Wellington
Regional Leadership Committee

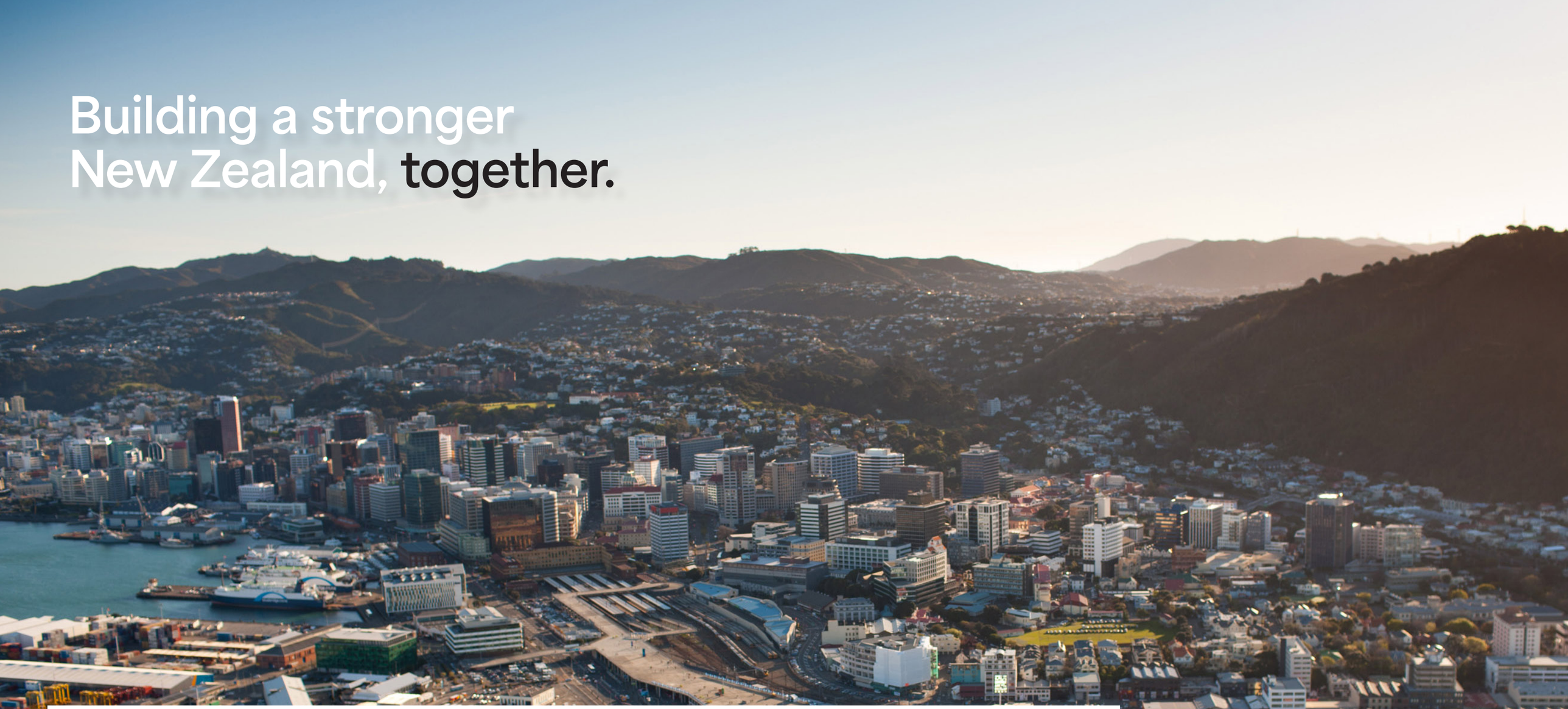
Wairarapa-Wellington-Horowhenua Region Industrial Land Study

Summary of Industry Engagement

May 2024

The Property Group

Building a stronger New Zealand, together.



Quality Control

Document	
Reference	
Date	20 May 2024
Prepared by	Fiona Whyte and Ruth Allen
Reviewed by	

Revision History

			Authorised	
Revision	**Date**	**Details**	**Name/Position**	**Signature**
01	20 May 2023	Draft for working group review	Ruth Allen, Principal	

Contents

1. Introduction

Background

The Wairarapa-Wellington-Horowhenua Region (the region) makes a significant contribution to New Zealand's economy. This is primarily through strong levels of employment in the government and administration sectors (high-value services), but also through industrial land uses (goods producing and transporting industries).

Industrial land uses located in the region include: those in the manufacturing sector, including food and agricultural processing and light and heavy manufacturing of consumer goods and construction materials; those in the freight and logistics sector, including storage, warehousing, transport and postal services; and those in the science and technology sector. These industrial land uses, combined, currently contribute over 12% to the region's GDP (Infometrics, 2023) and are an important part of the local economy.

Allowing for continued growth in these sectors is not only important for continued growth of the region's economy but is essential in supporting other sectors of the economy to grow. It is important that we ensure that the resources we need to build infrastructure and the products that we need to support our local businesses and communities are available locally.

The September 2023 Housing and Business Capacity Assessment (the HBA) undertaken for the region found that while the region has sufficient capacity to meet business land demand into the future, demand for industrial land, in particular the availability of vacant large industrial lots, is expected to have a shortfall over the next 30 years.

The Regional Industrial Land Study (the study)

The Wairarapa - Wellington - Horowhenua Regional Industrial Land Study (the study) has been commissioned by the Wellington Regional Leadership Committee (WRLC) to confirm this shortfall in supply of industrial land and to identify suitable areas to accommodate future demand across the region over the next 30 years. The study aims to ensure that sufficient supply is identified to meet growing demands of industry and is located to proactively facilitate and support sustainable growth of the sector within the region.

This includes considering:

- What are the future land needs of industry and its different sectors.
- What can be put in place to support future growth needs and remove barriers to high performance.
- Where are the locations that are best suited for future industrial sector growth.

Engagement with industry is a key input into the study. This report summarises the results of the industry engagement undertaken by the Property Group Limited as part of the study and will form part of the final report.

Purpose of the industry engagement

To inform the study, engagement with businesses and key stakeholders currently working across a range of industrial land uses/sectors and locations in the region was carried out during March 2024.

The purpose of the industry engagement was to gather specific information about how current industrial land is meeting business needs and what the different industrial land use sectors require from future industrial land supply to enable regional economic growth.

The information gathered through the stakeholder engagement process will be used to derive a clearer understanding of what the industrial needs are for the region and how new growth areas can be positioned to meet these needs.

The following objectives were developed to guide the engagement phase:

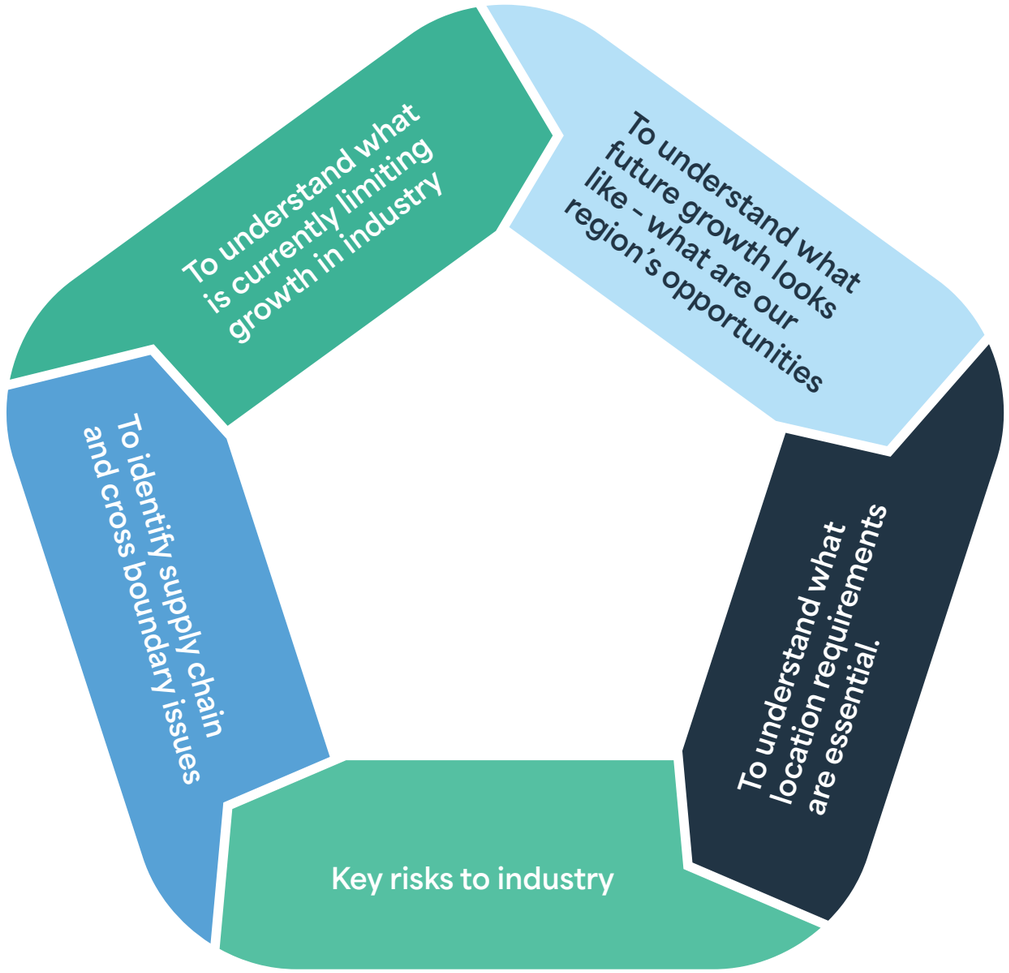


FIGURE 1 ENGAGEMENT OBJECTIVES

2. The approach to engagement

To achieve sufficient coverage of engagement across the different sectors of industrial land users and locations in the region, three different methods of engagement were used including: workshops, interviews and an online survey. A summary of the approach employed is provided below with an overview of the information gathered and key themes provided in the following sections.

Industry sector workshops and interviews

Four industry sector workshops and a series of interviews were held in early March 2024. Business and industry representatives, identified through local business and council networks, were invited to attend the workshops.

The workshops and targeted interviews were undertaken across five industrial land use sectors as follows:

- Light industry and manufacturing workshop - held on the 4th of March, 9-11am in Porirua.
- Freight, warehousing and logistics workshop - held on the 5th of March, 9-11am at CentrePort.
- Technology and research workshop - held on the 5th of March, 2-4pm, in Upper Hutt.
- Heavy industry workshop - held on the 6th of March, 9-11am, in Hutt City.
- Food processing and manufacturing interviews - due to the challenges in gathering representatives in one location, interviews were held with four businesses across the region.

The intent of the workshops and interviews was to provide an opportunity to collect feedback and share information from a range of industry stakeholders. Attendees included business owners and representatives. Also in attendance, were Chamber of Commerce, and other business association representatives from each Territorial Local Authority, Centreport, KiwiRail and the New Zealand Transport Agency.

The discussion topics at each workshop are shown below.

Online survey

In addition to the workshops, an online survey was used to reach a wider audience and gather information from industrial land use businesses. The survey was considered the appropriate tool to gather a large amount of information from as many respondents as possible, many of whom were not able to attend workshops in person to give feedback.

The aims of the survey were to:

- Understand important features and suitability of respondents' current sites and identify requirements for the future needs i.e. more space or preferences for site characteristics
- Understand views on current availability of suitable sites/land in the region and where future growth might occur
- Understand infrastructure requirements and upgrade requirements
- Understand awareness of impacts of future technology changes
- Understand preparedness and resilience to disruptive events
- Understand preparedness to reduce carbon emissions

The survey was sent by email with a web link to potential respondents and was advertised more widely on the Wellington Regional Leadership Committee website and via Linked-in.

The survey was available online from 12th to 25th March, 2024 and received over thirty-six responses. Respondents feedback was treated anonymously and any sensitive information was kept confidential. Businesses are not identified, but their responses are grouped into industry sectors and business types. A copy of the survey questions are included in the Appendix A.

FIGURE 2: QUESTIONS ASKED OF PARTICIPANTS IN THE WORKSHOPS (SLIDES FROM THE WORKSHOP PRESENTATION)

3. Summary of key findings from industry engagement

The following key themes emerged across all of the feedback collected:

- **The affordability of industrial land is creating challenges for businesses to develop new or expanded industrial operations.** Across all industrial land use sectors, industry representatives noted that the development of new or expanded operations in Wellington, Porirua, Kapiti and Hutt City was expensive and often cost prohibitive. This was attributed mostly to increasing land values in these areas and current high costs of construction. Other rising costs were discussed, including development contributions and costs of building required infrastructure connections. The cost of land was seen as a key factor influencing where industry can or chooses to locate. However, industry representatives noted that this decision was balanced against the need to be in close proximity to their workforce, transport networks, and customers.

- **There is a shortfall of large accessible industrial sites across the region.** Industry representatives confirmed the HBA findings that some districts within the region, in particular Wellington, Hutt City and Porirua, are short of large vacant industrial sites. It was noted that this was prompting some industries to relocate. Horowhenua was identified by many as a potential location for future industrial land due to the perceived availability of flat sites, affordability (for businesses and their workforce) and recent roading upgrades. The Wairarapa was identified as a potential location for food processing and manufacturing businesses, however access via the Remutaka Hill is seen as a constraint by many.

- **There are increasing costs to industry associated with resilience risk**. The main concern raised by industry representatives when asked about the impact of climate risk, was the associated increasing costs affecting the viability of their business. For example the rising cost of insurance. Existing industrial land in Seaview and Petone, in particular, was viewed as having multiple resilience, planning and affordability issues relating to the threat of sea level rise and risks from natural disasters. Insurability is a key concern for businesses in these locations, especially for those who require full insurance to secure finance. Some businesses are opting to relocate to areas with lower risks. However, it was noted that full relocation is not always an option for businesses who have invested in their sites and have an existing network of suppliers and customers. Currently, securing a more resilient site was considered by those businesses who were needing more space to expand, rather than being the main reason to relocate.

- **Relocation is considered as an option by businesses when expanding their operation.** Whilst most survey respondents across all sectors (78%) stated they had sufficient land and space for their current business needs, many (53%) identified they would have additional land requirements into the future. The majority of those that needed more space in the future (72%) said they would consider relocating elsewhere to expand their current operations.

- **Flat sites with good access to the state highway network is important.** For those businesses that require larger sites and efficient connections to supply chains, accessibility to the state highway network was seen as the key to success and to reducing freight times/cost. The survey results reinforce this showing a strong preference for flat industrial sites with access to the state highway - 40% of survey respondents stated flat land was an important site feature and 20% stated that access to the state highway was most the most important feature of their current location.

- **Safeguarding industrial land from encroachment by other activities and future reverse sensitivity issues is needed.** Industry representatives have observed that existing industrial land has suffered from encroachment from other activities like retail, commercial and residential land uses over time. Many businesses report they are increasingly dealing with complaints from neighbouring uses as urban development around industrial land intensifies. This is especially noticeable for heavy manufacturing and freight logistics businesses. Industry representatives recommend that future industrial land needs to be safeguarded to allow for industry to grow and adapt to market demands, noting that the scale and impact of industrial businesses is constantly changing.

- **Current industrial building stock is of poor quality and opportunities for innovation should be explored.** Industry representatives note that the quality of available industrial buildings, warehouses and lab space across the region is generally poor, but expectations of workforce about work environment is high, especially for the younger generation of staff. Further investment is needed to ensure the region's industrial land and facilities attract industry investment. Consideration should be given to allowing for innovation in industrial buildings, such as a vertical builds where possible.

- **Planning for future energy supply is critical** - Capacity, type, cost and security of energy supply are front of mind for industrial businesses and forward thinking is required to allow for potentially different types of energy supply to be provided (e.g. electricity and / or hydrogen).

- **Reduction in carbon in industry is being led by consumer demand and efficiencies in the supply chain.** Some businesses report that carbon reduction is being driven by consumer expectations. Many report they are already underway with carbon emission reductions. Business sees more efficient transport and freight networks driving carbon reduction (e.g. less time in vehicles lowers carbon emissions). Some businesses (mainly tech) are thinking about use of solar and alternative energies to drive carbon reduction, or Greenstar accreditation for new buildings.

- **Affordable housing for the workforce is a location factor for industry.** The success of the region's industrial sector is linked to the availability of affordable housing and transport solutions for their workforce. Housing affordability impacts where the workforce is able to live in proximity to industry and the availability and cost of transport options, including public transport, is critcal for attracting staff. These cost of living pressures are puting pressure on industry wage expectations and further impacting the financially sustainability of industrial land uses to operate in the region.


Mobil
Dulux

4. Summary of workshop and interview findings

The industry workshops enabled robust discussion across business leaders and the sharing of common constraints and opportunities. The feedback received to the workshop approach reinforced that a regional approach was needed to support the region's economy to grow. The location of additional industrial land and identification of supporting infrastructure must be considered at a regional scale to ensure proximity to supply chains and the workforce is considered across district boundaries.

There were some key themes that emerged across all of the workshops. These are summarised on the adjoining column, with a record of the key discussion points across each of the different industry sector workshops provided in the following section.

Summary of overarching workshop themes

- **A range of lot sizes, locations and expansion opportunities are required to meet different business needs and stages of growth -** Industrial land needs to be flexible enough to provide for large industrial sites, away from sensitive land uses, as well as providing for smaller lots that can be accommodated near to other urban land uses. The availability and location of land needs to provide for businesses at different stages of growth.
- **Planning for industrial growth should apply an eco-system lens** - The future land needs of industry should be considered as part of the broader economic eco-system. This means ensuring that areas identified for growth are located with consideration of where the future demand and the customer base will be located, as well as, what other industries/land uses they are required to support or need to be located close to.
- **Industrial land needs to be safeguarded for future use** - Industrial businesses have expanded and contracted in response to market conditions in the past. This is unpredictable, but large lots need to be retained in future to provide for expansion. For example, in locations like Seaview, businesses are struggling to find suitable adjacent lots on which to expand their current operations on to, if they are seeking to grow.
- **The impact of encroachment -** Industrial land has suffered from encroachment of other activities like retail, commercial and residential and businesses are dealing with complaints from neighbouring uses as urban development intensifies.
- **Insurability -** The cost and capacity of insurance is a key concern for Seaview businesses, in particular for those who cannot self insure and require full insurance to access finance. Some businesses are opting to leave Seaview and relocate to other centres within the region, such as Horowhenua, but relocation is not always an option if businesses have vested interests in Seaview, such as assets, workforce or access to logistics and transport.
- **Resilience -** Areas of industrial land in the Region have multiple resilience, planning and affordability issues relating to the threat of sea level rise, access by public transport, access for large vehicles, competition for land, warehouse space, staff.
- **Development Costs -** Development in Wellington and Hutt City is expensive due to high land values, cost of construction, and development contributions charges. This will influence where industry can / chooses to locate but is balanced against proximity to workforce.
- **Importance of the road transport network -** An efficient state highway network makes for an efficient freight network, which contributes to an efficient supply chain.
- **Access to affordable housing and public transport -** Provision of housing and public transport connectivity affects the ability of industry to attract workers and is a factor in industry location decisions. In particular it was noted that:
    - **Housing affordability** impacts on where workforce lives in proximity to industry.
    - **Cost of living** pressures puts pressure on industry wage expectations.
    - **Public transport network** limitations restrict workforce mobility.
- **Reverse sensitivity needs to be managed -** The proximity of residential to industrial is problematic for certain industry types. Generally the 'heavier' the industry, the greater the environmental 'effects', and further from residential activity they need to be. Other sectors have more tolerance to other uses being nearby, in the right circumstances i.e. light industry, tech and innovation.
- **Opportunities for land ownership are required.** Land ownership is important to industry and underpins bank lending, commercial viability.
- **Current poor quality of industrial buildings -** The current stock of industrial buildings in use and available is generally poor, but expectations of workforce about work environment is high, especially for younger staff.

