



29/06/2009

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Scale = 1:900 A4

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Warrakere City Council
 Office of Planning

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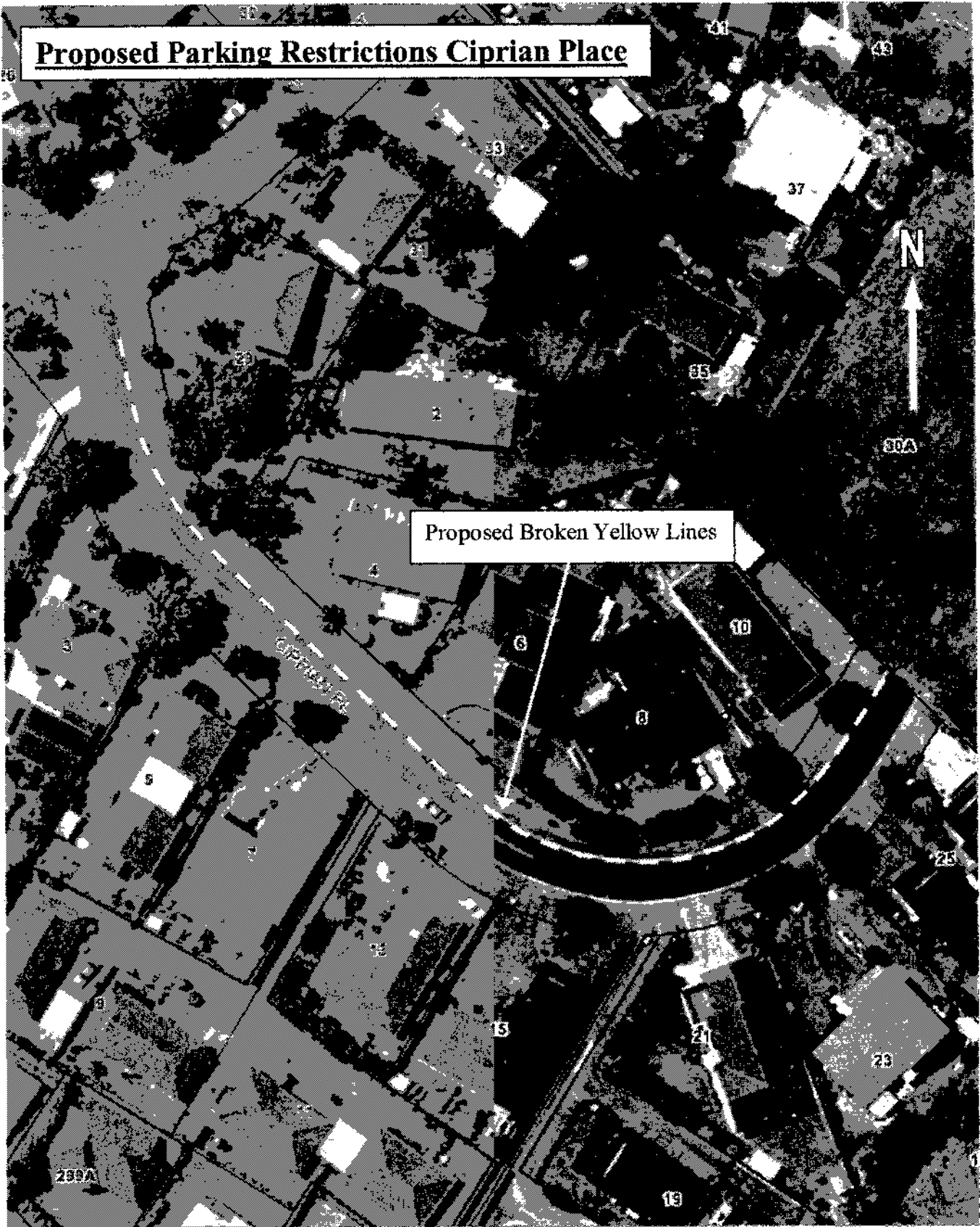
'No stopping' parking restriction on north (even numbered) side of Woodford Avenue

Proposed 'no stopping' lines

North

Woodford Avenue

Proposed Parking Restrictions Ciprian Place



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Executive Summary

- The nature of ownership within the centre is fragmented and predominantly that of private investors and family trusts. Many of these investors have adopted passive investment strategies and this has contributed to the current micro-economic environment, whereby an aversion to vacancy has rated above proper profiling of the asset and its suitability for particular tenant types.

