

**BEFORE INDEPENDENT HEARING COMMISSIONERS  
AT WELLINGTON**

**I TE MAHERE Ā-ROHE I TŪTOHUA MŌ TE  
TĀONE O TE WHANGANUI-A-TARA**

**IN THE MATTER** of the Resource Management Act 1991  
**AND**

**IN THE MATTER** of the hearing of submissions on Te Mahere ā-  
Rohei Tūtohua the Wellington City Proposed  
District Plan

**HEARING TOPIC:** Stream 2 – Residential

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**STATEMENT OF PRIMARY EVIDENCE OF MICHAEL JOHN CULLEN ON  
BEHALF OF KĀINGA ORA – HOMES AND COMMUNITIES  
(URBAN ECONOMICS)**

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## 1. EXECUTIVE SUMMARY

- 1.1 I have prepared evidence from an economic perspective on confined points of contention between Kāinga Ora – Homes and Communities (**Kāinga Ora**) and the recommendations of the reporting officer as set out in the Section 42A Report for Hearing Stream 2, Residential matters and the Section 42A Overview Report on the Wellington City Proposed District Plan (**PDP**).
- 1.2 This evidence is to be read in conjunction with the planning evidence provided by Mr Matt Heale and Ms Victoria Woodbridge and the urban design evidence provided by Mr Nick Rae in support of the submissions for Kāinga Ora.
- 1.3 The key points of my evidence are:
- (a) I support the Kāinga Ora submissions seeking to provide greater residential development opportunities close to areas with the highest levels of amenity, services and infrastructure (including rapid transit) to provide improved choice for prospective residents.
  - (b) I am concerned at the closeness of the dwelling demand and supply numbers.
  - (c) I believe that the narrow focus on supply matching and (in this case) slightly exceeding demand, ignores Objective 2 of the NPS-UD.
- 1.4 The National Policy Statement on Urban Development 2020 (**NPS-UD**) directs Councils to remove restrictions on density to “*move up and out*” enabling greater height and density, particularly in areas of “*high demand and access*.” In planning for growth and development, density is regarded as a good thing if applied in these areas, with the further point that **all else being equal, more density is better (economically) than less density**.
- 1.5 A centre's hierarchy alone should not be the sole basis and scale for residential density. Taking a **more liberal than restrictive view of catchments and density**, I consider additional

community infrastructure such as schools, parks and libraries form part of the influence package. Catchments are often malleable, subject to a range of influences and often imprecise in their definition.

- (a) The section 42a report does not explicitly recognise that added **density will improve centres' performance**. This one-way approach misses the reverse objective of the use of density to improve centre performance. At the risk of over-simplifying, catchments make centres.
- (b) Centres are sustainability reference points and growth should allow for appropriate increases in levels of service and amenities. From a sustainability viewpoint they are more important than rail stations. **The most efficient strategy concerning movement is having the ability to do and obtain almost everything close to home - creating a walkable catchment that enhances centre economic performance and expands the level of services, so that people do not need to leave**. The second prize is if they do leave then they catch public transport. Hence the importance of centres in the catchment size and intensification story.
- (c) In addition, parallel to increased enablement is the dynamics of buildings and land use that influence walking and the size of walkable catchments.<sup>1</sup> Kāinga Ora proposes a 200m<sup>2</sup> maximum commercial occupation capability on the ground floor of apartment buildings. This requires an urban interface and will increase the distance people choose to walk (reducing perceived distances to centres and public transport). This added urban interface capability recognises Objective 1 in the NPS-UD concerning *“social, economic, and cultural wellbeing, and for their health and safety.”*

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<sup>1</sup> Duncan, Mitch & Winkler, Elisabeth & Sugiyama, Takemi & Cerin, Ester & Du Toit, Lorinne & Leslie, Eva & Owen, Neville. (2010). Relationships of Land Use Mix with Walking for Transport: Do Land Uses and Geographical Scale Matter?. Journal of urban health bulletin of the New York Academy of Medicine. 87. 782-95. 10.1007/s11524-010-9488-7.

- 1.6 In my opinion, the performance of Tawa, Miramar, and Newtown supports the case to elevate the classification of these centres to Town Centres and in so doing, increase the residential catchment capacity under Council's hierarchical approach.
- 1.7 To align with the NPS-UD, Council uses centre hierarchies to determine and influence levels of density. Consequently, when centres exhibit certain characteristics, recognising the status of centres allows for increases in dwelling yield (which, I submit, is a good thing).

