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Ministry for Cities, Environment, Regions & Transport

PO Box 82

Wellington 6140

Via website: https://environment.govt.nz/what-you-can-do/have-your-say/

Dear Ministry,

Submission of Historic Places Wellington on Removal of Heritage Listings from the Wellington District Plan

Summary

Historic Places Wellington (HPW) **strongly opposes** the removal of the **GHQ** Building from the Wellington District Plan, and of the proposed increase to 42.5m of the height thresholds for non-contributory sites within the **Courtenay Place Heritage Area** (CPHA). We **oppose** removal of the Karori Tunnel and Kelburn Viaduct from the Wellington District Plan, and are **neutral** regarding the removal of the Miramar fuel tank.

Historic Places Wellington (HPW) is an incorporated society which aims to identify and protect heritage places in the Wellington region.

The statutory justification for the regulatory proposals is the Report of Investigation of Wellington City District Plan heritage provisions (the report) by the Ministry for Cities, Environment, Regions & Transport's (MCERT).

The report is deficient. Although it notes the requirement for there to be an assessment of the "balance between the additional economic activity enabled and the heritage values potentially foregone", the report contains no assessment of heritage values and accordingly acknowledges that aspect of balancing was not assessed. The report states: "the scale of any net economic benefit from modifying these provisions was not assessed". The economic assessment which forms the main basis of the MCERT report is therefore not a full and balanced consideration of the impacts of the proposed District Plan changes and is *ultra vires* the Minister's regulatory powers under s360i of the RMA.

General Headquarters Building (GHQ) Building

Removal of the heritage listing of the GHQ building is inconsistent with s.6(f) of the Resource Management Act 1991.

The report contains no assessment of heritage values and refers only to the potential capacity increase for housing on the site.

The building sits on the edge of the National War Memorial Park where a National Historic Landmark Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu, is situated, a site with the highest level of heritage recognition in New Zealand.

The 1912 GHQ is the oldest military administration building in New Zealand, and the only remaining military building on Mount Cook, the initial site of New Zealand's colonial armed forces.

It is an important remnant physical backdrop to the 1913 strike action between waterfront workers and the "specials" ("Massey's Cossacks") in a bitter and pivotal moment in the nation's social history, determinative of future labour relations and the later creation of the welfare state.

GHQ has a low EPB rating explaining the containers around it, but the new Earthquake Prone Building Amendment Bill is expected to require less costly remediation for such a two-storey masonry building. The façade-only strengthening will be less costly.

The site is currently owned by Defence NZ and (as for many other sites across Wellington) subject to mana whenua right of first refusal in any Crown disposal process. The site was originally purchased from Tenths on 4 March 1877. It was not part of the earlier Mount Cook "Crown Grant" of 1850, which has since been returned to mana whenua.

The building covers a small proportion of the large site and does not inhibit development of high-density housing behind it. The small-medium sized building is located at the front and corner of its large site, and appropriate development is possible adjacent and behind it – in accordance with a.6(f) – notwithstanding its heritage listing. Any assessment of theoretical housing capacity should therefore take account of the fact that significant high density housing capacity clearly exists on the large accessible site.

Appropriate development of the heritage building could also accommodate mixed commercial use; community use; and/or entrance foyer associated with high density living behind it.

The report does not mention that any redevelopment of the site would in any event require a resource consent regardless of heritage status. All buildings over 100m2, and with a limited footprint, are "restricted discretionary" activities under the City Centre Zone (CCZ) rules in the district plan redevelopment project.

Recent examples of successful redevelopment of heritage buildings include the GWRC offices in Cuba St, and the Stewart Dawson's buildings on the corner of Lambton Quay and Willis St.

The Formative Report acknowledges the importance of the surrounding area comprising low-rise buildings of two and three stories. However, the MCERT Report concludes that there would be “commercially feasible and realisable floorspace” at a maximum capacity of 220 apartments.

