

O'Connell Street and the Future of High Street

Views of Businesses and Property Owners in the High Street District on the recently completed O'Connell Street shared space upgrade and Future Plans for High Street



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Version Two: Updated July 2015

Introduction

As the Business Association for the City Centre, Heart of the City wanted to understand the views of its members (businesses and property owners) in the High Street District - the area including High Street, Durham Street East, Vulcan Lane, O'Connell Street and Chancery - about the O'Connell Street shared space upgrade, completed in August 2014 and about Auckland Council's proposal to invest a further \$15M into the district for an upgrade of High Street, as part of the wider City Centre Upgrade programme.

Auckland's City Centre is under significant transformation and a number of street upgrades are planned for implementation over the next ten years. The results of this survey will contribute to the ongoing evaluation of the value and the benefits of investment in upgrading streets and open spaces in the city centre.

It will assist Heart of the City, businesses and others such as Auckland Council and Auckland Transport, responsible for carrying out these projects, to understand the experiences and of businesses and property owners through an upgrade process. The information will be used to inform future projects.

It will also allow Heart of the City to work with and lobby Council in determining priorities for future spending and improve upon the way in which upgrades are carried out, with a particular focus on mitigating the impact to business and the surrounding community.

The results of the survey will also enable Heart of the City to specifically confirm the level of support for a future upgrade of High Street to be represented to Auckland Council.

Methodology

- In March 2015, an online survey was sent out to 385 businesses and property owners in the High Street District. Face to face meetings were also offered to all participants.
- The survey was resent in June 2015, providing the opportunity for those businesses and property owners who did not complete it in March to do so, and to circulate wider throughout the community.
- The database was extracted from the Heart of the City membership database along with additional businesses located in O'Connell Street who sit outside of the formal Heart of the City boundary.
- A total of 98, or 25%, of business and property owners completed the survey (96 in March and a further two in June).
- We asked that the owner or nominated representative completed the survey.
- For the purpose of reporting all respondents, property owners, businesses or tenants are referred to as 'businesses' in this report unless otherwise specified.

Respondent Profile

79 (80%) identified as businesses or tenants and 19 (19%) identified as property owners. The majority of respondents were located or owned property in High Street; with some holding multiple tenancies throughout the district.

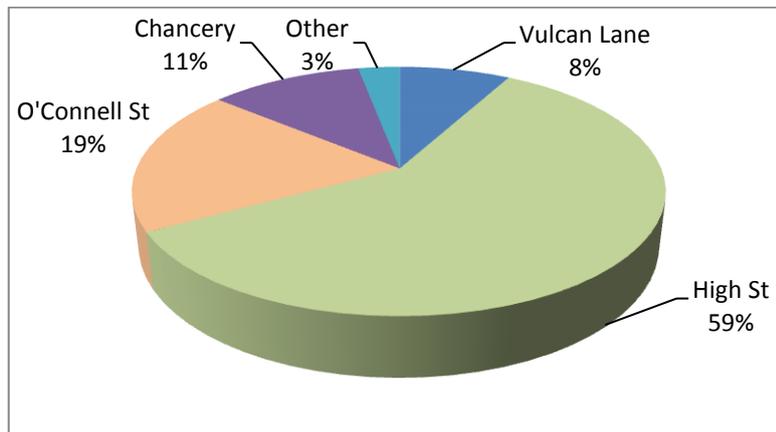


Figure one: Location of Respondents in High Street District, Base = 100

Executive Summary/Key Findings

This report presents the views of 98 businesses and property owners in the High Street area who responded to the survey. It does not represent the view of all businesses and property owners in the area. Ongoing engagement will need to be carried out with businesses and property owners in the area as part of any future planning and projects in the area.

The majority of businesses (76) who responded to the survey agreed that there are benefits of investment into public spaces on their businesses and the surrounding environment.

When specifically asked about their overall views and impressions of the recently completed O'Connell Street upgrade, 69 of the 98 businesses who responded to the survey, were overall positive about the O'Connell Street upgrade, with a range of comments expressing the benefits and value of the upgrade on businesses and the environment. All but one of the O'Connell Street businesses who responded to the survey were overall positive about the upgrade. One business said that the project was *"Superb. Stunning. My command of the English language is insufficient to describe how good it is. Outstanding. Simply the best. Better than all the rest."*

There were six businesses that were overall negative about the O'Connell Street upgrade (of which one was located in O'Connell Street).

When asked about a future upgrade of High Street, 60 businesses said that they would support an upgrade of High Street. Whilst nine did not support a proposed upgrade of High Street, and a further five businesses said they would "maybe" support an upgrade of High Street.

O'Connell Street upgrade

Overall outcomes

- **69 of the 98 High Street District businesses who responded to the survey were overall positive about the O'Connell Street upgrade, including all but one of the O'Connell Street businesses who responded to the survey.**
- The majority of comments from these businesses talked about the new street being “simply excellent” or that “they loved it”, as well a number of comments talking about the value of the new street being more pedestrian friendly, functioning better, adding value to the area and positive for business.

One property owner noted: *“Superb. Stunning. My command of the English language is insufficient to describe how good it is. Outstanding. Simply the best. Better than all the rest.”*

Another business owner said *“Looks great! The area is already benefitting from more people, new businesses (especially much needed and successful eateries) and an international vibe. The flow on effect for High St is already great.”*

- **Overall, six of the 98 businesses who responded to the survey were not favourable about the upgrade.** Comments around the loss of parking, the overall negative outcome, suitability of shared space for the street and the impact on business supported this position.

One business owner said *“not functional for this area. no half hour parking for people to shop/pickup goods. was better and busier as is [sic] was... shoppers like handy parking.”*

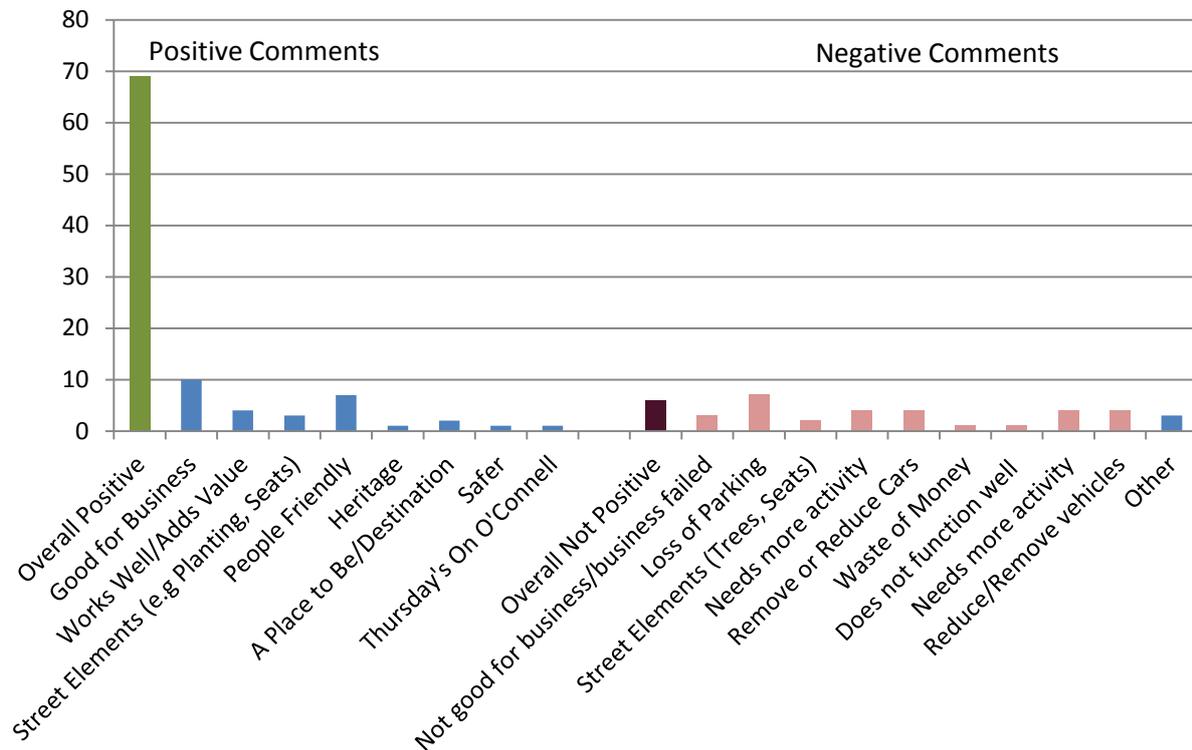


Figure two: Overall views of O'Connell Street Upgrade, Base = 98 respondents, and a total of 132 comments.

