

Naenae Town Centre Market Position Paper

Prepared for Hutt City Council

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1. Introduction

Several factors have contributed to performance reduction in Naenae retail over decades. Not all of these factors are unique to Naenae:

- Increased personal mobility, leading to increased capacity to make choices to go elsewhere,
- Lower travel costs,
- Increased household mobility, leading to lower levels of social connectivity and loyalty,
- Transitions from local business to global business especially of our major food retailers,
- Socio-economic factors in Naenae that turn off prospective markets as shoppers or visitors,
- Poor network connections to the centre,
- Blockages to catchment capture by the rail line,
- Weak network and local connectivity within the centre,
- Poor arrangement of buildings and rail tunnel that cut off relationships between shops and movement,
- Too many “fronts” for active retail in a small catchment,
- Pedestrian mall with very little origin-destination justification,
- Age and maintenance of buildings,
- Poor built form/architecture,
- Lack of cultural representation in the fabric of the built environment.

Many of these are a function of a different social and economic environment than that which existed in the 50's and 60's in New Zealand. Grocery stores have been replaced by supermarkets, and many of the specialty food stores, butchers, fruit and vegetable, wet fish etc have left the market due to the dominance of supermarkets across all food categories. Likewise, many traditional stores that used to sit in these centres are now obsolete, and so the Naenae model sits as a historic reminder of how things used to be. Hardware stores have gone mega, as have haberdashery and millinery stores. At the same time, bricks and mortar retail stores are disappearing from the market and online retailing is taking its place.

Where centres are working well, the centre is a place of culture and urban entertainment. Food and beverage services has become a major part of the total experience in successful centres. Successful centres today are places to do stuff, where lingering and meeting others is a major part of the reason for the trip - not just to get stuff.

The purpose of this scene setting introduction is to highlight some of the challenges that Naenae faces as it endeavours to achieve relevance. The centre has many issues to resolve in order to restore at least some of its retail role and former vibrancy to better serve its community.

2. Networks & Catchments

The tradition of centres at the crossroads of regional movement is a fundamental tradition that planners in the 50s and 60s forgot. In the 50s and 60s it was assumed that the motor car allowed us to move away from efficient movement systems that activated traditional centres. Planners assumed that all that was required was an attractive retail-only offer and plentiful car parking. The effort in driving a few minutes off line was seen as worthwhile. Yet we know, even today, that when the movement network that feed a centre's shopping street are compromised, that street begins to fail (see High Street, Lower Hutt CBD).

The movement network and the location of competition usually work in concert to define a centre's catchment. In this case, the competition is many kilometres away in Hutt CBD. The framework for Hutt supermarkets (red dots) is focused on the CBD and Petone - see Figure

2.

The colour codes indicate the relative strength of the network components. Green is close to a local street in its connectivity and role. The major movement corridors in this area are High Street (west of the centre), Fairway Drive/Daysh Street (given strong east-west links, Wingate Overbridge (linking the west side with the east) and Naenae Road/Waiwhetu Rd. The secondary network of Cambridge, Naenae Rd north also suffer from disconnects. In the case of Cambridge the disconnect is that the design of the centre is either off this street or where it does address the street it is compromised by a pedestrian tunnel. Therefore the “convenience” motivation to stop is largely removed. Naenae Road completely misses the centre, which is only accessible by part of the tertiary network.

