



## KAPITI COAST DISTRICT PLAN RETAIL OVERVIEW

Project No: 50976

Date: July 2016

Client: KAPITI COAST DISTRICT  
COUNCIL



## SCHEDULE

<b>Code</b>	<b>Date</b>	<b>Information / Comments</b>	<b>Project Leader</b>
50976.11	August 2016	Report	Tim Heath

## DISCLAIMER

This document has been completed, and services rendered at the request of, and for the purposes of Kapiti Coast District Council only.

Property Economics has taken every care to ensure the correctness and reliability of all the information, forecasts and opinions contained in this report. All data utilised in this report has been obtained by what Property Economics consider to be credible sources, and Property Economics has no reason to doubt its accuracy. Property Economics shall not be liable for any adverse consequences of the client's decisions made in reliance of any report by Property Economics. It is the responsibility of all parties acting on information contained in this report to make their own enquiries to verify correctness.

Copyright © 2016 Property Economics Limited.

## TABLE OF CONTENTS

1. INTRODUCTION.....	5
1.1. POPULATION AND DEMOGRAPHICS .....	5
1.2. RETAIL EXPENDITURE AND SUSTAINABLE GFA .....	6
1.3. DISTRICT RETAIL NETWORK.....	6
1.4. DISTRICT RETAIL PROVISION .....	7
1.5. DISTRICT RETAIL SPENDING PATTERNS .....	9
1.6. HIGH GROWTH SCENARIO.....	12
2. FUTURE CENTRE ROLES .....	14
2.1. RETAIL CENTRE HIERARCHY AND ROLE.....	15
3. RESPONSE TO SUBMISSIONS .....	17



## LIST OF TABLES

TABLE 1: KAPITI COAST STORE SIZE BREAKDOWN .....	8
TABLE 2: KAPITI COAST RETAIL SUPPLY BY CENTRE GFA (SQM) .....	8
TABLE 3: KAPITI COAST DISTRICT SUSTAINABLE DEMAND VS. SUSTAINABLE SUPPLY .....	10

## LIST OF FIGURES

FIGURE 1: KAPITI COAST NET RETAIL EXPENDITURE POSITION .....	10
FIGURE 2: HIGH GROWTH SCENARIO IMPACT .....	13
FIGURE 3: LOCAL COMMERCIAL CENTRE HIERARCHY .....	16

## 1. INTRODUCTION

The retail market overview is designed to assist with the policy development of the Business Chapter of the Kapiti Coast District Plan and summaries some of the key findings from previous Property Economic research reports<sup>1</sup> undertaken for Kapiti Coast District Council. In this regard, this overview should be read in conjunction with these background reports and is complementary to the research and analysis undertaken in these previous assessments.

### 1.1. POPULATION AND DEMOGRAPHICS

In 2015, the Kapiti Coast District is estimated to have a population of around 51,500 people (rounded) residing in the territorial authority, equivalent to **approximately 10% of the region's** population. This figure is projected to grow to around 57,700 people by 2033. Nominally, population growth in the district is projected to increase by nearly 6,300 people net over the period to 2033, equivalent to a 12% population base increase. Nominally and comparatively this is not considered high growth rates.

In terms of Kapiti Coast's future population base, **nearly 80% of the district's 2033 market** is already established in the district. On this basis, improved district retail performance is not relying on growth in the population base but improved capture of market generated spend.

Households within the catchments are projected to increase by around 3,900 net over the forecast period to around 26,700 by 2033. This is equivalent to average net growth over the period of around 220 dwellings per year.

In terms of demographic profiling, Kapiti Coast has a very 'age heavy' population base relative to the regional and NZ markets with 32% of the market aged 60 years plus, compared to Wellington and NZ average of 18% and 19% respectively. This typically affects household income levels and therefore retail expenditure levels, albeit this age group typically has less debt, higher equity / liquidity and easier access to capital, but generally lower spending propensity.

The Kapiti District has a lower household income profile with around 22% of households earning over \$100,000 per annum, compared to a significantly higher 35% of households across the wider Wellington Region and 28% average across New Zealand.