- 76 businesses and property owners in the area who responded to the survey can see the value of public sector investment on their businesses, properties and the wider environment.

Parking and loading

Views as to whether there was any impact from the loss of parking on O'Connell Street on businesses and the surrounding environment was relatively even. The majority of businesses said that there had not been an impact from the change in loading restrictions on the street to their business and/or surrounding environment. Businesses offered a number of ideas to ensure the ongoing success of the street including traffic by reducing or even permanently closing the street, as well as greater marketing, event and promotion of the street and upgrading surrounding streets.

- Up to 25 businesses who responded to the survey said that there had not been an impact from the loss of parking on their business or the surrounding district, and up to ten businesses said that there had been no change.
- Up to 25 businesses who responded to the survey said that there had been an impact to their businesses and/or the surrounding district from the loss of parking on O'Connell Street, saying that it had put more pressure on High Street, including an increase in contractors vans and was frustrating for customers.

- Up to 32 businesses said that there had not been any impact to their businesses or surrounding district from the changes made to loading on O’Connell Street, up to ten businesses said there had been no change, and up to nine businesses said there had.

Construction impact

The impact of construction on the street and surrounding businesses (to a lesser extent) is a concern. A number of businesses closed down during the upgrade; however it is not clear as to whether the upgrade contributed to this closure¹. Eleven businesses (including property owners) who responded to the survey, located in O’Connell Street, said that there was a lot of or some impact from the construction works (64% of those who responded to the survey). A loss of revenue over the period of time was largely attributed to a reduction in foot traffic, and it was the long length of time of the works that most felt was the biggest issue for the works. Many businesses recommended 24/7 and/or night works to reduce the length of time of construction and therefore reduce the overall impact of the works.

All but one of the property owners who had tenants close down during the works, and one of the businesses who closed during the works and who responded to the survey, were overall positive about the upgrade and the benefit that these kinds of projects bring to the city centre.

- The feedback highlights the importance of planning for and mitigating the impact of construction works particularly in a similar constrained environment, like High Street.
- Whilst 73% of businesses who responded to the survey said that the construction was what they had expected, eleven of O’Connell Street businesses who responded to the survey said that there was a lot of or some impact from the construction works.

¹ This is based on the responses received through the survey. There have been varying reports of the numbers of businesses that closed down on O’Connell Street as a result of the upgrade. We have not been able to quantify this number.

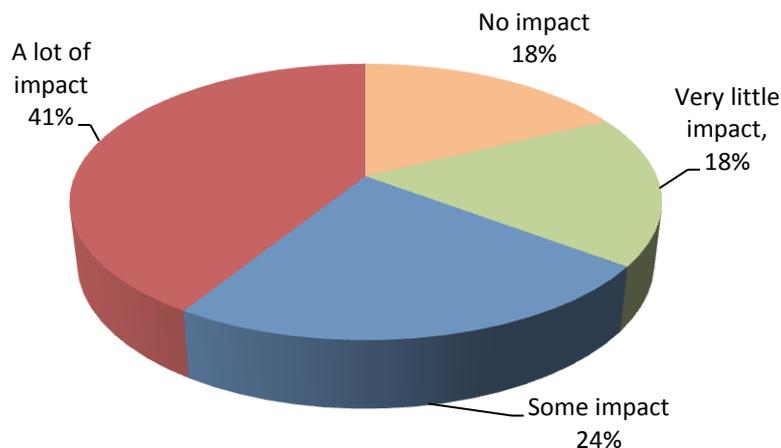


Figure six: O'Connell Street Businesses: Impact of Construction Activity on Business, base number= 17

- 18 businesses said that they had experienced a reduction in turnover/loss of revenue, of varying degree during the period of construction.
- At least two businesses in O'Connell Street closed down during the upgrade, and one closed in early 2015, all citing impact from the upgrade as the reason for their departure. (NB. This is based on the responses received through the survey. There have been reports of varying numbers of businesses that closed down on O'Connell Street as a result of the upgrade. We have not been able to quantify this number).
- A number of businesses who responded to the survey suggested that the impact of construction could be lessened by undertaking 24/7 or night works.
- Whilst many businesses didn't know how they could be better prepared to cope with construction, better and more informed communication was the main way identified as a way of assisting businesses during the process.

Business Performance

We asked businesses in O'Connell Street about how their business has been performing since the upgrade's completion. One businesses attributed the street's upgrade to their 'above average' performance since August, and another one businesses attributed the upgrade to a 'below average' performance.

The Future of High Street

- 60 businesses said that they support the proposal to invest a further \$15M into the High Street area, including an upgrade of High Street. Of the comments received, many businesses commented about the need for High Street to become more pedestrian friendly, and cited that an upgrade would be good for businesses in the area and attract more people to the area. There were a number of comments about traffic in the area being a problem, and it being overdue for an upgrade.
- Nine businesses did not support the idea of an upgrade.

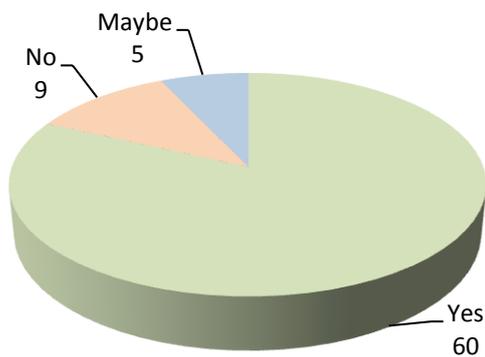


Figure 12: High Street District Support for a High Street Upgrade, Base = 74

- 41 businesses said that they would support an upgrade of High Street if it was similar to the O’Connell Street upgrade, i.e. a shared space. The overall improvement for pedestrians and the environment, and making it easier for vehicle access were some of the main reasons for support.
- 18 businesses said that they would not support an upgrade of High Street if it was to be a shared space like O’Connell Street.
- A further seven businesses said that they may support a shared space. The major concern was the impact from the loss of parking, others who weren’t sure of whether it was the right approach, or raised doubt over the need for it to be the same as O’Connell Street along with concern around the impact of construction.
- Concern around the impact of construction was highlighted by a number of businesses, both in support and against a future upgrade of High Street. It is critical that businesses are engaged with early on in terms of the construction, including business continuity planning. Heart of the City would be best placed to assist Council with this process.
- There were a number of additional ideas for High Street – including changing the configuration of traffic (closures, reduction, reconfiguration), fixing the ‘issues’ first including contractors vans and the Victoria Street car park building (changing the retail and reconfiguring), and suggestions of around making changes to the High Street environment – such as new seating, trees or widening the footpath. There is real value in exploring some of these options in advance of or as part of the future planning for the area.
- There was some knowledge of the Ellen Melville Hall/Freyberg Square upgrade project but this was not extensive.

O’Connell Street – Overall Perceptions and Views from the District’s Businesses

The purpose of this series of questions was to get an understanding of the perceptions and feedback from businesses and property owners in the High Street District about the recent O’Connell Street shared space upgrade. The findings will offer valuable insight, and test the assumptions around the value of investing into the public sector to the private sector and more importantly provide valuable input into planning for and implementation of upgrades in the city centre in the future.

Question Three: What are your impressions and overall views of O’Connell Street now that it has been completed?

Of the 98 businesses who responded to the survey, 69 businesses overall responded positively about the new O’Connell Street shared space.

