Ministry for Cities, Environment, Regions & Transport

Report of investigation of Wellington City District Plan heritage provisions

RMA Sections 360I – 360L

New Zealand Government
Te Kāwanatanga o Aotearoa

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Introduction

Purpose of report

This report sets out the findings of an investigation under section 360J of the Resource Management Act 1991 (RMA) into four heritage provisions of the operative Wellington City 2024 District Plan: Appeals Version (Wellington District Plan). It records the investigation undertaken (s 360J(2)(a)), assesses each provision against the matters in section 360I(2), and recommends whether each should be modified or removed by regulations (s 360J(2)(c)).

The investigation was prompted by a request from the mayor and deputy mayor of Wellington City on 27 March 2026.

Background of request

The council's request asks the minister to use the s 360I power in relation to five of the council's own district plan provisions, which the council considers impose costs disproportionate to their public benefit. The request notes that the council regards its plan-change avenues as inadequate for this purpose.

The five provisions are:

- **Courtenay Place Heritage Area (CPHA)** – *District Plan Reference number 26 (DP Ref #26).* The heritage area is a rectangular portion of eastern Te Aro that encompasses seven streets and a number of listed heritage buildings.[1] The heights of the heritage area are provided in the Historic Heritage chapter of the Wellington District Plan (HH-S1).
- **Karori Tunnel** – *DP Ref #6.* Heritage listing of an active transport structure that provides the principal access to Karori, this is Wellington's oldest road tunnel. Notable for its larger aperture and robust brickwork, the 75-metre tunnel connects Chaytor Street on the Karori side with Glenmore Street on the city side of what used to be known as 'Baker's Hill'.[2] The heritage listing is in Schedule 2 of the Wellington District Plan with relevant plan provisions (HH-R7[3]/HH-P7[4] for additions and alterations; HH-R13[5]/HH-P11[6] for demolition or replacement).

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1 Courtenay Place Heritage Area - Wellington Heritage - Absolutely Positively Wellington City Council Me Heke Ki Poneke

2 Heritage New Zealand - Karori Tunnel

3 HH-R7 (rule): requires resource consent, as a restricted discretionary activity, for additions, alterations or partial demolition of a listed heritage building or structure; assessed against heritage policies, chiefly HH-P7.

4 HH-P7 (policy): guides the assessment of works to heritage buildings and structures, providing for works that do not detract from identified heritage values and that minimise the loss of historic fabric.

5 HH-R13 (rule): requires resource consent for the total demolition of a listed heritage building or structure; the application must be publicly notified and is assessed against the policy that demolition be avoided (HH-P11).

6 HH-P11 (policy): directs the council to avoid the total demolition of heritage buildings and structures unless there is no reasonable alternative.

- **Kelburn Viaduct** – *DP Ref #27.* Heritage listings of an active transport structure that is a reinforced concrete girder two-lane road bridge completed in 1931. Designed by the Wellington City Council's engineering department, which was headed by engineer George A Hart (1870–1948), the Kelburn Viaduct is a notable structure within its urban streetscape.[7] The heritage listing is in Schedule 2 of the Wellington District Plan with relevant plan provisions (HH-R7[8]/HH-P7[9] for additions and alterations; HH-R13[10]/HH-P11[11] for demolition or replacement).
- **Former GHQ Building (GHQ)** – *DP Ref #424.* The heritage listing of a 1911–12 building, designated for defence purposes. This is probably the oldest military administration building remaining in New Zealand, and is important a symbol of 150 years of military history associated with the Mount Cook site.[12] The heritage listing is in Schedule 1 of the Wellington District Plan with relevant plan provisions (HH-R7/HH-P7) and total demolition (HH-R13/HH-P11).
- **Miramar Installation Bulk Storage Tank, 139 Park Road (Miramar development)** – *DP Ref #511.* The last extant bulk storage tank of the British Imperial Oil Company's installation. Work on the installation began in 1925 for the purpose of bulk storage of petroleum, kerosene, and liquid fuels. When completed, it was the first bulk storage installation in New Zealand and remained the centre of operations even after a network of installations were erected at port cities throughout New Zealand.[13] The heritage listing is in Schedule 1 of the Wellington District Plan with relevant plan provisions constraining demolition and redevelopment (HH-R13/HH-P11).

Scope of investigation

Section 360I, inserted by the Resource Management (Consenting and Other System Changes) Amendment Act 2025, empowers the Governor-General, by Order in Council made on the minister's recommendation, to make regulations to **modify or remove** provisions of an operative plan. The RMA does not prioritise modification over removal; either remedy is available where the statutory tests are met, and the choice between them is for the minister.

Before recommending regulations, the minister must investigate the provision's effects and undertake a report (s 360J), provide the report to the local authority and consider any response (s 360K), consult parties likely to be affected and consider the outcomes (s 360L), and be satisfied that:

a) the provision has a negative impact on economic growth, development capacity, or employment (s 360I(2)(b)); and

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7 Heritage New Zealand - Kelburn Viaduct

8 HH-R7 (rule): requires resource consent, as a restricted discretionary activity, for additions, alterations or partial demolition of a listed heritage building or structure; assessed against heritage policies, chiefly HH-P7.

9 HH-P7 (policy): guides the assessment of works to heritage buildings and structures, providing for works that do not detract from identified heritage values and that minimise the loss of historic fabric.

10 HH-R13 (rule): requires resource consent for the total demolition of a listed heritage building or structure; the application must be publicly notified and is assessed against the policy that demolition be avoided (HH-P11).

11 HH-P11 (policy): directs the council to avoid the total demolition of heritage buildings and structures unless there is no reasonable alternative.

12 Heritage New Zealand - General Headquarters Building (Former)

13 Historic Heritage Evaluation: The Miramar Installation Bulk Storage Tank 139 Park Road

b) the provision was not included to recognise an obligation or right under a Treaty settlement, the Marine and Coastal Area (Takutai Moana) Act 2011, the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019, or a Mana Whakahono a Rohe or joint management agreement; and

c) that its modification or removal does not prevent the plan giving effect to a national policy statement; and

d) that its modification or removal does not make the plan inconsistent with a national environmental standard (s 360I(2)(c)).

The s 360I(2)(b) test is directed at the provision's effect on economic growth, development capacity, or employment. Whether to make regulations, and whether to modify or remove, are matters for the minister's discretion, informed by the consultation required under s 360L.

Regulations made under s 360I are secondary legislation. Once made, the local authority updates the plan to reflect them without a Schedule 1 process (s 360M). The power is available until it is repealed at the close of 31 December 2027.

Approach of investigation

The Ministry for the Environment guidance on s360I regulations provides useful direction on the steps required to make regulations, and outlines the safeguards proposed to ensure regulations are made responsibly and only when appropriate. These are:

- evidence first – the minister must investigate and produce a public report that supports their decision that the statutory criterion of a negative impact on economic growth, development capacity or employment is met
- consultation – affected councils and parties must be consulted
- Treaty protections – regulations cannot change provisions in plans or policy statements that have been included in recognition of an obligation or right under a Treaty of Waitangi settlement, the Marine and Coastal Area (Takutai Moana) Act 2011, the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019, or a Mana Whakahono ā Rohe, or joint management agreement under the RMA
- national direction – changes cannot be inconsistent with national direction under the RMA
- all actions must comply with the purpose and principles in Part 2 of the RMA.

The guidance outlines that this approach ensures the minister has sufficient discretion to make an informed judgement about whether the scale and significance of the impact on economic growth, development capacity or employment justifies intervention.