Overall, the district profile can be summarised as predominately an older, European market with a lower average annual household income and lower proportion of residents in paid employment. These economic and social demographia effect the level of discretionary retail

---

<sup>1</sup> Kapiti Employment Land Assessment – October 2015  
Kapiti Coast Retail Analysis – October 2015  
Evidence in Chief of Timothy James Heath, PC72A Before the Environmental Court – June 2013  
Kapiti Employment Areas Study – July 2012

spending in the district, which would on average be lower on a per household unit basis compared to the Wellington and New Zealand average.

## 1.2. RETAIL EXPENDITURE AND SUSTAINABLE GFA

In terms of retail expenditure across the key ANZSIC<sup>2</sup> retail categories the Kapiti Coast District generated an estimated \$580m in the 2015 base year. This is estimated to grow to \$760m annually by 2033, representing spend growth of \$180m per annum (31%) in 2033 above the 2015 base year.

In terms of sustainable retail GFA, and adopting an average 30% net : gross floorspace ratio for retail tenancies, the Kapiti Coast District can currently sustain a total of around 115,000sqm, if a net neutral spend flow position existed. This is estimated to increase to 150,000sqm by 2033, representing growth in sustainable retail GFA of around 35,000sqm (rounded) over the projected period.

## 1.3. DISTRICT RETAIL NETWORK

The Paraparaumu Town Centre (**PTC**) is the principal retail and commercial hub of the district and plays a wider sub-regional role in the market. This centre encompasses a range of Comparison, Large Format Retail (**LFR**) and Convenience retail activity, entertainment, commercial office, commercial service, community facilities and transport hub. In essence it is the commercial and social heart of the district and its community.

The centres of Raumati Beach, Otaki Town Centre, Paraparaumu Beach and Paekakariki generally perform a convenience retailing function only, and in contrast, the Waikanae Town Centre performs a convenience plus supermarket retailing role and function within the wider market.

Interestingly, the Otaki Outlet Centre is larger than the Otaki Town Centre and has surpassed it in terms of depth and breadth of its retail offer. While the centres have different functions in the market, the emergence of the Otaki Outlet Centre has weakened the role of the Otaki Town Centre locally and had effects on the quality of offer, local shopping patterns and retailer location preferences, with Otaki Outlet Centre performing significantly higher than the Otaki Town Centre and drawing shoppers from a much wider geo-spatial catchment.

In this regard the Otaki Outlet Centre is a unique / niche centre in Kapiti as it serves a market much greater than Otaki and Kapiti Coast itself, particularly given its SH1 location. Its 'outlet'

---

<sup>2</sup> Excluding Accommodation, Vehicle and Marine Sales and Services, and Hardware, Home Improvement and Building and Garden Supplies retailing.

store focus offering goods at discounted prices attracts shoppers from Wellington (to the south) and Manawatu (to the north), as well as 'through traffic' on SH1.

Convenience retailing can be generally defined as stores used for quick stop or frequently required shopping, used primarily due to their ease of accessibility and close proximity to the customer. These stores are not exclusive to any one retail category or restricted to only out-of-centre retail stores, examples of such stores include dairies, liquor stores, cafes and restaurants.

#### 1.4. DISTRICT RETAIL PROVISION

Within the Kapiti Coast District, based on a June 2011 retail audit undertaken by Property Economics, there were around 380 retail stores delivering to the market an estimated 96,100sqm of retail GFA. Vacancy levels in Kapiti Coast totalled around 37 stores, encompassing an estimated 5,500sqm in GFA. This represented around 10% of the total retail market by store number and 6% by GFA.

It is worth noting the survey is a 'snapshot' in time and retail stores are constantly opening, closing and relocating due to a variety of individual store circumstances. In this regard the retail market is fluid and undergoing constant change. Given this, the vacancy percentage is not of concern at this assessed level, but any increase in vacancy trends would start being of concern and start to compromise further the quality of the district's retail offer, centre environments and subsequently the shopper experience.