Figure 1 - Movement Networks and Naenae

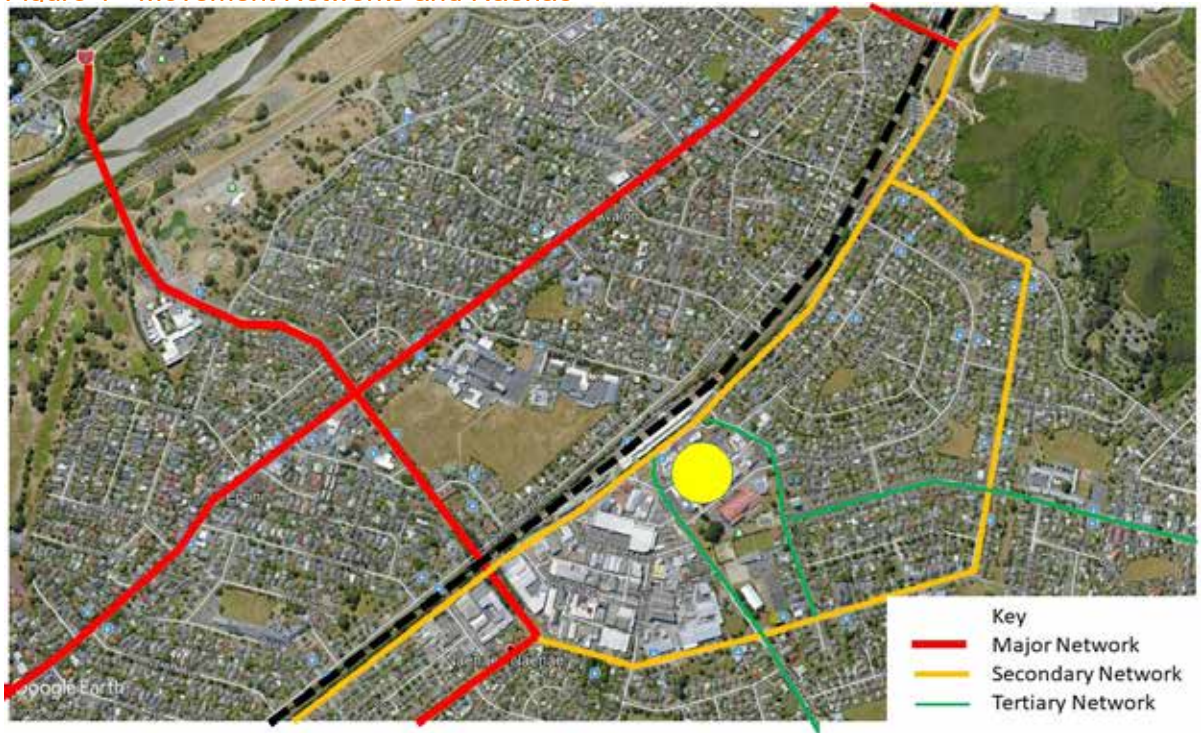