There are statutory process steps that must be followed to make these regulations under the RMA:

- The minister must investigate to determine if the plan or policy statement provisions are having a negative impact on economic growth, development capacity or employment, and that other statutory criteria are met. The minister must produce a report detailing the investigation and making recommendations on whether provisions should be removed or modified by regulations.
- This report must be provided to the council for response and made publicly available.
- A consultation process for affected parties follows.

- As a final step, the minister considers the feedback from consultation and the council's response, and decides whether to make regulations to remove or modify the provisions in the plan or policy statement.

To carry out an investigation into the Wellington District Plan heritage provisions and prepare a report for wider consultation, we have taken the following approach:

- Assemble the relevant background material and evidence. This includes:
    - the provisions of the Wellington District Plan as they relate to the heritage sites within scope of this investigation
    - the heritage listing documents
    - the Future Development Strategy
    - the Housing and Business Capacity Assessment
    - documents relating to the consent decisions for 260 Wakefield St, 1–23 Tasman St, and 138A–148 Park Rd
    - Wellington City Council Kelburn Viaduct anti-suicide screens options report revision 4 prepared by WSP, dated 21 August 2025
    - Wellington City Council memo on the present situation of the Karori Tunnel dated 7 July 2025
    - the economic report dated 23 July 2026 from Formative Ltd.
- Carry out targeted meetings with Wellington District Council staff. We also reached out to Weta FX and to the New Zealand Defence Force seeking information about the sites at 139 Park Rd and 213 Taranaki St respectively. We received no response from Weta FX, and received a high-level email response from the New Zealand Defence Force.
- The views of other parties likely to be affected by changes to the provisions will be sought as part of the section 360L consultation process. This will take place after the investigation has been conducted, and the report is released to the public.
- Consider options for amendments to the Wellington District Plan based on the above information and the minister's direction to consider provisions that are negatively impacting economic growth, development capacity or employment.
- Prepare this report as the basis for consultation.

Assumptions and exclusions

- *Data quality*: This report relies on the accuracy of the reports provided by Wellington City Council. No additional heritage evidence has been sought to support this investigation. Officials have relied on publicly available materials and past reports rather than preparing new evidence, with the exception of the economic advice provided by Formative Ltd.
- *Limited consultation*: Due to tight policy timeframes, officials have not reached out to any parties beyond the Wellington City Council, Weta FX, and the New Zealand Defence Force to provide evidence to inform the investigation beyond what is in publicly available materials, or commissioned new evidence. We acknowledge that the minister is required under s360K and s360L of the RMA to undertake consultation on the recommendations in this report.
- *Heritage values*: The economic report does note that the scale of any net economic benefit from modifying these provisions will depend on the balance between the additional economic activity enabled and the heritage values potentially foregone, which was not assessed in the report (p 20).

Wellington District Plan – Existing context

Structure of the Wellington District Plan heritage provisions

Historic heritage is identified in schedules of the Wellington District Plan.

- Schedule 1 identifies heritage buildings, including:
  - Miramar Installation Bulk Storage Tank (former)
  - Army headquarters (former)
  - 44 items within the Courtenay Place Heritage Area.
- Schedule 2 identifies heritage structures, including:
  - Karori Tunnel
  - Kelburn Viaduct.
- Schedule 3 identifies heritage areas, including:
  - Courtenay Place Heritage Area
  - 3 contributing buildings
  - 10 non-heritage buildings.

Listing methodology

Heritage buildings (schedule 1) and heritage structures (schedule 2) have been assessed as having significant heritage values based on the Regional Policy Statement Policy 21 methodology. The district plan generally protects the entire exterior envelope of heritage buildings (all four external walls and roof), unless exclusions are specified in the schedule (for example, if only the street façade of a building is protected). A smaller number have their interiors or interior features protected, when they have been assessed as such.

Heritage areas (schedule 3) contain a concentration of buildings and structures that have been assessed as having significant heritage values as a group or collection, but not necessarily as individual buildings or structures. As a group they meet the thresholds set out in the Regional Policy Statement Policy 21 methodology.

Heritage areas can comprise:

- heritage buildings listed in Schedule 1;
- heritage structures listed in Schedule 2;
- contributing buildings (having heritage values but not meeting the threshold for inclusion in schedule 1); and
- non-heritage buildings (buildings that can be demolished as a permitted activity in the Wellington District Plan).

Section 360J investigation

Section 360J(1) of the RMA requires the minister to carry out an investigation to gather evidence:

a) about the effects of the provision on economic growth, development capacity, or employment; and

b) to assist in determining whether the criteria in section 360I(2)(b) and (c) are met.

The following sections present the findings of the investigation and an assessment of whether the criteria in sections 360I(2)(b) and (c) would be met for the requested amendments (Courtney Place Heritage Area, Karori Tunnel, Kelburn Viaduct, Former GHQ Building, the Miramar Installation Bulk Storage Tank site).

Effects of economic growth, development capacity or employment

For each provision, the investigation examined the likely effect on development, economic activity and employment, the national direction engaged, and the Treaty and Māori-interest position. It drew on the council's request and supporting material identified in the approach to the investigation above. The economic report from Formative Ltd dated 23 July 2026 concluded that the feasible and realisable capacity from the removal of the heritage listing for the CPHA, GHQ site, and the Miramar development provided 74,700m^2 additional floorspace (figure 3-2 p 12).

The economic advice modelled the impact of modifying or removing the five heritage provisions from the Wellington District Plan to assess the commercially feasible and realisable floorspace that would result from the change. They identified that:

- removing the relevant controls from the CPHA non-heritage buildings could enable a material increase in development capacity from what is currently plan-enabled, with an estimated 550 apartments
- removing the relevant controls from the GHQ building could enable a material increase in development capacity from what is currently plan-enabled, with an estimated 220 apartments
- removing the relevant controls from the Miramar site is anticipated to allow use for commercial activities (film studio facilities), estimated in the economic report to accommodate around 300 jobs.

The economic advice considers the WCC data that the annual maintenance costs for the Karori Tunnel and the Kelburn Viaduct have increased from approximately $350,000 to around $2.5m. This is an increase of more than 600%, which equates to around $30 per rateable property per year.

The economic report concludes that the identified heritage provisions have the potential to constrain economic growth and development capacity by limiting the use and redevelopment of some sites (p 20).

Purpose and principles in Part 2 of the RMA

Part 2 of the RMA sets the overarching purpose and principles for all functions exercised under the RMA, including regulations made under s360I. Part 2 includes sections 5 to 8, which are each discussed below.

Section 5 sets out the purpose of the RMA, which is to promote sustainable management of natural and physical resources. The recommended amendments are considered to be consistent with section 5.

Section 6 sets out matters of national importance and other matters that must be recognised and provided for in achieving the purpose of the RMA. Section 6(f) provides for the protection of historic heritage from inappropriate subdivision, use and development. We note that protection must be balanced with other matters, including (but not limited to) the sustainable management purpose in section 5.

Section 7 identifies other matters which all persons shall have particular regard to. Those matters which are relevant to the topics considered in this investigation are:

> (b) the efficient use and development of natural and physical resources:
>
> (c) the maintenance and enhancement of amenity values: …
>
> (f) maintenance and enhancement of the quality of the environment.

We consider that the recommended amendments are consistent with section 7.

Section 8 requires all persons exercising functions and powers of the RMA to take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi). This report has been developed having taken into account the principles of the Treaty of Waitangi. Mana whenua will have the opportunity to comment on the amendments as part of the section 360L consultation process.

