



URBACITY



# NORTH VILLAGE REVIEW OF DEVELOPMENT FRAMEWORK & POTENTIAL FOR A VILLAGE CENTRE

May 2022

**PREPARED BY**  
Michael Cullen, Urbacity



## CONTENTS

Background	03
Retail Viability & the Movement Network	04
Calculating Feasibility Thresholds	07
Characteristics of Aokautere Centres	08
The Need a Pacific Drive Address	09
North Village Delivery & Strategic Sequence	11
Centre Roles & Catchments	13
Urban Context, Social Capacity & Inspiration For Housing Diversity	15
Retail Expenditure Estimates	16

## Background

The Aokautere development area sits to the southeast of Palmerston North CBD on the southern side of the Manawatu River. It comprises a series of linear development corridors separated by gullies and landscape, is a significant contributor to the city's ongoing growth, and offers the potential for a diversity of site and housing sizes.

This report considers the potential for a village centre within the Aokautere development area, which is within the Poutoa Census Area Unit (CAU).

The development area is characterised by a lack of diversity in section sizes, with most sites 600 square metres and above. Section size is an indicator of housing diversity, and this lack of diversity appears to be universal across the city.

The potential for an urban village centre is meaningful not only for sustainability and efficiency purposes (for people living in Aokautere) but also as an inspirer of housing diversity and

choice.

The notion of a “village” is more than a centre with a collection of shops. A village combines diverse and denser housing and businesses with a physical relationship with the street. The village concept seeks to reduce the desire to drive and increase the desire to walk. This requires an urban focus and a requirement for architecture to offer elements, proportions and facade detail that appeal to people walking.

Under a “village” overlay, housing and commerce can combine in buildings adaptable to business and vice versa. This flexible approach encourages the village centre to offer a broader range of services to the community with reduced feasibility risk. The village design approach allows the centre to respond to market conditions and grow or shrink without purpose-specific buildings becoming vacant due to a lack of adaptability. Vacant retail buildings will compromise amenity, and as retail is the most public of uses, it would also compromise perceptions of Aokautere as a great place to live.

## Retail Viability & The Movement Network

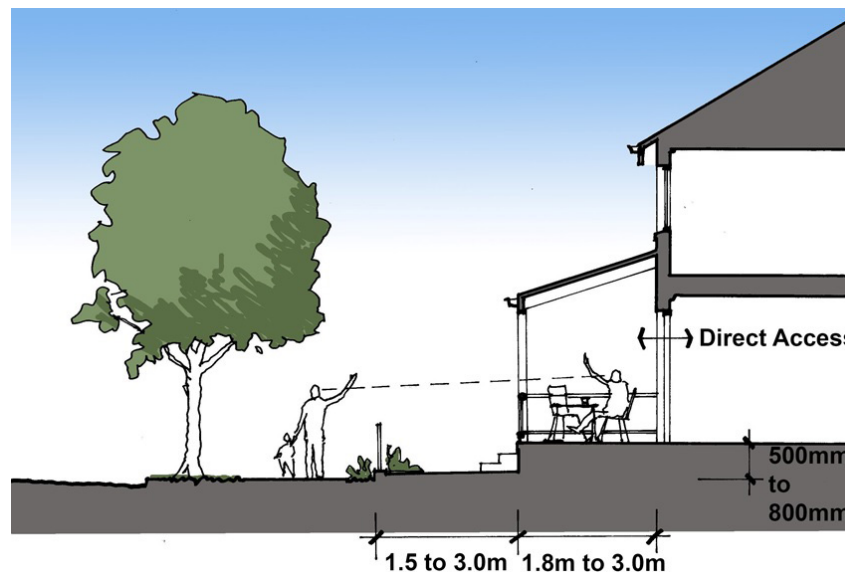
The universal feature of successful urban retail in centres is the centre’s level of connectedness to every other place within the centre’s catchment. Centres located off the primary movement networks almost universally fail unless the retail is a subservient component of a significant amenity destination (i.e. retail is not the primary reason to visit). Space Syntax (London) centre studies across the world highlight the importance of direct access and the nexus with performance. The smaller the centre, the less its destination appeal and the more critical it is for it to be on a major network. Larger centres can occasionally survive based on the destination appeal of its size, but even that is a high-risk planning proposition.

The Aokautere (North Village) centre will be a significant investment in the social and economic health of people within the Aokautere growth area.

