

River long

OPPORTUNITY WIDE



A river runs through it – Hamilton CBD from the air. Photo: Hamilton City Council

FAR FROM BEING JUST THE CENTRE OF THE DAIRY INDUSTRY FOR NEW ZEALAND, THE WAIKATO HAS A STRONG, DIVERSIFIED ECONOMY AND ITS MAIN CITY, HAMILTON, IS SEEING THE CREAM RISE TO THE TOP.

AS THE COUNTRY EMERGES from a pandemic blur and businesses get on with life after a significant hiccup, the good news keeps rolling in for New Zealand's fourth largest city, Hamilton.

It was recently announced that the New Zealand Institute of Skills and Technology will be headquartered in Hamilton after a successful joint bid by Hamilton City Council, Te Waka (Waikato's Regional Economic Development Agency), Waikato-Tainui and the Waikato Chamber of Commerce.

"The mega-organisation will see the country's 16 institutes of technology and polytechnics – along with all industry training organisations – merge into

one national entity and it'll be based in Hamilton," says Bayleys Waikato commercial manager, David Cashmore.

"This show of confidence is reflective of the city's education sector strength, its central location and its 'can-do' attitude – it's a great endorsement for Hamilton."

Cashmore says there's a vibe in the Hamilton commercial and industrial market at the moment that even COVID-19 couldn't touch.

"I think there's an acknowledgment and relief that Hamilton is well-insulated from the more widespread fallout being seen around the country from the lack of international visitors and the associated tourism sector woes," he says.

"Domestically we're strong, as prior to the pandemic outbreak, Hamilton Airport reported record domestic passenger numbers flying in and out of the region with plans for a multi-million dollar upgrade of its terminal and carpark this year.

"The region thrives on the back of key sectors other than tourism and from what we're seeing on the ground currently, Hamilton is very much open for business."

When Cashmore summarises the pipeline of construction and infrastructural work underway or in the planning stages for Hamilton, you'd be forgiven for thinking

this was an Auckland roll call of development projects.

"It's actually quite staggering and we're talking weighty stuff here from majorly-enabling roading projects to a performing arts venue, multiple high-profile mixed-use developments, new hotels, freight hubs and educational headquarters.

"The Waikato has a very robust regional economy – underpinned by the primary sector, but bolstered by service industries, the IT sector, educational capability and a proven ability to attract new business, investment and talent.

"Add in the inland port developments at Horotiu north of Hamilton and the emerging Ruakura Inland Port and the region's place in the country's logistics and supply chain equation is further cemented."

Cashmore notes the city's westward development trajectory and the improved connectivity with the Waikato River that is being implemented.

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DAVID CASHMORE, BAYLEYS
WAIKATO COMMERCIAL MANAGER

"The Hamilton City Council's River Plan has – and will continue – to influence the city's future," he says.

"There's still a lot more to be done but a river-facing profile can only improve the city's appeal as a place to conduct business.

"Developers are always angling for points of difference and in the past, the city's biggest natural asset – its river – was not always front-and-centre in design and planning."

Calling it "the logical alternative to Auckland", and applauding the fact that there's a four-lane highway all the way between Hamilton and Auckland now, Cashmore says the drift of big business to Hamilton on the back of roading initiatives is making a huge difference to the economic profile of the city.

"With Auckland only one hour 10 minutes away by car and with a Hamilton-Auckland commuter train service tipped to start at the end of this year – why wouldn't you consider Hamilton as a place to anchor your business from?"

"Thanks to the likes of Rabobank and AA Insurance consolidating their business operations in Hamilton, there's demonstrated credibility of the city's economic fundamentals.

"The relative geographical stability of the Waikato region also gives confidence to businesses such as data centres because the threat of disruption due to earthquake or other natural activity is minimised."

In marketing for lease the retail and hospitality components of the high-profile new Union Square mixed-use development, being spearheaded by local development and construction company Foster Group, Cashmore signals more opportunities in the wind.

"The post-COVID environment will emphasise the importance of supporting local and provide the chance for astute operators to push the reset button and be part of a reimagined, vibrant city centre," he says.

The recently-confirmed Waikato Regional Theatre project will also add to the creative lifeblood of the city according to Cashmore, with plans for a world-class community facility set to provide some cultural impetus for Hamilton.

"This precinct will provide some tangible and much-needed linkages between the city and the river which has to be great for hospitality and retail businesses," he says.

"It's all a good shot in the arm for the city's commercial centre."



The bright lights of Hamilton city by night. Photo: Hamilton City Council



Hamilton's Union Square development as viewed from Angelsea Street through the central boulevard to a plaza. Image: Foster Group.

AN AMBITIOUS CITY

Jen Baird, Hamilton City Council's general manager city growth, says recent feedback from the business community overlaid with local and national data suggests Hamilton's economy will recover more quickly than the rest of the country in the wake of COVID-19.

"The fundamentals that make Hamilton a good place to invest and grow remain largely unchanged," she explains.

"Looking back, the late-1980s' global financial crisis showed Council that stalling growth and investment after a period of uncertainty only creates a bow-wave of reduced capacity for future growth.

"We need to balance investment in a quieter period, so the lead infrastructure is in place when growth levels increase and while there will be peaks and troughs in the short to medium-term, the long view indicates continued growth for Hamilton at a rate higher than the national average."

