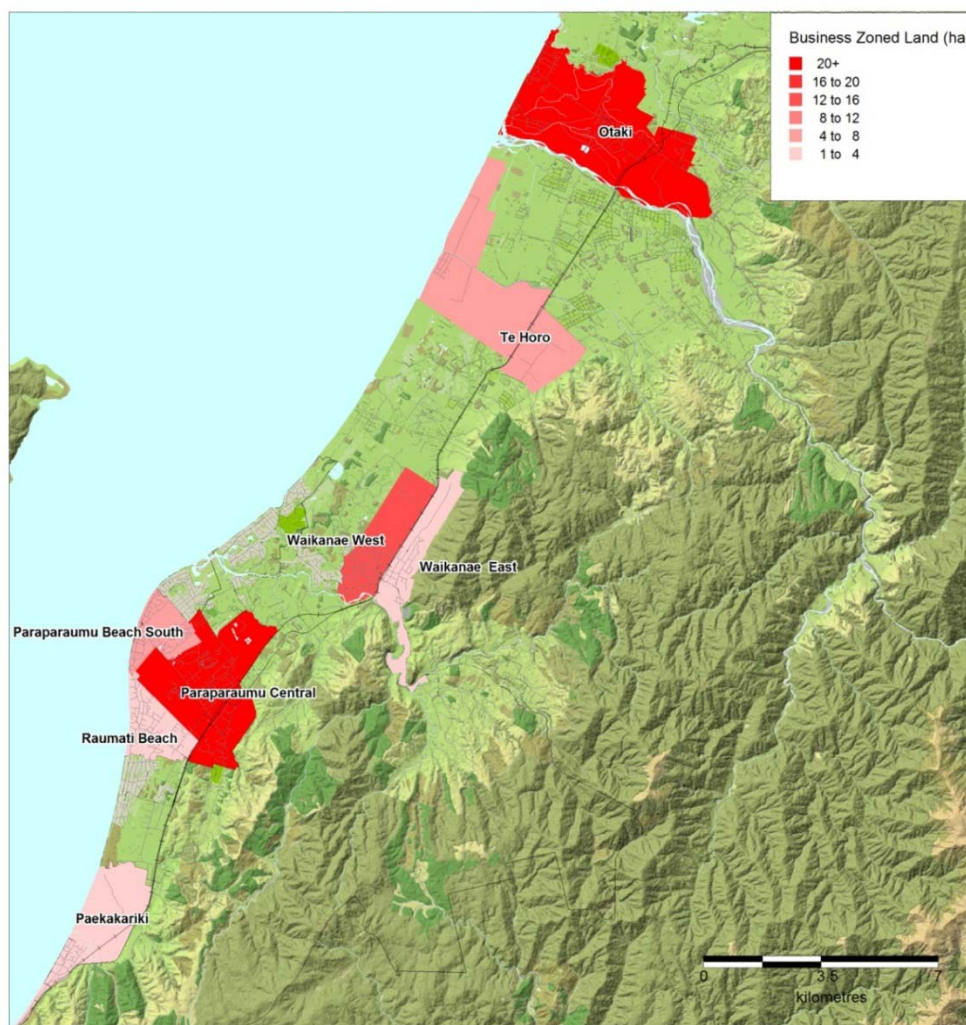
The 2008 – 2010 period tells a very different story as the economic downturn or 'bust' period started to 'set in'. Over this period net employment dropped by 570 employees (5%) as businesses

retrenched and started cutting costs. This process typically sees some less essential and often non-productive support staff (i.e. non income generating staff) loses their jobs as business activity declines.

6.1. CURRENT EMPLOYMENT LAND MARKET

Figure 7 below illustrates the current business land supply within the Kapiti District by Census Area Unit (CAU). This map has been generated using information provided to Property Economics by KCDC.

FIGURE 7: KAPITI COAST BUSINESS ZONED LAND (CENSUS AREA UNIT)



Source: Property Economics

The CAUs / locations with the largest quantum of business zoned land are Paraparaumu Central and Otaki. This is simply a reflection of the diverse business activity in the areas within Paraparaumu Central, including the Paraparaumu Airport, and Otaki including the outlet centre, industrial area and the town centre.

Waikanae is another location with a relatively significant amount of business land.

6.2. EMPLOYMENT TRENDS AND NODES

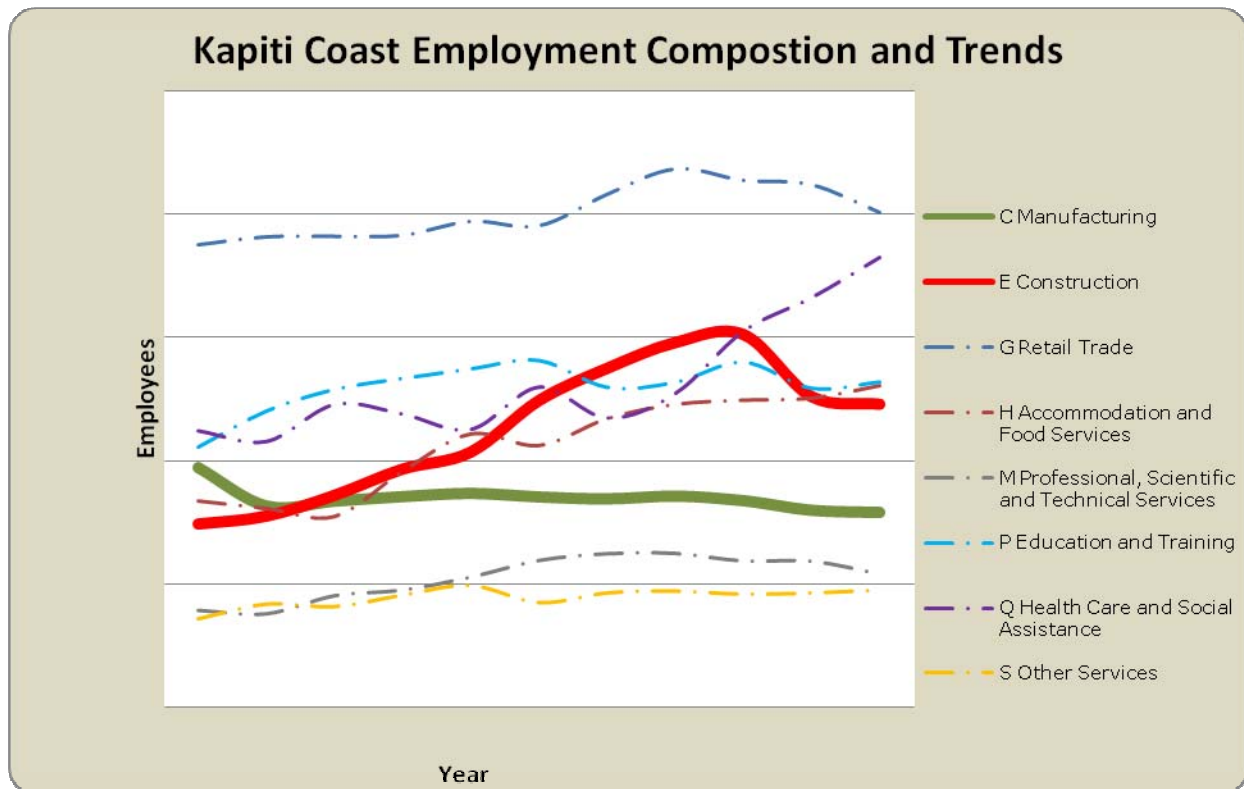
Outlined in Figure 8 below, are the employment trends between more commercial enterprises (such as retail, accommodation, professional services etc as represented by a hatched line) and the more industrial type activities (in this case represented solely by manufacturing and construction), for only those ANZSIC categories which consist of 500 or more employees.

Within the last 10 years overall the District has had a net increase by nearly 2,400 employees. By far, these have been in the Retail and the Health Care and Social Assistance Sectors, which is unsurprising given the demographic profile of the District. All remaining commercial type sectors are also trending upwards, with the exception of the 2006 – 2010 trend for professional services which is likely to be associated with an increase in migration of this skill set within the wider Region.

All industrial related employee rates are trending downward. For manufacturing a 19% decline over the entire period; and for construction activity, presumably as a consequence in the decrease in residential construction a decrease in some 570 employees (5%) between 2008 and 2010.

Figure 9 identifies those areas with the largest quantum of business land and employees are at the Paraparaumu and Otaki industrial nodes. For Paraparaumu this is a reflection of the diversity of land use activities, including the Airport and industrial activities along Te Roto Drive. It is considered that there will be a continuation of more Trade Based and finer grain lighter Industrial and Manufacturing activities within this node, given its historical development and location within the Paraparaumu urban area which would constrain the formation large space extensive heavy industrial activities. For Otaki, the scale of employees is a reflection of the outlet centre, industrial area and Town Centre. What is also identified is that there is some 30 hectares of vacant land suitable for accommodating a range of Industrial activities, and given that this area is not constrained by existing built form and has an absence of sensitive adjoining activities, larger scale distribution and industrial activities could be expected in future.

FIGURE 8: EMPLOYEE TRENDS (BY SECTOR)

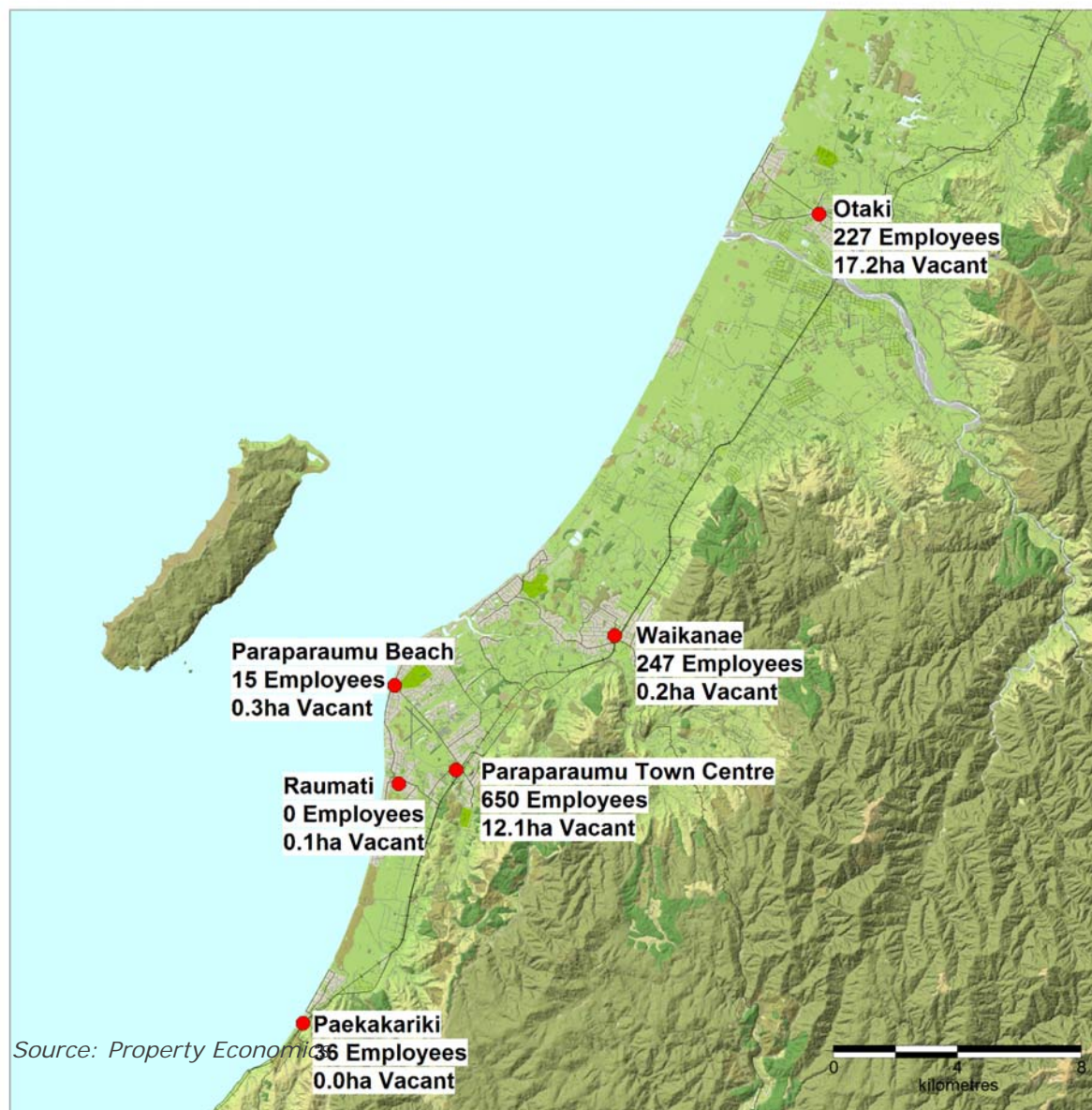


Threats to the ongoing productive and efficient utilisation of the Industrial land supply is considered to relate to three key factors:

- (i). use of Industrial land by non-industrial activities;
- (ii). a decrease, or maintenance of low level intensification of use; and
- (iii). absence of an economic development strategy to build the District's productive economic base.

It is understood that the KCDC through a number of Plan Changes, specifically Plan Change 78 (Large Format Retail) and Plan Change 73 (Paraparaumu Airport) is managing the former, it is however recommended that intensification and facilitating further development and consolidation of the Industrial land resource is prioritised.

FIGURE 9: INDUSTRIAL EMPLOYMENT AND VACANT LAND



Recommendation 2: The following statements reflect a number of emergent principles that have been identified within Section 4 and 5 of this Report and should be inserted as significant resource management issues within the 2nd Generation District Plan:

Once business development is established it is likely to exist for a number of generations. Changing the form and structure of established urban areas can be difficult and expensive. Therefore, it is important to achieve a robust form of development that is responsive in the long term to the changing needs of the Kapiti District's many communities.

Unless the design, location and function of business development is not carefully managed, it will not necessarily be able to:

- (i). respond to changes in the demographic structure of the population, noting that the age profile is distinctly unbalanced with a significantly higher average age in the district;*
- (ii). enable socially cohesive and resilient communities;*
- (iii). reduce vehicle trip frequency, trip generation and distance, and improve modal choice, and especially reverse the current low employment retention of the district;*
- (iv). make efficient use of physical resources within communities, especially those associated with Town Centres which are likely to be underperforming;*
- (v). efficiently and effectively provide public infrastructure such as roads, civic facility and amenity improvements;*
- (vi). agglomerate in defined locations so as to better internalise and manage adverse environmental effects, especially Industrial activities;*
- (vii). agglomerate commercial activities within Town Centres so as to provide for the more efficient provision of activities and services provided, and enhance certainty in public and private sector confidence in physical infrastructure in these locations; and*
- (viii). recognise and avoid reverse sensitivity effects.*

7. ACTIVITY SHEET

Table 10 tabulates the current employment and land area distribution across the identified Kapiti Coast nodes. It is important to note that 'In-Centre' and 'Out-of-Centre' employment figures (Table 10) have been based on a CAU level where as individual node analysis (Table 11) for employment has been based on a meshblock level and hence sum to a lower total. This is due to the fact that the land 'zonings' are displayed through CAU's and therefore encompass a greater area than the meshblocks delineating the nodes.

TABLE 10: ACTIVITY SHEET

	Meshblock							Census Area Unit		
	Otaki	Paraparaumu Central	Raumati	Waikanae East	Waikanae Town Centre	Paekakariki Town Centre	Paraparaumu Beach	In Centre	Not in Centre	Total
Employment Count (EC)										
Commercial	84	752	45	12	172	11	109	2,026	349	2,375
Industrial	227	650	0	60	187	36	15	1,878	646	2,524
Retail	311	1,020	15	20	273	15	120	1,939	69	2,008
Other	172	819	214	55	218	13	150	3,719	1,127	4,846
Total	794	3,240	274	148	850	75	394	9,562	2,191	11,753
Land Area (ha)										
Commercial / Retail	9.2	17.7	2.0	0.5	4.6	1.3	4.2	39.5	1.1	40.6
Industrial	39.4	55.9	1.1	2.5	4.3		1.5	104.6	4.3	108.9
Airport Mixed Use		63.5						63.5		63.5
Paraparaumu Town Centre		57.4						57.4		57.4
Waikanae North Mixed Use					5.07			5.1		5.1
Total	48.6	194.4	3.1	3.0	14.0	1.3	5.7	270.1	5.4	275.4
Employment Density Estimate (sqm / EC)										
Industrial	976	673	0	418	216		775	396.9	66.7	312.4
Total	612	600	111	205	164	176	144.7	282.4	24.5	234.4
Vacant Land Area (ha)										
Commercial / Retail	1.5	0.2	0.0	0.3		0.1		2.1	0.2	2.3
Industrial	17.3	12.1	0.1		0.2		0.3	30.1		30.1
Airport Mixed Use								0.0		0.0
Paraparaumu Town Centre		36.1						36.1		36.1
Waikanae North Mixed Use								0.0		0.0
Total	18.8	48.4	0.2	0.3	0.2	0.1	0.3	68.3	0.2	68.5
Vacant Land %										
Commercial	17%	1%	2%	50%	0%	5%	0%	5%	18%	6%
Industrial	44%	22%	14%	0%	6%		21%	29%	0%	28%
Airport Mixed Use		0%						0%		0%
Paraparaumu Town Centre		63%						63%		63%
Waikanae North Mixed Use					0%			0%		0%
Total	39%	25%	6%	8%	2%	5%	6%	25%	3%	25%

Source: Property Economics, KCDC

Some of the key findings from Table 10 are:

- Out of 11,750 employees registered within the Kapiti Coast District, approximately 9,560 (81%) work 'in-centre' or within CAUs with centres associated with them.
- As expected the retail sector has the lower proportion of employees located 'out-of-centre' with 97% of retail employees working within 'in-centre' locations.
- The industrial sector, has the largest proportion of 'out-of-centre' employees with approximately 650 employees out of around 2,520 total employees (26%) working outside centre locations.
- Total zoned business land within the district equates to around 275ha, with 68.5ha of vacant land, or 25% of all the current business zoned land provision.
- The majority of business zoned land resides within the Paraparaumu Central area with 194.4ha of business land, making up 71% of all business zoned land within the district.
- Within the Paraparaumu Central CAU, there is around 25% land vacancy in total, however within the zoned Paraparaumu Town Centre area, a significant 63% of land area is currently vacant. This suggests that significant expansion potential currently exists particularly for commercial office and retail activities, with the opportunity to 'cluster' these activities and create a more competitive 'centralised' business environment.
- As indicated in Table 10, Otaki shows a significant level of industrial land vacancy, with 44% or 48.6ha vacant.
- Comparing 'in-centre' to 'out-of-centre' vacancy levels, interestingly only 3% (0.2 hectares) of 'out-of-centre' business zoned land is vacant compared to 25% (68 hectares) of 'in-centre' land (excluding Paraparaumu Town Centre land this figure drops to 12%). This is due to the fact that there are only small quantities of business land outside these areas. The 'value' associated with 'in centre' activity does not currently exhibit a sufficient differential with 'out-of-centre' locations in order to attract businesses to consolidate and achieve greater levels of productivity with clustering and amenity. This current market position is illustrated further through price differential and the interviews undertaken.
- Densities within the existing centres or nodes are very low comparatively. Industrial activities are accommodating nearly 1,000sqm of zoned land per employee in some centres illustrating

an inefficient utilisation of Kapiti Coast's business land resource, resulting in an unsustainable, uncompetitive business environment.

Table 11 displays the current employment distribution across identified nodes in Kapiti according to industry type. Information for each node is based on Statistics NZ 2010 business frame data. These nodes are identified in Figure 1.

The ratios adopted for categorising the ANZSIC sectors into industrial, commercial, retail, etc, have been based on industry sectors and have been compiled based on empirical data such as regional rating databases. These ratios can be found in Appendix 5.

TABLE 11: 2010 NODAL EMPLOYMENT DISTRIBUTION BY MESHBLOCK

Node	Commercial	Industrial	Retail	Other	Total
Kapiti Road	173	428	155	109	865
Otaki Outlet Centre	25	30	165	48	268
Otaki South	11	142	6	50	208
Otaki TC	48	55	140	75	318
Paekakariki Town Centre	11	36	15	13	75
Paraparaumu Airport	1	42	3	17	63
Paraparaumu Beach	109	15	120	150	394
Paraparaumu East	6	18	12	12	48
Paraparaumu Town Centre	571	162	850	681	2,264
Raumati	45	0	15	214	274
Waikanae East	12	60	20	55	148
Waikanae Town Centre	172	187	273	218	850
In Centre Subtotal	1,186	1,175	1,774	1,640	5,775
Out of Centre	1,189	1,349	234	3,206	5,978
Total	2,375	2,524	2,008	4,846	11,753

Source: Property Economics, KCDC

Within the identified employment nodes there are currently around 5,800 employees out of a total of nearly 11,800 (approximately 50%). The balance, a significant 6,000 employees, are in businesses located 'out-of-centre'.

While 'out-of-centre' business numbers may seem high the majority of these businesses reside within close proximity to the identified centres. These include businesses such as local dairies, educational institutions, hotel / motels, medical facilities and industrial businesses located outside of centres.

As mentioned earlier, business activity will generally locate 'out-of-centre' if given the opportunity due to lower land costs and low differential between accessibility and access to amenity. For Council to direct more activity back into centres it will need to tighten up planning policy around 'out-of-centre' development, particularly retail and commercial office development.

This proportion is also high due to over representation (and conversely under representation) of some sectors, as a result of a thin productive economic base (i.e. non-public services) in Kapiti, i.e. the sectors of accommodation and education are comparatively high due to the comparatively low proportion of the productive industrial sectors such as manufacturing. Facilitating an economic development strategy to build Kapiti Coast's productive economic base will be important to redressing this imbalance.

8. BUSINESS LOCATIONAL CRITERIA

The location decision process of many companies in Kapiti, as in other areas around the country, is often complex and is specific to each business and its operational requirements. There are however a set of key locational criteria that give an understanding of the factors affecting business location. These are outlined below.

- **Undisrupted water and electricity supply.** Note for some businesses the escalating price of electricity translates into lower profit margins, especially in power intensive industries. Black-outs and power surges are costly occurrences for businesses, especially if generators need to be hired.
- **Digital capability** – especially access to broadband. Many businesses now require uninterrupted broadband access. This also helps future-proof the business location.
- **Close proximity / good access to transportation hubs, such as ports and airports.** This is particularly important for logistics and warehousing/distribution businesses. This can clearly be seen by the new businesses establishing in or around the business parks close to the major airports around the country, such as Auckland, Wellington and Christchurch, which are heavily dominated by logistics and freight forwarding companies.
- **Proximity to an appropriate labour supply.** This varies between sectors based on the skill level of the workers required. For example many manufacturing businesses required lower skilled workers compared to businesses in the professional services sectors, so the location requirements are slightly different. For many industrial businesses access to labour is an important consideration in their location decision making processes, especially for manufacturing businesses where access to semi-skilled labour is vital. In general, business locations in areas that have a lower level of access to the workforce are seen as problematic.
- **Location of customers / target markets (domestic and international).** This has a strong influence on location depending on whether the business is servicing a localised market, a regional market or the national or international market. For those businesses servicing the localised market a central location is preferable to reduce travel costs. For those servicing the national and international markets and those businesses that have large transport costs, locations in close proximity to State Highway 1 are preferable.
- **Access to major road corridors.** This is important for staff getting to work, clients / reps visiting premises, and the efficient distribution of goods. Sites (or locations) adjacent to major arterial roads are preferred and often receive a premium in the market. All activities that have a distribution / logistical focus prefer these locations. As part of this criterion, improved

transportation in industrial areas is also seen as a future requirement, particularly in regard to better roading networks, traffic management, and close to public transport services.

- **Location of suppliers.** This can be especially important for businesses that have significant raw material inputs and freight costs.
- **A company's existing network and infrastructure.** This can have a major influence on location, especially for national franchises to avoid inefficiencies.
- **Room for potential expansion and growth on the site.** For most businesses relocating is a very expensive exercise, and for businesses with significant capital investment costs into plant and machinery, they like to have a level of certainty that they will be able to operate from the site for a long period of time to ensure they achieve a return on their investment. Thus having the ability to expand their operation to allow for business growth onsite is important. It's an important consideration for businesses who want to mitigate long term risks on their capital investment.
- **Land and property costs.** This is a key criterion in the location decision of almost all businesses, particularly those that operate on low margins.
- **Potential to secure resource consent.** Often if the resource consent process is going to be long and drawn out, most businesses will not enter the process at all as time delays can have significant effects to their bottom line and business operations. As such certainty is seen as a big benefit to business locations who can offer it. A master planned development with Council approval removes this risk.
- **Level of congestion in peak times.** This is becoming increasingly important, as it can have a significant influence on delivery businesses. In many main centres for example, this is now a major consideration where time delays and trucks getting caught in traffic is having significant flow-on implications for company logistics and their ability to service clients to the level required.
- **Owner's home address.** This is predominantly for smaller businesses that have a greater level of flexibility on where they can locate.
- **Exposure / Profile.** Most businesses seek locations that offer some level of exposure and profile. This is a cost effective method of marketing and is able to elevate the brand of a business significantly.

9. KAPITI BUSINESSES INTERVIEWS

During May and June 2011 Property Economics conducted 18 interviews with managers and owners of key businesses throughout Kapiti in the retail, commercial and industrial sectors. Some of the interviews were conducted by phone, but in order to invite a more nuanced response a number of the managers were interviewed in person. A synopsis of the responses from these interviews is compiled in this section.

The interview questions focused on obtaining a more detailed understanding on the current and future business location requirements of a range of business in Kapiti, opinions on the provision of employment land in the District, ways to improve the competitiveness of Kapiti Coast as a business location and how best to attract businesses into the area. Also discussed were perceived barriers to an efficient and effective network of employment land in the future, and the effects of the proposed expressway on businesses and their future locational requirements.