Freight and Logistics Workshop - Record of the Workshop Discussion

Discussion Topic 1: Your business and industry now • How well does your current site and location support your business/industry now? • What are the challenges and opportunities with your site and location?	**Discussion summary** • There is high competition for available vacant industrial land in the central areas of this region, with low vacancy rates and low turnover resulting in few available sites. • Future proofing of available industrial land is important. In particular in the Petone and Seaview areas which are vulnerable to Sea Level Rise and resilience risks. • There are increasing insurance costs for industrial sites in areas with resilience risk, for example in Seaview. There are also potential issues with the capacity of insurance companies to continue to offer insurance into the future. • These increasing costs mean businesses need to factor in the cost of future proofing land and their developments into forward planning. The impact of this on our ability to remain competitive needs to be considered. • Reverse sensitivity with residential uses is growing adjacent to industrial areas and along main freight routes - companies are having to move or take longer transport routes due to noise complaints from residents.
Discussion Topic 2: Future Growth and Changing Needs • What are the features of industrial land and its location that are needed to support your business / industry? • What local and regional infrastructure improvements would better support industry growth?	**Discussion summary** • Large, flat sites away from residential areas with good access for larger vehicles are required to support the freight and warehousing. • Proximity to work force and affordable housing for work force is important. • Requirements for more space and larger sites have prompted one attendee to relocate their business to Levin, but an optimal site was still difficult to find due to the large space requirements for trucks. • Some businesses are seeking 30,000sqm-45,000sqm warehouses. • Buffer zones with residential areas to combat reverse sensitivity are needed - companies are having to move due to noise complaints "places that have always been industrial are now affected by reverse sensitivity". • Better public transport connections (rail mentioned) to support workforce accessing industrial areas. • We need to build a resilient transport network to support industry. • Offshore power providers with wind power are choosing Australia because there is no available land in the region.
Discussion Topic 3: Resilience and adapting to change • How resilient are industry sectors to disruptive events? • How is industry adapting to changing technologies and what impact will this have on future land needs? • How are you planning for carbon reduction? Does your site and location support this?	**Discussion Summary** • Seaview is vulnerable to many resilience challenges - ground quality and sea level rise as well as overall vulnerability of the wider Petone area in a seismic event or Hutt River flooding event. • Resilience and efficiency of the supply chain - Covid pandemic demonstrated that the supply chain is only as resilient as each component in the system i.e. the workforce, the roading system, the resilience of the location. Double handing is happening, and goods are being transported north to serve the south. This would require a multi-agency approach to address inefficiencies in the system. The key is seamless supply chains with capacity at all points. • Vulnerability of the roading network to seismic events - Petone to Grenada link would be desirable but if Seaview is under water, it would be 'irrelevant'. Need to future proof Petone. • The capacity and readiness of the industry to deal with changing pressures from overseas companies to reduce emissions is not well understood or planned for. • The need to consider 'energy nodes' or locations where future energy sources can be stored and accessed - hydrogen was given as an example. • The capacity and readiness of the industry to deal with changes to energy use and new sources needs focus e.g: plug ins for ships (i.e. cruise ships) at port locations. • General commentary about the risk of a large seismic event and how this would impact on roads and rail "biggest risk is trying to get stuff out of the region and in if something happens." • Potential to switch road to rail or vice versa depending on what is damaged - potentially also ferry transfers.
Discussion Topic 4: Planning for the future • What actions are most critical to support industry growth in the future? • Assuming there is a shortage of land: • Where are strategic locations for future land? • How could existing land be better utilised to enable growth?	**Discussion Summary** • The capacity and readiness of the industry to deal with changes to energy use and new sources. • Staff seeking higher wage to address cost of living crisis, but employers can't afford to pay wages this high, as returns wouldn't cover it.

Heavy Industry Workshop - Record of the Workshop Discussion

Discussion Topic 1: Your business and industry now	Discussion Summary
• How well does your current site and location support your business/industry now? • What are the challenges and opportunities with your site and location?	• Some businesses are leaving Seaview due to high land costs, less risk elsewhere and increasing insurance costs. Full insurance is required by banks, and without this they will not lend to enable businesses to grow. • Other businesses are in good positions due to owning their sites, they are invested in Seaview and rely on its location for bulk shipment delivery by sea – it's "too hard to move" at this point. However, their growth is limited due to availability of land. They are living with the space restrictions they have (such as having limited covered locations to store steel) as limited space to expand on their sites or sites nearby are not available. • Development contributions affecting bottom lines and awareness and knowledge in the group of at least one business that has moved to the Horowhenua when costs became too high. Development contributions are priced 'anti-competitively' and industry perception is that they are applied inconsistently, depending on who is managing the case. • Businesses who own land are in better financial positions than they would be if leasing due to high land costs. • Some businesses already responding to insurance pressures by making their assets more resilient: increasing building ground floor heights and improving their fire monitoring to reduce insurance premiums. Insurance companies are known to be pulling out of sites that may be subject to liquefaction. • Economic viability of Seaview businesses serving the local market due to cost and difficulty of transport logistics – it's more economically feasible to send steel overseas than to send it on rail to Auckland from Seaview. Issues with Wellington shipping market – vessels not coming to Wellington, and businesses are needing to send product to Tauranga to be shipped out. • Reverse sensitivity issues for noise and odour "nightmare keeping good working relationships with neighbours"

Discussion Topic 2: Future Growth and Changing Needs	Discussion Summary
• What are the features of industrial land and its location that are needed to support your business / industry? • What local and regional infrastructure improvements would better support industry growth?	• While some businesses have the option to relocate to other industrial centres (for greater land availability, lower operating costs, less risk and cheaper insurance) others are tied to the region due to their workforce. Some businesses that grow larger are known to be transitioning away from Seaview if they can. • Desire for better public transport options to get staff to sites due to long travel times and the impact of employees driving and parking. Staff are starting at 5-6am, before Public Transport is operating. • Electricity – resilience of the network serving Seaview which is reliant on Hayward substation. Supply is hard to get and costly. • Water is not a current problem but could be in the future • Awareness that there are businesses already building multi-storey buildings that container trucks can drive right up to, to do production in the building. However, not suitable for all businesses. • Traffic and access issues in Seaview are 'major issue'. Vehicle numbers on the Esplanade are very high.

Discussion Topic 3: Resilience and adapting to change	Discussion Summary
• How resilient are industry sectors to disruptive events? • How is industry adapting to changing technologies and what impact will this have on future land needs? • How are you planning for carbon reduction? Does your site and location support this?	• Emissions reduction currently being driven by consumer demand in individual companies, not lead by businesses themselves. • Some businesses already responding to insurance pressures by making their assets more resilient: increasing building ground floor heights and improving their fire monitoring to reduce insurance premiums. Insurance companies are known to be pulling out of sites that may be subject to liquefaction.

Discussion Topic 4: Planning for the future	Discussion Summary
• What actions are most critical to support industry growth in the future? • Assuming there is a shortage of land: • Where are strategic locations for future land? • How could existing land be better utilised to enable growth?	• The Wairarapa would be a logical area for industrial growth to go, but the issue is the Remutaka Hill. Horowhenua also recognised as nearest next best location, but they need their workforce which are in urban areas of the region. • Farmland behind Newlands also mentioned as future growth location. Grenada – but transport links required to open up development potential. • The importance of safeguarding industrial land from uses like retail. Encroachment from other uses is a fear for heavy industry.

Light Industry Workshop - Record of Workshop Discussion

Discussion Topic 1: Your business and industry now	Discussion Summary
• How well does your current site and location support your business/industry now? • What are the challenges and opportunities with your site and location?	• High market rents, high land values, poor building stock, resilience issues and development costs seen as issues in driving Wellington City's lack of attractiveness for light industrial sector • Seaview seen as 'dying' "every single risk is there" • The Porirua/Hutt divide - lots of people travel between these centres to access light industrial work. • Some businesses need 24hr distribution, making them non-compatible with neighbouring residential uses. • Insurance issue is 'huge' • Reverse sensitivity issues • Hard to get raw materials into the region, as it typically goes to Auckland or Tauranga. • Increased costs of waste removal and recycling • Electricity is available but costly: 'if you pay enough money, you can get it' but this cost is passed on to the consumer.
Discussion Topic 2: Future Growth and Changing Needs	**Discussion Summary**
• What are the features of industrial land and its location that are needed to support your business / industry? • What local and regional infrastructure improvements would better support industry growth?	• Businesses seeing value in assembling on site, rather than 'building all the bits' and so infrastructure requirements for assembling rather than building is less intensive. • Some businesses have 'hubbed' to make a very large site viable for all of them. • Public transport seen as critical but restrictive for workers, lack of service and timetable options. Younger workers want to access work via Public Transport and bikes and not have to travel long journeys to isolated locations. • Multi-level industrial seen as a potential answer for some businesses, but for others it would not make sense • Not necessarily required to co-locate with other light industry businesses as long as transport connections and infrastructure in place. Every business is different. • Belief in allowance for commercial and residential uses where they can be accommodated.
Discussion Topic 3: Resilience and adapting to change	**Discussion Summary**
• How resilient are industry sectors to disruptive events? • How is industry adapting to changing technologies and what impact will this have on future land needs? • How are you planning for carbon reduction? Does your site and location support this?	• Resilience of transport network is critical - how would business continue if cut off, this impacts land choice. • Sector's response to carbon emissions is driven by customer and consumer and where it's not, it's seen as role of Government. • Consideration of future alternative fuel storage locations i.e. hydrogen. Some fuels cannot be co-located. Importance of adapting to a changing world.
Discussion Topic 4: Planning for the future	**Discussion Summary**
• What actions are most critical to support industry growth in the future? • Assuming there is a shortage of land: • Where are strategic locations for future land? • How could existing land be better utilised to enable growth?	• Horowhenua seen as an attractive option, but other restrictions like workforce base and transport options limited for workers to reach businesses. Relocation to the Horowhenua must make financial sense for it to be an option for businesses. • The cost of living in the Wellington Region requires greater investment. Cost of living is requiring greater investment to attract staff given the quality of homes and poor transport. Younger generations of staff expect better working environments. • Places closer to interchanges and highly visible would be highly attractive NZTA land on the side of motorways seen as attractive for industrial.

Tech and Innovation Workshop - Record of Workshop Discussion

Discussion Topic 1: Your business and industry now	Answers:
• How well does your current site and location support your business/industry now? • What are the challenges and opportunities with your site and location?	• No coordinated plan for the region, it is too small to have a fragmented approach and needs to work together in proximity to have benefits • Some businesses have been refused space or had to leave the Callaghan site "Callaghan took over a larger site than needed to prepare for the future" • A lot of wasted space: assets in industrial areas which aren't productive • Too expensive for this industry to own land and do own development • Deeptech cannot be sent offshore as is more specialised • Nowhere for 'deeptech' start ups to go in the region - thought is they will start drifting to Christchurch • Callaghan have a catalyst role in connecting science to start ups but aren't doing very well - NZ currently very poor at enabling science but high up in world in science • AI will impact on film making industry, could do with twice the amount of space. Waiting to understand the impact of AI before investing, intensification of surrounding studio land is likely. • High value film studio industry do not have appropriate accommodation for workers and are missing out on large revenue as a result. Requirement for majority local workers to reduce travel impact of pre and post production. • Callaghan failed - lack of clarity and leadership, change of government, people who lead project, politics - need district council, regional council, government, crown research entities all on same page, lack of funding and capital, need more starts ups should be three times as many, lack of capital for initial startup • Need to draw in capital and coordinate it rather than fragment it around the region/country - investors will be drawn in if it is clear this is part of a long term plan • Lack of capacity at Victoria University for lab and innovation space • Some innovation/tech activity works with higher risk substances and creates issues with getting leases on space.

Discussion Topic 2: Future Growth and Changing Needs	Answers:
• What are the features of industrial land and its location that are needed to support your business / industry? • What local and regional infrastructure improvements would better support industry growth?	• A focus on a centre of excellence would draw in more capital. • Don't make the approach industry focused or too specialised for one industry, just provide general resources in an appropriate location for tech and innovation start ups to work from. Cicada is a good example of this as it has enough resources for "90% of start ups". • Different schools of thought about collaboration with start ups, across the world there are very impressive collaborations such as sharing with Fonterra. Start ups renting lab space from larger companies. • Protecting and reserving industrial land to ensure these high value businesses can operate. Enabling mixed use without it becoming just residential and retail. • The need to attract high value tech workforce, who are also seeking amenity close to work. Businesses "need to be somewhere people want to live" but some places i.e. Callagahan have chemicals that can't be near residents. • Need science and research institutions as the anchors to have a presence in the area - this could make a centre of excellence work. Also need to be near 'the bigger end of town' i.e. close to established companies where expertise is nearby. • Agglomerating presents opportunities for investors to find businesses. • Proximity to engineering businesses is important for parts, logistics and transport is critical for certain tech businesses as parts come from overseas and they require things like gas deliveries. They need to be accessible for deliveries as some deliveries are time sensitive. • Tech needs specialised spaces, more than just empty warehousing. Some businesses have higher spec requirements from their labs and production spaces due to the complex and risky materials they are working with and these cannot always be accommodated.
Discussion Topic 3: Resilience and adapting to change	**Answers:**
• How resilient are industry sectors to disruptive events? • How is industry adapting to changing technologies and what impact will this have on future land needs? • How are you planning for carbon reduction? Does your site and location support this?	• Offsite storage for business continuity important to mitigate risk and land is required for this. • Other entities required to support the resilience of this sector i.e. anchor institutions • Tech and Innovation are crucial sectors as they help other industries reduce carbon emissions • More impactful for Innovation and R+D be co-located with other start ups and research facilities • Upper Hutt film studios are awaiting the impacts of AI before seeking new development, would prefer redevelopment rather than greenfield development

Discussion Topic 4: Planning for the future	Discussion Summary
• What actions are most critical to support industry growth in the future? • Assuming there is a shortage of land: • Where are strategic locations for future land? • How could existing land be better utilised to enable growth?	• Product development innovation hub in the Hutt is happening 'naturally' with some businesses and others would like to join, but there is 'no space' or the 'wrong space'. • Opportunities for pre-and post film production to come to NZ but this does not necessarily require space i.e. large warehousing.

Food Manufacturing Interviews - Record of key points from the interviews

Discussion Topic 1: Your business and industry now	Discussion Summary
• How well does your current site and location support your business/industry now? • What are the challenges and opportunities with your site and location?	• Vacant land that is available is owned by only one or two owners and this makes it challenging for those industries that are looking for sites to buy. By default there is current underutilisation of available land as it is not set up to support needs of industry. • Some industries are leaving the region as they cannot find appropriate sites • Having to lease land presents problems for both finance and also not being able to make the necessary improvements to the land to support • Smaller players are also finding it challenging as they need options to grow into and flexibility - ie land available is not supporting the different stages of business. • Land is not cheap in Porirua or Kapiti. There are some warehousing available, but it is at the sqm as a wellington site. Companies are moving to Ōtaki due to cost.
Discussion Topic 2: Future Growth and Changing Needs	**Discussion Summary**
• What are the features of industrial land and its location that are needed to support your business / industry? • What local and regional infrastructure improvements would better support industry growth?	• Kapiti Coast District Council have been focusing on this industry group (food and beverage cluster) as they are key industry in the district • Some food producers are experiencing reverse sensitivity (e.g.noise from refrigerated containers) where others need to allow other uses on their industrial sites (e.g craft breweries need a retail component as part of experience) • A lot of the smaller producers are home based and this presents a challenge for delivery pick ups from trucks etc in residential areas. • The Bond Store has been set up as a collective for all the smaller operators to receive deliveries etc. • Council has started looking at creating a hub for these industries

5. Summary of the on-line survey results

The on-line survey resulted in 36 responses from different industrial businesses across the region. A good spread of responses were received across the different sectors.

The survey enabled the collation of data to support the findings of the workshop discussions. Whilst it was a challenge to get a high response rate some key trends are evident in the results. In particular in the need to plan for additional land to meet the future growth projections across the industry.

The following section summaries the key learnings that have emerged from the survey followed by a break down of the numerical results.

Overview of the respondents

Respondents were from the following different business types and locations.

Industry sub-sector	Business types	Number
Heavy	Civil contracting, Construction, Transport, Paint.	9 responses
Freight, warehousing and logistics	Transport / haulage, Wholesaler, Distributors.	4 responses
Food processing / manufacturing	Meat processing (pork, poultry, general), Contract packers, Mushroom grower, Bakery.	7 responses
Light manufacturing	Textiles, Jewellers, Construction products, Concrete products, Property manager.	8 responses
Rural	Wine producer	1 response
Tech and research	Antimicrobial tech, Agritech, Biotech, Fire and rescue appliances.	3 responses
Other (not included in the analysis of results)	Community services / support, Accommodation, Mixed Use, Public transport service / maintenance.	4 responses

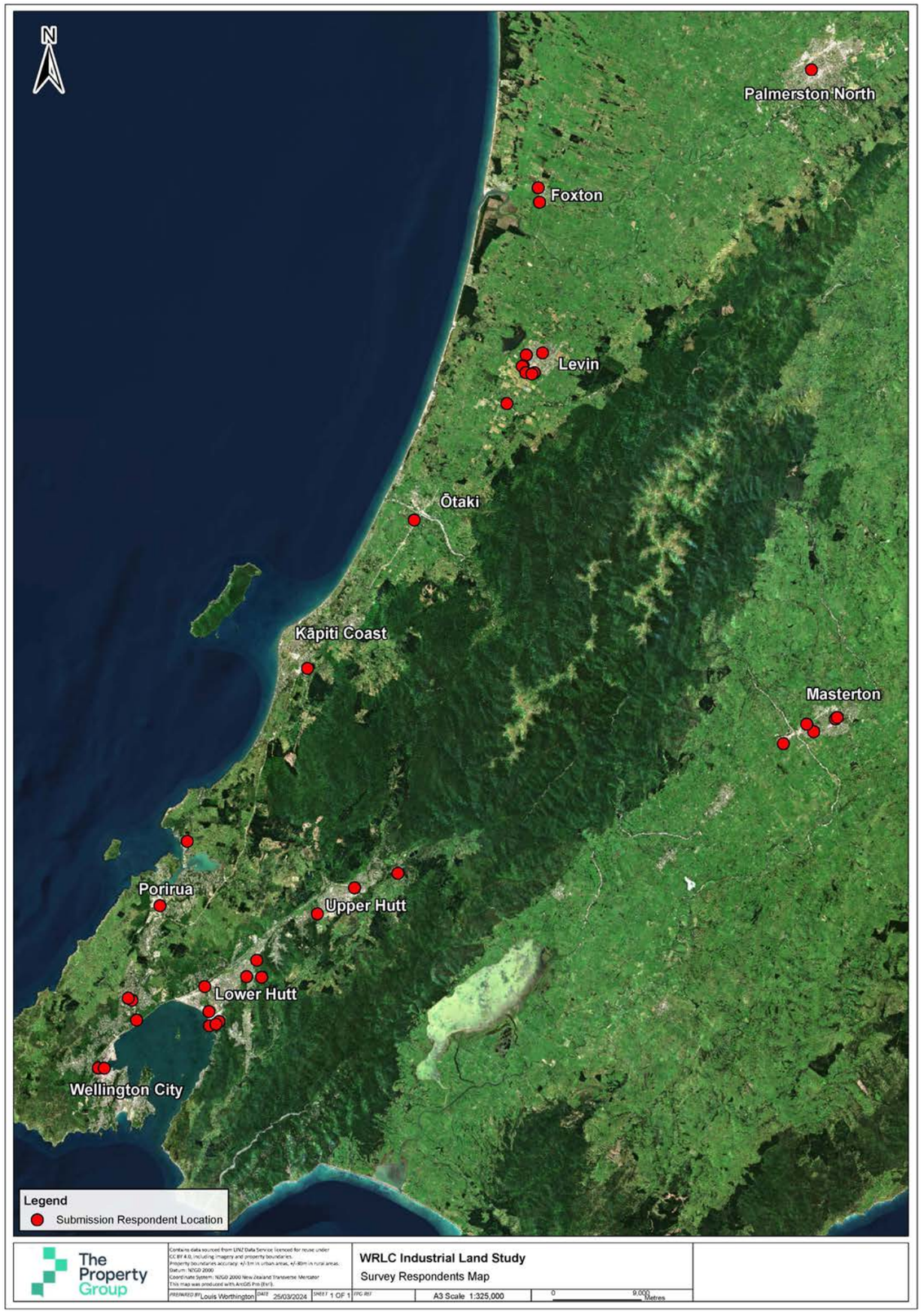


FIGURE 3: LOCATION OF SURVEY RESPONDENTS

Discussion

Do we have enough land for our current industrial needs?

The survey asked whether respondents had sufficient space/land for their current operations to understand how well the current supply of land is meeting the needs of industry.

Most respondents across all sectors state felt they had sufficient land/space for their current business needs (78%), but identified a range of different additional land requirements for the future, based on their individual business needs.

This finding was generally consistent across the various different sector groups. Those that didn't have enough space responded that they were unable to expand their current site and would consider relocating to expand their operation.

What are the future land needs of industrial land users?

The survey also asked if respondents had enough spaces for their projected future needs, and if not, how much more land would they need in the next 10-15 years and in the longer term beyond 15 years.

The over half of the respondents (53%) responded saying they did not have sufficient space to meet their future needs. This demonstrates a significant gap between what sites we currently have and what is needed in the near future.

A range of future land requirements responses were received. The largest land requirements came from heavy industry and freight and logistics businesses, both with needs in the immediate future and in the longer term for larger sites ranging from 5 to 8ha.

Those respondents who did need additional land into the future were also asked if they could redevelop or expand on their current site or would they need to relocate elsewhere. The majority (72%) of those who require additional land responded that they would need to relocate, with only 7% responding that they would be unable to relocate. This result suggests that our current industrial land is not meeting the needs of industry and there is significant potential for businesses to look to other locations in the near future.

Notably, almost half of respondents from all sectors thought that the current availability of suitable sites/land was impacting industrial growth in the region.

What are the important features of industrial land that are key to success?

Respondents were asked about the key features of their current location that enabled them to succeed and be competitive/operate their business, including:

- What are the key features of your current location that enable your company or industry to succeed and be competitive/operate your business?
- How important is the topography, size or shape of your site/land to the operation of your business?

Access to the state highway network was the feature that was mentioned the most by respondents (17%). The next most popular responses were 'low/competitive land costs' (16%), and 'proximity to workforce' (13%). This is consistent with the what was discussed at the workshops and demonstrates the importance of connectivity and road network and the workforce for industry. Across all sectors, 40% of respondents indicated that 'flat land' was an important feature of their site and their operation.

These results were consistent across the different sectors with the exception of the technology and research respondents who responded that access to specific infrastructure (e.g. water/electricity) was most important and freight and logistics respondents selected proximity to customers.

What are the barriers to success?