Regardless of heritage status, the context of the Memorial Park and its surrounding built environment means those theoretical 220 apartments is unrealistic. In fact, it is considerably cheaper per square metre to build low rise developments. Several development sites have been hampered by the CCZ requirement to build “at least 6 stories” (i.e. a minimum height level).

These include the very large former bread factory site in Hanson St; initial plans for 43 Austin St (its taller plans now before the Environment Court); and the Paddington development on Taranaki St where buyers preferred a non-body corporate ownership typology, post-Canterbury earthquakes.

Courtenay Place Heritage Area (CPHA) Proposed Height Increases

The CPHA contains a number of specifically listed heritage buildings, several are on the HNZPT List /Rārangi Kōrero, including the Wellington Central Fire Station, the Embassy Theatre, and the Hannah Playhouse (the latter two are Category 1). There are many distinctive low-scale commercial buildings from the early twentieth century and specifically listed on the district plan. At present all buildings within the CPHA have a medium density designation (12-24m, depending on the sub-area within CPHA).

HPW **strongly opposes** the proposal to raise 14 sites within the CPHA which are not specifically listed as either “heritage” or “contributing” to high-density 42.5m.

In terms of considering the effects of such out-of-scale buildings on the neighbouring heritage buildings, careful assessment on a case-by-case is required. The effect of the proposal is rather to randomly pepper pot the high-density opportunities throughout the CPHA, thus maximising the effects throughout the CPHA. A preferred approach would be to consider less significant height increases and to group them together, for example to enable 28m along Wakefield St, thus recognising that other tall buildings already exist nearby while minimising effects on Allan, and Blair Streets and on Courtenay Place itself.

The MCERT report contains flawed analysis of the housing capacity which was recently modelled to show Wellington already had decades of feasible capacity. We also have a shrinking population. See appendix for expert evidence about housing capacity in this area.

The resource consent process allows for a careful consideration of the impacts on the recognised heritage buildings in the area and HPW opposes the wholesale abandonment of that approach by allowing as of right such bulky buildings without any such case-by-case analysis.

The early-twentieth century streetscape of Courtenay Place and adjacent roads in this area is predominantly intact, warranting a significant effort to retain the integrity of the streetscape through the retention of contributing buildings and sensitively considered additions that include appropriate buildings setbacks and design.

Moreover, deficiencies with the Formative Report included in the MCERT report are addressed in the appendix containing expert economic analysis relating to the proposed inappropriate development at 260 Wakefield St currently subject to a (fourth) resource consent application to extend to 37.6m/12 storeys. That process of multi-consents reflects the present shortcomings of the RMA as it relates to a lack of consideration of cumulative effects, in this case on the CPHA.

Heritage Structures

HPW **opposes** the removal of heritage listings relating to:

– the 1900 Karori tunnel; &

– the 1931 Kelburn Viaduct.

Each structure is a fine example of historic engineering and design and is included on the New Zealand Heritage List/Rārangi Kōrero, which will endure regardless of removal from the district plan.

The structures were significant for Wellington city's suburban development, and are important historical infrastructure items.

However, HPW is also pragmatic about the constraints on WCC's budget and is disappointed that its internal processes appear unable to efficiently provide timely maintenance and safety measures for those structures, without stripping heritage status from them. In our opinion the necessary works are able to be achieved quickly and cheaply, but somehow "heritage" has been used as an excuse not to do so.

The Formative Report is wrong about maintenance, which is currently a "permitted activity" under the District Plan heritage rules. No consent is required.

The report also refers to maintenance costs for the tunnel having increased from approximately $350,000 to around $2.5 million, but does not specify the time period concerned. The report also states that "some costs are also associated with the additional requirements arising from heritage protection and the resource consenting process for maintenance works". HPW doubts that heritage status is a factor in that cost increase, and if it is a factor then is appalled at the internal WCC processes involved in what should be a relatively straightforward task.