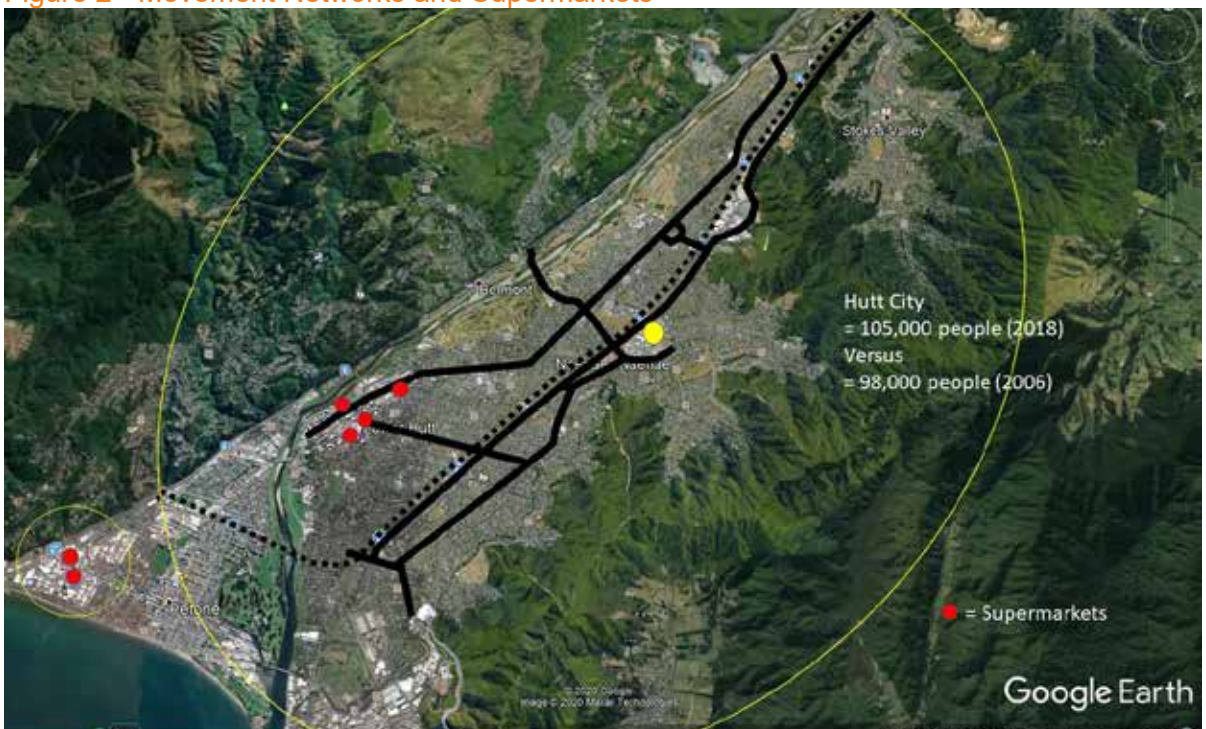
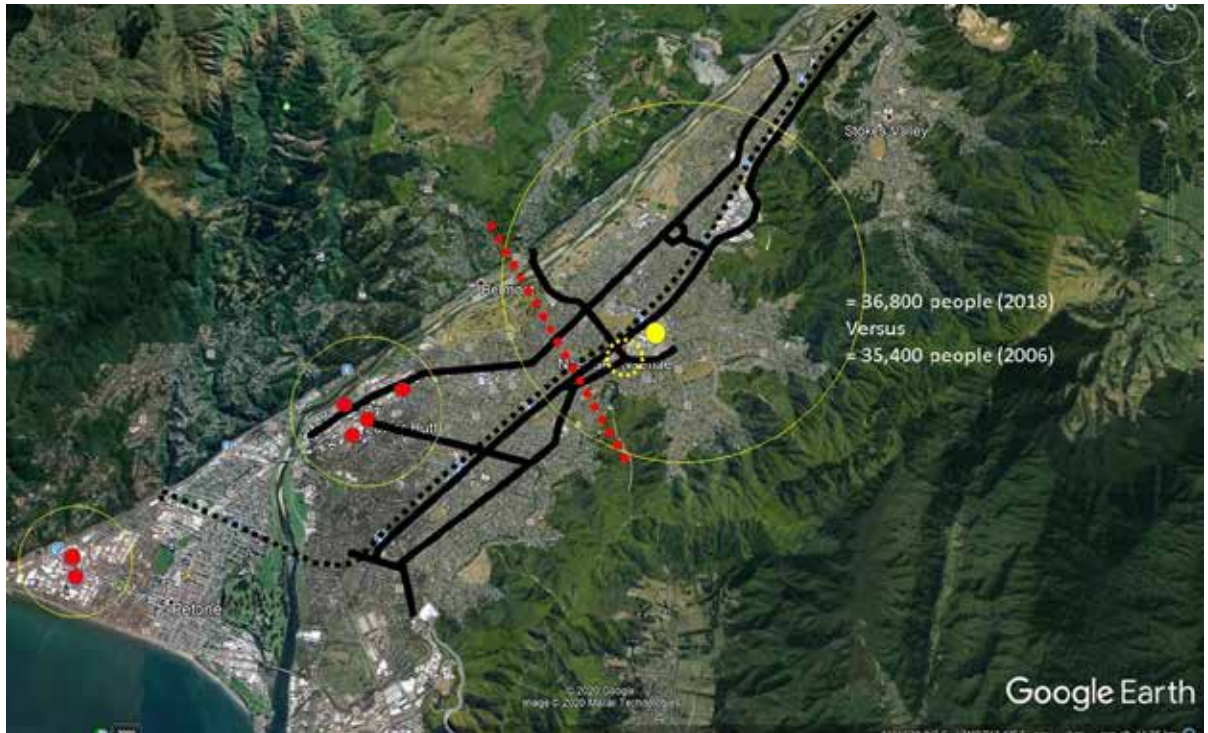


