URBACITY

FEATHERSTON

# ECONOMIC REVIEW OF INTENSIFICATION OPTIONS

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## 1. Background

In April 2022, Ree Anderson Consulting undertook a design charette with representatives from the Greater Wellington Regional Council, Waka Katohi, Kiwi Rail, South Wairarapa District Council and Richard Knott (consultant Urban Designer). This process follows a need to determine land use options for Featherston, along with other towns and villages via a Master Plan (MP) for each as set out in the Council's Spatial Plan (SP). The SP gathered a range of views and submissions from across the community and from other agencies. Views and submission were further submiited in a Hearing in May 2021.

Intensification within towns and villages was one of the issues canvassed widely within the community, but with a general acceptance that character should be considered in parallel with growth. The growth dynamic from a local perspective seemed higher than various agency forecasts and came with a concern over the level to which visitors were displacing permanent residents.

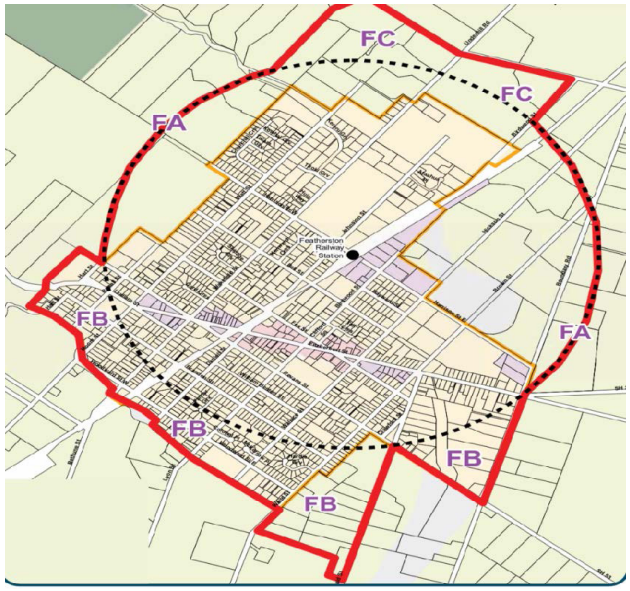
The MP incorporated these inputs and spatially interrogated growth options and locations.

This short report analyses the output of the charette and applies an economic and spatial logic to the charette output options.

## 2. Growth & Ease of Development

The charette canvassed three options within the Faetherston Growth Node. The Growth Node is defined in Figure 1.

Figure 1 - Featherston Growth Node




The node generally defines the investigation area for the charette.

The three options tested in the charette were:

1. Build more density around the existing main street (State Highway 2) and train station.

2. Move the train station closer to the existing town centre and intensify and join the two nodes together.

3. Relocate the town centre to the train station and develop both as a Transit Oriented Development (TOD).

The charette canvassed a loose development (mostly “redevelopment”) footprint for each option.

In reviewing the Growth Node plan, the most apparent tension for a consolidation and density objective is the amount of greenfield land within the Node.

Possibly the most influential input into the Options is the target growth figure of 900 persons over the next 30 years. A new projection is available from Sense Partners. This projection slightly more than doubles the Council (signed off) projections, as below:

| | Adopted Projection 2048 | Sense Projection 2048 |
|---|---|---|
| Population | 900 | 1,730 |
| Population Estimate 2048 | 3,400 | 4,300 |
| Monthly Growth (persons) | 2.5 | 4.0 |
| Monthy Growth (houses) | 1.0 | 1.6 |

The 2048 populations would rise from an estimated 2,500 now, to between 3,400 and 4,300 by 2048. There are a number of issues with the projections in terms of how the numbers are meaningful for the Master Plan and charette Options.

1. Whether either growth level will inspire intensification.
2. The sequencing (front or back loading) of growth and what this might mean for development and change to the town centre.
3. Whether the market will demand more diverse housing in Featherston anyway and on what basis might this occur?
4. Whether the availability of larger sections will reduce demand for intensification and can we manipulate the market through regulation?
5. Whether there are “amenity for density” triggers available in relation to the Options.
6. The level to which growth creates competition for housing in the market and changes the demographic composition of Featherston.
7. What particular community asset/s and retail thresholds are met under either scenario.
8. Whether and on what basis might we consider even higher growth options for Featherston and if so, at what level (if not already) does growth put pressure on sites for intensification?

The projected slow rate of growth (under either rate) is unlikely to inspire a market response to intensify in Featherston at scale. Developers may consider terrace homes as these can be rolled out in a staged sequence. Apartment development would be more difficult, as 12 apartments (for instance) would be 1 year’s (or 8 months) market demand. It would be financially risky for a developer’s feasibility assessment to require 100% to 67% of the assumed annual growth rate for success. This probably means that more likely is a pattern of opportunistic development of sites across wider Featherston as developers and speculative home builders pick up random sites within the Growth Node.