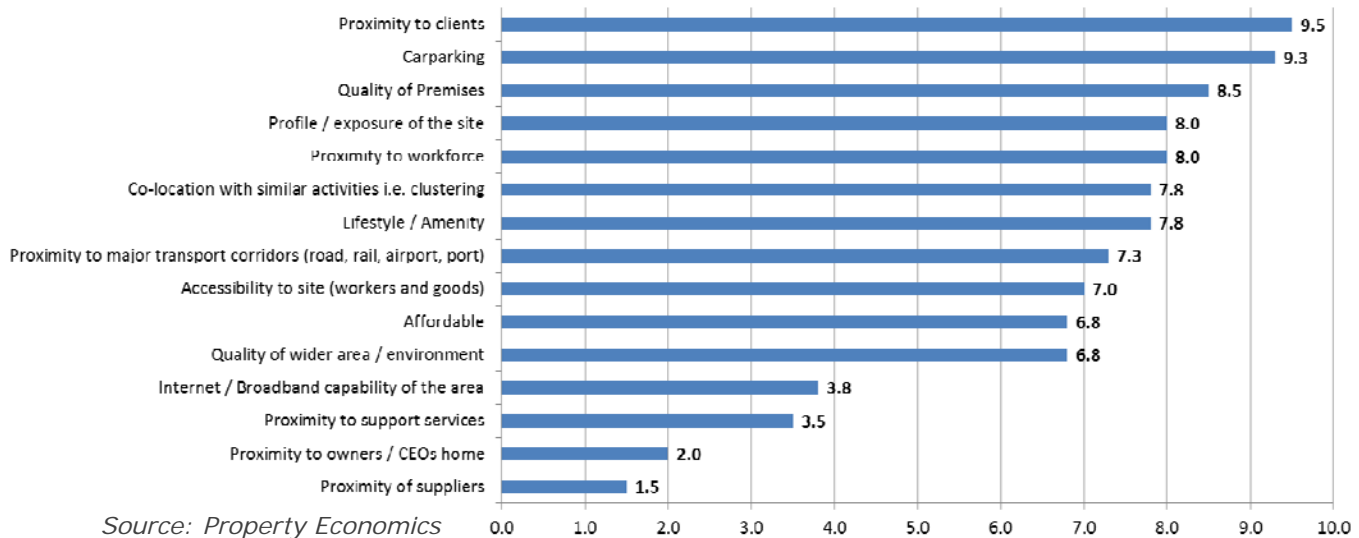
Without exception all those interviewed were content with their current location although many found it difficult to articulate why. The most common reason given was good car-parking and can easily access 'what they need'. Retail businesses were happy with the size of the market, with the Coastlands' retailers benefiting from higher levels of foot traffic relative to other parts of Kapiti. Industrial businesses value the ready supply of employees in close proximity and the 'small town' flavour of Kapiti where people are supportive of each other creating a more collegial working environment.

The businesses interviewed had been in their present location for between 6 months and 30 years with the average being 11 years. This wide spectrum influenced individual responses to a degree, with the businesses that had been established in a location for a longer period of time tending to give less thought to the future land requirements and issues of the District and the geo-spatial pattern of development. Some industrial and commercial businesses had periodically looked to see what other business location options were available within Kapiti, but found a lack of suitable alternatives especially at an affordable price.

Interviewees were asked to rate out of 10 the importance of various locational factors that might have influenced their decision when choosing their current business location. Given the significant time lapse some struggled to identify specific reasons why they originally chose their premises. Consequently some answered this question based on what would be important to them currently.

Figure 6 provides a collated summary of the responses. The locational factors importance ratings were on a scale of 1 to 10, where 1 was not important at all and 10 was very important.

FIGURE 10: AVERAGE IMPORTANCE RATING OF KEY FACTORS INFLUENCING LOCATION



Proximity to clients, carparking, quality of premises, profile / exposure of the site, proximity to workforce, lifestyle / available amenities and co-location / clustering with similar activities featured as the most important factors when choosing a business location. The importance ratings between business types across the service sectors and retailers were similar.

This suggests proximity to the markets the business is servicing and ensuring the business is easily accessible (to clients and workers) and in a good quality building (for image and profile) have the highest importance ratings with these factors scoring an average rating of at least 8 out of 10. These are factors often associated with businesses servicing a more localised market rather than larger national or international operations, and are reflective of the business types in Kapiti which in general have a 'local' market orientation.

For industrial businesses quality of premises, proximity to workforce, and accessibility to major transport corridors were key. These three location criteria are among the top rated criteria right around the country for industrial sector activity based on my work for other local and regional authorities in NZ, and are fundamental to provide to achieve industrial sector growth in an area.

Across all sectors carparking and quality of premises were important factors when choosing a location whereas proximity to suppliers, proximity to support services and proximity to owners / CEO's residence were the least important. Interestingly, Internet and Broadband capability of the area had an average rating of only 3.8. This is a reflection of the businesses interviewed who were not what is

considered 'new economy' enterprises, with these types of businesses more focused on this criteria. It is also an indication of the length of time many businesses have been operating in Kapiti and the lack of emergence of 'new economy' operations. Also the fact the provision of Internet and Broadband services is considered an expectation of businesses these days, not a benefit of an area.

The criteria lifestyle / amenity is one factor that appears to be gaining in importance overtime, with an increasing number of businesses placing greater value and importance on locations offering higher levels of amenity, services and facilities. This is for two key reasons. First, it ties in with the criteria 'Quality of Premises' (rated third most important) with quality including the surrounding environment. Second, is retaining staff, with businesses in higher amenity / lifestyle locations often better able to retain employees by offering a higher quality work environment and access to other 'off site' activities and facilities such as gymnasiums, shopping, walking / running trails, parks, etc. This criterion is likely to increase in importance in the foreseeable future and is a factor Kapiti is in a good position to leverage off, and thus will be an important factor to obtaining a competitive advantage over other areas competing for business activity.

Most respondents struggled to identify how their business location requirements may change in the future, including the potential influences on their sector that could affect such decisions. This may reflect a lack of innovation and forward thinking from many business owners, and the 'comfort zone' many tend to fall into over time.

The retailers interviewed were not aware of any shortage of retail premises within Kapiti. If there were to be more retail activity in Kapiti they would like to see the existing centres expanded and not allow for more centres. Some wanted to see large format retail further developed on Kapiti Road near the airport to expand the district's LFR offer.

The large majority of those interviewed believed there was a significant shortage of appropriate land / premises for the commercial and industrial sectors in the District. One manager of a large manufacturing company claimed that many industrial businesses give up trying to find appropriate land in Kapiti and go elsewhere. Many responses identified an insufficient supply of warehousing, quality premises and affordable industrially and commercially zoned land for business owners to have purpose built premises constructed to suit their particular requirements. Industrial companies expressed that it was vital that zoning does not further restrict availability of industrial land for noisy and dusty businesses, i.e. more 'heavy industry' businesses.

Suggestions for the locality of industrial land included the bottom of Ihakara Street, Poplar Ave by the main highway, Rimu Road next to Radioworks, the bottom of Te Roto Drive, next to the airport or in Otaki. Many respondents felt it was imperative to keep industrial businesses away from residential areas and ensure road access from highways to industrial zones do not require travelling through built

up residential or retail areas. This also mitigates against the extent of any reverse sensitivity issues that may potentially arise in the future.

One industrial business that had moved from Paraparaumu to Otaki has found manufacturing is well suited to Otaki for the following primary reasons. First, it is closer than the industrial zones in Paraparaumu to the main highway. Second, the trucks avoid having to drive through built up, congested areas like in many other parts Kapiti and the region. Third, the land and rent is more affordable, so the underlying operating expenses of the business are better, and fourth the proximity to the employees who come from a close knit community makes for a great working environment.

According to the retailers interviewed, the main shortcoming of Coastlands / Paraparaumu is poor road layout which causes congestion, confusion and deters shoppers. Retailers also expressed the need for more 'high-end' stores which could keep a greater percentage of the catchment patronizing Paraparaumu and not travelling to shopping destinations in Wellington.

Retailers in Paraparaumu Beach also believe there is a lack in quality stores in their centre, and although the Council has done a good job of the upgrade (footpaths, etc.), many individual shop owners and tenants were downgrading the attractiveness of the area for shoppers by not presenting their stores well.

According to the businesses interviewed, Raumati Beach was more aesthetically pleasing due to many of the stores being owned by the same developer. This encourages patronage of the stores and eateries and attracts new retailers to a centre with a consistent quality. Both Paraparaumu Beach and Raumati Beach retailers were concerned that people from out of town are not aware of the existence of the two centres which means they miss out on potential custom. Some owners of personal services and retail stores in Otaki Main Street are unhappy that the Otaki Outlet (Railway) shopping area has been developed instead of keeping all retail in the one original centre. They felt it detracted from the competitiveness of the Main Street and draws customers away from the Otaki Town Centre.

Industrial businesses were less positive about the competitiveness of Kapiti as a business location with over half stating it was not competitive. A quote from one business manager is indicative of the majority of responses: *"the roading is shocking especially around Paraparaumu, the industrial zones are too far from the highway and big trucks have to get through built up areas"*.

According to those interviewed, the barriers to an efficient and effective network of employment land in the future include: limited availability of appropriate land; perceived difficult or lengthy resource consent processes; frustrating slowness of the process to start building on land bought from local Maori, insufficient water supply across Kapiti; and poor road access to employment land.

Respondents were asked what could make Kapiti a more competitive business location that would benefit existing businesses and attract more businesses into the district. The most common response centered around the idea of industrial / business parks with some shared facilities to reduce both set-up and operating costs (e.g. one front desk for two or three business, sharing machinists, sharing outdoor storage areas etc). Other responses involved finding solutions to the problems listed in the aforementioned paragraphs. These included improving roading, access and congestion problems; signage on the main highway and near Coastlands to inform passing traffic that Raumati Beach and Paraparaumu Beach have shopping areas; and improve the reputation of Kapiti Coast District Council around resource consent processes.

Incentives were also suggested to entice businesses into the area. Suggestions included a 'rates holiday' to target developing Wellington businesses. It was suggested in one of the interviews that one was offered a number of years ago in Paraparaumu which resulted in the apparel manufacturing company Sander Tie Company (New Zealand's largest tie manufacturer) to Kapiti.

Of those interviewed, a small proportion of respondents believed the proposed expressway would have a negative effect on either their own or other businesses in Kapiti, diverting traffic away from them. However they felt the effects could be mitigated with clear signage informing passing traffic of the proximity and directions to the centres, together with carefully planned off ramps with easy access to the retail, commercial and industrial centres.

The vast majority of interviewees were of the opinion that the expressway would either have no effect or a positive effect on business. Coastland retailers felt it would benefit town centre retailers as it will speed up 'through traffic' of people travelling North / South who don't tend to stop and shop in Coastlands. Property Economics does not share the same view in regard to this being a benefit, but it is what the respondents felt.

Currently local residents (according to the interviewees) primarily shop on weekends when there is not as much through traffic, therefore they believe the expressway may provide for more weekday business in Paraparaumu especially if the many elderly locals know the through traffic will be diverted.

It is of value to note that while the above thoughts were expressed regarding the expressway there were no strong opinions either way regarding it's predicted impact on business.

SUMMARY

The business interviews indicated carparking and quality of premises emerged as significant factors influencing business location decisions. Supply of retail land was considered adequate, but it was expressed that there is a shortage of commercial, and especially industrial land. A common concern was the need for ease of roading access.

Across all sectors managers appreciate the value of clustering of similar or complementary businesses. On the whole the expressway was viewed positively provided that adequate attention is given to signage and access issues, such as convenience of off-ramps.

10. POLICY STRUCTURE

10.1. LOCAL POLICY ENDEAVOURS

The **District Plan (1999)** identifies issues and aspirations associated with the creation of a 'civic heart' in the Paraparaumu Town Centre, the importance of good design, and the consequences of high volume retailing in Industrial Areas. The policy framework for the management of business activity within the Operative District Plan is set out in Volume 1, Part C and is spread through a number of 'Sections' as identified in 11. Accordingly, there is no clear integration between urban form and growth and how this links with the largely discrete Sections for respective zones.

A strong centres based policy is also not evident within the District Plan. Whilst the Plan framework reinforces the role of the Paraparaumu Town Centre as the primary focus for administrative, social and cultural focus of the District (C4: Objective 1), and to a lesser extent other Commercial Centres (C3: Objective 1), the Plan does not seek to preclude appropriate commercial activity elsewhere.

It is recommended that an umbrella framework for either business activity or urban form is incorporated through the District Plan review.

In 2003/2004 Council started its initial LTCCP process. Specific workshops were undertaken in relation to the Paraparaumu Town Centre. This work involved significant public consultation. Urbanism Plus was involved with these workshops which resulted in the creation of a Town Centre Concept Plan with a Main Street along Rimu Road. The Concept Plan was incorporated in to the Local Outcome Statement for Paraparaumu Town Centre.

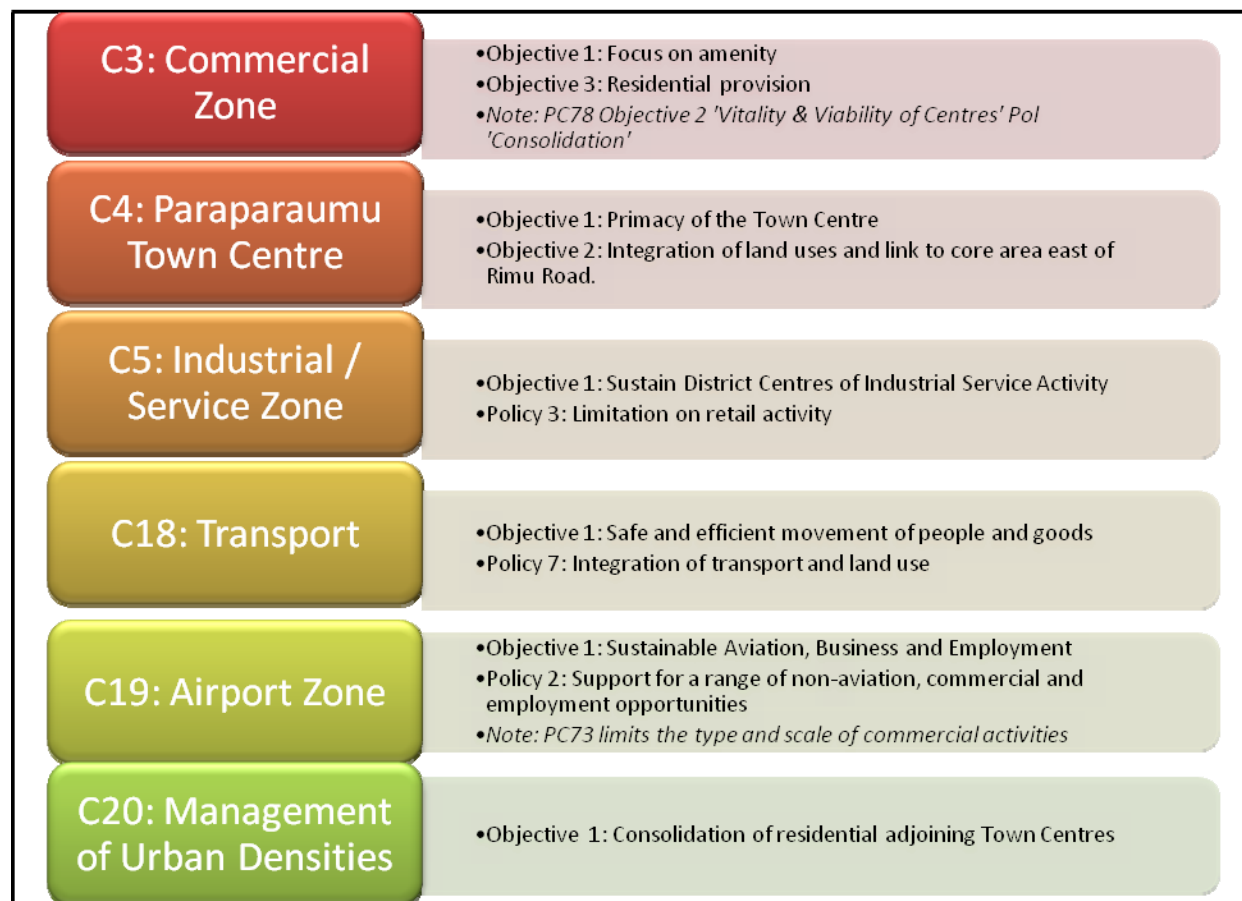
The Council engaged Economist McDermott Miller (2006) to develop a Retail Strategy for the District. Three of the key findings/recommendations of the Strategy were:

- (i). a recommendation for Council to adopt a Centres Based Approach;
- (ii). that there was a lack of appropriately zoned Commercial/Retail land; and
- (iii). a recommendation that Council tighten the provisions of the District Plan to ensure commercial development located within existing centres, and did not locate in an out-of-centre location.

These recommendations, alongside the Town Centre Concept Plan, led to the development of the **Wharemauku Precinct Plan Change (PC72A)**. Plan Change 72A introduced a change in zoning to Council-owned land to the west of Rimu Road from Town Centre zone to Commercial/Retail, with specific design controls. The Plan Change related to 10.5 hectares of land to the west of Rimu Road

bounded by 'drain 6' to the south, Wharemauku Stream to the north and west and Rimu Road to the east. The site of the plan change is as located south of the civic offices and library, is currently vacant.

FIGURE 11: OPERATIVE DISTRICT PLAN FRAMEWORK – BUSINESS ACTIVITY



Other relevant Plan Changes, included:

- Plan Change 73 which related to the Paraparaumu Airport.
- Plan Change 74, as this related to the Raumati Town Centre and its expansion into adjoining residential areas, introducing design standards for verendahs and setbacks, and a medium density residential building overlay.
- Plan Change 78 which aims to 'encourage' Large Format Retail ('LFR') within Commercial/Retail Areas, and directs the larger LFR to the larger centres of Paraparaumu, and Waikanae and the Otaki Outlet Centre. The Plan Change also included design standards

which focus on amenity, public safety and accessibility and the discouragement of LFR in the Industrial/Service and Residential Zones.

The Development Management Strategy for the Kapiti District (**Sep 2007**) identifies:

- A desire to build a district 'heart' and recognise the importance of key local and neighbourhood focal points;
- A conscious pursuit of attractive urban centres;
- A desire to proactively manage growth that delivers benefit to the overall vision for the District.
- Consolidate medium density residential development at: Papaparaumu Town Centre; Waikanae Town Centre; Paraparaumu Beach Centre; and around rail stations.

Part 3 of the Development Management Strategy outlines the preferred Urban Structure. The major centres are identified as having a limited range of activities and employment diversity. The recommended approach is to mature such centres and increase their diversity of employment, civic and cultural attributes, as well as reinforce the retail and commercial role played. Transport networks are to be integrated with such centres in combination with residential densities so as to increase viability, as well as accessibility and modal choice. For industrial land, the Strategy outlines a nodal approach to ongoing industrial development in the existing areas (such as Otaki, Te Toto Drive and Waikanae) with a focus on managing amenity effects and increasing local employment opportunities. Somewhat surprising is that the Strategy does not seek to provide a long term vision for providing a employment hub to attract both high end Industrial activities and the shortfall of Industrial capacity within the wider Wellington Region.

The District Plan review document (Nov 2010) 'Urban Form and Transport' identifies that greater integration between land uses and urban form is necessary, in particular greater integration with transport planning and other transport provisions. Key to this is approach is the recognition that "*the District will focus development within a framework of consolidation, compactness and containment*" and "*improve and continue to target intensification around current and future transport nodes*". Such an approach was also seen as aligning with the Wellington Regional Strategy, as identified in the formal submission from the Wellington Regional Council to "*Support development within a framework of consolidation, compactness and containment. In particular, we support targeted intensification within existing urban areas around public transport nodes and commercial centres including potentially at Waikanae. There may be more opportunities around Paraparaumu railway station, particularly if the existing SH1 can be 'de-tuned' once the Kapiti Expressway has been built.*"

10.2. LOCAL CONTEXT CONCLUSION

The District Plan framework provides a comprehensive overview for the management of Business activity within specific zones of the District. However, there is no cohesive policy approach linking business activity and transport integration to urban form (a business equivalent to Section 20 'Management of Urban Densities'). By way of example, provision D.5.1.4 limiting retailing trade premises exceeding 500m² could be considered only against C5:Obj 2, Policy 3 'limitation on retailing', whereas perhaps the more relevant policies (C3:Pol 1 and Pol 2), which could not be considered, are contained within the Commercial / Retail Zone provisions.

Business activity and its distribution, form a crucial component to the character and ongoing development of the Kapiti District. The location of commercial and industrial activities underpin transportation networks and infrastructure servicing, as well as linkages to where people choose to live, work and play. These aspects are identified in the Development Management Strategy and within the District Plan Review documents.

Unless well managed, the distribution of business activity throughout the District, and the ability to provide for, and promote ongoing demand, can lead to challenges in ensuring appropriate flexibility to enable ongoing investment, and yet address both local and strategic adverse effects (including those associated with urban form and growth, and the transport network). The objectives and policies for an inserted 'Urban Form' Section of the District Plan should provide the framework for the management and distribution of business activity across the district, and its broader integration with infrastructure, the transport network, and residential environments. Such an approach also directs the achievement of the wider consolidation strategy identified in the District Plan Review Document and Objective 21 of the Proposed Regional Policy Statement.

Recommendation 3: Provide for 'umbrella' Policy Section within the District Plan Review linking: Transport – Residential Activity – Business Distribution as part of the Urban Form and Growth pattern for the District. Objectives (which are seen as consistent with the District Plan Review and Development Management Strategy). Objectives could include:

- Accommodation of urban growth through a primary emphasis on consolidation, providing for intensification within and adjoining:
 - Paraparaumu Town Centre as a Regionally Significant Centre; and
 - Waikanae Town Centre, Paraparaumu Beach, Raumati Beach, Otaki (Niche Centre) as

consolidation focal points.

- A distribution, scale and form of business activity which:
 - differentiates and manages various types of business activities both on the basis of the nature of the activity, and the potential local and strategic effects of their operations. Such activities are to be enabled to locate within particular environments, principally the Paraparaumu Town Centre and Commercial / Service Zone, The Airport Zone and Industrial Zones, at a scale and with standards which reflect that Environments location and role;
 - is able to provide for the efficient use of buildings, land and infrastructure in business areas;
 - maintains or improves the safety and efficiency of the road network and transport mode choice, and minimises unnecessary trip generation;
 - avoids establishing retail and office activity outside Paraparaumu Town Centre and Commercial / Service Zones where this will create dispersed commercial activity to the detriment of the efficient operation, function, viability and sustainability of the district's centres, especially the Paraparaumu Town Centre.
- Paraparaumu Town Centre as a Regionally Significant Centre, and Waikanae Town Centre, Otaki Outlet Centre, Paraparaumu Beach and Raumati Beach as consolidation focal points, should be developed for a range of uses (including high density residential activities) where such activities comprise compatible and complimentary uses.
- Paraparaumu Town Centre as a Regionally Significant Centre is promoted as the principle focus within the district for commercial, administration, employment, cultural and tourism activities and as a Transit Orientated Development (ToD).

10.3. REGIONAL POLICY

New Zealand Transport Strategy (2008)

The Strategy establishes a vision that by 2040 New Zealand *"People and freight in New Zealand have access to an affordable, integrated, safe, responsive and sustainable transport system.* The Strategy retains the five key principles from the 2002 Strategy being:

- ensuring environmental sustainability;

- assisting economic development;
- assisting safety and personal security;
- improving access and mobility; and
- protecting and promoting public health.

Importantly, the Strategy recognises the need for improved integrated planning of transport and land use, which includes promoting more effective integration between land-use and transport planning, and better urban design. As well as better integration between types of transport, and the need to improve accessibility and modal choice.

Wellington Regional Land Transport Strategy (Sep 2010) 2010 - 2040

The RLTS takes an integrated land use and transport corridor approach. The RLTS includes a strong commitment to public passenger transport and reducing greenhouse gas emissions. It also recognises the importance of a strategic road network which operates safely and efficiently. The Strategy identifies the importance of the sustainability of the region's strategic transport network requiring an integrated approach to all elements of the network, including integration between land use and transport planning.

The Strategy identifies intervention as being appropriate to maintain such integration, and states that it is important to recognise the hierarchy of roads that exists within the region and the different roles played by road types within that hierarchy. The Strategy identifies as one of its key issues Progress on the key routes of national and regional significance (including the State Highway 1 Wellington Northern Corridor (Levin to Wellington) concept, one of central government's Roads of National Significance. This corridor includes the Basin Reserve upgrades, Transmission Gully motorway and the SH1 expressway in Kapiti.

Wellington Regional Policy Statement (Proposed)

The Wellington Proposed Regional Policy Statement ('PRPS') provides an overview of the resource management issues within the Region, overall policy guidance and direction. The Kapiti Coast District Plan must give effect to the RPS (s.75(3)(c)), and must have regard to any Proposed Regional Policy Statement (s.74(2)(a)(i)).

The Proposed RPS notes the pressures of high population growth on the Wellington region and notes that careful management of development is essential to ensure that a compact and efficient urban form is achieved and that adverse environmental effects are minimised.

The Proposed RPS promotes “*an integrated approach to managing resource consent applications where the application site or effects arising from the proposed activity cross regional or district boundaries and have implications for adjoining local authorities*” (Section 2.5). Section 3.9 ‘Regional Form, design and function’, places statutory recognition on ‘Regionally Significant Centres’ (Objective 21, as above) which are identified in Appendix 3 to the Policy Statement. Associated Policies 29-32, 53 – 58 and 67 are to be had “*regard to*”.

As a package these provisions seek:

- The maintenance and enhancement of viability and vibrancy within regionally significant centres, which incorporates Paraparaumu (**Policy 29**), and promoting higher density residential and mixed use development within this centre, and other significant local centres where integral to a District urban form (**Policy 30**).
- Key industrial employment locations should be identified and protected (**Policy 31**), including limiting uses such as large scale retail, wholesaling activities, showrooms, offices and residential activities where these would displace industrial activities (**Explanation**). Policy contained within the Regional Land Transport Strategy (which KCDC is required to have regard to pursuant to s74(2)(b)(i). is to support a compact, well designed and sustainable regional form (**Policy 32**). **Policy 67** seeks that Councils within the District should also advocate for such a regional form through their non-statutory plans.
- **Policy 54** seeks to ensure that any consideration when altering a district that that there is a need to provide for the Objective 21 consideration regarding maintaining a compact, well designed and sustainable regional form. Such development should also adhere to urban design principles (**Policy 52**), and importantly integrate land use and transport (**Policy 56**) including improving accessibility and modal choice.

10.4. CONCLUSION RELATING TO POLICY DOCUMENTS

A significant part of the NZTS (2008), RLTS (2010), and Proposed RPS all identify the outcome of consolidation / intensification as the main mechanism in providing for the efficient use of infrastructure, increasing amenity, and encouraging modal split (i.e. accessibility options outside of the private car).

With regard to transport, the NZTS, PRPS, and RLTS have a range of very similar objectives and policies and specifically seek to enable a safe, efficient and effective transport system in the Wellington region, whilst seeking to avoid, remedy or mitigate the adverse effects of transport. These outcomes are more easily achieved with a consolidated form of urban growth and compact suburban centres.

Appendix 6 identifies the employment retention rates for districts within New Zealand. The table identifies that Kapiti Coast has one of the lowest levels (70%) of employment retention in the Country, which at face value is unsurprising given the ease and options of travel to Wellington City. Low retention rates have a direct impact on the employment base of the district, lowering economic diversity, decreasing efficiency with regard to public and private infrastructure, and increasing Vehicle Kilometers Travelled (VKT). Accordingly, it seems unusual given the remaining focuses within the PRPS on transport integration and consolidation that improved **self sufficiency** within the Region's districts is not provided as a policy direction, albeit such an approach in the Kapiti District Plan would still be aligned with Objective 21 of the PRPS.

To achieve greater alignment between documents, some consideration should be given to policy / methods that provide a framework and criteria for the following:

Recommendation 4: Provide within the Policy 'Umbrella' Section identified above, specific Objectives relating to the interrelated nature of the transport system within the district, and provide guidance as to the desire to increase self sufficiency:

- Business development is encouraged to achieve a move towards sustainable and self sufficient employment, commercial and community growth of the towns of Paraparaumu, Waikanae and Otaki, where such provides for efficient use of buildings, land and infrastructure in business areas.
- Landuse and transport shall be integrated throughout the district to:
 - Reinforce the accommodation of urban growth through a primary emphasis on consolidation, specifically within and adjoining Paraparaumu Town Centre and consolidation focal points.
 - Within urban areas, support land use patterns that provide communities with improved access to a range of services and activities;
 - Improve connectivity and accessibility within urban areas; and

-
- Support compact urban form and sustainable urban land use intensification.