Retail in Aokautere should facilitate shorter journeys for Aokautere residents to gather the necessities of life, provide a sense of place, engender elevated levels of social exchange, include cafes and restaurants and offer a range of personal and other professional services.

The centre should comfortably transition into denser housing close to the street into a broader village zone overlay.

The Palmerston North convention of a hard transition from shops to the suburban house (setback 8+ metres from the footpath) should not be an option within 200-400 metres of the village centre (shops). For a city with a tradition of low-density housing, zero setbacks for village housing may be a stretch. A 4-metre setback would be acceptable (to a habitable room), but a verandah can encroach on the setback (as below).



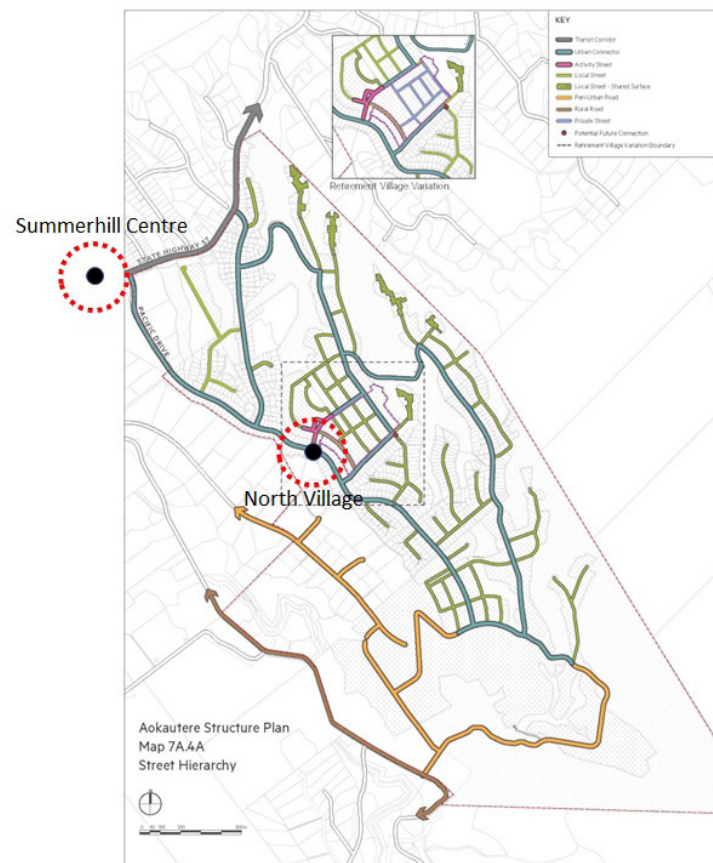
With an estimated dwelling yield of 1,620 households within the wider Aokautere growth area, there is enough retail purchasing power for a meaningful “village” centre. There are currently an estimated 300 dwellings within the North Village catchment, with a further 1,130 lots to be developed. The North Village catchment facilitates a feasible destination for daily and weekly shopping, but its location is fundamental to its ability to thrive. Given its smaller size and subservience to larger supermarkets in the city, it must attach to the major movement network of Pacific Drive. The “home domain” pattern of flow to access jobs, goods and services is north toward the CBD, which means a more northward centre location on Pacific Drive is preferred.