Māori rights and interests

Each provision is built, engineering or industrial heritage. On the evidence available, none were included to recognise an obligation or right under a Treaty settlement, the Marine and Coastal Area (Takutai Moana) Act 2011, the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019, or a Mana Whakahono ā Rohe or joint management agreement.

Confirmation will be sought during consultation.

National policy statements

Removal of the provisions does not prevent the plan giving effect to the National Policy Statement on Urban Development; Wellington is a tier 1 urban environment, and the Courtenay Place height control is a qualifying matter that the national policy statement permits rather than requires. The proposal does not relate to any of the other nine national policy statements including the New Zealand Coastal Policy Statement.

National environmental standards

No national environmental standard regulates heritage height controls or heritage-listing consent requirements. Removal of the provisions does not make the plan inconsistent with a national environmental standard.

Other relevant matters

Regulations under s 360I would amend district plan provisions only.

They would not affect:

- Heritage New Zealand List / Rārangi Kōrero entries
- archaeological authorities under the Heritage New Zealand Pouhere Taonga Act 2014 (including the Karori Tunnel's recorded archaeological status, NZAA R27/412)
- sites and areas of significance to Māori
- statutory acknowledgements
- the defence designation over the GHQ site.

Conclusions and recommendations

We recommend that the relevant heritage provisions of the Wellington District Plan can be modified to lessen negative impacts on economic growth, development capacity or employment while ensuring the requirements of section 360I(2)(c) are met, and that any amendments are likely to be consistent with Part 2 of the RMA. A draft set of recommended amendments to the provisions is attached as Appendix A.

The draft set of recommendations includes a step down in height for the properties on the east side of Kent Terrace, to reflect the step down in height considered appropriate through the district plan review. This will provide appropriate height transition from the City Centre Zone to the adjoining High and Medium Density Residential Zones. This transition was considered by the Independent Hearings Panel when determining the appropriate height for the Kent Terrace interface (Report and Recommendations of Independent Commissioners Hearing Stream 4 Report 4B, p 76). We consider it appropriate to retain this policy intent for a step down in heights when applying the modification to the CPHA non-heritage building heights.

We recommend that the minister carry out a consultation process based on this investigation and report in accordance with sections 360K and 360L of the RMA.

Appendix A: Draft amendments to the Wellington District Plan

This chapter is operative.

Te Takenga ā-Hītori

Historic Heritage

HH	Historic Heritage
Standards	
HH-S1	**Minimum and maximum heights for heritage areas in the City Centre Zone, Centre Zones and Waterfront Zone**

City Centre Zone and Waterfront Zone Heritage Areas	Location	Minimum height above ground level	Maximum height above ground level
BNZ Head Offices Heritage Area	For sites in the block bounded by Lambton Quay, Willis Street and Hunter Street	15m	25m
	For the sites at 360-366 Lambton Quay (Stewart Dawsons Corner)	15.5m	95m in the airspace above 360-366 Lambton Quay and 8 Wills Street —
	For all other sites	15m	70m
Courtenay Place	For contributing sites in the block to the south of Courtenay Place.	12m	24m
	For contributing sites in the blocks bounded by Wakefield Street, Tory Street, Courtenay Place and Cambridge Terrace.	12m	21m

	For contributing sites east of Kent Terrace.	12m	18m
	For non-heritage sites east of Kent Terrace.	12m	28.5m
	For non-heritage sites west of Kent Terrace.	12m	42.5m
	For 2 Courtenay Place	12m	25m
Cuba Street	For sites north of Manners Street	15m	40m
	For sites between Manners Street and Dixon Street	15m	30m
	For sites between Dixon Street & Ghuznee Street	12m	27m
	For sites between Ghuznee Street and Abel Smith Street	9m	24m
	Properties fronting Cuba Street between Abel Smith Street and Tonks Grove (comprising 244-266 Cuba Street, 267-283 Cuba Street, and 45 Abel Smith Street)	6m	18m
	Properties to the south of 266 Cuba Street and 283 Cuba Street, and west of FootscrayAvenue	6m	12m
Parliamentary Precinct	In the block bounded by Lambton Quay, Bunny Street, Stout Street and Whitmore Street.	n/a	15m
	In front (to the east) of Parliament buildings	0m	0m
	From the front (eastern edge) of Parliament buildings westward to Museum Street	n/a	15m

	For sites west of Museum Street	n/a	27m
St John's Church		-	12m
Post Office Square	For sites west of Jervois Quay	20m	60m
	For sites east of Jervois Quay	-	Refer to height standards in Waterfront Zone
Stout Street	In the block bounded by Lambton Quay, Whitmore Street, Stout Street and Ballance Street	10m	20m
	For the remainder of the area	20m	50m

Local and Neighbourhood Centres Zone Heritage Areas	**Location**	**Minimum height above ground level**	**Maximum height above ground level**
Aro Valley Shopping Centre Heritage Area	Entire heritage area	7m	12m
Island Bay Village Heritage Area	Entire heritage area	7m	12m
John Street Intersection Shopping Centre Heritage Area	Entire heritage area	7m	12m
Newtown Shopping Centre Heritage Area	Entire heritage area	7m	12m
Berhampore (Rintoul Street) Shopping Centre Heritage Area —	Entire heritage area	7m	12m
Thorndon Shopping Centre Heritage Area	Entire heritage area	7m	12m
Hataitai Shopping Centre Heritage Area	Entire heritage area	7m	12m

This schedule is operative.

SCHED1 — Ngā Whare Aronehe

SCHED1 — Heritage Buildings

Heritage Buildings

DP Ref #	Address	Name	Legal Description	Protection required	Values	Link	HNZPT #
~~424~~	~~213 Taranaki Street~~	~~Army Headquarters (former)~~	~~SEC C SO 32418 SEC 90 TOWN OF WELLINGTON~~	~~Entire external building envelope~~	~~A, B, C, D, E~~		~~Historic Place Category 2, 7518~~
~~511~~	~~139 Park Road~~	~~Miramar Installation Bulk Storage Tank (former)~~	~~LOT 1 DP 53255~~	~~Entire external building envelope~~	~~A, B, E, F~~		

This schedule is operative.

SCHED2 – Ngā Hanganga Aronehe

SCHED2 – Heritage Structures

Heritage Structures

DP Ref #	Address	Name	Legal Description	Protection required	Values	Link	HNZPT #
~~6~~	~~Chaytor Street, Karori~~	~~Karori Tunnel~~	~~Legal Road~~	~~Includes all features associated with the tunnel including - tunnel approaches and buttresses; entrance portals including cartouche; tunnel structure; footpath and pedestrian handrails; archaeological features associated with tramlines.~~	~~A,B,C,F~~		~~Historic Place Category 2, 3601~~
~~27~~	~~Kelburn Parade~~	~~Kelburn Viaduct~~	~~Legal Road~~	~~Includes all above and below ground features associated with the Kelburn Viaduct including- road-deck and pavement; balustrades, piers, lamp posts and light fittings; bridge structure, concrete pylons, footings, wing walls and abutments.~~	~~A,B,C,F~~		~~Historic Place Category 2, 3333~~

Appendix B: Economic Assessment of Heritage Regulation in Wellington

Economic Assessment of Heritage Regulation in Wellington

Ministry for Cities, Environment, Regions & Transport

July 2026

Formative

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Introduction

The Ministry for Cities, Environment, Regions & Transport (MCERT) has commissioned Formative to undertake a high-level evaluation of the potential economic outcomes associated with some of the local heritage regulations contained within the Wellington City District Plan (WCDP). The assessment considers potential economic impacts in terms of changes in economic activity and employment in relation to:

- Courtney Place Heritage Area;
- Former GHQ Building;
- Miramar tank; and
- Karori Tunnel and Kelburn Viaduct.