Figure 2 - Movement Networks and Supermarkets



When we zoom in closer, the influences of the movement network on centre catchment and accessibility becomes clearer.

Figure 3 - Supermarket Shortage North Hutt

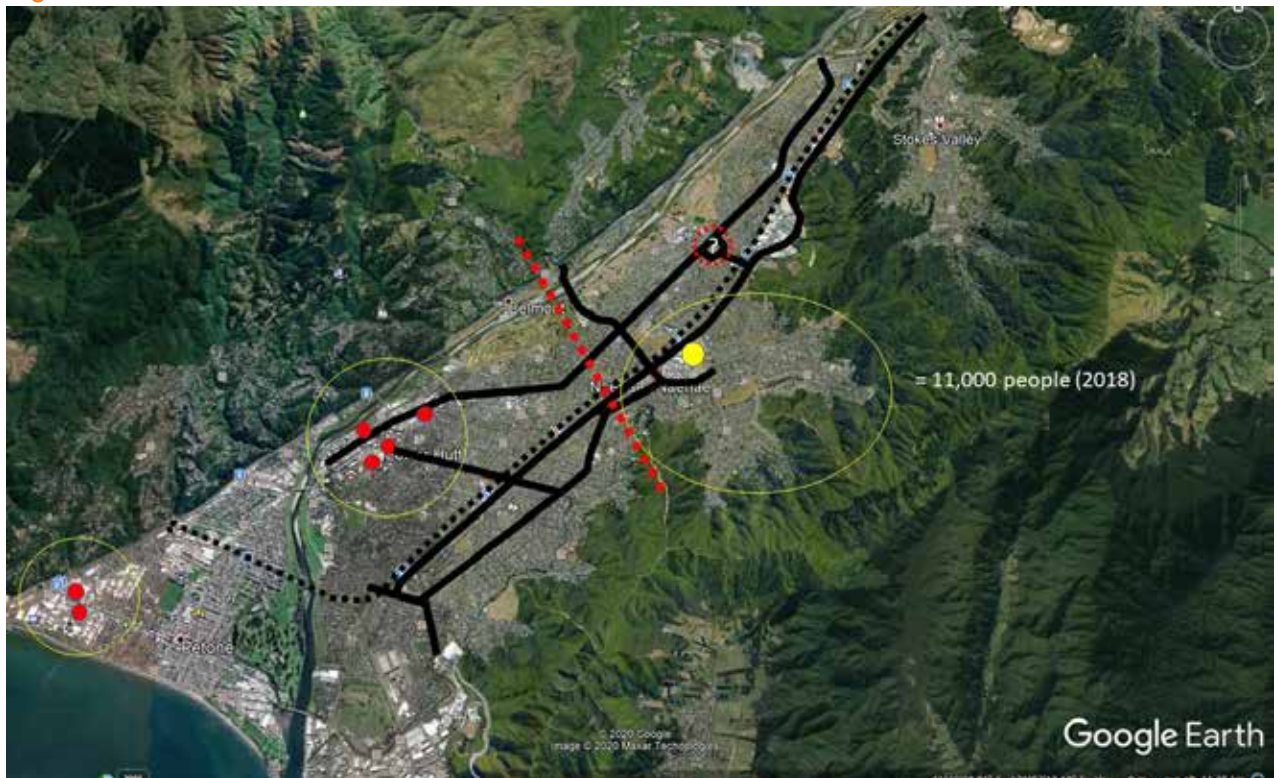


The most viable location for the Naenae centre is shown in the yellow dotted circle. This location provides direct access to populations across the rail line and along Naenae Road. However, also interesting is the lack of full service supermarkets in Hutt north of the CBD. There are smaller supermarkets in this northern area, but no majors. This area (north of the red dotted line) contains around 35,000 people. The population threshold for a supermarket is less than 12,000 people. This indicates a potential opportunity for Naenae if it can improve its access, structure and appearance.

By way of note, the previous supermarket (currently the Sikh temple), was outside of the centre, on the south side of Vogel Street. A supermarket in the appropriate location within the centre would drive the viability of an additional number of retailers based on the foot traffic and exposure generated by the supermarket. Typically, a supermarket-anchored centre would contain between 5,000sqm and 7,000sqm of retail and services tenancies.

At a local level catchment, the population is around 11,000 - which is only on the cusp of feasibility for a supermarket, especially given the relatively low incomes of this catchment population.

Figure 4 - Naenae Local Catchment



There are two main reasons why people will travel extra distances to shop:

- The strength and range of the retail offer,
- The quality or differentiated experience