11. THE IMPLICATIONS OF BUSINESS DISTRIBUTION

11.1. BUSINESS DISTRIBUTION AS A RESOURCE MANAGEMENT ISSUE

In light of the matters discussed above, and at a very general level, it can be considered that business distribution is a resource management issue, with implications for:

- **physical resources** constituting buildings and transport infrastructure. This is specifically an issue with the low comparative densities of Industrial areas (1 employee per 1,000m² land area), and given levels of commercial leakage a lower quality, lower performing commercial market;
- lower levels of social **and economic well-being**, given that community enablement in terms of commercial offer and employment diversity are not fully realised nor retained within the district. This is an important issue for Kapiti Coast to resolve in order to improve the quality, vibrancy, viability, performance and amenity of centre and employment nodes in the district;
- **amenity and the maintenance and enhancement of the quality of the environment** especially as identified in Figure 2, both functional amenity and amenity are typically at lower levels comparatively. Despite considerable public sector investment in amenity improvements in Waikanae and Otaki Town Centres this is yet to be responded to with a commensurate lift in private sector investment or economic productivity;
- the **efficient use of resources**, the Council has invested considerably into its commercial centres, including substantially into civic and public facilities at Paraparaumu Town Centre west of Rimu Road. The Council purchased land in the 1980's specifically to provide for civic functions and influence the quality and direction of development of the centre and the development of Rimu Road as a 'main street' in an effort to integrate the future form and development of that area as subject to Plan Change 72(A) (and is also the subject of Regional policy direction in terms of Policy 29 to the PRPS). Accordingly, both the Council and the community would wish to have considerable certainty in an appropriate return for such investment.

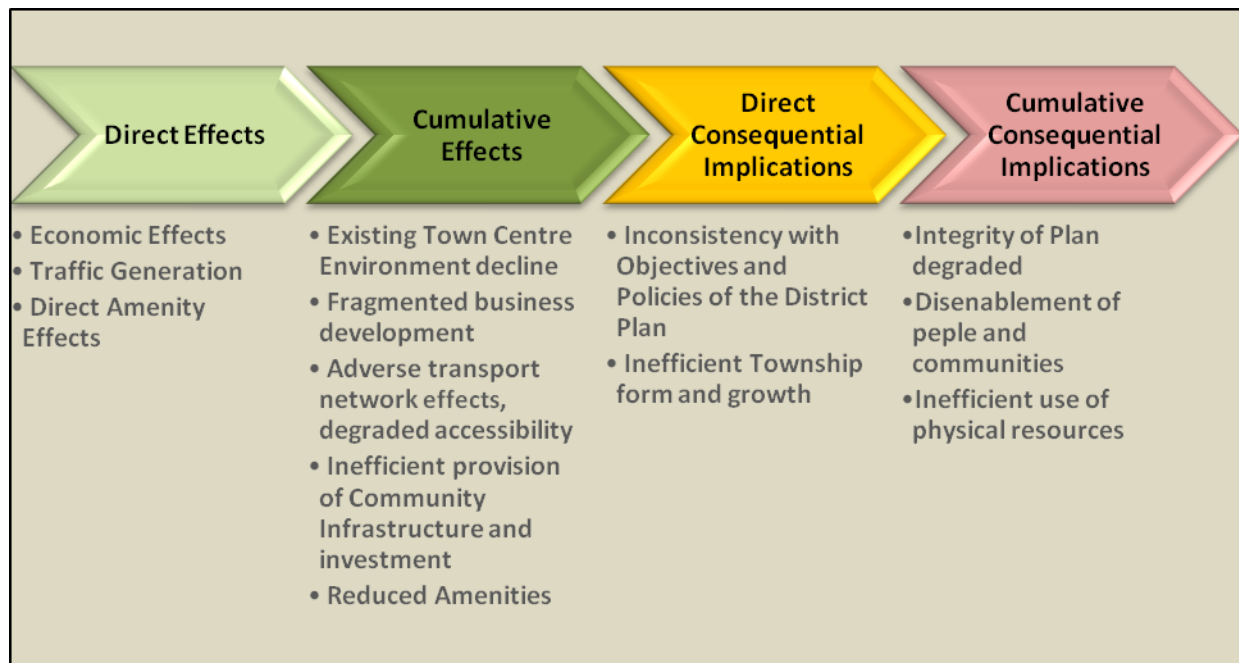
11.2. EFFECTS ASSOCIATED WITH BUSINESS DISTRIBUTION

There are a number of effects to be considered when considering alternative approaches to the distribution of business activity (refer Figure 12).

Effects can be both positive and negative, which will also differ dependent on the community affected. For example, the development of a new retail centre may potentially improve access to goods and services for those living nearby, or on accessible transit routes. Proponents of a new business activity will, it is assumed, be responding to a perceived 'gap' in the market as motivated principally by economic gain. A new retail node may also reduce existing congestion on road networks at the existing Town Centres. Thus, it must be recognised that certain communities and networks will usually experience a positive result from any perceived proposal.

What is not always so well understood, or easily identified, is the complexity of adverse effects that may be associated with certain patterns of retail distribution. Some of these effects, are direct effects on the environment, such as traffic generation (as defined in the RMA), others are additional relevant considerations in relation to integrated management (under s.31). The considerations range from direct local effects, to those of a more regional nature which incorporate cumulative and strategic effects.

FIGURE 12: EFFECTS OF BUSINESS DISTRIBUTION



11.3. URBAN FORM AND THE NEED FOR COUNCILS TO PROVIDE DIRECTION

The basis for the justification in the intervention of the distribution of business activities is no different to that applied to residential growth in achieving the wider backdrop of a strategic urban development framework. Councils, including Kapiti Coast District, have restricted the spread of residential development because the cost of allowing dispersal would be significant, and such costs are not considered by the market. Such costs include increased infrastructure costs, reduced transport efficiencies and increased emissions, wider planning initiatives such as improving the liveability of existing urban environments, and inefficient land use. An individual to the market also does not always consider the costs of their decision on the wider community of the District.

The opposing costs of not allowing business activity to spread, or in the case of the Kapiti Coast District to be constrained primarily within the Commercial Zones or Paraparaumu Town Centre Zone in terms of retail and commercial provision, are potentially decreased competition, increased rents, reduced customer choice, and reduced development. Although, given that adequate capacity exists beyond 2031 within the existing zoned Centres to cater for such demand, any effects are unlikely to fall on the community itself.

In terms of Industrial activity provision, there are considerable productivity and employment diversity benefits in identifying and providing considerable certainty for the development and enablement of such activities in agglomerated areas. The basis for such, is that within each of these 'zones', adverse effects can be internalised, servicing infrastructure provided in an efficient pattern, and transport effects managed in a coherent manner.

11.4. CERTAINTY IN COUNCIL INVESTMENT IN INFRASTRUCTURE

As noted the Council has significant investment in the infrastructure at both the Commercial Zones and Paraparaumu Town Centre Zone, whether in roading, amenity improvements, or community facilities such as the library and Council Buildings west of Rimu Road. Such investments must be considered in terms of not only their initial costs, but also maintenance. Increased dispersal can lead to the decreased utilisation of such facilities, and pressure for their duplication.

In effect, the provision of community facilities and infrastructure is a social investment, and consequently they are publicly supplied (typically by the territorial authority). The provision and maintenance of social and community facilities is extremely unlikely were such facilities solely reliant on private investment in a free market. Community facilities, including libraries, community centres, swimming pools, police stations and WINZ offices are generally provided within larger centres so as to maximise public accessibility and use.

Where a dispersed commercial distribution occurs, so that the scale and diversity of activities typically provided in commercial centres is displaced to a number of separate locations, there can be significant social costs to a community. These costs take the form of both an increase in multi-purpose trips so as to access a dispersed range of activities, as well as costs on community facility providers in terms of the decisions made as to whether upkeep, move, or duplicate community infrastructure.

11.5. CERTAINTY IN DEVELOPER INVESTMENT IN INFRASTRUCTURE

Finally, reliance on a free market for the distribution of business activity can actually lead to a decrease in private investor confidence in town centres and Industrial zones, and their investment in the physical infrastructure within it (i.e. the desire to invest or continue investment).

Commercial investors allocate funds to properties based on the comfort of knowing that a level of integrity exists in relation to planning policy within which the market then operates. Quite simply, investors would like some surety as to what a Council is seeking to achieve in relation to its land use policy and planning instruments, so that it can have some certainty that the investment they make in an area will not be ultimately undermined by diffused investment into other areas.

The wider investment community will largely prefer “a level playing field” in order to ensure that it can retain confidence to invest in its facilities, thus ensuring maintenance in quality and amenity. Such a policy does not in any way shield the Commercial or Paraparaumu Town Centre Zones and its retailers from competition, and in fact encourages the opposite by concentrating retailers together on equal terms, or through the establishment of complementary facilities.

The principle of private investor confidence in the District Plan and its Commercial outcomes is also supported by recent case law (*Northcote Mainstreet vs NorthShore City Council* (High Court, CIV-2003-404-5292)) where the Court expressed that:

*“a community frequently **invests** substantial sums directly or indirectly in relation to shopping centres. ... It follows that it is entirely permissible for a consent authority to take into account significant adverse social and economic effects of such facilities which could flow from the grant of consent to the application of a new retailing centre” [63]*

11.6. URBAN DESIGN CONTROLS AND FOSTERING REDEVELOPMENT

Plan Change 73 and 78 for Wharemauku Precinct and Large Format Retailing respectively, introduced a higher degree of discretion relating to the consideration of urban design matters for redevelopment. This approach is similar to a number of other territorial authorities within New Zealand that are seeking to achieve a higher standard of built form in town centres, and provide measures to implement the 2005 New Zealand Urban Design Protocol.

The main negative economic consequence of urban design controls is that their imposition is dependent on having considerable investment pressure in the first instance. Where that is not the case, issues such as sleeving all Large Format Retail activities, or requiring active frontages for all new developments can act as impediments to redevelopment, and it is considered some targeted flexibility should be considered.

Where urban design controls would limit redevelopment, there is clearly a 'public' cost from the enablement that would have otherwise occurred should that development have occurred.

Larger stores and supermarkets are fundamental to the overall vitality of town centres (such as Waikanae and Paraparaumu) and it is considered that the necessity for the provision of such essential retail activities, outweighs concerns about these forms of development not being able to exactly replicate the traditional pattern of narrow fronted store fronts lining a shopping street. However this does not mean that supermarkets and large stores should be free to pursue their own layout and design; rather that some flexibility be given to them as to how they are to meet basic urban design requirements as to containing and enlivening the street scene and providing for pedestrian safety and security.

Accordingly, Kapiti Coast District Council may wish to consider seeking further urban design advice as to whether the extent of urban design controls may limit the ability the ability to consolidate development. Alternatively, a policy differentiation for Malls, Large Format Retail and Supermarkets may be appropriate, such an approach would provide a clear requirement for flexibility but would still require modulation and glazing.

11.7. ALTERNATIVE APPROACHES

At a broad level, the alternative approaches for the management and distribution of Business Activity as well as their costs and benefits are provided below. A more detailed analysis is then identified in Figure 13 with regard to a consideration of traffic, economic, social and urban design factors. The key analysis relates a consideration of a more dispersed vs consolidated employment zones.

Mixed Use vs Single use Zones

Traditionally, Kapiti Coast residential communities were segregated from work places and commercial activities. Recently, this has changed as the Resource Management Act 1991 has placed more of an emphasis on enabling social and economic well-being, whilst managing the adverse effects from non residential activities. A consequence of this has been that more non residential activities are now located within the traditional living areas of the District, especially where these adjoin Town Centres. Conversely, more residential dwellings are also located within business environments. Across New Zealand there has also been a trend over the last decade to encourage more mixed uses, especially in the more recent large-scale subdivisions and developments. This is to maximise the densities of development, benefits from the close proximity to public transport, and commercial and public activities.

In a response to such mixed use development within the District, communities have raised concern with of the extent of encroachment of non-residential activities establishing in residential areas. These matters are typically raised by communities in relation to Resource Consent Hearings in relation to commercial proposals within residential zones. Those managing Industrial land use activities within appropriate business zonings have also raised issues as to the extent of reverse sensitivity concerns raised by new residential households that may in time curtail or limit their operations. The positive and adverse effects of mixed use zonings are outlined below.

<i>Adverse Effects</i>	
Tangible effects <ul style="list-style-type: none"> • Within residential areas the potential for increased noise and traffic generation which is not compatible with residential living expectations. • Visual detracting and amenity as associated with the new buildings (either scale and / appearance) where such contrasts with the prevailing character of an area. • Expansive areas of car parking where commercial or industrial operations establish within historic residential areas. • Overshadowing and loss of privacy • Contrasting environmental nuisance levels between incompatible activities, such as glare, noise and the storage and use of hazardous substances. 	Intangible effects <ul style="list-style-type: none"> • Loss of residential coherence and isolation from the loss of residential neighbours. • Within residential areas, a decline in the amenity of an area as the character changes from residential to commercial. • Within commercial areas, the accumulation of sensitive adjoining activities which may seek to curtail permitted operations based upon reverse sensitivity grounds • Can accumulate to reduce the quantum of land available for the intended zoned use
<i>Positive Effects</i>	
Tangible effects <ul style="list-style-type: none"> • Closer access to a wider range of local services and employment. 	Intangible effects <ul style="list-style-type: none"> • Within residential areas, cheaper entry costs for new business, especially those that initially are of a small scale. • A more diverse and interesting urban environment. • Within industrial zones, the ability to provide for lower cost housing options.

The operative Kapiti Coast District Plan contains a range of rules that relate to one another and are determinants of the scale of non-residential activity within residential areas. Limitations are included on: the ability for school facilities to be used to provide wider social facilities; home based occupations; and the typical range of environment nuisance controls. Within Industrial and Service Zones provisions seek to limit residential activities, without any discretion as to whether such units would be necessary for managerial or security reasons.

It is considered, especially within the Medium Density Overlay area that a wider range of compatible mixed uses should be encouraged where these do not undermine town centre viability or the integrity of residential living environments. Within Industrial / Service Zones, further consideration should be given to the ability to provide for managerial / security based residential units where these meet strict acoustic attenuation and scale requirements.

High Intensity vs Low Intensity employment areas

Densities within the existing employment nodes are low in comparison to contemporary New Zealand levels. In this instance 'Densities' refers to the number of people or jobs in a given employment area. Target levels identified for a number of Auckland Nodes within the August 2006 Report *Auckland Urban Density Study* (Auckland Regional Transport Authority) identified a rate of 50-100 employees / hectare for Town Centres with only public bus connections (such as Avondale), and a rate of 300 employees per hectare for Sub-Regional Centres (such as Takapuna).

Industrial employment density with Kapiti District are very low, at levels of nearly 10 employees / ha in some nodes.

Increasing densities in industrial areas can reduce vehicle travel, provide greater employment diversity and opportunities and improve the efficiency and use of strategic network infrastructure. Also with growing concentrations of employment and high-value production activities, the economic significance and productivity of industrial areas generally increases.

Hurdles to increasing the density rates of employees/land area include the extent by which current industrial capacity is curtailed by existing inefficient uses, brown field development constraints, and the provision of adequate infrastructure.

The positive and adverse effects of increasing employment density are outlined below.

<i>Adverse Effects</i>	
Tangible effects <ul style="list-style-type: none"> • Can increase the extent of congestion or capacity pressures where infrastructure is currently stretched (for example increased traffic on Kapiti Road). • Limits development options where underutilised or vacant land is constrained through tenure or requires brown field redevelopment. • Supply is unable to be met through the inadequate provision of infrastructure. 	Intangible effects <ul style="list-style-type: none"> • Decreased amenity and character where intensification is not met with adequate environmental controls.
<i>Positive Effects</i>	
Tangible effects <ul style="list-style-type: none"> • Increases strategic infrastructure efficiency and spreads the costs over a wider number of businesses. • Reduces the extent of new greenfield land and services required to support equitable levels of employees. • An increase in employment diversity. • Reduction in vehicle travel. 	Intangible effects <ul style="list-style-type: none"> • Improved amenity of historic industrial areas where an increased demand is met with appropriate environmental controls. • Increases productivity and agglomeration benefits within employment nodes.

In practice, to achieve the increases in employment density, a number of supporting measures may be required. This includes a planning framework that will support intensification in areas of improved accessibility, consolidating businesses within existing zoned areas given the large extent of greenfield opportunities already provided, and measures to facilitate development where brown field sites or infrastructure constraints would otherwise limit intensification.

Commercial Dispersal vs Consolidation

Commercial centres represent significant agglomerations of significant physical resources, and provide associated values and benefits to the community. Substantial decentralisation of commercial development can lead to a range of impacts on the amenity, social, transport and economic values of the District's residents and as such should be avoided.

The consolidation of commercial activities within existing centres, such as Paraparaumu Town Centre and Waikanae Town Centre assists in minimising adverse impacts on the road network, and provides greater certainty for both business investment and social service provision. Managing commercial development in the District in this way also enables the integrated management by the Kapiti Coast District Council in the provision of amenity related improvements, and through the provision of transport of community related infrastructure.

A consolidated 'Centres based' approach to commercial centre rationalisation is also advocated by the Ministry for the Environment within the Document *'People, Places and Spaces – A design guide for urban New Zealand'* A 'Ministry for the Environment' publication, March 2002 (pg 38, 39 and 41). The guide highlights the importance of integrated planning, and includes the following statements:

- *"Promote a range of centres, of varying size, according to their function in the region.*
- *Provide strategies to manage economic growth and revitalise declining centres.*
- *Increase employment and residential capacity, where appropriate.*
- *Focus walkable nodes on arterials and public transport so they benefit from the movement economy.*
- *Define nodes as walkable catchments.*
- *Locate higher density, and a greater range of uses, towards the core [of the node].*
- *Provide an appropriate distribution of amenities, such as shops, schools and parks, where the communities they serve can easily access them."*

The positive and adverse effects of commercial consolidation are outlined below.

<i>Adverse Effects</i>	
Tangible effects <ul style="list-style-type: none"> • Can restrict the extent and location of retail and service activities within the district where sufficient land capacity is not provided in centre. • Potentially decreased competition, increased rents and reduced development within commercial centres. Such adverse effects in the Kapiti Coast District are unlikely given the extent of zoned commercial capacity available and sub-regional centres easily accessible in adjoining districts. 	Intangible effects <ul style="list-style-type: none"> • Decreased amenity and character where intensification is not met with adequate environmental controls.
<i>Positive Effects</i>	
Tangible effects <ul style="list-style-type: none"> • Provides for the more efficient use of existing infrastructure and enhances transport integration with land use. • Where there is substantial demand for re-investment can result in the overall improvement in amenity. • Increases employment diversity and density. • Reduces vehicle travel and encourages modal choice. 	Intangible effects <ul style="list-style-type: none"> • Encourages energy efficiency through more consolidated urban form. • Increases productivity and agglomeration benefits within commercial nodes. • Provides greater certainty of public and private investment into existing centre infrastructure. • Reduces the extent by which commercial activities displace activities within industrial/service zones and thereby consequential increases in the scarcity and investment levels of the industrial land resource.

FIGURE 13: HIGH LEVEL ALTERNATIVE APPROACH ANALYSIS: CONSOLIDATION VS DISPERSAL

Urban Form: Commercial	Function	Summary of Approach	Concentration	Dispersal
<p>Accommodation of urban growth through a primary emphasis on consolidation, providing for intensification within and adjoining:</p> <ul style="list-style-type: none"> - Paraparaumu Town Centre as a Regionally Significant Centre; and - Waikanae Town Centre, Paraparaumu Beach and Raumati Beach as consolidation focal points. <p>Avoid establishing retail and office activity outside Paraparaumu Town Centre and Commercial / Service Zones where this will create dispersed commercial activity to the detriment of the efficient operation, function, viability and sustainability of the district's centres, especially the Paraparaumu Town Centre</p>	Traffic	<p><i>Directs towards the centralisation of traffic patterns around Paraparaumu Town Centre as a Regionally Significant Centre and consolidation focal points in terms of the transport network – this approach is proactive, reduced trip generation and also focus's mitigation packages to central locations.</i></p> <p><i>Consequently by operating a centres model, as opposed to a dispersion model, traffic movements will of necessity be focused around the district centre. The effect will be to intensify traffic in those areas but at the same time reduce the traffic impact on other sections of the roading network. There are thus significant advantages in terms of overall trip miles and traffic generation to be gained in concentrating businesses in one area. The aim is that overall a better result is achieved. As a whole, the roading network is "better off". Also rail nodes such as at Waikanae Town Centre, Otaki and Paraparaumu help to provide alternative modal choice.</i></p> <p><i>Efficiencies in terms of modal split, reduced traffic generation (given more cross shopping) and Public Transport Infrastructure consolidation.</i></p>	<p>Positives Creates efficiencies in terms of trip journeys and generation.</p> <p>Agglomerates activities, Public Transport and modal choice.</p> <p>Increases public transport efficiencies, provides for ability to facilitate Paraparaumu Town Centre as a ToD.</p> <p>Allows for the concentration of transport infrastructure and mitigation.</p> <p>Provides for a better network overall.</p> <p>Where intensified and a higher order role and function provided, can improve level of retained employees and decrease district VKT.</p> <p>Negatives Dispersed retail would take advantage of car based travel that occurs regardless . Can lead to greater congestion at centres.</p> <p>Some shopping types (i.e. LFR) requires the use of private vehicle regardless for transporting purchases (such as whiteware or bulky electronic goods) Some of which, especially Trade Based can be better served in Industrial zones.</p>	<p>Positives Provides for larger essentially car-based activities to locate out of centres, may reduce some in-centre transport conflicts.</p> <p>Some retail activities are ill-suited to locating in Town Centres, specifically Trade Based activities (i.e. Bunnings / Mitre Mega 10) and some larger format retailing (although in terms of the latter capacity provision in existing centres reduces this necessity)</p> <p>Negatives Less multi-trips, hence increased trips and journey length on the network.</p> <p>Provides a greater dispersal of commercial activity, and often duplication with lesser community enablement and choice.</p> <p>Reduces accessibility for some (outweighs those where accessibility improved).</p> <p>Large format comparison and supermarket stores have greatest potential to diminish the movement function of arterial corridors.</p>

Urban Form: Commercial	Function	Summary of Approach	Concentration	Dispersal
	Social	<p><i>With agglomeration:</i></p> <ul style="list-style-type: none"> Improved amenity and urban design due to increased certainty in private and public infrastructure investment; Integration of urban form and growth through linking residential consolidation, commercial growth and the transport network; Improved social and economic circumstances (sense of place). Maximises mobility and access options to shops, services, workplaces and leisure. 	<p>Positives Increases certainty in public / private investment, as well as co-location benefits.</p> <p>Promotes sense of place, safety and security . Increased liveability as consequence of increased supporting residential density.</p> <p>Improves accessibility for those less mobile.</p> <p>Maximises benefits from existing observed patterns of residential locational choice around Centres, and reinforces Section 20 enablement of Higher Density Residential outcomes.</p> <p>Negatives Lost opportunities where new retail entrants are unable to establish within Paraparaumu Town Centre as a Regionally Significant Centre or consolidation focal points.</p> <p>Reduction in 'compact mixed uses' where Large Format Retail displaces more people intensive land uses.</p>	<p>Positives Recognition of some communal benefits when activity could not otherwise locate in centre.</p> <p>Negatives In extreme cases, declining social and amenity values within centre.</p> <p>Unexpected changes in urban form can have a disproportionate impact on different sectors of the community.</p> <p>Potential duplication or reduction in the efficiency and provision of social infrastructure, especially given the Kapiti Coast District Council's investment west of Rimu Road.</p> <p>Reduction in equitable accessibility.</p>
	Economic	<p><i>Preferred concentration for commercial activities given efficiencies from the agglomeration of commercial activity. However, recognition that not all retail / commercial activity can be catered for in these locations, specifically more Trade Based or ancillary enterprises.</i></p> <p><i>Ability to intensify existing low</i></p>	<p>Positives Improves agglomeration and hence efficiency.</p> <p>Increased certainty around public and private sector infrastructure investment.</p> <p>Out of centre retailing likely to compromise the existing centre network, unless complementary</p>	<p>Positives Provide a release valve, although little extent of latent demand.</p> <p>Negatives If not managed can reduce efficiencies and cause existing in-centre tenants to vacate reducing critical mass.</p> <p>Decrease in infrastructure efficiencies and a fall in other activities is likely to</p>

Urban Form: Commercial	Function	Summary of Approach	Concentration	Dispersal
		<p><i>density levels of commercial supply and productivity within Kapiti District as a whole.</i></p> <p><i>Little / no market growth of demand for commercial floorspace. Total demand of an additional 30 hectares to 2031 is predicted, with some 36.1ha already available in Paraparaumu. Localised issues as to flexibility of location. All consolidation focal points and local centres overprovided.</i></p>	<p>through enabling social and community well being through a retail offer that could / would not be able to be accommodated in-centre.</p> <p>Where intensified and a higher order role and function provided, can reduce leakage.</p> <p>Negatives Reduced opportunity for in centre locations, hence increases in rent, although such an outcome is unlikely given the current oversupply of land and low productivities. Some difficulties in locating some formats, specifically Trade based in centre.</p>	<p>reduce residents sense of community and vibrancy.</p> <p>Risk of significant distributional effects on the network of centres.</p>
	Urban Design, Landscape and Amenity	<p><i>Such centres preferred for urban intensification due to physical or locational characteristics that include the intensity of existing development, the locality's association with significant transport movements, and/or passenger transport nodes, and/or the locality's capacity for further growth.</i></p> <p><i>Improved amenity and urban design due to increased certainty in private and public infrastructure investment</i></p>	<p>Positives Increased consolidation can lead to greater environment outcomes, certainty, and re-investment, where demand is focused into consolidated centres.</p> <p>Provides for improvements in both physical and functional amenity.</p> <p>Negatives Some land use types will not be able to find a location.</p>	<p>Positives Provides for re-investment on key arterial routes and amenity improvements, provided carefully designed would lead to higher amenity through linear expansion or commercial activities along existing State Highway 1.</p> <p>Negatives Reduced certainty re re-investment.</p> <p>Decreases accessibility for those disadvantaged in their access to private vehicle use.</p> <p>Amenity degraded and lost.</p>

Urban Form: Industrial	Function	Summary of Approach	Concentration	Dispersal
<p>A distribution, scale and form of business activity which:</p> <ul style="list-style-type: none"> - differentiates and manages various types of business activities both on the basis of the nature of the activity, and the potential local and strategic effects of their operations. Such activities are to be enabled to locate within particular environments, principally the ... The Airport Zone and Industrial Zones, at a scale and with standards which reflect that Environments location and role <p>Business development is</p>	Traffic	<p><i>Agglomeration of Industrial activities provides the ability to reduce congestion and conflict between industrial and commercial generated traffic. Traffic nuisance and amenity effects can be internalised.</i></p>	<p>Positives Provides ability to prioritise and reduce conflict on specific roading serving Industrial zones (e.g Manufacturing and distribution at Otaki is seen as providing a congestion free and accessible route onto the regional and national roading network.)</p> <p>Ability to form critical mass to examine distribution freight options (specifically Te Horo and Paekakariki as these adjoin existing Rail Corridor) competing as distributional hubs with Palmerston North and greater levels of investment and retained employment. Example of successful multi-modal Freight Hub at IZone Rolleston, Canterbury.</p> <p>Some commercial (ancillary or supporting, i.e Food and Beverage) activity in non-centre locations can usefully serve local employment or resident base.</p> <p>Use of Traffic Impact Assessment provide ability to maintain the integrity of the movement function of the road network</p> <p>Where intensified, can improve level of retained employees and decrease district VKT.</p>	<p>Positives Can disperse extent of nuisance and transport conflict where low levels of intensity are provided.</p> <p>Can improve in limited individual circumstances modal choice as industrial zones not usually well served by PT, walking or cycling.</p> <p>Negatives Community level dispersal leads to less efficient roading network function. Reduced accessibility.</p> <p>Degradation of the movement function and safety of the arterial road network.</p>

Urban Form: Industrial	Function	Summary of Approach	Concentration	Dispersal
encouraged to achieve a move towards sustainable and self sufficient employment, commercial and community growth of the towns of Paraparaumu, Waikanae and Otaki, where such provides for efficient use of buildings, land and infrastructure in business areas.			Negatives Excessive levels of agglomeration along Corridors can lead to conflicts and reduced amenity where transport infrastructure shared.	
	Social	<i>Agglomerated industrial activities can provide for critical mass and ability to diversify employment, and the range of facilities that service such nodes.</i> ~ Ability to define Industrial 'community' based on shared facilities and experiences. ~ Internalise nuisance effects.	Positives Improved accessibility for employees to convenience services, and Council to target location based open space and amenity improvements. Agglomeration can provide for increase in diversity of employment options, and hence retained district workforce (self sufficiency) and reduced individual travel. Reduction in mixed use can reduce the scale and extent of reverse sensitivity considerations, although ancillary retail and office activity is essential for the diversification of Industrial uses. Negatives Issues of benefits decreased where suitable and appropriate Industrial facilities prevented from establishing due to either land or service capacity issues. Current limitation of appropriate labour base, given aging population demographic prevalent within the Kapiti Coast District.	Positives Ability for employees to access a wider range of industrial activities for inter and intra district. Ensure that new industrial activities can be accommodated where there are finite industrial zone capacities. Negatives Opportunity costs of such activities agglomerating within centre;
	Economic	<i>District currently has a low comparative productivity level and also an absence of employment options, specifically a thin productive sector and a recent reduction in manufacturing and</i>	Positives District generally has high comparative level of proximity to markets and arterial roading networks.	Positives Ensures increased options for the provision of a full range of Industrial activities.