## **2. INTRODUCTION**

- 2.1 My name is Michael John Cullen. I am the Principal of Urbacity, based in Sydney, New South Wales, Australia. I have held this role since 1998. Prior to this, I was Sydney Manager for Thomas Consultants (market analysts based in Vancouver, Canada) and prior to that in the late 1980's – early 1990's was General Manager of a firm of economists and statisticians (Ibecon) for 7 years also based in Sydney.
- 2.2 I am an urban planner and urban economist with 35 years' experience.
- 2.3 My experience has been set out in the evidence filed on Hearing Topic Stream 1 – Strategic Direction for this PDP.
- 2.4 In preparing this evidence, I have reviewed the following documents:
- (a) NPS-UD;
  - (b) The PDP – Strategic Objectives, Residential, and Commercial Chapters;
  - (c) The Kāinga Ora submissions in relation to the PDP;
  - (d) Section 32 reports and supporting evidence, including but not limited to:
    - (i) Our City Tomorrow: Spatial Plan for Wellington;<sup>2</sup>

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<sup>2</sup> <https://experience.arcgis.com/experience/4da3420b9d7c4cc2a00f548ef5e881a1/page/Home/>. I note that the Spatial Plan predates the density requirements of the NPS UD.

- (ii) “Retail & Market Assessment for Wellington City Council”;
- (iii) Colliers International & Sense Partners November 2020;<sup>3</sup>
- (iv) “Wellington Regional Housing and Business Development Capacity Assessment” (HBA) May 2022;<sup>4</sup>
- (e) “Wellington City Commercially Feasible Residential Capacity Assessment, Property Economics Jun 2022;<sup>5</sup>
- (f) “Planning for Growth District Plan Review Issues and Options – Centres” WCC 2019 Report;<sup>6</sup>
- (g) Section 42A report for Hearing Stream 2 – Part 3, Residential Zones – Part 2: High Density Residential Zone; and
- (a) Statement of Evidence of Philip Osborne on behalf of Wellington City (for Hearing Stream 1).

## 2. CODE OF CONDUCT

2.1 Although this is a Council hearing, I have read the Environment Court's Code of Conduct for Expert Witnesses and agree to comply with it. My qualifications as an expert are set out above. I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

<sup>3</sup> <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/reports/supplementary-documents/retail-and-market-assessment-november->

<sup>4</sup> <https://wrlc.org.nz/wp-content/uploads/2022/05/Housing-and-Business-Capacity-Assessment-Complete-Documents-with-Appendices.pdf>.

<sup>5</sup> <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/reports/supplementary-documents/wellington-city-commercially-feasible-residential-capacity-assessment.pdf?la=en&hash=F92B91D81D51FB60919D730EF765475A093F5469>

<sup>6</sup> Wellington City Council; “Planning for Growth District Plan Review Issues and Options – Centres” 2019 Report

### **3. SCOPE OF EVIDENCE**

3.1 My evidence will address the following matters:

- (a) Policy 2 of the NPS-UD, what is “at least sufficient development capacity to meet expected demand for housing”; and whether it should stand alone from other Policies and Objectives, particularly Objective 2;
- (b) Centre Classification and Scale aligned with residential capacity and sustainability;
- (c) Centre performance triggers;
- (d) Defining Walkable Catchments;
- (e) Affordable housing and the supply effect; and
- (f) Comments on the Section 32 and Section 42A reports.

### **4. DEMAND AND SUFFICIENCY**

4.1 The Implementation Method (Part 3 Implementation 3.2(2) of the NPS-UD)<sup>7</sup> requires an assessment of Plan-enabled yield, infrastructure-ready, feasible and reasonably expected to be realised dwellings. On completing this analysis, the method requires Tier 1 and 2 local authorities to add an appropriate (not defined) “competitiveness margin.”

4.2 There are two inter-woven elements in determining whether the provision of housing enabled by the PDP (as defined under the above method in the NPS-UD) is sufficient to meet demand:

- (a) The first is whether the result of this method, which requires a margin (20% above the dwelling demand assessment) and a “realisable” filter, is robust enough (without a substantial additional margin) to ensure that the market will deliver the requisite dwelling numbers to meet the forecast to 2051.
- (b) For Wellington City, it is Mr Osborne's opinion, as expressed in the reporting officer's report<sup>8</sup> that the PDP will

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<sup>7</sup> New Zealand Government, National Policy Statement on Urban Development May 2020

<sup>8</sup> Section 42A Report: Part 3 – Residential Zones; Part 2: High Density Residential Zone Point 19, Page 4

provide approximately 50,000 dwellings (under the required method) to cater to the demand requirement of 35,928 new dwellings.