This has resulted in a somewhat conservative approach to growth of the assets and a continuation of existing uses, despite their apparent poor performance

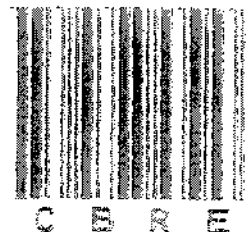
- Rentals throughout the mainstreet offer some of Waitakere City's most affordable retail and office accommodation options.

In general terms, rentals north of the Harbourview Road and Taikata Road intersection, generally fall within a range of between \$1,200 - \$1,500 per month. Towards the central mainstreet, higher rentals predominate, although the quality of accommodation is somewhat mixed affecting the variance of the rental range.

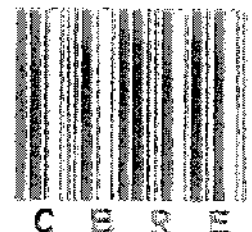
Our discussions with local occupiers has revealed that many acknowledge the role that Te Atatu Peninsula plays is of a secondary centre and therefore quality and rental price are not major considerations.

- There is a disproportionate concentration of convenience and takeaway food outlets coupled with discount variety stores. The establishment of these uses would tend to indicate an economic environment driven by rental affordability, rather than strategic location within the centre.

The centre's requirement for change is therefore prompted by the necessity to accommodate the local population's needs, re-identify the centre's role and economic function and provide a sustainable basis for growth and intensification.



- We believe there are a range of activities that are not represented or would be suitable within the town centre, however specific identification of these activities is a somewhat irrelevant exercise as market forces will dictate their occupation. We believe that the centre's role is firmly that of providing convenience services and retail opportunities.



- Boutique retailing, such as fashion, electronics and furniture would appear to offer limited appeal to the catchment, as more extensive ranges are readily available within the nearby regional centres of Henderson and Westgate.

Rather, it is our opinion that specialised food retailing (fresh meat, fish and poultry retailing) and pharmaceutical and other store-based retailing (stationary, used goods and flower retailing) provides a more suitable base, coupled with a range of health and professional services.

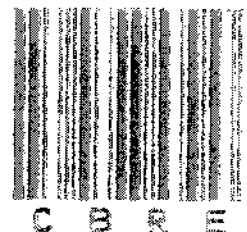
- Our investigations, in conjunction with Waitakere City Council's consultation with local stakeholders, confirms that a number of proprietors are intending to undertake redevelopment of their properties, typically by way of low to medium rise apartment complexes, with ground floor commercial frontages.

As these owners have not participated in active management of their assets, this has resulted in a somewhat circular scenario, whereby rental returns are not sufficient to feasibly develop new stock, without developing higher yielding residential units in conjunction with commercial components.

- Te Atatu Peninsula is currently experiencing a change in demographic, with two age ranges in particular experiencing a significant uplift during the period between 2001 and 2006. Specifically, those residents aged 35 - 49 years and over 65 years of age have grown in representation.

Waitakere City Council have questioned whether the changing demographic will affect local spend and development 'on the ground'.

Our brief investigation of markets affected by aging populations reveals that historically, developments have had limited regard to the particular age characteristics of the surrounding population. More so the rationale for new development is based upon attracting tenants seeking quality accommodation, able to pay premium



rentals over and above required rates of return. These include high turnover or high margin business and those which have a national presence.

- There would appear to be limited demand for office accommodation within Te Atatu Peninsula, largely as a result of locational barriers (transportation, labour supply pool) in addition to such requirements being satisfied elsewhere.

Given the nature of the location upon a Peninsula and the lack of uses that would attract co-location of office activities, we would envisage continued soft levels of office attraction, other than professional, bank and real estate services.