Respondents were asked whether there were any barriers to success in their current location.

More than half of respondents answered that there were barriers to success in their current location. Whilst a third of respondents, the majority, said there were 'no barriers' (30%) 24% stated that their sites were physically constrained for expansion. This further reflects the limited capacity of existing industrial land and the need to identify areas for growth. For the heavy manufacturing respondents issues of reverse sensitivity were also raised as a barrier to success.

16% of respondents stated that their business' own financial viability or sector-specific financial impacts were barriers to success on their current site. The impact of increasing costs to industry in the region was a concern raised in the workshops. This included the increase insurance costs, costs of construction, cost of living and salary expectations from their workforce.

What are the infrastructure requirements of industrial land users?

Respondents were asked what infrastructure (upgrades to existing, or new) are needed to support the growth of your industry over the next 10-15 years? e.g. three waters, electricity, transport networks, regional cool store

All respondents answered this question and across all sectors, the most popular response was the transport network (27%), followed by three waters (18%) and electricity (15%). There were some difference across the sectors with 43% of the heavy manufacturing respondents noting that the transport network was most important compared to the food processing and manufacturing businesses that responded that electricity was most important (28%), followed by three waters (18%).

What infrastructure is important for the resilience of industrial land use?

Respondents were asked what infrastructure was most critical for their business to continue to stay operational after a disruptive event. Most respondents said that 'electricity supply' (29%) was the most critical piece of infrastructure for business continuity. This was followed by 'transport network (22%) and three waters (18%).

For light manufacturing the majority of respondents stated 'IT Communications' was most critical (32%), followed by electricity (21%) and three waters (16%).

For food processing and manufacturing electricity was most critical (46%) and for freight, warehousing and logistics, which had enough responses for this question, the transport network (46%) was most critical.

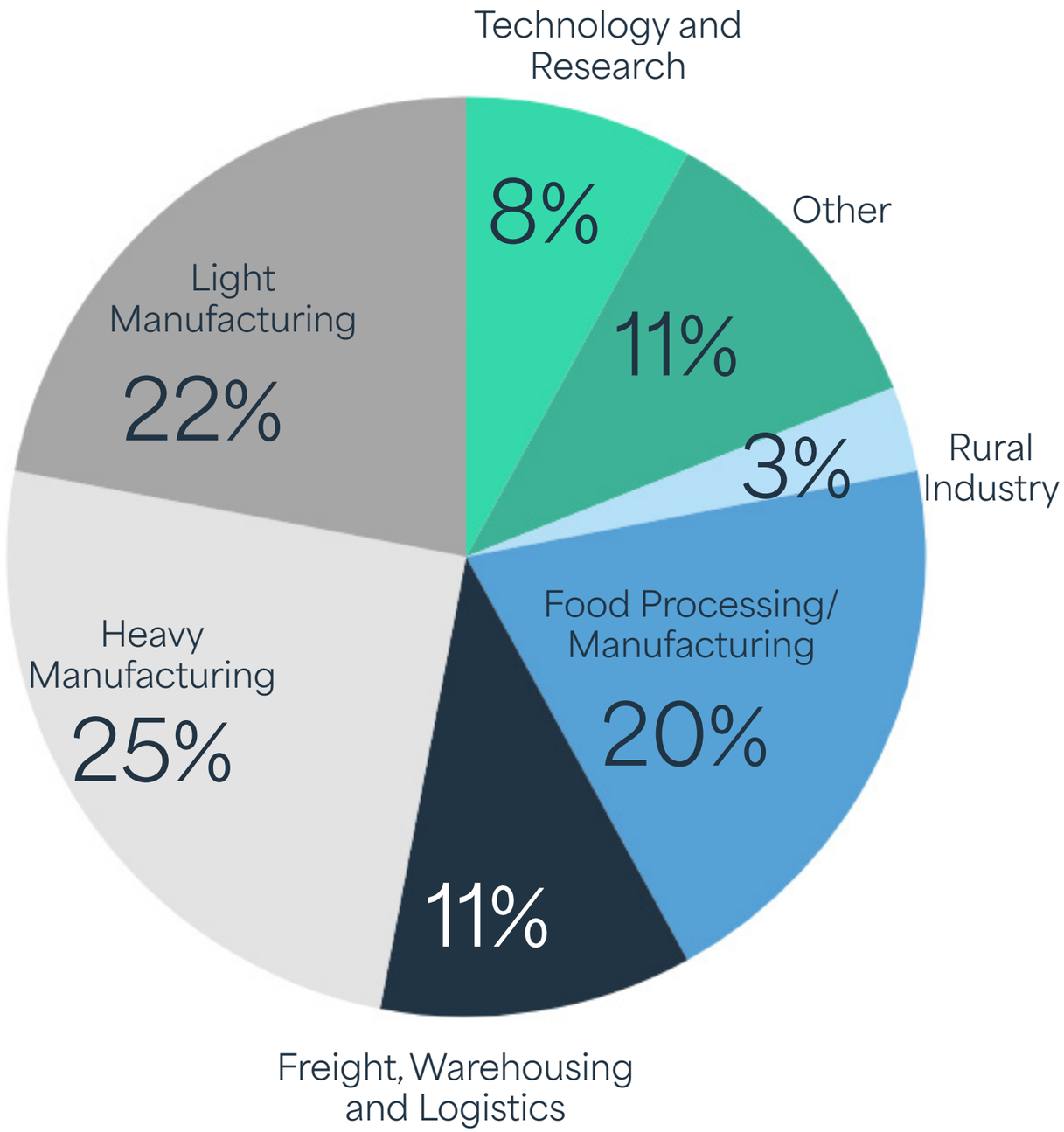
How prepared are industrial land users to reduce carbon emissions?

Respondents were asked to describe their progress towards and plans for reducing carbon emissions and whether their current site/s location supports these plans. 38% of respondents from all sectors said they had recently started looking at ways to reduce carbon followed by 29% who were well underway.

There were a wide range of responses detailing what plans were being considered. The top responses were changes in technology (vehicles and materials). For heavy manufacturing, most respondents said they would rely on changes in technology, relating to equipment, fuels, materials and vehicles. For light manufacturing, respondents were split between better transportation efficiency of goods and changes in technology for materials and vehicles. For food processing and manufacturing most respondents selected 'change in energy use' referring to heat recovery and solar.

Question 1

Which industry sector best describes your business? Please select the relevant options.

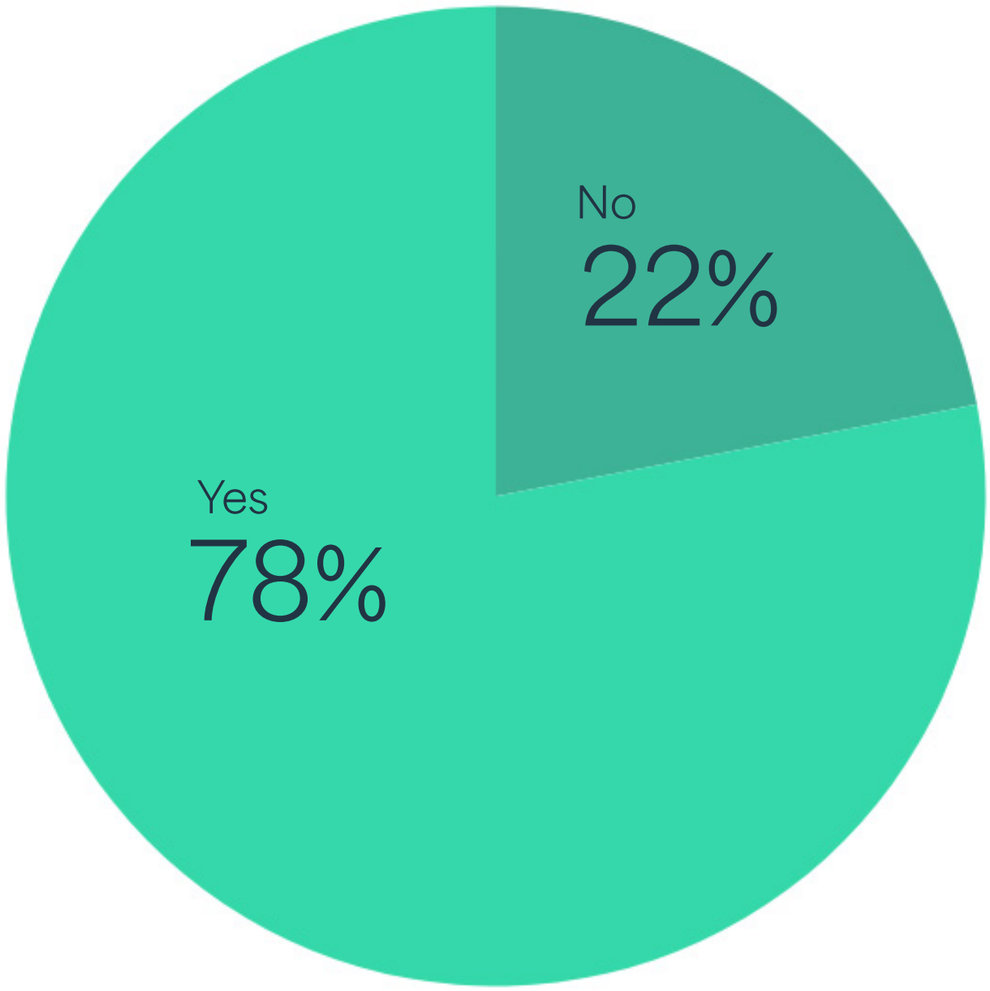


Question response rate: 100% of respondents

Commentary: The respondents came from a range of different industrial sectors, reflecting the diverse nature of industrial land users in the region.

Question 2

Do you have sufficient land/space for your *current* business needs?



Question response rate: 100% of respondents

Commentary: Most survey respondents across all sectors (78%) stated they had sufficient land and space for their current business needs.

Question 2: Responses by sub-sectors

Do you have sufficient land/space for your current business needs?

Light Manufacturing

Commentary: 75% of respondents from **light manufacturing** have sufficient land/space for their current business needs.

Heavy Manufacturing

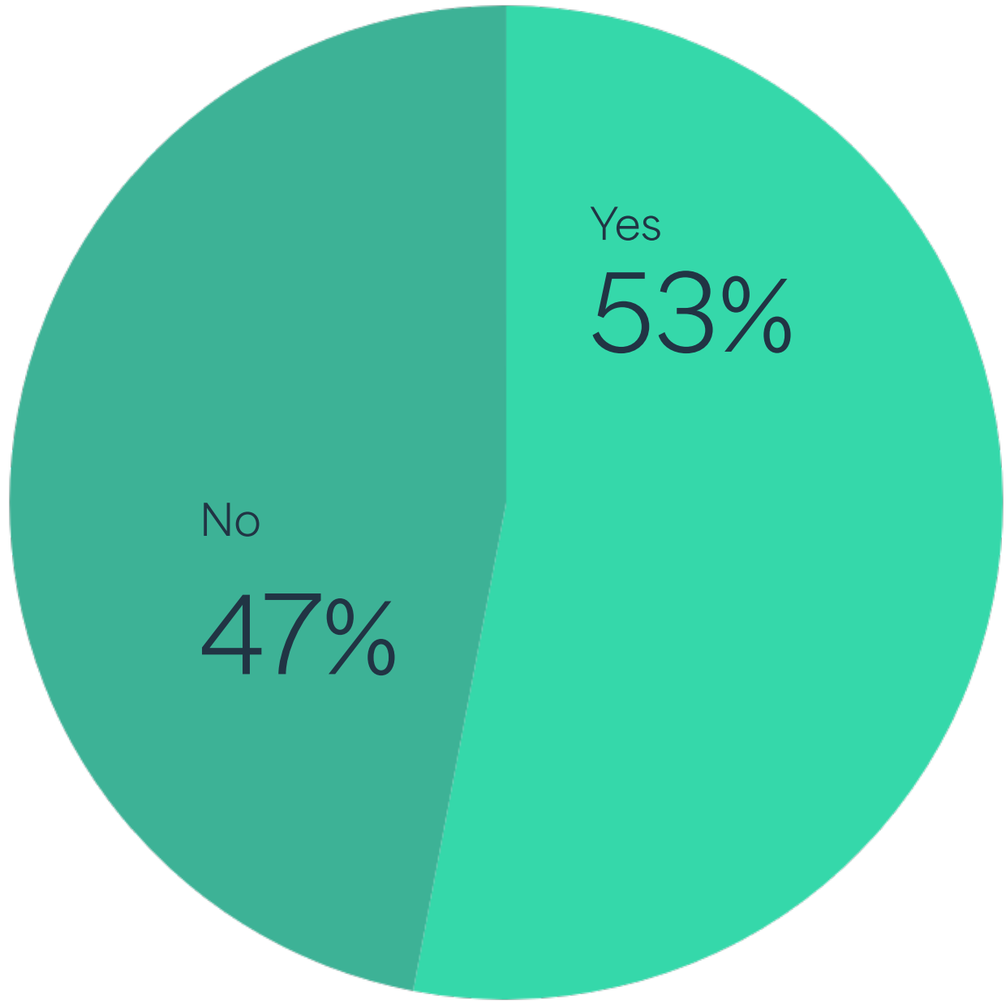
Commentary: 89% of respondents from **heavy industry/manufacturing** have sufficient land/space for their current business needs.

Food Processing and Manufacturing

Commentary: 71% of respondents from **Food processing/manufacturing** have sufficient land/space for their current business needs.

Question 3

Do you have sufficient land/space for your *future* business needs?



Question response rate: 100% of respondents

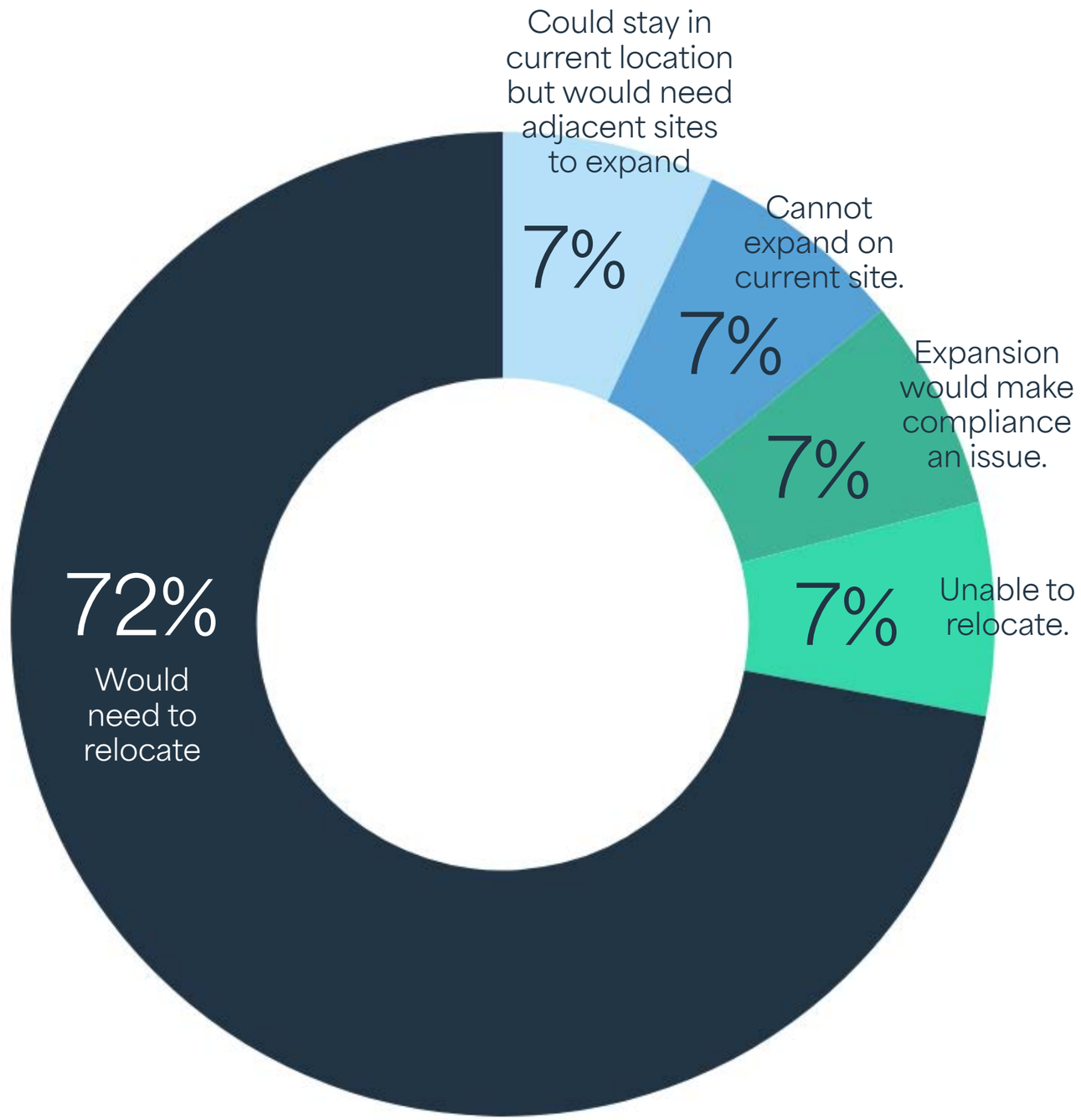
Commentary: Whilst most survey respondents across all sectors (78%) stated they had sufficient land and space for their current business needs, many (53%) identified they would have additional land requirements for the future.

The future land needs ranged from 3ha for smaller industrial land uses, such as the tech industry, to larger sites 8ha+ for more land intensive user such as the heavy manufacturing industry.

Future land needs by Industry type	In 5-15 years	In 15 years +
Heavy industry	1 - 5 ha	5 - 8 ha
Food production / manufacturing	2 - 4 ha	4+ ha
Light manufacturing	100m2 - 5ha	5 ha
Tech and Research	200 - 400 m2	Up to 3 ha
Freight and logistics	1 - 8 ha	1-8 ha

Question 4

If you do need more space, would you be able to develop/expand your current site or would you need to relocate elsewhere to find enough suitable land to expand? Please explain.

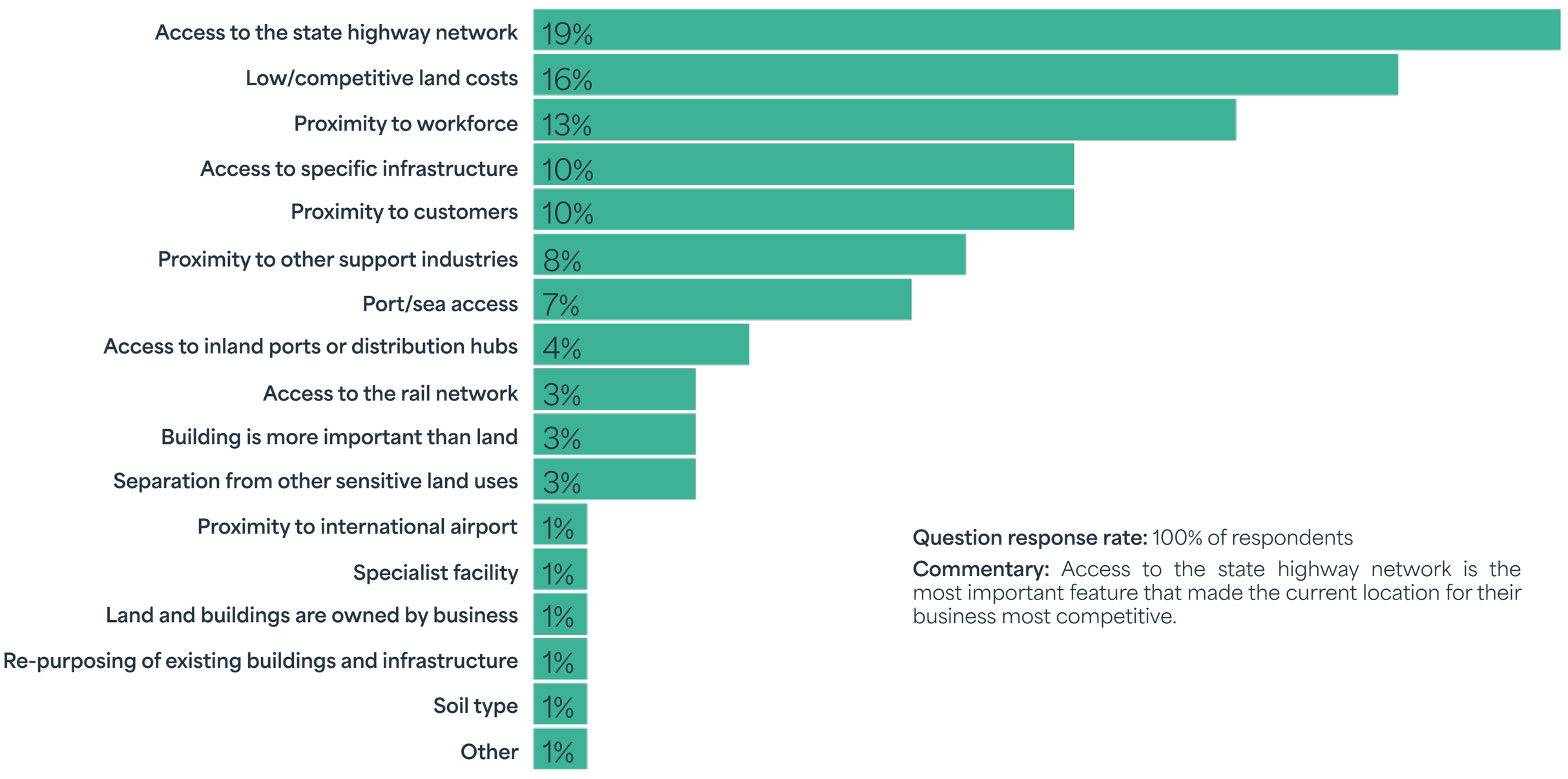


Question response rate: 50% of respondents ()

Commentary: Most respondents (72%) would need to relocate from their current site in order to develop or expand their business with only 7% unable to relocate.