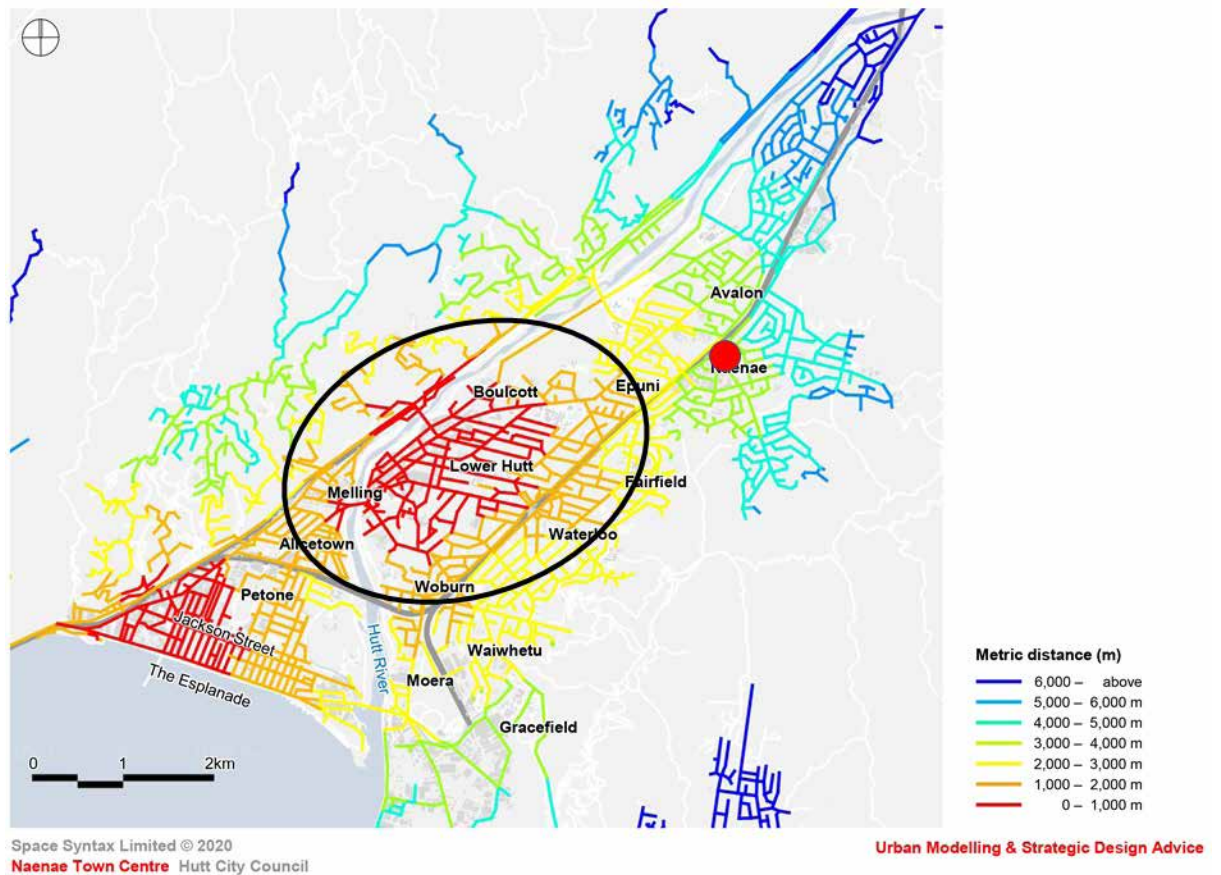
Naenae fails at present on both of these, with a minor retail offer, poor urban and built environment and lack of differentiating features that would encourage people to visit from a wider catchment.

Space Syntax has modelled the comparative drive distances for supermarkets in the Hutt as well as drive distances from Naenae.

The extra travel distance is needed to increase Naenae's catchment. The comparative analysis is shown in the following sequence of two Space accessibility diagrams of its model results.