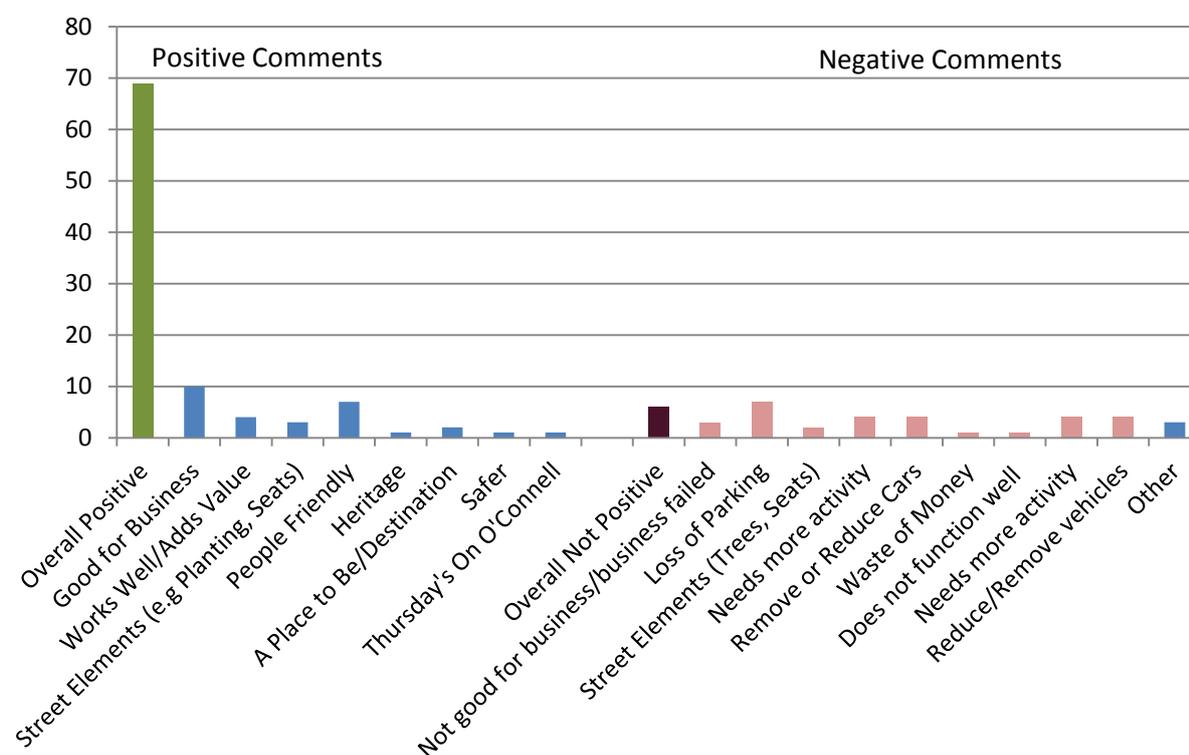


Figure one: Overall impressions about O’Connell Street, Base = 98 respondents, and a total of 132 comments.

The majority of comments talked about the new street being “simply excellent” or that they “loved it”. There was also number of comments talking about the value of the new street being more pedestrian friendly, functioning better, adding value to the area and positive for business. There were also some additional comments about the street’s upgrade adding heritage value, making it safer and now a desirable destination.

Some of the comments that illustrates this view:

“A more inviting place for pedestrians and shoppers and better environment.”

“Fabulous. At last this beautiful little street is leading what Auckland should look and feel like.”

“It looks great, and we now finally have even more people shopping in the district.”

“Great space, very favourable transformation!”

“Brilliant - go there all the time now to eat and relax. Never did before”

“It is amazing - transformed a very mediocre street with difficult parking into something quite beautiful”

“love what has been achieved, starting to get some activation”

All but one of the O’Connell Street businesses who responded to the question (19 in total) were positive overall about the completed street, including a business who shut down because of the impact that the works had on their business, *“Very well presented but my business failed as a result of the works.”*

Six businesses, including one O’Connell Street business, were not favourable or responded negatively overall about the street. Several cited that it was a waste of ratepayers money, one that it was underwhelming and wasn’t suitable for outdoor dining and supporting retail, raising concern about the overall design, and several made comments about not having enough life since the transformation. The closure of one business as a result of the upgrade was also considered to be a negative. The loss of parking was referenced by seven businesses (including those that were overall positive). One O’Connell Street business advised that they experienced significant loss of revenue during the construction period so will relocating from O’Connell Street shortly.

Several comments that illustrates this view:

“not functional for this area. no half hour parking for people to shop/pickup goods. was better and busier as is [sic] was... shoppers like handy parking/”

“Complete waste of ratepayers money “

“Very nice, but do worry about no drop in car parking for customers to quickly park and drop into a shop to pick something up”

There were also a number of comments that recommended areas for improvement (these have been categorised as ‘negative’), including:

Traffic - four comments made specific reference to traffic in the street, asking for cars to be reduced or the street to be closed off to vehicles altogether.

A comment that illustrates this view:

“much better- although cars ought to be kept out between 11 and 8 each day”

Activity in the street – several businesses commented about the need for more activity in the street to ensure the ongoing success of the street. The lack of activity was seen as a detractor by some.

A comment that supports this view is:

“too wide to make it interesting to walk in. Possibly not enough happening to make it attractive”

Question Four: Prior to its completion, did you support the idea of an upgrade for O’Connell Street?

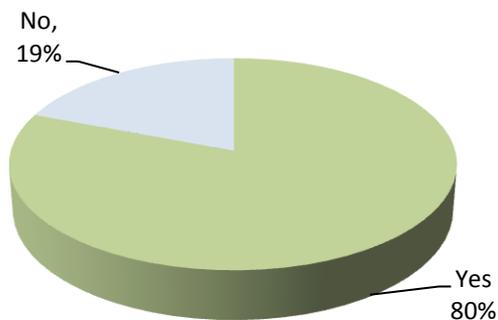


Figure two: Support for the Idea of O’Connell Street Upgrade Prior to Completion, Base = 82

Of the 82 businesses who responded the question, 66 businesses said that they supported the idea of an upgrade before its completion, and 16 businesses said they did not.

More than 50% stated that they supported the idea of an upgrade of O’Connell Street because they felt that the street was “rundown” or “unattractive” as well identifying the expected positive outcome that an upgrade would bring by making it a place for people, better for business and enabling it to compete with other areas in the city centre.

The 15 businesses who did not support the idea of an upgrade said that they weren’t convinced that street was in need of an upgrade, were not supportive of the idea of shared space as proposed, or were concerned about business disruption.

Question Five: Since its completion, has your view changed and why?

23 businesses changed their view since the upgrade completion.

Five businesses who had supported the idea of the upgrade before its completion said that their views had changed because the outcome was better than expected.

Several comments that illustrate this view:

“Why? Because I was wrong. It is better than I thought it could be”

“It is better than expected and is now a destination”

Five businesses that didn't originally support the idea of an upgrade, supported the upgrade after its completion. It appeared that their initial concerns weren't realised, with the outcome exceeding their expectations.

A comment that illustrates this view:

“Looks great. Local businesses have embraced Thursday street closures. Very pedestrian friendly.”

Nine businesses one of which was located in O'Connell Street, continued to not support the upgrade after its completion. The reasons given were that it hadn't been successful, the length of time of construction, the impact to business and the little difference it has made to the street.

A comment that illustrates this view:

“at list [sp] 9 business has closed down, and more will follow , we been on O'Connell St 8 years, and we are not going to renew our lease,during renovation and after no parking - no shoppers. New people not coming to O'Connell now, and without reinstated parking, they will not come back. Even restaurants who were for renovation now struggle (you can have only so many food outlets on one street, and not enough clients.”

One business who was open minded before the upgrade, indicated they were not favourable toward the upgrade as they weren't convinced it was bringing in additional visitors.

It was unclear as to what why the remaining four percent of businesses had changed their views, and to what do.

Question Six: Do you see the value and benefits of investment into public space for businesses/property owners in the city centre?

Of the 81 businesses who responded to the question, 76 businesses could see the benefit to business through increased visitation and an attractive environment were the main benefits associated from this kind of investment.

Some comments that support this view:

“Pedestrians are drawn to lovely spaces and that supports rate-paying businesses.”

“It improves the prosperity and success of the CBD which benefits everyone including ratepayers.”

“It encourages people to stay in the area in the leisure time which ultimately benefits consumers. The ambiance that is created differentiates the functional (office people just work here) from the purposeful (there is a reason to go there and there are things to enjoy there).”

“Makes coming to work even better!”

“Because it improves people's businesses and increases the marketability of landlord's buildings to tenants.”

Five businesses could not see the value of public space investment because of the impact from construction and the likely increase in rents which was seen as a negative from a business perspective.