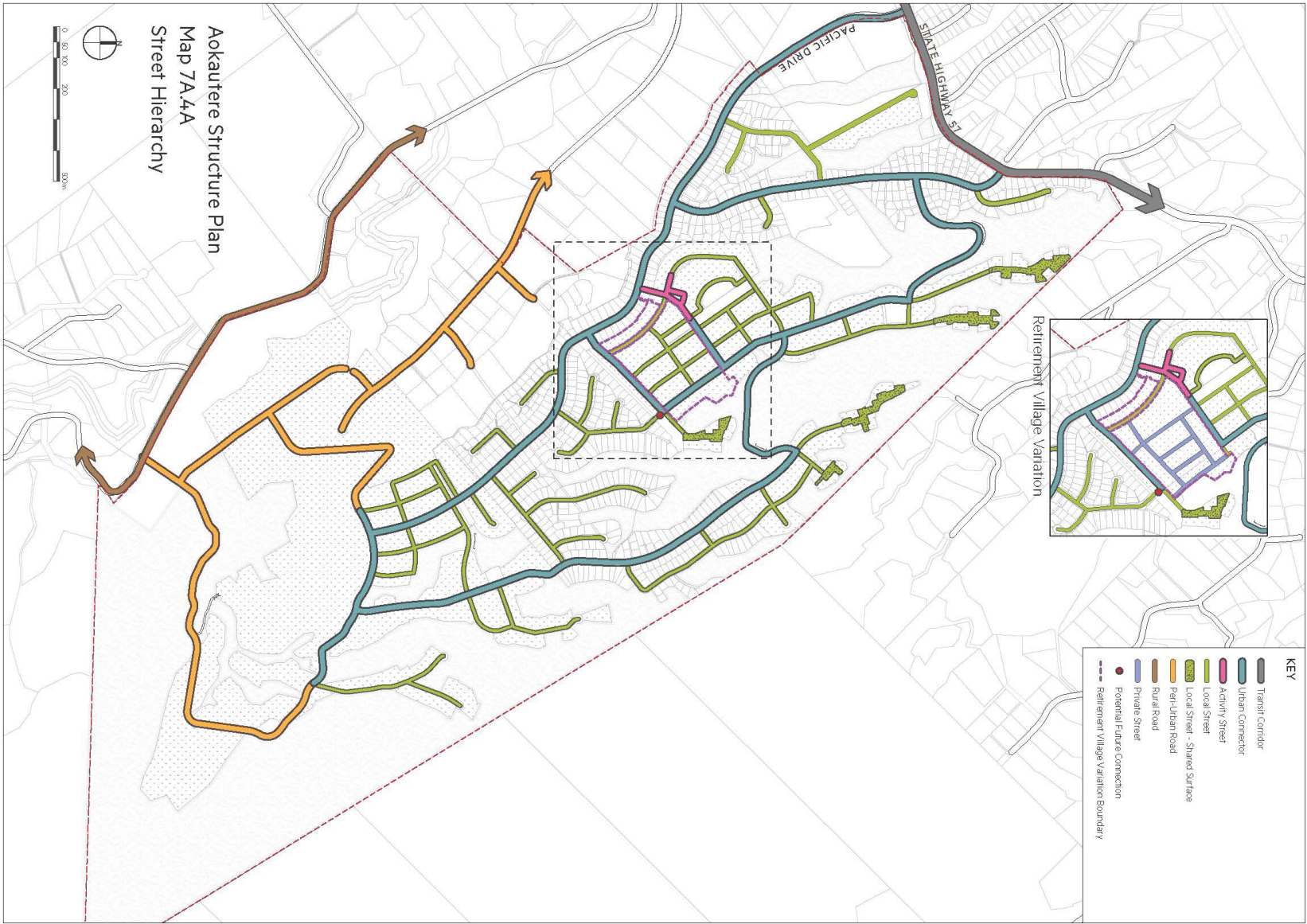
The ideal size and composition of the centre would be around 1,500 square metres anchored by a 800-900+/- square metre supermarket such as a SuperValue, Fresh Choice or similar. A complicating issue for tenant choice will be Foodstuff’s dominance of the small supermarket sector.

The Network Hierarchy diagram opposite shows the relative strengths of the movement networks that influence centre location and places the proposed centre on two potential sites.

The Structure Plan is on Page 6 following.

### Aokautere Draft Plan - Network Hierarchy





Foodstuffs (which has a stable of store options that may be ideal for North Village) may be reluctant to offer such a store for this centre as it would take from its existing Summerhill store catchment. Alternatively, they could choose to dominate the catchment with an additional store at North Village.

Without North Village, catchment residents will have to travel further to the New World supermarket on Aokautere Drive or to others the city. The current centre on Aokautere Drive is interceptory to car-based district-wide movement. However, its walkable context is poor. The proposed North Village should establish a walkable relationship with nearby housing and locate on the major movement network of Pacific Drive.

The influence of passing trade and casual surveillance gives the centre the best chance to flourish. As retail is the most public of all uses, a centre with vacancies and underperforming stores will also adversely affect residential values across the suburb.

On Pacific Drive, the centre will be on the way to and from other destinations in the city and doesn't require all vehicles to turn to access the centre. These two potential sites also have the potential to serve a robust walkable context.

Fundamental to North Village is its direct exposure to Pacific Drive. Unfortunately, centre-suitable land along Pacific Drive has been sold. As Pacific Drive is the primary route in and out

of Aokautere, it is also the only viable location for this village centre.

## Calculating Feasibility Thresholds

A feasibility threshold assumption is behind the local village centre size and location proposition.