Question 5

What are the key features of your current location that enable your company or industry to succeed and be competitive/operate your business?

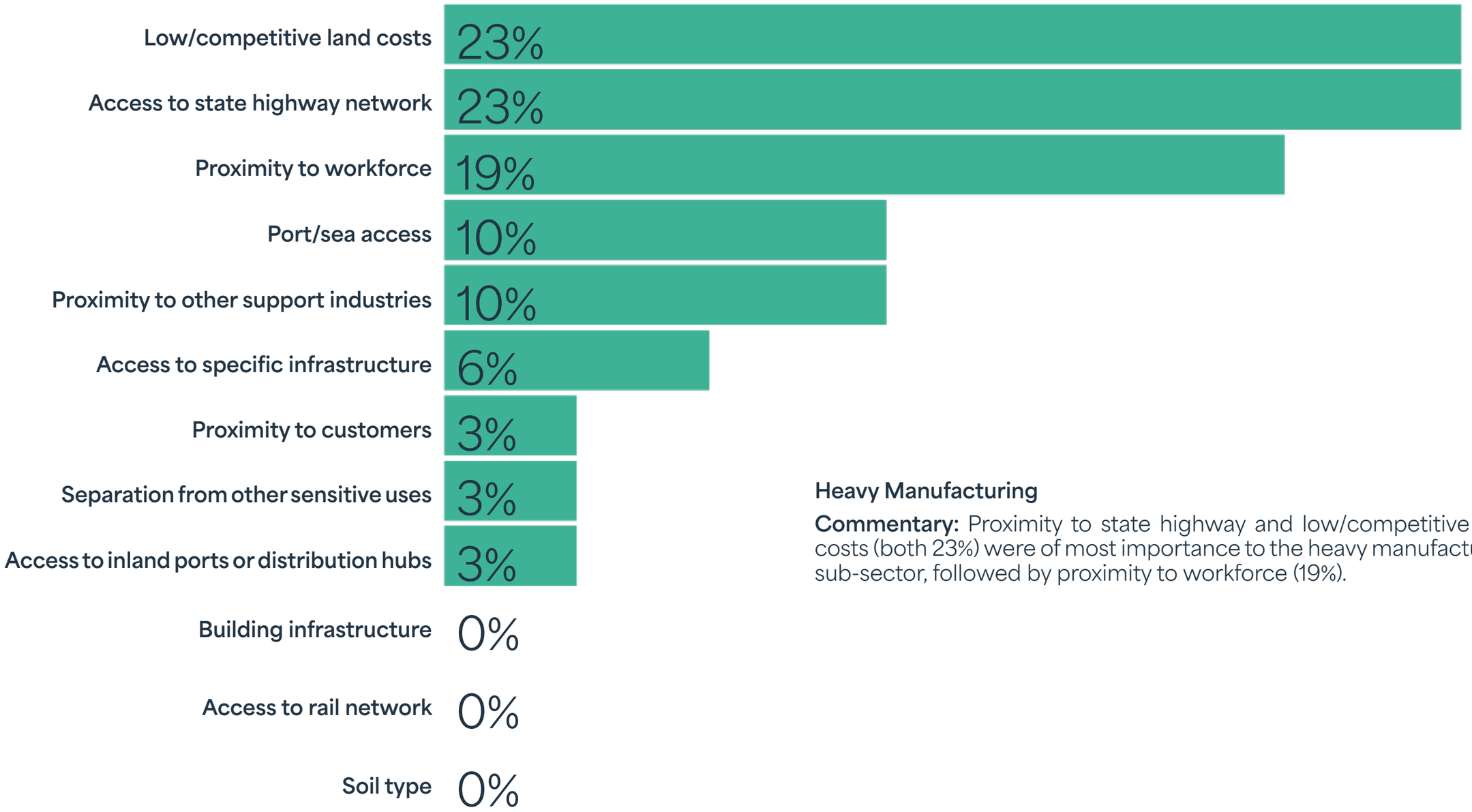


Question response rate: 100% of respondents

Commentary: Access to the state highway network is the most important feature that made the current location for their business most competitive.

Question 5: Heavy Manufacturing

What are the key features of your current location that enable your company or industry to succeed and be competitive/operate your business?

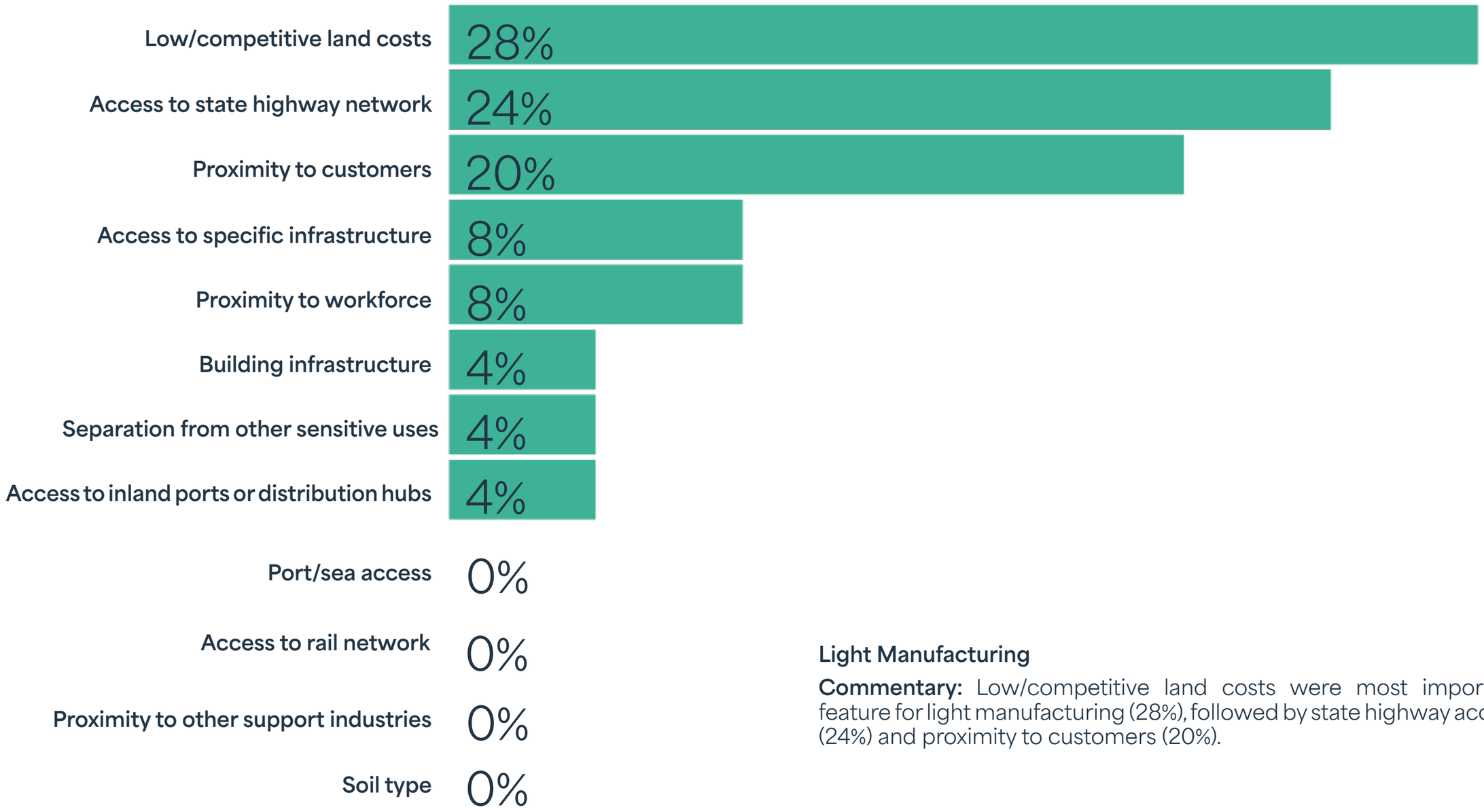


Heavy Manufacturing

Commentary: Proximity to state highway and low/competitive land costs (both 23%) were of most importance to the heavy manufacturing sub-sector, followed by proximity to workforce (19%).

Question 5: Light Manufacturing

What are the key features of your current location that enable your company or industry to succeed and be competitive/operate your business?



Light Manufacturing

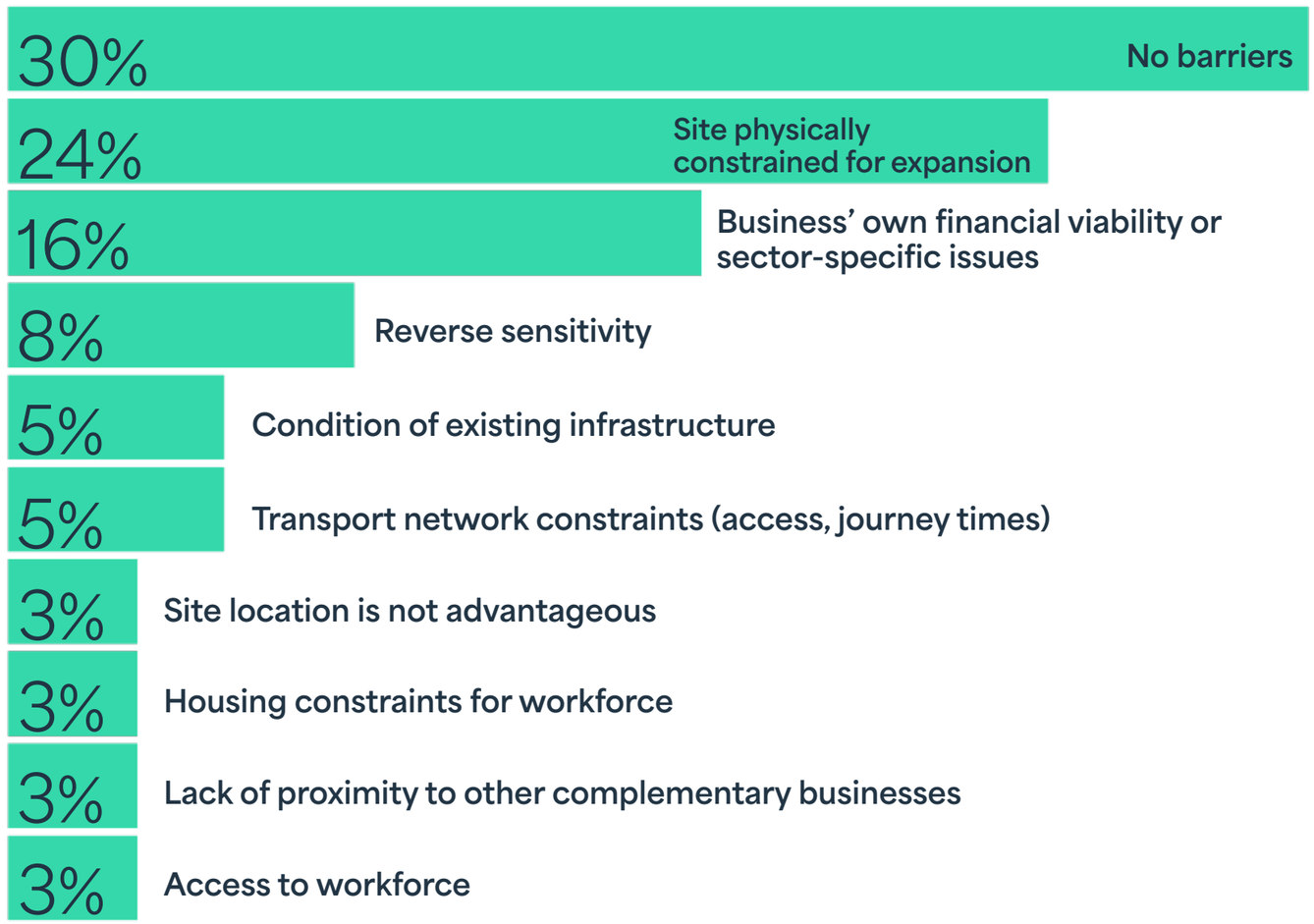
Commentary: Low/competitive land costs were most important feature for light manufacturing (28%), followed by state highway access (24%) and proximity to customers (20%).

Question 6

Are there any barriers to success in your current location?

Question response rate: 94% of respondents

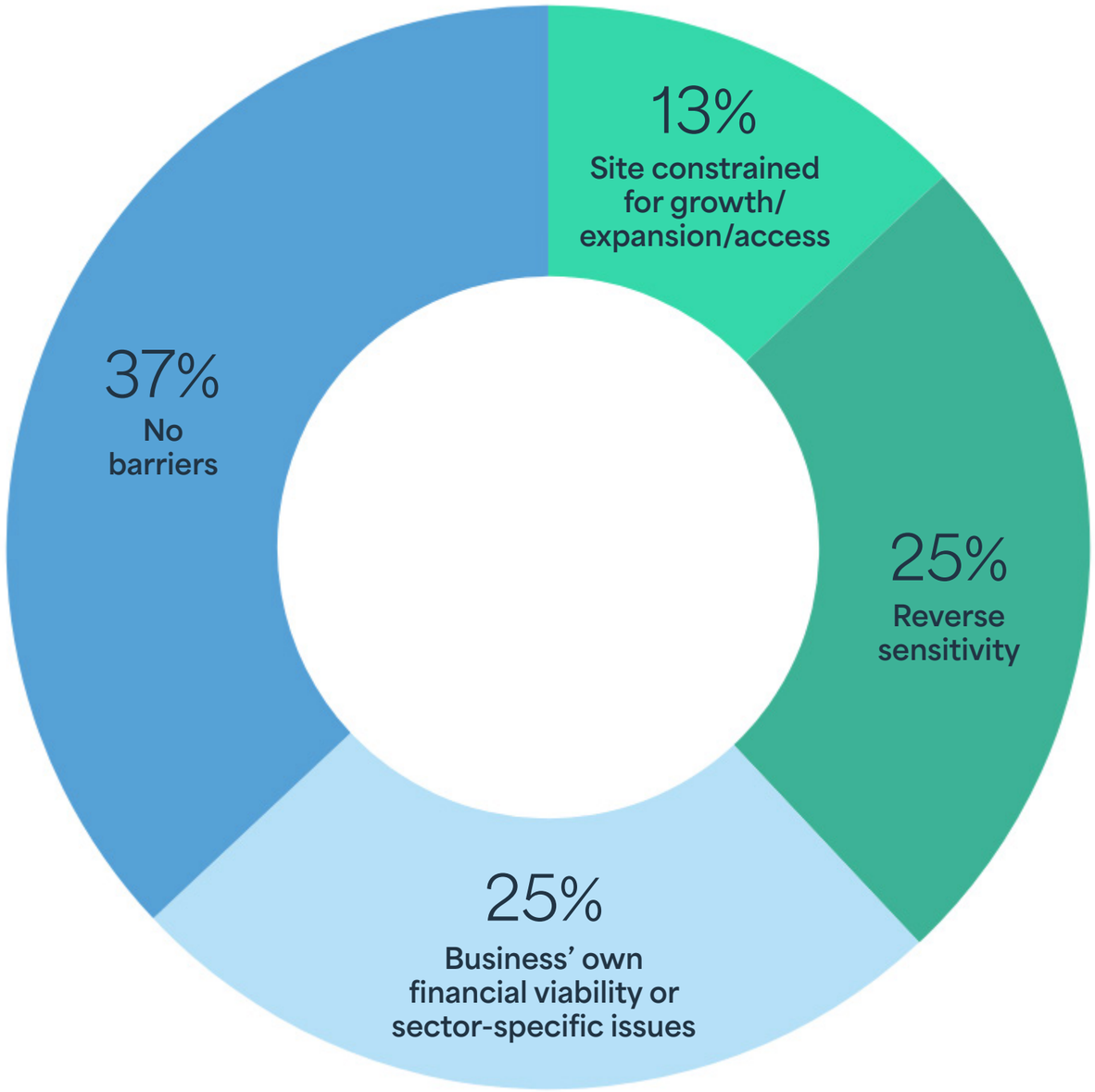
Commentary: Only 30% of respondents from all sectors saw no barriers to success of their business in their current location. Of the barriers identified, 24% of repsondents notes that their site physically constrained for expansion.



Question 6: Heavy Manufacturing

Barriers to success on current sites.

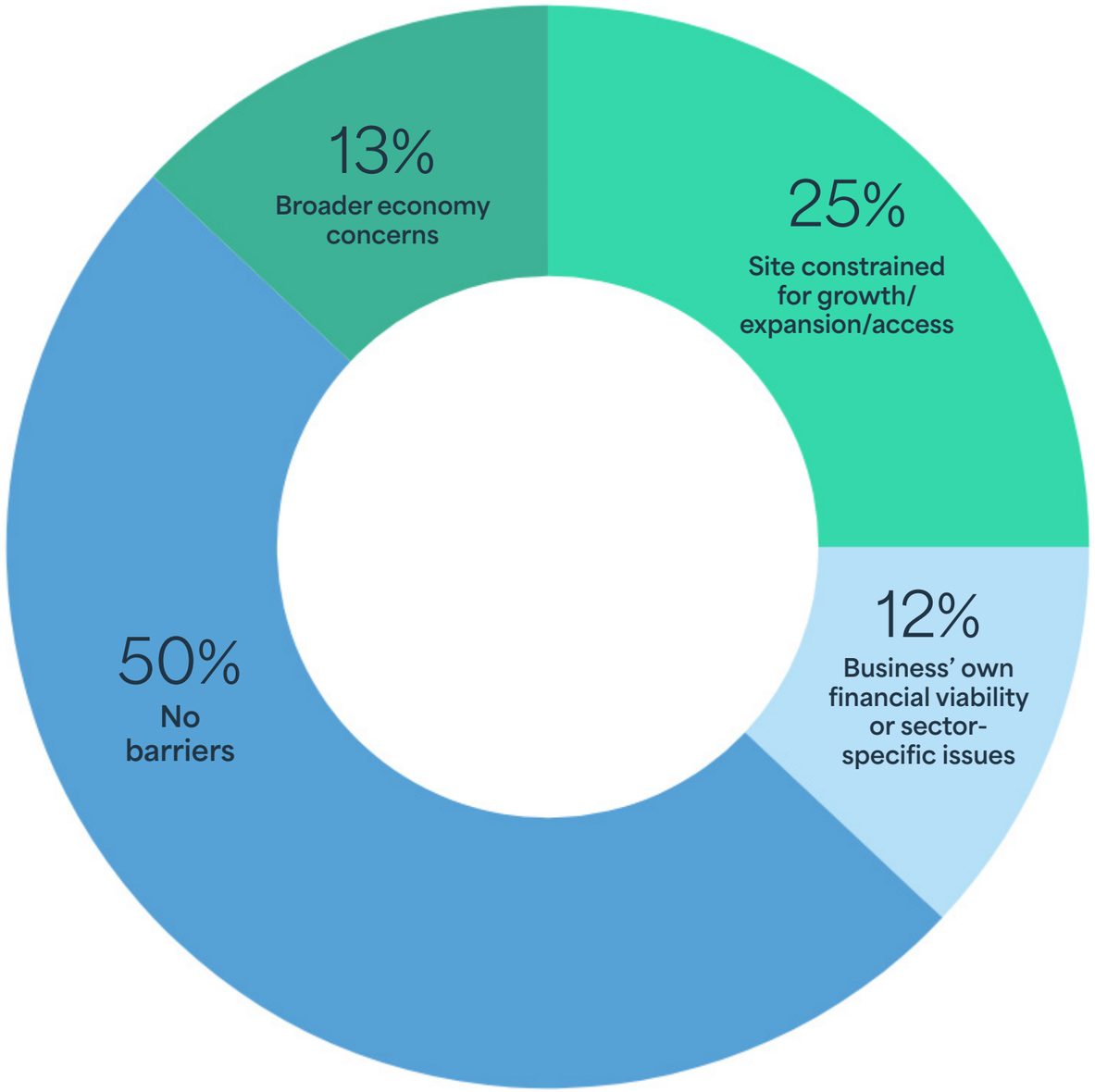
Commentary: Over half of respondents (63%) from heavy manufacturing saw some form of barriers to success of their business in their current location.



Question 6: Light Manufacturing

Barriers to success on current sites.

