

**BEFORE INDEPENDENT HEARING COMMISSIONERS AT
WELLINGTON**

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER the hearing of submissions on the
Proposed Wellington City District Plan

STATEMENT OF EVIDENCE OF CRAIG ALAN STEWART

STRATUM MANAGEMENT LIMITED (SUBMITTER 249)

HEARING STREAM 9 – INFRASTRUCTURE

10 JUNE 2024

1. INTRODUCTION

1.1 My name is Craig Alan Stewart. I am the Director of Stratum Management Limited.

Stratum Management Ltd

1.2 Stratum Management Limited ("**Stratum**") and associated development companies have been in the property development business for over 30 years. During this time, we have completed approximately 2,500 units across 20 inner-city high-rise buildings and many multi-unit terraced housing projects ranging from 4-95 units per site.

1.3 We have recently completed an 11-storey apartment building in Willis Street; a 10-storey building in Thorndon Quay; 85 unit townhouse development in

William Earp Place, Tawa and 9 up-market houses in Thompson Street, Mount Cook.

- 1.4 In addition to the above, and once market conditions improve, we have a pipeline of development sites that we own of approximately \$400M. I will discuss one of these upcoming sites (and a proposed building for the site) further in this evidence.
- 1.5 I was a member of the Technical Advisory Panel for the development of the National Policy Statement on Urban Development (“**NPS-UD**”) and I believe that my input from a development perspective made a difference to its formulation.
- 1.6 I have a good understanding of the district planning and resource consent process. Perhaps unsurprisingly from a development perspective, a key aspect of interest for me in the development of the Proposed District Plan (“**PDP**”) relates to certainty and the impacts of PDP provisions on development costs and the viability of development proposals.

Involvement in the Proposed District Plan

- 1.7 During the development of the PDP, I have consulted several times with the Council on various aspects of the PDP and it was pleasing to see a number of the points that I have raised during this time being adopted into the notified plan.

2. SCOPE OF EVIDENCE

- 2.1 Stratum’s submission in respect of this infrastructure topic area relates to the Transport chapter of the PDP. Specifically it addressed bicycle parking as set out in the evidence of Mr Lewandowski.
- 2.2 Stratum’s primary interest in the bicycle parking provisions relates to their application in the city centre zone.
- 2.3 I address these aspects of the Stratum submission as they relate to the practical implications for apartment buildings. The evidence of Mr Clark and Mr Lewandowski will further address these matters.

3. TRANSPORT CHAPTER

TR-S2 – Micromobility device parking

- 3.1 Standard TR-S2 requires that cycle and micromobility parking must be provided in accordance with the requirements of Table TR-7.
- 3.2 Table TR-7 specifies that residential development, irrespective of zoning and the typology of that development, must provide one bicycle parking space per residential unit. Such a space cannot be located within the residential unit itself.
- 3.3 The chapter then provides details of size requirements for bike parking as further discussed by Mr Clark.

4. STRATUM'S APPROACH TO BIKE PARKING AND STORAGE

- 4.1 I am not opposed to bike parking standards generally. Stratum developments have increasingly accommodated bike parking, without the compulsion of a standard, in recent multi-unit developments. Stratum has provided bike sheds in its recent Tawa multi-unit development, and dedicated bike parking in recent smaller scale multi-unit developments. Some of Stratum's earlier apartment buildings provided for some bicycle parking in conjunction with car parking areas.
- 4.2 More recently, Stratum has applied for resource consent for a new apartment building in Tory Street.
- 4.3 That proposal provides an area of some 32.3m² for dedicated bicycle parking. The space has been designed to accommodate up to 26 'standard' bikes and 8 larger e-bikes, for a total of up to 34 spaces in a shared space. This area is shown in Figure 1 below.