- 4.3 I consider the Council's approach to assessing growth and implementing a complex process of determining feasible development for the next 30 or so years to be, overall, appropriate.
- 4.4 My evidence focuses not on the integrity of the assessment undertaken but on three key questions:
- (a) Have we accounted for undersupply or do we need to add it to the growth projection?
  - (b) Is the final realisable dwelling figure sufficient in its robustness and capacity to deal with market and cost variations over 30 years (are we confident that the PDP has enabled enough capacity)?
  - (c) Does the PDP appropriately address Objective 2 in the NPS-UDS?
- 4.5 Further, the HBA assessed the housing required for growth and does not appear to consider the current housing shortfall in the target. The HBA suggests a 25,000 current dwelling shortfall across the region, of which the majority - 10,222 is the shortfall in Wellington City.<sup>9</sup>
- 4.6 Therefore, with or without the shortfall, we need to determine whether the desktop demand and supply figures give us enough of a margin for us to be confident that supply will meet demand.
- 4.7 In comparing demand to realisable yields, I consider Wellington City must develop 72% of all realisable sites over the next 30 years to meet projected housing demand.
- 4.8 Adding the shortfall takes the dwelling requirement to a target figure of around 46,800 dwellings, rather than 36,600. This would require 93% development of all realisable sites.

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<sup>9</sup> Page 6, Table 1.2, <https://wrlc.org.nz/wp-content/uploads/2022/05/Housing-and-Business-Capacity-Assessment-Complete-Documents-with-Appendices.pdf>.

- 4.9 I consider both 72% and 93% realisable capacity to be high-risk figures in terms of the ability to meet demand.
- 4.10 The demand and provision figures seem to vary somewhat. The 2022 Housing and Business Capacity Assessment (**HBA**)<sup>10</sup> puts the demand target at 36,600 dwellings compared to Mr Osborne's 35,928. The two figures are close and, given the uncertainties within the estimating processes around growth assessments, close enough not to be an issue.
- 4.11 The dwelling provision figure is 62,979<sup>11</sup> in Mr Osborne's evidence but the Section 42A Report indicates that the number is 50,000 – the figure in the HBA update. I am unsure which figure to address, as the difference between the two is meaningful.
- 4.12 Unfortunately, because we are dealing with predictions and forecasting, we will not know whether this provision is sufficient and will likely not know for a few years after the PDP becomes operative.
- 4.13 However, I consider that an approach that considers meeting growth with a small margin for error and market shifts leaves us with two unresolved issues.
- (a) The first goes directly to the Kāinga Ora submissions for greater yields.
  - (b) The second is the supply effect on affordability (not discussed in the HBA assessments).
- 4.14 I understand the politics of a softer approach to exceeding growth targets, with most Councils using the base requirements of the NPS-UD to satisfy the targets without any reference to affordability (Objective 2 of the NPS-UD). Unfortunately, matching or slightly exceeding the dwelling growth target will not deliver an affordability benefit, as the Council's approach matches supply and demand and has no downward effect on price.

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<sup>10</sup> Pages 5 & 6, Tables 1.1 and 1.2, <https://wrlc.org.nz/wp-content/uploads/2022/05/Housing-and-Business-Capacity-Assessment-Complete-Document-with-Appendices.pdf>.

<sup>11</sup> Statement of Evidence of Philip Osborne Table 1 Page 6.



4.15 Given that realisable and required capacity numbers are similar in Wellington, I consider it reasonable to add capacity where it is most worthwhile to give effect to Objective 3 of the NPS-UD. One approach would be to add a higher density and catchment trigger for Town Centres, and three Wellington centres are the subject of Kainga Ora submissions on this topic.

4.16 In summary, I consider:

- (a) That our dwelling requirement may be underprovided due to the exclusion of undersupply;
- (b) That the dwelling provision is too low and at risk of not meeting demand; and
- (c) That the assessment fails to consider Objective 2 of the NPS-UD.

## **5. CENTRE CLASSIFICATION AND SCALE**

5.1 I support the Kāinga Ora submissions seeking to provide greater residential development opportunities close to areas with the highest levels of amenity, services and infrastructure (rapid transit) to provide greater choice for developers and prospective residents.