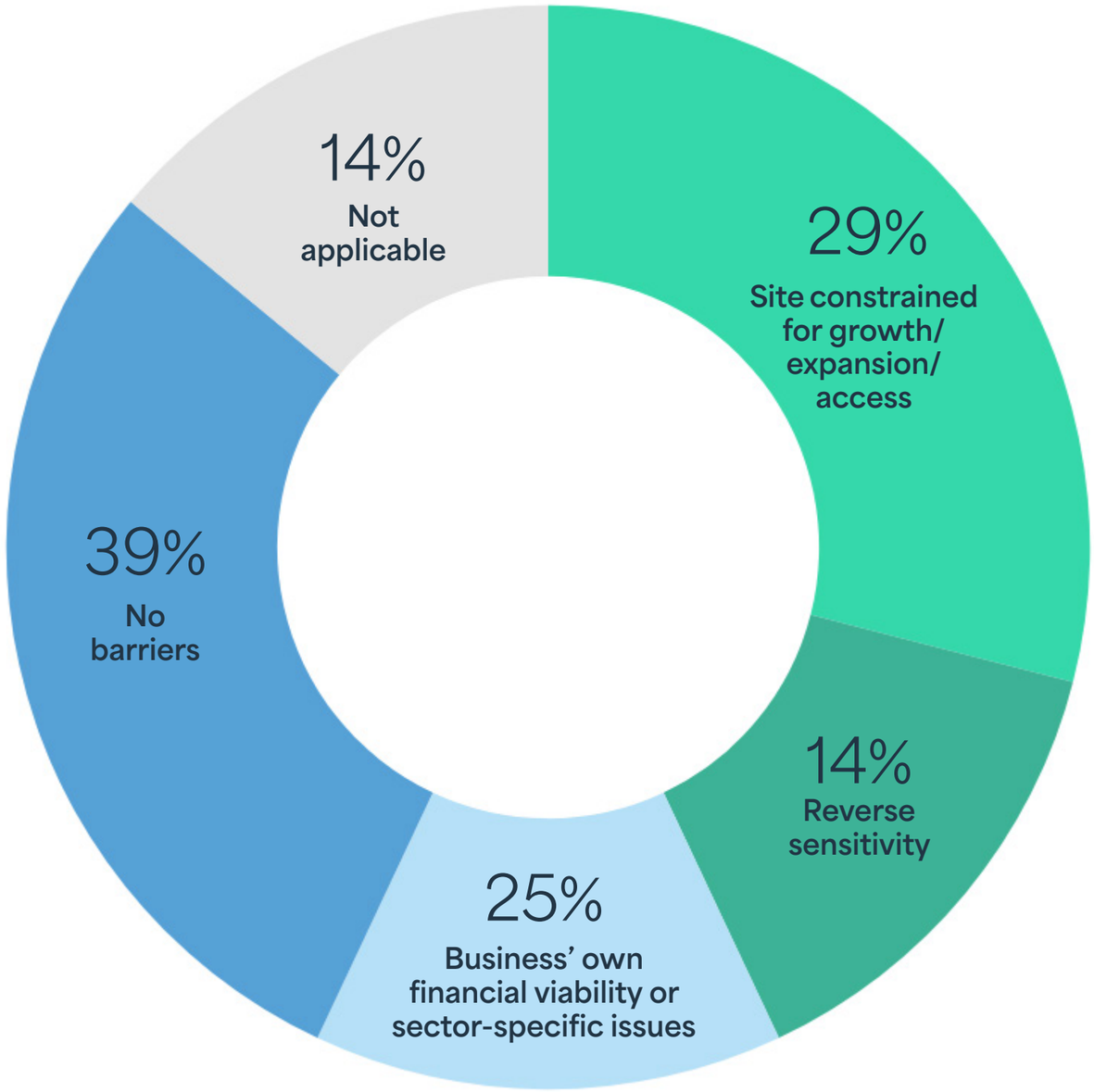
Commentary: Half of the respondents (50%) from light manufacturing saw no barriers to success of their business in their current location.



Question 6: Food processing and manufacturing

Barriers to success on current sites.

Commentary: 39% of respondents from food processing and manufacturing businesses saw no barriers to success of their business in their current location, with 29% noting that constrained sites was a barrier.

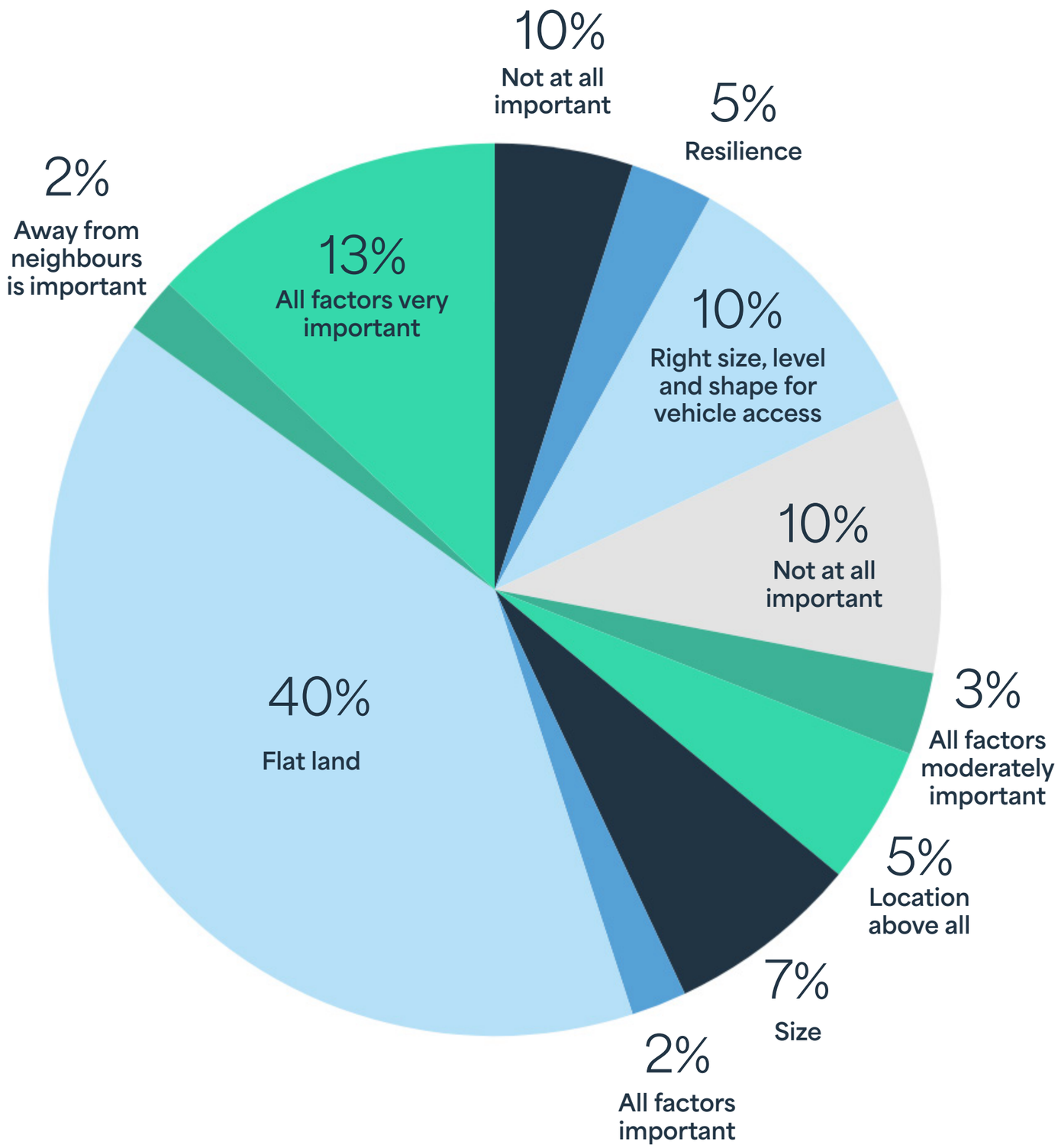


Question 7

How important is the topography, size or shape of your site/land to the operation of your business?

Question response rate: 94.45% respondents

Commentary: Having a flat site was identified as being an important feature to the operation of businesses by 40% of respondents with only 10% of businesses stating that the physical characteristics of the site not being an influencing factor.



Question 7: Heavy Manufacturing

How important is the topography, size or shape of your site/land to the operation of your business?

Commentary: Most heavy manufacturing respondents (62%) responded that a flat site was an important feature to the operation of their business.

13% Location most important

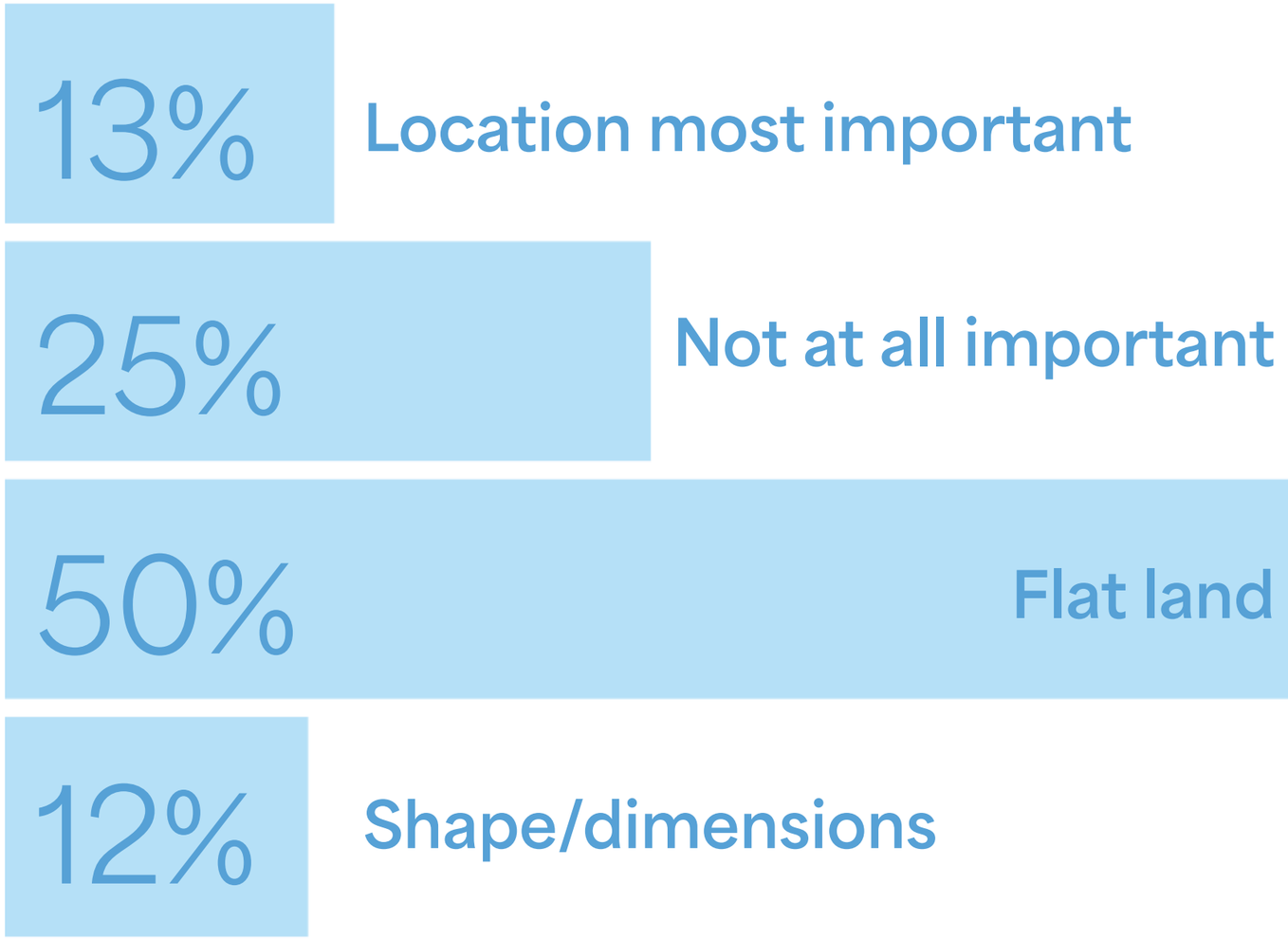
25% All factors very important

62% Flat land

Question 7: Light Manufacturing

How important is the topography, size or shape of your site/land to the operation of your business?

Commentary: 50% of light manufacturing respondents responded that a flat site was an important feature to the operation of their business.

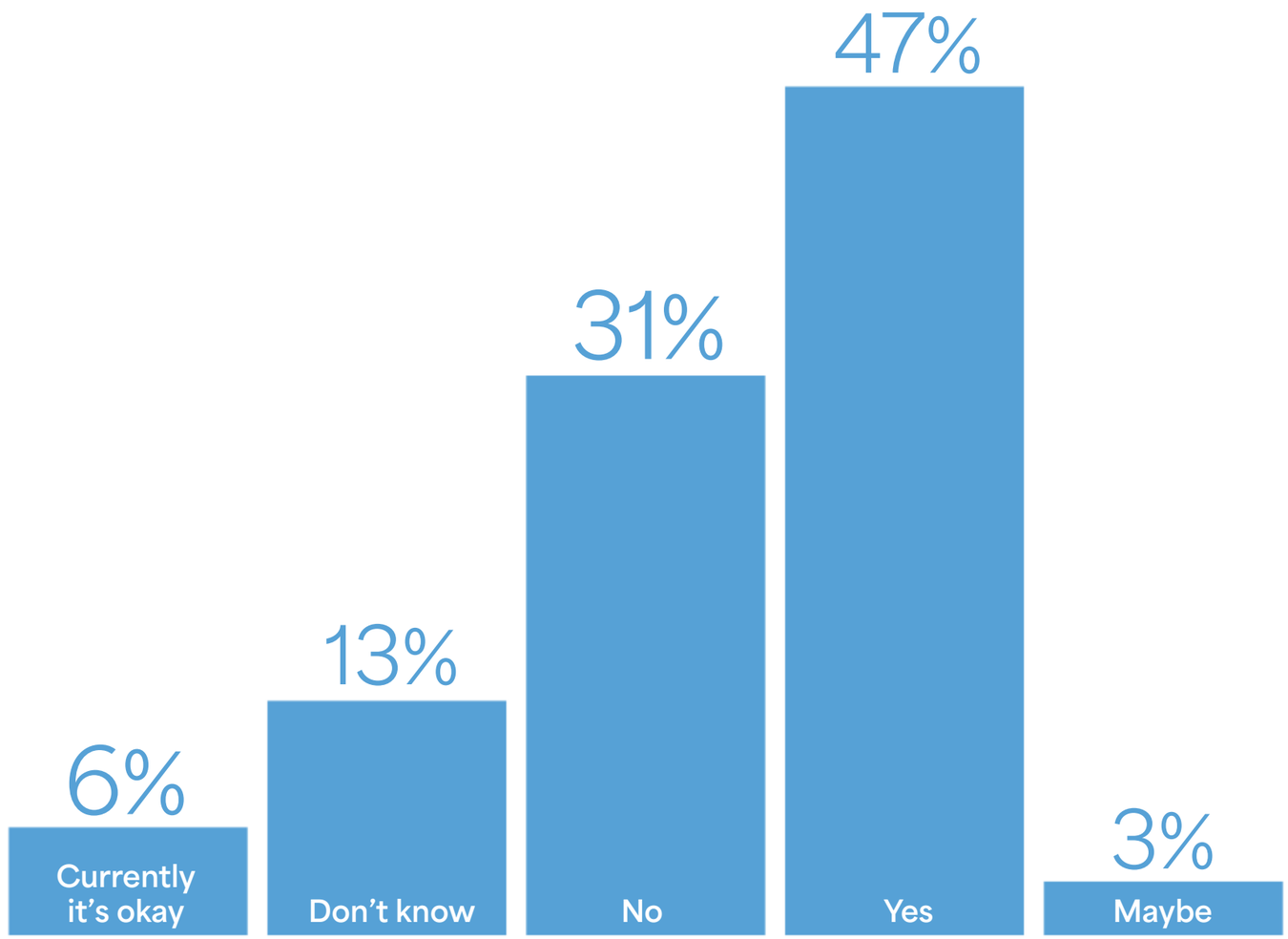


Question 8

In your view, is the current availability of suitable sites/land, impacting industrial growth for the region?

Question response rate: 100% of respondents

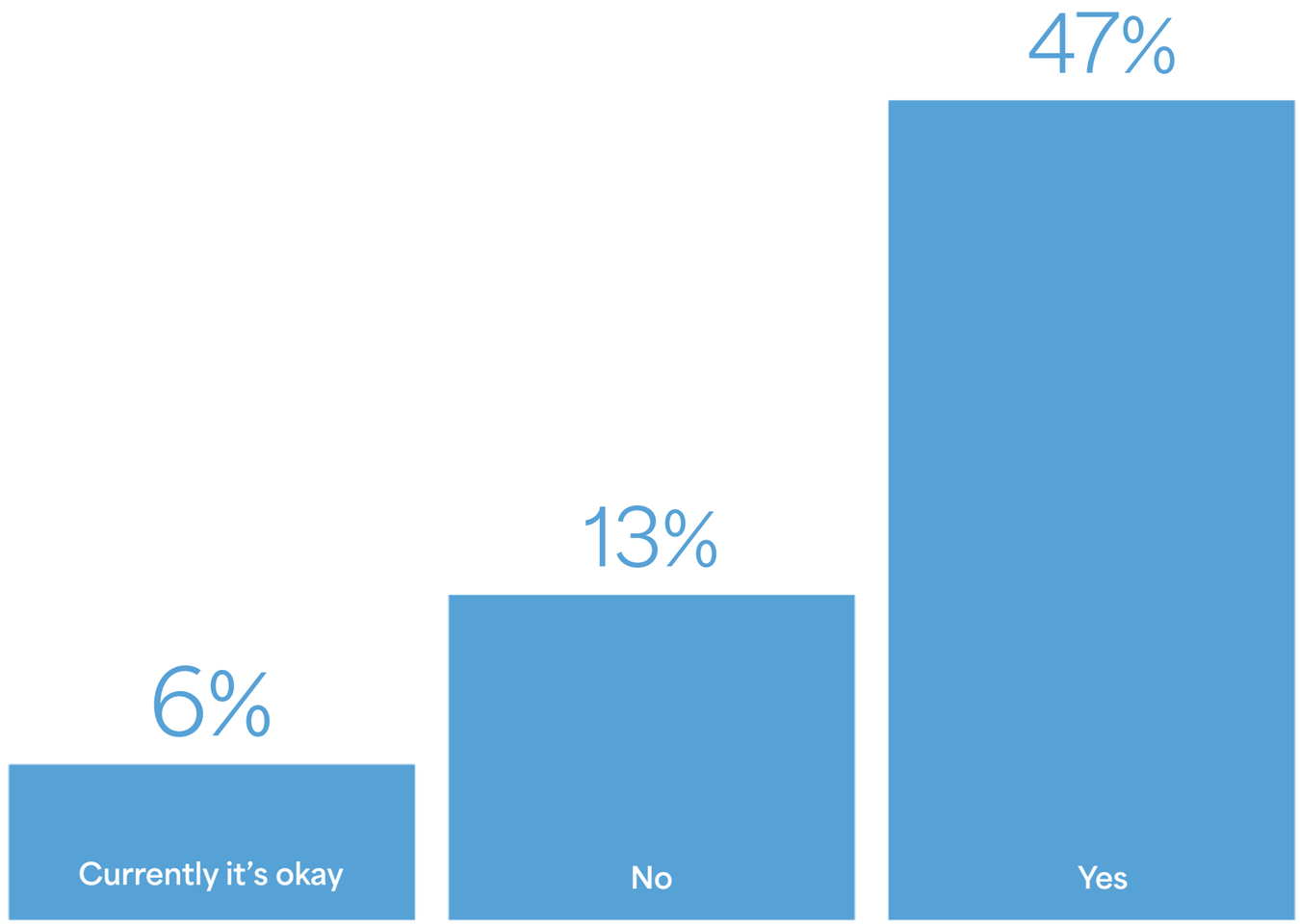
Commentary: Nearly half responded that current availability of suitable sites/land is impacting industrial growth for the region.



Question 8: Heavy Manufacturing

In your view, is the current availability of suitable sites/land, impacting industrial growth for the region?