In work undertaken in growth areas for over 3 million people across Australia and New Zealand, we have been able to determine minor supermarket operators (such as IGA, Fresh Choice, SuperValue etc) are capable of providing smaller supermarkets of 500 - 1,000+ square metres GLA as the basis for another 300-600 square metres of speciality shops with catchment yields of 1,000+ dwellings.

A parallel assumption is that these centres should be meaningful destinations for social engagement, not just daily life purchases. This is mainly a design issue. An attractive village centre will encourage people to stay. The functional attraction is purpose-focused, not amenity or social-focused (design enabled).

For optimum community benefit and social vibrancy, we want such centres to thrive, not just survive, so we tend to set the threshold at a base of 1,200 dwellings, not 1,000.

We have tested these thresholds with Metcash (the IGA franchisor in Australia) and run many of these stores of various sizes through their retail models. Metcash has over 1,700 IGA stores across Australia and

runs live monthly updates of store performance and catchment analysis for their owner/operators.

## Characteristics of Aokautere Centres

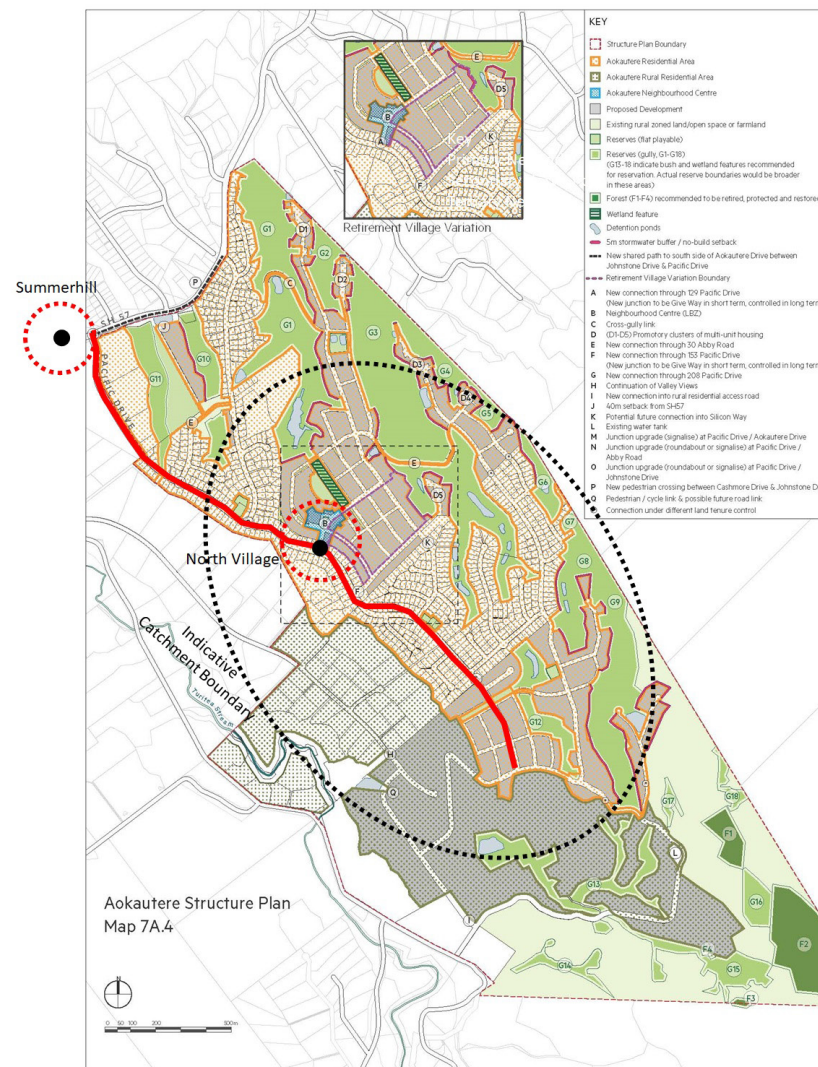
North Village and the Summerhill Centre will serve the Aokautere growth area. The Summerhill centre has a wider catchment that extends east and west. The proposed North Village centre will live off north-south movement along Pacific Drive and connections to the rural lifestyle blocks further south and west.

Unlike the North Village centre, the Summerhill centre on Aokautere Drive has a poor walkable context, but its Aokautere Drive location makes it interceptory to east-west movement, as well as movement exiting Pacific Drive. The Summerhill Centre will have a larger catchment than the North Village Centre.

