

## Memorandum via email

**To:** Kristina Cooper  
**From:** Mike Foster  
**CC:** File  
**Date:** 7 July 2011  
**Re:** WIAL PRICING

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Further to instructions from BARNZ re the Boffa Miskell Master Plan for Wellington Airport I can advise that I have reviewed the report, discussed its content with a number of colleagues I work with in the land development field, particularly retail, participated in the tele-conference call with WIAL representatives on 30 June 2011, and had a number of discussions with Dougal Smith.

In my considered opinion the proposed master plan in its current form is seriously flawed for the following reasons;

1. There is no justification that I can find as to how the rationale for a 7.1ha retail centre was arrived at;
2. Even with a possible population catchment within the airport precinct of 5,000, a centre this size (well in excess of 35,000m<sup>2</sup> of leasable space probably more) is likely to have very significant adverse amenity effects on existing centres such as Kilburnie and Miramar;
3. Such impacts could go as far afield as Newton and the CBD'S 'golden mile';
4. The Wellington District Plan has a very strong centres-based focus and there is no indication that the Council would endorse a shopping centre of the size proposed-views of the Council at a minimum should be sought;
5. The area proposed for large format retail at over 10ha seems far too large given its ability to accommodate up to 40,000m<sup>2</sup> of such space. I do not understand that the Wellington area is under represented by national large format retail chains;
6. The area for office park development is also extremely generous given the nature of demand for such space in the Wellington office market which is dominated by the Government sector;
7. The sell down/ build out assumptions in WIAL'S valuation tables assumptions seem wildly optimistic based on my experience and observations of other similar developments around New Zealand;
8. The climatic conditions that currently prevail - highly exposed to strong winds particularly from the south, must have a negative impact on the saleability and price of residential units;
9. The areas allocated to reserves seems to be quite small; and
10. How or who pays for the ongoing maintenance of the existing Lyall Bay sea wall (an annual cost I understand to be very high) is not mentioned.

Overall I am bound to say that the presently proposed master plan borders on the fanciful. A far more realistic plan would comprise say a 2ha shopping centre (a supermarket with a range of specialty shops, commercial services and fast food), an expansion of the existing large format retail area to the west of the existing airport of say around 5ha, no office park development, expanded reserve areas (up to 10% of the net area available for development), and the balance comprising medium and low density housing where the respective ratios are in the order of 30% medium and 70% low density- a configuration close to Boffa Miskell's option 4 without the declamation.