5.2 Greater capacity offers the market an increased volume of “realisable” residential development in and around the centres (and transport networks) and ultimately gives effect to Objective 3 of the NPS-UD.

5.3 For this reason, I support the submissions of Kāinga Ora which sought to increased catchments and enabling greater density and development flexibility in and around centres. This will offer significant economic and social benefits of intensification above those adopted by the Council.

5.4 Of particular reference, I also note the City Centre zone's regional influence and widespread commercial geography. The City has evolved as a series of places or precincts, which, whilst not exclusive, have a particular activity focus.

- 5.5 In considering catchments and development responses, I consider that the City Centre has no apparent single centre point from which it is appropriate to measure walkable catchments. On this basis, I consider it appropriate to measure catchments from loosely defined City edges (usually the CCZ boundary).
- 5.6 Kāinga Ora has sought additional density around centres and rapid transit stations. As addressed in Hearing Stream 1, Kāinga Ora has also sought for a Town Centre Zone to be included in the Centre's hierarchy. Hearing Stream 3 will address the extent of the Centre's boundaries, while this Hearing Stream seeks to amend the supporting residential catchments. I consider these amendments, when viewed as a package will provide greater realisable capacity and increase the conversion rate of realisable dwelling sites.

## **6. CENTRE PERFORMANCE TRIGGERS**

- 6.1 As stated in my evidence in Hearing Stream 1 – Strategic Directions on the PDP, residential growth will improve the performance of all centres. Using centre performance as a basis for testing the level to which growth is influential should be a factor in determining density, not just a current hierarchy.
- 6.2 Struggling centres will benefit most from more density, and an existing hierarchical order should not limit their potential to return to viability or to a marked improvement in performance. In improving centre performance, we may wish for more density than a centre's current status provides.
- 6.3 I make this point again to illustrate that expanded, denser catchments allow centres to deliver more for the people in their catchments.
- 6.4 With this approach, overall centre catchment areas geographically remain the same, but the catchment yields (populations) increase. There is no effect on other centres as (all else being equal) their catchment population also increases.

## 7. COMMERCIAL ACTIVITY – APARTMENT GROUND FLOORS

- 7.1 Kāinga Ora has sought a low activity status (Restricted Discretionary) to apply for up to 200m<sup>2</sup> of ground-floor commercial activity within apartment buildings in the HRZ.
- 7.2 Applying required density provisions to enable more residential intensification will materially change the character of places across the City and (ideally) needs a functional variation to a marching continuum of ground floor residential.
- 7.3 Adding HRZ capacity will benefit the performance of existing centres, but a land use diversity variation within it provides a functional activation benefit to extend walkable catchments.<sup>12</sup>
- 7.4 Apartment ground floor adaptability (without jumping through approval hoops that dampen developer enthusiasm to provide these amenities) to enable Live/Work, Cafés, Dairies, Personal Services etc., is entirely appropriate for the following reasons:
- 7.5 The HBA estimates<sup>13</sup> a growth figure of 70,700 (additional) people by 2051. Whilst the number varies across New Zealand, most local authority areas' retail provision per capita is above 2m<sup>2</sup>. To determine the effect of incremental additions to the ground floors of apartment buildings, we can check the effect of this growth on generated retail spend and increase in floorspace demand.
- 7.6 We will use 2.2m<sup>2</sup> to check demand levels as a retail rule of thumb, but some places are as high as 3. If we multiply 2.2 by the estimated 70,700 additional people, we get a demand requirement for additional retail floorspace (across the District) of 155,500m<sup>2</sup>. Yet, the PDP offers no new centres, or expansions within existing centre zones.
- 7.7 Considering the annual average retail spend per capita (from the Statistics NZ Household Expenditure Survey),<sup>14</sup> the population will add almost \$1 billion of additional retail expenditure growth to

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<sup>12</sup> I note that Council prefers time as a walkable catchment measure than distance. However, the research shows that adding ground floor mixed use within neighbourhoods reduces the perceived distance that people walk. In other words, they walk further and for longer.

<sup>13</sup> Page 15, Table 1.5 <https://wrlc.org.nz/wp-content/uploads/2022/05/Housing-and-Business-Capacity-Assessment-Complete-Document-with-Appendices.pdf>.

<sup>14</sup> [https://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7552&\\_ga=2.182604768.713554812.1678839528-298322673.1668983336](https://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7552&_ga=2.182604768.713554812.1678839528-298322673.1668983336)

existing centres as a catchment windfall. They do not need to do anything to benefit.