Table 1 sheds a different light on the Kapiti Coast retail composition. At present, a significant 92% of retail stores are small (below 500sqm) specialty / finer grain retailers, however these smaller boutique stores only represent 53% of Kapiti Coast retail GFA. Average store GFA in the 0-499sqm category is around 145sqm. This is a reflection of the role and function of many centres in the district which is to primarily provide the day-to-day convenience needs of the market, apart from the Paraparaumu Town Centre which also has a higher order role, and the relatively small size of the respective centre's catchments.

Average store GFA for the district is just over 250sqm.

With over 90% of stores under 500sqm, the analysis shows it is the finer grain specialty stores that are crucial to the Kapiti Coast retail centres, and undermining this store type is likely to adversely affect the role, function, performance, vitality, vibrancy and amenity of the centres in Kapiti.

TABLE 1: KAPITI COAST STORE SIZE BREAKDOWN

KAPITI COAST RETAIL STORE SIZE COMPOSITION 2011	Store Count				GFA (sqm)			
	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total
Supermarket Retailing			6	6		15,191		15,191
Other Food retailing	29			29	5,021			5,021
Clothing, footwear and personal accessories retailing	76	3	1	80	11,321	2,469	1,112	14,902
Furniture, floor coverings, houseware and textile goods retailing	20	4	3	27	4,421	2,857	6,243	13,521
Electrical and electronic goods retailing	7	1	1	9	1,266	540	1,220	3,026
Pharmaceutical and personal care goods retailing	8			8	1,364			1,364
Department stores			3	3			9,972	9,972
Recreational goods retailing	20	3		23	4,028	1,219		5,247
Other goods retailing	42			42	5,168			5,168
Food and beverage services	110	3	2	115	12,778	2,229	2,057	17,064
Vacant	36	1		37	5,013	500		5,513
Under Construction	1			1	114			114
<b>Total</b>	<b>349</b>	<b>15</b>	<b>16</b>	<b>380</b>	<b>50,494</b>	<b>9,813</b>	<b>35,795</b>	<b>96,102</b>
<b>Total %</b>	<b>92%</b>	<b>4%</b>	<b>4%</b>	<b>100%</b>	<b>53%</b>	<b>10%</b>	<b>37%</b>	<b>100%</b>

Source: Property Economics

Table 2 aggregates the figures shown in Table 1 and categorised them by their respective retail centre. A full breakdown of each centre's retail composition is provided in Appendix 4.

TABLE 2: KAPITI COAST RETAIL SUPPLY BY CENTRE GFA (SQM)

KC CENTRE RETAIL PROVISION 2011	GFA (sqm)
Paraparaumu Town centre Total	56,498
Waikanae	10,364
Otaki Outlet Centre	10,329
Otaki TC	7,400
Paraparaumu Beach	7,286
Raumati Beach	3,693
Paekakariki	533
<b>Kapiti Coast Total</b>	<b>96,102</b>



As indicated by Table 2, the current retail GFA within the district totals around 96,100sqm. The most dominant and highest order centre in the district is the Paraparaumu Town Centre (including Coastlands) with an estimated total of around 56,500sqm GFA, accounting for approximately 60% of total retail floorspace in the Kapiti Coast.

With approximately three out of every five square metres of Kapiti's current retail provision in the Paraparaumu Town Centre, the other centres in the district primarily play a supporting role and service the more localised and convenience needs of their surrounding communities, compared to the Paraparaumu Town Centre which has a district wide function and attracts shoppers from across Kapiti.