Fundamental to facilitating a wider mix of businesses and the outcomes proposed is the attraction of the North centre's supermarket. The smaller this store gets, the less it can perform its role as a facilitator of a meaningful Village Centre as a social destination.

A thriving centre sets up the potential for a mixed-density housing market within a walkable distance of the centre. If the centre fails it is unlikely that a market will exist for this housing, which would affect the integrity of the Structure Plan. Due to its one road in and out nature, the proposed North Village centre is likely to retain a

## Aokautere Structure Plan - Indicative Village Catchment





greater proportion of local spend than a centre that is integrated into a more contiguous urban area. However, fewer shoppers will be from outside of the centre's catchment.

The Proposed North Village Centre location diagram in the Structure Plan (P6) locates the centre on Pacific Drive (online) or within the primary movement network.

According to the Structure Plan, the notional catchment on the previous page has capacity for around 1,600 dwellings.

## The Need for a Pacific Drive Address

The diagrams on Page 10 highlight the relationships between movement and centre placement. An Online option is difficult as all but one of the sites facing Pacific Drive have been developed for housing. The remaining vacant site has no house at present, and whilst it may be available to acquire, it is not large enough on its own to accommodate the centre.

The "ideal" Online Centre diagram shows a notional centre footprint overlaid onto the vacant site, two vacant sites behind and five existing houses. The centre would require at least four car parking sites/sections (these sites are currently vacant - shown in yellow).

An Offline Centre (see page 9) loses much of the benefit of the "movement economy" (passing trade) and reduces a centre's viability.

It would lack the benefit of casual surveillance. As retail is the most public of all uses, a centre with vacancies and underperforming stores will adversely affect residential values across the suburb.

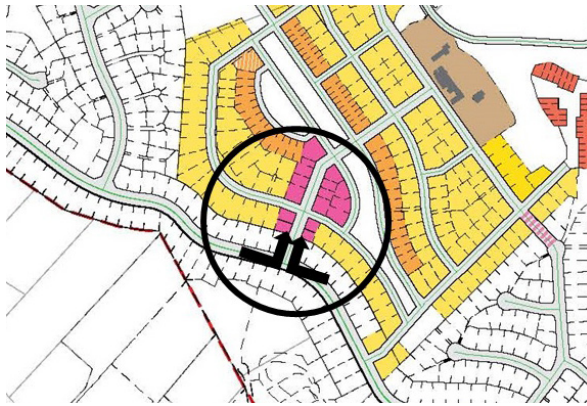
An Online centre (page 10) is on the way to and from other destinations in the city, is visible and accessible to traffic and pedestrians on Pacific Drive.

The ability of the Aokautere centre to address Pacific Drive is fundamental to its ability to thrive and deliver broader social and economic objectives. The alternative to this option is no centre or a centre that is more likely to fail.

129 Pacific Drive is a vacant section, which, if used for the centre would allow a Pacific Drive address. Whilst we understand that this empty section has been purchased, the acquisition cost for centre purposes would be less than acquiring a section with a house. Ideally, the property facing this site (127 Pacific Drive) should also be a part of the Village Centre.

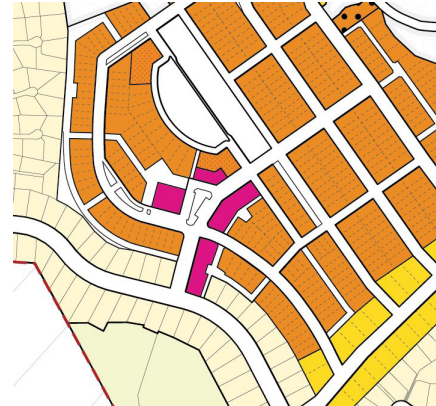
In relation to the centre, the vacant section is on the wrong (south-facing) side of the partially formed stub road that sits to its south. If the Pacific Drive component of the centre is built on this section, it will have its back to returning traffic, and its footpath and street edge may be in the shade in winter. Locating on the south-west facing side reduces use options for the site and reduces the centre's exposure to traffic returning to Aokautere. See Google Earth Street View on Page

### Offline Centre



The Offline centre lacks exposure to or presence on Pacific Drive making access is more difficult for Aokautere growth area residents.

### Online Centre



The Online centre is directly exposed to movement on Pacific Drive and can trade to it.

### Location of Vacant Section



### Vacant Section & Reverse Orientation Issue



10.

