

5 October 2020

Wellington City Council
Via email: planningforgrowth@wcc.govt.nz

SUBMISSION ON 'OUR CITY TOMORROW: DRAFT SPATIAL PLAN'

INTRODUCTION

1. Thank you for the opportunity to submit on the Wellington City Council's 2020 Draft spatial plan 'Out city tomorrow'. The Chamber has consistently worked hard to ensure the city's business community has a voice in city matters, and spatial plans are an essential part of this.
2. The Chamber would welcome the opportunity to discuss this submission with the Council.

ABOUT THE CHAMBER

3. The Wellington Chamber of Commerce ('the Chamber') has been the voice of business in the Wellington region for 164 years since 1856 and advocates for policies that reflect the interest of Wellington's business community, in both the city and region, and the development of the Wellington economy as a whole. The Chamber is accredited through the New Zealand Chamber of Commerce network and as part of our broader organisation is also one of the four regional organisations of BusinessNZ.
4. Through our three membership brands, the Wellington Chamber of Commerce, Business Central and ExportNZ, our organisation represents around 3,500 businesses across the central and lower North Island. Our organisation is one of the four regional organisations that make up the Business New Zealand family and is also accredited through the New Zealand Chambers of Commerce network.

SPATIAL PLAN

5. Overall, 'Our city tomorrow' is a welcome guide to Wellington's development over the next 30 years. It makes the kind of decisions the Chamber has been calling for to cater for growth and provide specific direction on where future investments will be required in things like transport infrastructure, water provision, and civic amenities to support new housing. The document successfully sets the entire city's development within a long-term framework that grapples with the issues of a growing population and bustling central business district.
6. The draft spatial plan has a welcomingly explicit focus on affordable housing. While housing affordability in New Zealand is the subject of numerous reports and studies, we can agree there is insufficient housing stock. Constrained supply has led to rising prices, leading to Wellington families either diverting too much of their income towards housing or not having the choice to buy the house they would like. Therefore, any spatial plan must allow for the building of

thousands of new homes to accommodate present and future citizens. 'Our city tomorrow' does this successfully in our view.

7. Housing supply is more than just a dwelling. It is about providing a warm, dry, secure home that is built to modern standards and is better for the environment. Also, as the plan seeks to encourage, it should look good within its surroundings for decades to come.
8. The Chamber has sounded the alarm on housing affordability previously. Addressing it requires urgency from all parties. Wellington is already behind on the number of houses it needs, let alone catering for growth into the future.
9. Therefore, the Chamber supports removing controls on pre-1930s housing redevelopments. The space within our central suburbs and along key transport corridors must allow as many people as possible the choice of living close to Wellington's fantastic amenities. Providing for more significant development does not mean abandoning Wellington's past, and the proposed heritage protections in this plan strike the right balance.
10. Ultimately, a city's task is to house its people affordably and safely. Standing in the way of redeveloping our old, pre-1930s housing stock, often single dwellings on a large site, into modern medium-density developments will adversely impact those least able to afford it.
11. If anything, the Council should push further on zoning changes to redevelop the central business district and surrounds. Primarily, the southern Te Aro area is suitable for even higher-density residential and commercial buildings than proposed. For example, the areas along Kent and Cambridge Terraces and the northern portion of Adelaide Road are currently proposed to move to 6-10 stories. We consider this area capable of accommodating more than the current collection of vehicle dealerships, which are useful businesses but do not require the conglomeration of services that business districts provide. We recommend increasing the height limit in this zone to a maximum of 15 or 20 stories to cater for more housing stock and inner-city living. It is particularly suitable for greater density because it lies on a main public transport corridor and close to Wellington Hospital.
12. There is a need for the Council and councillors to show leadership to speak up for and foster developments to complement the effort that has gone into the spatial plan. Robust public debate around the contents of the spatial plan is encouraging. Much has focused on the heritage provisions within the plan, and the Council has done well to debate and explain the trade-offs it is making to benefit current and future Wellingtonians. Equally, the Council must translate this leadership into facilitating specific developments that build neighbourhoods. For example, Shelley Bay is a proposed development seeking to house hundreds of people. If medium-density developments like this are unable to get off the drawing board easily, it will depress growth citywide.

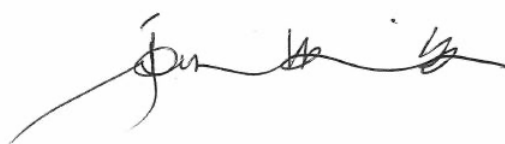
IMPLEMENTATION NEEDS TO FOLLOW STRATEGY

13. The spatial plan provides a strategic guide for the city, but the Council is still required to implement the supporting work to ensure the spatial plan succeeds.
14. People living in housing developments need transport. The spatial plan strongly links itself to the Let's Get Wellington Moving transport plan; unfortunately, this plan is flawed. As is well known, Wellington's growing population has led to rising traffic congestion and longer commuting times. Areas in the central city as well as around the port and airport are particularly problematic.

Public transport is straining, trains are reaching capacity, and the bus reforms have been a debacle. Unfortunately, Wellington has been let down by the central government as well as our lack of vision.

15. There is a risk if Wellington's housing plans rest on Let's Get Wellington Moving as it currently stands. Therefore, the Chamber strongly recommends a rethink and renegotiation of the programme. There is now an opportunity to redo the deal because, due to Covid-19, the government is looking for significant productivity-enhancing infrastructure developments it can fund to stimulate the economy. Wellington must take advantage of this opportunity and secure its fair share of stimulus funding. It is also a chance to make the city's transport flows more efficient and facilitate greater public transport development. This will be essential to ensuring reliable, consistent transport options service the city's housing developments well.
16. Another issue requiring addressing to meet the city's housing goals is insurance. People will not move into high-density urban housing if they cannot get affordable insurance for their property. In recent years, apartment owners in the city have seen their building insurance premiums doubling, tripling or even quintupling over the last few years. Insurance is a key component of getting a bank mortgage, so the spatial plan's push for high-density inner-city living will struggle without reforming the insurance market.
17. Rapidly rising insurance premiums are a cost to property owners, but they also act as a disincentive for families deciding whether to buy higher density homes within the city. Potential owners will be scared off if they have to pay astronomical premiums, or worse, cannot secure insurance without costly capital upgrades that could see their property in negative equity.
18. Insurance companies and their representatives claim the market is adjusting to the 2016 Kaikoura earthquakes, making more granular risk-based assessments of properties based on location, and reverting to international norms when compared to similar jurisdictions in Japan and California. The problem with these arguments is that no matter what mitigation takes place, property insurance premiums still go up.
19. We urge the Council to continue working with the Government on insurance reforms that will maintain the affordability of premiums for residential and commercial property owners. Increases to the EQC caps on the cover would seem a sensible immediate step that could be taken; for example, raising the cap on residential property from \$100,000 to \$400,000.
20. Thank you again for the opportunity to submit.

Yours sincerely,



John Milford
Chief Executive
Wellington Chamber of Commerce