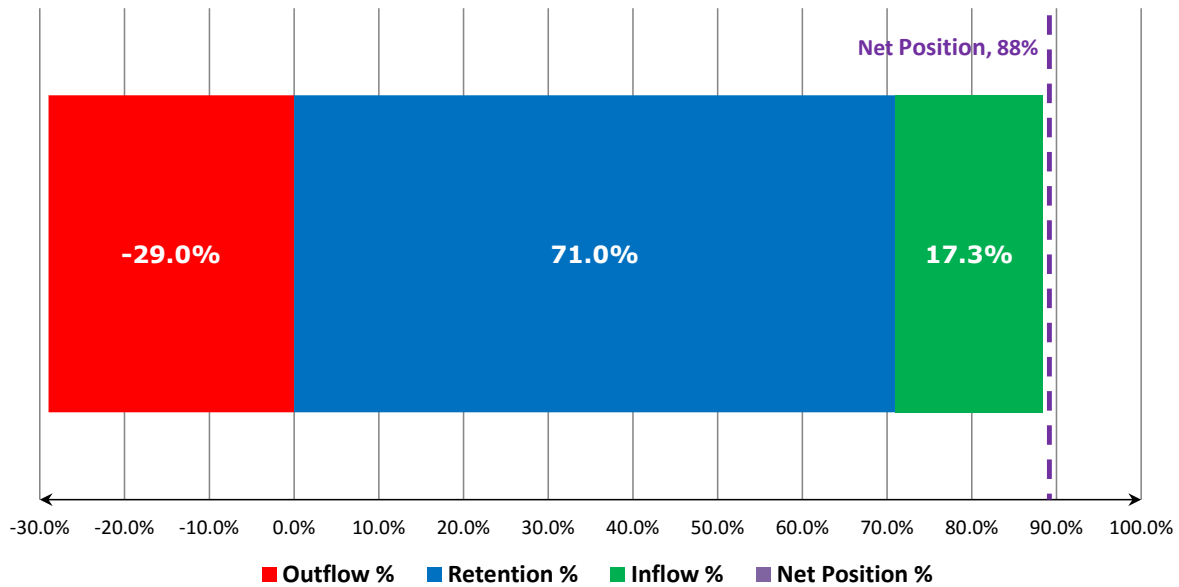
#### 1.5. DISTRICT RETAIL SPENDING PATTERNS

A significant 29% of retail expenditure across all retail sectors generated by Kapiti Coast District residents is spent outside of the district (retail leakage), with a high proportion of this (20%) going to other districts within the region. This suggests that the retail needs of Kapiti Coast residents are not being met by the existing retail offer / centres in Kapiti. The 'bulk' of retail leakage flows south to other Wellington territorial authorities (of which Wellington City accounts for half).

It is clear many shoppers in Kapiti are choosing to shop at alternative retail destinations to the local Kapiti offer. While this does not paint a great picture currently, it does represent a significant level of potential within the existing Kapiti market to recapture some of this leakage if the offer, quality and environment were improved in the future. If not, the expressway (under construction) will enable Kapiti Coast shoppers easier access north and south to better quality centres, potentially amplifying the trends outlined in the preceding paragraph.

In general, approximately \$1 in every \$5 spent on retail within Kapiti Coast is made by residents who reside outside of the Kapiti Coast District (retail inflow). Of the retail spending 'inflow' into Kapiti Coast, over half is attributable to districts (excluding Kapiti Coast) within the Wellington Region. In particular 6% of Kapiti Coast District's total retail spending is generated from residents residing in Wellington City, suggesting weekend visitors to the beaches / holiday homes is popular and contributes a significant proportion of Kapiti Coast District's retail 'inflow' on an annualised basis, particularly during the summer peak season.

FIGURE 1: KAPITI COAST NET RETAIL EXPENDITURE POSITION



Source: Property Economics, MarketView

Approximately 71% of retail expenditure is internalised within the Kapiti Coast District at present, meaning 29% of retail spending is 'lost' and spent outside of the District. The proportion of retail leakage from Kapiti Coast is counteracted by an inflow of retail spending from consumers residing outside of the district. Overall, the Kapiti Coast District experiences a retail spending inflow of 17% relative to total district generated annual retail spending, i.e. the Kapiti retail market captures an estimated 88% of what Kapiti Coast District generates in retail expenditure, or there is a net retail leakage of 12% from the district.