Recognising the important public role those structures have in the daily lives of ordinary Wellingtonians travelling to work and elsewhere, HPW will support necessary measures to resolve practical problems, regardless of heritage status.

HPW notes that the existing District Plan provisions support such measures, including maintenance and adaptation and does not hinder appropriate development, but HPW also recognises that public opinion is pragmatic about those issues.

We therefore do not see "heritage" status in the Wellington district plan as particularly relevant to the necessary works envisaged by WCC.

Miramar Fuel Storage tank

HPW is **neutral** about the removal of heritage status of the Miramar fuel storage tank. The tank is not listed with Heritage New Zealand Pouhere Taonga and HPW did not comment on its inclusion into the Wellington district plan. HPW notes a written submission was made on behalf of its owner, Wingnut Films opposing its inclusion in the district plan during the recent review. However, Wingnut Films did not participate in the process of hearings before the Independent Commissioners and so the proposal proceeded with neither active support nor opposition.

HPW understands the building had engineering historical interest and local history. From a practical view, however, the building has limited to no contemporary usage and its placement on its large site somewhat inhibits fuller use of the site. For those practical reasons HPW is neutral about its continued heritage listing.

HPW also notes that the owner could relatively easily, (and unopposed), seek a resource consent for demolition and other use of the site within the terms of the current district plan. HPW notes the owner has not responded to MCERT "reaching out" to offer the present de-listing service.

Conclusion

The report fails to quantify the cost to heritage values of the proposed de-listing of the GHQ building, and of the increased negative effects on the heritage values of the CPHA from the high-density development enabled on 14 sites. Even ball park estimates of the economic loss are absent. We also consider the report is unrealistic about the height and amount of housing that could be built if GHQ building was demolished, given its location next to a nationally significant memorial site. And notes the land potentially available for housing behind the building.

The maintenance and repair of the Kelburn Viaduct and the Karori Tunnel is already permitted under the heritage rules and there are few additional maintenance costs associated with their heritage status.

All persons exercising functions and powers must recognise and provide for matters of national importance in the RMA including section 6(f) the protection of historic heritage from inappropriate subdivision, use and development.

The recommendations of the MCERT Report to delete and amend parts of the Wellington District Plan without a full evidence-based investigation is inadequate and contrary to s.6(f) of the RMA. No reasonable evidential basis for a decision exists. A more robust plan change process would be a preferable process for WCC to follow since it allows for the consideration of credible evidence and independent decision making. HPW supports the view of HNZPT that all recommendations of the MCERT report be rejected, and that the provisions of the Wellington City District Plan remain unchanged until addressed by a more robust process.

APPENDIX: Expert evidence of housing economist Tim Helm

Under the Resource Management Act 1991 (RMA)
In the matter of Application SR569071 under section 127 of the RMA to change conditions of resource consent SR453080 (as amended by SR555965 and SR566559), at 260 Wakefield Street, Te Aro

By Historic Places Wellington (HPW) and Wellington's Character Charitable Trust (WCCT) Submitter
STATEMENT OF EVIDENCE OF TIM HELM ON BEHALF OF HPW AND WCCT
17 AUGUST 2026

INTRODUCTION

1. My full name is Timothy Walter Helm. I am an economic consultant covering housing, transport, taxation, and environmental policy and regulation.

Experience

1. I have over 16 years' experience providing economic analysis and policy advice on these topics. In addition to independent consulting for local and state governments and not-for-profit organisations in NZ and Australia I have worked as the Director of Research and Policy for tax and land-use policy think tank Prosper Australia, as a Senior Consultant for Ernst & Young, as a Senior Economist at the Victorian Treasury (Australia), and as a Senior Associate at research organisation the Grattan Institute (Australia).
2. I have a PhD in Economics from Melbourne University, a Masters in Economics (Hons) from Melbourne University, and a joint Bachelor of Commerce (Hons) / Bachelor of Science from Victoria University of Wellington.

