A united warning from Wellington businesses

An open letter to Mayor Little and the Councillors of Wellington City Council regarding the proposed Land Value rating system

Many Wellington businesses are gravely concerned about the proposed land-based rating system and its consequences for our city.

This proposal will force businesses to close.

It is not an exaggeration to say that the new system will be catastrophic for many businesses. It is highly likely many will be forced to close.

Wellington businesses have already weathered a perfect storm.

Wellington businesses have endured years of extremely difficult trading conditions: government job losses, working from home, seismic closures of city blocks and civic amenities, COVID-19, safety concerns and escalating costs. Land value rating is the opposite of the positive incentives businesses need right now to continue to invest in Wellington.

Rates have already doubled – and businesses, not just landlords, pay the price.

Rates have already doubled. The suggestion that landlords, rather than businesses, bear these costs is simply wrong. Many businesses own their own property so rates are a direct bottom-line cost. And lease structures mean that either immediately or eventually the rates increases are passed on to business tenants.

Small to medium sized businesses could face rates four times higher than Auckland.

Wellington commercial rates are already roughly double Auckland's. Under this proposal, many businesses face a further doubling or even tripling of their rates, which could leave comparable businesses paying four times or more than they would in Auckland, undermining competitiveness and investment.

The numbers are staggering and the consequences are real.

Proposed increases for familiar Wellington businesses show the scale of this problem:

- **The Pines, Houghton Bay:** $26,000 to $66,000 (154% increase).
- **Moore Wilson's, Te Aro:** $527,000 to $1,097,000 (over 100% increase).
- **Prefab, Jessie Street, Te Aro:** $90,000 to $190,000 (110% increase).

Few businesses could absorb increases like these. Around 80% of commercial properties are expected to pay more, despite Wellington rates already being among New Zealand's highest.

This proposal will kill existing businesses and deter new ones.

For many, higher rates will be the final straw: businesses will close, jobs will disappear, and new investment will be deterred. Wellington cannot rebuild its economy by making business unaffordable.

The areas that make Wellington special will be hit hardest.

Low-rise Te Aro, Courtenay Place and Cuba Street – the precincts central to Wellington's character, creativity and vibrancy – will be hardest hit because their buildings occupy substantial land without multiple storeys.

Businesses are being penalised for development restrictions they did not create.

Many low-rise buildings reflect historic planning rules, heritage protections or their intended use. Large-format retail, entertainment venues, workshops and light industry cannot simply move into high-rise towers. Calling these properties "under-developed" ignores commercial reality.

Major destinations such as **Moore Wilson's**, **The Court** (Reading Cinemas) and **The Exchange** attract visitors and sustain surrounding businesses. Crippling rates increases could make these anchors unviable, undermining regeneration and future investment.

Higher density is a worthy goal, but this is the wrong way to achieve it.

We support greater density where appropriate and viable. But it requires sound planning, positive incentives, investor confidence and a vibrant city. This proposal instead risks empty premises and driving businesses and developers away.

This proposal shifts costs from major properties to smaller businesses.

More than half of Wellington properties could face significant increases while some of the largest receive substantial reductions. The Majestic Centre, for example, could save approximately $660,000, potentially benefiting its large corporate occupiers. **Why should smaller businesses pay more while major properties receive relief?**

The Council is risking Wellington's recovery on a deeply flawed proposition.

Mayor Little and Councillors, we welcome your progress in getting Wellington back on track, but this proposal is a backward step. We question the completeness and balance of Common Ground's evidence:

VoiceforWellington
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Tell Council what matters to you.

Make a submission by
Sunday 15 November

For more information and submission details visit:
voiceforwellington.co.nz

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Pittsburgh's comparable scheme was abolished in 2001, a fact omitted from Common Ground's presentation. The proposal also overlooks Wellington's distinctive low-rise creative, hospitality, retail and independent businesses.

Wellington's future is at stake, not just individual businesses.

We are passionate Wellington businesses and residents. We have invested in Wellington, supported its communities and stayed through difficult times. With the right leadership and policies, this city has a strong future. But this proposal threatens businesses, jobs, Wellington's character and its economic recovery.

Mayor Little and Councillors, we urge you to reject this proposal and work with businesses on a fairer approach that encourages investment, protects the businesses sustaining our city and supports Wellington's recovery.

Endorsed by: Voice for Wellington

Supported by: BusinessCentral | Wellington Chamber of Commerce

Voice for Wellington represents a large number of Wellington businesses and individuals including:

- Archaus Ltd
- Armstrong Motor Group
- Baby on the Move Wellington
- Bambini Ltd
- Bay Plaza Hotel
- Bed Bath & Beyond NZ
- Chou Chou
- Cook Strait Properties
- Dame Kerry Prendergast (former Mayor of Wellington)
- Dunbar Sloane
- Early Settler
- El Barrio
- Epic Hospitality
- Eva Pub
- Everyone NZ
- The Exchange
- Farrys Menswear
- Francis Place Ltd
- Freedom Furniture
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- The Green Parrot Cafe
- Harrington's
- Insight Creative
- James Smiths Corner Ltd
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- Justine's Cookies
- Koa
- Kristina Raffaele Hairdressing
- Lexus of Wellington
- Little India
- Lloyd Richardson Ltd
- Lowe & Co Realty
- LT McGuinness
- Man to Man
- McDonald's Manners St
- McDonald's Taranaki St
- McDonald's Basin Reserve
- McDonald's Newtown
- McDonald's Johnsonville
- McIndoe Urban
- Mexted Motors
- Miles Honda Wellington
- Monsoon Poon
- Mood Cafe
- Moore Wilson's
- Movac
- Navigation Partners
- Nedax
- New World Central City (privately owned & operated)
- New World Island Bay
- New World Metro Willis St
- New World Miramar
- New World Newlands
- New World Thorndon
- Newcrest
- NME
- Ortega Fish Shack & Bar
- PAK'nSAVE Kilbirnie
- Panhead
- Pet Doctors Thorndon
- Penthouse Cinema
- The Pines
- Pōneke Bakery
- Prefab
- Prime Property
- Puku Pies
- Raglan Roast
- The Rehab Co
- Resene
- Rex Nicholls (former Wellington City Councillor)
- Rutherford & Bond Toyota
- Rutherford Clinic (Joint Venture with Southern Cross Healthcare)
- Saint Diablo
- Salon Villair
- Shady Lady
- Small Acorns
- Space Realty
- Squirrel Cafe
- Tasting Room
- Te Aro Hā – Courtenay
- Thomas Pippos
- Tommys Real Estate
- Urban Dream Brokerage
- Vance Vivian Menswear
- Vinyl Bar
- The Vogue Store
- WellOral Ltd
- West Plaza Hotel
- Willis Bond