TABLE 3: KAPITI COAST DISTRICT SUSTAINABLE DEMAND VS. SUSTAINABLE SUPPLY

	2015	2018	2023	2028	2033
Sustainable GFA	101,224	106,480	115,755	126,078	132,580
Less Existing GFA Supply (2011)			96,102		
<b>Net Balance</b>	<b>5,122</b>	<b>10,378</b>	<b>19,653</b>	<b>29,976</b>	<b>36,478</b>
Airport LFR Capacity			10,000		
<b>Demand Supply Differential</b>	<b>-4,878</b>	<b>378</b>	<b>9,653</b>	<b>19,976</b>	<b>26,478</b>

Source: Property Economics

Table 3 succinctly tabulates the current cumulative retail floorspace provision within the District against the projected sustainable retail GFA. Table 3 also factors in the estimated net Kapiti Coast District leakage (12%) in retail expenditure based on the assessed MarketView analysis. This provides an insight into the possible under/oversupply of sustainable retail floorspace in the district, and 'flow-on' dynamics in relation to market shopping patterns, as well as the effects of these on Kapiti Coast's current and future retail provision and implications for the PDP.

The analysis indicates that, at present, retail supply in the 'existing environment' (existing and consented retail GFA) is greater than sustainable demand in the District by around 4,900 sqm GFA, i.e. there is more 'on-the-ground' and consented retail floorspace in the Kapiti Coast District than the annual retail sales in the district can currently sustainably maintain.

Based on the overall quality of the retail offer currently exhibited by retail centres within the Kapiti Coast District, which in my view is considered only low-average quality in many instances, based on Table 3 this means a significant proportion of Kapiti Coast District's existing retail supply is not performing at sustainable productivity levels. This has the effect of lowering the quality of the retail stores and centres in terms of offer, scope, amenity, vitality, built form, and environment.

Quality refers to not only the retail products or brands but the entire retail experience and includes elements such as quality of retail environment, store fit-outs, in-store service, physical built form, public realm, parking and access. In today's competitive retail market retail is more than simply buying retail goods or services, but providing a breadth of experience that encourages shoppers not only to visit a centre, but to purchase products and visit again and again. While Council may not be able to directly influence all of these elements, its policy framework can have an important influence on the key attributes driving the success of each element.

This 'oversupply' in regard to its sustainability and its flow-on effects fuels retail leakage out of the district, predominately to Wellington. This is an important issue for Kapiti Coast District to tackle moving forward if it is to improve the quality, vibrancy, viability, performance and amenity of the retail stores and environments in Kapiti, and in order to improve retail spending retention, or else retail leakage could potentially increase.

Taking into consideration the Airport LFR capacity and an allocation for local centre convenience growth, at current market conditions (all things remaining constant), there is enough existing retail floorspace provision within the Kapiti Coast District to sustainably meet the community's requirements until around 2018.

The importance of growing and attracting national (or international) banner brands to Kapiti Coast, which is realistically only achievable in the PTC, is considered fundamental to improving the performance of the district from a retail perspective and reducing retail expenditure leakage to Wellington.

The offer must be compelling, enticing and a gratifying experience for the consumer starting from how people get to and access the centre, to when and how they leave. However, without the key banner retail brands to attract shoppers, many of the other elements identified become less relevant and tend to struggle when working in isolation.

In essence for Kapiti Coast, in respect of retailing over the life of the PDP, it's a quality issue rather than a quantity issue that the PDP should focus on addressing. This involves managing retail development, particularly in non-centre locations, to ensure the correct *'checks'n balances'* are in place to facilitate appropriate retail development occurring in appropriate locations given much of lower quality retail space and environments are in existing centres.

This is to ensure new retail development in the district 'adds to' and complements the existing provision rather than 'takes away' and jeopardises the rejuvenation and recovery of the existing retail built form and centres. New retail development needs to provide net positive benefits for the district.