A comment that supports this view:

“BECAUSE EVERY TIME IT IS DONE IT DEFLECTS MORE CUSTOMERS FROM VISITING THE CITY. ALSO ALL THE GRIEF OF THE "MAKE-OVER IS WORN BY THE TRADERS AND NOT THE RESIDENTS. IF IT WAS LONDON OR NEW YORK CONTRACTORS GO 24/7 AND EVERYONE SHARES THE IMPACT. WE HAVE NOT NEVER GOT CUSTOMERS BACK FROM THE 2008 QUEEN STREET MAKE-OVER.”

Question 19: Is there anything else that could be done to ensure the street's success?

44 businesses offered suggestions for the ongoing success of the street.

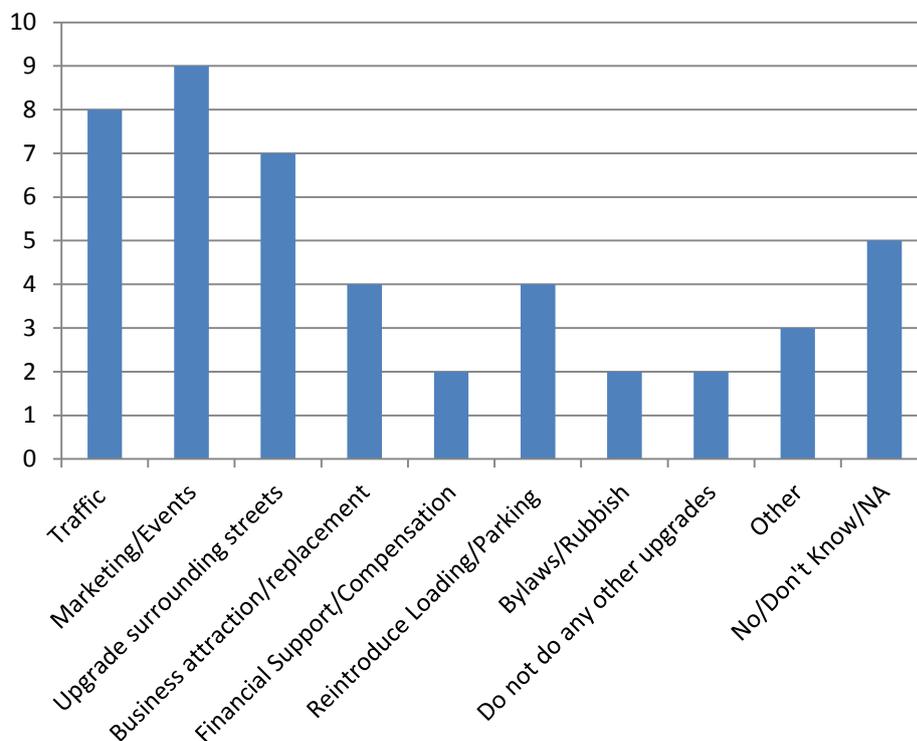


Figure three: Respondents suggestions for the ongoing success of the street, Base = 44

The four key themes that emerged were:

Address traffic issues - nine businesses commented that the volume and/or speed of traffic through the street were having a negative impact on the new and improved environment. They made a number of suggestions to address this including: reducing traffic speeds, and/or closing the road to traffic permanently along with enforcement around illegal parking.

Some comments that illustrate this view:

“Too much traffic still travelling through the road and travelling too fast. Needs to be a say 20 kmph limit.”

“We are loving the Thursday closures. One thing that has been a problem is the cars that are driving too fast as if it is still a street. They do not recognise it is a shared walking space too. Plus the vans/cars parking there are annoying. Thursday's are a pleasure. It would be great if it was permanently closed to traffic.”

“Fill vacant tenancies, maybe with popups, arts events? Police illegal parking, especially of commercial vehicles after 11 am.”

Activity, marketing and promotion – eight businesses suggested that the area would benefit from increased marketing, events, promotion or artworks. Some commented about the value of the recent ‘Thursday’s on O’Connell’ event.

Several comments that illustrate this view:

“Yes, close the street to traffic during afternoons so that restaurants can put tables etc outside. Also on weekends do the same - create a festival type atmosphere there.”

“Needs more promotion.”

“More activities to help with foot traffic. Could also help by bringing in good tenants that attract clientele such as restaurants or bars for nights.”

Upgrade the surrounding area – seven businesses said that ongoing success would come from upgrading the surrounding area.

A comment that illustrates this view:

“Carry on with High Street and Shortland Street - create network of shared spaces.”

Business attraction – there were a few suggestions that effort should be made in looking to replace the existing tenancies closed during construction or attract new, better businesses to the street.

A comment that illustrates this view:

“Better cafes - better stores - more attractions for people to be pulled in that direction as it doesn't have much going on. Karen Walker being there used to be great but everything is moving further away.”

There were also few comments around compensation for businesses given the impact during construction, the reintroduction of parking and/or loading zones and looking at improving some of the rules around enforcing rubbish and street trading. There were also a few comments that indicated that they did not want further construction activity in adjacent streets.

“O’Connell St work (now completed) is great. However retailers on O’Connell St really struggled and the AC should have provided rates relief to the tenants during construction.”

“Re-introduction of 1-2 loading zones/bays would be very helpful.” [They did not qualify if they meant day loading].

Communication and Consultation

Question seven: How did you find the level of communication and support from Auckland Council/Auckland Transport?

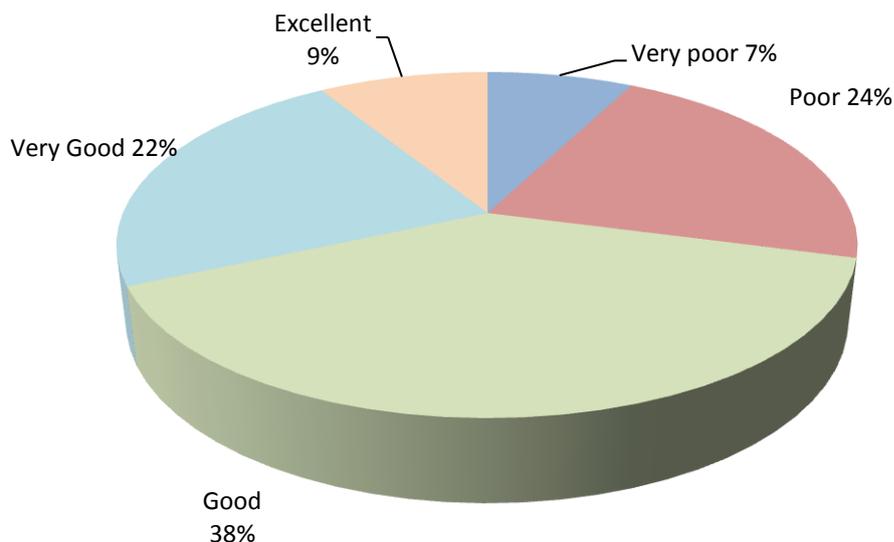


Figure four: Rating of Communication and Support from Auckland Council, Base number = 81

69% of businesses who responded to the question indicated that the level of communication and support from Auckland Council and Auckland Transport was good, very good or excellent.

Question eight: What, if anything, could have been done better?

Ten businesses indicated that the consultation process would be improved, suggesting earlier and broader consultation, with some indicating that it felt like a fait accompli. A number of businesses said that the communication process could be improved including better signage and more planning, more regular communications to assist people planning.

We understand that Council largely limited their communications during the project to the immediate O’Connell Street area. The majority of concerns raised about the consultation and communication process were from businesses outside of O’Connell Street. This highlights the importance of including a broader area of businesses in project communication and engagement processes.

Construction Impact

We wanted to understand what kind of impact, if any, the construction activity had on the businesses in the area and were particularly interested to understand how this impacted to those in the immediate O’Connell Street area versus the wider High Street area.

Question nine: Did the construction activity have any impact on your business?