- 7.8 The commercial/retail offer outside major centres will always be on ground floors. 200m<sup>2</sup> is a small enough figure to be an incidental activity and not threaten the viability of commercial centres, which (as stated above) will be significant beneficiaries of the increased density and associated catchment spend.
- 7.9 The occasional appearance of commercial activity within an apartment environment will improve the desire to walk to centres and rail stations. Research by California Air Resources Board<sup>15</sup> found that retail activity on walking journeys to transit or a regional shopping centre significantly increased the numbers of people walking and the distance they were prepared to walk to public transport.
- 7.10 Other studies also identify mixed-use, density and design as meaningful inspirers of walking (usually referred to as “Density, Design and Diversity”).<sup>16</sup> Street activity facilitated by active ground floor uses will improve walkable safety, with more eyes on and pedestrian activity in the streets.
- 7.11 Regarding design, commercial activity on the ground floor requires pedestrians to enter the building, which requires a relationship with the street (a building’s ground floor to be pedestrian-friendly).
- 7.12 I am unsure of PDP design provisions or controls for the ground floor of apartment buildings. My experience elsewhere is that they can be high-fenced, with entrances set back from the street, and comprise a single door and window with the curtains pulled and miserly in their proportions and height dimensions. A linear continuum of these features can make the street cold and unwelcoming.
- 7.13 A walkable city requires the journeys to be visually interesting, ideally with continuous pedestrian movement and activity at the

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<sup>15</sup> ARB, Analysis of Indirect Source Trip Activity – Regional Shopping Centres – Nov 1993.

<sup>16</sup> Duncan, Mitch & Winkler, Elisabeth & Sugiyama, Takemi & Cerin, Ester & Du Toit, Lorinne & Leslie, Eva & Owen, Neville. (2010). Relationships of Land Use Mix with Walking for Transport: Do Land Uses and Geographical Scale Matter?. Journal of urban health bulletin of the New York Academy of Medicine. 87. 782-95. 10.1007/s11524-010-9488-7.

edges of buildings. In other words, the journey is as important as the destination in improving walkability.

- 7.14 Increasing and facilitating walking journeys is a factor in improved public health.<sup>17</sup> For improved public health (Objective 1 of the NPS-UD), we should find reasons to extend, not limit, walkable catchments.
- 7.15 I consider that the proposed 200m<sup>2</sup> provision is conservative in its size limit (I would offer more).
- 7.16 The floor-to-ceiling heights for adaptable ground floors will or should be higher to deal with this land use element, adding variation to the streetscape and a sense of generosity on the ground floor.
- 7.17 I envisage opportunities scattered in their locations and an eclectic mix in their tenancies. For example, having observed similar typologies in Australia, I found all sorts of tenancies; small-scale professional offices, real estate agents, dentists, wellness and health, coffee shops/cafes, hairdressers, printing, art studios, beauty etc. One might observe this characteristic within older European cities, developed well before zoning sought to limit enterprise to a single place.
- 7.18 Regrettably, centre hierarchies evolved in the '60s and '70s to manage the effects of non-urban centres (shopping centres). If all centres are street-focused, then such hierarchies are unnecessary. I say this only to demonstrate that at 200m<sup>2</sup>, for a successful business, it must address the street.
- 7.19 The proposition of these scattered amenities that improve walkability and increase commercial capacity by expanding the range of business settings at different price points in out-of-centre locations is an important economic tool for Wellington.
- 7.20 Allowing for small, ground-floor commercial activities in the HRZ will be a meaningful addition to high-density housing areas. In some cases making a small component of the ground floor

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<sup>17</sup> Lee IM, Buchner DM. The importance of walking to public health. *Med Sci Sports Exerc.* 2008 Jul;40(7 Suppl):S512-8. doi: 10.1249/MSS.0b013e31817c65d0. PMID: 18562968.

available to businesses that would prefer to be out of centre but not in a home office.