Figure 5 - CBD Catchment - Drive Distances

Catchment analysis **Vehicle** From supermarkets

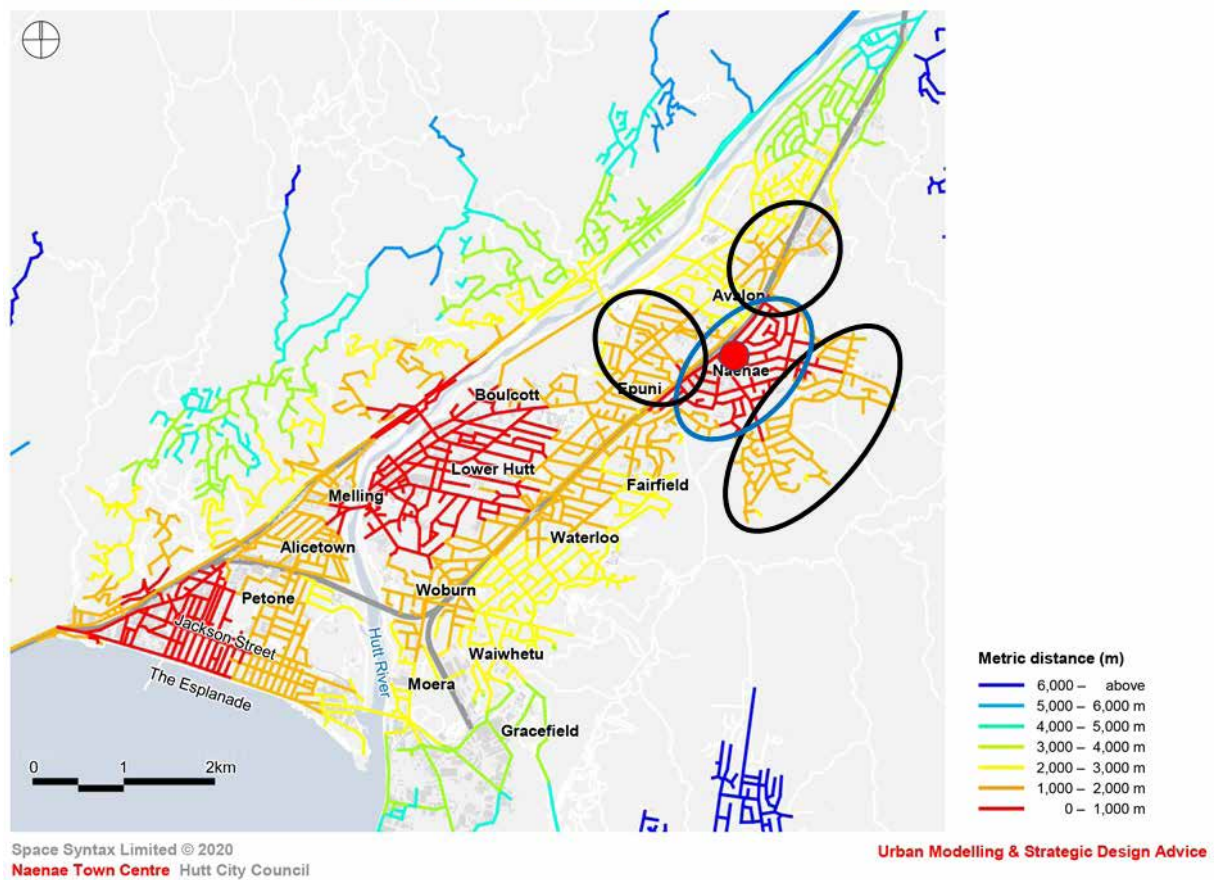


The Space Syntax analysis shows drive distances from CBD supermarkets. The black oval line largely covers the extent of catchment that is less than 2 kms from these stores. This extended catchment is a function of the interconnected network in and around the CBD. When the same modelling is undertaken for Naenae, the result is a series of catchment pockets, which are a function of:

- the Daysh Street overpass
- the wider Naenae settlement
- the Wingate overbridge

Figure 6 - CBD Catchment - Access Clusters

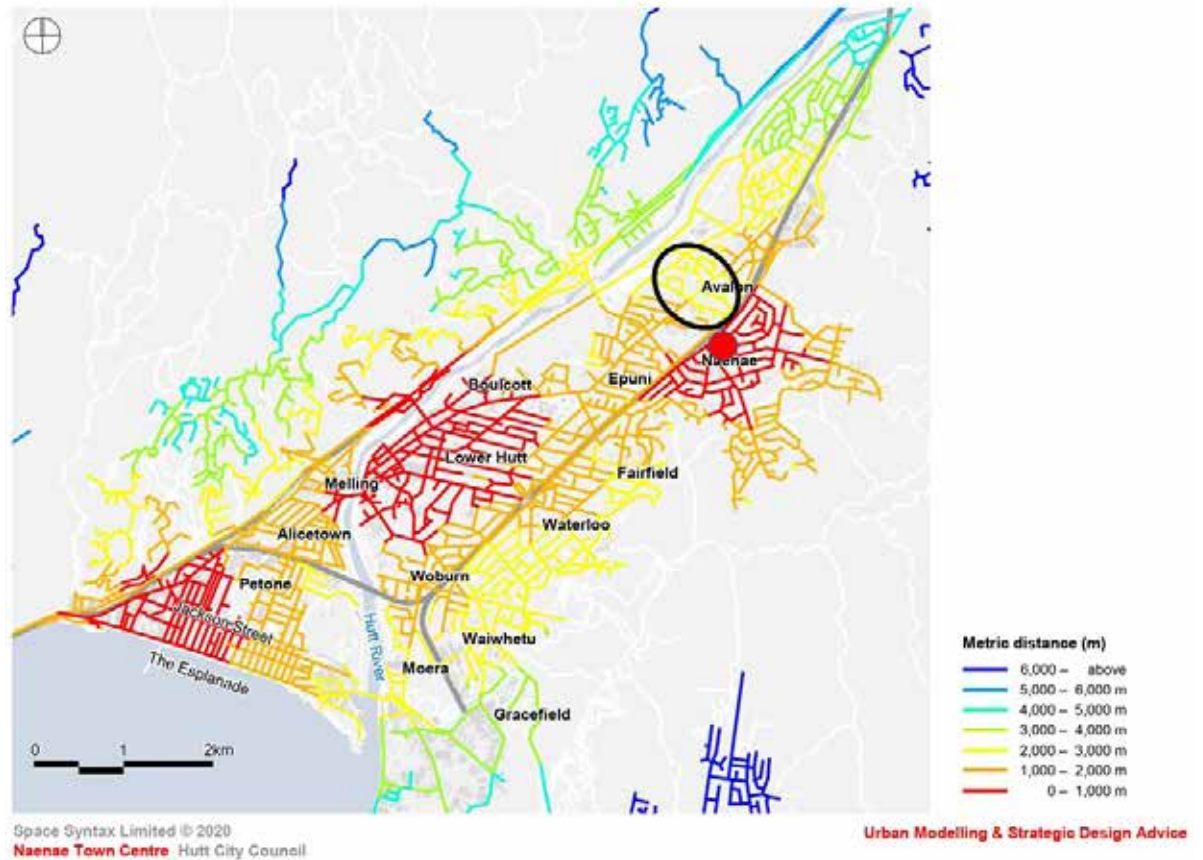
Catchment analysis **Vehicle** From supermarkets