The report considers a scenario in which activities potentially constrained by specific heritage provisions are not restricted by local council regulations. This scenario explores the potential implications of increased development activity, more efficient operation of infrastructure, and other wider economic benefits.

The scope of this commission is to assess the economic implications of the specified aspects of heritage regulations within the context of the powers introduced under section 360I of the Resource Management Act 1991 (RMA). Section 360I enables the Minister to modify provisions in local authority policy statements or plans where specified statutory criteria are met.

Of particular relevance are sections 360I(2)(b) and (c), which require the Minister to be satisfied that:

- the provisions proposed to be modified have a negative impact on economic growth, development capacity, or employment; and
- modifying those provisions would not prevent the policy statement or plan from giving effect to a national policy statement or national environmental standard.

The following economic assessment has been framed to provide high-level information to inform consideration of these aspects of the statutory criteria.

This report does not evaluate the overall merits of individual heritage regulations, nor does it assess the benefits that may be derived from those regulations. Finally, this assessment does not consider the other aspects of the heritage regulations contained within the WCDP.

Wellington Heritage Regulations

Heritage protection is an important component of the Wellington City Council (WCC) planning framework, providing amenity values that benefit residents and contributing to economic activity by attracting tourists who spend in the local economy. However, the heritage protections can constrain the use and redevelopment of land within Wellington, which have implications for the city's ability to accommodate new economic activity and for the functioning and efficiency of the urban environment.

Importantly, heritage protection gives rise to both economic benefits and economic costs, and these should be weighed when considering the imposition, retention, or removal of heritage protections. The potential benefits and costs are outlined in the economic assessment commissioned by WCC to support the Intensification Streamlined Planning Process (ISPP), which considered heritage as a qualifying matter and identified a range of economic benefits and costs associated with heritage protection[14]:

- **Benefits**: heritage contributes to Wellington's tourism sector, with cultural heritage being a significant attraction for many visitors. Furthermore, heritage buildings contribute to Wellington's attractiveness as a filming location, supporting the screen and creative industries. Finally, heritage buildings provide amenity and cultural value to local residents and the wider community.

- **Costs**: has a major impact on the development capacity within the Wellington CBD. Of all qualifying matters assessed, heritage was found to have the second-largest impact on the amount of realisable apartment and commercial floorspace, reflecting both height restrictions and the extent of heritage coverage within the city centre. Also heritage-listed buildings generally incur higher costs for maintenance, strengthening, and alterations, together with additional consenting requirements. Finally, the heritage protections can also impose wider economic costs by reducing opportunities for intensification, resulting in a less efficient urban form and potentially constraining economic growth.

The WCC economic assessment does not provide a quantification of most of the identified costs and benefits. Consequently, it is of limited use in understanding the economic implications of the specific heritage regulations being investigated by MCERT.

The focus of this report is on the potential foregone economic activity associated with heritage protection, which is assessed in Sections 3. It is beyond the scope of this high-level evaluation to quantify the other economic benefits and costs associated with heritage protection; these are instead discussed qualitatively in Section 4 of this report. The following discussion in this section outlines the heritage regulations being investigated by MCERT.

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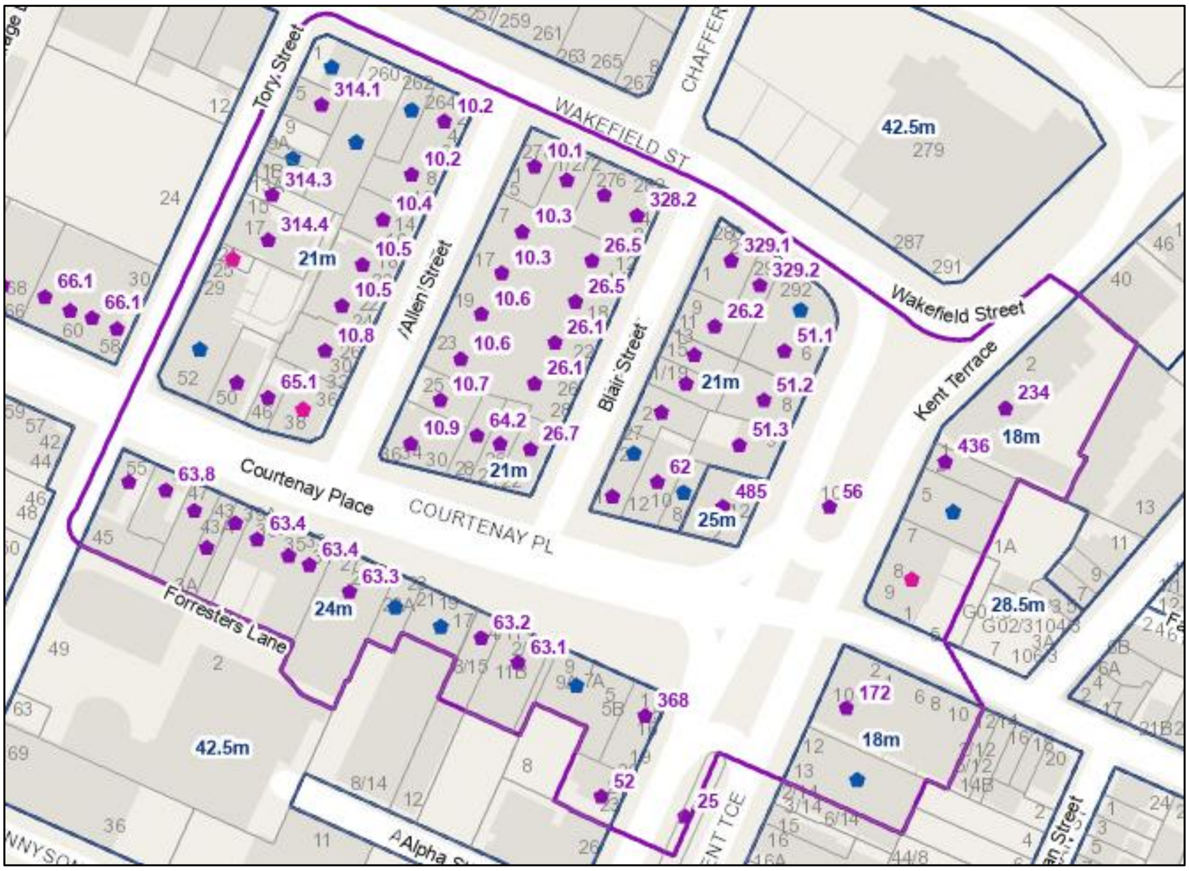
[14] Property Economics (2022) Wellington City Qualifying Matters Capacity Assessment.

Courtney Place Heritage Area

The Courtenay Place Heritage Area (CPHA) encompassing seven streets and a number of listed heritage buildings (Figure 0-1). The area is significant for the integrity of its predominantly Edwardian streetscapes, particularly along Blair and Allen Streets. While not all buildings within the area are individually significant, the precinct contains a number of buildings and structures of considerable heritage value. In Figure 0-1 the purple dots identify buildings that are heritage listed, while the pink dots identify buildings that are considered heritage contributing.