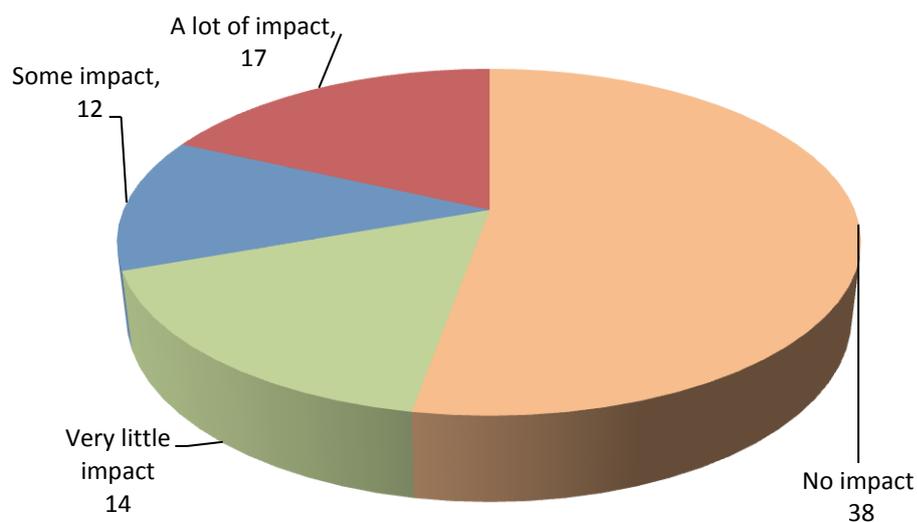


Figure five: Impact of Construction Activity on High Street District Businesses, Base number =81

48 businesses in the wider High Street area said that construction activity had no or very little impact on their business. 18 businesses indicated that there was some or a lot of impact from the construction activity.

11 O’Connell Street businesses, who responded to the survey, indicated that there was a lot of or some impact from the construction works (this includes some property owners who have tenants on the street). One of these businesses that responded was forced to close as a result of the upgrade, with another planning to close their business down shortly, citing the upgrade as the reason for this. Four businesses indicated that there was no or very little impact. Two property owners on O’Connell Street advised that their tenants had closed down during the works, with one being one of the businesses who responded to our survey, and an additional business, who were not available to respond to the survey².

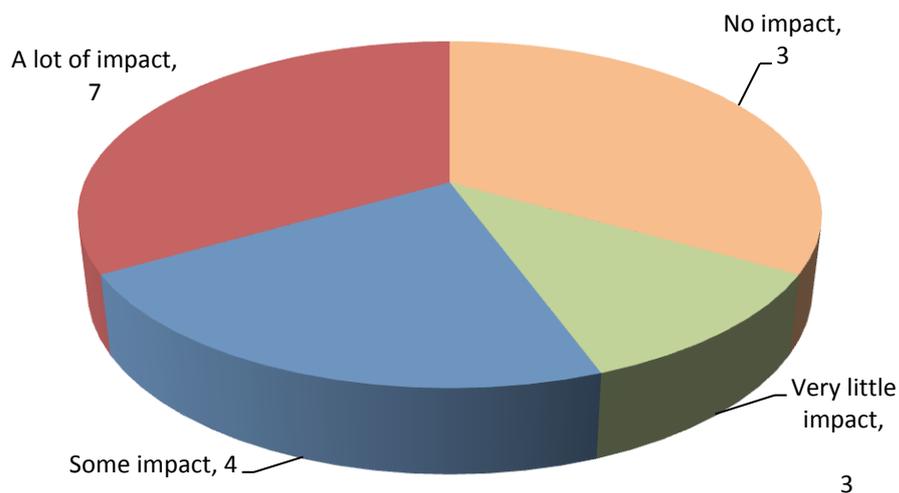


Figure six: O’Connell Street Businesses: Impact of Construction Activity on Business, base number = nine

Question 10: Please describe the nature of the impact

38 businesses commented about the nature of the impact. Four key themes emerged - reduction in turn over, impact on the environment, parking and loading for business along with access for both vehicles and pedestrians.

² This is based on the responses received through the survey. There have been varying reports of the numbers of businesses that closed down on O’Connell Street as a result of the upgrade. We have not been able to quantify this number.

Reduction in Turnover - Of the 38 businesses who commented, 18 described that over the period of construction they had experienced a reduction in turnover/loss of revenue of varying degree. This was largely attributed to less foot traffic, less customers, along with actual or perceived restriction in access to the area. The comments suggest that a reduction in turnover was felt beyond the immediate O'Connell Street area.

Some comments that illustrate this view:

"it killed restaurant trade at lunch times in particular."

"Obvious reduction in foot traffic which was expected and unavoidable given the scale of the works."

"Low foot traffic - we actually moved our shop to High Street to stay alive."

"The road works killed my business for at least 5 month."

"Impact to retail in general in the area. Less so for High St - but some flow on impact from the O'Connell St works."

Environmental Impact - Eight businesses commented around the impact on the environment – primarily from noise and dust, rubbish and 'general construction activity' (trucks etc).

Some comments that illustrate this view:

"Trucks parked in front of store during business hours. Volume of noise, mess and rubbish around during construction and confusion for pedestrians as to safe walking areas"

"The noise was horrific in the context of a business that needs quiet for effective operation. Using post 5pm times for particularly noisy activities was appreciated"

"hard [sic] with clients had to meet them elsewhere. I got sore throats from all the dust and very sore ears. I had to wear ear muffs sitting at my desk."

Parking, Loading and Business servicing – Six businesses identified that restrictions to parking and loading in the area because of the construction activity had an impact on their business.

Several comments that illustrate this view:

"We had delays on deliveries as drivers struggled to get parking in the area. Customers coming to us from Shortland St said on rainy days they couldn't be bothered coming around all closed streets so stayed closer to where they worked."

“Our customers love our district usually because they can park quickly and easily for a quick visit. This was impossible during the construction, which we anticipated, however we did not expect it would take so long to be completed.”

Pedestrian and Vehicle Access - Six businesses raised concern with restricted or difficult access to the area (perceived and actual), though the level of restriction was varied. Several businesses were positive about the construction and the ability to access the area during the works.

Some comments that illustrate this view:

“Volume of noise, mess and rubbish around during construction and confusion for pedestrians as to safe walking areas”

“I felt that it was handled brilliantly. There was never a day that we couldn't walk up and down and the actual builders were very helpful if we had parcels etc to carry - they were very nice men.”

Question 11: Was the construction what you expected?

We wanted to understand if businesses in the area anticipated what construction activity would be like. **Of the 75 businesses who responded to this question, 55 said that the construction was what they expected, and 20 said it wasn't what they expected.**

The long length of time of the construction was the main reason for expectations not being met. Some of the other comments related to the level of 'invasiveness'. One business commented it was better than expected.

Question 12: Is there anything that could have been done differently?

A large number of businesses made suggestions about what could be done differently to improve the experience and impact during the construction.

The majority of comments suggested shortening the construction period and many suggested this could be achieved by undertaking 24/7 or night works. Other suggestions included undertaking 'noisy' works in the evening at a time when it was perceived to affect the least amount of business ('stakeholders') in the area.

Some comments that illustrate this view:

“I think working later/night and weekends would have sped the process up significantly. I understand that would have negatively impacted DeBretts Hotel but retailers suffered with the daytime works...a reduction in the overall timeline benefits all.”

“Should not have started until a comprehensive plan for the entire area had been finalized, and then should have proceeded 24/7, or as close as possible, under lights, as they do in any other major world city to expedite the project & minimize the impact on businesses in the area.”

In addition, there were a number of comments related to **improving the environment for pedestrians from an access and safety perspective.**

Several businesses commented that the works had been managed very well.

Question 13: Could you have been better prepared to cope with the construction period?

We wanted to understand how businesses could be better equipped to deal with street upgrades, so asked them how what they could have done differently.

69 businesses who responded to the question, 12 businesses indicated that they could have been better prepared to cope with the construction period, and a further 22 didn't know if they could have been better prepared.

The key areas that business identified would have assisted them in being better prepared to cope with construction was being more informed, including being notified about noise and timeframes – along with more detail about what to expect i.e. photos that shows the construction process, earlier communications and assistance with unforeseen losses.

Business Performance

We wanted to get a better understanding how businesses have been performing in the area and evaluate to what extent the upgrade may have contributed to their results.

Question 14: Overall how has your business been performing since August last year (2014)?