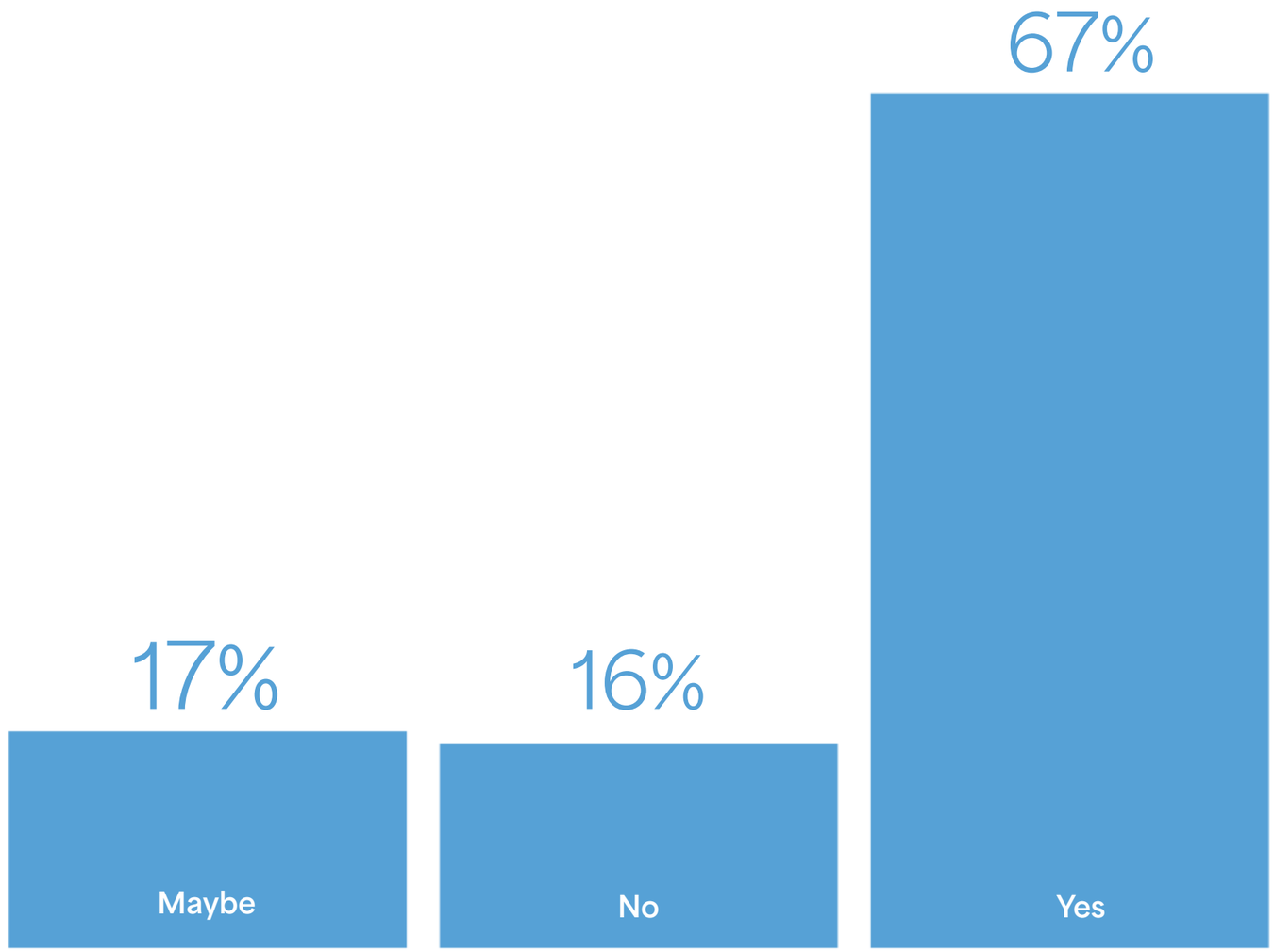
Commentary: Most heavy manufacturing respondents (63%) responded that current availability of suitable sites/land is impacting industrial growth for the region.



Question 8: Light Manufacturing

In your view, is the current availability of suitable sites/land, impacting industrial growth for the region?

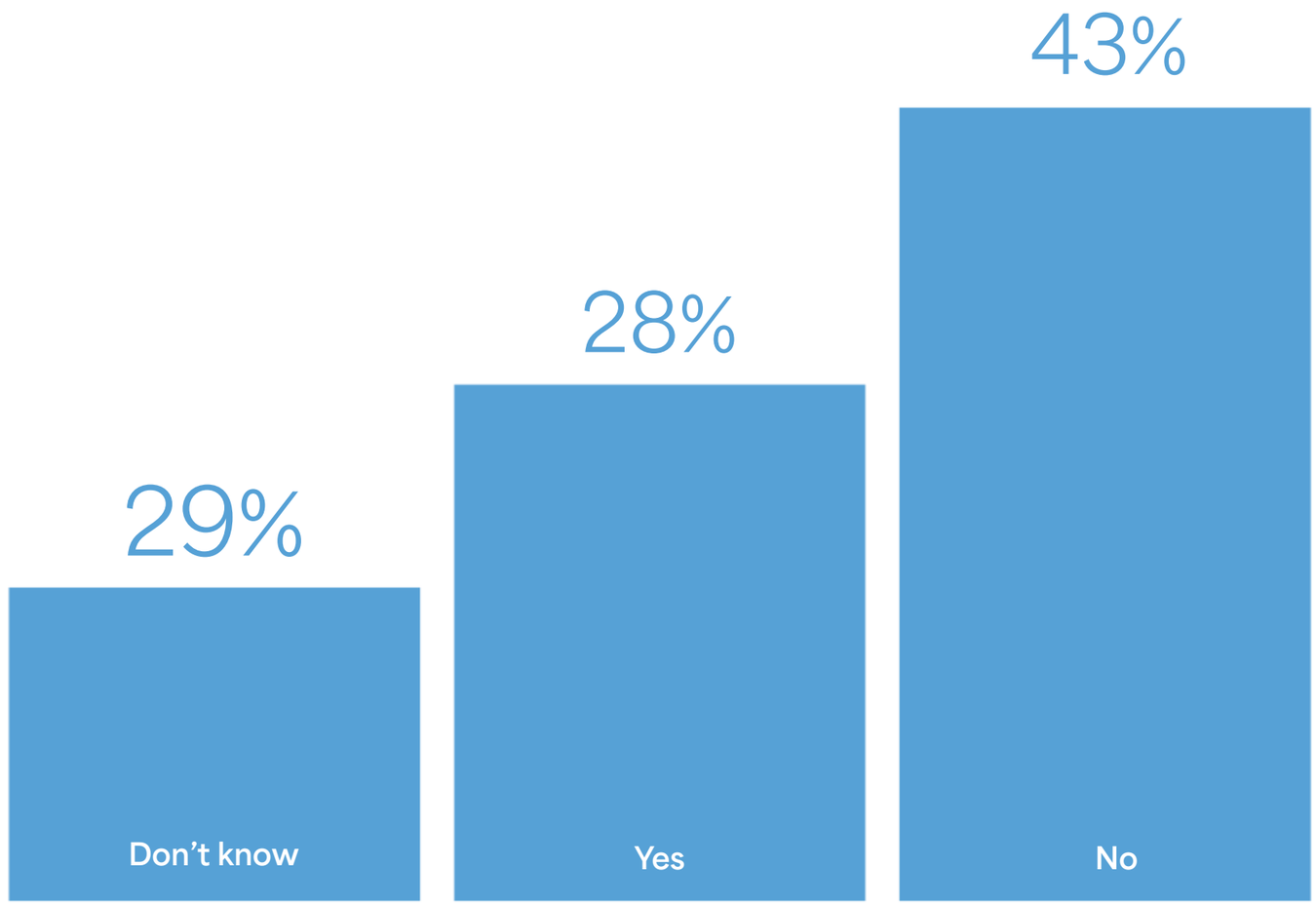
Commentary: Most light manufacturing respondents (67%) responded that current availability of suitable sites/land is impacting industrial growth for the region.



Question 8: Food Processing/ Manufacturing

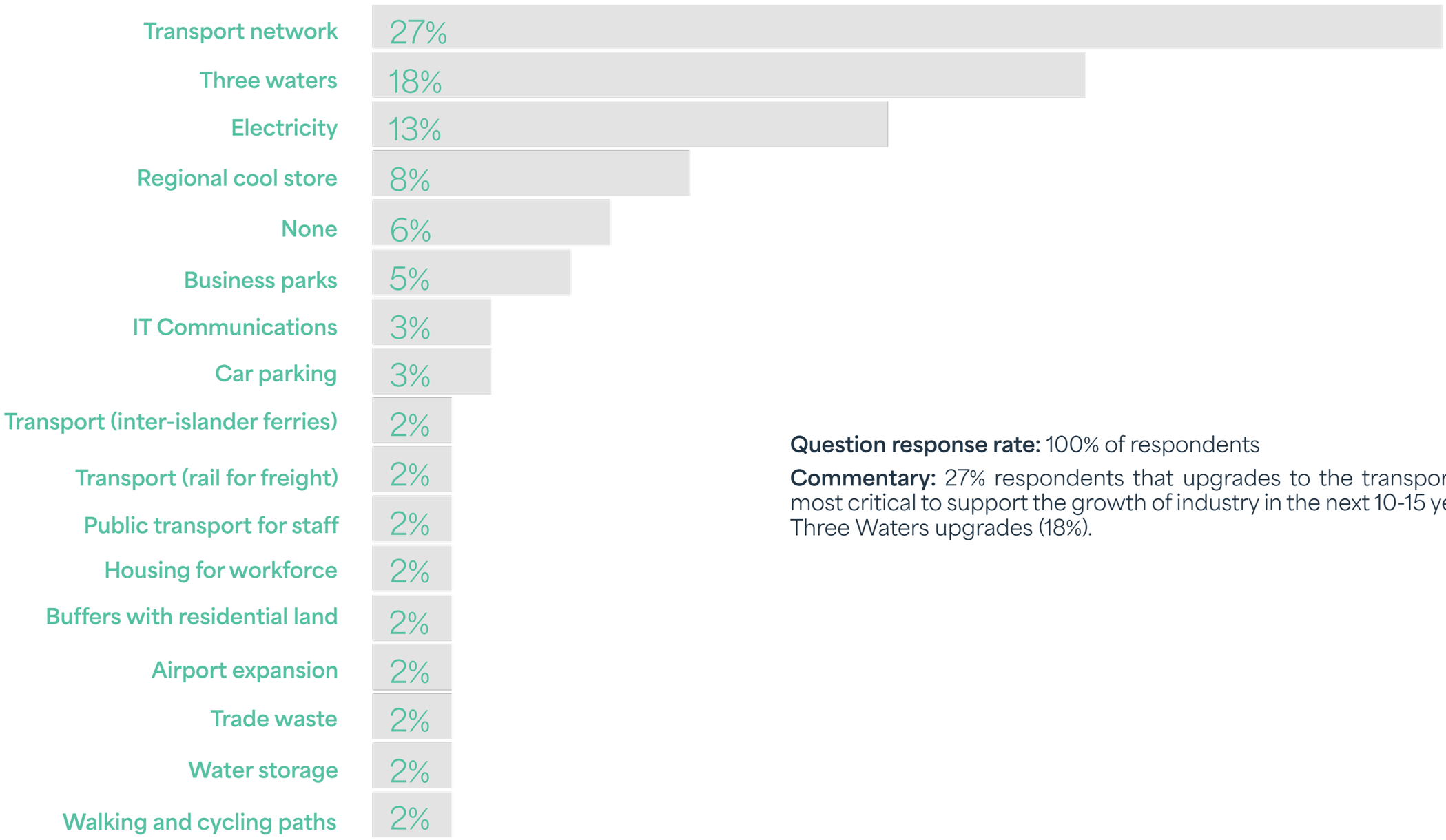
In your view, is the current availability of suitable sites/land, impacting industrial growth for the region?

Commentary: Of food processing/manufacturing respondents (43%) responded that current availability of suitable sites/land is not impacting industrial growth for the region.



Question 9

Which infrastructure (upgrades to existing, or new) are needed to support the growth of your industry over the next 10-15 years? e.g. three waters, electricity, transport networks, regional cool store.



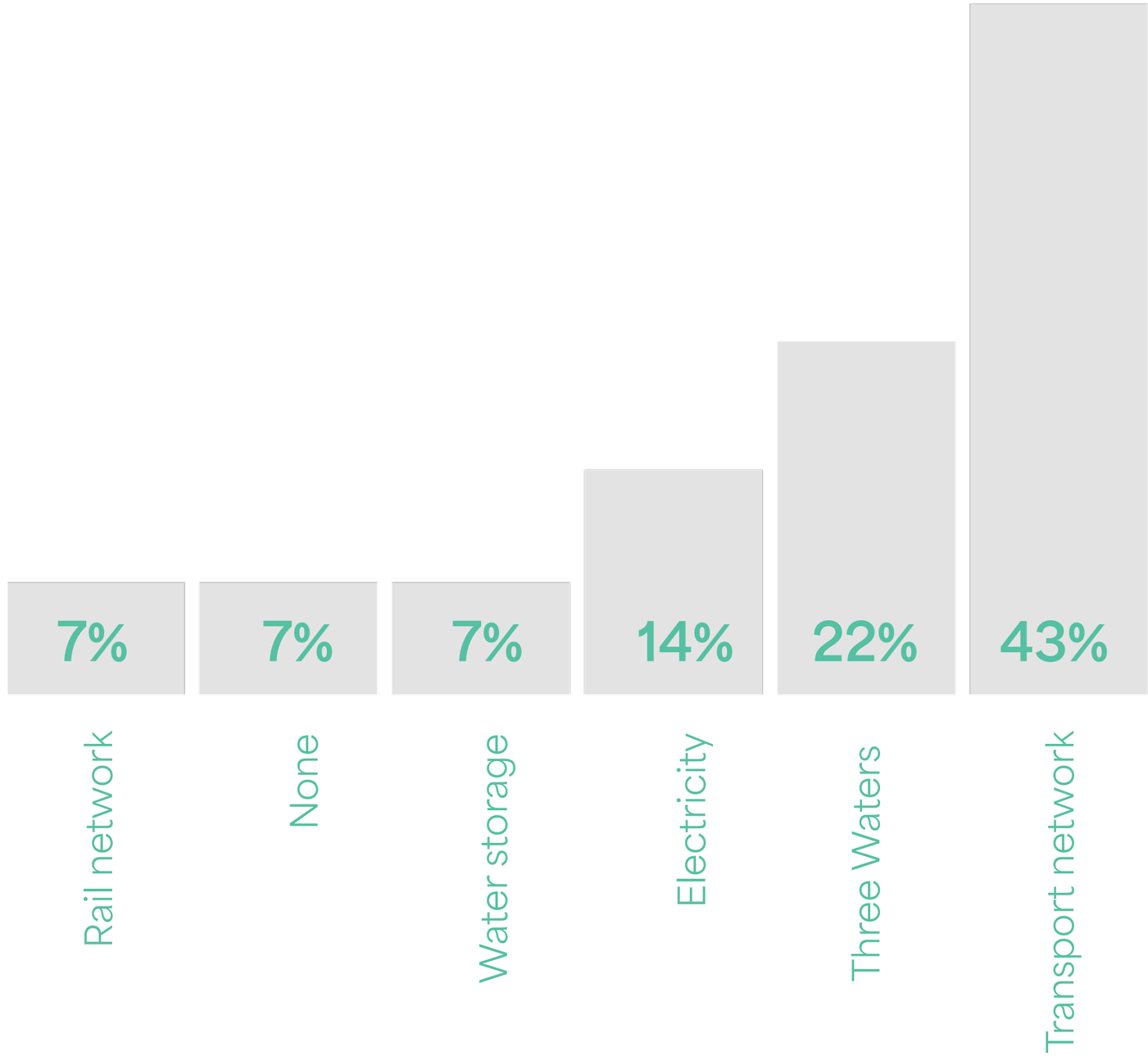
Question response rate: 100% of respondents

Commentary: 27% respondents that upgrades to the transport network were most critical to support the growth of industry in the next 10-15 years, followed by Three Waters upgrades (18%).

Question 9: Heavy manufacturing

Which infrastructure (upgrades to existing, or new) are needed to support the growth of your industry over the next 10-15 years?

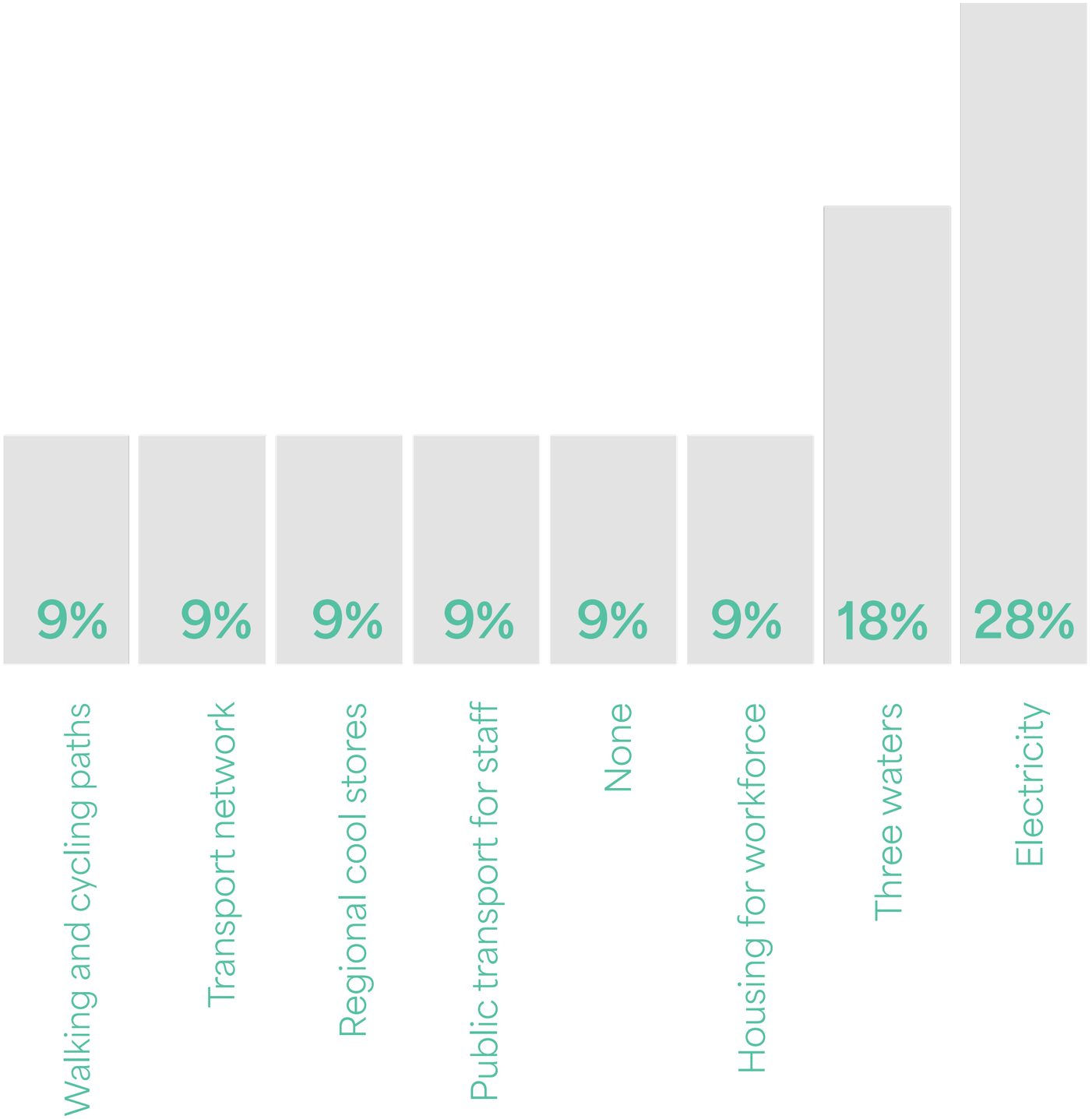
Commentary: 43% of heavy manufacturing respondents that upgrades to the transport network were most critical to support the growth of industry in the next 10-15 years, followed by Three Waters upgrades (22%).



Question 9: Food processing/ manufacturing infrastructure

Which infrastructure (upgrades to existing, or new) are needed to support the growth of your industry over the next 10-15 years?

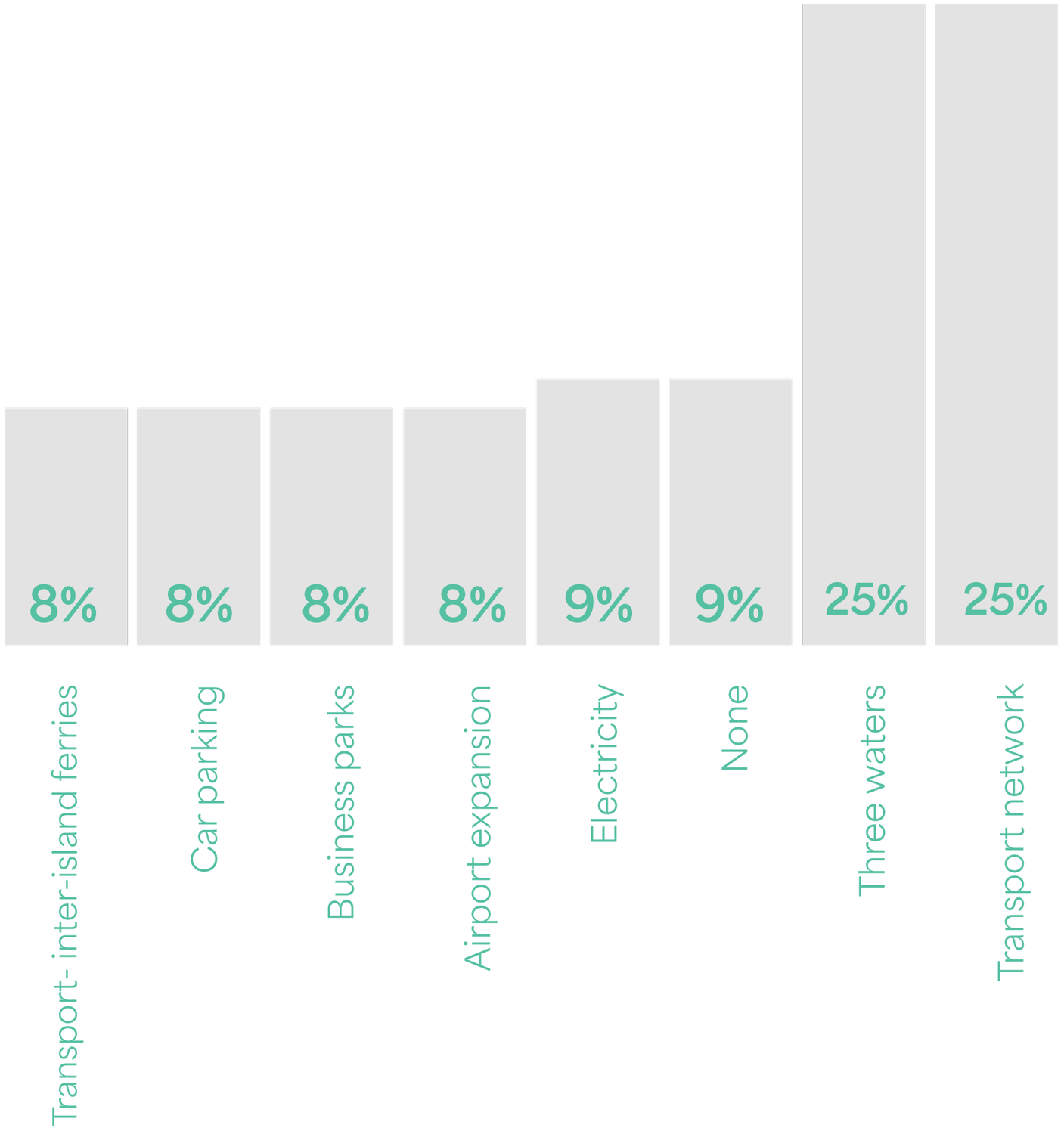
Commentary: 28% of food processing and manufacturing responded that upgrades to electricity supply were most critical to support the growth of industry in the next 10-15 years, followed by Three Waters upgrades (18%).



