**UNDER** the Resource Management Act 1991 ("**RMA**")

AND

IN THE MATTER of Proposed Plan Change 14 to the Christchurch City

Plan ("**PC14**")

# STATEMENT OF EVIDENCE OF JUSTIN KEAN ON BEHALF OF SCENTRE (NEW ZEALAND) LIMITED

# CORPORATE

**20 SEPTEMBER 2023** 



## 1. INTRODUCTION

- 1.1 My name is Justin Jeremiah Kean. I am the Development Executive for Strategic Asset Management at Scentre (New Zealand) Limited ("Scentre") and have held this role since May 2022. In this role I am responsible for the strategic asset management of Scentre Group's properties in New Zealand as well as the ongoing development of any aspect of the properties across the portfolio. This involves the development and evolution of Scentre Group's long term plans for the centre's across New Zealand, engagement with all stakeholders both within and outside of Scentre Group and the implementation of development planning for our portfolio of centres.
- 1.2 Prior to this role I have worked in commercial property as a property portfolio manager for Dilworth Trust Board, as a developer for the Wairaka Land Company, as a consultant and research director for Jones Lang LaSalle and as a global fund manager for ING Real Estate.
- 1.3 I hold a Bachelor of Property from the University of Auckland and a Bachelor of Communications from the Auckland University of Technology. I am a current member of the Investment Committee for the Heretaunga Tamatea Settlement Trust.
- 1.4 I am authorised to give this evidence on behalf of Scentre.

# Scope of Evidence

- 1.5 My evidence relates to the submission of Scentre on PC14 which sought:
  - (a) Identification of Riccarton as a Metropolitan Centre;
  - (b) Amendment of Rule 15.4.2.2 to increase the maximum building height in Riccarton to 50m;
  - (c) Amendment of Rule 15.4.1.1 (P11) to provide for permitted activity status for office tenancies of any size in Metropolitan Centres or the larger Town Centres; and
  - (d) Removal of sub-chapter 6.10A or amend it to provide for incentives rather than penalties to encourage tree canopy cover of at least 10% on commercially zoned greenfield or brownfield sites, and to expand the definition of 'tree canopy cover' to include living green walls and roofs.

- 1.6 My evidence will outline:
  - (a) An overview of Scentre and the Riccarton centre; and
  - (b) An overview of the amendments sought by Scentre on PC14.

#### 2. SCENTRE AND THE RICCARTON CENTRE

## Scentre

- 2.1 Scentre is part of the Scentre Group (which owns the Australian and New Zealand businesses formerly known as the Westfield Group), a vertically integrated shopping centre entity that undertakes development, design, construction, property management, leasing and marketing activities. Scentre is a leading international shopping centre company with an extensive global portfolio of high quality shopping centres. Scentre Group has interests in, and operates, a portfolio of 42 major shopping centres in New Zealand and Australia, with assets under management of A\$34.2 billion. Scentre's shopping centres are carefully designed and planned, and Scentre constantly reinvests in its facilities to maintain and upgrade them to a very high standard.
- 2.2 In New Zealand, Scentre has interests in, and operates, five shopping centres, which comprise assets worth approximately \$2.8 billion and provide over 900 retail outlets. For the year ending June 2023, these centres attracted some 43 million visitors. Scentre saw over \$2.2 billion in retail sales occur within its five centres across New Zealand through 2022 across 280,000 sqm of retail space in Auckland and Christchurch. There is no doubt that Scentre's centres are a focus for retail and recreational activity as well as hubs for economic activity and employment.
- 2.3 Scentre internally manages a number of aspects of its business including development, design and construction, fund and asset management, property management, leasing and marketing. Since 2000, Scentre (and its predecessor, the Westfield Group) has invested over \$1 billion in the development of its New Zealand shopping centres. This level of spending is a major economic boost to the country and to each district where it occurs. The establishment of a new centre, or any major redevelopment of an existing centre, represents a huge financial injection to the construction industry and creates considerable employment opportunities within the centre and for suppliers.

- 2.4 Scentre has established itself in New Zealand as the retail industry leader and is a recognised and respected member of the development world. Scentre is at the forefront of innovative retail developments in New Zealand and internationally, and any new build or redevelopment proposal is always planned, designed, and delivered to be several steps ahead of the last. Scentre is committed to developing high quality shopping environments in New Zealand.
- 2.5 Scentre was actively involved in the development of the Christchurch City Plan, including in relation to the Commercial chapter. Scentre also provided comprehensive evidence to the Hearings Panel through that process, as part of a Key Retailers Group, and actively participated in the mediations and hearings on the Commercial chapter.
- 2.6 Scentre is particularly interested in ensuring that PC14 appropriately provides for the status of the Riccarton centre, and for the expansion of existing centres in Christchurch generally.