Scope of evidence

1. I have been engaged by Historic Places Wellington (HPW) and Wellington's Character Charitable Trust (WCCT) to provide a high-level assessment of the economic effects of the proposal at 260 Wakefield Street, Te Aro.

My evidence will address the following: the distribution of economic benefits and costs of the proposal;

- effects on development feasibility;
- effects on housing supply and affordability in Wellington.

My evidence does not analyse or endorse the specific positions taken by HPW or WCCT or any other submitter.

Code of conduct

1. I have read the Code of Conduct for expert witnesses in the Environment Court Practice Note 2023 and complied with it when preparing this evidence. My evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

EXECUTIVE SUMMARY

1. The proposed modification to consent conditions is likely to provide private financial benefits to the applicant while imposing costs on the public and other property owners (by

way of impacts on heritage values as described in other evidence). These costs could be mitigated by suitable value sharing arrangements.

2. Regardless of whether the latest proposal is granted, replacing the current at-grade parking on this site with a building is likely to be highly economically feasible. This means the proposed revisions to consent conditions are not necessary to support the goal of seeing this site more productively used.

3. Since the proposal would result in development of more dwelling space than is currently consented, granting the proposed modification to this consent is likely to detract from demand for and thereby delay redevelopment of other vacant and under-used land in Te Aro. The net effect will be to alter the density of built form (by way of a taller building affecting the heritage area with other Te Aro land left vacant for longer) without affecting market-wide housing supply or affordability.

DISTRIBUTION OF ECONOMIC BENEFITS AND COSTS

1. I understand from application documents and evidence that the proposed development has been modified several times, as follows:

- 21 May 2020 with a consent application approved for a 7-storey apartment block with 80 units plus retail and a maximum building height of 24m;
- 14 July 2025 to increase the number of units from 80 to 120 and the maximum height to 30.5m;
- 25 May 2026 to provide 107 units over 10 storeys at a maximum height of 32m;
- In the latest proposal, to increase the number of units to 116 and the building height to 12 storeys at a maximum 37.6m.

2. From an economic perspective, each consented change in design grants valuable additional development rights to the landowner. Property is usually conceived within economics and law as a “bundle of rights”. Adding new rights to this bundle increases its financial value even prior to (or without) development taking place. Each additional grant of rights via consent modification results in windfall gains to the landowner’s property value.

3. This private financial benefit is sometimes made explicit, as in the 14 July 2025 decision report, which described the applicant having requested the change to consent conditions for reasons including *“increasing the number of units to increase development yield”.*

4. These private gains are offset by the external effects of development (when it eventually takes place) on the public realm, and thereby on other property owners, including by way of lower amenity. Lower amenity reduces business profits, rents, developer profits, and demand for land, leading to lower property values.

5. I understand that other expert evidence and submitter statements points to these external effects on the heritage area being negative, with the remaining debate being over their size (and setting aside any effects of additional housing, which I have considered in the sections below).

6. For instance, a Council officer concluded in their 14 July 2025 decision report that *“any additional increases in height above [30.5m] are likely to have compounding impacts on its visibility within the Heritage Area and hence heritage area values as set out in the District Plan”* and an expert witness concluded that the 37.6m building now proposed *“will become a dominant and distracting feature that encroaches on the skyline visible behind and beyond the lower-scale heritage buildings in these streets, closing-in the streetscapes and detracting*

from the consistent form, scale and proportions that are critical to the values of the Courtenay Place Heritage Area".

7. From the point of view of the distribution of costs and benefits, the effect of the latest proposal (and each of the earlier consents) is therefore to increase the private property value of the landowner at 260 Wakefield St at the expense of the wider public, including other landowners.

8. In many jurisdictions, recognition of these distributional effects justify what are known as 'value sharing', 'environmental offset', 'works in kind' or 'betterment' arrangements in which developers are required to make compensatory payments or ensure material public benefit derives from the development by other means. These could be used in the current case.1

[footnote 1 For one example of many of these type of arrangements, see Fensham (2017), Development contributions, value capture and voluntary planning agreements, SGS Economics and Planning.]