## **8. THE SUPPLY EFFECT ON AFFORDABILITY**

- 8.1 In addition to the evidence provided in Hearing Stream 1, in my opinion, as a starting principle, providing more than market demand results in downward price pressure.
- 8.2 The potential influence of competition for market share between housing developers within a market of abundant supply offers an affordability benefit to the District.
- 8.3 Typically, meeting demand has little effect on affordability or the desire of developers to deliver a product that exceeds market expectations. Objective 2 of the NPS-UD requires growth supported by plentiful housing (ahead of market demand) to improve housing affordability.
- 8.4 Enabling more housing in the market than an estimated base under current projections will likely result in the following benefits:
  - (a) Greater levels of competition within the market; therefore
  - (b) More diversity with developers competing for limited market share and consequently an increase in product quality; and
  - (c) A price drop and an increase in affordability due to more supply than demand.
- 8.5 As a guide for the Panel, we estimate that our GIS mapping of Kāinga Ora proposals for centres, stations and walkable catchments will add around 20% of additional dwelling capacity above Wellington City's PDP controls. This addition is insufficient to put downward pressure on prices, but it's a start.
- 8.6 There are benefits to the "more is better" path for density. I support the propositions by Kāinga Ora for more significant intensification as I do not consider the proposed uplift to be an extreme solution; rather, it is based on sound economic principles.

8.7 I consider that the Kāinga Ora submissions offer greater certainty over the alignment of growth and “realisable” dwellings. Whilst possibly not enough to achieve the desires of Objective 2 in the NPS UD, it does provide for greater certainty that Council will meet its growth targets.

## 9. COUNCIL’S SECTION 32 AND 42 REPORTS

### Section 32 Evaluation Report

*Objective 9.1.8 Urban Form and Development (UFD-01 to UFD-07), page 36*

- 9.1 The Section 32 Evaluation Report references the NPS-UD and states “*The objectives focus on increasing housing choice and affordability by enabling development across the housing spectrum.*”<sup>18</sup>
- 9.2 As covered in Section 5 above, the realisable provision is marginally higher than market demand and is insufficient (in its overall state) to lower housing prices and create a competitive market.
- 9.3 At the risk of oversimplifying, the realisable provision in the HBA deals with growth – not affordability. Nothing in the Section 32 report (UFD-01 to UFD-08)<sup>19</sup> has an affordability focus (Objective 2 NPS\_UD). Concerning dwelling supply, the focus within these objectives is “sufficient to meet demand.”
- 9.4 The Spatial Plan (recognising this is a strategic, not statutory, document) in its Context “Focus” section does not mention affordability as an objective or desired outcome. Instead, it recognises that not enough “houses to meet demand” will result in rising prices and rents. This is not the same as affordability (linked to dwellings actively competing for tenants and purchasers).

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<sup>18</sup> Section 32 Evaluation Report – Part 1 – Context to Evaluation and Strategic Objectives – Section 9 Page 4 and Pages 36-44

<sup>19</sup> IBID

## Section 42A Report

- 9.5 This report's "Assessment" section at point 18 Page 3-4 offers some flexibility with height, which encourages design improvements, but the follow-up statement deals with yield: *"Furthermore, I consider that the PDP provides more than sufficient residential capacity to meet demand which assists in illustrating that the PDP is in accordance with the objectives NPS-UD."*
- 9.6 The report refers to Mr Osborne's evidence<sup>20</sup> presented in Hearing Stream 1, where he outlined that Wellington City requires 35,928 new homes by 2051. Mr Osborne then outlined that the PDP provides for approximately 50,000 dwellings, which in the Section 42a report is considered *"more than sufficient to meet demand."*
- 9.7 I suggest that neither Mr Osborne nor the Section 42a report author knows whether the proposed supply is *"more than sufficient to meet demand."* It might appear so in the desktop analysis, but it will be some time before we know whether it is correct. Given the passage of time and the variables that the analysis has fixed, we know that it is unlikely to be correct.
- 9.8 The report's statement at 10.5, and Mr Osborne's statement in evidence refer to the obligations under Objective 3 of the NPS-UD and ignore Objective 2.
- 9.9 Policy 1 states *"well-functioning urban environments....., that as a minimum:*
- (a) *Have or enable a variety of homes that:*
- (i) *Meet the needs, in terms of type, price and location, of different households.*
- 9.10 Policy 2 states that *"local authorities, at all times, provide at least sufficient capacity to meet expected demand for housing..."*
- 9.11 I consider that even if Council believes that they comply with Policies 1 and 2, such compliance does not isolate them from their obligation under Objective 2.

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<sup>20</sup> Statement of evidence of Philip Mark Osborne on Behalf of Wellington City Council January 2023



- 9.12 In summary, I consider that the growth and realisable numbers are close and that some risk of achievement exists.
- 9.13 I also consider that because these numbers are close, Council is not meeting its obligation under Objective 2 of the NPS-UD.
- 9.14 I consider that the Kāinga Ora submissions on density go at least some way to resolving my concerns.

**Michael Cullen**

16 March 2023