Question 9: Light manufacturing

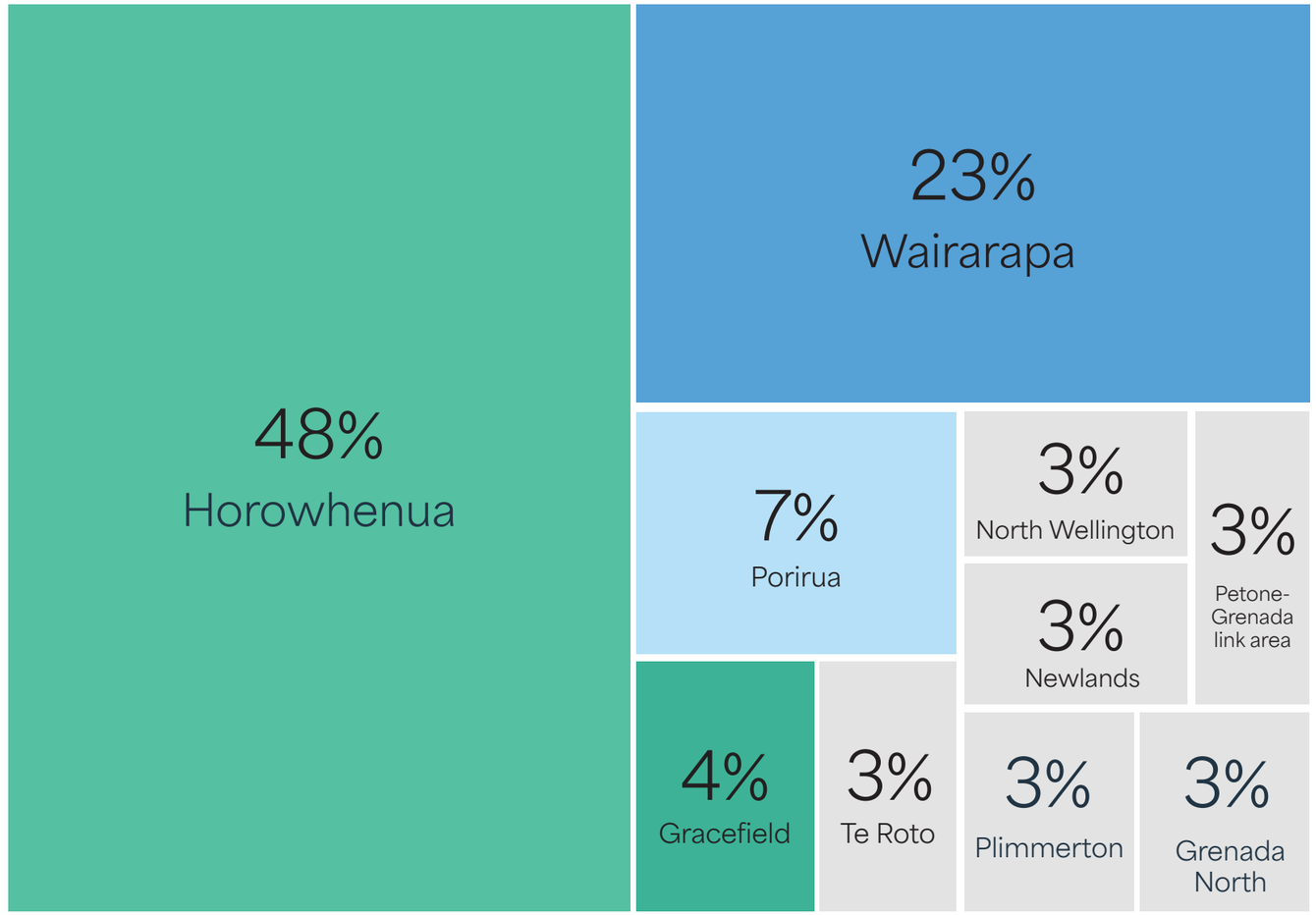
Which infrastructure (upgrades to existing, or new) are needed to support the growth of your industry over the next 10-15 years?

Commentary: 25% of light manufacturing respondents that upgrades to the transport network and three waters were most critical to support the growth of industry in the next 10-15 years.



Question 10

Which areas in the Wairarapa-Wellington-Horowhenua region do you consider well suited for future industrial land to support your industry type, and why?



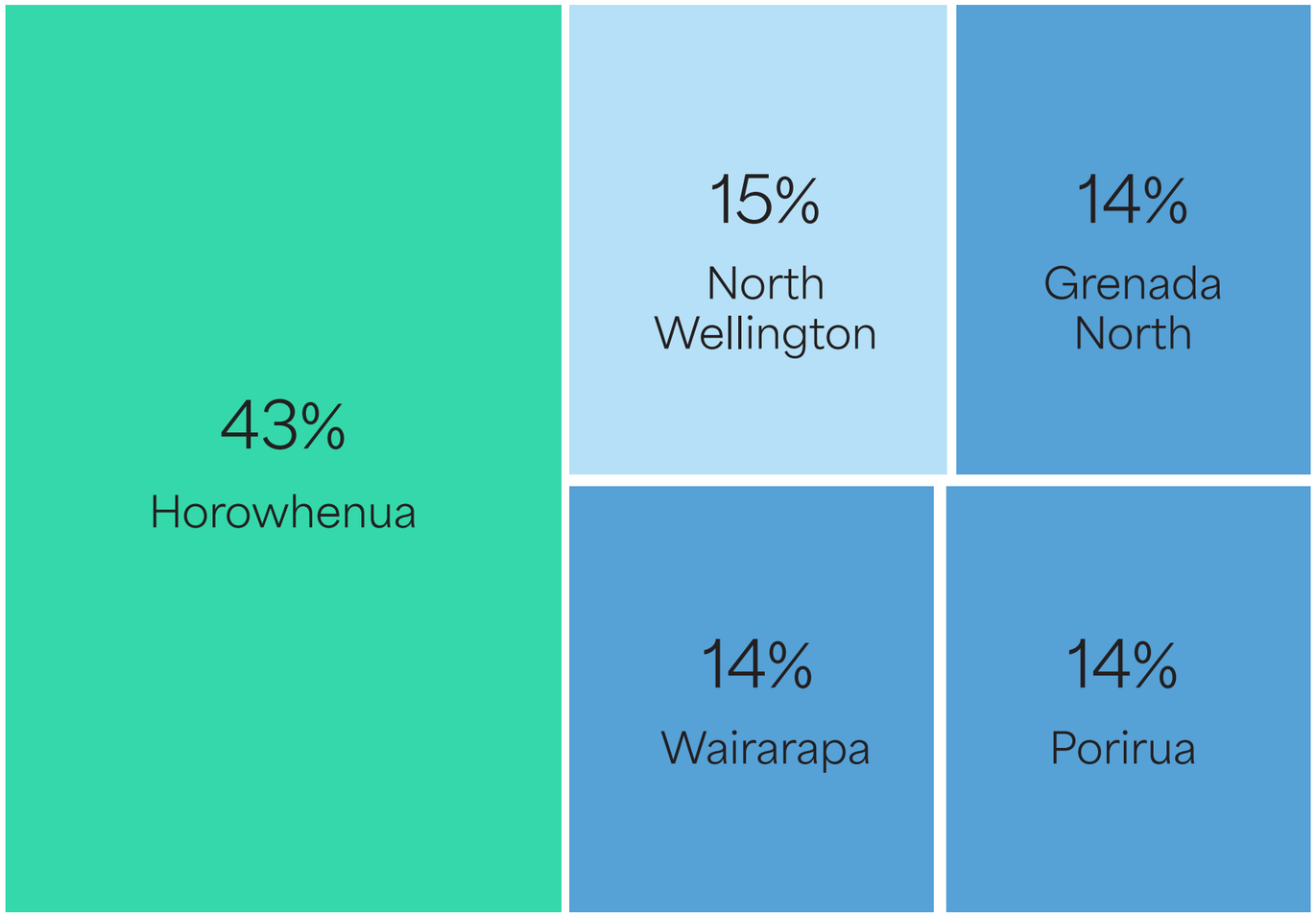
Question response rate: 97% of respondents

Commentary: 45% said that the Horowhenua was the area considered best suited to future industrial land to support their industry type, followed by the Wairarapa (23%).

Question 10: Light manufacturing

Which areas in the Wairarapa-Wellington-Horowhenua region do you consider well suited for future industrial land to support your industry type, and why?

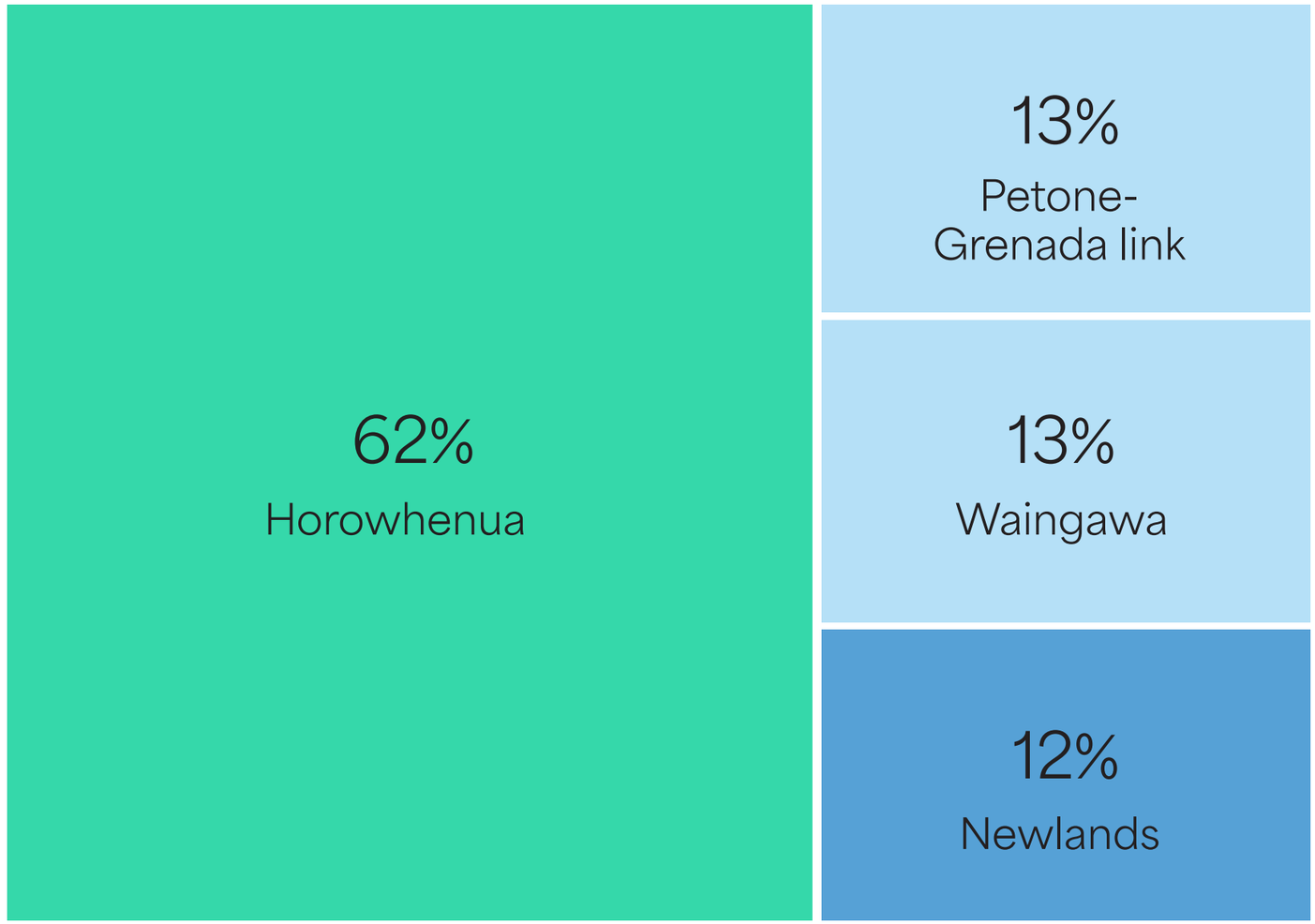
Commentary: Almost half of the respondents from light manufacturing sector (43%) identified Horowhenua as a suitable area for future growth. This is followed by other areas north of Wellington City including Porirua and Grenada North and the Wairarapa.



Question 10: Heavy manufacturing

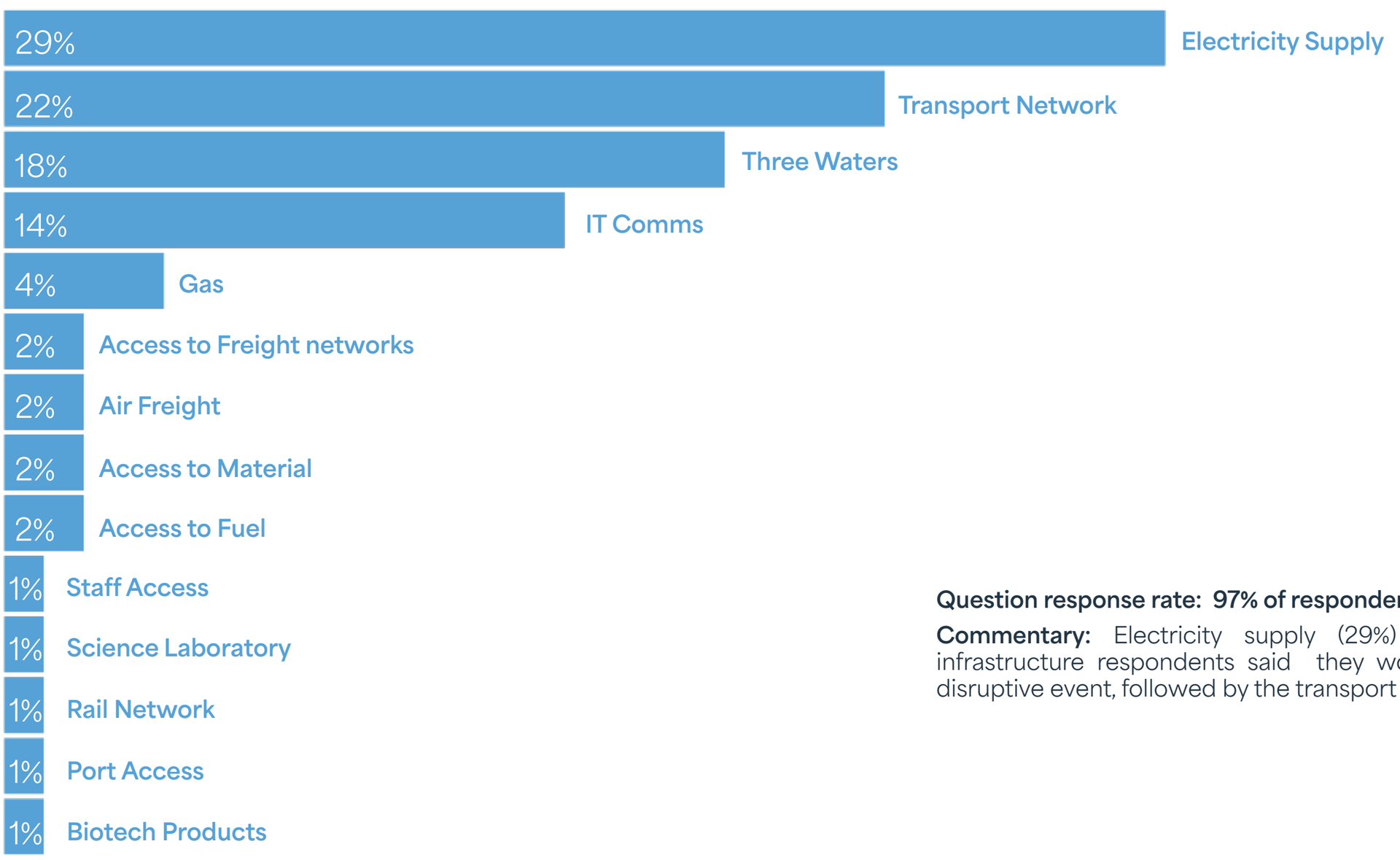
Which areas in the Wairarapa-Wellington-Horowhenua region do you consider well suited for future industrial land to support your industry type, and why?

Commentary: More than half of the respondents from the heavy industry sector identified the Horowhenua as a suitable area for future growth.



Question 11

What infrastructure is most critical for your business to continue to stay operational after a disruptive event?

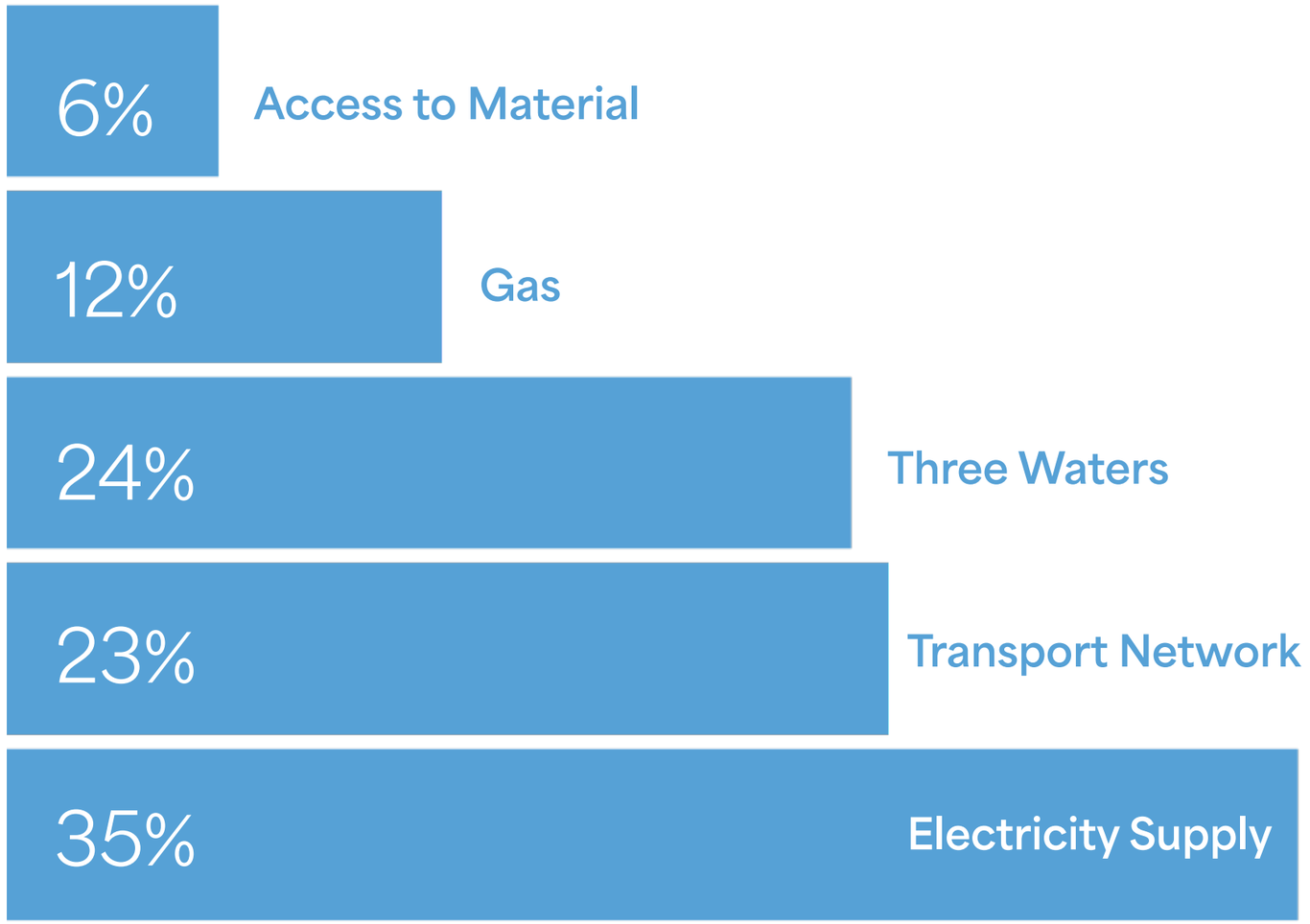


Question response rate: 97% of respondents

Commentary: Electricity supply (29%) was the most critical infrastructure respondents said they would need access to in a disruptive event, followed by the transport network (22%).