EFFECTS ON DEVELOPMENT FEASIBILITY

1. The nature of the current and proposed land use suggest that the proposed revisions to consent conditions are not economically necessary to see the site at 260 Wakefield used more productively than at present.

2. From an economic perspective, whether development is feasible (i.e. can profitably go ahead) rests on whether the *change of land use* is profitable. The test for this is whether the residual profit from development (i.e. the revenue from dwelling sales minus the costs of construction, financing and marketing, but not site acquisition) exceeds the income derived from the current use of the site.

3. This is different from 'project feasibility' as seen from a developer's perspective, which rests on whether both *site acquisition* and *development* can be profitably undertaken at the current point in time (or equivalently, whether an adequate return on the asset value of land sacrificed for that development can be achieved by developing it).

4. Project feasibility depends on the prices payable (or paid) for the site. Since land prices capitalise the value of the development rights granted by the resource consent, project feasibility can often appear marginal, even when existing consent conditions already allow for a highly profitable change of use.

5. Project feasibility varies according to whether the development market sees higher profit from immediate development or from delaying development to a future time. Project feasibility therefore measures market conditions and the profitability of development at the current point in time, as opposed to later, but provides no information about whether land-use rules and consent conditions already allow for sufficient profit to see the site developed per se.

6. The goal of more productive land use, including as articulated in planning instruments such as the NPS-UD, is supported by ensuring that consent conditions make the *change of use* economically feasible. Whether modifying a consent would temporarily improve project feasibility (prior to the financial value the modification provides the developer being capitalised into higher land prices) is irrelevant to this test.2

7. 2 For further discussion of the distinction between how developers perceive feasibility and why the public benefit test is different, see Helm and Williams (2026), Pricing development rights, Prosper Australia, p25.

8. I am not privy to development feasibility calculations for 260 Wakefield St. But the low value of the existing use (at-grade car parking), the high site value ($2.8 million), the

relatively high-density building proposed by the applicant, and the general tendency for per-dwelling development costs to rise with density together suggest that there exist a wide range of development options for this site for which the change of use will be economically feasible.

9. Therefore any claims that consent conditions need modification to ensure the development is profitable enough to go ahead are likely to be a misapplication of the concept of project feasibility to a policy question that should be guided by different concepts, namely whether the existing consent provides adequate profit to incentivise the change of use, and whether the external effects of the proposed modification are on balance positive.

EFFECTS ON HOUSING SUPPLY AND AFFORDABILITY

1. The applicant's *Assessment of Environmental Effects* makes significant mention of effects on housing supply, noting (for instance) *"the positive outcomes associated with increased housing supply"* and consistency of the proposal with the NPS-UD on the basis of *"advanc[ing] housing supply and market responsiveness"*.3

2. 3 NK Planning (2026), Assessment of Environmental Effects, prepared for Three Sheds Limited, February.

3. Planning evidence provided by the applicant also claims that the proposal will generate positive effects. Setting aside those benefits which this evidence describes as accruing to future building occupants, and therefore to the developer (e.g. more functional and adaptable commercial space), the only positive external effects identified in this evidence are the nine additional apartments (*"a relatively modest contribution to Wellington's overall housing supply [but] nevertheless a real and relevant benefit"*) and the fact these apartments are provided *"without… requiring development of an additional site"*.4

4 Statement of evidence of Nathan John Keenan – Planning, 10 August 2026.

5. Since this proposal is for a residential building, the proposed development (once delivered) will clearly – by definition, and when considered in isolation from broader market effects – have the effect of increasing the housing stock. This point is trivially true.

6. This trivial point even holds if the project provides predominantly short-stay apartments rather than permanent housing, since regardless of use, any additional dwellings built will ease pressure across the entire housing market, including by way of the short-stay sector encroaching less on the housing stock made available to long-term residents of Wellington.

