

Strategically located Titanium Park takes off



Titanium Park surrounds Hamilton Airport, with access from State Highways 3 and 21 – the business park is catering for demand for growing businesses like Torpedo7 and Shaw's Wire Ropes

Titanium Park is one of those rare commercial and industrial developments that ticks more than a few of the requisite boxes for investors, occupiers, stakeholders and developers. Aidan Donnelly talks to NZCN about this growing airport-fringe hub.

Sitting within the illustrious 'golden triangle' between Auckland, Hamilton and Tauranga, Titanium Park is based on the land surrounding Hamilton Airport, with access from State Highways 3 and 21; State Highway 1 and the Cambridge section of the Waikato Expressway (under construction, due for completion late 2016) are just a few minutes away.

The business park is catering for demand for growing businesses like Torpedo7 and Shaw's Wire Ropes – and the reception so far has been very encouraging. Aidan Donnelly, McConnell Property's senior development manager with Titanium Park, has been overseeing the park's delivery, and recalls the early discussions with Waikato Regional Airport (trading as Hamilton Airport) as the joint venture came to fruition.

"We were all clear on the potential that existed in the airport's surrounds, which had previously been underutilised," he says. "Around 2005, the airport started thinking strategically about the large area of land, located adjacent to the main runway and terminal, and realised that it was surplus to their core operating requirements.

"After the initial investigations, the airport decided the land could be more efficiently used as a commercial/industrial development opportunity. We went through a master-planning process on the bare land, as there was no infrastructure, roading or access at that time," he says.

"Equally important, it became evident that there was demand for a high-quality, cost-effective business park, so once all the foundational planning work was done, we took the Titanium Park offer to the wider market."

EARLY SUCCESS DRIVES CONFIDENCE

Mr Donnelly says the early sale of the first precinct to rising star Torpedo7 was a welcome bolster to the wider project. "We had initially planned to subdivide the 13 ha of the stage one site into 10 or 15 blocks. However, after our first marketing push, Torpedo7 snapped up the whole precinct – a move that is extremely rare in developments of this type," he notes.

"Torpedo7 was looking to acquire a large piece of land, and what we had on offer at Titanium Park met their business needs perfectly. It provides the campus-style property they were looking for, and as an occupier, Torpedo7 features a level of scale and significance that has really added strength and credibility to the development. The business is 80% owned by The Warehouse Group, which of course is one of New Zealand's most recognised and respected businesses, so Titanium Park is enjoying the flow-on effect of their tenancy," he adds.

Artist's impression of Titanium Park at street level



"For Titanium Park, the real benefit of such a large and strategic sell-down so early on in the piece was vital in de-risking the project. A large transaction, upfront, created a strong level of certainty and confidence in the overall project, and we are still seeing the knock-on benefits of that transaction."

Titanium Park delivered all the infrastructure and roading for the stage one site, but Torpedo7 took over responsibility for developing the buildings and facilities onsite, which Mr Donnelly says was an attractive element of the transaction for the owner-occupier.

"For Torpedo7, a key driver of taking up the stage one space in its entirety was the desire to establish its business on their own land – and as many readers of NZCN will know, the business has gone from strength to strength in recent years." The first stage of Titanium Park was completed in 2011, with the second stage commencing soon after.

IDEAL CONDITIONS FOR DEVELOPMENT

Mr Donnelly says from a construction conditions and zoning point of view, the Titanium Park site has been ideal. "We did a lot of work upfront on the zoning, so it's all business-friendly, and a wide range of activities are now permitted," he comments.

"However, this was underpinned by exceptionally good geotechnical conditions in general terms: there is flat land, with sandy, silty gravelly soils which are highly competent for construction. Having those founding conditions for buildings has been a major benefit to the smooth development of the site."

In addition, Mr Donnelly says that, because the ground conditions have been so ideal, Titanium Park's occupiers have been able to enjoy reduced costs as they don't have to invest in any improvements to the ground conditions.

"We are always keen to explore and realise cost savings and efficiencies for our customers and end-users, and seeing as there are many sites in the Waikato with very peaty soil conditions, Titanium Park stands out as a really cost-effective option in that respect," he says.

OPPORTUNITIES TAKE FLIGHT

Mr Donnelly says that, as with all large developments, Titanium Park has had its fair share of challenges along the way. "When you are working with some 70 ha of greenfield land in an emerging business location, you should expect to encounter a few challenges when you are working with that level of scale and on a relatively new development product," he comments.

"Titanium Park has been no exception, but what is exceptional is that we view challenges as a valuable opportunity to work collaboratively with our partners and stakeholders. In this instance, we've worked closely alongside the Waipa District Council and the New Zealand Transport Agency (NZTA) on delivering the infrastructure services and roading connections to the business park, as these previously hadn't been developed," he adds.

"We started with a blank piece of paper and progressively over a five-year period we've worked with the council and the NZTA



Aidan Donnelly, McConnell Property's senior development manager with Titanium Park

to put in place commitments to developing infrastructure and roading connections. Titanium Park is now identified as one of only a few strategic industrial nodes in the region.

"The challenges in achieving those outcomes, particularly in an economy where the public sector has a lot of pressures on budget – and, of course, limited cashflow – cannot be understated. However, through a collaborative working relationship and consistent, open communication we've overcome those challenges and been able to deliver on key commitments that will run well into the future.

"The commitments we've made give certainty in our agreement with the Waipa District Council and NZTA that we can all move forward with confidence in the longevity and sustainability of the project."

Mr Donnelly says that the development team realised early on the need for documents and clear agreements to be put in place with the council and NZTA, given the context of Titanium Park and the challenges presented by the site. "Now that we have those legal agreements which clearly set out the obligations of all parties, we are generating the benefits of that approach – defined parameters in which to work, a collaborative partnership and a commitment from all parties that we are in it for the long term."

FROM STRENGTH TO STRENGTH

Mr Donnelly says that, from Titanium Park's perspective, the Waikato region and its economy presents tangible opportunities for development going forward. "We've worked in and around the Waikato region for the last 10 years, so there is real potential as the local economy thrives and the recovery from the global financial crisis gains momentum. We're certainly looking to bed in," he notes.

"Looking at several of the commercial and industrial projects we currently have in the works in the region, they are all significant in size and scope, and this reinforces our commitment to the Waikato and our approach of investing in sustainable business growth and the geographies that support that growth," he concludes.

"As this strategically located development grows, it will provide a beneficial business and customer base for both the airport and Titanium Park, and therefore the overall regional economy."

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