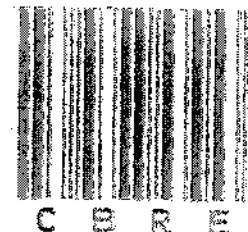
- We have completed a trigger point analysis whereby retail and office redevelopment could proceed on a feasible basis.

Whilst we acknowledge that there are a number of subjective factors which would affect required rental rates, we are able to confirm that in general, ground floor retail rates would need to breach \$300 psm and office accommodation achieve rental rates of at least \$230 psm, excluding GST and outgoings.

These rates exceed those found elsewhere within Waitakere City and therefore, modern redevelopment is unlikely to proceed in the short term unless it is underpinned by higher yielding development. Although rental rates in excess of this threshold have been achieved within the Bella Vista development, we do not believe there is sufficient depth within the market at present to attract these rental rates and occupier types.

Recommended interventions and measures that we believe warrant further investigation include:

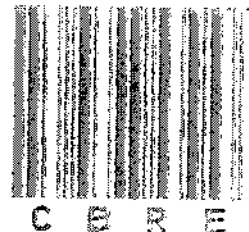
- The existing tenant composition of the centre is weighted towards convenience foods and discount variety stores, attracted to the centre by low to moderate rental levels. This has resulted in a tempering of rental growth by comparison to other established town centres throughout



Waitakere City and accordingly the centre has attracted a secondary profile.

We believe that a contraction, rather than expansion, of the retail core may be required in order to provide equilibrium to the nature of uses and rentals able to be paid. With increased scarcity of space, there is a greater likelihood of 'higher and better' being attracted.

Although the addition of new bulk to the centre, may equally provide accommodation suitable for more highly regarded, nationally branded tenants, we believe that this may result in further piecemeal style development and as a consequence, exacerbating those areas which continue to perform poorly.



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- The style of recent (and proposed) development within the centre has been somewhat opportunistic, being clustered around sites which were previously vacant or presented few complexities with regard to their relationship with adjoining residential development.

In order to optimise the layout and configuration of the existing centre's roading and pedestrian network, we would advocate clustering of uses and promotion of development types within various quadrants.

For example, we have identified that commercial office facilities should be fostered within the north-western quadrant of Te Atatu Peninsula, where low-moderate retail rental rates predominate and development effects can be more effectively mitigated.

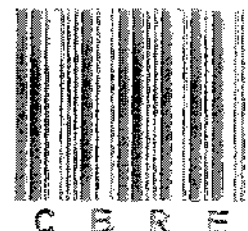
In addition, Council should actively support residential focussed development upon 'landmark' and 'gateway' corner sites within the centre, which benefit from uninterrupted views towards the Upper Waitemata Harbour and/or benefit from a close association with public amenities (Community Centre, Village Green, Jack Pringle Park).

These initiatives will potentially enhance the function of the town centre, by consolidating retail focus towards the core and creating an 'amphitheatre' of development around larger parcels such as the Community Centre and Woolworths sites.

- Other than general market movements in apartment values and retail rentals, car parking requirements would appear to impose the greatest barrier to redevelopment within the centre.

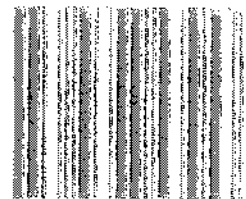
It is our recommendation that Council develop a clear and definitive policy with regard to onsite car parking within Te Atatu Peninsula and investigate other interventions relating to car parking as noted below.

- It has previously been identified that the centre is well served by public car parking, comprising a mix of public kerbside car parks, those located within council owned facilities and larger lots of a private nature.



We have an opinion to the contrary, as kerbside car parking along the mainstreet has contributed to congestion as the Peninsula's population has grown; council facilities are segregated from the retail core and private car park lots offer no secure future car parking benefits.

Rather we believe that a comprehensive public car parking / transportation area should be provided, to promote extended customer stays within the centre and a reinforced focus towards the western mainstreet frontage. Furthermore, such a designated area would provide for future retail expansion opportunities to its periphery and promote the potential for dual / split retail frontages upon the existing mainstreet properties given their extended lot depth.



C B R E

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