The area also contains a number of non-heritage buildings (14 parcels and around 7,000m^2 of land), which are identified by the blue dots in Figure 0-1. These buildings are generally located around the edges of the CPHA, particularly along Tory Street and Wakefield Street, or on the southern side of Courtenay Place.

Figure 0-1: Courtney Place Heritage areas Wellington City District Plan



The area's rejuvenation has turned CPHA into a social important part of the CBD, particularly at night. The heritage buildings create amenity and have a positive economic and social value in Wellington. Therefore, limitations on development in this location may be justifiable.

The WCDP imposes maximum height[15] in the CPHA which ranges from 18-25m regardless of heritage status, while the height threshold[16] in the City Centre Zone (CCZ) is 42.5m (which is shown Figure 0-1). Also of importance is that the height threshold in the CCZ is not a maximum or binding development constraint. In practice, the wider CCZ does not impose a binding height

15 HH-S1 (Height Standard).

16 CCZ-S1 (Height Threshold)

limit on development. Rather, greater building heights are enabled subject to assessment of relevant effects, including amenity, urban design, and other planning considerations.

This means that development of non-heritage buildings within the CPHA is constrained by the current rules. If these restrictions were removed, the development potential of these sites could be significantly increased and the cost of consenting would be reduced.[17] As these buildings are not individually heritage listed or contributing to heritage, their redevelopment would not materially affect the heritage values or amenity of the area. While redevelopment may give rise to other amenity effects, these matters would be appropriately considered through the development assessment process, particularly where a proposal exceeds the 42.5m height threshold.

Furthermore, the area lies within an Intensification-Strategic Public Transport Corridor identified in the Future Development Strategy (FDS), reflecting the intention for this strategic location to accommodate additional economic activity and residential growth.

The proposal is that non-heritage buildings within the CPHA would no longer be subject to the maximum height limits specified in HH-S1. Accordingly, the assessment scenario assumes that these restrictions would not apply to non-heritage buildings, allowing these sites to be considered for redevelopment in accordance with the development provisions of the CCZ, including the height thresholds applying under CCZ-S1.

For clarity, the proposed change would not remove the height limits applying to heritage or heritage-contributing buildings within the Courtenay Place Heritage Area. These buildings would continue to be protected in accordance with the existing heritage provisions and regulations.

Former GHQ Building

The former General Headquarters (GHQ) Building is a historic Edwardian Baroque-style military administration building located at the corner of Taranaki and Buckle Streets in Mount Cook, Wellington. Completed in 1912, it is recognised as the oldest surviving military administration building in New Zealand and is owned by the New Zealand Defence Force (NZDF). However, the site is surplus to Defence requirements and is currently being disposed of, with the first right of refusal process with the Wellington Tenths Trust underway. There are currently no plans for redevelopment of the site.[18]

The building has been vacant for many years, and it meets only 9% of the National Building Standard for earthquake resilience. Due to the potential risk posed by falling masonry during a significant earthquake, the NZDF has placed containers along the adjacent footpaths to provide protection for pedestrians using this busy public area.

The GHQ Building is located on a site with a total land area of approximately 4,460m², with the building footprint of 500m², representing approximately 10% site coverage (see

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[17] The resource consenting the Lido cost in the order of $20,000, and if all the non-heritage parcels were developed via this process then the cost of consenting would be over $280,000.

[18] The site is subject to a designation (MDEF) in the WCDP for the Minister of Defence. This designation will be removed once the property is disposed of.

Figure 0-2). This represents a relatively low level of land utilisation compared with the surrounding built environment, which predominantly comprises tertiary education and low-rise commercial activities.

Figure 0-2: GHQ Building

The site is zoned CCZ, and a heritage height control of 28.5m. While most of the properties in the immediate area are zoned CCZ and 42.5m threshold apply which will allow consider development potential in this location. However, much of the built form remains characterised by relatively low-intensity uses (2-3 levels) and older buildings.

In this context, the retention of the GHQ Building as a heritage structure places a significant constraint on the potential utilisation and redevelopment intensity of the site compared with surrounding land within the CCZ.

However, the location of the GHQ Building at the front of the wider site means that redevelopment of the remainder of the property could potentially occur while retaining the heritage structure. This would require subdivision of the site, which is a discretionary activity under SUB-R6 and therefore subject to resource consent, introducing a relatively high level of planning uncertainty.

Retaining the GHQ Building as part of any redevelopment would also require significant investment in ongoing maintenance and seismic strengthening to improve the building's resilience towards modern earthquake standards. Such works require resource consent as a restricted discretionary activity under HH-R7, with the assessment requiring that the works do not detract from the building's identified heritage values and that the loss of historic fabric is minimised, consistent with HH-P7. The scale and cost of these works are likely to be substantial, which may make retention of the building financially challenging and, depending on the redevelopment proposal, potentially infeasible.

In practice, the site will either remain vacant or require demolition of the GHQ Building to enable more comprehensive redevelopment. Under the heritage provisions, demolition would require resource consent as a discretionary activity and would be subject to public notification (HH-R13). The associated policy framework seeks to avoid total demolition unless there is no reasonable alternative (HH-P11). Consequently, redevelopment of this strategically located CCZ site may be constrained by the costs, uncertainty, and complexity associated with achieving an outcome that balances heritage protection with the efficient use of land.

The proposal is to remove the GHQ Building from the list of heritage items. Accordingly, the assessment scenario assumes that the site would no longer be subject to the heritage provisions applying to the GHQ Building and that the land could be developed in accordance with the CCZ framework.

Miramar Tank

The Miramar Tank is the last remaining bulk storage tank associated with the former British Imperial Oil Company installation, located at 139 Park Road, Miramar. The tank is a substantial steel structure, approximately 12 metres high and 36 metres in diameter, and was constructed around 1925. Since 1966, the tank has been adapted for a range of uses, including as a garden centre, café, and most recently as part of a film studio.

The land is owned by the WingNut Group, which has indicated an intention to utilise the site to support film production activities associated with its studios.[19] This business makes a significant contribution to economic activity, both within the regional economy and across the wider national economy.

The Miramar Tank is located on a site with a total land area of approximately 4,480m², with the tank footprint occupying around 1,000m², representing approximately 25% site coverage (see Figure 0-3). This represents a relatively low level of land utilisation compared with the surrounding built environment, which predominantly comprises industrial-style buildings and activities.

Figure 0-3: Miramar Tank

The surrounding area is zoned Mixed Use Zone (MUZ), and some buildings in the locality have transitioned towards a broader range of mixed-use activities. However, much of the built form remains characterised by relatively low-intensity industrial uses.

In this context, the retention of the Miramar Tank as a heritage structure places a significant constraint on the potential utilisation and redevelopment intensity of the site compared with surrounding land within the MUZ. The unconventional shape, scale, and physical form of the tank create significant challenges for redevelopment of the site while retaining the heritage structure. The extent to which the tank occupies the site, combined with its unique geometry and heritage requirements, limits the ability to efficiently integrate new development around or alongside the structure.

Practically, the site would either remain underutilised or require demolition of the tank to enable redevelopment. Under the heritage provisions, demolition would require resource consent as a discretionary activity and would be subject to public notification (HH-R13). The associated policy framework seeks to avoid total demolition unless there is no reasonable

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[19] The company acquired the site to expand its film infrastructure and add facilities for up to 150 crew members.

alternative (HH-P11). As a result, redevelopment of the site would be challenging, potentially preventing this strategically located mixed-use site from being efficiently utilised.