In summary, the Growth Node diagram shows fairly extensive pockets of greenfield land on the fringes of the settlement. Many of these are very large sections. Perhaps becaause I live in Australia, this is counter-intuitive and suggests that the expectation is for these sites to act as a rural/residential

growth boundary. The implication of such an approach is that outward peri-urban growth will stop at these places. In other words, this appears as a strategy for no urban growth beyond the "FC & FB" boundaries. One possible implication of this approach is that all that will be left will be redevelopment sites. The other issue is why we would want to prevent stronger growth outward in a more intensive fashion, and whether there are catchment thresholds (the most desirable size of Featherston) that switch on a range of other benefits. That assessment appears to be missing.

The intensification and diversity objective is reasonable, but growth, at the rate projected, means the market will not be looking for difficult to develop sites at the start. Such sites are the target of the intensification and diversity objective in Featherston. With low growth there will be reduced competition for sites, which is the typical switch that pushes developers to more difficult sites in the face of scarcity.

Today, there are marked differences between what home builders supply and what the market wants. Studies in most Australian cities and in Auckland show that home builders are not delivering on market preferences but delivering detached homes on larger blocks when the market preference is for more smaller blocks and more attached homes.. Generally home builders operate on a low risk basis with a rear view mirror view to what has sold in the past. Housing supply tends to lag years behind lifestyle and lifecycle preferences even when growth is strong. However, irrespective of market preferences for more diverse housing, the fact remains that the assumed rate of Featherston growth does not encourage diverse housing or density, or for home builders to look at more difficult sites.

If we assume that we cannot influence the rate of growth or that we assume the official projected rate of growth in this assessment, then any site that is more difficult to develop will likely sit at the back of the development queue.

This means that a filter for each of the Options will be ease of development and the on-costs of non-standard development sites.

We cannot assess each option based on ease of development as we do not have an in-depth understanding on a site-by-site basis of the areas that are developable in each Option. Rather, we will consider each option on the basis of two filters:

1. Transformation triggers
2. Ease of implementation

There remains though the issue of whether we can or should change the parameters for growth to increase competition for dwellings and switch on site that may be otherwise seen as more difficult. It is likely that these more difficult sites are the foundation sites for each of the Options.

In terms of retail thresholds, at 4,000 people we are able to deliver the range of grocery items of the major supermarkets as we now hit the threshold for a 1,400 sqm store. This size store can accommodate all the Stock Keeping Units (SKUs) of a Countdown or New World. The complete SKU threshold is around 20,000. The difference is size between the majors and a smaller (say) IGA is bay width per SKU. A 3,400 sqm Countdown will have 3 bays of Coke (for instance). The smaller store will have just one.

## 3. Charette Options

The charette did not assess the merits of each option, but left them for consideration for the Featherston Master Plan.

### OPTION 1 - Intensify around the town centre and rail station


This option leverages the proximity of the station and the linear form of the town centre as a basis for joined-up density.

The charette considered the more proximate sites along the rail corridor, connecting back to the main street and linear town centre. The option attempts to use both nodes as a basis for growing them together and then speading around the station and along the State Highway.

### Assessment of Option 1

### Rail Station

This Option is a logical start point for an intensification and diversity objective. The rail station is a potential node for diversity and density, but much of its appeal as a site and development proposition requires recognition that those that will choose to live near the rail station option will work somewhere else - probably south. The level to which immediate proximity to the rail station is influential in the demand profile is uncertain. Current journey to work figures show 16% of local residents catching the train to work, but this rate is falling. The other factor is that almost all of the urban area is within 1 kilometre of the rail station (1 kilometre is usually the catchment measure for both rail station use and TOD catchments). In other words, immediate proximity to the station may not be a major factor in housing choice.

The rail station has no built attributes that would attract density and is not an amenity feature around which a developer could build a marketing program.

Option 1 requires development along the rail line between SH2 and the rail station (shown in orange in the charette drawing). The freight aspect of the line would have a negative effect on amenity, which is usually an offset for density. The other obvious market pitch would be price - as in low price.

### Town Centre

Like the rail station, one of the core issues for housing density and diversity is the level to which the town centre is an inspirer of density. The town centre is elongated for some distance on each side of SH2 but if one were the define a core, then the rail line probably cuts the core in half. The main convenience store is the IGA, which sits on the north side of the rail line and thereby is divorced from the complementary convenience retailers on the south side. In built form, the town is comprised of modest one and occasional two storey buildings. As the “main street” is a state highway, Council’s abiility

to intervene and "tame" the street is limited. The town lacks an activated urban space within the core. The charette diagram logically extends the development footprint in a linear fashion along both sides of the State Highway.

The issue of inspiration remains the key issue for density and diversity within the town centre. What is it about the town centre that would create the desire for housing density (transformation triggers)?

The next question relates to ease of implementation. It appears that the sites on the south side of the rail line on SH2 are zoned industrial (Sheet 64 SWDC). This raises planning barriers for residential use. Site consolidation will be the major cost along with the cost of demolishing existing assets, or developing around them. This assessment is relatively high level so we have assumed (without site-by-site analysis) that most of the areas shown in orange on the charette drawing have existing built assets (are more expensive than vacant land to acquire).