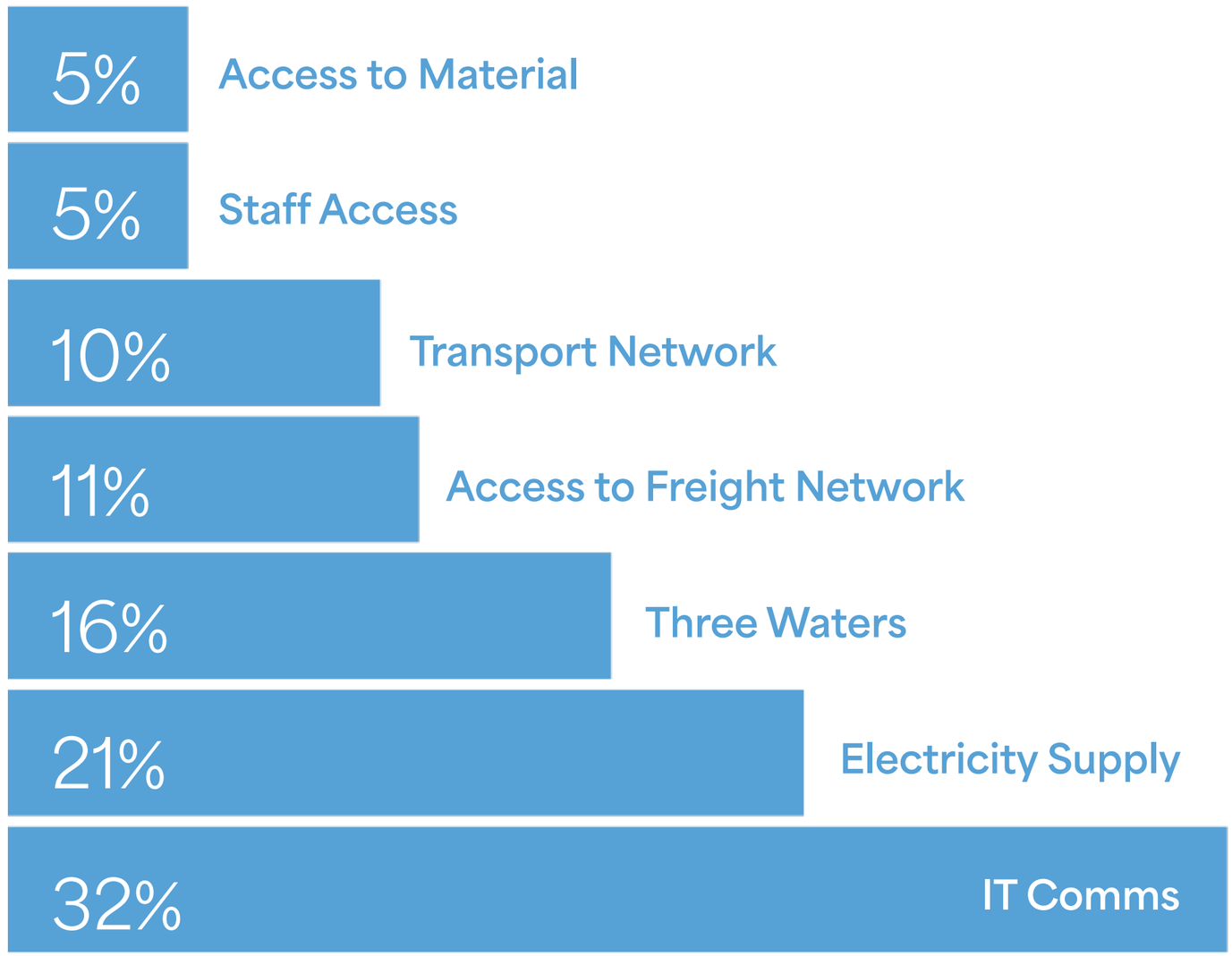
Question 11: Heavy manufacturing

What infrastructure is most critical for your business to continue to stay operational after a disruptive event?



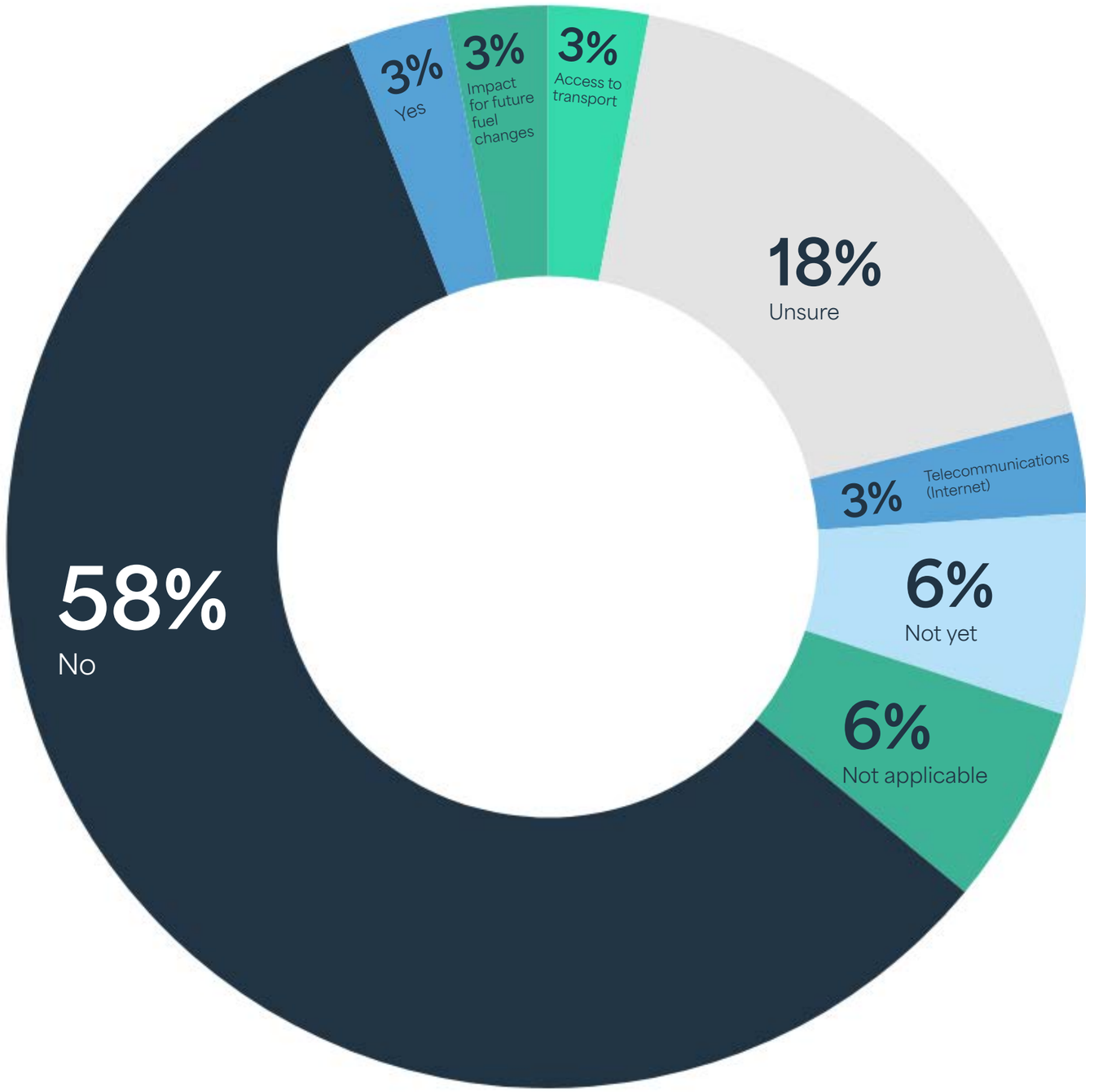
Question 11: Light manufacturing

What infrastructure is most critical for your business to continue to stay operational after a disruptive event?



Question 12

Are there any new technologies that may affect your location/site requirements?



Question response rate: 88.9% of respondents

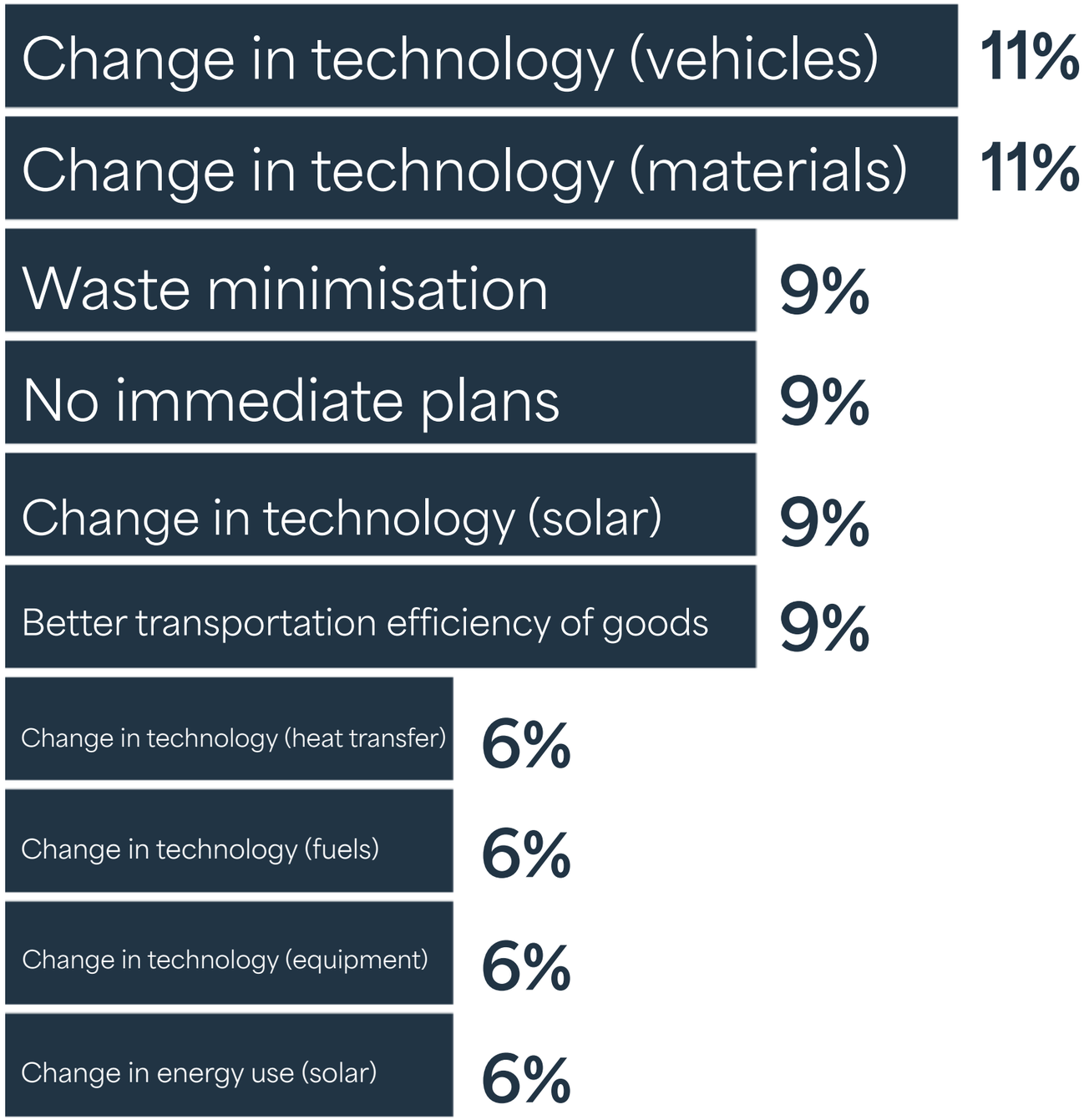
Commentary: Most respondents (58%) said there were no technologies that may affect their location/site requirements.

Question 13

How is your business planning to reduce carbon emissions? And does your current site/s location support this?

Question response rate: 97% of respondents

Commentary: Only seven respondents answered the second part of the question, relating to whether their current site supported reducing carbon emissions. Of those seven respondents, most said ‘yes’.

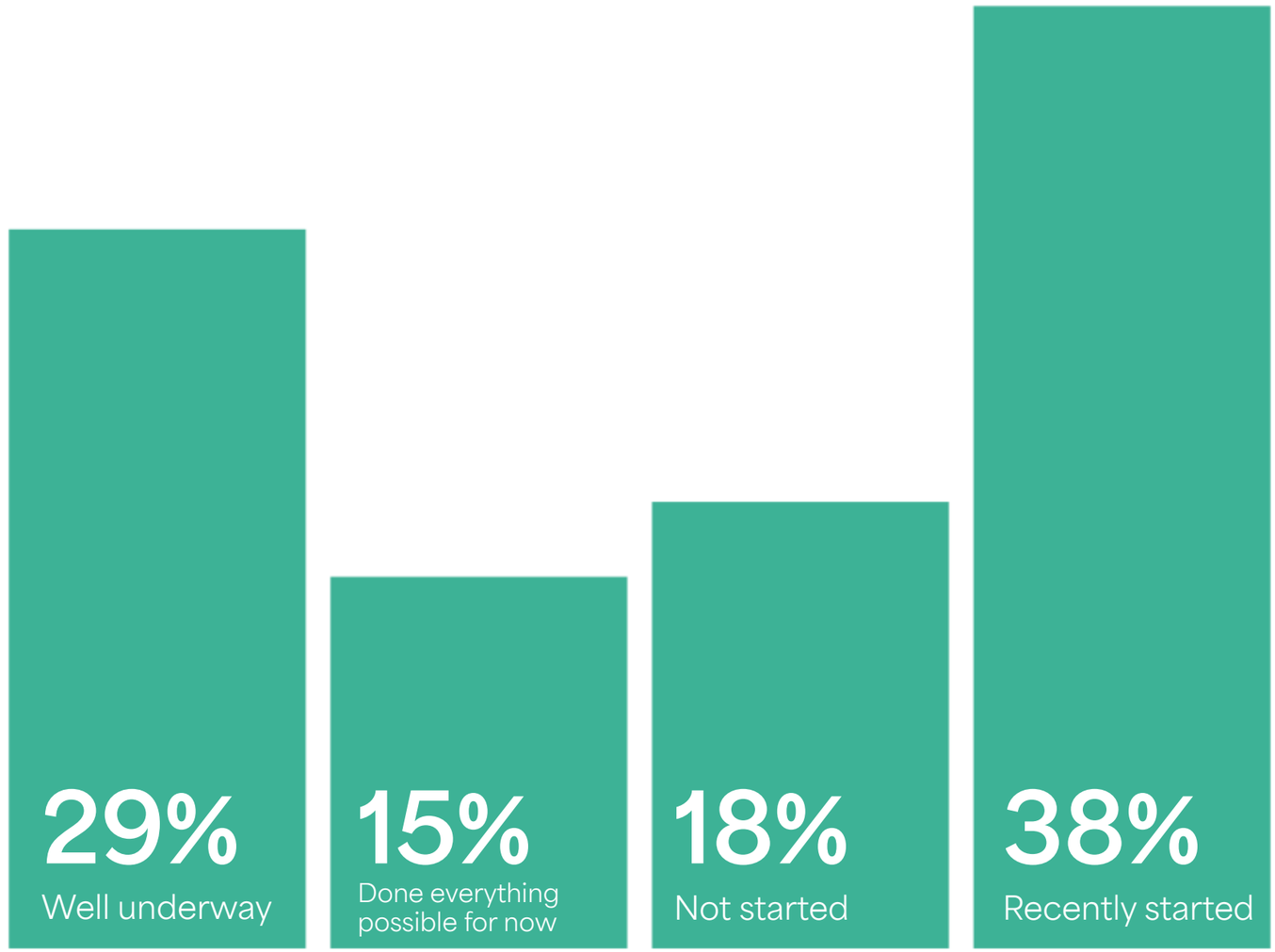


Question 14

Which stage best describes your carbon reduction journey?

Question response rate: 97% of respondents

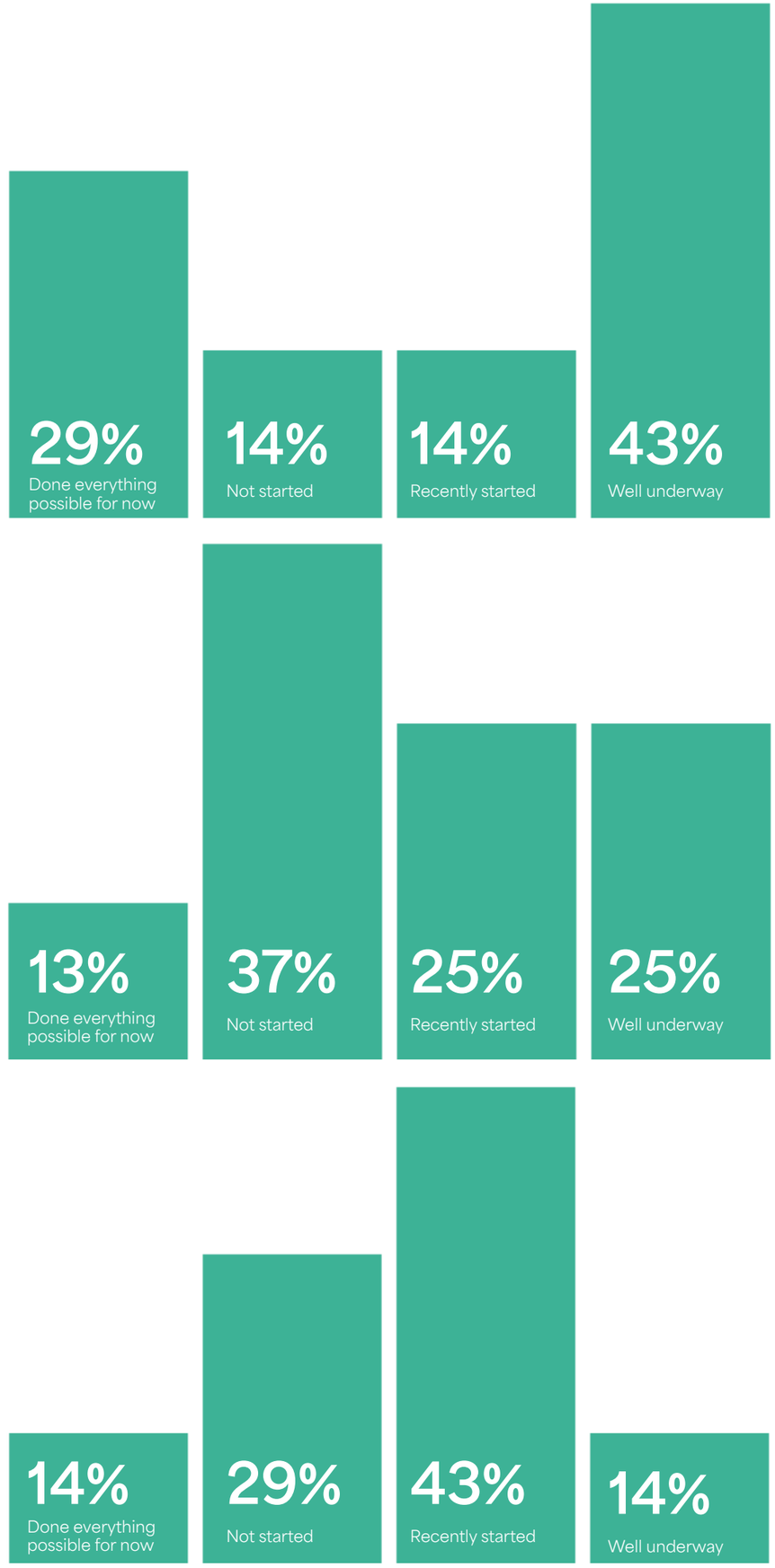
Commentary: Over half of respondents noted that they have started or are well underway with initiatives to reduce carbon with only 18% of respondents not yet started.



Question 14

Which stage best describes your carbon reduction journey?

Commentary: Respondents from the heavy manufacturing sector are the most progressed with the introduction of carbon reduction initiatives



6. Conclusion and next steps

The engagement undertaken with industry has provided valuable insights into how the region's existing industrial land is meeting business needs now and what the different industrial land use sectors require from industrial land supply into the future. It has demonstrated that currently there are challenges for the region's industrial businesses associated with rising operational costs and the availability of new sites and quality spaces for growth.

Feedback from businesses wanting to grow has confirmed the reported shortfall in available large vacant sites in locations that support industrial growth. It is demonstrated that new sites need to be connected to areas of affordable housing for the workforce and well connected to the transport network.

The findings have reinforced that an integrated approach is required to planning for new areas of industrial land. Industrial land is an important part of the region's economy. It provides an important source of employment, the resources we need to build infrastructure and the products that we need to support our local businesses and communities. Its location needs to support these connections to other sectors of the economy.

The information gathered through the stakeholder engagement process will be used to inform the review of available land to be undertaken in the next stage of the industrial land study. The key findings will form the basis of the criteria that will be used to assess the suitability of new sites.

The Property Group

Building a stronger New Zealand, together.

propertygroup.co.nz