The proposal is to remove the Miramar Tank from the list of heritage items. Accordingly, the assessment scenario assumes that the site would no longer be subject to the heritage provisions applying to the tank and that the land could be developed in accordance with the MUZ framework.

Karori Tunnel and Kelburn Viaduct

The Karori Tunnel and Kelburn Viaduct are key transport infrastructure assets that facilitate the movement of residents between the Karori Valley and Wellington City. Both structures are identified as heritage items within the Wellington City District Plan (WCDP) and are late-Victorian in style, being constructed of brick and concrete rendered in plaster, with plastered brick portals. Given their age and construction materials, both the tunnel and viaduct require ongoing maintenance and renewal works, resulting in maintenance costs that are higher than would typically be expected for more modern infrastructure assets.

Capacity constraints and congestion on this transport infrastructure are also expected to increase as additional housing is developed within the Karori Valley.[20] There have previously been investigations into enabling double-decker buses to meet the growing transport needs of the community, however this would require substantial modifications to the Karori Tunnel.[21] Other alternatives, such as constructing a new tunnel, have also been considered but were ultimately rejected on the basis that they were not financially feasible.

The interim response has been to procure and operate articulated buses to increase passenger capacity. However, this solution is unlikely to be sufficient to accommodate future transport demand should significant additional growth occur within the Karori Valley.

The heritage provisions in the Wellington City District Plan (WCDP) apply to both the Karori Tunnel and the Kelburn Viaduct. As a result, Wellington City Council is required to obtain resource consent:

- maintenance works would be restricted discretionary activity (HH-R7) and works should do not detract from the heritage values and minimise the loss of historic fabric (HH-P7).
- substantial works would be discretionary activity, which is publicly notified (HH-R13) and associated policy framework seeks to avoid total demolition unless there is no reasonable alternative (HH-P11).

While routine maintenance works can generally be undertaken through the existing heritage consenting framework, the costs associated with obtaining resource consent and undertaking works that are sympathetic to historic materials and construction methods are significantly higher than for newer infrastructure assets. These additional costs represent a financial burden for Council and, ultimately, ratepayers.

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[20] Notwithstanding there are other constraints in this area, including limitations in wastewater infrastructure capacity. WCC considers that these infrastructure constraints can be managed and that growth in Karori Valley can be enabled over the longer term.

[21] Metlink (2023) Route 2 Capacity Options Feasibility Assessment.

Furthermore, the heritage provisions may make more substantial works required to upgrade the infrastructure or increase the level of service provided by this strategically important transport link more challenging to undertake. This has potential implications for the long-term development capacity of the Karori Valley and the efficient operation and resilience of the wider transport network.

The proposal is to remove the Karori Tunnel and Kelburn Viaduct from the list of heritage items. Accordingly, the assessment scenario assumes that these infrastructure assets would no longer be subject to the heritage provisions, reducing the costs and complexity associated with ongoing maintenance and enabling potential future upgrades to improve the level of service provided by this transport link.

Economic Assessment of Identified Scenario

The economic benefits associated with the identified scenarios are likely to primarily arise from the additional development potential enabled by the removal of heritage regulations applying to CPHA non-heritage, former GHQ building, and Miramar Tank. Broadly, removing these regulations would increase the potential developable space on these sites, thereby enabling greater economic activity to be accommodated. Additionally, the removal of heritage regulations for the Karori Tunnel and Kelburn Viaduct would generate a different type of benefit, primarily through potential infrastructure efficiency gains associated with improvement to future level of services, or more efficient maintenance of these assets.

These two categories of benefits are assessed separately in the following high-level modelling, with a brief assessment of the sensitivity of the results also provided.

Development Potential (CPHA non-heritage, GHQ and Miramar Tank)

WCC has provided base data for the CPHA non-heritage, GHQ, and Miramar Tank parcels, including land area and existing floorspace. While it is common practice for heritage buildings to be excluded from the capacity assessments undertaken by councils for National Policy Statement on Urban Development (NPS-UD) reporting purposes, WCC has undertaken new modelling specifically for this assessment.[22]

Under the current heritage regulations, the sites have a theoretical plan-enabled development capacity of 42,500m² of floorspace, representing an additional 25,700m² above the existing built floorspace. Under the proposed alternative, the theoretical plan-enabled capacity increases to 157,500m², representing an additional 140,700m² above the existing floorspace. The change between the WCDP and the proposed is 64,400m^2 for CPHA non-heritage, 15,000m^2 Miramar and 35,600m^2 for GHQ.

Figure 0-1: CPHA non-heritage, GHQ, and Miramar Tank - Existing Parcels and Plan Enabled Capacity

	Existing Parcels		Plan Enabled Capacity		
	Land Area	Floorspace	WCDP	Proposed	Change
CPHA (Non-heritage)	7,300	14,800	42,500	106,900	64,400
Former GHQ Building	4,500	1,000	-	35,600	35,600
Miramar Tank	4,500	1,000	-	15,000	15,000
Total	16,300	16,800	42,500	157,500	115,000
Additional			25,700	140,700	115,000

22 Wellington City Council (2026) Heritage Capacity Assessment for CPHA non-heritage, GHQ and Miramar Tank.

However, the theoretical plan enabled capacity is generally not achieved by the market either because of commercial feasibility issues and other practical consideration that influence built form outcomes. WCC has also provided two further metrics of capacity, commercial feasible and realisable, which provide an estimate of the practically achievable development that could be anticipated.

As an example, there have been recently consented developments that are relevant.

- **CPHA as non-heritage**: the Lido residential apartment development at 260 Wakefield Street provides evidence that the market is already supporting development at a scale approaching the proposed 42.5-metre height threshold. The development is consented to comprise a 10-storey building with a height of approximately 37.6 metres, exceeding the existing 21-metre height limit, and to provide approximately 123 apartments. This indicates that the market is already demonstrating demand for higher-density residential development at a scale relatively close to the proposed height threshold.[23]

- **CCZ (28.5m) near GGQ building**: the One Tasman residential apartment development at 1 Tasman Street provides evidence that the market is already supporting development at a scale approaching, and in this case exceeding, the proposed 28.5-metre height threshold. The development is consented to comprise a 10-storey building exceeding 35 metres in height, with approximately 123 apartments. This indicates that there is already market interest in delivering relatively high-density residential development in this location, suggesting that the proposed height threshold is broadly aligned with, or potentially below, the scale of development that the market may support.

- **MUZ (15m) near Miramar Tank**: A four-level office building at 129 Park Road, comprising approximately 1,825m² of floorspace, provides evidence of demand for relatively intensive development in this location. In addition, 138A–148 Park Road, located opposite Miramar Tank, has resource consent for development at a height slightly exceeding the existing 15-metre height limit. The consented development will accommodate storage and commercial activities, an animal hospital, an animal quarantine facility, and three residential units. Collectively, these developments provide evidence that the market is already supporting development at a scale close to, and in some instances exceeding, the plan-enabled development potential in this location.

Notwithstanding that the market is already demonstrating a preference for development densities approaching the proposed plan-enabled capacity, this high-level assessment adopts the WCC estimates of commercially feasible and realisable capacity as a conservative basis for the analysis.

[23] This site is removed from the remainder of the assessment as it is unlikely to redeveloped further in the future.

Figure 0-2 shows that, under the current WCDP heritage regulations, the commercially feasible and realisable capacity is estimated at 9,000m² of additional floorspace. Under the proposed removal of the heritage regulations, this increases to 83,700m², represents an increase of 74,700m² of commercially feasible and realisable floorspace.