### OPTION 2 - Move the Train Station Closer to the Town Centre


Option 2 combines the town centre and rail station as adjacent assets. This limits the spread of intensification but this may be offset by the fact that the node it is more intense, engaging two assets not just one. This is more aligned to TOD principles, where urban centres and public transport operate together - not apart. This makes the station more attractive, but may come at a cost to park and ride. We are unsure of the influence of the current park and ride on retail and other facilities in Featherston. We assume that much of the park and ride is occupied by non Featherston residents. Do they meaningfully engage in Featherston retail, food and beverage? The relationships bewteen train stations and retail is universally a weak one. Train ridership generates almost no retail demand. We should not see the rail station as supportive of commerce (on its own).

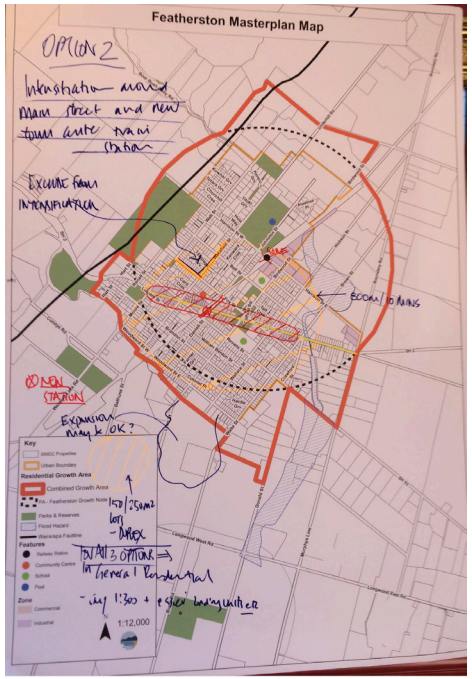
The charette diagram for Option 2 shows an extended linear development of mixed use and higher density housing along the highway.

As a public transport proposition, this Option makes sense. We can assume

that the potential loss of park and ride will have little, if any, effect on ridership as it is likely that existing users (from outside Featherston) will find other places to park and not convert to cars for the same journeys. Currently the Featherston park and ride is an easy/competitive resource for non Featherston residents compared to alternatives??

The combined effect of town centre and rail station consolidation would inspire a greater desire to intensify, as the inspiration is of two assets working together.

### OPTION 3 - Relocate the town centre close to the rail station




Town centres rely on multi-modal movement or movement energy. For millenia, towns have formed at places that are the most accessible from all directions for the most people. These places are almost always at crossroads where movement is heaviest. We also know (from observations and work undertaken by Space Syntax across the world) that urban (street) retail performs better at such places..

The nature of movement for urban centres is also important, as is the design speed of streets/roads.

Historic town centres in the Wairarapa formed where they would work best for access and the structure of each settlement radiates from links to each's centre. For Featherston, the regional network has determined and is determined by the location of the shops and commerce of the town. The State Highway is most influential as it carried/carries the most traffic. There are three other regional networks that radiate from the town and link to the wider Wairarapa - as shown in black in Figure 2.

Figure 2 - Networks and Central Place


The red box highlights the area that is most connected to everywhere else. This is where one would expect the best performing retail over time. Anchor stores and critical mass precinct concepts (such as shopping malls)

can overrule this “natural” propensity, but in movement terms the red box highlights the place that has the most energy, which is fundamental to urban commerce.

That means if we move the centre to the rail station we lose direct access to the regions, our primary relationship is to local movement. At Featherston, we also end up at the rural boundary.

Figure 3 - Town & Missing Networks


The diagram demonstrates a lack of direct regional links, interfaces with a rural boundary, withoutany wider links apart from a cross link connection between Boundary Rd and Watt St (an extension of Western Lake Rd). The rural boundary is a part of the Growth Node so local links would be possible, but the adjacent “FC” area is proposed as large “lifestyle” blocks - not suburan or urban. As stated above, the only urban link to facilitate an urban town response is the red street (Harrison St West). The town is relatively inaccessible near the rail station and would have almost no movement economy.

Moving of the town centre is not a realistic option and even if achievable, politically or as a development package, would fail at this site. This leaves us with only Options One and Two.

## 4. Tentative Thoughts

Growth appears to be a minor factor in driving density and diversity. This is probably the biggest factor in the barriers to change the housing mix. It would be good (if not done already) to test the basis of a more aggressive growth path for Featherston. Such propositions are politcally difficult. The political test will be “what you get and what you lose” in a more substantial growth proposition. A part of this proposition relates to retail, but also to whether a particular growth number triggers more community resources within Featherston. Sustainable growth means less travel and more resources closer to home. Do we have the opportunity to test such a filter within Council’s community resources team for Featherston or has this been done already?

On the basis of the Options themselves, Option 2 appears to be the most transformative, but we are left questioning the feasibility of consolidating sites and developing at density.

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