Urban Form: Industrial	Function	Summary of Approach	Concentration	Dispersal
		<p><i>construction sectors. Ability to intensify existing low density levels of supply and productivity within Kapiti District as a whole</i></p> <p><i>Agglomeration can bring with it critical mass and productivity benefits.</i></p> <p><i>Just sufficient land for accommodating industrial land demand in the medium term of 40ha (to 2031), with some 30.1ha available (Otaki 17.3ha and Paraparaumu 12.1ha). Otaki node provides considerable benefits for construction, distribution and manufacturing but requires marketing.</i></p>	<p>Recognises, through intervention that the development of more holistic growth should improve productivity and employment diversity. Where successful can improve employment retention rates.</p> <p>Negatives Market view of significant shortage of appropriate land / premises for industrial sector (although appears to be location based, such as the ability to locate a 'Bunnings' within Papaparaumu TC)</p>	<p>Negatives Likely to lead to further decreases in productivity and employment diversity.</p>
	Urban Design, Landscape and Amenity	<p><i>Recognition of the need to provide for higher order and more productive employment sectors is reliant on amenity, accessibility and urban form.</i></p>	<p>Positives Requires some facilities and services to add life and vitality to primary industrial uses.</p> <p>Ability to holistically manage public sector amenity improvements, and for the private sector to internalise adverse effects and decrease reverse sensitivity considerations.</p> <p>Negatives Can lead to uninspiring environments through an absence of diversity of activities.</p>	<p>Positives Increased range of activities throughout a number of areas can improved mixed use and range of activities in a location where nuisance effects carefully managed.</p> <p>Negatives Will reduce amenity values.</p>

12. CASE LAW SUMMARY

12.1. BUSINESS DISTRIBUTION AND SIGNIFICANT EFFECTS

Resource Management Act 1991

It is the responsibility of the Kapiti Coast District Council to interpret and apply the requirements of the RMA at the local level. The RMA only gives very general guidance as to what it expects for the management of the built environment. The following sections are considered most relevant in providing direction, being those that more specifically relate to the use and development of physical resources:

Section 5: Purpose

(1) ...

(2) *In this Act, sustainable management means managing the use, development, and protection of ... physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—*

(a) sustaining the potential of ... physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and

(b) ...

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.

Section 7: Other matters

In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall have particular regard to—

(b) the efficient use and development of natural and physical resources:

(ba) the efficiency of the end use of energy:

(c) the maintenance and enhancement of amenity values:

(f) maintenance and enhancement of the quality of the environment:

(g) *any finite characteristics of natural and physical resources:*

(i) *the effects of climate change:*

Section 31: specifically the *'establishment ... of objectives, policies and methods to achieve the integrated management of the effects of the use, development, or protection of land and associated ... physical resources...'*.

It is also important to bear in mind the Act's definitions of:

- *'Environment'* (which includes people, communities, physical resources, amenity values, and social and economic conditions' (**Section 2**).
- *'Effect'* (which includes adverse, future, and cumulative effects (**Section 3**).
- *'Amenity values'* (**Section 2**).
- *'natural and physical resources'* (which includes all structures (**Section 2**).

Interpreting clauses

When considering these sections all together, the Act clearly anticipates that structures, as part of the built environment (which includes as a matter of course the Paraparaumu Town Centre and consolidation focal points, industrial buildings, community facilities, the road network and residential properties), represent physical resources that need to be managed and developed in a sustainable way so as to enable people and communities to provide for their social, economic and cultural well-being. The existing Paraparaumu Town Centre and consolidation focal points represent considerable public and private investment, not only because of the public and private infrastructure associated with it, but also because of the social interrelationships provided and landscapes represented.

The concept of 'enablement' is a key part of section 5 in this context. In terms of retail distribution, this has both enabling and disabling consequences: people's wellbeing may be enabled through an increase in retail expansion across the District; equally there may be a consequential disablement associated with such an approach. In essence, this comes down to balancing 'market' needs against the wider community needs and integration with wider urban form and growth.

The Council's Role

The RMA is itself an 'enabling' piece of legislation in that the presumption in section 9 is that any activity is allowed unless a rule in the Kapiti District Plan restricts it. Therefore land use intervention in the District Plan as proposed through the District Plan review should link back to a significant resource management issue; if there is no issue, then intervention by the Council would not necessary be achieving the intent and purpose of the Act.

The Council's role is to determine through this process to what degree it should be "*enabling*" :

- the distribution of retail activity throughout the District (especially the Paraparaumu Town Centre and consolidation focal points);
- Managing the form and growth of the Paraparaumu Town Centre and consolidation focal points;
- providing for, and managing activities within Industrial Environments;

whilst ensuring that the overall approach will promote the sustainable management of the Paraparaumu Town Centre and consolidation focal points (and related infrastructure) as physical resources that are relied upon by people and communities for their social and economic wellbeing. The strategy for how business activity is to be managed in the District, will contribute to the District's form, and consequently its sustainability.

Focus on effects

The central tenet of planning in the country has also undergone a paradigm shift away from a focus on controlling activities whilst focusing on land use patterns, toward ensuring that the actual and potential effects of activities are managed to promote the sustainable management of resources. This links back to considerations of 'amenity' and the 'quality of the environment' in addition to the other matters identified above. The link between sustainable management and the 'efficient' use and development of resources is also a key consideration in respect of both future planning for the road transport network, and any effects upon the safety and functioning of the existing transport network.

Conclusion

To interpret the RMA at a strategic level, it can be concluded that aspects of retail activity, particularly its enablement (in terms of extent and spatial location) and its distribution, including any effects on

people and communities of such enablement, can be considered resource management issues in terms of the purpose of the Act.

12.2. CASE LAW

The planning argument for managing the distributional effects of diluted commercial retail activity, is based upon the following:

- (i). *That new commercial players can affect the viability of trading organisations of the same type; and therefore*
- (ii). *Key business in an existing centre, or the CBD, can be affected to such a degree that the centre's viability will be eroded; and as a result*
- (iii). *The community will be unable to provide for their wellbeing in this locality.*

The issue is not that new retail activity will affect the trading circumstances of organisations of the same type, as these are purely trade competition considerations that the Council cannot consider under Section 74(3) of the Act. The Council should however intervene when the impacts of a proposed activity on similar activities in the market place would cause impairment that could lead to a decline in existing physical resources, amenity, transport efficiency and community enablement.

Consideration of 'distributional effects' under the RMA1991

Despite the changing legal landscape relating to retail distribution since the inception of the RMA in 1991, it is now settled law that the economic and social effects of a proposed activity on the environment may be a relevant matter for a consent authority when considering:

- (i). *The potential effects of an activity on the environment for the purposes of notification (section 95D(d)); and*
- (ii). *The substantive decision as to whether to grant consent (section 104(1)(a));*
- (iii). *A TA's planning functions pursuant to s72 and s74(1), in terms of the purpose and matters to be considered by a territorial authority in drafting its District Plan. Qualified by the consideration for it to consider the integrated management of effects, including natural and physical resources (s31), and excluding any regard to trade competition (s74(3)).*

Potential effects of commercial distribution are sometimes referred to as retail distributional effects. They have now been recognised by the Environment Court in a number of cases.

Distributional effects can best be described as the consequence of trade competition taken to a significant scale, where the patterns of support and patterns of commercial activity would change dramatically within a locality. Put another way, such effects would occur where a new business (or cluster of businesses) affects key businesses in an existing centre to such a degree that the centre's viability is eroded, causing a decline in its function and amenity, and disabling the people and communities who rely upon those existing (declining) centres for their social and economic wellbeing.

Distributional effects are differentiated from the effects of trade competition on trade competitors, which are to be disregarded pursuant to s104(8) and s74(3) of the Act (for KCDC in preparing its District Plan) with reference to resource consent applications and the contents of district plans respectively. Although retail distributional effects are a relevant consideration for a consent authority, it should be noted that the Environment Court has made it clear that those effects must be significant⁴ (but not necessarily ruinous) before they could properly be regarded as going beyond the effects ordinarily associated with trade competition.

Part 11A as inserted into the Act in 2009 specifically excludes trade competitors and surrogates from registering a statutory interest where the direct basis of that interest would relate to trade competition or the effects of trade competition (refer ENV-2011-WLG-000053/54 *General Distributors vs Foodstuffs Properties (Wellington) Limited*). Accordingly, there is now greater impetus for Territorial Authorities to clearly enunciate and justify the management of business activities within their respective District's as they can no longer rely on interested 'third' parties to test the robustness of policy prior to application.

Principles of distributional Case-law

The key approach with regard to the distribution of retail activity, in relation to the case law commented on above, can be distilled into a consideration of a balance between enablement and consolidating urban form and growth (Figure 14).

⁴ *Northcote Mainstreet vs NorthShore City Council* (High Court, CIV-2003-404-5292), Randerson J stated: "In regard to shopping centres, I would not, with respect, subscribe to the view that the adverse effects of some competing retail development must be such, as to be ruinous before they could be considered. But they must, at the least, seriously threaten the viability of the centre as a whole with on-going consequential effects for the community served by that centre." [62]

FIGURE 14: CASE LAW SUMMARY

Urban Form and Growth	Enablement
<ul style="list-style-type: none"> - Councils can intervene to protect physical resources. References in the RMA restricting the ability to consider trade competition are subservient to the overall thrust of the RMA as set out in Part II and in particular s5. Thus if trade competition should reach such a 'significant' stage where a community asset represented by (for example) the CBD is weakened to an unacceptable degree, then a Council can intervene⁵. - The strategic context of a District Plan, as stated through its policies and objectives, needs to very clearly set out the direction of the City with regard to the interrelationship between residential, commercial and transport infrastructure. Such a framework provides a policy benchmark for evaluating commercial development within the wider urban form and development backdrop of the Plan.⁶ - It is appropriate that a plan should set its face against ad hoc commercial development and instead seek a predicative role in terms of planning. A Plan should provide some flexibility by providing criteria for consideration of new district centres and business retail parks. That, in the Court's view, establishes a clear balance between the certainty necessary for ordered development and confidence and flexibility to allow for change and growth.⁷ 	<ul style="list-style-type: none"> - Consolidation Policy and Trade Competition. Councils can provide for the promotion of town centre consolidation as a legitimate resource management issue within their respective district plan, however the statutory prohibition to disregard <i>Trade Competition</i> (s74(3)) cannot be undermined nor modified by objectives and policies of the Plan. There is nothing in the Act that intends district plans to be determinative in this regard⁸. - A strategy of encouraging the continued viability and upkeep of town centres is acceptable, provided that such an approach does not inhibit development incapable of creating significant adverse distributional effects (either in isolation or cumulatively with other developments)⁹. - Assessments of proposals should consider the positive as well as the negative effects and some proposals may assist in enabling people and communities to provide for their wellbeing, health and safety.¹⁰ - It is important in terms of providing objectives that seek to reinforce a 'centres based' strategy for the containment and enablement of retail development, is correspondingly aligned with the opportunity for such retail growth to be met in centre. Where the development opportunity for in-centre retail development cannot be met in-centre, objectives seeking such cannot be easily justified¹¹. - It may not always be possible to graft on all scales and forms of retail activity onto an existing centre without overwhelming its infrastructure and character. Ultimately, in such instances it may well come down to a consideration of a proposal on its merits, whether <i>the</i> proposal is <i>appropriate</i> in its location, meets the community's needs and preference; as balanced against adverse effects such as noise, illumination and transport¹².

⁵ *Westfield NZ Ltd & other vs Upper Hutt City Council* (W44/2001). Also *Northcote Mainstreet Inc vs North Shore City Council* (High Court High Court, CIV-2003-404-5292)

⁶ *The Warehouse Ltd; Foodstuffs (South Island Limited) vs Dunedin City Council* – C101/2001.

⁷ *National Investment Trust vs Christchurch City Council*. C152/2007.

⁸ *General Distributors Ltd, Waipa District Council, NTC, Billmag Holdings*. High Court CIV 2008-404-004857.

⁹ *Westfield New Zealand Ltd vs Upper Hutt City Council*

¹⁰ *The Warehouse Ltd; Foodstuffs (South Island Limited) vs Dunedin City Council* – C101/2001.

¹¹ *Bilimag Holdings Ltd vs Waipa District Council* C072/2008

¹² *Progressive Enterprises Limited vs the North Shore City Council*. W075/2008.

Recommendation 5: An Objective framework in the District Plan based around consolidation and agglomerated business zones are considered appropriate in meeting the purpose of the Resource Management Act. It should however be acknowledged that only a modest extent of additional Industrially zoned land is needed in the medium to long term, and no or very limited commercial land is required.

13. DISTRICT PLAN ANALYSIS

Urban areas of New Zealand have been the subject of some form of design and planning since the early nineteenth century, initially through surveying plans for town form and parks, to the civic minded provision of facilities such as Town Halls and municipal offices, to the later focus on amenity, aspect and activities as still remains the focus of territorial authority plans today.

The most relevant paradigm has been more recent, with a philosophical shift in district plans to manage the 'adverse effects' associated with the distribution of business activity. This approach as a consequence of the enactment of the Resource Management Act 1991, also sought to ensure that District Plans did not seek to 'licence' retail and commercial activity. A factor that has been reinforced through the 2009 enactment of Part 11A of the Act to limit trade competitors.

This period of planning management also came at a time when the retail market itself was undertaking a significant shift. As a generality, retail growth since the 1980's occurred by way of a shift towards fewer larger retail outlets, an approach first started by the grocery trade in the 1960's but now a common feature of general merchandise (examples include the Warehouse, Rebel Sport and Noel Lemmings). As larger stores are generally cheaper to create and more economical to operate on a per/m² basis, there has been an upwards trend in retail land area supply, and also a consequential pressure for development in either expanded centres, or out-of-centre locations to accommodate such trends. In some instances this has led to the creation of purpose formed Larger Format Retail Zones or consented areas (examples include Christchurch, Whakatane, Rotorua and less successfully Hamilton).

A consequence of the provision of larger format retail is that many centres, specifically those with nominal household formation or communal spending power, have seen a decline in mainstreet activity. In some instances this has been offset by an increase in food and beverage outlets, community based and professional services. Usually also associated with lower productivity levels, and increase pressure to incorporate within District Plan's improved urban design provisions.

The District Plans analysed are all considered to be 'hybrid plans' in relation to the management of business, and in particular commercial activity. That is they contain provisions crafted around both defined activities, i.e. Trade Supplier, and also effects i.e. maximum floorspace provisions within Larger Format Retail Zones to limit the proliferation of finer grain retailers.

As identified above, the Plans reflect both increases in household formation as well as capacity issues associated with the provision of Business land within the respective districts.

- (i). **Christchurch City** and **North Shore City** both consist of growing economies and with limited capacity in the provision of zoned commercial areas. Both Plans contain zones which anticipate and provide for larger format retail activities.

Retail and commercial provision is not excluded within Industrial areas, with exceptions for a range of more Trade based retail activities. There is also, a somewhat complicated, individual and aggregate threshold provided to enable individual and clustered retail activities within the Industrial zones so as to limit distributional effects.

- (ii). **Hamilton City** has a growing catchment, but a low productivity and amenity Town Centre largely as a consequence of dispersed retail activity since 2003. Policy does not seek to limit retail activities within commercial centres, nor develop some primacy for the Hamilton CBD. The relevant provisions seek to limit retail activities in the Industrial zone between 150m² and 1000m², presumably to limit the proliferation of medium size general merchandise traders. The degradation and inefficient utilisation of both commercial zoned land and industrial zoned land led Hamilton City Council to notify Variation 21 in 2009, which was later withdrawn as a consequence of failing to consult with Iwi. The permissive industrial rule framework has effectively led to the commercialization of large sections of the historical Te Rapa Industrial area. The implications for the CBD has been a considerable loss of proportional retail spend and diversity in comparison to initiatives now provided at 'The Base' and adjacent offer along Te Rapa Road.

- (iii). **Rotorua District** and **Dunedin District** have largely static economies and accordingly have a simple framework for the management of commercial and industrially zoned land. The frameworks identify the importance of the Town Centres, and restrict the scale and extent of retail and commercial activities within Industrial Zones. The former provides for Trade Supply type outlets within Industrial zones.

Recommendation 6: Based on a consideration of the growth and capacity issues associated with accommodating Kapiti District's business formation as measured within the respective District Plans frameworks above, it is considered that:

- the Christchurch City / North Shore City approach would be moderately *effective* as it is targeted to the effects of both individual and aggregate commercial activities within Industrial zones. Such an approach is not considered not *efficient* in the Kapiti context with regard to s32(3)(b) of the RMA. This is largely given the complex nature of the provisions, and the necessity for the Council to maintain a record of all commercial activity floorspace within the District. The provision of a specific Larger

Format Retail zone is inappropriate given the capacity provided within the Paraparaumu Town Centre zone;

- The Hamilton City approach is neither *effective* nor *efficient* as it does not manage the adverse effects of commercial distribution; and
- The Rotorua / Dunedin approach is seen as the most *effective* and *efficient*, where exceptions are provided for more Trade Based retail outlets within the Kapiti Industrial and Airport zones (although less complex provisions to those introduced through PC73).

13.1.

14. BUSINESS LAND GROWTH SCENARIOS

This section discusses the estimated demand for business land in the Kapiti District.

The employment projections undertaken here for Kapiti by PEL are based on a variety of factors including:

- National and Regional GDP and employment projections
- Population projections – these are key both to labour force projections and population based employment.
- Labour Force projections (skilled / unskilled)
- Regional ability to accommodate growth, especially the potential relocation of business (industrial) activity from Wellington City.
- Kapiti sub-regions relative business land supply and prices
- Trended growth
- Economic development directions
- Locational criteria by sector
- National / Regional and local supply of inputted goods and location of market
- Business sector analysis
- Increasing working age

14.1. EMPLOYMENT PROJECTIONS BY BUSINESS SECTOR (EX. RETAIL)

The following section projects employment by sector for Kapiti District. Given that the district operates as a single economic entity it is seen as fitting to assess the projected growth and distribution of this growth at a district level.

Four growth scenarios are initially assessed:

1. PEL medium growth scenario under current conditions
2. PEL 'Expressway' employment projections. These are based on the associated population projections however it is clear that the proposed expressway will, on one hand, facilitate the exodus of jobs, while on the other facilitate potential employment retention and growth due to increased accessibility to markets.

3. Existing KCDC commissioned projections (medium)
4. Existing KCDC commissioned projections (high)

It is important to note that the employment numbers are treated differently between scenarios. PEL deals with only those employees that indicate their job location through Statistics NZ. This is to maintain some degree of consistency between years and also avoids relatively random redistribution of employment numbers. The key point here is that the land demand figures resulting from this analysis is based on these proportionally lower figures and so the existing KCDC projection ratios have been amended for EC (Employment Count) to land requirement.

Tables 12 to 23 project total employment for Kapiti District to 2031 by the preceding scenarios and by the commercial and industrial sectors. Scenario 1 shows essentially a 40% increase in the number of employees over the 20 year period (approximately 4,600 employees from 2010). This growth in itself is in keeping with the estimated population and household growth numbers provided by KCDC, and results in an increased employment rate based on the labour force projections supplied.

It is important to note that there is significant in and outflows of labour from the Kapiti catchment and so the increased employment rate does not necessarily correspond to a lower unemployment rate for the district, but potentially an improvement in the relative economic environment.

Table 12 summaries the following tables showing the different scenarios and their potential impacts on proportional employment levels.

TABLE 12: EMPLOYMENT GROWTH SCENARIO SUMMARIES (2010 - 2031) (EX. RETAIL)

Scenario	EC Growth			% Growth			Net Land Demand (ha)	
	Total	Industrial	Commercial	Total	Industrial	Commercial	Industrial	Commercial
1	4,664	662	929	40%	26%	39%	12.21	11.5
2	6,157	1,028	1,242	53%	41%	52%	19.6	14.56
3	3,420	653	536	23%	19%	19%	9.7	7.12
4	4,697	979	765	32%	28%	27%	14.34	9.69

Source: Property Economics

The common theme between all four scenarios is the lower proportional growth expected in Industrial and Commercial sectors as opposed to the general service and public service sectors. This would indicate that the Kapiti business environment is expected to follow along the same lines as its current position with a vast proportion of jobs servicing immediate

needs through service provision rather than the production of goods. This needs to change if Kapiti wants to move away from predominantly being a satellite town supplying labour to Wellington businesses.

In all four scenarios growth in industrial activity is expected to either remain on par or fall below the rest of the sectors in the economy (although the sub-sectors will show definite change over this period, e.g. niche manufacturing, more intensive transport and storage, leading to this sector being able to afford higher land values).

The ramifications on land demand (outlined later in this report) are likely to be a change towards smaller lot sizes for sectors other than transport and storage, while these industries are more likely to experience greater sensitivity to location (such as market location, airports, transport hubs etc.).

The growth in commercial activity is redistributed somewhat between categories. Office based 'Health Care' and 'Public Services' sees proportionally more of the growth. This is expected given an economy that is likely to retain a greater proportion of support services for population driven activities. In order to remain competitive for this growth the district must consider the factors which will increase in priority for commercial firm locations. Key in this change will be productivity levels, amenity and clustering activities.

With many of the services and even intangible products resulting from these firms transportation and even accessibility are making way for profile, amenity and efficiencies within the local centres. This has led, and is likely to lead to, greater intensification for areas within sub-regions and regions to create a competitive advantage. As the international economy increases in resource mobility, land sensitive activities are more likely to go to land rich cities and countries as with labour rich locations.

It is imperative therefore that Kapiti focus on locational attributes it can remain competitive in. Commercial activity and densities (as well as the lifestyle attributes) are therefore key for Kapiti District. The vacant land in Paraparaumu Central will be an important part of facilitating this by directing growth into this area (primarily retail and commercial office) rather than letting it disperse elsewhere in the district.

One of the key considerations given the greater intensity of land use for industrial activity in Kapiti will be the demand for small (<1 hectare) to medium (1 – 2 hectares) sized lots. Kapiti District is projected to have an increase of between 30 – 40% (given the expressway) in industrial activity over the next 20 years. The vast majority of this is expected to be in the Manufacturing and Construction sectors with increasing emphasis on value added and specialized production. This activity is more likely to demand greater amenity rather than access to a specific market.

Commercial activity in Kapiti is projected to increase by up to 50% by 2031. This increase is driven by the development and retention of professional services that are likely to support the industrial economy as well as servicing the increasing population. This is likely to create (or further differentiate) distinct markets. In terms of servicing the first, that which services an increasing business environment, this activity is likely to concentrate (or best concentrated) in larger centres and will, on average, require greater floorspace and a higher sub-regional profile.

This market proportionally increases due to the ability of an increasing economy to service itself, i.e. increasing critical mass. The second market is driven by the need to service an increasing population base. These businesses are more likely to be small (less than 10 employees) with their location driven by proximity to their clients. Although this aspect of the market constitutes a significant proportion of the businesses, it represents a smaller proportion of the employment activity.

Also due to the fact that a proportion of these businesses (a growing proportion) are accommodated within residential dwellings, they represent a smaller component of land demand.

Tables 13 to 15 show the resulting employment projections by sector for the PEL medium scenario. Table 13 is for the total market, while Tables 14 and 15 split the employment growth into industrial and commercial employment respectively for this scenario.