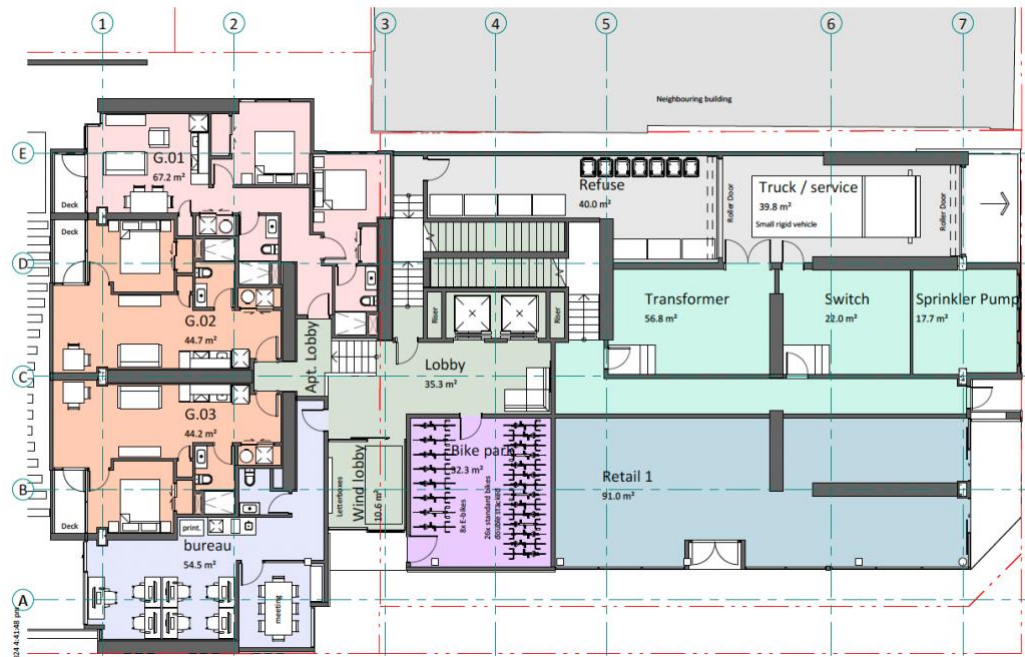


Figure 1. Ground floor plan of a proposed apartment building showing a proposed bike parking area.

- 4.4 At an area of 32.3m², this area has a value to Stratum of some \$422,400.
- 4.5 The proposed apartment building that this bicycle parking area is proposed for has 135 apartments overall. Therefore, based on the Council's proposed standard of 1 space per unit, space for a further 101 cycles would need to be provided for this building to meet the standard.
- 4.6 Based on the ratio of bike spaces to area proposed in the Stratum proposal above, an area four times larger would be required to meet this standard, or some 129m². This would have a value to Stratum of some \$1.7M.
- 4.7 Mr Clark has applied the area requirements proposed in the Council's section 42A report to this real life example. By his calculation, the area required to accommodate the requirement is in the order of 580m² that has a value of \$7.8M.
- 4.8 These costs are significant and they impact directly on the viability of an apartment building. Even where a smaller area is provided such as in the example provided, these costs must be passed on in some form. The most likely impact is on the sale price of an apartment. This impacts directly on housing affordability.
- 4.9 The impacts of the bicycle parking requirements are different in a city centre context than in residential zones where outdoor space provides different opportunities to accommodate bicycle parking space. It is the unique

circumstances of city centre zone development that are not compatible with the approach being proposed.

5. SUGGESTED APPROACH

- 5.1 Stratum's concern relates solely to apartment development in the city centre zone. My preference remains to remove the standard for long stay bicycle parking requirements in the city centre zone.
- 5.2 If the Panel were to consider that some form of bicycle parking should be required through a standard, then I would prefer a lesser ratio than one space per residential unit. The evidence of Msrs Clark and Lewandowski considers this further. Mr Clark suggests that a ratio of 1 space per 4 residential unit is appropriate.
- 5.3 His view is, in part, based on a survey Stratum undertook of four Stratum developed apartment buildings where bike parking is available and he details these findings.
- 5.4 In my view, and from my extensive experience developing these buildings, the level of demand that the proposed standard provides for does not exist. As I have addressed, the provision of this space comes at significant cost. In my view this will be a sunk cost providing for valuable space that will not be utilised for its intended purpose. The costs imposed by this standard, for the city centre zone, therefore outweigh the intended benefits.
- 5.5 There is a distinction between providing for bicycle parking in suburban areas, or even outer centres which are points of origin, and the city centre which is primarily a destination. Some apartments owners will undoubtedly own a bike. But ownership will not be universal, nor is it likely that bicycle owners would be a majority. Living in the CBD brings with it a range of benefits, including its walkability. This further limits the demand for bicycle parking.
- 5.6 Therefore if the Panel considers that a standard should remain, then I would urge careful consideration of an appropriate ratio and not risk unforeseen impacts of this standard on the development of apartments buildings which are an important development type to meet Wellington's housing challenges.

6. CONCLUSION

- 6.1 The proposed bicycle parking standards as proposed to apply to the city centre zone will have a significant impact on the viability of residential apartment buildings. At worst, they risk making such buildings unviable.
- 6.2 Stratum has, proactively, incorporated bicycle parking into a range of developments. It has done so with reference to anticipated demand, market dynamics, and without the compulsion of a standard.
- 6.3 I maintain the view expressed in the Stratum submission that bike parking standards not apply to the city centre zone. In the alternative, and as a minimum, a reduction in the rate at which bicycle parking is to be provided is essential and the evidence of Mr Clark for Stratum addresses and supports this point.

Craig Stewart

27 May 2024