Baird says Hamilton is an ambitious, smart and progressive city which enables and encourages innovation, knowledge and sustainable growth.

"Its population is growing faster than the national average, it's the youngest territorial authority with an average age of 32, has a highly-educated, tech-savvy

workforce and has been New Zealand's fastest-growing tech sector for the last two years.

"Further, it has relative affordability in terms of home ownership and as a place to do business."

Plans to create a more river-facing vibrant city centre mirrors moves of other cities around the world to maximise the value of natural assets to encourage business growth.

"This is our waterfront and we must create opportunity for people to see it, get alongside it, and overlook it," she says.

"It's part of a much bigger picture for the city and its relationship with the wider regions.

"We know people live, work and play across territorial boundaries, so we have to plan the same way," she explains.

"Taking a regional approach to our strategic infrastructure and built assets means we can combine resources and services for the benefit of the whole area."

Ensuring resilient local and regional transport links, protecting high-value land while enabling development in the right areas, and optimising services like water and wastewater from a regional perspective are all-important.

"We're doing this through key initiatives like the Future Proof

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JEN BAIRD, HAMILTON CITY COUNCIL'S GENERAL MANAGER CITY GROWTH

partnership, Hamilton to Auckland Corridor Plan and Hamilton-Waikato Metropolitan Spatial Plan development," explains Baird.

"The Hamilton to Auckland Corridor project maximises the considerable infrastructure investment between the two cities and leverages off improvements to State Highway 1 and ongoing investment in the Waikato Expressway, main trunk rail and inland ports.

"This strong economic corridor is playing a big role in supporting jobs in Hamilton and the wider region and contributing to our position as a leading commercial centre."

LEAVING A LEGACY

Hamilton-based development and construction company Foster Group has undertaken commercial work in the region for more than 50 years and has witnessed the city growing up to claim its rightful place in the country's economic hierarchy.

With more than 20 new-builds in its current pipeline, Fosters' development director Rhys Harvey says Hamilton is now seen as a valued contributor to the Golden Triangle economy.

"It has a large economy in its own right and a strong, open and supportive business community," says Harvey.

"There are intrinsic benefits for head offices to set up in Hamilton given the transport networks, proximity to their clients and the ease of doing business here."

Specialist rural lender Rabobank New Zealand will occupy a new, purpose-built agri 'centre of excellence' in Hamilton's CBD, moving from its current head office in Wellington in a staged relocation over a couple of years.

Rabobank, along with AA Insurance, will anchor the Fosters-led Union Square mixed-use precinct comprising five inner-city buildings covering half a city block which once fully-developed, will feature 30,000sqm of office space, 18 retail outlets and a 350-space on-site car park.

Rabobank NZ CEO Todd Charteris recently said that moving to the Waikato will set the bank up for a future of growth alongside its clients and enable its corporate team to embrace the food and farming mindset in order to understand the opportunities and challenges farmers face.

Harvey says Fosters intrinsically believes in Hamilton and by developing commercial projects with scale, high levels of amenity, strong design profile and future-proofed technology, its helping to grow the city.

"We're a transactional and transformational business – and we live here – so we want to be able to drive past a Fosters' development in 10 years' time and see that it's thriving," he says.

"But beyond our desire to leave a legacy for the city, it makes bottom-line good sense for corporates and others to base their businesses here.

"Looking at Wellington and Auckland CBD rents, there's a good \$300 per square metre advantage to being in Hamilton's CBD.

"That affects a business's run rate immediately and then there's the cost of housing benefits for the workforce, and the peace-of-mind resilience factor that the stable Waikato geographical matrix provides."

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RHYS HARVEY, DEVELOPMENT DIRECTOR FOSTER GROUP

Harveys says he's worked in many of the world's largest real estate markets and Hamilton can be proud of its local talent and the innovation that's being rolled out in the commercial space.

FULL STEAM AHEAD

Tainui Group Holdings (TGH), the commercial investment arm for Waikato-Tainui, has welcomed the Government's financial support through the Provincial Growth Fund (PGF) for a roads package to further activate its Ruakura Inland Port which is currently in development.

The \$16.8 million PGF grant will be matched by \$16.8 million from TGH along with a \$5 million contribution from Hamilton City Council.

This will fund a new city link to the Waikato Expressway, a new port access connection and add roading capacity for the rapidly developing Hamilton East area.

The Ruakura development will encompass industrial, commercial, retail and residential development across a 490-hectare site and is expected to provide up to 12,000 jobs for the region.

The precinct will include a 30-hectare inland port serviced by high-capacity rail and roading infrastructure, with the first 17-hectare stage now in development by TGH and Port of Tauranga, who announced a 50/50 joint venture earlier this year.

In other Tainui news, the Accident Compensation Corporation (ACC) and TGH recently announced they have signed an agreement to develop a prime central Hamilton site as the new home for ACC in the city, consolidating its three existing Waikato premises into one CBD location.

Positioned on the corner of Collingwood and Tristram Streets in the CBD, the complex is expected to add around 8,500 square metres of net lettable office space to the city's pool.

TGH manages around \$950 million of assets, including significant land and property holdings within the Hamilton CBD.



The Union Square development on a high-profile corner site in Hamilton's CBD. Image: Foster Group.