7. When the effects of additional housing at 260 Wakefield on other development sites are taken into account, however, the housing supply effects of this proposal are not to increase the housing stock, but to change its composition. That is, the relevant external effects relate to the effects of varying the density of construction (on this site and others), not on market-wide housing supply and housing affordability. Contra the applicant's evidence, building nine additional apartments on the same site cannot be seen as providing a positive effect on overall market supply.

8. This is because the total rate of production of new housing across all potential development sites in a market takes place at a market-wide equilibrium rate (i.e. an absorption rate). That feasible changes of use are taken up not all at once but at at market equilibrium rate is a standard economic idea that also aligns with development industry practice.5

Footnote 5 The most prominent exposition of this point is in the UK Letwin Review: Letwin (2018), Independent Review of Build Out Rates, UK Ministry of Housing, Communities and Local Government, June.

9. Allowing higher density development on any one site therefore means that total market demand for new housing is met either by redevelopment of fewer other sites or by a lower-density built form when those sites are developed (to the extent this is legally possible). In other words, allowing higher-density development at 260 Wakefield Street will displace housing from other sites, most notably in Te Aro, that would otherwise be developed sooner, or to a higher density. This environmental effect is not necessarily positive.

10. The relevant question in relation to whether additional housing in a proposed development will have positive effects is not whether the development supplies housing (which is satisfied by definition), but how allowing higher density will affect other sites currently feasible to develop by way of the timing and external effects of the development occurring there. In other words, the relevant effect of consent conditions is on the density of built form and number of sites developed in Wellington, not on the total housing stock or housing affordability.

11. There are currently many sites both within Te Aro and in Wellington City more broadly being held in low-value use despite already being feasible to develop. Even prior to upzoning under the 2024 District Plan, development capacity modelling suggested Wellington City had 95,000 dwellings worth of feasible capacity, i.e. already had capacity adequate to supply new housing for around 190 years at current construction rates of around 500 dwellings per year. Te Aro alone under pre-2024 rules had feasible capacity for over 13,000 dwellings, i.e. had enough capacity to supply all of Wellington City's housing needs, at current build rates, for the next 26 years.6
Footnote 6 Property Economics (2023), Wellington feasible capacity assessment memorandum, September.

12. Since there exists no binding constraint on feasible capacity in Te Aro, the key external effect of allowing higher-density development on 260 Wakefield St as proposed by the applicant will be to displace demand from competing development sites, above all from sites in the same housing sub-market, i.e. Te Aro apartments.

13 This will result in development of these sites being delayed, or these sites being built to lower density. Since the 2024 District Plan established six-storey *minimum* heights for new developments in Te Aro, however, new development in Te Aro can no longer proceed unless and until development to (at least) six storeys is profitable. That is, market demand can no longer be met with lower-density developments, e.g. 3-4 storey buildings.
14. This means the primary effect of increasing the maximum height and number of dwellings consented on 260 Wakefield St will be to see fewer development-ready Te Aro sites developed, and more of these sites instead banked for longer in their current vacant or low-value use (e.g. at-grade car parking). Since there is no shortage of land ready to be developed into new housing in Te Aro, the compact urban form benefits of allowing a taller building at 260 Wakefield as cited in the applicant's evidence are non-existent.
15. Relative to the existing consent (as modified), the proposed consent is therefore not likely to produce *"positive outcomes associated with increased housing supply"*, as per the

applicant's *Assessment of Environmental Effects.* Rather, it is likely to have neutral effects on the overall stock of housing in Wellington, with negative effects on amenity, both by compromising heritage values near the site in question (according to the evidence and submissions I have read), as well as by causing other sites currently in vacant or low-value use to be held in that state for longer (with this state, sometimes known as 'urban blight', generally considered negative for amenity).

TIMOTHY WALTER HELM
17 AUGUST 2026