

## SUMMARY OF EVIDENCE OF MICHAEL CULLEN – URBAN ECONOMICS

### PROPOSED PLAN CHANGE G – AOKAUTERE URBAN GROWTH

#### A. INTRODUCTION

[1] My full name is Michael John Cullen and I prepared a s 42A report dated 15 September 2023 (**s 42A Report**) and Statement of Reply Evidence dated 28 November 2023 (**Reply Evidence**) on Urban Economics on behalf of the Palmerston North City Council (**Council**) for proposed Plan Change G: Aokautere Urban Growth to the Palmerston North District Plan (**PCG**).

[2] This summary attempts to align the critical and somewhat inter-dependent issues of the catchment, the centre's timing and the centre's influence in facilitating diverse housing.

#### B. UNRESOLVED MATTERS

##### **Catchment/Centre Feasibility/Why a Centre**

[3] The local centre provides resources and services close to where people live and readily accessible by foot or bike. Without a centre, every resident will need to leave Aokautere to gain access to goods and services. Proceeding without a local centre also means a loss of denser and diverse housing, due to the two elements being interdependent.

[4] Mr Thomas and Mr Fugle dispute the feasibility and location of the centre in their evidence. It has been suggested that the entire centre should be on Pacific Drive or at a less accessible South Village location. However, in my view, the centre's location is at the point where it is most accessible to every resident in the catchment. The street network has been specifically designed to ensure the centre has multi-modal movement and optimum catchment accessibility. Further, if located on Pacific Drive, it is unclear to me why, with an identical catchment, it would succeed there but not attached to Pacific Drive as proposed.

[5] Defining catchments for centres relies on relative accessibility to the subject centre (in this case North Village) and to its competition (in this case, the Summerhill centre). My catchment analysis for the proposed centre indicates sufficient growth within Aokautere for a centre of this size in the proposed location. I remain of the view that my analysis of catchment size, competition, and accessibility is sound, any my recommendations remain the same.

## Centre Timing

- [6] Due to Aokautere’s “peninsular” nature, no through movement northward along Pacific Drive (or elsewhere) is available to assist with the local centre’s performance and perhaps allow early development. The local centre’s creation is therefore reliant on the Aokautere development program. Concerns about feasibility align with the achievement of dwelling numbers and catchment size. Given a lack of traffic from other sources, it is more likely that the centre will develop at the mature development stage of the Aokautere area.
- [7] Due to Aokautere’s relatively isolated nature, the centre benefits from being some distance from higher order competition for centre resources and services. In other words, the centre is likely to take a greater share of retail spending than it would if it were within the suburban continuum on the north side of the river.

## Why Higher Density Housing

- [8] Mr Thomas, Ms Coats, and Mr Fugle dispute the feasibility of higher-density housing around the centre, but do not appear to contradict the logic of locating more people close to the centre; and the centre’s urban qualities (and everyday resources) as an inspiration for housing density. This mutually beneficial relationship is a pillar of sensible greenfield growth planning.
- [9] None of the submitters provide expert and independent analysis to support their submissions. Feasibility aside (which Ms Allen addresses), from an urban economics, efficiency and sustainability point of view, it would be poor planning not to use the centre as a basis for a well-functioning urban environment and inspiration for higher-density housing, because it:
- (a) reduces the need to travel out;
  - (b) increases the desire to walk;
  - (c) changes the identity of Aokautere from a “sleeper suburb” to a balanced community with improved access to jobs and resources;
  - (d) subject to good design and compliance with the Structure Plan, creates a high amenity asset and social meeting point, much used and appreciated by the community;
  - (e) inspires the desire for more people to live close to the centre;

(f) increases the potential for local, higher paying non-retail employment.

[10] My experience in many markets across New Zealand and Australia is that there is always a market for more diverse housing. I have referred to Palmerston North's demographic shifts as an indication that it is not divorced from the trends seen elsewhere. In my work, I have not encountered a market where more dense housing is not feasible. I have experienced a few where developers and real estate agents claim such development is not feasible.

**4 December 2023**

**Michael Cullen**