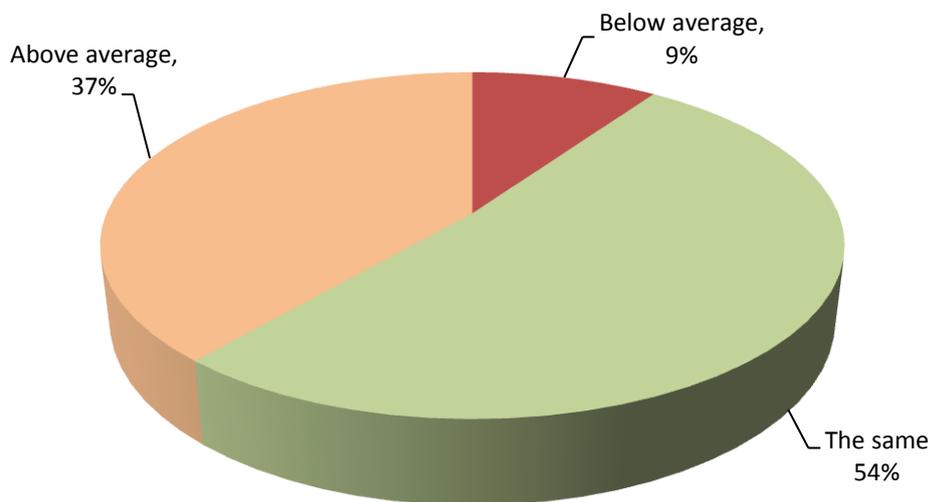


Figure seven: Overall Business Performance since August 2014, Base number = 68

14 O'Connell Street businesses who responded to the question, one reported that business performance had been above average since August. The majority reported that business was 'the same' with one reporting below average performance.

Question 15: Can you attribute the street's upgrade to that?

Of the 71 businesses who responded, 46 didn't believe that their performance was related to the street's upgrade, 10 did, and 15 said 'maybe'.

In O'Connell Street:

- One business attributed the street's upgrade to their 'above average' performance since August
- One business attributed the upgrade to a 'below average' performance.

Those who attributed the street's upgrade to their above average performance noted that the upgrade wasn't the sole reason for this result.

Q16: What has been the feedback from your customers?

25 of the 44 businesses that responded to the question, reported favourable comments from their customers about the overall look, feel and experience of the street.

Several comments that supports this view:

“They enjoy coming to our office and the much improved CBD streetscape experience.”

“Our tenants are very favourable.”

“Everyone enjoys the street now that it is open again.”

There were a small number of businesses whose customers has passed on negative comments about the street, mostly relating to a reduction in foot traffic and car parking.

A comment that support this view is:

“The street is nice but a waste of space where a few carparks could be.”

Q17a: Year on Year, how has your spending and transactions being in the six months following the completion? December Quarter (Oct, Nov, Dec)

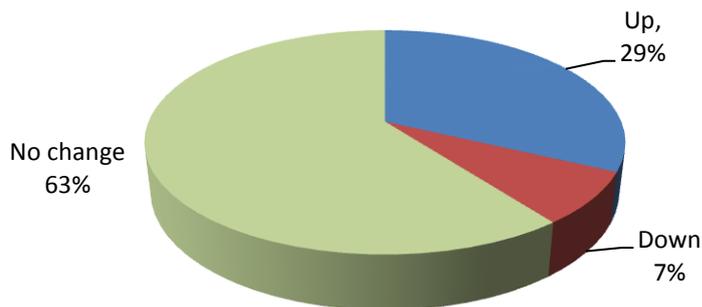


Figure eight: December Quarter Year of Year Performance, base= 58 businesses

The December quarter saw 63% of business reporting no change year on year, with 29% up year on year, and seven percent of businesses down year on year.

Question 17b: Quarter One 2015 (so far) *(survey was carried out in March so full Quarter was not yet completed).

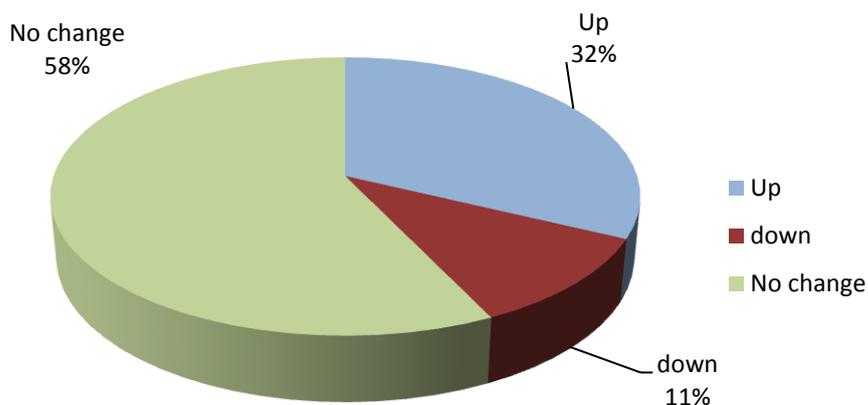


Figure nine: Quarter One Year on Year Performance, Base = 57 businesses

Question 18: What is your business outlook for the next 12 months?

Of the 59 businesses that responded to the question:

- 39 were positive
- 18 were neutral
- Two were negative

Parking and Loading

The biggest functional change to the O’Connell Street environment through the shared space upgrade was the removal of all on street carparking, and a restriction to loading on the street to between 6am and 11am.

Additional all day loading zones were added in adjacent streets - Shortland Street and Chancery Street.

We wanted to understand businesses views around the impact that these changes had made on their own businesses or tenants and the surrounding environs.

Question 20: Has there been any impact from the removal of carparks in O’Connell street?

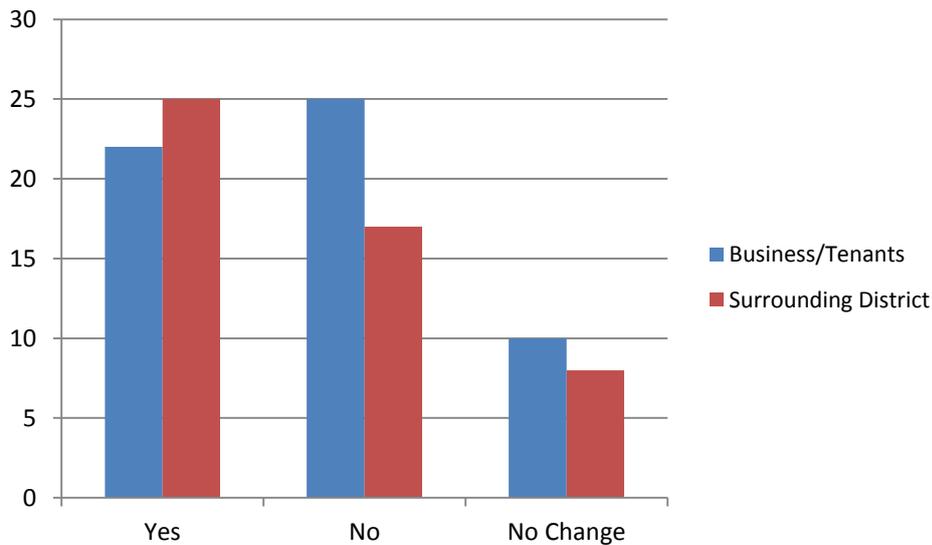


Figure Ten: Impact of Removal of Parking on Business/Tenants and Surrounding District, Base = 57 and 50

Up to 25 businesses said that there was an impact on businesses and/or surrounding district some said that there was now a much higher demand for parking on High Street than there was previously, there were less parks, making it more difficult to find parks and frustrating for some customers. There were several comments about the vast number of contractors vans on High Street.

Several comments that support this view:

Just impact in the weekend. This is largely perception based not the reality."

"Feel our customers can't just drop in and pick up."

"Carparks on High St being used more often"

Up to 25 businesses said there wasn't an impact on businesses and/or the surrounding district.

There were only several comments that support this view.

A comment that supports this view:

"Not to my knowledge. A ticket is as cheap as being charged by one of the Wilson's carparks."

Up to ten businesses said that there was no change.

A comment that supports this view:

“Public transport is only getting better and for gods sake, every other city in the world you can't drive and park anywhere - we need to grow up and get real!”

Question 20c: Any impact from loading changes (restricted to before 11am in O'Connell Street, with some additional loading zones in the area)?

