Introduction

1. This is a submission on behalf of Stride Property Limited (Stride Property) on the Proposed National Policy Statement on Urban Development (NPS-UD). A discussion document on NPS-UD (Discussion Document) was notified by the Ministry for the Environment (MfE) and the Ministry of Housing and Urban Development on 21 August 2019.

2. On 22 October 2019, MfE granted Stride Property’s request to lodge a late submission on the NPS-UD, so long as the submission was lodged by 25 October 2019. Stride Property thanks MfE for allowing it to provide a late submission.

3. The NPS-UD aims to enable growth in urban areas by requiring councils to provide development capacity to meet the diverse demands of communities, address unnecessary regulatory constraints, and encourage quality urban environments. The intention of the NPS-UD is to ensure that growth is strategically planned and leads to well-functioning cities that contribute positively to people’s wellbeing.
About Stride Property and the Stride Group

4. Stride Property owns and manages a diverse property portfolio which includes retail shopping centres, large format retail centres, industrial, and office properties. The Stride Property portfolio is valued in excess of $966 million.

5. Stride Property is part of the Stride Group, which also includes Stride Investment Management Limited (SIML). SIML manages over $2.2 billion worth of investment property, including the portfolios and businesses of Stride Property, Investore Property Limited and Diversified NZ Property Trust.

6. Stride Property has taken an active role in district plan processes around New Zealand. It often makes submissions seeking to:

   (a) recognise the role of retail centres in contributing to a quality urban environment;

   (b) improve the effectiveness and efficiency of district plans; and

   (c) avoid potential unintended consequences of proposed plan provisions.

Stride Property’s overall position on the proposed NPS-UD

7. Overall Stride Property supports the proposed NPS-UD, particularly its dual emphases on intensification and quality urban environments.

8. In relation to specific matters on which MfE has sought feedback, Stride Property:

   (a) supports the features of a quality urban environment stated in proposed Objective O2, and the recognition of the positive effects of urban development in proposed Policy P2B;

   (b) supports the recognition, in proposed Policies P5A and P5B, of the need for zone provisions to enable developments of the type expected in the relevant zone;

   (c) prefers a descriptive, rather than a prescriptive, approach to encouraging intensification;

   (d) opposes any complete prohibition on the use of minimum car parking controls; and
(e) generally opposes more directive national-level intervention on site layout and building design matters but supports the proposal that local authorities should be required to avoid the use of blunt site density controls.

9. We expand on these matters below.

Stride Property supports the features of a quality urban environment stated in draft Objective O2 and the recognition of the positive effects of urban development in proposed Policy P2B

10. Proposed Objective O2 identifies a ‘quality urban environment’ as one which, among other things:

(a) makes it possible for people, whānau and communities to provide for their wellbeing;

(b) offers people access to high-quality, diverse services; and

(c) provides businesses with access to many consumers, suppliers, skilled people and sources of innovation.

11. Stride Property supports the inclusion of those qualities in proposed Objective O2.

12. The listed qualities are consistent with the Stride Group’s investment strategy and guiding principles.

(a) The Stride Group’s investment strategy is to invest in a portfolio of places with ‘enduring demand’. Places that attract the highest demand in all market conditions, because they meet the needs of tenants, their staff, their visitors and their customers. The attributes of properties that have enduring demand vary depending on the sector and the market but are a combination of accessibility, amenity, functionality and a value proposition that is compelling.

(b) Stride Property develops properties with a view to long-term ownership and therefore invests in its buildings to meet high quality and design standards.
13. Proposed Policy P2B requires decision-makers making or updating policies, plans and strategies and making decisions on consent applications to have regard to “the positive impacts of urban development to contribute to a quality urban environment as described in O2”.

14. Stride Property supports this recognition that quality urban development has positive effects.

15. For example, shopping and retail centres form a vital part of the commercial infrastructure of society. They are critically important to the success and vitality of a town or city. Beyond providing efficient access to goods and services to enable people to provide for their wellbeing, shopping centres are also a valuable source of employment and serve as a community meeting space.

Stride Property supports recognition of the need for zone provisions to enable developments of the type expected in the relevant zone

16. Many district and combined plans around the country have structured how they manage commercial (including retail) development around the concept of centre zones. This approach has been recognised in the Zone Framework Standard (and zone description) included in the first set of National Planning Standards. Stride Property supports the greater consistency that will occur as the National Planning Standards are implemented. However, it agrees with the comment, at page 33 of the Discussion Document, that “the collective impact of rules and assessment criteria in plans often doesn’t support the kinds of development envisioned” within a zone.