Scenario 1: PEL Medium Employment Projections

TABLE 13: TOTAL EMPLOYMENT PROJECTIONS BY SECTOR TO 2031

Category	2006	2010	2011	2016	2021	2026	2031
A Agriculture, Forestry and Fishing	376	322	329	340	368	372	377
B Mining	6	12	12	17	22	27	33
C Manufacturing	847	792	809	855	943	977	1,012
D Electricity, Gas, Water and Waste Services	59	94	96	120	149	177	205
E Construction	1,376	1,230	1,256	1,328	1,465	1,519	1,573
F Wholesale Trade	178	165	169	178	196	202	209
G Retail Trade	2,081	2,008	2,051	2,185	2,426	2,537	2,647
H Accommodation and Food Services	1,169	1,303	1,331	1,466	1,674	1,808	1,942
I Transport, Postal and Warehousing	308	275	281	293	320	328	335
J Information Media and Telecommunications	189	266	272	324	393	452	512
K Financial and Insurance Services	169	171	175	188	211	224	236
L Rental, Hiring and Real Estate Services	321	190	194	186	187	170	154
M Professional, Scientific and Technical Services	622	539	551	571	619	629	638
N Administrative and Support Services	250	173	177	174	180	172	164
O Public Administration and Safety	316	382	390	443	518	574	631
P Education and Training	1,299	1,320	1,348	1,456	1,636	1,734	1,833
Q Health Care and Social Assistance	1,173	1,824	1,863	2,108	2,456	2,715	2,974
R Arts and Recreation Services	221	213	218	232	257	269	280
S Other Services	463	474	484	524	590	626	663
Total All Industries	11,423	11,753	12,006	12,988	14,609	15,513	16,417

Source: Property Economics

TABLE 14: INDUSTRIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
A Agriculture, Forestry and Fishing	32	37	38
B Mining	1	2	3
C Manufacturing	792	943	1,012
D Electricity, Gas, Water and Waste Services	24	37	51
E Construction	1,230	1,465	1,573
F Wholesale Trade	165	169	178
I Transport, Postal and Warehousing	275	320	335
Total Industrial	2,519	2,972	3,191

Source: Property Economics

TABLE 15: COMMERCIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
H Accommodation and Food Services	195	251	291
J Information Media and Telecommunications	266	393	512
K Financial and Insurance Services	171	211	236
L Rental, Hiring and Real Estate Services	190	187	154
M Professional, Scientific and Technical Services	539	619	638
N Administrative and Support Services	173	180	164
O Public Administration and Safety	134	181	221
P Education and Training	198	245	275
Q Health Care and Social Assistance	456	614	744
R Arts and Recreation Services	53	64	70
Total Industry	2,375	2,946	3,304

Source: Property Economics

Scenario 2: PEL High Employment Projections (Expressway Impact)

Tables 16 to 18 show the resulting employment projections by sector for the PEL scenario that includes the likely influence of the expressway on the district. It has been assumed here that there will be greater growth potential (partly due to the anticipated population growth) for business with improved accessibility to the larger regional market. It is important to note however that this increased mobility could result in an increased outflow of employment if the business conditions within the district are not competitive.

Table 16 represents the total employment market for Kapiti under this scenario, while Tables 17 and 18 represent the industrial and commercial sectors respectively. Growth under this

scenario estimates an additional 1,500 employees in the total Kapiti market, with an additional 300-350 employees for each of the industrial and commercial sectors.

TABLE 16: TOTAL EMPLOYMENT PROJECTIONS BY SECTOR TO 2031

Category	2006	2010	2011	2016	2021	2026	2031
A Agriculture, Forestry and Fishing	376	322	333	380	400	403	406
B Mining	6	12	12	18	22	26	30
C Manufacturing	847	792	820	965	1,041	1,085	1,129
D Electricity, Gas, Water and Waste Services	59	94	97	135	162	192	221
E Construction	1,376	1,230	1,274	1,490	1,601	1,658	1,716
F Wholesale Trade	178	165	171	203	221	233	245
G Retail Trade	2,081	2,008	2,079	2,454	2,654	2,773	2,893
H Accommodation and Food Services	1,169	1,303	1,349	1,643	1,819	1,957	2,095
I Transport, Postal and Warehousing	308	275	285	337	365	383	400
J Information Media and Telecommunications	189	266	275	364	427	489	552
K Financial and Insurance Services	169	171	177	211	230	242	255
L Rental, Hiring and Real Estate Services	321	190	197	214	216	206	196
M Professional, Scientific and Technical Services	622	539	558	638	673	681	688
N Administrative and Support Services	250	173	179	200	206	203	199
O Public Administration and Safety	316	382	396	497	563	622	681
P Education and Training	1,299	1,320	1,367	1,631	1,778	1,878	1,977
Q Health Care and Social Assistance	1,173	1,824	1,889	2,364	2,670	2,939	3,209
R Arts and Recreation Services	221	213	221	259	280	291	303
S Other Services	463	474	491	587	641	678	715
Total All Industries	11,423	11,753	12,169	14,591	15,970	16,924	17,910

Source: Property Economics

TABLE 17: INDUSTRIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
A Agriculture, Forestry and Fishing	32	40	41
B Mining	1	2	3
C Manufacturing	792	1,041	1,129
D Electricity, Gas, Water and Waste Services	24	41	55
E Construction	1,230	1,601	1,716
F Wholesale Trade	165	171	203
I Transport, Postal and Warehousing	275	365	400
Total Industrial	2,520	3,261	3,548

Source: Property Economics

TABLE 18: COMMERCIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
H Accommodation and Food Services	195	273	314
J Information Media and Telecommunications	266	427	552
K Financial and Insurance Services	171	230	255
L Rental, Hiring and Real Estate Services	190	216	196
M Professional, Scientific and Technical Services	539	673	688
N Administrative and Support Services	173	206	199
O Public Administration and Safety	134	197	238
P Education and Training	198	267	297
Q Health Care and Social Assistance	456	668	802
R Arts and Recreation Services	53	70	76
Total Industry	2,375	3,227	3,617

Source: Property Economics

Scenario 3: KCDC Medium Employment Projections

Tables 19 to 21 show the resulting employment projections by sector applying the supplied KCDC medium level growth scenario. These are marginally higher than the previous PEL scenarios but do not change growth to any material degree.

TABLE 19: TOTAL EMPLOYMENT PROJECTIONS BY SECTOR TO 2031

Category	2006	2010	2011	2016	2021	2026	2031
01 Agriculture, Forestry and Fishing	689	613	632	640	643	645	648
02 Mining	15	20	20	21	21	22	23
03 Manufacturing	988	930	918	932	918	908	905
04 Electricity, Gas, Water and Waste Services	6	9	8	9	9	10	10
05 Construction	1,777	1,607	1,569	1,721	1,848	1,968	2,097
06 Wholesale and Retail Trades	3,372	3,279	3,130	3,469	3,643	3,817	3,997
07 Accommodation and Food Services	1,022	1,146	1,164	1,241	1,313	1,382	1,454
08 Transport, Storage and Communications	534	585	597	636	661	686	712
09 Financial and Insurance Services	290	308	308	319	318	317	315
10 Rental, Hiring and Real Estate Services	488	281	267	278	288	298	308
11 Other Business Services	1,340	1,134	998	1,066	1,123	1,180	1,238
12 Public Administration and Safety	302	328	338	379	406	433	461
13 Education and Training	1,422	1,455	1,463	1,547	1,631	1,712	1,798
14 Health Care and Social Assistance	1,262	2,026	2,234	2,452	2,633	2,806	2,993
15 Arts and Recreation Services	378	346	330	347	361	374	387
16 Other Services	598	638	652	689	718	746	776
Total All Industries	14,484	14,704	14,626	15,746	16,534	17,304	18,122

TABLE 20: INDUSTRIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
A Agriculture, Forestry and Fishing	61	64	65
B Mining	2	2	2
C Manufacturing	930	918	905
D Electricity, Gas, Water and Waste Services	2	2	3
E Construction	1,607	1,848	2,097
F Wholesale Trade	250	278	305
I Transport, Postal and Warehousing	585	661	712
Total Industrial	3,436	3,773	4,089

TABLE 21: COMMERCIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
H Accommodation and Food Services	172	197	218
J Information Media and Telecommunications			
K Financial and Insurance Services	308	318	315
L Rental, Hiring and Real Estate Services	281	288	308
M Professional, Scientific and Technical Services	1,134	1,123	1,238
N Administrative and Support Services			
O Public Administration and Safety	115	142	161
P Education and Training	218	245	270
Q Health Care and Social Assistance	507	658	748
R Arts and Recreation Services	86	90	97
Total Commercial	2,820	3,061	3,356

Scenario 4: KCDC High Employment Projections

Tables 22 to 24 show the resulting employment projections by sector for the supplied KCDC high level scenario. It is assumed that this level is comparable with the inclusion of the expressway. The main difference here with the PEL 'Expressway' scenario is the higher projection for commercial employment, with approximately 3,620 employees vs 4,420 employees respectively, an 800 employee differential.

TABLE 22: TOTAL EMPLOYMENT PROJECTIONS BY SECTOR TO 2031

Category	2006	2010	2011	2016	2021	2026	2031
01 Agriculture, Forestry and Fishing	689	613	632	643	649	657	666
02 Mining	15	20	20	21	22	23	24
03 Manufacturing	988	930	918	945	943	953	967
04 Electricity, Gas, Water and Waste Services	6	9	8	9	9	10	11
05 Construction	1,777	1,607	1,569	1,760	1,936	2,113	2,309
06 Wholesale and Retail Trades	3,372	3,279	3,130	3,509	3,738	3,974	4,217
07 Accommodation and Food Services	1,022	1,146	1,164	1,263	1,364	1,468	1,573
08 Transport, Storage and Communications	534	585	597	642	676	710	746
09 Financial and Insurance Services	290	308	308	320	320	322	324
10 Rental, Hiring and Real Estate Services	488	281	267	280	292	304	317
11 Other Business Services	1,340	1,134	998	1,081	1,159	1,240	1,322
12 Public Administration and Safety	302	328	338	386	423	461	502
13 Education and Training	1,422	1,455	1,463	1,572	1,688	1,805	1,931
14 Health Care and Social Assistance	1,262	2,026	2,234	2,504	2,751	3,001	3,276
15 Arts and Recreation Services	378	346	330	351	369	387	406
16 Other Services	598	638	652	696	733	770	810
Total All Industries	14,484	14,704	14,626	15,982	17,072	18,198	19,401

TABLE 23: INDUSTRIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
H Accommodation and Food Services	172	205	236
J Information Media and Telecommunications			
K Financial and Insurance Services	308	320	324
L Rental, Hiring and Real Estate Services	281	292	317
M Professional, Scientific and Technical Services	1,134	1,159	1,322
N Administrative and Support Services			
O Public Administration and Safety	115	148	176
P Education and Training	218	253	290
Q Health Care and Social Assistance	507	688	819
R Arts and Recreation Services	86	92	101
Total Commercial	2,820	3,157	3,585

TABLE 24: COMMERCIAL EMPLOYMENT PROJECTIONS TO 2031

	2010	2021	2031
A Agriculture, Forestry and Fishing	61	65	67
B Mining	2	2	2
C Manufacturing	930	943	967
D Electricity, Gas, Water and Waste Services	2	2	3
E Construction	1,607	1,936	2,309
F Wholesale Trade	250	285	321
I Transport, Postal and Warehousing	585	676	746
Total Industrial	3,436	3,909	4,415

It is of interest to note that in terms of Commercial and Industrial employment to total employment (ratio currently 40%) Kapiti Coast District falls significantly behind similarly sized areas with an average ratio of 70% (refer Appendix 6 for complete comparison table). This comparatively low employment retention rate (one of the lowest in the country) is a reflection of the influence Wellington City has on Kapiti with significant volumes of employees residing in Kapiti but working in Wellington, resulting in a low level of employee self-containment.

This low level of employee self-containment also supports earlier comments about the 'thin' productive economic base of Kapiti at present and the need to build this up, particularly in the industrial sectors, to develop the district's GDP and core economic base.

15. BUSINESS LAND PROJECTIONS

The following section estimates the quantum (ha) of future land demand based on the employment projections outlined in Section 9 of this report. These estimates are based on specific sectors and have been compiled based on empirical data such as regional rating databases.

The ratios of floorspace and land by sector for Kapiti are further refined based on indices for land value, accessibility, site sizes and potential land areas. Therefore as these factors are influenced, either through market forces or intervention, the ratios are likely to show some variance.

15.1. INDUSTRIAL LAND DEMAND BY SECTOR (HA)

Tables 25 to 28 below calculate the potential level of industrial land demand for the entire Kapiti Coast District under each scenario (as previously outlined). It shows additional demand for industrial land to 2031 of between 15 to 20 hectares. This demand is dominated by Manufacturing and Construction making up over 60% of future industrial land demand.

It is important to note that this does consider some level of intensification and changing floorspace ratios as displayed by past trends (it also illustrates the current inefficient land use). It is also important to note that this is 'net' land demand, so does not include such services as roads and communal areas. Typically a 'gross' figure would represent a further 40% on top of the total net land area projected.

Based on this the district would need up to 30 hectares of industrial land over a 20 year period (approximately 1.5 hectares per annum on average). This represents a small proportion of growth and is indicative of the businesses currently attracted to Kapiti. It is important to note that there would be a requirement to actually rezone this land, however it is clear that the current environment is underutilising (based on national averages as well as comparisons with areas with small economic base activity) its current land supply.

Intensification of this resource would result in a need for little more rezoned land and potentially greater agglomeration benefits and amenity to the local economy (i.e the intensified activity would create more competitive centres).

Considering the current locations for this activity within Kapiti Coast and the sectors that are expected to grow, at least 70% of this growth would require a good level of amenity and is likely to prioritise location on factors other than price (where price is not the determining factor).

TABLE 25: INDUSTRIAL LAND DEMAND PROJECTIONS (SCENARIO 1)

Employee Growth	Manufacturing	Transport & Storage	Construction	Wholesale Trade	Other	Total
2010 - 2021	151	45	235	4	19	453
2021 - 2031	69	15	109	9	16	218
2010 - 2031	220	60	343	13	35	671
Floorspace Growth (sqm)						
2010 - 2021	9,170	5,249	6,808	257	2,250	23,735
2021 - 2031	4,218	1,766	3,153	662	1,876	11,675
2010 - 2031	13,389	7,015	9,961	919	4,127	35,410
Land Requirements (ha)						
2010 - 2021	3.16	1.81	2.35	0.09	0.78	8.18
2021 - 2031	1.45	0.61	1.09	0.23	0.65	4.03
2010 - 2031	4.62	2.42	3.43	0.32	1.42	12.21

Source: Property Economics

TABLE 26: INDUSTRIAL LAND DEMAND PROJECTIONS (SCENARIO 2)

Employee Growth	Manufacturing	Transport & Storage	Construction	Wholesale Trade	Other	Total
2010 - 2021	249	90	371	6	25	741
2021 - 2031	88	35	116	33	16	287
2010 - 2031	337	125	486	38	41	1,028
Floorspace Growth (sqm)						
2010 - 2021	15,185	10,475	10,746	423	2,975	39,804
2021 - 2031	5,339	4,066	3,350	2,361	1,917	17,033
2010 - 2031	20,524	14,542	14,096	2,784	4,891	56,837
Land Requirements (ha)						
2010 - 2021	5.24	3.61	3.71	0.15	1.03	13.73
2021 - 2031	1.84	1.40	1.16	0.81	0.66	5.87
2010 - 2031	7.08	5.01	4.86	0.96	1.69	19.60

Source: Property Economics

TABLE 27: INDUSTRIAL LAND DEMAND PROJECTIONS (SCENARIO 3)

Employee Growth	Manufacturing	Transport & Storage	Construction	Wholesale Trade	Other	Total
2010 - 2021	-12	77	240	28	3	336
2021 - 2031	-13	51	250	27	1	316
2010 - 2031	-24	128	490	55	4	652
Floorspace Growth (sqm)						
2010 - 2021	-624	7,849	6,132	1,773	332	15,462
2021 - 2031	-679	5,184	6,378	1,717	68	12,669
2010 - 2031	-1,303	13,034	12,510	3,490	400	28,131
Land Requirements (ha)						
2010 - 2021	-0.22	2.71	2.11	0.61	0.11	5.33
2021 - 2031	-0.23	1.79	2.20	0.59	0.02	4.37
2010 - 2031	-0.45	4.49	4.31	1.20	0.14	9.70

Source: Property Economics

TABLE 28: INDUSTRIAL LAND DEMAND PROJECTIONS (SCENARIO 4)

Employee Growth	Manufacturing	Transport & Storage	Construction	Wholesale Trade	Other	Total
2010 - 2021	13	91	329	35	4	472
2021 - 2031	24	70	373	36	2	506
2010 - 2031	38	162	702	71	6	978
Floorspace Growth (sqm)						
2010 - 2021	712	9,318	8,390	2,233	410	21,063
2021 - 2031	1,303	7,170	9,513	2,327	200	20,514
2010 - 2031	2,015	16,488	17,903	4,560	610	41,577
Land Requirements (ha)						
2010 - 2021	0.25	3.21	2.89	0.77	0.14	7.26
2021 - 2031	0.45	2.47	3.28	0.80	0.07	7.07
2010 - 2031	0.69	5.69	6.17	1.57	0.21	14.34

Source: Property Economics

15.2. COMMERCIAL LAND DEMAND BY SECTOR (HA)

Tables 29 to 32 outline the future commercial land requirements for the identified Kapiti Coast District. It is important to note that this is limited to activities that are likely to be accommodated within offices and not activities that require specific zones (e.g. schools, hospitals, army bases).

These quantum's must be considered with several provisos. Once again these land areas are 'net' figures requiring the addition of approximately 40% for other servicing facilities as well a 'buffer' for growth. Also the figure of commercial land required to meet demand by 2031 is considered 'at grade'.

This means that the 58,000 sqm (Scenario 2) of commercial floorspace required would all be at one level. Practically this is of course not the case however, although given the densities experienced in this district currently the prospect is that this will average at approximately 1.2 levels across Kapiti. Considering the 'at grade' scenario however the 'gross' land area required would equate to between 14 and 20 hectares of commercial land. If new commercial space was all 2-levels, then this land requirement would halve.

It is important to note that the type of office activity more likely to locate in centres (in terms of the district) will have, on average, a lower floorspace to employee ratio than those in more dispersed locations (this has been considered in the proportional land split). It is imperative that, in order to achieve these growth figures, and by extension achieve or support the projected population figures, Kapiti must provide a regionally (and to a degree nationally) competitive office environment. International and national evidence would

suggest that long term sustainability is not provided by low price competition but by the provision of higher amenity, productivity, accessibility and profile. This needs to be KCDC's focus if delivering new commercial land to the market.

Each of these factors is enhanced (to the point of congestion, or 'crowding out') typically through increased density in appropriate locations. Unfortunately, although ultimately beneficial, the market does not in itself recognize the industry and community benefits associated with this at a micro, or single business level. Therefore the decisions with regards to location will, in some cases be inefficient, leading to a loss to the community that individual firms are unaware of. This is why it is important Council direct the market to desired outcomes in their District Plan, otherwise the potential for significant longer term economic and social costs to the community are elevated. It is fundamental that the Council drives this intensification in existing centres so that the agglomeration benefits are realised resulting in a more competitive local market. This in turns allows businesses to make better informed locational choices and provides a greater level of sustainability for these businesses.

TABLE 29: COMMERCIAL LAND DEMAND PROJECTIONS (SCENARIO 1)

Employee Growth	Communication	Property, Business Services & Finance	Health	Government	Other	Total
2010 - 2021	127	125	158	48	114	571
2021 - 2031	119	-6	129	40	76	358
2010 - 2031	246	119	288	87	190	929
Floorspace Growth (sqm)						
2010 - 2021	4,042	2,915	9,171	1,933	8,722	26,782
2021 - 2031	3,789	-136	7,510	1,605	5,780	18,549
2010 - 2031	7,832	2,780	16,681	3,537	14,502	45,331
Land Requirements (ha)						
2010 - 2021	1.39	0.65	2.06	0.67	1.94	6.70
2021 - 2031	1.31	-0.03	1.68	0.55	1.28	4.80
2010 - 2031	2.70	0.62	3.74	1.22	3.22	11.50

Source: Property Economics

TABLE 30: COMMERCIAL LAND DEMAND PROJECTIONS (SCENARIO 2)

Employee Growth	Communication	Property, Business Services & Finance	Health	Government	Other	Total
2010 - 2021	161	253	212	63	163	851
2021 - 2031	125	13	135	41	77	391
2010 - 2031	286	266	346	105	240	1,242
Floorspace Growth (sqm)						
2010 - 2021	5,132	5,909	12,270	2,573	12,454	38,339
2021 - 2031	3,985	310	7,808	1,670	5,882	19,655
2010 - 2031	9,117	6,219	20,078	4,244	18,336	57,994
Land Requirements (ha)						
2010 - 2021	1.77	1.31	2.75	0.89	2.77	9.49
2021 - 2031	1.37	0.07	1.75	0.58	1.31	5.08
2010 - 2031	3.14	1.38	4.50	1.46	4.07	14.56

Source: Property Economics

TABLE 31: COMMERCIAL LAND DEMAND PROJECTIONS (SCENARIO 3)

Employee Growth	Communication	Property, Business Services & Finance	Health	Government	Other	Total
2010 - 2021	10	-4	152	27	55	241
2021 - 2031	-2	135	90	19	53	295
2010 - 2031	8	131	242	46	108	535
Floorspace Growth (sqm)						
2010 - 2021	291	-79	7,737	970	3,721	12,639
2021 - 2031	-67	2,783	4,598	691	3,546	11,550
2010 - 2031	223	2,704	12,335	1,661	7,266	24,190
Land Requirements (ha)						
2010 - 2021	0.10	-0.02	2.67	0.33	0.83	3.91
2021 - 2031	-0.02	0.62	1.59	0.24	0.79	3.21
2010 - 2031	0.08	0.60	4.25	0.57	1.61	7.12

Table 32: Commercial Land Demand Projections (Scenario 4)

Employee Growth	Communication	Property, Business Services & Finance	Health	Government	Other	Total
2010 - 2021	13	36	181	33	74	337
2021 - 2031	4	188	131	28	77	428
2010 - 2031	17	225	312	61	151	765
Floorspace Growth (sqm)						
2010 - 2021	358	744	9,242	1,182	4,950	16,477
2021 - 2031	113	3,879	6,702	988	5,184	16,867
2010 - 2031	471	4,624	15,944	2,170	10,134	33,343
Land Requirements (ha)						
2010 - 2021	0.12	0.17	3.19	0.41	1.10	4.98
2021 - 2031	0.04	0.86	2.31	0.34	1.15	4.70
2010 - 2031	0.16	1.03	5.50	0.75	2.25	9.69

Source: Property Economics

15.3. PROJECTED GROWTH TO 2051

The information contained in this report and base data sourced to produce it is based on population, household and employment (in the case of the commissioned KCDC data) projections to 2031. An additional timeframe assessed for this report was the period 2031 to 2051 (total 40 year period).

For the purposes of this assessment the KCDC base data projections (households) have been extrapolated to 2051 by applying the percentage growth predicted by Statistic NZ in its projections to 2051. It is unknown at this point whether some of this latter growth has been applied in the commissioned projections and so there may be some variance in these later figures. This elongated 40 year projection can only be assessed for PELs Scenario 1 and 2.

Tables 34 to 37 illustrate the composition of pure industrial and commercial employment growth for both PEL scenarios. The additional total employment shows further growth of:

Scenario 1:

- 170 Industry EC's (5%) totalling growth of 33% over the entire 40 year period
- 689 Commercial EC's (21%) totalling growth of 68% over the entire 40 year period
- This equates to an additional land requirement of 5 hectares gross (totalling 24 hectares) of industry and 13 hectares gross for commercial activity (33 hectares).

Scenario 2:

- 380 Industry EC's (11%) totalling growth of 55% over the entire 40 year period
- 1,115 Commercial EC's (31%) totalling growth of 99% over the entire 40 year period
- This equates to an additional land requirement of 12 hectares gross (totalling 44 hectares) of industry and 21 hectares gross for commercial activity (46 hectares).

This shows a further departure from industrial activity in this district towards more commercial activity.

Employment growth projections by sector to 2051 under both scenarios are highlighted in the following tables.

TABLE 33: KAPITI INDUSTRIAL PROJECTIONS (SCENARIO 1 2051)

	2010	2021	2031	2051
A Agriculture, Forestry and Fishing	32	37	38	37
B Mining	1	2	3	3
C Manufacturing	792	943	1,012	1,064
D Electricity, Gas, Water and Waste Services	24	37	51	100
E Construction	1,230	1,465	1,573	1,622
F Wholesale Trade	165	169	178	196
I Transport, Postal and Warehousing	275	320	335	339
Total Industrial	2,519	2,972	3,191	3,361

Source: Property Economics

TABLE 34: KAPITI COMMERCIAL PROJECTIONS (SCENARIO 1 2051)

	2010	2021	2031	2051
H Accommodation and Food Services	195	251	291	331
J Information Media and Telecommunications	266	393	512	817
K Financial and Insurance Services	171	211	236	268
L Rental, Hiring and Real Estate Services	190	187	154	118
M Professional, Scientific and Technical Services	539	619	638	628
N Administrative and Support Services	173	180	164	137
O Public Administration and Safety	134	181	221	303
P Education and Training	198	245	275	309
Q Health Care and Social Assistance	456	614	744	1,007
R Arts and Recreation Services	53	64	70	76
Total Industry	2,375	2,946	3,304	3,993

Source: Property Economics

TABLE 35: KAPITI INDUSTRIAL PROJECTIONS (SCENARIO 2 2051)

	2010	2021	2031	2051
A Agriculture, Forestry and Fishing	32	40	41	42
B Mining	1	2	3	3
C Manufacturing	792	1,041	1,129	1,269
D Electricity, Gas, Water and Waste Services	24	41	55	76
E Construction	1,230	1,601	1,716	1,872
F Wholesale Trade	165	171	203	221
I Transport, Postal and Warehousing	275	365	400	445
Total Industrial	2,520	3,261	3,548	3,928

Source: Property Economics

TABLE 36: KAPITI COMMERCIAL PROJECTIONS (SCENARIO 2 2051)

	2010	2021	2031	2051
H Accommodation and Food Services	195	273	314	379
J Information Media and Telecommunications	266	427	552	959
K Financial and Insurance Services	171	230	255	304
L Rental, Hiring and Real Estate Services	190	216	196	202
M Professional, Scientific and Technical Services	539	673	688	713
N Administrative and Support Services	173	206	199	294
O Public Administration and Safety	134	197	238	292
P Education and Training	198	267	297	355
Q Health Care and Social Assistance	456	668	802	1,148
R Arts and Recreation Services	53	70	76	86
Total Industry	2,375	3,227	3,617	4,732

Source: Property Economics

15.4. POTENTIAL NODAL DISTRIBUTION OF BUSINESS ACTIVITY

It is important both for the existing activity and future growth potential in Kapiti that the community provide for business growth in areas that exhibit the locational attributes that are sought by current and future businesses. The following outlines the likely strengths that are anticipated to exist in current and future nodes based on the expressway and the appropriate interchanges.

Paraparaumu Central

With approximately 50% of retail, 30% of commercial and 25% of industrial activity this node is the economic 'hub' of Kapiti. While much of the industrial business located here is fine grained, it reflects the lack of critical mass achieved elsewhere. Typically industrial activity would seek lower priced land to service a wider area, however the lack of amenity in this area has meant that the area struggles to retain this activity in any location.

In terms of commercial activity growth in this hub should be developed (or fostered) to accommodate the vast majority of the projected 30 hectares (given the position of the other centres and the likelihood that Waikanae Town Centre may reduce in size and function). It is through this critical mass that Kapiti may produce an environment that services (in terms of commercial) a wider market. This environment is created through clustering of activities that operate as a catalyst for further activity. It is important to note that the 'appropriate' environment will include greater retail amenity.

Raumati

In terms of a business location this node services primarily a local market only with nearly 80% of activity falling outside typical 'business' sectors.

Waikanae East

Similar to Raumati, this node services primarily the localised market. Over the forecast period this node is likely to pick-up 3–4% of future industrial demand spread.

Waikanae Town Centre

This node currently services a wider market due to its position on SH1. Of the nodes currently profiled this centre is likely to, proportionately, experience the greatest change in activity due to the proposed expressway. It is expected that this area will experience a drop in activity due to the reduced profile. The core business sectors are likely to fall reducing demand for space in this area (in industrial, trade, retail and commercial space) by up to 25%.