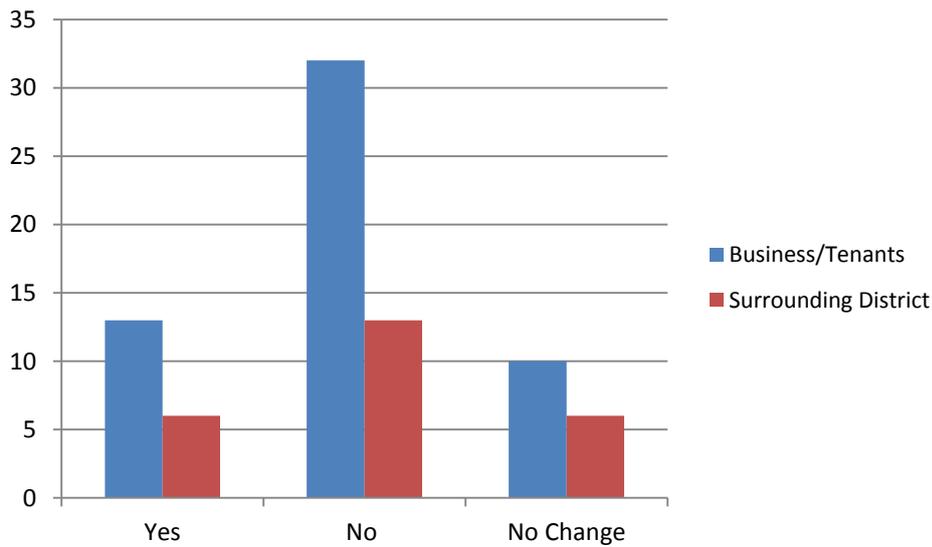


Figure 11: Impact of Loading Changes on Business/Tenants and Surrounding District, Base = 55 and 25

Up to 32 businesses said that the change in loading restrictions hadn't had any impact on their businesses and/or surrounding district.

Several comments that support this view:

“almost all my delivery are early morning and for the other there is spaces in shortland and chancery st during the day.”

“hopefully we have all adjusted to deal with the changes.”

Up to 13 businesses said that there was an impact on businesses and/or surrounding district.

Several comments that support this view:

“I have a bit of trouble dropping things in - I have to park up on the curb outside our shop”

“Loss of loading bays/zones continues to be difficult”

Up to ten businesses said that there was no change.

Section Two: Property Owners

We wanted to understand the specific views of property owners in the area, particularly around how the upgrade may or may not inform their future decisions around tenancies and investment in their buildings. We also wanted to understand what impact if any the upgrade had on their tenants and how they supported them through the construction period.

19 property owners came back with specific feedback, of which four owned property in O'Connell Street.

Question 22: Have you seen, or can you foresee the benefit of this kind of investment to your property? (I.e. increased rentals)

17 could see the benefit of public sector investment on their property, including bringing customers to their retail tenants, mostly from maintaining and increasing rentals and demand as well as addressing the 'pull' from other areas that the High Street District is experiencing and adding value to their property because of increased amenity of the public space.

Some of the comments that support this view are:

"Chancery Street is in desperate need of improvement as is Fryberg Square. It would help draw customers to the retail businesses. (Not us)."

"Happier tenants and ultimately full market rates of rentals."

"Increased rents and a better quality tenant mix over time."

"Increased rentals and more demand- definitely."

"we are expecting increased rentals but not as yet."

Two property owners indicated that they couldn't see the benefit but did not offer specific comment that supported this view.

Question 23: Have you made, or are you planning to make any changes to your property as a result of the upgrade? If so, what are they?

Of the 18 property owners, two (one in High Street and one in Chancery) advised that they have made or are planning to make changes, including making landscaping changes and a marketing plan to attract new tenants and upgrade of the building.

Question 24: Has the upgrade influenced or changed your intention around tenancy mix.

Of the 14 responses, four said that it had influenced their tenancy mix, seven said it hadn't and three said not yet. One property owner stated that *"The upgrade provides the environment to attract better quality tenants."*

Q25: Did any of your tenants leave or close down during the upgrade. What was the reason for them leaving?

Of the property owners who responded to the survey, three (two located in O'Connell Street) advised that their tenants had closed down during the period of the upgrade. The number of tenancies affected was not quantified.

One O'Connell Street property owner advised that one of their tenants closed down due to lack of patronage. They also provided a 25% reduction in rent for one of their restaurant tenancies during the course of the upgrade. They are positive overall about the upgrade despite the impact that the upgrade had on their tenants and their own lost revenue.

Another property owner located in O'Connell Street advised that their retail tenant(s) also closed down during the period of the upgrade, because of a "huge reduction on people shopping and dining during the upgrade, they can't survive anymore". They also provided rent reductions to other tenants during the period.

Both O'Connell Street property owners were favourable about the overall upgrade of O'Connell Street as well as future upgrades in the area.

One property owner located in High Street advised that their tenant had closed down during the period of the upgrade.

Q26: What did you do to support your businesses during the upgrade?

Several property owners located in O'Connell Street advised that they provided reduced or free rent to tenancies over the period of the construction, and another supported their tenancies "just as usual" by purchasing from their tenancies.

Heart of the City's Role

We wanted to understand from businesses what Heart of the City could do to support businesses during upgrade projects.

Question 27: How do you think Heart of the City can support businesses through the upgrade process? (Before, during and after)

The main areas of support suggested were:

- **Communication to businesses** – keep them informed of progress, what’s going on and keep in touch
- **Advocacy** - encouraging and ensuring that Council carry out good consultation and communication processes and best practice construction management to ensure impact to business is minimised – including length of time, access and signage.
- **Assisting businesses** particularly with continuity planning, and marketing, promotion and events of the area during and after construction.
- **Seek and represent HOTCity Members** views to represent to Council and others.

Section Three: The Future of High Street

Question 28: Council have proposed to invest a further \$15M of the City Centre Targeted Rate into the High Street area within its 10 year plan, which would include an upgrade of High Street. Do you support this?

Of the **74** businesses that responded to the question:

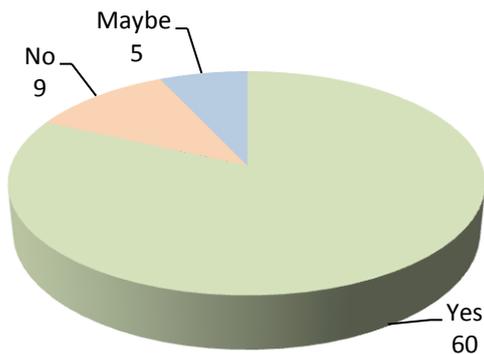


Figure 12: High Street District Support for a High Street Upgrade, Base = 74

60 businesses indicated that they support the proposal.

Of the comments received, many businesses commented about the need for High Street to become more pedestrian friendly, and cited that an upgrade would be good for businesses in the area and attract more people to the area. There were a number of comments about traffic in the area being a problem, and it being overdue for an upgrade.

Some of the comments that support this view:

“High Street is one of Akld’s oldest most character-filled streets. It deserves to be improved, not just maintained.”

“Very narrow road so would benefit from becoming a shared space or at least some change as to how it operates. Queen has had a lot of change in terms of business lately and an upgrade could attract more business and customers to the area.”

“High Street has loads of pedestrian traffic, and vehicle through traffic - making it a dodgy pedestrian area. Like O’Connell St it would benefit from being more people friendly.”

“Don’t like the clogged environment. Ban cars from parking on the street, but leave loading. But construction is a major concern and it will have a significant impact on the smaller retailers in the area. I will not be able to live through it. Need four or five years plan to be able plan for this and certainty (with an exit strategy) as I will close down if this happens.”

“Improve our business and sales.”

“High Street is a wonderful part of HOTC - any upgrades would help to keep it's iconic status of cute shops in a cool little area.”

One business whilst supporting the idea of an upgrade, raised serious concern around the impact of construction and advised that they would need adequate notice of the project to plan their exit strategy.

Five businesses indicated that they may support an upgrade of the area. The comments indicate this position was based on an uncertainty of what the ‘scope’ of the works would be.

Several comments that support this view:

“depends what you wanna do, make it like O'Connell than no, make it wider than yes.”