## 1.6. HIGH GROWTH SCENARIO

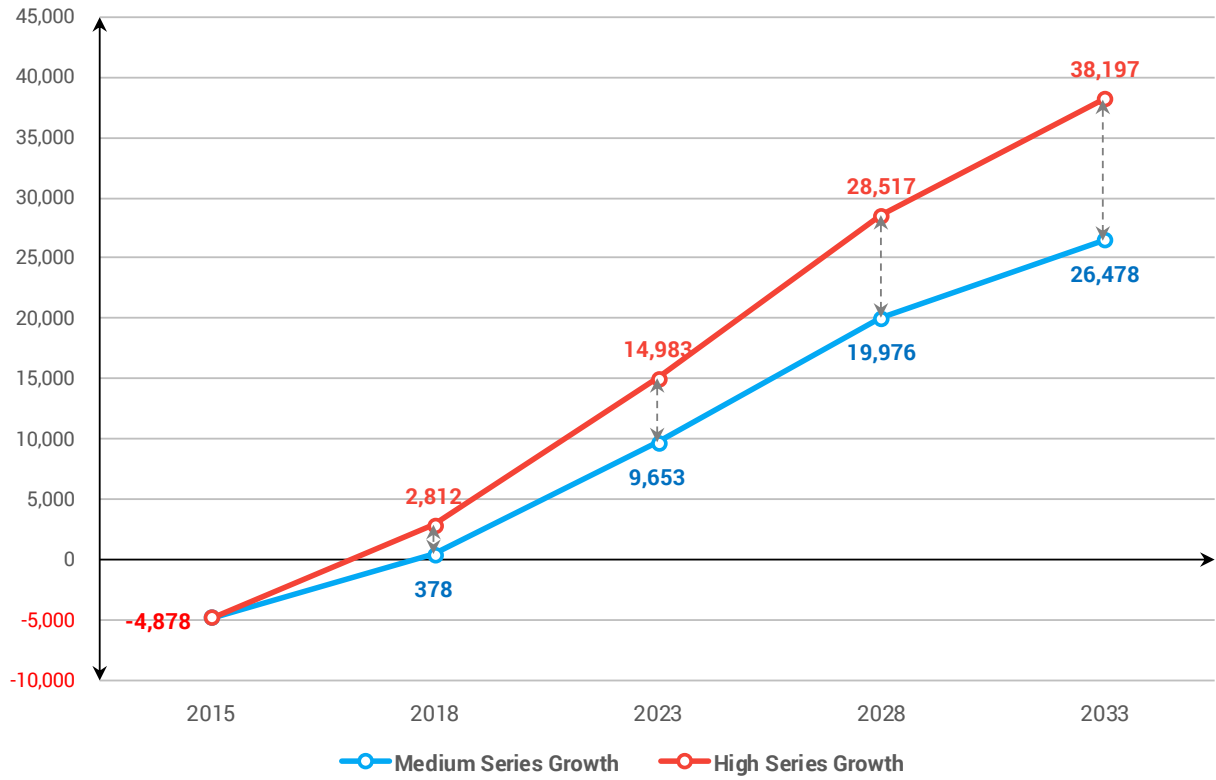
For the purposes of this overview, Property Economics has also considered implications of a higher growth scenario based on SNZ High Series population projections to assess requirements if a surge in growth occurred over the next decade. The resulting retail GFA requirements of 11,700sqm GFA above what is estimated to be required under the Medium series population growth scenario.

In terms of retail land requirements this equates to around 2.5ha additional, and around 5ha if including commercial services all developed at grade.

In the 2011 Property Economics report there was approximately 36.1ha of vacant land area in the PTC zone alone. Even using the high population growth scenario, there is more than sufficient appropriately zoned land to meet the requirements over the planning period to 2033.

The high growth scenario is shown graphically in Figure 2.

FIGURE 2: HIGH GROWTH SCENARIO IMPACT



Source: Property Economics

## 2. FUTURE CENTRE ROLES

There are a number of important considerations to take into account when assessing the longer term role and function of centres in the Kapiti Coast network. The key one is the SH1 road realignment from Wellington to Levin (Wellington Northern Corridor road of national significance), with the expressway an integral component of this and the implications this will have on shopping patterns in local catchments in Kapiti, as well as wider retail trends that are continuing to evolve and change the way consumers shop.

Paraparaumu Town Centre is the heart of the Kapiti Coast retail market, and is the key centre to develop / extend on an on-going basis to meet the growing retail and commercial needs of the District. At present there is ample land supply to meet foreseeable needs, based on the vacant zoned land within the centre (refer Environment Court PC72A decision). However, the proposed SH1 roading upgrades have the potential to undermine this supply unless significant improvement in the Paraparaumu Town Centre occurs in respect of scope and quality of the retail and commercial offer, both in terms of physical built form and environment.