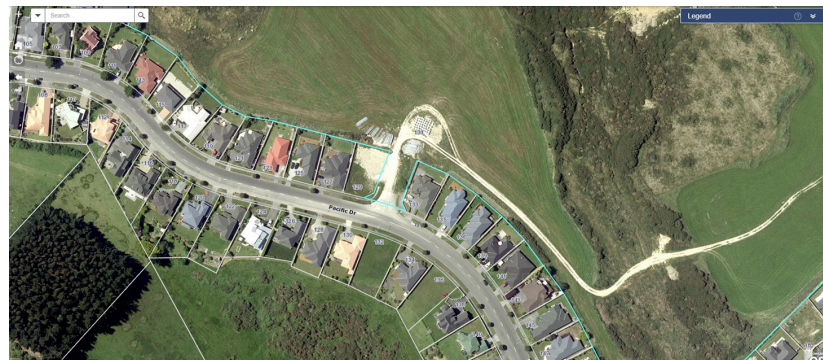
To provide the best chance of success for the centre, shops that address Pacific Drive should be facing north east. This means a change in the notional structure of the area at the extension of the current stub road between 129 and 133 Pacific Drive. The stub road should move to the vacant section. See images showing the existing and alternate section / street stub layout opposite.

## North Village Delivery & Strategic Sequence

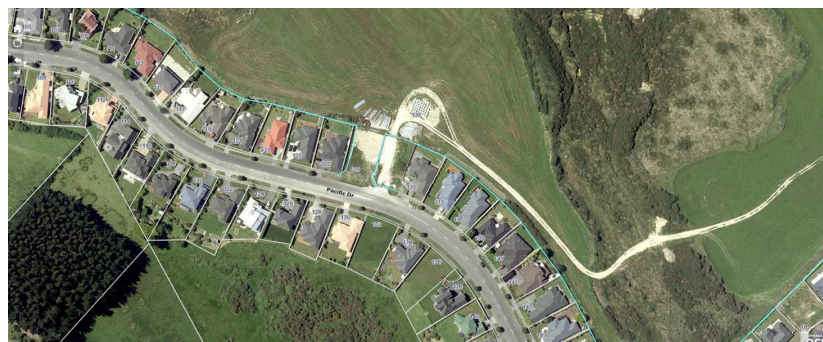
Council will need to designate a new road link to the proposed centre properties behind Pacific Drive. Ideally, the Council should acquire the entire centre site, prepare a detailed design scheme, and undertake a tender process for the centre's development. However, Council's are typically uncomfortable with such a role without associated and dedicated property companies (with an independent board).

There is no developer of urban centres in New Zealand. Risking the village centre to a conventional retail developer is unlikely to deliver the desired urban and public realm qualities necessary to enhance walkability and inspire diverse and denser housing around the centre. Offsetting this risk requires a prescriptive Plan Change mechanism with a comprehensive precinct plan. Conventional retail design approaches tend to deliver shops within a single linear building - not the necessary series of individual but inter-dependent buildings common in conversation.

### Current Stub Road Location



### Proposed Stub Road Location



The quality of the architecture, the fine grain and the intimate detail of buildings designed to appeal to people walking is fundamental to the centre's social and economic performance.

The proposition of using 129 Pacific Drive for the access street rather than 131 allows for the development of the first stage of the local centre to address Pacific Drive and face north toward the sun and returning traffic. The north-west facing aspect promotes the possibility of outdoor dining and cafe experiences. In other words, north-facing offers more development and tenancy options than south-facing and encourages a stronger relationship with the street.

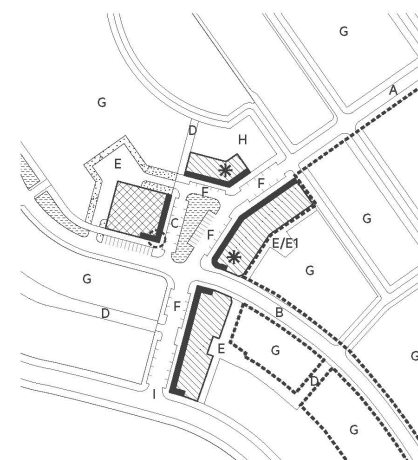
The length of the section along the proposed street edge appears to be around 36 metres and can accommodate six to eight shops. On the stub road, adding the lot to the north offers an additional 6-8 shops (“F” opposite).

The most appropriate retail store at the corner of this stub road and Pacific Drive would be a hybrid cafe and on-site bakery with a specialty food and delicatessen component. Such a store would be relatively large (with seating indoors and outdoors) at around 200 square metres. This store would occupy around one half of the Pacific Drive section (assuming a service lane behind - see the draft plan opposite).