“It is totally dependent on the scope of the upgrade, if it aims to retain the current parking amenities and street usage then in theory yes, but given that High street has been upgraded already we question the need for any further spending and disruption. It isn't broken and does not require fixing.”

“Generally I'm in favour. It's a matter of making sure the Council gets value for money.”

Nine businesses said that they did not support this proposal. Several businesses said that they would not renew their lease, or would want enough notice of any planned upgrade to allow them to plan their exit strategy.

Several of the comments that illustrate this view are:

“To noisy.”

“As mentioned above - In 2000 we nearly went broke when the closed the street for months. We are all trying to recover after the GFC, we do not need to lose all our patrons again.”

“I do not want more shared space and its parking limitations and I do not want the severe interruption to trading.”

Question 29: Would you support an upgrade of High Street if it was similar to the O'Connell Street upgrade (i.e. a shared space)?

Of the **66** businesses that responded to the question:

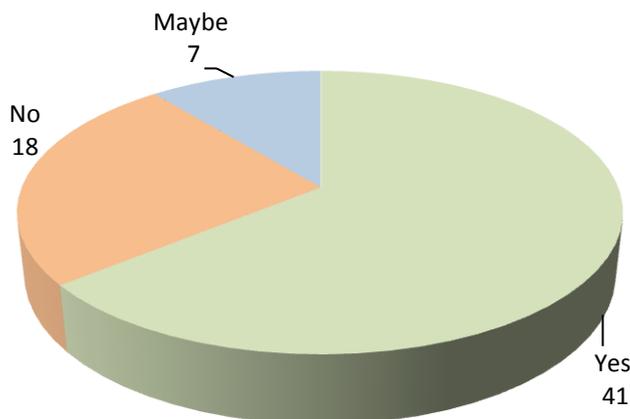


Figure 13: High Street District Businesses Support for a High Street Upgrade Similar to O’Connell Street (i.e a Shared Space); Base = 66

41 businesses said that they would support an upgrade of High Street if it was similar to the O’Connell Street upgrade, i.e. a shared space.

The reasons for supporting a shared space in High Street were the overall improvements to be gained particularly for pedestrians, as well as improving the traffic flow. It was noted that shared space still made provision for access and loading for businesses. Several commented about the need for the retention of parking, even in a shared spaces street.

Some of the comments that supported this view:

“Shared spaces are incredibly pleasant for pedestrians and cyclists to use, whilst still supporting cars and delivery vehicles.”

“It would reduce car impact but make strolling the street more attractive and would attract better tenants.”

“Only issue would be parking and deliveries as both are essential to operate business.”

“Would be amazing but would have to find a way to still give sufficient parking”.

“Still with some parks. make sure it is done and completed in winter.”

18 businesses said that they would not support an upgrade of High Street if it was for a shared space like O’Connell Street. The main reason for this was the loss of carparking, along with the impact of construction, the overall negative outcome that it would bring, and it not supporting retail (it was noted that shared space works better for hospitality).

Some comments that support this view:

“There must be parking. No parking and the business's [sic] will die. There is congestion in High st now which is not a bad thing it just shows that a massive amount of people continue to use cars to get where they want to. They need to have places to park cars”

“The process & result would be disastrous and would most likely herald the end of Auckland's last remaining historic, heritage street front shopping precinct.”

“That works for O'Connell where the tenancies are mainly restaurants and bars. We feel it would kill High Street trade - the vibrancy of the street would be lost.”

“We feel that there needs to be one street at least for the area that delivery vehicles can come and go all day from to supply the local businesses.”

Seven businesses indicated that they may support a shared space upgrade. Some of the comments suggested that carparking should be retained, and raised doubt over the need for it to be the “same” as O'Connell Street along with some concern about the impact of construction.

Some comments that illustrate this view:

“But does it needs to be exactly the same as O'Connell street - took so long and will be impossible in terms of impact.”

“the loss of carparks and the street brick layout looks nice.”

“not sure if that is the answer ,I would like to know if there any other options rather than shared space.”

Question 30: Any other ideas or comments about High Street?

37 businesses offered additional thoughts about the High Street area, and these are summarised in figure 14 below.

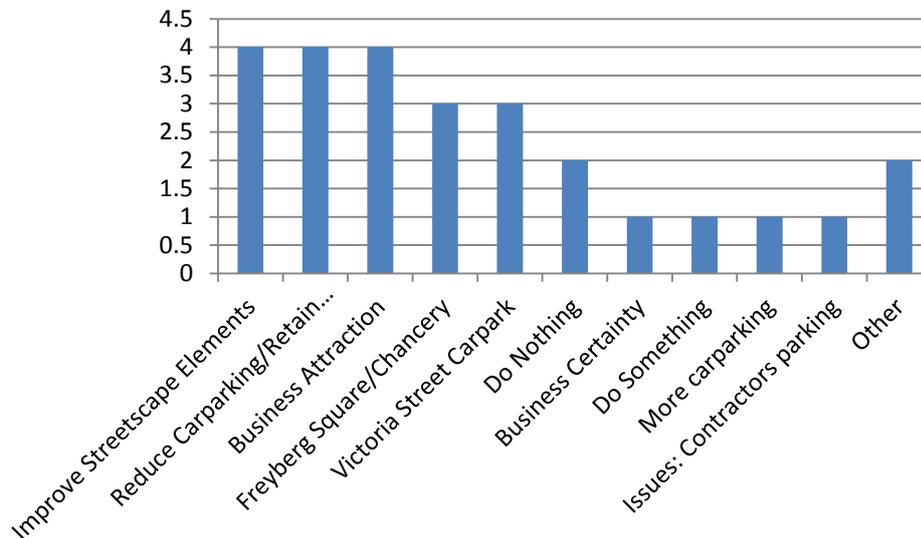


Figure 14: Additional Ideas/Comments about High Street, Base = 37

Traffic - Eight businesses made comments about traffic, ranging from closing (pedestrianising) High Street, or reducing or restricting traffic, or amending the configuration of the street in some way to improve the overall environment. Four comments were also made about removing or reducing carparking in the street – but retaining loading. Another business suggested that more carparking was required.

Some comments that illustrate this view:

“Vehicle access to north half of High Street only. From City Carpark down to Square have closed to vehicles during retail hours.”

“Make it all loading zones not short term parking - there is a car park for that.”

“It needs to have traffic.. far more than O’Connell Street.”

“It should be limited to service vehicles only. Footpaths are too narrow for the amount of foot traffic.”

Fix the issues first – A number of businesses suggested that it was important to focus on “fixing the issues” first which included contractor’s parking in the street, as well the narrow footpaths, clogged streets due to cars looking for carparks and the Victoria Street carpark.

Several other businesses also raised the Victoria Street carpark as an issue and an opportunity – closing off the vehicle access from High Street – and amending the retail offering to better reflect the area.

“A key action is for the council to upgrade the retail on its parking building.”

Streetscape elements - Four comments were made about streetscapes elements - new seating, trees, widening footpaths and artwork suggesting these would be make a positive difference to High Street, as well as the need to upgrade Freyberg Square and Chancery.

“Wider footpaths, cut parks.”

“Freyberg Square needs a makeover. It is very tired. Despite that it is one of the CBD's most popular pedestrian spaces.”

Several businesses also suggested that nothing should be done – the impact is too high and the benefit negligible, reiterating their concern if this did happen.

“In my 30 years in retail I've seen many upgrades in streets. The upgrade usually consists of paving seating and taking out the carparks with the idea of making it more pedestrian friendly. The majority of these fail as it decreases foot traffic because the public feel they can't get close enough (by car) to the store they want visit. The resulting downturn creates churn in business's and lower rents attracting low grade retail and undesirables to go with it.”

“I am very worried about this make-over happening and there fore I am not renewing my lease for another 4 years until I know outcome.”

Question 31: Ellen Melville Hall and Freyberg Square Redevelopment

46 businesses who responded to the question were not aware of the project. 20 businesses were.

A few comments were made about the project. Several comments were overall positive about the need for the Square to be upgraded. Several other comments questioned the rationale for a 'community centre' in the area, and several other comments identified that they felt that the project would need to be integrated into the wider plans for the area.

The lack of knowledge around this project highlights the need for a great level of visibility to be given to this important project which is being planned for implementation in 2016.

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