The expressway, in particular the Transmission Gully segment will enable access from Kapiti to Wellington to become easier and quicker, reducing the drive time by approximately 8-10 minutes. This is considered of concern given the significant level of employment and retail leakage already occurring from Kapiti to Wellington. All things being equal, the expressway may actually increase retail leakage out of the district due to the more expansive and higher quality retail offers in Wellington becoming 'less of a drive' and therefore easier to access.

The centre considered most 'at risk' from the SH1 roading realignments is the Paraparaumu Town Centre, i.e. the higher order centre with the store types consumers are traveling to Wellington to shop at. The more convenience oriented centres in the balance of Kapiti Coast are unlikely to be jeopardised to any material degree. The road realignments will in effect knit the Wellington Region closer together meaning the Kapiti retail network will work in closer tandem with the Wellington and Porirua City networks and be more affected by changes in that network.

This is an upcoming risk to any redevelopment or expansion of the Paraparaumu Town Centre. It also needs to be recognised that while Kapiti Coast is projected to increase in population (and by default have increased retail expenditure generated locally), this may not automatically translate to increased performance and expansion of the Paraparaumu Town Centre if retail leakage increases. However, if a retail offer in the Paraparaumu Town Centre can be provided that repatriates current leakage then there is significant future potential for the Paraparaumu Town Centre.

The Paraparaumu Town Centre needs to be more than a retail centre, providing a wider commercial centre offering lifestyle, civic and entertainment options, as well as having a more compelling retail offer to act as the 'glue' to bring all the different land use activities together.

This should be a key focus for the District to mitigate against the upcoming impacts of the new SH1 realignments.

From a retail perspective, Waikanae Town Centre and Otaki Town Centre currently, and in the future will, fulfil a **local convenience and supermarket function rather than a 'town centre'** function. This is a result of wider retail market trends that have influenced and substantively changed their position in the retail hierarchy and role in the market.

The Waikanae and Otaki Town Centres are not alone in battling this issue. At a higher level, the retail market is undergoing constant change in terms of how retail goods and services are delivered to consumers, resulting in changing retail formats as retailers try to better position themselves to attract the increasingly discerning shopper. This is leading to significant changes in the way consumers shop and crucially changes in the role and function of centres.

## 2.1. RETAIL CENTRE HIERARCHY AND ROLE

In terms of strategic planning, the commercial centres of the Kapiti Coast District vary in terms of scale and purpose. The scale and diversity of activity (functional amenity) provided by these centres ranges from those with a District wide catchment, to those with a more neighbourhood function. The importance of State Highway 1 access and visibility to increasing the functional amenity of these centres is most apparent at Paraparaumu Town Centre, Waikanae Town Centre, and the more 'niche' centre at the Otaki Outlet Centre. Accordingly, the function and viability of these centres are most at risk from changes in transport patterns introduced through the expressway.

The local and neighbourhood centres, which for the purposes of this report also include Paekakariki, Raumati, Paraparaumu Beach, and the Otaki Town Centre tend to provide a cluster of shops, including a small scale dairy or limited range supermarket. The functions provided by these centres relate to the more convenience needs of the local catchment. It is noted however, that Raumati is lifted in functional amenity and aesthetic by both a small range of comparison outlets and a consistent urban design character.

Smaller centres at Raumati South, Te Horo, Kena Kena and Waikanae Beach support the immediate convenience needs of adjoining residents and pass by trips. Whilst these centres are important local resources, they do not play a strategic role in the hierarchy of the centres within the District.

The larger retail centres such as Paraparaumu Town Centre and Waikanae Town Centre, provide a comparatively limited range of activities and functional amenity, given the population size. These centres consist of shopping, small scale commercial and industrial service activities, and in the case of Paraparaumu Town Centre a targeted consolidation of civic facilities, including the library, Council offices, and the aquatic centre to the west of Rimu Road.