Paekakariki Town Centre

A retail centre servicing a small local catchment which is likely to grow in proportion to the local area's residential catchment.

Paraparaumu Beach

This centre currently services a growing residential and visitor catchment. It is unlikely that any level of industrial activity will locate here in the future due to land prices and amenity levels. Growth is expected, however, in both retail and commercial activity, with smaller to medium businesses locating here. It is expected that the Paraparaumu Beach area business land growth will outstrip residential growth and potentially require up to 10% of district wide commercial land growth.

Otaki

Otaki is currently the second largest industrial location by employment. It boasts both a retail town centre and a retail 'outlet' centre. This location is likely to improve (in terms of the district level growth) as an industrial location with the completion of the expressway. This area is both accessible and competitively priced for medium to heavy industrial activity. Although there are potentially issues with the distance to the potential labour force, accessibility to the market for goods at a regional level remains high with little chance of significance congestion from employment affecting this. Establishing this location as an industrial hub servicing the lower North Island has potential. The expected growth in this location is limited simply by profile and its comparative position (the level of competition from other areas provided the same support through local Council). It is crucial however

that the appropriate infrastructure (depending on Councils' position) is established prior to the expressway's completion.

This level of business activity is also likely to support the existing retail offer in this area at a sustainable level.

15.5. INDUSTRIAL DEMAND CONCLUSIONS

The future demand for industrial land in Kapiti Coast District will decrease as a proportion of the total business land over time in terms of quantum. It would appear, on the surface that there is only just sufficient industrial land capacity for the medium term based on continuing the relatively inefficient use of industrial land. However, when considering the current employment density levels exhibited throughout the district it is clear that much of this growth can be accommodated within the existing industrial land provision. The location of any additional land supply (which is unlikely to be required until post 2030 assuming a more efficient use of the district's existing industrial land resource) must be carefully considered as diluting these densities further is likely to undermine any competitive business environment in Kapiti. As identified in the preceding section, there is potential for Otaki to leverage off its district and regional location attributes and grow its industrial base, this however is likely to be a medium term goal and must be closely managed.

Currently the uptake rates of industrial land are difficult to monitor due to the variety of activities that are locating here. It is important, especially with regards to any land strategy, that there is some certainty in the market as to the location of this activity and that it has limited pressures from other uses.

15.6. COMMERCIAL DEMAND CONCLUSIONS

In terms of future commercial land demand Kapiti Coast it is likely to experience a shortage under its current intensity rates at a medium to long term timeframe. There is limited differential in commercial land prices for land in and out of centres. This has created an environment whereby amenity within these centres has not been maximised through a certain level of critical mass.

With a 100% (averaged out) density level Kapiti Coast would require just 30 hectares of commercial land to 2031. The current supply of vacant commercial land in the Kapiti District appears to be nearly wholly limited to the Paraparaumu Town Centre area. This is likely to provide Kapiti with an opportunity to create a 'denser' business environment that will improve efficiencies, productivity and the district's competitiveness.

The location of this vacant land supply is considered optimal to achieve this and the District Plan needs to prioritise and facilitate development on this land first in the future.

16. STRATEGIC POLICY DIRECTION

16.1. THE EMERGING BUSINESS PATTERN

The following are considered to be the emerging trends that will place pressure on the strategic urban form and growth of the Kapiti Coast District:

- A moderately sized District CBD at the Paraparaumu Town Centre which is providing limited physical amenity and functional amenity comparative to the other Regionally Significant Centres. This is largely given spending leakage and resultant lower levels of general merchandising offer, in conjunction with moderate levels of private sector investment. The centre is also providing an increasing focus on lifestyle / entertainment, with low comparative levels of office and professional services.
- Despite public sector amenity investment at Otaki and Waikanae Town Centres, these Supermarket Based Centres and remaining Localised Convenience Centres are likely to retain a focus on more of a convenience role.
- Considerable growth and development of the Otaki Industrial node given proximate access to the State Highway network, an efficient internal roading network, and access to (at least in part) a workforce at Otaki.
- The rise (and rise) of large format retailing. This retail format will become more entrenched in Kapiti Coast District, although there is a distinction between such formats that give rise to distributional effects and the more Trade based formats. Plan Changes 72A and 78 seek to provide and enable respectively for this format within Town Centres, Plan Change 73 provides for these activities within the Mixed Use Airport Precinct through a complex set of rules and definitions.
- Increasing density and productivity – the current arrangement of shopping malls, town centre and large format retail, are currently at low levels of density and with differing levels of urban design. There will be increasing pressure to ensure that such areas are redeveloped to increased levels of density and design, which will be made more difficult through the existing capacity to absorb further development, and potentially increased leakage as a consequence of the expressway providing faster access to Wellington business nodes.
- The Industrial node at Paraparaumu Airport is likely to have pressure for the establishment of more Trade supply outlets and finer grain industrial semi-retail premises.

The corresponding future for commercial and industrial activity and distribution in the Kapiti District, where there is a material reduction in retail spend and reduced employee retention would be:

- Continued large format retail pressures for those transport corridors with excellent visibility and accessibility, specifically Te Roto Drive, Kapiti Road, the Airport Mixed Use Precinct and to a lesser extent given ownership issues the western extent of Rimu Road. There will also be pressure to extend the linear commercial extent between Paraparaumu and Waikanae, where the Limited Access Road (LAR) status is removed from State Highway 1.
- Some pressure for existing LFR and Trade Supply / DIY outlets areas to nucleate a larger centre formation, including the Airport Mixed Use Precinct;
- Building supply / DIY outlets providing the anchor for a move towards the establishment of large format precincts, encouraging other traders such as garden supplies and automotive accessory outlets to establish in these areas, particularly Kapiti Road. It is noted that on their own, such 'Trade Suppliers' do not give rise to distributional effects;
- Continuation of a proportional decrease in the Paraparaumu Town Centre general merchandise dominance, and leveling off of office investment.

16.2. MANAGING THESE PATTERNS – THE POLICY APPROACH

There will undoubtedly be commercial and employment developments over the next 20 – 50 years that are unknown. Given the present degree of over-supply and the narrow economic base, active management is necessary to maintain the amenity and viability of commercial and industrial nodes to combat further relocation of current retail spend growth to Wellington, and increase employment retention rates.

The provision of additional land supply to accommodate further retail, commercial and industrial uses within the District is not forecast until beyond 2030, so as to provide impetus for take up and improved agglomeration and intensity rates within the existing commercial and industrial land supply. Were there indications that the business market was either at capacity, or land holdings were being 'banked' by one or two parties, it would be recommended that the Council consider actively take a role in rezoning and facilitating development so as to ensure sufficient capacity and a competitive land supply market. However, in the case of the Kapiti Coast, there are sufficient land areas available in a number of locations and separate tenures. Existing zoned land is also utilised at what are considered to be a low level of intensity, compared to contemporary utilisation rates within

most of New Zealand's urban areas. Accordingly, the further release of additional commercial, retail or industrial zoned land is considered unnecessary.

The District Plan Review already identifies a number of further challenges, and the issues and recommended Policy response is provided below:

Intensification

Targeted intensification around current and future transport nodes, and the provision of the Paraparaumu Town Centre as a Transit Orientated Development.

Medium Density Housing provisions as contained in 'C20: Management of Urban Densities' are currently in place for Paraparaumu Town Centre (Figure 15), Paraparaumu Beach Town Centre, and Raumati Beach Town Centre, as well as current provisions for apartments above or behind shops in all Town Centres.

Such an approach should be refined to provide a greater emphasis on mixed use activities, and promoting good urban form and design. Other opportunities can be explored to promote intensified land use around the Waikanae or Otaki Town Centres with future commuter rail stations as consistent with Policy 30 and 56 of the Proposed Regional Policy Statement. The current C1: Objective 3 "Medium Density Housing" statement should be reworded to focus on 'encouragement' (being the *promotion* or *stimulation* of the outcome), rather than 'allowance' (being *enablement* or the *providing an opportunity*).

Recommendation 7: Include Policy within the respective Chapters of the District Plan for the following:

Urban Form Policy:

To enhance a wider range and higher density of development within:

- the Paraparaumu Town Centre and associated Higher Density Residential overlay areas as a Regionally Significant Centre; and
- the Waikanae Town Centre, Paraparaumu Beach, Raumati and Otaki (Niche Centre) and associated Higher Density Residential overlay areas as consolidation focal points.

C20: Management of Urban Densities

- To encourage an increase in residential densities near the Paraparaumu Town Centre, Waikanae Town Centre, Paraparaumu Beach, Raumati and Otaki (Niche Centre) Centres.
- To enable a range of small scale home based employment opportunities, and local

community facilities and services to establish near the Paraparaumu Town Centre, Waikanae Town Centre, Paraparaumu Beach, Raumati and Otaki (Niche Centre) Centres, subject to:

- compatibility with Residential Zone amenity and character;
- avoidance of adverse effects on the function and amenity of the adjoining Town Centre, and the adjoining road network; and
- a consistent scale of non residential buildings and activities that maintain residential coherence and amenity.

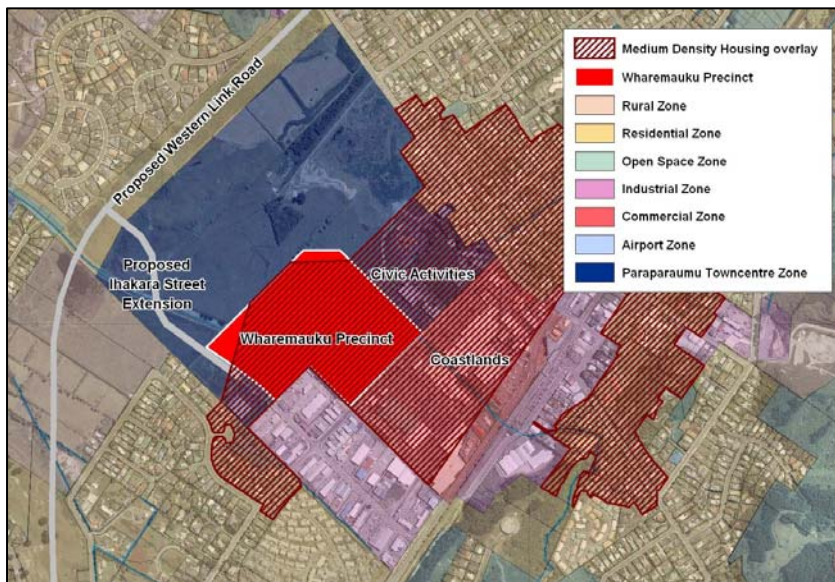


FIGURE 15:
PARAPARAUMU
TRANSIT ORIENTATED
DEVELOPMENT

Spectrum of Retailing

The management and provision of the Spectrum of Retailing Activities, whilst consolidating commercial / shopping centres, requires a conclusion that not all retail activities have the ability to reduce in-centre amenity and viability. Also if there are not suitable or appropriate abilities to provide for new retailing formats and trends, the community at large is disenabled.

Accordingly, the determination of whether a retail development seeking an out-of-centre location should be rejected or approved, must be based on a consideration of whether such an activity (or type of activity) has the propensity to significantly threaten the viability and function of the District centre hierarchy (and thereby disenable the wider community) in the first instance. Such activities would only then be able to proceed where the District Council is satisfied that any remaining adverse effects, such as matters relating to reverse sensitivity or on-site parking capacity will be minor or non-existent.

Therefore, those retail traders with little prospect of distributional effects should largely be enabled both inside and outside of the existing Centres, through enablement in Industrial Zones (as subject to reverse sensitivity and capacity considerations).

In respect to prospective threats to the District centre hierarchy, it is noted that the real world situation ranges from traders with very low business or trade sales (such as a Supermarket) to those with almost total business or trade sales (such as 'the Tile Warehouse'). Those traders that may be critical to the District centre hierarchy function and community wellbeing are found at the former (or retail) end of the spectrum, whereas those that have no potential to lead to adverse distributional effects lie at the latter (wholesale) end. Between these components are those – some with a high profile – that draw trade from both ends of the spectrum (such as Bunnings or Mitre 10 Mega).

Many retailers have no (non fanciful) potential to create adverse distributional effects, and hence, based on current case law could not be precluded from Industrial zone locations, as has been identified in the Plan Change 73 set of provisions. Accordingly, a policy framework should be identified that provides a vertical nexus for the exclusion of retail activities such as 'Trade Suppliers', 'Service Stations' and even 'Food and beverage outlets' should be excluded from retail restrictions as applied to the Industrial Environments and the Airport Mixed Use Zone.

Limitations are placed on the extent and scale of retail activities within Residential zones in accordance with maintaining the integrity of the zone outcomes (C1: Objective 2). Although a wider consideration on any potential significant distributional effects on the District centre hierarchy, or the loss of the integrity of the commercial zone boundary should be provided.

Lastly, it is also noted, that the trend for Large Format Retailing cannot always be easily accommodated in-centre, due to both, large floor plates and 'in centre' rents and fragmented titles. However, zoned commercial land is not constrained to a level that would act as a deterrent to the provision of such facilities. Together with an explicit exclusion for Trade supply outlets establishing within the Industrial zones, would ensure demonstrable medium to long term capacity for in-centre LFR provision.

Decentralisation of Office Activity

It is generally accepted that the centralisation of office activity within a given area creates economies of scale and synergies that lead to a greater production than if that activity were spread over an entire township. Current zoning within the Kapiti District Plan provides capacity for the development of sufficient office activity within the District's commercial / shopping centres, particularly Paraparaumu Town Centre.

Commercial office decentralisation can be expected to have considerable impacts on the economic activity within the District's commercial / shopping centres that are not

compensated for in its relocation to within Industrial, the Airport or Residential Zones. However, some flexibility should be retained to ensure that office development is not overly constrained to the detriment of the economy especially given the current low employment retention rates for the District. Within the 'Medium Density Overlay area', further provision (Refer Recommendation 6) should be made for low scale and home based type operations than currently provided (C1: Policy 1).

Decentralisation of the District's commercial / shopping centres office market will occur if the constraints for individual office developments in the centre outweigh the benefits to individual developers. Investment decisions will be based on the ability of meeting client demand for carparking and access, and also in terms of providing a moderate level of amenity for employees. Factored in will also be the market rentals for office developments within the town centre, in comparison to the development of offices in Industrial, the Airport and Residential Zones.

Office development being consolidated within Town Centres is consistent with the wider 'centres based' strategy for commercial development as helps to promote a diverse range of commercial activity occurring within the town centres that is currently undersupplied. Office activity also provides ongoing confidence in existing commercial centres and facilities, and the range of benefits they provide to the surrounding community.

Recommendation 8: Include Policy within the respective Chapters of the District Plan for the following:

Urban Form Policy:

To provide for varying levels of commercial activity both within and beyond identified the Paraparaumu Town Centre and consolidation focal points, to meet the community's social and economic needs, through:

- consolidating commercial activity principally within the commercial / shopping centres;
- managing local and strategic adverse effects of commercial activity, in a way that maintains or enhances:
 - o the amenity of nearby residential zones; and
 - o the function and safety of the road network; and
- transport mode choice and reduced trip generation.

To provide for a range of industrial activities, principally in Industrial Zones where their scale and extent of effects can be appropriately catered for, whilst meeting the district's economic needs. This is to be achieved through:

- Encouraging the efficient use of the industrial land resource, principally by limiting the extent of non-industrial activity within such environments;
- Reducing locational adverse effects associated with industrial environments, including:
 - o ensuring appropriate access to the arterial road network and the avoidance of direct access to local residential streets; and
 - o infrastructure provision as required to service activities, including water and trade waste disposal.

To maintain the integrity of zone boundaries of the commercial / shopping centres and industrial zones, and the amenity of nearby residential zones.

C3 and C4: Commercial Zone / Papaparaumu

- To consolidate retail and office activity within the Papaparaumu Town Centre and the District's other commercial / shopping centres to:
 - ensure efficiencies in infrastructure use and transportation;
 - support the walkability of the commercial / shopping centres;
 - encourage redevelopment of commercial / shopping centres properties;
 - support the overall integrity of the commercial / shopping centres boundary, and avoid the cumulative effects stemming from the dispersal of retail and office activity.

C5: Industrial / Service Zone

- Limit the type and scale of retail and office activity which are not ancillary to a primary industrial activity to avoid the uptake of industrial land by activities that:
 - are provided for in other environments;
 - may impact on the functioning, amenity and viability of commercial / shopping centres;
 - would be incompatible with the character and standards of amenity of the Industrial zones.

C19: Airport Zone

- To provide a range of Commercial Activities as limited to specific threshold standards, so that the nature and scale of such activities is not to the detriment of the efficient operation, function, viability and sustainability of the Papaparaumu Town Centre and remains generally linked to development within the Airport Mixed Use Zone.

Wellington Northern Corridor Expressway

Respond to development pressures and opportunities created by the proposed Expressway. The Scenario 2 (PEL 'Expressway' employment projections) identify that the proposed expressway has the ability to facilitate the exodus of jobs and materially increase retail leakage, as well as provide potential employment retention and growth due to increased accessibility to markets. The key to leveraging economic benefits from the expressway will be Kapiti focusing on its locational attributes, and facilitating growth into consolidating the existing Paraparaumu Town Centre, and greater amenity Industrial zones which are likely to be preferred by greater intensity industrial activities.

The proposed Expressway through Kāpiti from Mackays Crossing to Peka Peka and Otaki will create new development pressures and opportunities, particularly where there are interchanges; however as identified in Figure 16 these opportunities are largely limited to service and convenience based commercial options. Freight emphasis through Industrial node connections to the State Highway network is enhanced or retained in the case of Otaki North.

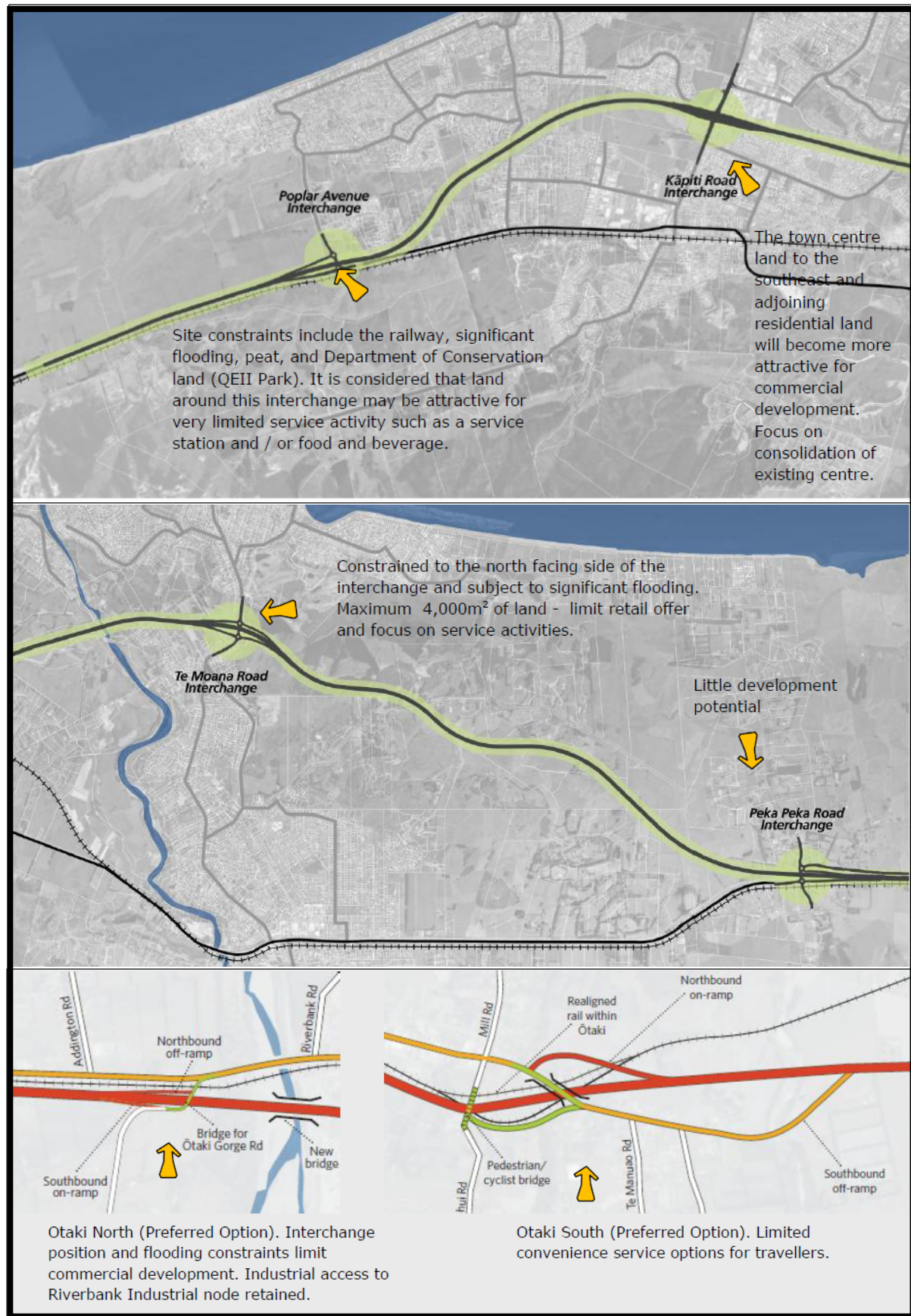
The removal of the State Highway LAR status as a consequence of the expressway will result increased pressure to accommodate high traffic generating activities on this regional arterial. The function and efficiency of this component of the roading network is still of significant importance in linking economic activity within the Region, and significant traffic generating activities should be subject to an Integrated Transport Assessment ('ITA') when seeking consent to develop on either this, or any other significant component of the roading network.

Recommendation 9: Include Policy for the following:

C18: Transport: To continue to build, maintain and manage the operation of roads in the Kapiti Coast District as a functional road hierarchy, comprised on roads of different classifications, and to recognise the different function and roles of roads and their environmental impacts within those classifications.

Methods should seek ITA's from significant high traffic generating activities establishing on the State Highway network and Regional Arterials.

FIGURE 16: EXPRESSWAY DEVELOPMENT OPTIONS



17. MECHANISMS

On the basis of the above, it is considered that the following are considered priorities for action as a consequence of effectively aligning and implementing the strategic approach to employment areas as these relate to commercial and industrial activity and urban form:

17.1. COMMERCIAL

The expansion in Health Care and Social Assistance employees largely drives proportional growth in the Commercial Sector as identified under each of the four scenarios considered within Section 14. The total net land demand is identified as ranging from 7.12ha (Scenario 3: Low Growth No Expressway) to 14.56ha (Scenario 2: PEL Expressway). With some 36.1ha of vacant land available for commercial uses within the Paraparaumu Town Centre, there is a forecasted oversupply in sustainable net retail floor-space in Kapiti Coast District extending beyond 2031. There will however be continuing demands for convenience retail growth within the District's remaining commercial centres.

The key recommendation with regard to the Paraparaumu Town Centre is therefore to:

- (i). Provide integrated forward planning for the formation of a 'community based' design for reinvestment and enhancement of the commercial built form based around Rimu Road (which seeks to proactively facilitate Plan Change 72A). It is suggested that this would form the basis of a planning exercise resulting in statutory (ODP, more flexible planning provisions) and non-statutory (LTP funding) mechanisms for improved urban design and commercial enterprise focusing on diversity of uses and employment;
- (ii). Seek to improve the amenity provisions surrounding the Paraparaumu Kapiti Road Expressway interchange, including consideration of signage and built form provisions.
- (iii). Insert provisions clearly identifying the need to consider cross boundary issues relating to employment retention and retail leakage within the wider Wellington Region (which can have significance in terms of Section 74(2)(c) of the RMA1991;
- (iv). Seek advice as to the extent to which urban design controls may limit the ability to consolidate development.

The key recommendation with regard to the remaining Commercial Centres and commercial activity generally is therefore to:

- (i). Facilitate and seek to provide for the long term expansion of existing Supermarket providers, and otherwise seek to consolidate the spatial extent of centres.
- (ii). Avoid the establishment of new commercial centres within the District, and consolidate existing commercial activities to increase employment densities.
- (iii). Encourage and facilitate the managed transition of the Otaki Town Centre to maintain its important social and civic role for this community, through ensuring commercial activities remain consolidated within the existing zoning footprint and the Council continue assistance and facilitation of community and social enterprises within the centre.
- (iv). Provide limited statutory recognition, through providing for additional floor area or employees within residential areas for a limited range of home based and community facility development, particularly in association with medium density housing overlay areas.

17.2. INDUSTRIAL

Limited growth in the manufacturing and construction employees drives growth to 2031 in the Industrial Sector as identified under each of the four scenarios considered within Section 14. The total net land demand is identified as ranging from 9.7 (Scenario 3: Low Growth No Expressway) to 19.6ha (Scenario 2: PEL Expressway). With some 17.3ha of Industrial land available in Otaki and 12.1ha in Paraparaumu, there is a limited need for additional floor-space in Kapiti Coast District extending beyond 2031.

The key recommendation with regard to the Industrial zones is therefore to:

- (i). Continue to provide for a wide range of industrial activities within the zones, where these do not negatively impacting on other activities, including sensitive adjoining activities.
- (ii). Manage retail, office, and residential activities within the industrial environments so as to not negatively impact on the commercial primacy of the Paraparaumu Town Centre, or District's other Town Centres and cause reverse sensitivity impacts on Industrial Activities.
- (iii). Provide a distinction between types of retailing, restricting those that may have consequential implications to Town Centre viability and vitality, and enablement of the more Trade Based related activities (as identified in principle in Plan Change 73). Requires amendment to Rule D5.2.1 "*drive-in access to allow the loading of bulky goods or materials (as opposed to goods or materials in bulk) directly into*

customer's vehicles" to provide for Trade Based Outlets, Yard Based Retailing, as well as the existing permission for Restaurants (Food and Beverage) and Service Stations.

- (iv). Improve the level of amenity within our Industrial Environments so as to attract 'high value, new economy activities', this can be achieved through increased requirements for on-street planting, setbacks and signage restrictions.
- (v). Do not introduce a specific LFR zoning framework or expressly provide for Large Format Retail activities given the extent of capacity provided in-centre.
- (vi). Improved amenity for State Highway frontage and Regional Arterials should be encouraged, this can be achieved through increased requirements for on-street planting, setbacks and signage restrictions;
- (vii). Include a detailed roading hierarchy and linked requirements for ITA as associated with high traffic generating activities.
- (viii). Whilst being extremely complex, the activity provisions associated with Plan Change 73 should be kept intact, except as modified through the definitions below.

18. DEFINITIONS

There is a spectrum of retail activity, in terms of form, scale, function, transport effects and customer base. Not all retail (e.g. building supplies) supports the viability of centres, and there needs to be some enabling recognition of such at both Policy and Rule level, as has been recognised within regard to Plan Change 73 within the Airport Mixed Use Zone.

A number of generic new definitions are provided below to ensure that only activities foreseeably capable of adverse distributional effects would qualify for assessment under any assessment thresholds. Such an approach is “effects based” and consistent with approaches used in other districts, most notably Christchurch and North Shore (Refer Section 6.0).

The definitions provided are recommended as being strategically aligned with distributional case law and the remainder of the recommendations contained in this report.