The area off Pacific Drive (behind “F” north) has been recently (2022) proposed as a retirement village (around 306 dwellings) which would effectively sit adjacent to the Village Centre. Ideally, the retirement ground edge to “F” should be retail and integrate the two developments. This proposed development would increase the overall new dwelling yield for the Village Centre (by 104), but at a relatively low household occupancy rate.

### Draft North Village Centre Plan

Aokautere Neighbourhood Centre  
Map 7A.4C  
Precinct Plan



- |  |   |           |                             |
|--|---|-----------|-----------------------------|
|  | Ground Floor Retail (or Commercial or Retirement Village Communal Facilities) | <b>A</b>  | Urban Connector             |
|  | Superette   | <b>B</b>  | Local Street                |
|  | Landscaped Open Space (Public)  | <b>C</b>  | Slip Lane (One Way)         |
|  | Landscaped Perimeter (Private)  | <b>D</b>  | Lane (Shared Surface)       |
|  | Retail Frontage   | <b>E</b>  | Service Area                |
|  | Superette Main Entrance   | <b>E1</b> | Retirement Village Access   |
|  | Local Landmark Opportunity  | <b>F</b>  | On-Street Parking           |
|  | Possible Retirement Village   | <b>G</b>  | Medium-Density Housing      |
|  |   | <b>H</b>  | Residential Apartments      |
|  |   | <b>I</b>  | Connection to Pacific Drive |

**Key Outcomes**

- Local-serving retail, community or fine grain commercial activities.
- Residential apartments to upper levels with independent ground floor lobby/entry.
- Formal plan-based geometry in keeping with the wider layout of North Village.
- Continuous building lines defining streets and other public spaces.
- On-street customer parking in a high-quality public realm.
- Coherent pathways within a pedestrian-oriented environment.
- Continuously built-up street frontages with active edges and a high level of visual interest.
- Narrow storefronts with frequent entries from public footpaths.
- Continuous pedestrian shelter along frontages.
- Visually discrete on-site vehicle circulation and service areas.

## Centre Roles & Catchments

The development of North Village Centre allows the growth area population to be served by two centres. Given the peninsular nature of Aokautere, one will serve the linear and new growth area around Pacific Drive and the other areas with good accessibility to Summerhill and Aokautere Drive. The catchment for the existing centre on Aokautere Drive will continue to serve existing populations in the Aokautere area, Massey University and Linton Camp (and environs). This centre's catchment has grown substantially in the past 15 years and will continue to do so..

The proposed North Village centre sits within the Poutoa area unit. We have assumed that it will open in 2027-2028 year.

Growth projections by Statistics New Zealand by Census Area Unit (CAU) assist with determining populations likely to be served by each centre based on the relative ease of accessibility. We have split the CAU of Poutoa based on the catchment as defined on Page 8. The Aokautere area unit is east of the Structure Plan area.

The Council adopted the “medium” growth projections of Statistics NZ for its projections for the city. However, dwelling approvals show a marked increase in the uptake of sections and dwellings within the Poutoa CAU, particularly those sections and dwellings within the North Village catchment. It is more likely that the yield and take-up rates for Poutoa will fall around the “high” growth range. In Table 1, we show the





medium projection for Poutoa and below it a projection based on the Structure Plans dwelling yields and Council take-up rates since June 2018..

**Table 1 - Summerhill & North Village Catchments**

Summerhill Centre		Estimated Catchment Populations - by Year							
SA2 Areas	2006	2013	2018	2023	2028	2033	2038	2043	2048
Turitea	470	480	444	480	490	500	500	510	510
Poutoa (part - post 2028)	1,890	2,040	2,240	2,240	2,240	2,240	2,240	2,240	2,240
Aokautere	567	666	765	860	920	990	1,040	1,100	1,160
Aokautere Rural	537	645	690	830	900	960	1,020	1,070	1,110
Pihautua (part)	519	630	684	700	800	850	900	1,000	1,000
<b>Total Summerhill Centre</b>	<b>3,983</b>	<b>4,461</b>	<b>4,823</b>	<b>5,110</b>	<b>5,350</b>	<b>5,540</b>	<b>5,700</b>	<b>5,920</b>	<b>6,020</b>
North Village Centre									
Poutoa (medium growth)	(615)	(669)	(867)	(1,668)	2,020	2,320	2,520	2,750	2,970
Poutoa (S Plan )	(615)	(669)	(867)	(1,900)	3,000	3,500	3,700	3,700	3,700

Source: Statistics NZ Growth Projections by SA2 Census Area; Urbacity  
 Note: The bracketed Poutoa figures between 2006 and 2023 are in the future North Village Catchment - so accrue to Summerhill Centre until the opening of North Village.