The Naenae catchment is dispersed, with a relatively small defined area within a 1 km drive (compared with the CBD). This is a function of land form, the barrier created by the rail line and the layout of the wider street network.

In the drive distance catchment story is an area of Avalon east that is less than 200 metres walking distance from the Naenae centre yet is between 2km and 3km driving distance. That area is defined in Figure 7.

Figure 7 - So Near Yet So Far
Catchment analysis **Vehicle** From supermarkets



One way forward is to test means by which accessibility to and around the centre is improved. For instance, some of the Taita catchment is easily walkable to the centre, if it wasn't blocked by the rail line. This blockage could be overcome through a change in the visibility and nature of the link across the rail line. Other changes to the network are available to test that would increase the capacity of the centre.

3. Population Growth

The centre suffers from poor accessibility, which largely limits its catchment. However, even with this disadvantage, the centre sits on the cusp of attracting a supermarket. The following table shows growth within the wider catchment since 2006.

Table 1 - Catchment Areas and Growth

Age group	Total people - age group		
Sex	Total people - sex		
Ethnic group	Total people		
Year	2006	2013	2018
Area			
Taita North	3018	2592	3075
Taita South	3039	2946	3078
Avalon East	2295	2334	2466
Naenae Central	3291	3192	3420
Epuni East	2976	2871	2949
Naenae North	2463	2439	2535
Naenae South	2532	2553	2745
Totals	19614	18927	20268
Just Naenae	8286	8184	8700