Recommendation 10: Amend Definitions as follows:

Insert: ANCILLARY RETAIL: Small scale retailing that is incidental to the principal activity on the site. Small scale refers to the retail component being subservient to other activities and therefore occupying part of the site, premises or building; up to 25%, or 350m², of the net floor area on the site and associated premises (including any associated premises on an immediately adjoining site), whichever is the lesser. *(Relates to Rule D5.2.1)*

Insert: ANCILLARY OFFICES: means any office activity forming part of and being incidental to a principal activity on the same site, and which occupies no more than 25% of the principal activity. *(Relates to amended Rule D5.2.1)*

Amendment: AUTOMOTIVE AND MARINE SUPPLIER: Means a business primarily engaged in selling automotive vehicles, marine craft, and associated parts and accessories for such vehicles and craft. *(Requires amendment to Change 73 insertion)*

Insert: BUILDING SUPPLIER: means a business and associated premises primarily used for the display and sale of goods and materials used in the construction, repair, alteration and renovation of buildings, including plumbing, electrical and landscaping.

Insert: FARMING AND AGRICULTURAL SUPPLIER: Means a business primarily engaged in selling goods for consumption or use in the business operations of primary producers or in animal husbandry.

Insert: Food and beverage outlet - land and buildings used for the sale of food and / or beverages to the general public prepared for immediate consumption. It includes restaurants, taverns, cafes and takeaway restaurants, and excludes supermarkets.

Insert: GARDEN AND LANDSCAPING SUPPLIES: Means a business primarily engaged in selling goods for permanent exterior installation or planting and includes: landscaping suppliers; and suppliers of bark, compost, firewood, and paving and domestic paving aggregates.

Amend: LARGE SCALE RETAIL: Any retail activity, exceeding 500m² GFA retail floor area, excluding Supermarkets and Department Stores.

Insert: Office furniture, equipment and systems supplies: Means a business primarily engaged in selling goods for office-type use or consumption, and includes suppliers of computers, copiers, printers, office furniture and other related equipment.

Insert: Office – an activity including associated buildings or part of a building where people are engaged in the administration of an organisation whether trading or non trading, and includes but is not restricted to professional offices and professional services where otherwise not defined as retailing.

Amend RETAILING OR RETAIL OUTLETS: means the use of land or buildings where goods and services are offered or exposed to the general public for sale, hire or utilisation, and includes but is not limited to food and beverage outlets , trade suppliers, yard based activity and service stations.

Amend: TRADE SUPPLY RETAIL: means a business engaged in sales to businesses, and may also include sales to the general public, and wholly consists of suppliers of goods in one or more of the following:

- Automotive and marine supplies;
- Building supplies;
- Garden and landscaping supplies;
- Farming and agricultural supplies;
- Hire services (excluding hire of books, DVD and video);
- Office furniture, equipment and systems supplies.

Amend: WHOLESALE: Means a business engaged in the storage and distribution of goods to businesses (including retail activities) and institutional customers.

Insert YARD BASED RETAILING: Retail activity with the primary function of the supply of goods from a yard area and includes building supplies (DIY or Trade), garden centres, automotive and marine yards, farming and agricultural supplies and heavy machinery or plant. More than 50% of the area devoted to sales or display must be located in covered or uncovered external yard as distinct from within a secure and weatherproofed building where

trade, business and general public customers are able to view items for sale and load, pick up or retrieve the goods, but does not include site access and parking.

The generic definitions provide more nuanced 'sub-categories' and thus remove any potential confusion as whether a retail activity that is unlikely to threaten the established centres hierarchy requires consent. The sub-categories under Trade Supply Retail, such as 'Automotive and Marine supplies', 'Building supplies' and 'Garden and landscape supplies' are examples.

The rationale for separately defining Trade Supply Retail and Wholesaler and excluding them from the consideration of distribution effects assessments is based on the following:

Only a few would be found in centres, and none are important to centre function or vitality, including even the large scale Building Suppliers such as Bunnings; furthermore:

- ~ Such businesses are, or would be, inconsistent with amenity and urban design outcomes anticipated for the majority of the centres;
- ~ The scale of the majority of such Trade Suppliers would have serious opportunity costs by removing capacity within centres to reinforce a smaller commercial grain; and lastly
- ~ The amenities associated with such activities, such as visual character, noise, dust and car parking areas are more consistent with Industrial Zones.

19. CONCLUSIONS

The function of commercial centres in the sub-region is not limited to the trading of goods and services. The town centres of the Kapiti Coast District fulfil an essential social and community function; contain considerable physical investment not only by private individuals, but also the Council and community groups. Most importantly, commercial centres provide the cornerstone for the integration of urban growth outcomes for residential and transport integration. This is the nub of the issue in terms of implementing Objective 21 within the Proposed Wellington Regional Policy Statement.

The approach now recognised by the Court, and as identified in Proposed Wellington Regional Policy Statement is that such areas have a significant function as community focal points, and that the community's best interests are served by a well distributed, yet conglomerated pattern of commercial centres that allow not only for efficiencies and certainty in terms of land and infrastructure investment (both public and private), but also for the social values of vibrancy and community, as well as the basis for increasing residential densities and integrating transport networks.

The Industrial Environment is recognised as an important resource. It is required for the effective functioning of certain activities, many of which are significant to the District, and will be key to increasing employment retention rates within the Kapiti Coast District. It is very important that the land use is managed in a way that ensures it provides for the future industrial growth demands of District over the projected planning period. To do this, the integrity of uses should be maintained to provide for Industrial activities, any significant loss of Industrial Environment land to commercial uses would play a part in reducing the overall industrial land bank, increase residual land values, and also generate inefficiencies on the use and development of community infrastructure through over utilisation of the road network from public traffic generating activities. However, there are a range of Trade Based commercial activities that are not currently, but could be enabled to occupying such zoned land.



APPENDIX : 1 DEMOGRAPHIC PROFILES

	KAPITI COAST DISTRICT	WELLINGTON REGION	NEW ZEALAND
GENERAL			
Population	49,083	464,805	4,227,949
Households	20,805	177,487	1,562,135
Person Per Dwelling Ratio	2.4	2.6	2.7
AGE PROFILE			
Average Age	45	36	36
0-9 years	12%	14%	14%
10-19 years	13%	14%	15%
20-29 years	7%	14%	13%
30-39 years	12%	15%	14%
40-49 years	14%	15%	15%
50-64 years	19%	16%	16%
65 plus years	23%	11%	12%
HOUSEHOLD INCOME PROFILE			
Average (pa)	\$60,060	\$75,127	\$66,163
\$0-\$30,000 (pa)	36%	25%	29%
\$30,001-\$50,000 (pa)	21%	18%	19%
\$50,001-\$70,000 (pa)	15%	15%	16%
\$70,001-\$100,000 (pa)	13%	16%	16%
\$100,001 plus (pa)	14%	26%	19%
EMPLOYMENT			
Employed - Full Time	71%	74%	73%
Employed - Part Time	25%	21%	22%
Not in Labour Force	41%	29%	32%
YEARS AT RESIDENCE			
Less Than 5 Years	56%	56%	58%
5 - 14 Years	30%	28%	27%
15 Plus Years	13%	17%	15%
IMMIGRATION			
NZ Born	83%	81%	82%
Immigrated 0-9 Years Ago	4%	8%	9%
Immigrated 10-19 Years Ago	2%	3%	3%
Immigrated 20 Plus Years Ago	11%	8%	6%
ETHNICITY			
European Ethnic Groups	72%	63%	61%
Māori Ethnic Group	11%	11%	13%
Pacific Peoples' Ethnic Groups	2%	7%	6%
Asian Ethnic Groups	2%	8%	8%
MELAA Ethnic Groups	0%	1%	1%
Other Ethnic Groups	12%	10%	10%

	KAPITI COAST DISTRICT	WELLINGTON REGION	NEW ZEALAND
QUALIFICATION ATTAINMENT			
No Qualification	22%	18%	22%
Secondary School	35%	35%	36%
Trade / Vocational	21%	17%	18%
Bachelor Degree	9%	14%	10%
Higher Degree	4%	7%	4%
Other	9%	8%	10%
INDUSTRY OF EMPLOYMENT			
White Collar	74%	77%	69%
Blue Collar	26%	23%	31%
STUDENT PROPORTIONS			
Full Time	6%	11%	11%
Part Time	5%	6%	5%
Not Studying	89%	83%	84%
SOURCE OF INCOME			
Unemployment Benefit	2%	2%	2%
Self Employed/Own Business	11%	10%	11%
Wages/Salary	32%	43%	42%
Other Income	53%	41%	41%
No Income	3%	3%	4%
WEEKLY HOURS WORKED			
1 hr - 19 hrs	15%	13%	13%
20 hrs - 39 hrs	25%	23%	22%
40 hrs - 59 hrs	52%	57%	55%
60 plus hrs	8%	8%	10%
NUMBER OF RESIDENTS			
1 Residents	29%	25%	23%
2 Residents	40%	33%	34%
3 Residents	13%	17%	17%
4 Residents	11%	15%	15%
5 Residents	5%	7%	7%
6 Residents	2%	2%	3%
7 Residents	1%	1%	1%
8 Plus Residents	0%	1%	1%
HOUSEHOLD STRUCTURE			
Single	29%	24%	22%
Couple	34%	28%	29%
Single Parent With Children	11%	12%	13%
Two Parent Family	23%	30%	31%
Other Multi-person	2%	6%	5%
HOME OWNERSHIP			
Residents Own / Mortgage	76%	66%	67%
Rent	24%	34%	33%

Source: Property Economics, Statistics NZ

APPENDIX : 2 RETAIL EXPENDITURE MODEL

This section outlines the methodology that has been used to estimate retail spend generated at Census Area Unit (CAU) level for New Zealand out to 2031.

CAU 2006 Boundaries

All analysis has been based on Census Area Unit 2006 boundaries.

Permanent Private Households (PPH) 2006

These are the total Occupied Households as determined by the Census 2006. PPHs are the primary basis of retail spend generation and account for approximately 71% of all retail sales. PPHs have regard for (exclude) the proportion of dwellings that are vacant at any one time in a locality, which can vary significantly, and in this respect account for the movement of some domestic tourists.

Permanent Private Household Forecasts 2006-2031

These are based on Statistics NZ Census Area Unit (CAU) Medium Series Population Growth Projections and have been adjusted to account for residential building consent activity occurring between 2006 and 2011, with this extrapolated to the year of concern. This accounts for recent building activity, particularly important for the 5-10 year forecasts, and effectively updates Statistics NZ projections to reflect recent trends. Geo-spatial differences in growth between 2001 and 2006 CAUs have been accounted for with a pro rata distribution.

International Tourist Spend

The total international tourism retail spend in 2006 has been derived from the TRCNZ estimates of \$1.5b nationally for 2006 (3.3% of total national retail sales). This has been distributed regionally on a 'spend per employee' (2006) basis, using regional spend estimates prepared by the TRCNZ. Domestic and business based tourism spend is incorporated in the employee and PPH estimates. Employees are the preferred basis for distributing regional spend geo-spatially as tourists tend to gravitate toward areas of commercial activity, however they are very mobile.

Total Tourist Spend Forecast 2006-2026

The TRCNZ tourist retail spend projections translate into an annual growth rate of 7.7% for the 2006-2011 period. Growth is conservatively forecast in the model at 3% per annum for the 2011-2031 period.

2006-2026 PPH Average Household Retail Spend

This has been determined by analysing the national relationship between PPH average household income (by income bracket) as determined by the 2006 Census, and the average PPH expenditure of retail goods (by income bracket) as determined by the Household

Economic Survey (HES) prepared by Statistics NZ. In particular a regression analysis has shown the following relationship exists:

PPH Retail Spend = 27.3% of Average PPH Income plus \$4,999 constant.

This relationship between income and retail spend is statistically significant, with a R2 (the measure of the relationship between the two variables) considered extremely strong.

While there are other variables other than household income that will affect retail spending levels, such as wealth, access to retail, population age, household types and cultural preferences, the effects of these are not able to be assessed given data limitations, and have been excluded from these estimates.

Real Retail Spend Growth

Real retail spend growth has been factored in at 1% per annum. This accounts for the increasing wealth of the population and the subsequent increase in retail spend. The following explanation has been provided.

Retail Spend is an important factor in determining the level of retail activity and hence the 'sustainable amount' of retail floorspace for a given catchment. For the purposes of this outline 'retail' is defined by the following categories:

- Food Retailing
- Footwear
- Clothing and Softgoods
- Furniture and Floor coverings
- Appliance Retailing
- Hardware
- Chemist
- Department Stores
- Recreational Goods
- Cafes, Restaurants and Takeaways
- Personal and Household Services
- Other Stores.

These are the retail categories as currently defined by the ANZSIC codes (Australia New Zealand Standard Industry Classification).

Assessing the level and growth of retail spend is fundamental in planning for retail networking and land use within a regional network.

Retail spend determinants

Retail Spend for a given area is determined by: the number of households, size and composition of households, income levels, available retail offer and real retail growth. Changes in any of these factors can have a significant impact on the available amount of retail spend generated by the area. The coefficient that determines the level of 'retail spend' that eventuates from these factors is the MPC (Marginal Propensity to Consume). This is how much people will spend of their income on retail items. The MPC is influenced by the amount of disposable and discretionary income people are able to access.

Retail spend economic variables

Income levels and household MPC are directly influenced by several macroeconomic variables that will alter the amount of spend. Real retail growth does not rely on the base determinants changing but a change in the financial and economic environment under which these determinants operate. These variables include:

Interest Rates: Changing interest rates has a direct impact upon households' discretionary income as a greater proportion of income is needed to finance debt and typically lowers general domestic business activity. Higher interest rates typically lower real retail growth.

Government Policy (Spending): Both Monetary and Fiscal Policy play a part in domestic retail spending. Fiscal policy, regarding government spending, has played a big part recently with government policy being blamed for inflationary spending. Higher government spending (targeting on consumer goods, direct and indirectly) typically increases the amount of nominal retail spend. Much of this spend does not, however, translate into floorspace since it is inflationary and only serves to drive up prices.

Wealth/Equity/Debt: This in the early-mid 2000s had a dramatic impact on the level of retail spending nationally. The increase in property prices has increased home owners unrealized equity in their properties. This has led to a significant increase in debt funded spending, with residents borrowing against this equity to fund consumable spending. This debt spending is a growth facet of New Zealand retail. In 1960 households saved 14.6% of their income, while households currently spend 14% more than their household income.

Inflation: As discussed above, this factor may increase the amount spent by consumers but typically does not dramatically influence the level of sustainable retail floorspace. This is the reason that productivity levels are not adjusted but similarly inflation is factored out of retail spend assessments.

Exchange Rate: Apart from having a general influence over the national balance of payments accounts, the exchange rate directly influences retail spending. A change in the \$NZ influences the price of imports and therefore their quantity and the level of spend.

General consumer confidence: This indicator is important as consumers consider the future and the level of security/finances they will require over the coming year.

Economic/Income growth: Income growth has a similar impact to confidence. Although a large proportion of this growth may not impact upon households MPC (rather just increasing

the income determinant) it does impact upon households discretionary spending and therefore likely retail spend.

Mandatory Expenses: The cost of goods and services that are necessary has an impact on the level of discretionary income that is available from a households disposal income. Important factors include housing costs and oil prices. As these increase the level of household discretionary income drops reducing the likely real retail growth rate.

Current and future conditions

Retail spend has experienced a significant real increase in the early-mid 2000s. This was due in large part to the increasing housing market. Although retail growth is tempered or crowded out in some part by the increased cost of housing it showed massive gains as home owners, prematurely, access their potential equity gains. This resulted in strong growth in debt/equity spending as residents borrow against capital gains to fund retail spending on consumption goods. A seemingly strong economy also influenced these recent spending trends, with decreased employment and greater job security producing an environment where households were more willing to accept debt.

Over the last 3 years this has now reversed with the worldwide recession taking grip. As such, the economic environment has undergone rapid change. The national market is currently experiencing low interest rates (although expected to increase this coming quarter), a highly inflated \$NZ (increasing importing however disproportionately), a stalled property market, and a stagnation in general business confidence. These factors will continue to dampen retail spending throughout the next 2 – 3 years. Given the previous years substantial growth and high levels of debt repayment likely to be experienced by New Zealand households it is expected that real retail growth rates will continue to be stifled.

Impacts of changing retail spend

At this point in time a 1% real retail growth rate is being applied by Property Economics over the longer term 20 year period. This rate is highly volatile however and is likely to be in the order of 0.5% to 1% over the next 5 – 10 years rising to 1% - 2% over the more medium term as the economy stabilizes and experiences cyclical growth. This would mean that it would be prudent in the shorter term to be conservative with regards to the level of sustainable retail floorspace within given centres.

Business Spend 2006

This is the total retail spend generated by businesses. This has been determined by subtracting PPH retail spend and Tourist retail spend from the Total Retail Sales as determined by the Retail Trade Survey (RTS) which is prepared by Statistics NZ. All categories are included with the exception of accommodation and automotive related spend. In total, Business Spend accounts for 26% of all retail sales in NZ. Business spend is distributed based on the location of employees in each CAU and the national average retail spend per employee (\$6,640pa).

Business Spend Forecast 2006-2031

Business spend has been forecasted at the same rate of growth estimated to be achieved by PPH retail sales in the absence reliable information on business retail spend trends. It is noted that while working age population may be decreasing as a proportion of total population, employees are likely to become more productive over time and therefore offset the relative decrease in the size of the total workforce.

APPENDIX : 3 RETAIL CLASSIFICATIONS

G	Retail Trade
G41	Food Retailing
G411	Supermarket and Grocery Stores
G411000	Supermarket and Grocery Stores
G412	Specialised Food Retailing
G412100	Fresh Meat, Fish and Poultry Retailing
G412200	Fruit and Vegetable Retailing
G412300	Liquor Retailing
G412900	Other Specialised Food Retailing
G42	Other Store-Based Retailing
G421	Furniture, Floor Coverings, Houseware and Textile Goods Retailing
G421100	Furniture Retailing
G421200	Floor Coverings Retailing
G421300	Houseware Retailing
G421400	Manchester and Other Textile Goods Retailing
G422	Electrical and Electronic Goods Retailing
G422100	Electrical, Electronic and Gas Appliance Retailing
G422200	Computer and Computer Peripherals Retailing
G422900	Other Electrical and Electronic Goods Retailing
G423	Hardware, Building and Garden Supplies Retailing
G423100	Hardware and Building Supplies Retailing
G423200	Garden Supplies Retailing
G424	Recreational Goods Retailing
G424100	Sport and Camping Equipment Retailing
G424200	Entertainment Media Retailing
G424300	Toy and Game Retailing
G424400	Newspaper and Book Retailing
G424500	Marine Equipment Retailing
G425	Clothing, Footwear and Personal Accessories Retailing
G425100	Clothing Retailing
G425200	Footwear Retailing
G425300	Watch and Jewellery Retailing
G425900	Other Personal Accessories Retailing
G426	Department Stores
G426000	Department Stores
G427	Pharmaceutical and Other Store-Based Retailing
G427100	Pharmaceutical, Cosmetic and Toiletry Goods Retailing
G427200	Stationery Goods Retailing
G427300	Antique and Used Goods Retailing
G427400	Flower Retailing
G427900	Other Store-Based Retailing n.e.c.
H	Accommodation and Food Services
H45	Food and Beverage Services
H451	Cafes, Restaurants and Takeaway Food Services
H451100	Cafes and Restaurants
H451200	Takeaway Food Services
H451300	Catering Services
H452	Pubs, Taverns and Bars
H452000	Pubs, Taverns and Bars

Source: Statistics NZ

APPENDIX : 4 RETAIL CENTRES BREAKDOWN

Otaki Town Centre	Store #	GFA (sqm)	Store %	GFA %
Supermarket	1	1,043	3%	14%
Food, Liquor Retailing	5	814	15%	11%
Cafes, Restaurants, & Takeaways	9	979	26%	13%
Pubs, Taverns and Bars	3	1,264	9%	17%
Clothing, Jewellery and Personal Accessories	4	1,736	12%	23%
Footwear				
Furniture, Floor Coverings, Homeware and Textiles	1	143	3%	2%
Electrical and electronic goods				
Hardware, Building and Garden Supplies				
Chemist	2	336	6%	5%
Department store				
Recreational Goods	1	236	3%	3%
Other Stores	6	486	18%	7%
Vacant	1	250	3%	3%
Under Construction	1	114	3%	2%
Total	34	7,400	100%	100%

Raumati	Store #	GFA (sqm)	Store %	GFA %
Supermarket				
Food, Liquor Retailing	5	714	15%	18%
Cafes, Restaurants, & Takeaways	8	686	24%	18%
Pubs, Taverns and Bars	1	1,014	3%	26%
Clothing, Jewellery and Personal Accessories	4	300	12%	8%
Footwear				
Furniture, Floor Coverings, Homeware and Textiles	1	64	3%	2%
Electrical and electronic goods				
Hardware, Building and Garden Supplies	1	171	3%	4%
Chemist	1	107	3%	3%
Department store				
Recreational Goods	4	293	12%	8%
Other Stores	3	207	9%	5%
Vacant	5	307	15%	8%
Under Construction				
Total	33	3,864	100%	100%

Otaki Outlet Centre	Store #	GFA (sqm)	Store %	GFA %
Supermarket	1	1,507	2%	15%
Food, Liquor Retailing	2	236	3%	2%
Cafes, Restaurants, & Takeaways	10	671	17%	7%
Pubs, Taverns and Bars	1	607	2%	6%
Clothing, Jewellery and Personal Accessories	24	4,029	40%	39%
Footwear	3	329	5%	3%
Furniture, Floor Coverings, Homeware and Textiles	3	779	5%	8%
Electrical and electronic goods				
Hardware, Building and Garden Supplies				
Chemist				
Department store				
Recreational Goods	2	500	3%	5%
Other Stores	6	871	10%	8%
Vacant	8	800	13%	8%
Under Construction				
Total	60	10,329	100%	100%

Waikanae Town Centre	Store #	GFA (sqm)	Store %	GFA %
Supermarket	2	3,329	4%	26%
Food, Liquor Retailing	4	686	7%	5%
Cafes, Restaurants, & Takeaways	19	1,771	35%	14%
Pubs, Taverns and Bars	1	1,043	2%	8%
Clothing, Jewellery and Personal Accessories	2	157	4%	1%
Footwear				
Furniture, Floor Coverings, Homeware and Textiles	5	1,429	9%	11%
Electrical and electronic goods	1	93	2%	1%
Hardware, Building and Garden Supplies	3	2,243	5%	18%
Chemist	2	343	4%	3%
Department store				
Recreational Goods	2	179	4%	1%
Other Stores	8	771	15%	6%
Vacant	6	564	11%	4%
Under Construction				
Total	55	12,607	100%	100%

Pakakariki	Store #	GFA (sqm)	Store %	GFA %
Supermarket				
Food, Liquor Retailing	2	214	29%	40%
Cafes, Restaurants, & Takeaways	3	226	43%	42%
Pubs, Taverns and Bars				
Clothing, Jewellery and Personal Accessories				
Footwear				
Furniture, Floor Coverings, Homeware and Textiles				
Electrical and electronic goods				
Hardware, Building and Garden Supplies				
Chemist				
Department store				
Recreational Goods				
Other Stores	2	93	29%	17%
Vacant				
Under Construction				
Total	7	533	100%	100%

Paraparaumu Town Centre	Store #	GFA (sqm)	Store %	GFA %
Supermarket	2	9,312	1%	13%
Food, Liquor Retailing	8	1,750	5%	3%
Cafes, Restaurants, & Takeaways	34	4,760	23%	7%
Pubs, Taverns and Bars	2	1,057	1%	2%
Clothing, Jewellery and Personal Accessories	24	5,028	16%	7%
Footwear	5	1,852	3%	3%
Furniture, Floor Coverings, Homeware and Textiles	14	10,635	10%	15%
Electrical and electronic goods	7	2,861	5%	4%
Hardware, Building and Garden Supplies	10	13,478	7%	19%
Chemist	2	456	1%	1%
Department store	3	9,972	2%	14%
Recreational Goods	13	3,969	9%	6%
Other Stores	9	1,854	6%	3%
Vacant	14	2,992	10%	4%
Under Construction				
Total	147	69,976	100%	100%

Paraparaumu Beach	Store #	GFA (sqm)	Store %	GFA %
Supermarket				
Food, Liquor Retailing	3	607	5%	8%
Cafes, Restaurants, & Takeaways	22	2,443	38%	34%
Pubs, Taverns and Bars	2	543	3%	7%
Clothing, Jewellery and Personal Accessories	14	1,471	24%	20%
Footwear				
Furniture, Floor Coverings, Homeware and Textiles	3	471	5%	6%
Electrical and electronic goods	1	71	2%	1%
Hardware, Building and Garden Supplies				
Chemist	1	121	2%	2%
Department store				
Recreational Goods	1	71	2%	1%
Other Stores	8	886	14%	12%
Vacant	3	600	5%	8%
Under Construction				
Total	58	7,286	100%	100%

Kapiti Coast	Store #	GFA (sqm)	Store %	GFA %
Supermarket	6	15,191	2%	14%
Food, Liquor Retailing	29	5,021	7%	4%
Cafes, Restaurants, & Takeaways	105	11,535	27%	10%
Pubs, Taverns and Bars	10	5,529	3%	5%
Clothing, Jewellery and Personal Accessories	72	12,721	18%	11%
Footwear	8	2,181	2%	2%
Furniture, Floor Coverings, Homeware and Textiles	27	13,521	7%	12%
Electrical and electronic goods	9	3,026	2%	3%
Hardware, Building and Garden Supplies	14	15,892	4%	14%
Chemist	8	1,364	2%	1%
Department store	3	9,972	1%	9%
Recreational Goods	23	5,247	6%	5%
Other Stores	42	5,168	11%	5%
Vacant	37	5,513	9%	5%
Under Construction	1	114	0%	0%
Total	394	111,994	100%	100%

Source: Property Economics – June 2011

APPENDIX : 5 BUSINESS CLASSIFICATIONS

Property Economics utilises the 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC) as guidance, whereby businesses are assigned an industry according to their predominant economic activity.

For our reporting purposes we have divided these classifications into industrial, commercial and retail sectors. These three sectors correspond to the zoning of industrial, commercial and retail land by the local authorities.