17. Accordingly, Stride Property supports proposed Policies P5A and P5B, which would require the local authorities in major urban centres to:

(a) include in their district plan, for each zone in an urban area, a zone description that describes the expected types and nature of development, including the expected levels of amenity, consistent with growth identified in that authority’s Future Development Strategy (proposed Policy P5A);
(b) ensure the objectives, policies, rules and assessment criteria set out in their district plans are individually and collectively consistent with the expected development for each zone as described in the zone description (proposed Policy P5B(a));

(c) enable the development of the zone to occur as described in the plan (proposed Policy P5B(b)); and

(d) monitor and report on whether development is occurring as described in the plan (proposed Policy P5B(c)).

Stride Property supports a descriptive, rather than a prescriptive, approach to encouraging intensification

18. Stride Property supports the recognition in proposed Policy 6A of enabling higher-density development in areas near existing services and facilities.

19. The Discussion Document identifies two options for directing intensification in major urban centres through proposed Policy P6C:

(a) Option 1 (descriptive approach) - requiring relevant district plans to zone for higher-density residential activities within “a suitable catchment area (i.e., accessible by active transport modes) around frequent public transport stops and centres”; or

(b) Option 2 (prescriptive approach) – requiring those district plans to:

(i) zone for high-density residential activity within an 800m walkable catchment of centres and frequent public transport stops, except where evidence demonstrates intensification should not be enabled; and

(ii) zone all residential and mixed-use areas within 1.5 km of city centres for high-density development.
20. Stride Property supports the use of the descriptive, rather than the prescriptive, approach. A descriptive approach would better enable local decision-makers to take into account the existing and proposed land uses in proximity to centres and frequent public transport stops, to ensure intensification also provides for a quality urban environment (for example, intensive residential development would not be desirable adjacent to existing or proposed industrial areas).

**Stride Property opposes any complete prohibition on the use of minimum car parking controls**

21. Stride Property does not support any of Options 1-3 for proposed Policy P7A relating to prohibiting minimum car parking requirements. As currently worded, those options would prohibit minimum parking requirements either in all areas (Options 1 and 2) or in all medium- and high-density residential, commercial and mixed-use areas (Option 3), regardless of the nature of the activity or surrounding land uses.

22. Removing minimum parking requirements can incentivise the users of commercial and residential activities for which no parking is provided to park at nearby sites where car parking is required and provided, such as:

   (a) supermarkets and shopping centres;

   (b) community facilities; and

   (c) large format retail and industrial sites,

or, alternatively, on surrounding residential streets.

23. There are several activities that are still predominately accessed by private vehicle use, and even as public transport use increases, some trips will still need to be made by private vehicle in the future.

24. It is considered that the proposed prohibition on car parking minimums would lead to unintended consequences and would be unlikely to achieve the intent of proposed Policy P7A to reduce private vehicle use and encourage the use of public transport.
25. Stride Property accepts that in some zones, in some areas, and for particular activities, a minimum car parking requirement may not be appropriate. However, this needs to be determined at a local level, taking into account whether adverse land use and transport outcomes might be created in a particular area. It is considered that this is not an appropriate matter to control at a national level.

**Stride Property supports providing direction that local authorities should avoid the use of blunt site density controls**

26. One of the proposals on pages 42 to 45 of the Discussion Document is to consider precluding plan rules which set controls on site layout and building design on the basis that this may “unduly” limit the type and form of development that occurs. The types of rules referred to in the Discussion Document include rules controlling:

(a) height or height in relation to boundary;

(b) density and subdivision standards;

(c) private outdoor space requirements;

(d) site coverage; and

(e) minimum floor areas/apartment sizes.

27. Stride Property generally opposes more directive national-level intervention on site layout and building design controls.

28. Most of the rule types identified in the Discussion Document (such as height to boundary controls and outdoor space requirements etc.) are fundamental to ensuring that development contributes to a quality urban environment by providing appropriate levels of amenity, functionality and built form effects. This can be achieved either through compliance with the rules or by having a decision-maker test why divergence from the rules in a particular case still achieves a quality urban environment.
29. Stride Property considers that unintended and adverse consequences would arise if the NPS-UD sought to apply more directive intervention at a national level to rules that are more appropriately considered in the context of the relevant district plan provisions.

30. However, Stride Property supports the preclusion of blunt site density rules.

31. Where development is well-designed (and subject to height, height to boundary, coverage, and outdoor space requirements), the additional imposition of a site density rule does not have any impact on the ‘environmental effects’ of a proposal, but can have a material impact on preventing appropriate development and intensification, including the provision of smaller dwellings to provide increased housing choice. Stride Property, therefore, supports a policy in the NPS-UD that precludes plan rules that impose a density control.

**Stride Property would be happy to discuss the matters raised in this submission**

32. Stride Property appreciates the opportunity to provide this late submission on the proposed NPS-UD and would also welcome the opportunity to discuss the matters raised in this submission in further detail if it would be of assistance.

**DATED** this 25th day of October 2019

**Stride Property Limited** by its solicitors and duly authorised agents