Figure 0-2: CPHA non-heritage, GHQ, and Miramar Tank – Feasible and Realisable Capacity

	Feasible and Realisable Capacity		
	WCDP	Proposed	Change
CPHA (Non-heritage)*	9,000	57,600	48,600
Former GHQ Building	-	19,200	19,200
Miramar Tank	-	6,900	6,900
Total	9,000	83,700	74,700

Excluding Lido development.

The additional floorspace enabled by the proposed change of the heritage regulations would likely be used predominantly for residential and office activities. In most instances, the non-heritage sites are already developed, and the removal of the heritage regulations would primarily enable additional floorspace to be constructed on upper levels. Therefore, the additional capacity is unlikely to be used for retail or service activities, which typically require ground-floor frontage. Accordingly, the increase in development capacity is not expected to materially affect the provision of retail or service floorspace and is instead likely to be accommodated predominantly through residential and office uses.

Indicatively, if all of the increase in floorspace in CHPA (no-heritage) and GHQ is used for residential then this would mean an additional 770 dwellings.[24] While the Miramar redevelopment would most likely be used for commercial activities (film studio facilities) and could accommodate around 300 jobs.[25]

Given these levels of development potential, the removal of the heritage regulations could generate the following economic activity[26]:

- **CPHA (non-heritage)**: could result in up to 550 apartments to be developed on the non-heritage site. This is significant in the Wellington context, where 525 dwellings were consented over the last 12 months. Construction of these apartments would generate one-off direct economic activity in the order of $200m or more, depending on the development specifications. This activity would generate approximately $120m in GDP and support around 1,100 jobs.

- **Former GHQ Building**: could enable up to 220 apartments. Construction would generate one-off direct economic activity in the order of $80m or more, depending on the development specifications. This activity would generate approximately $50m in GDP and support around 400 jobs.

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24 Assuming that 20% of the total floorspace is required for communal areas (including lifts, corridors, foyers, stairwells, and building services), and that the remaining floorspace is developed as apartments with average sizes of $70m^2$.

25 Assuming workspace ratio of $17.5m^2$ of floorspace per employee (*Sense Partners (2023) Demand for business land in the Wellington-Horowhenua region*).

26 The economic impact is estimated using Formative's subregional input-output model, the Economic Linkages Model (ELM).

- **Miramar Tank**: could accommodate around 300 jobs, supporting approximately $70m in annual GDP generated on-site.[27] In addition, construction of the new development would generate one-off direct economic activity in the order of $20m or more, depending on the development specifications. This activity would generate approximately $7m in GDP and support around 80 jobs.

However, the timing and extent of these benefits will depend on market demand. In addition, the wider CCZ already provides a substantial amount of development capacity. As a result, redevelopment of the CPHA non-heritage sites, the former GHQ Building, and the Miramar Tank may not represent net additional economic activity, as some or all of the development could instead occur elsewhere in the city under the counterfactual scenario.

Accordingly, the figures presented above represent gross economic values. Their significance should be assessed in the context of the timeframe over which development occurs and the extent to which they represent genuinely additional activity, rather than development displaced from other locations within Wellington.

Infrastructure Efficiency (Karori Tunnel and Kelburn Viaduct)

The efficiency of the Karori Tunnel and Kelburn Viaduct is impaired relative to newer infrastructure, reflecting their age, design constraints and ongoing maintenance requirements. WCC data indicates that annual maintenance costs have increased from approximately $350,000 to around $2.5m, representing an increase of more than 600%. While much of this increase reflects the ageing of the infrastructure and the need for more intensive maintenance, some costs are also associated with the additional requirements arising from heritage protection and the resource consenting process for maintenance works.

Based on approximately 83,000 rateable properties in Wellington City, the current maintenance cost equates to around $30 per rateable property per year. While this represents a relatively small cost at an individual property level, it is an ongoing financial burden for ratepayers, including many who may receive limited direct benefit from the continued operation of this infrastructure.

Furthermore, there are operational impacts when the capacity of the Karori Tunnel and Kelburn Viaduct is reduced to enable maintenance works. The Karori Tunnel is a heavily utilised piece of transport infrastructure, carrying approximately 16,000 vehicles per day and supporting significant commuter movements between Karori and the central city. The tunnel also accommodates frequent public transport services, with approximately 12 buses in each direction during peak periods.

Despite its relatively small scale, it performs an important strategic function as the primary transport connection between Karori and the city. Any reduction in capacity during maintenance works can therefore result in disruption to commuters, increased travel times, and wider network impacts.

[27] Assuming that 300 film production jobs are accommodated in a new building, applying the average GDP per job from Infometrics (2026) Regional Economic Profile.

Impact Sensitivities

The purpose of this section is to assess the key sensitivities within the modelling and the extent to which the findings are influenced by changes in the underlying assumptions. The sensitivity testing provides an indication of the downside risk and the robustness of the estimated economic impacts presented in the preceding sections.

As identified throughout this report, the modelling is sensitive to several key assumptions, including:

- **Commercially feasible and realisable capacity**, which determines the scale of development that can be achieved and activity accommodated.
- **Apartment size and construction costs**, which influence the number of dwellings that can be delivered and the value of one-off construction activity.
- **Workspace requirements and productivity**, which determine the level of economic activity that can be accommodated within the Miramar Tank site and the value of the ongoing economic activity generated.

The sensitivity testing in Figure 0-3 indicates that, even under more conservative assumptions, the estimated economic impacts remain substantial:

- **Housing supply:** apartments range from approximately 580 to 770, with even the lower estimate representing more than a full year's residential development in Wellington, indicating a significant contribution to housing supply.
- **Ongoing Employment:** ranges from approximately 240 to 300 jobs, equivalent to around 8-10% of the jobs lost in Wellington over the past year (in 2025 jobs dropped by 2,950), representing a material contribution to employment opportunities and reducing unemployment.
- **Construction**: one-off activity ranges from approximately $132m to $172m, representing a significant injection of economic activity into the Wellington economy, equivalent to around 26-34% of the GDP lost in Wellington over the past year (in 2025 GDP dropped by $500m). Acknowledging that these economic impacts would be realised over multiple years, they remain material under all sensitivity scenarios.
- **Ongoing economic activity**: annual GDP generated by activities on the site ranges from approximately $40m to $70m, equivalent to around 8-14% of the GDP lost in Wellington over the past year (in 2025 GDP dropped by $500m). This indicates that, under all sensitivity scenarios, ongoing activity would make a material contribution towards offsetting recent declines in economic activity.

Figure 0-3: Sensitivity Scenarios - Baseline and Downside (Dwellings, Jobs, and GDP)

Sensitivity - Downside	Dwellings	Jobs	One-off Construction	Ongoing Activity
Baseline Scenario	770	300	$ 172	$ 70
Commercial and Realisable capacity (-25%)	580	240	$ 132	$ 50
Apartment size (+25%) and Build costs (-25%)	620	300	$ 138	$ 70
Workspace (+25%) and Productivity (-25%)	770	250	$ 172	$ 40

The results of the sensitivity testing suggest that the potential economic activity associated with the removal of the heritage regulations is likely to remain positive and significant, even under the downside risk scenarios. While the sensitivity testing has focused on downside risks, it is also likely that many of the assumptions underpinning the baseline scenario are conservative. As a result, there is potential for the actual economic outcomes to exceed those estimated under the baseline scenario, with some of the identified upside risks likely to materialise:

- **Greater development than modelled**: the market may deliver more development than assumed by WCC, as evidenced by recent developments discussed above where consented development has been materially higher than the estimated Commercially Feasible and Realisable Capacity and close to, or in some cases exceeding Plan Enabled Capacity. This suggests that the amount of development capacity realised, and the associated economic activity, could be higher than estimated under the baseline scenario.