Industrial activities in general refer to land extensive activities, it includes part of the primary sector, largely raw material extraction industries such as mining and farming; the secondary sector, involving refining, construction, and manufacturing; and part of the tertiary sector, which involves distribution of manufactured goods. The employees work for the following sectors are considered an industrial sector employee:

- 10% of Agriculture, Forestry and Fishing
- 10% of Mining
- Transport, Postal and Warehousing
- Manufacturing
- 30% Electricity, Gas, Water and Waste Services
- Construction
- Wholesale Trade

Commercial activities generally refer to land intensive activities. It includes a large proportion of the tertiary sector of an economy, which deals with services; and the quaternary sector, focusing on technological research, design and development. The employees work for the following sectors are considered a commercial sector employee:

- 15% of Accommodation and Food Services
- Information Media and Telecommunications
- Financial and Insurance Services
- Rental, Hiring and Real Estate Services
- Professional, Scientific and Technical Services
- Administrative and Support Services
- 35% Public Administration and Safety
- 15% Education and Training
- 25% Health Care and Social Assistance
- 25% Arts and Recreation Services

APPENDIX : 6 EMPLOYMENT RETENTION

District	Total Employed Labour Force	Adjusted Employment	Retention Rate
Waitakere City	88,143	51,441	58%
Waimakariri District	22,032	13,254	60%
Upper Hutt City	19,479	12,089	62%
Porirua City	22,545	15,169	67%
Selwyn District	19,035	13,072	69%
Kapiti Coast District	20,448	14,332	70%
Waikato District	20,820	14,692	71%
Area Outside Territorial Authority	216	155	72%
Rodney District	44,265	31,770	72%
Manawatu District	15,048	11,144	74%
Franklin District	29,745	22,232	75%
Papakura District	20,601	16,239	79%
Western Bay of Plenty District	20,400	16,280	80%
Waipa District	21,906	17,650	81%
Manukau City	142,044	117,333	83%
Rangitikei District	7,368	6,172	84%
Hauraki District	7,770	6,578	85%
Tasman District	23,313	19,994	86%
Horowhenua District	12,960	11,118	86%
North Shore City	108,891	93,716	86%
Stratford District	4,413	3,826	87%
Waimate District	3,507	3,060	87%
Lower Hutt City	49,398	43,373	88%
South Wairarapa District	4,545	4,021	88%
Carterton District	3,618	3,201	88%
Napier City	27,564	25,407	92%
Clutha District	9,087	8,462	93%
Tararua District	8,997	8,424	94%
Southland District	16,524	15,479	94%
Whakatane District	14,427	13,537	94%
Hurunui District	5,697	5,350	94%
Chatham Islands Territory	363	342	94%
South Waikato District	9,411	8,860	94%
Westland District	4,635	4,406	95%
Wanganui District	19,035	18,111	95%

District	Total Employed Labour Force	Adjusted Employment	Retention Rate
Kaipara District	8,355	8,014	96%
Taupo District	16,161	15,504	96%
New Plymouth District	33,918	32,723	96%
Opotiki District	3,363	3,245	97%
Gisborne District	19,281	18,663	97%
Waitaki District	9,990	9,716	97%
Otorohanga District	4,599	4,473	97%
Far North District	22,611	22,025	97%
Central Otago District	9,201	8,980	98%
Wairoa District	3,723	3,644	98%
Gore District	6,354	6,226	98%
Central Hawke's Bay District	6,954	6,824	98%
Buller District	4,677	4,593	98%
Marlborough District	22,731	22,362	98%
Kaikoura District	2,034	2,023	99%
Matamata-Piako District	15,135	15,069	100%
Whangarei District	33,414	33,297	100%
Dunedin City	58,131	57,929	100%
Invercargill City	25,335	25,288	100%
Queenstown-Lakes District	14,673	14,695	100%
Rotorua District	30,822	30,935	100%
Ashburton District	15,057	15,151	101%
Waitomo District	4,596	4,631	101%
Masterton District	10,935	11,031	101%
Grey District	6,924	7,003	101%
Timaru District	21,156	21,418	101%
Ruapehu District	6,561	6,737	103%
Thames-Coromandel District	12,153	12,530	103%
South Taranaki District	13,023	13,447	103%
Hastings District	34,869	36,104	104%
Mackenzie District	2,193	2,313	105%
Tauranga City	48,957	52,255	107%
Christchurch City	178,092	192,943	108%
Nelson City	22,023	24,833	113%
Hamilton City	62,772	70,859	113%
Palmerston North City	39,150	44,447	114%
Wellington City	102,633	128,364	125%
Auckland City	202,545	298,482	147%
Kawerau District	2,409	3,577	148%
Average			94%

Source: Property Economics, Statistics NZ

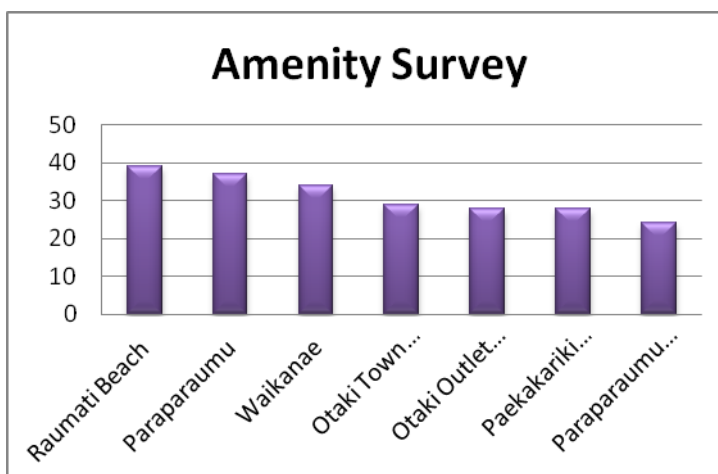
APPENDIX : 7 COMMERCIAL CENTRE AMENITY SURVEY

Topic	Comparative Analysis	Raumati Comments	Raumati Score	Waikanae TC	Waikanae Score
Vegetation	Extent of landscaping, including number of trees. The maintenance of landscaping.	<i>Excellent at scale. Hanging baskets. Absence of big trees, except coastal façade.</i>	4	<i>All mature, well weeded and excellent feature</i>	4
Screening	Screening of unsightly activity such as outdoor service areas, loading bays and extensive areas of asphalt car parks.	<i>All at rear. All active frontages.</i>	5	<i>Some expansive private areas - Countdown</i>	2
Security	Concerned with whether the site felt safe from malevolent behavior. Weighting for sufficiency of lighting, apparent signs of vandalism. Security counter measures such as presence of roller doors, barbed wire and utilitarian fencing.	<i>No signs of security measures. Safe and well lit. No graffiti.</i>	4	<i>Police presence. Alleyways and graffiti</i>	1
Safety	Freedom from hazards. Traffic conflicts with pedestrians. Trip hazards and uneven pedestrian surfaces. Maintenance of safety.	<i>Some split in footpaths, and roading - slow traffic speeds.</i>	3	<i>New paving and separated from traffic</i>	4
Buildings	Is design sensitive to setting. Are they maintained. Do buildings provide a sense of legibility and context.	<i>Legible well set out. Similar / consistent design aesthetic.</i>	4	<i>Similar context and design. Lacks private maintenance.</i>	3
Noise	Significant generators of adverse noise levels such as goods vehicles, traffic, refrigeration plant.	<i>Limited traffic noise.</i>	4	<i>Limited traffic noise</i>	3
Odour	Outdoor storage and refuse containers.	<i>No litter spotted.</i>	4	<i>None</i>	5
Facilities	Contributions to the community's wellbeing – seats, lights weather protection.	<i>Verandahs. Some limited seating. (Small centre though)</i>	3	<i>Planting, verandahs and artwork.</i>	4
Hours of Operation	Amenity of neighbours.	<i>All at scale. No edge pubs.</i>	4	<i>At scale, no edge pubs</i>	4
Litter	Is litter contained or scattered throughout the site. Absence of litter bins.	<i>Loads of rubbish bins.</i>	4	<i>Limited presence</i>	4
TOTALS			39		34
Facilities		N/A		<i>Moderate New World and Countdown. Community facilities - Police Service Centre. Library and Service Centre</i>	

Topic	Comparative Analysis	Otaki Outlet Centre	Otaki Outlet Score	Otaki Town Centre	Otaki TC Score
Vegetation	Extent of landscaping, including number of trees. The maintenance of landscaping.	<i>None</i>	<i>0</i>	<i>No trees along road boundary. Limited in car parks</i>	<i>1</i>
Screening	Screening of unsightly activity such as outdoor service areas, loading bays and extensive areas of asphalt car parks.	<i>Largely at rear by rail station. Some on street</i>	<i>4</i>	<i>Alleyways screened</i>	<i>2</i>
Security	Concerned with whether the site felt safe from malevolent behavior. Weighting for sufficiency of lighting, apparent signs of vandalism. Security counter measures such as presence of roller doors, barbed wire and utilitarian fencing.	<i>No vandalism. Some security measures.</i>	<i>3</i>	<i>Graffiti. Roller doors on curry house. Some barbed wire on Alley ways</i>	<i>2</i>
Safety	Freedom from hazards. Traffic conflicts with pedestrians. Trip hazards and uneven pedestrian surfaces. Maintenance of safety.	<i>Major transport conflicts. Ped areas not well demarcated.</i>	<i>1</i>	<i>Paving being done - assume excellent. Some traffic hazards.</i>	<i>3</i>
Buildings	Is design sensitive to setting. Are they maintained. Do buildings provide a sense of legibility and context.	<i>No legibility, and contextually similar but low std.</i>	<i>3</i>	<i>Average, no contextual similarity.</i>	<i>2</i>
Noise	Significant generators of adverse noise levels such as goods vehicles, traffic, refrigeration plant.	<i>High traffic noise</i>	<i>3</i>	<i>Traffic noise (but limited due to speeds)</i>	<i>4</i>
Odour	Outdoor storage and refuse containers.	<i>None</i>	<i>5</i>	<i>None</i>	<i>5</i>
Facilities	Contributions to the community's wellbeing – seats, lights weather protection.	<i>None apart from at Isite</i>	<i>1</i>	<i>Underway. No consistent verandah</i>	<i>3</i>
Hours of Operation	Amenity of neighbours.	<i>No edge pubs</i>	<i>4</i>	<i>Pub located adjacent to living areas.</i>	<i>3</i>
Litter	Is litter contained or scattered throughout the site. Absence of litter bins.	<i>No litter. Plenty of pubs</i>	<i>4</i>	<i>Number of bins. No litter</i>	<i>4</i>
TOTALS			28		29
Facilities		<i>Moderate New World. Butcher and Baker. Community facilities - Isite and Toilets.</i>		<i>Small Countdown and Foursquare. Community facilities - Civic Theatre. WINZ. Post Office. Community Rooms.</i>	

Topic	Comparative Analysis	Paraparaumu TC	Para TC Score	Paekakariki TC	Pae TC Score
Vegetation	Extent of landscaping, including number of trees. The maintenance of landscaping.	<i>Large car park, limited trees. Some mature planting. Inconsistent screening with bare areas in front of facades.</i>	2	<i>Not much but within context</i>	3
Screening	Screening of unsightly activity such as outdoor service areas, loading bays and extensive areas of asphalt car parks.	<i>Entire back areas facing Rimu Road is open and blank.</i>	1	<i>Yes given scale of centre. Some broken areas</i>	3
Security	Concerned with whether the site felt safe from malevolent behavior. Weighting for sufficiency of lighting, apparent signs of vandalism. Security counter measures such as presence of roller doors, barbed wire and utilitarian fencing.	<i>Issue of legibility and alleyways. Rail underpass feels unsecure.</i>	2	<i>Disjointed.</i>	3
Safety	Freedom from hazards. Traffic conflicts with pedestrians. Trip hazards and uneven pedestrian surfaces. Maintenance of safety.	<i>Inside Mall OK. Remainder poor.</i>	3	<i>Road and rail split of centre.</i>	2
Buildings	Is design sensitive to setting. Are they maintained. Do buildings provide a sense of legibility and context.	<i>No legibility, difficult to find way. Under investment and disjointed placement of buildings.</i>	2	<i>Some context (new and old) but limited</i>	2
Noise	Significant generators of adverse noise levels such as goods vehicles, traffic, refrigeration plant.	<i>Traffic and some plant.</i>	3	<i>Very noisy re traffic</i>	2
Odour	Outdoor storage and refuse containers.	<i>Only close to SH1 Food precinct.</i>	3	<i>None</i>	4
Facilities	Contributions to the community's wellbeing – seats, lights weather protection.	<i>Mall OK. Remainder no.</i>	3	<i>Some verandahs. Limited seating</i>	2
Hours of Operation	Amenity of neighbours.	<i>Some encroachment issues.</i>	2	<i>Café but good</i>	4
Litter	Is litter contained or scattered throughout the site. Absence of litter bins.	<i>No bins but little litter.</i>	3	<i>No litter</i>	3
TOTALS			24		28
Facilities		<i>Community facilities. Library. Council Offices. WINZ. Interior toilets.</i>			

Topic	Comparative Analysis	Paraparaumu Beach	Para Beach Score
Vegetation	Extent of landscaping, including number of trees. The maintenance of landscaping.	<i>Extensive towards coast. Mainstreet could do with more.</i>	4
Screening	Screening of unsightly activity such as outdoor service areas, loading bays and extensive areas of asphalt car parks.	<i>Some issues immediately next to centre</i>	4
Security	Concerned with whether the site felt safe from malevolent behavior. Weighting for sufficiency of lighting, apparent signs of vandalism. Security counter measures such as presence of roller doors, barbed wire and utilitarian fencing.	<i>Lighting. Community police</i>	4
Safety	Freedom from hazards. Traffic conflicts with pedestrians. Trip hazards and uneven pedestrian surfaces. Maintenance of safety.	<i>Some conflict with traffic. Parking off site</i>	3
Buildings	Is design sensitive to setting. Are they maintained. Do buildings provide a sense of legibility and context.	<i>Excellent context and design</i>	4
Noise	Significant generators of adverse noise levels such as goods vehicles, traffic, refrigeration plant.	<i>Good some traffic noise</i>	3
Odour	Outdoor storage and refuse containers.	<i>Good no real issue</i>	4
Facilities	Contributions to the community's wellbeing – seats, lights weather protection.	<i>Verandahs and lighting.</i>	4
Hours of Operation	Amenity of neighbours.	<i>Some cafes / pubs along edges</i>	3
Litter	Is litter contained or scattered throughout the site. Absence of litter bins.	<i>Well contained</i>	4
TOTALS			37
Facilities			



Thresholds:
 High Amenity (above 40)
 Moderate Amenity (30 – 40)
 Low Amenity (Below 30)



APPENDIX : 8

DISTRICT PLAN REVIEW

District Plan	Provisions	Text
Christchurch City Council (Variation 86 now operative)	12.1.1 Policy: Management of Business Activity	To differentiate and manage various types of business activities both on the basis of the nature of the activity, and the potential local and strategic effects of their operations. This is to be achieved principally by distinguishing between commercial and industrial activities and enabling these activities to locate within particular zones, at a scale and with environmental standards which reflect their location and role.
	12.1.2 Policy: Distribution of Commercial Activity	<p>To provide for varying levels of commercial activity, both within and beyond identified commercial centres and areas, to meet the wider community's social and economic needs. This is to be achieved by:</p> <p>(a) encouraging consolidation of commercial activity, particularly retailing, at existing commercial centres while ensuring the maintenance and enhancement of the function and amenity of the centre; and</p> <p>(b) managing local and strategic adverse effects of commercial activity in a way that:</p> <ul style="list-style-type: none"> • maintains the amenity of nearby living environments; • avoids reverse sensitivity effects; • sustains existing physical resources and ensures the continuing ability to make efficient use of, and undertake long-term planning and management for, the transport network and other public and private infrastructural resources, including parks and community facilities; • for retail activity, avoids adverse effects on the function and the efficient use of the central city and district centres; • for retail activity, limits adverse effects on people and communities who rely on the central city and district centres for their social and economic wellbeing and require ease of access to such centres by a variety of transport modes; and • for retail activity, maintains the amenity values of the central city and district centres.
	12.10.1 Policy : Range of activities	<p>To provide for a wide range of business activities in industrial areas appropriate to the levels of effects provided for in these areas, and also having regard to any potential cumulative impacts on the continuing ability of:</p> <ul style="list-style-type: none"> • the central city and district centres to provide for the community's social and economic wellbeing while maintaining and enhancing their level of amenity; • the central city and nine consolidation focal points to serve as effective centres around which to

		concentrate increased population densities.
	12.9.1 Policy: Range of activities	To provide for large format retail activities in Retail Park areas, while limiting the establishment of small scale retail activities.
	Rule 5.3.1 Retail activities	<p>Business 3B and 4 Zones</p> <p>Note: additional information to assist users in applying rules (b), (c) and (d) below may be found in an Information Booklet provided by the Council.</p> <p>(b) Any retail activity shall only consist of one or more of the following:</p> <ul style="list-style-type: none"> (i) yard based suppliers. (ii) trade suppliers. (iii) second hand goods outlets. (iv) food and beverage outlets. (v) retail activities (other than those specified in (i) to (iv) above), which comprise either: <ul style="list-style-type: none"> • a single tenancy ; or • a group of tenancies sharing vehicle access and/or parking; • and which comprise no more than 2000m ² of gross leasable floor area. <p>For the purpose of this rule, ' tenancy' shall mean one retail activity occupancy created by freehold, leasehold, license or any other arrangement to occupy.</p> <p>(c) Notwithstanding compliance with (b) above, retail activities will be discretionary activities where the aggregate gross leasable floor area of:</p> <ul style="list-style-type: none"> • the proposed retail activity; plus • any other existing or approved retail floorspace, of which some part of the site is located within 200 metres of any part of the proposed development site; exceeds 3000m ² <p>provided that:</p> <p>(i) this clause shall not apply to proposed retail activities that are allowed by (b)(i) to (iv) above, nor to:</p> <ul style="list-style-type: none"> • the display and sale of goods produced, processed or stored on the premises (and ancillary products), up to 20% of the net floor area on the premises used to produce, process or store those

		<p>goods, or 350m² retail floorspace, whichever is lesser.</p> <ul style="list-style-type: none"> pharmacies contained within the structure of a health facility, up to 20% of the net floor area of the balance of the facility or 350m², whichever is lesser. <p>(ii) any existing or approved retail activity on a site wholly or partly within 200 metres of the proposed development site shall be excluded from assessment of the gross leasable floor area where:</p> <ul style="list-style-type: none"> it consists of an activity allowed by clause b(i) to (iv) above, or listed in (c)(i) above. it is located wholly or partly within a Central City Zone, B2 Zone or contiguous B2/B1 Zone, and any part of the development site is within 50 metres of a Central City, B2 or contiguous B2/B1 Zone, and any intervening land is zoned B3B, B4, Special Purpose (Road) or Special Purpose (Rail) Zone. <p>(d) For the purpose for applying (c) above:</p> <p>(i) existing and approved retail floorspace information is to be obtained from the Council.</p> <p>Note: the applicant may choose to verify that information through additional site survey work.</p> <p>(ii) where:</p> <ul style="list-style-type: none"> a person/applicant (A) obtains retail floorspace information from the Council; and another retail application (B) (for resource consent (including Certificate of Compliance) or building consent) is granted within the 200 metre threshold, which causes the information obtained by applicant (A) to become outdated; then the additional retail floorspace proposed by (B) and any consequential breach of rule 5.3.1(c) above by applicant (A) will be required to be included and assessed by applicant (A), even if their application has already been lodged. <p>(iii) the term 'contiguous B2/B1 Zones' shall mean that two zones are adjacent, or separated only by a Special Purpose (Road) Zone.</p> <p>(iv) the term 'site' and 'development site' shall mean subclauses 1 to 3 under the definition of 'site' in Part 1 of Volume 3.</p> <p>(v) the term 'approved' shall include any retail activity for which resource consent (including Certificate of Compliance) or building consent has been granted; provided that the application of this term:</p> <ul style="list-style-type: none"> shall not include retail activity for which resource consent (including Certificate of Compliance) or building consent has been granted, but which has since been cancelled, or which has lapsed and for which no application has been made within applicable statutory time frames to extend the time in which to give effect to it; and
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	4.4.1 Retail activities	<p>The minimum gross leasable floor area (glfa) for any individual retail activity tenancy shall be 450m², except:</p> <p>(a) for those areas as identified on the development plan contained in Appendix 13, Part 3 for the area of land bounded by Deans Avenue, Foster Street, and Whiteleigh Avenue where the minimum gross leasable floor area (GLFA) for a maximum of five (5) individual retail tenancies shall be 300m²;</p> <p>(b) the following retail activities:</p> <p>(i) the display and sale of goods produced, processed or stored on the site (and ancillary products), up to 20% of the net floor area on the site used to produce, process or store those goods.</p> <p>(ii) yard based suppliers.</p> <p>(iii) trade suppliers.</p> <p>(iv) second hand goods outlets.</p> <p>(v) food or beverage outlets.</p> <p>(vi) pharmacies contained within the structure of a health facility, up to 20% of the net floor area of the balance of the facility.</p>
North Shore City Plan (Chapter 15)	Objective 15.3.3 - Retail Activities (<i>subject to Plan Change 30</i>)	To enable a wide range of retail activities in business centres, and in locations where they meet the needs and preferences of the community; avoid, remedy or mitigate adverse environmental effects; and enhance community accessibility to a range of facilities.
	Policy 4 (as well as Policies 1-3 and 5-8) (<i>subject to Plan Change 30</i>)	<p>By recognising the potential demand for some retail activity to establish in business zones outside the existing and proposed business centres and requiring this development, (in the Sub-regional 6, Business Park 7, Business Special 8, General 9 and General 10 zones) unless otherwise exempted, to be subject to a thorough evaluation, particularly in terms of the effects of the activity on:</p> <ul style="list-style-type: none"> the roading network in which the activity is located; and

		<ul style="list-style-type: none"> the amenity values of nearby residential areas; and the character, heritage, and amenity values of the centres; and the overall accessibility to the range of business and community facilities in the city; and the pedestrian amenity in the vicinity of the proposed retail activity.
	Rule 15.6.1.4 Limited Discretionary Activities	The activity listed has a gross floor area greater than 2500m ² , either by itself or in combination with any other activities listed in Table 15.1 (including any activity otherwise listed as a Permitted activity within Table 15.1) located in a Business 6, 7 (excluding 7G), 8, 9 or 10 zone within a 500m distance of the boundaries of the site of the activity, in which case it is a Discretionary activity.
	<i>Plan Change 30</i>	<i>The proposed changes to the District Plan seek to improve the built quality and urban design of North Shore City's town centre areas.</i>
Hamilton City Plan (Proposed)	Objective 6.5.1 – Activities in Industrial Areas	To accommodate a wide range of industrial development and associated activities together with appropriate non-industrial activities in an environmentally sustainable manner.
	Policy (d)	Ensure that non-industrial activities are of a scale, character and intensity, which is consistent with an industrial environment.
	Rule 4.5.1 (a) – Permitted Activities	Retail activities are permitted activities subject to Rule 4.5.3 (b).
	Rule 4.5.3 (b) Specific Standards Retail Activities	<p>For any retail activity, the gross leasable floor area on any site which may be utilized for retail purposes including any ancillary retail activity shall either not be greater than 150 m² or not be less than 1000 m².</p> <p>i) For any retail activity other than an ancillary retail activity, not more than one retail activity shall be permitted on a site and the minimum net site area shall be 1000 m² with a minimum frontage of 15m, or 30m where frontage is to a Major Arterial Road.</p> <p>ii) Rule 4.5.3 b) i) shall not apply to:</p> <ul style="list-style-type: none"> Any Drive-Through Service Any Retail Activity where goods and services are offered or exposed to the public in the open and the total yard area used for such purposes (including any area under a canopy or similar structure and any outside area used for outside storage of goods) exceeds 400m².
Rotorua District Plan	Objective 2.1.2	Industrial activities which do not adversely effect the amenity values and environmental quality of more sensitive areas in a significant manner
	Policy 2.1.3.4	To restrict retail and office activities in Industrial Zones, so that these Zones, which are limited in their extent, can accommodate those industrial activities that have (potentially) adverse effects on the wider environment.

	Rule 9.1 (7)	7. Retail shops (other than those listed in 8, 9, 10, 11 and 12) are non-complying activities.
	Rule 9.1 (8)	Ancillary retail activities are controlled activities.
	Rule 9.1 (9)	Dairies are controlled activity.
	Rule 9.1 (10)	The sale and hire of motor vehicles, boats, caravans, motor homes and accessories; motor vehicle spare parts; industrial machinery; firewood and solid fuels; building materials; farm supplies, farm machinery and equipment; demolition goods; carpets and floor coverings; safety equipment; and garden centres; not located on sites adjacent to or abutting a State Highway or a major arterial route as identified in Appendix M or a Residential Zone are permitted in Industrial A and B Zones and non-complying activities in the Industrial C Zone.
	Rule 9.1 (11)	The sale and hire of motor vehicles, boats, caravans, motor homes and accessories; motor vehicle spare parts; industrial machinery; firewood and solid fuels; building materials; farm supplies, farm machinery and equipment; demolition goods; carpets and floor coverings; safety equipment; and garden centres; located on sites adjacent to or abutting a State Highway or a major arterial route as identified in Appendix M or a Residential Zone are discretionary activities in Industrial A and B Zones and non-complying activities in the Industrial C Zone.
	Rule 9.1 (12)	Tourist shops on sites adjacent to or abutting Fairy Springs Road.
Dunedin City Plan	Objective 10.2.3	Ensure non-industrial activities in industrial areas do not limit the operation of industrial activities.
	Policy 10.2.3	Exclude activities not part of or associated with industrial activities from the Industrial 1 zone.
	Rule 10.7.1(i) Permitted Activities	Industrial activities with gross floor area of up to and including 1500m ² .
	Rule 10.7.4 (ii) – Discretionary Activities	<p>(ii) Retail Activity in conjunction with an industrial activity provided that</p> <ul style="list-style-type: none"> a) The retail activity is complementary to and an integral part of the industrial activity; and b) The maximum area of gross floor space for retail activities shall not exceed 10% of the total floor space of the premises.

GLOSSARY OF TERMS

Amenity The Concise Oxford Dictionary defines amenity as 'pleasantness' of place or person. The Resource Management Act (1991) states that 'amenity values' means those natural or physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes.

Catchment: The term '*catchment*' refers to the suburbs/areas where a centre is attracting the majority of its shoppers. Without statistically robust market research to confirm catchments, this has been based on anecdotal evidence, centre size and the type and quality of retail stores in each centre.

FTE: Full-time equivalent worker (the sum of all full-time and part-time workers). Note, two part-time workers equals one full-time equivalent worker.

Functional amenity In the context of shopping (and from a customer perspective), functional amenity is a phrase which applies to the ease and pleasantness of the shopping experience. Thus, functional amenity is gained through a shopping centre providing access to a range of goods and services in a convenient and efficient manner. Convenience of access for multiple modes of transport enhances functional amenity. Shopping centres are collections of retail outlets which make it easier (more pleasant) to compare and choose between similar goods or services on offer; and thereby reduces the travel time required to access a range of goods and services. The adjective 'functional' in the term 'functional amenity' implies that the amenity value of particular interest is related to the primary purpose - in this case, shopping. The phrase functional amenity therefore describes the convenience, efficiency and overall pleasantness of the shopping experience, with a particular focus on consumption-related activities. (Taylor Baines, Christchurch City Council Variation 86 Evidence 2004).

Retail: Throughout this report '*retail*' goods include retail store types as defined by Statistics New Zealand's ANZSIC (Australia New Zealand Standard Industrial Classification) codes and descriptions, including Food & Beverage, Fashion, Furniture & Floor Coverings, Appliance, Hardware, Department Stores, Café, Restaurants & Takeaways, Accommodation, Personal Items and Recreational retailing. For the purposes of this report automotive vehicle sales and services, marine equipment retailing and accommodation have been excluded in the retail sales figures. This is because these activities are generally not considered to be core town or district centre retail activity.

Retail floorspace: For the purposes of this report '*retail floorspace*' refers to the gross leaseable floor area (GLFA) of a retail store or centre.