The current New World centre on Aokautere Drive is 4,200 around square metres and contains the New World supermarket at around 1,300 square metres and a chemist. The other tenants are food services, personal services and offices.

Summerhill, with its retail offer, will have a catchment of around 6,000+ people, and Aokautere, with its catchment of 3,700 people, will enable both centres to co-exist.



Source: [stuff.co.nz](http://stuff.co.nz). Summerhill Shopping Centre.

## Urban Context, Social Capacity & Inspiration for Housing Diversity

The existing Summerhill centre is well-positioned to cater to north, west, and east catchments. It may also cater to Linton (not assumed in the catchment analysis). It has a poor urban context as it is designed for access by car. Its design and location mean that it does not inspire any density or mixed-use response from adjacent housing or employment (offices etc). The design and placement of buildings give the centre little

if any capacity to inspire heightened levels of social engagement, and it has no public realm interface. The centre and site have the following qualities and characteristics:

- It is elevated above Aokautere Drive,
- The centre's buildings are divorced from the surrounding streets,
- The walkable catchment is off Ruapehu Drive, however the walk to the centre along this street requires walking past service docks, blank walls and car parks.

In considering the two centre catchments, the opportunity for the new centre is to serve a proximate “peninsular” population that uses Pacific Drive as the major spine road. The Summerhill Centre will continue to serve existing and growing populations in and around Massey University and along Aokautere Drive to the north and east.

The centre has a walkable context for many Aokautere residents and adjoins existing housing along Pacific Drive. Its urban and built form qualities are designed to be an inspiration for more diverse housing in the area.

The proposed North Village centre has a similar role to the Summerhill centre. Still, its context and proposed urban character provide it with a wider task as the lever for a mix of diverse and denser housing and a place for locals to gather. It needs the anchor role of a meaningful supermarket-style retailer to enable these wider social and economic benefits. The effect of not having the North Village Centre is at least

the doubling of trip distances to shop for residents of the Draft Plan area and approximately a doubling of vehicular CO2 emissions for shopping.

## Retail Expenditure Estimates

New Zealand residents generate around 2+ square metres per person of retail floorspace demand across the retail network. North Village catchment residents will generate at least 6,000 square metres of retail demand within the wider city. The majority of this demand sits within the everyday needs or requirements of the household. These expenditure categories form the basis for the expenditure estimates for North Village (\$2122).

**Table 2 - Estimate of Average New Zealand Retail Spend Profiles**

Expenditure Category	Annual \$ per capita 2022
Food & Grocery	\$ 4,284.00
Liquor	\$ 284.55
Food & Beverage Services	\$ 597.79
<b>Total</b>	<b>\$ 5,166.34</b>

At the completion of the Aokautere growth area, the projected North Village catchment is estimated at around 3,700 people.

**Table 3 - Total North Village Retail Spend Estimates**

Expenditure Category	Exp Est \$m 2022 2028	Exp Est \$m 2022 2048
Food & Grocery	\$ 12,852,000	\$ 15,850,800
Liquor	\$ 853,648	\$ 1,052,832
Food & Beverage Services	\$ 1,793,372	\$ 2,211,825
<b>Total</b>	<b>\$ 15,499,020</b>	<b>\$ 19,115,458</b>

Source: StatsNZ Household Expenditure Statistics 2020

The North Village Catchment generates demand for around 1,300 square metres of total supermarket floorspace in 2028, growing to 1,600 square metres in 2048. However, the North Village supermarket will not capture 100% of supermarket expenditure from within the catchment. External trade typically makes up around 10% of turnover.

The size of the supermarket in 2028 would be around 700 square metres, with the capacity to grow to 800-900 square metres by 2038.

Total village retail and services GLA will likely sit at approximately 1,500 square metres, excluding professional services and community space.

Capacity exists within the Structure Plan for a centre of this scale.



URBACITY

The Cullen Family Trust (Urbacity) | ACN 45 908 820 125  
mike@urbacity.com.au | [www.urbacity.com.au](http://www.urbacity.com.au)  
+61412243633