#### **Riccarton Centre**

- 2.7 Scentre owns and operates the Riccarton shopping centre, approximately 3 kilometres from the Christchurch Central Business District ("Westfield Riccarton").
- 2.8 Westfield Riccarton is Christchurch's oldest and largest shopping centre and is the third largest shopping centre in New Zealand (by retail space). It offers nearly 200 stores, including specialty retail, entertainment, food and hospitality, commercial services, community/education services, health facilities, and a vibrant "mainstreet" environment along Rotherham Street. It also provides integrated and predominantly weather-protected car parking facilities, on-site cycle parking facilities, along with taxi stands and public transport stops on immediately adjacent roads.
- 2.9 Westfield Riccarton is a focal point for the local community and for Christchurch as a whole.
- 2.10 In 2005 Scentre completed a \$90 million expansion and refurbishment of its Westfield Riccarton, which included the introduction of the Hoyts Cinema multiplex and a restaurant and cafe area at the Rotherham Street end of the Westfield Riccarton, and the redevelopment of the Rotherham Street frontage. This was followed in 2009 by a \$75 million expansion involving an additional level of retail space to accommodate a further 40 retailers and a new Cafe court adjacent to the cinema complex, and a new three level carpark building.

Additional car parking decks were approved as part of the consenting of that expansion.

- 2.11 In July 2014, Scentre was granted resource consents in relation to proposed works at the eastern end of the shopping centre for alterations and additions to the existing building to the east of Rotherham Street. The works include additional floor space, additional levels of car parking, an outdoor hospitality area, changes to the existing building facades, the widening and enclosure of an existing pedestrian air bridge, new vehicle ramps on Dilworth Street to the east of the existing ramp, and around 900m² of outdoor signage. In 2018, Scentre reconfigured several shops on the ground floor concourse to accommodate the South Island's first H&M retail store.
- 2.12 It is Scentre Group's long-term aspiration to continue to evolve and grow the retail offer at Riccarton such that the centre attracts an increasing audience to create extraordinary places, connect and enrich communities. Our purpose underpins our strategy, growth ambition, responsible business approach and culture.

## 3. AMENDMENTS SOUGHT TO PC14

# **Identification of Riccarton as a Metropolitan Centre**

- 3.1 Under PC14, Riccarton is proposed to be a Town Centre.¹ In its submission, Scentre sought that Riccarton be identified as a Metropolitan Centres.
- 3.2 Riccarton is a premier sub-regional centre in Christchurch, second only to the City Centre as far as importance. Riccarton is a major retail destination for shopping and a focal point for employment, community activities and facilities. The relevant zoning and controls need to reflect this and provide an appropriate planning framework.
- 3.3 In Auckland, Scentre's developments at Manukau, Newmarket and Albany are within identified Metropolitan Centres. Riccarton is in fact larger in terms of area and number of tenants than both Westfield Albany and Westfield Manukau and so has a similar scale and function to those centres.
- 3.4 Scentre considers that, given the above, it is appropriate for Riccarton to be identified as a Metropolitan Centre as that status recognises Riccarton's important role, and anticipates and enables ongoing growth and intensification both within and adjacent to the centre.

Plan Change 14, Policy 15.2.2.1.

## Increase of Building Height to 50m

- 3.5 PC14 sets a maximum building height of 20m for Town Centres (generally), and 22m for Riccarton, Hornby and Papanui.<sup>2</sup> Scentre considers that the height limit for Riccarton should be increased to 50m.
- 3.6 A 20m height limit already applies to Riccarton and therefore Scentre considers that there is very little provision for increased intensification for Riccarton under PC14, despite intensification being focussed within and on areas surrounding commercial centres.
- 3.7 Scentre considers that an amendment to the height limit in the manner requested will ensure that Riccarton is permitted to undertake further intensification to provide increased density. This also provides the opportunity for development of a residential or office nature to complement the retail offering in the existing centre. Westfield Albany is a recent example of this occurring, with resource consent recently being obtained to construct a centre with a wide range of uses including retail, dining, recreation and commercial uses above the existing Albany centre.

#### Office Tenancies

- 3.8 As currently drafted, Rule 15.4.1.1(P11) of PC14 identifies office tenancies under 500m<sup>2</sup> as permitted activities. Scentre considers that it is appropriate to also provide for office activities over 500m<sup>2</sup>.
- 3.9 Irrespective of whether Riccarton is identified as a Metropolitan Centre or a Town Centre, the existing and future role of Riccarton centre justifies permitted activity status for offices of any size. Scentre seeks permitted activity status for office tenancies of any size at Riccarton.

#### **Financial Contributions**

- 3.10 PC14 proposes the insertion of a new Sub-chapter 6.10A, requiring financial contributions for the development of commercial zoned land in greenfield / brownfield locations resulting in one or more buildings and / or impervious surfaces that do not retain or plant 10 percent tree canopy cover.
- 3.11 Scentre opposes the imposition of additional financial contributions as proposed by the Council. Scentre considers that requiring financial contributions in this manner operates as a further barrier to development.

Plan Change 14, Rule 15.4.2.2.

- 3.12 Scentre considers alternative provisions should be implemented which provide incentives for compliance, rather than penalties resulting from non-compliance. This will achieve the intended effects of incentivising canopy coverage, while limiting barriers to further development.
- 3.13 If retained, Scentre also considers that the provisions should be broadened to account for canopy coverage that is achieved by different forms of planting, and not just solely reliant on tree coverage as a unit of measurement (eg although hedges are included in the tree canopy definition, no allowance is made for living green walls or green roofs).
- 3.14 On this basis, Scentre considers that the provisions should be removed.

Justin Kean

20 September 2023