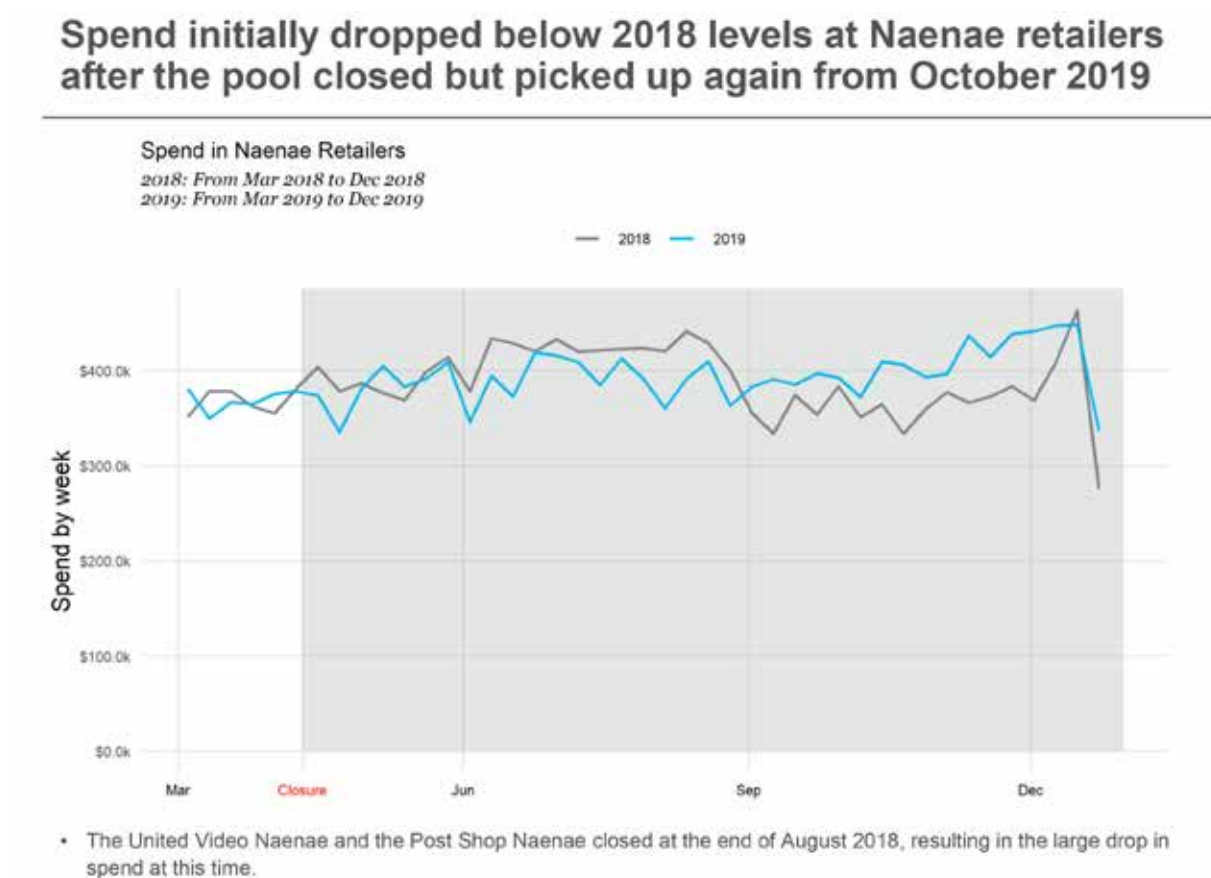
The immediate Naenae area contains around 8,700 people, which is approximately 3,300 short of the ideal threshold for a supermarket. The catchment population is growing and with Housing New Zealand redevelopment in the area, will likely continue to grow at a modest rate.

4. Contribution of Naenae Pool

Creating a destination with a range of attractions has implications for retail opportunity. One of the major Naenae assets has been its swimming pool, which attracts swimmers from across the Wellington region. The pool defines the eastern end of Hilary Court, but is largely an encased, inward-facing building with a poor edge relationship with the centre. The main functional relationship would be between swimmers arriving or leaving the pool and momentarily exposed to Naenae centre shops. However, Marketview data shows that less than 20% of pool visitors spend in Naenae shops and the majority of those that do, spend on Food and Beverage and Liquor. The survey showed that all other retail activity was stable after the closure of the pool.

The survey also showed that Naenae customers remained loyal to the centre after the pool closure but spend reduced from Rest of Lower Hutt customers (mainly pool visitors).

Figure 8 - Sales Trends Pre and Post Naenae Pool Closure



The basic conclusion of the sales graph is that the pool closure has made very little difference to the performance of the centre. That said, looking forward there may be ways by which the design of the new pool actively contributes to the vitality and performance of the centre.

5. General Conclusions & Looking Forward

- There are structural issues that compromise the centre including:
 - A poorly conceived pedestrian mall that is lacking origin-destination rationale (Hilary Court)
 - A rail tunnel separating business from the street
 - Poor visibility and relationship with the rail station
 - Too many urban edges to be activated relative to the size of the catchment The catchment is heavily constrained in large part due to the location of the centre itself.
- The catchment is growing (an attraction to major retailers).
- The centre's retail component is over-developed for the size of the catchment/s.
- The pool is not a meaningful contributor to the viability of the centre, but future pool designs should seek to soften the pool interface (more outward facing, glazing of pool edges etc), so as to inspire greater interaction with the centre.
- Improvements to accessibility (walking, cycling and driving) should be an important component of future planning for the centre.
- Centre visibility across the rail line should be created to switch on the west side catchment.
- Changes to the structure and accessibility improvements could attract an anchor supermarket, which in turn would encourage more shops in the centre.
- The centre lacks an anchor (concept or store).
- The centre has generally poor built form, which doesn't induce visitors from outside the area.

The centre is a product of a previous retail environment that lacks relevance in today's market. The complete redevelopment of the centre for a viable future retail and commercial story is unlikely.

That said, there are options available for marked improvements to its current role.