- **Smaller, higher-specification apartments:** it is likely that apartments are smaller and constructed to a higher specification than assumed in the assessment. This could result in a greater number of dwellings being accommodated within the same development footprint, while also generating higher levels of construction activity than estimated under the baseline scenario.

- **Higher-intensity employment and productivity:** the workspace ratios may decline over time, while productivity at the Miramar site may be higher than the average productivity assumed for the wider economy. Together, these factors could support a greater level of ongoing economic activity and employment than estimated under the baseline scenario.

Overall, the most likely outcome is that economic activity will be higher than estimated under the baseline scenario and, in all likelihood, materially above the levels indicated by the downside scenarios

Wider Economic Benefits

While the above assessment considers the direct economic activity that could be enabled through the use of the land without heritage protections, there are likely to be additional benefits and costs associated with this activity. These broader effects may arise through changes in urban form, infrastructure requirements, employment, business activity, amenity values and the distribution of economic activity across the city.

- **Well-functioning urban environment**: the CPHA non-heritage site, former GHQ Building, and Miramar Tank are all located in areas with strong connectivity within Wellington City. Accommodating additional workers and households in these locations would support a more efficient urban form by enabling people to locate closer to employment, services, community facilities, and access to transport networks. This has the potential to generate agglomeration benefits through improved accessibility, reduced travel costs, and increased opportunities for interaction between businesses, workers and households.

- **Increased housing choices, competition and affordability**: the proposed removal of the heritage regulations would also offer residents additional choices in their living environment in respect of location and potentially impact upon the overall supply, within the local market and the wider City. The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase in the relative attractiveness of the area with wider markets. In addition, enabling a greater mix of housing types in more locations could also improve affordability and help match the housing stock to match the future population's needs.

- **Increased infrastructure efficiency**: congestion pressures on Karori Tunnel and Kelburn Viaduct are expected to increase over time due to growth in both private vehicle movements and public transport patronage. Importantly, Karori is projected to experience growth of between 1,700 and 3,700 new dwellings over the next 30 years, which will place additional demand on the Karori Tunnel and Kelburn Viaduct and increase traffic volumes through these critical transport links.[28] If additional development occurs in Karori, as enabled under the WCDP, demand on the Karori Tunnel and Kelburn Viaduct is likely to increase further, placing additional pressure on the existing infrastructure and potentially requiring improvements to provide an appropriate level of service. While no costings or funding arrangements have been identified by WCC, any future improvements to increase the capacity or resilience of the Karori Tunnel and Kelburn Viaduct would likely involve significant capital expenditure. Based on comparable urban transport infrastructure projects, even relatively modest capacity improvements could be expected to cost tens of millions of dollars, while more substantial interventions could cost in the order of hundreds of millions of dollars. The removal of heritage protections may increase efficiency in terms of reduced costs and complexity by constraining design options, construction methodologies and consenting pathways.

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[28] Sense Partners 50th and 75th percentile projections from 2025.

- **Improvement in viability of retail and services and the role of centres:** once the apartments are occupied, the additional households would support ongoing economic activity both within these strategic locations and across the wider city through increased expenditure on retail, hospitality and other services. The additional population would improve the customer base supporting local businesses, potentially enhancing the viability and diversity of centres and contributing to a more vibrant urban environment.

- **Increased economic activity and local employment opportunities**: the activity enabled on the Miramar site would generate indirect and induced economic effects as businesses supply goods and services to firms located on the site and employees spend their incomes throughout the city. This would provide a boost to the local and wider Wellington economy by supporting additional employment, business activity and investment, while potentially contributing to improved amenities and services in the surrounding area.

- **Contribution to achieving National Policy Statement:** the outcome noted above, including contributions to a well-functioning urban environment, improved housing market outcomes, more efficient use of infrastructure, strengthened centre roles, and increased employment opportunities, would not prevent the WCDP from giving effect to the NPS-UD. Rather, modifying the identified provisions would support the achievement of the relevant objectives and policies of the NPS-UD by enabling greater development capacity, supporting urban growth, and improving the efficiency of land use within the urban environment.

- **Impact on Heritage Amenity**: Heritage contributes to the economy through the amenity, cultural and community benefits it provides. The removal of the heritage regulations may affect the heritage values associated with these locations and the benefits that arise from their retention. Cultural heritage is an important attraction for visitors to Wellington and contributes to the city's tourism offering. Heritage buildings also enhance Wellington's attractiveness as a filming location, supporting the screen and creative industries. More broadly, heritage places provide amenity, identity and cultural value for local residents and the wider community. Research from heritage valuation studies indicates that these amenity benefits can be reflected in surrounding property values, with estimated effects in the order of 1-2% of property values in the immediate vicinity in some contexts.[29]

[29] Property Economics (2022) Wellington City Qualifying Matters Capacity Assessment.

Conclusion

This assessment has considered the potential economic implications of removing specific heritage provisions within the Wellington City District Plan, focusing on the Courtenay Place Heritage Area (non-heritage sites), Karori Tunnel and Kelburn Viaduct, the former GHQ Building, and the Miramar Tank. The assessment does not consider the overall merits of heritage protection, but rather evaluates the potential economic outcomes associated with removing or modifying the identified regulations within the context of the statutory criteria under section 360I of the RMA.

The assessment indicates that the current heritage provisions can constrain economic activity by limiting development potential, increasing the complexity and cost of redevelopment, and restricting opportunities to improve infrastructure efficiency. Removing the relevant controls could enable a material increase in development capacity, including approximately 74,700m² of additional commercially feasible and realisable floorspace across the CPHA non-heritage sites, former GHQ Building, and Miramar Tank. This could support significant residential development in central locations, including potentially 770 additional dwellings and commercial floorspace in Miramar. The one-off construction activity of around $172m in GDP and around 1,600 jobs. As well there is on-going additional employment capacity associated with the Miramar site that may contribute $70m in GDP per annum and around 300 jobs.

The removal of heritage provisions applying to the Karori Tunnel and Kelburn Viaduct could also provide economic benefits by reducing the cost and complexity associated with maintenance and enabling greater flexibility to undertake future upgrades. While the direct financial savings are relatively modest when considered on a per-ratepayer basis, the strategic importance of this transport connection means that improved efficiency, resilience, and capacity could support the future growth and functioning of the Karori Valley and wider Wellington transport network.

Base on the high-level analysis in this report sections 360I(2)(b) and (c) of the RMA are likely to be meet and the Minister can be satisfied that:

- the provisions proposed to be modified have a negative impact on economic growth, development capacity, or employment; and
- modifying those provisions would not prevent the policy statement or plan from giving effect to a national policy statement.

Notwithstanding the key finding above, heritage protection generally provides wider economic and community benefits through amenity, cultural identity, tourism, and the contribution heritage places make to Wellington’s attractiveness as a place to live, work, and visit.

Overall, the assessment indicates that the identified heritage provisions have the potential to constrain economic growth and development capacity by limiting the use and redevelopment of some sites. However, the scale of any net economic benefit from modifying these provisions will depend on the balance between the additional economic activity enabled and the heritage values potentially foregone, which was not assessed in this report.