

I opt for the status quo at 55-85 Curtis Street.

The present Residential & Open Space zoning were emphasised to the purchaser when the Council sold the land.

There is now a covenant preventing supermarkets and this should remain. I do not think that the public would have been asked to comment on rules about supermarkets if there had been a report telling the Mayor and Councillors about the covenant, The item in today's Dominion Post is relevant to this.. See below.

The ecological and other values of the land would be ruined if commercial or industrial zoning was permitted.

I would like to be heard in support of this submission if a suitable time can be arranged.

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Food giant plays game of Monopoly

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CHRIS SKELTON

GOING UP: The new Countdown being built in Petone is scheduled to open in the middle of the year.

Supermarket giant Foodstuffs has spent more than \$26 million buying Wellington properties in the past four years in an apparent effort to frustrate or cramp the development of rival stores.

The purchases include industrial properties next to the soon-to-open Countdown in Petone, the vacant and derelict Tip Top bread factory beside the new Countdown in Newtown, and the Exclusive Brethren Church property beside the Crofton Downs Countdown, currently being upgraded.

The biggest spendup was in Petone three years ago when, in just four months, Foodstuffs paid \$11.4m for seven industrial properties bordering the site earmarked for the Countdown store.

The total purchase price for the Gear St and Hutt Rd properties was far higher than the \$7.7m 2010 combined rating value of the properties, and the price paid for the old Petone West School site where the store is being built.

The Petone Countdown, opposite Foodstuffs' Pak 'n Save, is scheduled to open mid-year.

Now the rival Countdown is all but complete, Foodstuffs has listed the industrial sites for sale again with real estate firm Bayleys.

Foodstuffs made a similar big land move in 2009 when it paid \$8.25m for the old Tip Top bread factory site in Adelaide Rd, Newtown, next to where Progressive later built its new Countdown.

With its rival locking up the neighbouring site, Countdown had to put parking beneath rather than beside its supermarket.

Meanwhile, Foodstuffs has done nothing with the vacant Tip Top factory which has been repeatedly hit by taggers. A demolition permit has been obtained but the company has yet to decide what it will do with the site.

The redevelopment of Progressive's Crofton Downs Countdown in Churchill Dr may have also been cramped by Foodstuffs' purchase of the neighbouring Exclusive Brethren Church property.

The church deal was done on a deferred settlement, so it has not been reported on the property records, but it is understood Foodstuffs paid \$5.5m. The company has yet to disclose what it plans to do with the church site.

Foodstuffs property and retail development manager, Marty Price, said the land purchases were strategic and not done to block or frustrate Countdown. It was no coincidence that they were bought around the same locations because both chains used similar demographic modelling information.

The Petone properties were a strategic purchase and the firm looked at options for development, but they were being sold now as they were no longer needed.

Progressive Enterprises managing director Dave Chambers described Foodstuffs' tactics as "an interesting way of operating".

He said Foodstuffs' approach was revealed when it paid "more than fair value" for the former Woolworths property in Tawa just 16 months before the supermarket's lease expired. Foodstuffs has since redeveloped the property and turned it into a New World.

Progressive's response was to build its own new Tawa Countdown, which opened last month.

As for Petone, he said Progressive would have liked to have added a site on the corner of Gear and Jackson streets to improve the shop's visibility, but they were satisfied with what they had there. Progressive also wanted the Tip Top site for parking, but was not prepared to pay what Foodstuffs paid.

COMPARATIVE FIGURES

Money spent on property by New Zealand's two giant supermarket chains is dwarfed by their turnover and profit figures. Australian-owned Progressive Enterprises, the Woolworths subsidiary which operates the Countdown chain, reported revenue on its New Zealand operations of \$5.6 billion and a profit of \$129 million last year. The Foodstuffs group, which has 490 Pak 'n Save, New World and Four Square stores, last year reported profits of \$69m. Of that, \$20.4m was made by Foodstuffs Wellington.