A significant proportion of the Kapiti retail centres contain lower quality, lower performing stores with a lower proportion of national banner brands than could be expected. Accordingly, only moderate physical amenity and functional amenity is apparent in almost all of the Kapiti centres than what would otherwise be expected.

The Council has sought to overcome the absence of private led investment through public spending on amenity and public space improvements at Paraparaumu Town Centre, and Otaki Town Centres. However, without addressing the fundamental economic and functional conditions of these centres, such investment may not yield sustained economic improvements.

Kapiti Coast's centre hierarchy is highlighted in Figure 3.

FIGURE 3: LOCAL COMMERCIAL CENTRE HIERARCHY



Source: Property Economics



### 3. RESPONSE TO RETAIL SUBMISSIONS

There are a few individual submissions related to retail economic matters that I will address separately, but also others that are generic in nature in relation to wanting retail activities enabled in non-retail zones and areas. There is no economic evidence or strong economic rationale provided to support the respective submissions, and nor is it a requirement at this stage, but the submissions expressed tend to be based on generic planning rationale at this point rather than robust retail economic, nor the potential economic effects of their submission on the existing centre network or strategic objectives of the proposed Plan.

The relevant data and analysis to respond to the submissions has been well covered in my earlier comments in this overview, as well as Mr Osborne's Economic Value of Centres paper (which should be read in conjunction with this overview as they represent a complementary position). A key consideration at the present time in Kapiti is that the community is not currently disabled by a lack of commercial and retail provision in the district, rather suffering from a lack of quality in the existing provision, centre environment and experience. In this regard, material retail and commercial office development of a dispersed nature around the district would in my opinion represent duplication of resources rather than an efficient allocations of resources. It also represents a redistribution of resources to an out-of-centre locations, lost economic opportunity and conversely increased economic inefficiencies.

#### **St Heliers Submission**

In terms of retail related matters, at a high level the St Heliers submission focuses on 'freeing up' the development rights on their land to enable offices and large format retail up to 20m maximum height. Given the capacity outlined in this overview (and previous Property Economics reports), this needs to be carefully managed to ensure no undermining of the centre network (in particular the PTC) and the District Plan objectives results as an outcome.

The location of the St Heliers land holding (adjacent to the existing PTC activities and along Kapiti Road immediately east of the new expressway interchange) is considered a site where PTC activity relocation could result given its close proximity. This places the PTC core at risk if retail development is not appropriately managed.

At the same time, retail development on the St Heliers land represents a better outcome than other non-centre locales scattered elsewhere in the district. As such, some non-PTC threatening small scale convenience / food and beverage retail and trade activity development is considered appropriate as a balanced and pragmatic response that works well with the Kapiti Road opportunity.

Trade based activity (Hardware, Building Supply and Garden Supplies retailing, Marine and Vehicle Sales and Services retailing, Electrical stores, Paint shops, Plumbing stores, Kitchen

Showrooms, etc.) are not core town centre activities or crucial to PTC successfully playing its role and function in the market successfully.

Also a small enablement of some food and beverage stores along the Kapiti Road frontage of the land holding will act as a good commercial connector between the expressway and the PTC, and form a tangible link both sites combined would benefit from.

Large Format Retail activity is considered more appropriate in the PTC, particularly with its vacant capacity to accommodate future growth in these store types. This includes the PC72A land subject to the 2015 Environment Court decision. This location represents the most economically efficient and beneficial location from a wider community and economy perspective.

### **Kapiti Coast Airport Holdings**

The retail and economic analysis indicates no additional retail enablement should be provided at the airport above what is already consented. The proliferation of retail and commercial office activity at the airport, given it services the same market as the PTC, can only serve to dilute the PTC and undermine its redevelopment and improvement in offer and environment being encouraged in the proposed District Plan.

One supermarket at the airport is considered appropriate, particularly given its existing supermarket store in the airport, with no limitation required on size - which is considered to have inherent maximum cap given the brand and existing surrounding supermarket provision.

No proliferation of department stores or small specialty stores is considered appropriate in the context of our retail and economic analysis over the life of the proposed District Plan. As such, Council should take a firm stance on the retail aspects of this submission which seek to expand their retail enablement.