



HEART OF THE CITY

Annual Report 2014





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A letter from our Chair

Auckland's City Centre's significance and role in the New Zealand economy continues to increase, with a belief from city businesses about its future. Spending was up 7.5% on same time last year, vacancy rates are at their lowest vs long term averages, and pedestrian counts continue to increase. In the last 12 months, Heart of the City has delivered many positive achievements and milestones. Most importantly we have delivered some real results for our membership across all areas of our work - advocacy, centre management, marketing and events. The city continues to transform into a sophisticated downtown that hums and is where people want to be. We are proud of our contribution to its development.

A few of the highlights have been our leap forward in promoting the city centre in a new partnership with Council organisation ATEED, with the 'AKL - The Show Never Stops' platform; our significant advocacy programme including the participation in the Unitary Plan process; projects around safety and parking that look to improve the real and perceived experience of the city, along with our events programme which brings an energy and buzz to the city, and demonstrable returns for our members. The city does not come without its challenges - we have continued to bring focus and attention to all areas that impact the city.

It has been an exciting year for us, and we are pleased to share the results with you.



Terry Gould

Chair, Heart of the City Board

Our board of Directors



John
Courtney

Owner,
Hotel De Bretts



Sarah
Hull

Marketing Director,
Cooper and Company



Shale
Chambers

Chair,
Waitemata
Local Board



Chris
Cherry

Owner,
Workshop Denim
and Helen Cherry



HEART OF THE CITY



Jason
Copus

**DEPUTY CHAIR
AND TREASURER**
Chief Financial Officer,
Smith and Caugheys



Denise
L'Estrange-Corbet

CEO &
Co-founder
WORLD



Terry
Gould

CHAIRPERSON
Owner,
Phillimore Properties



Co-owner and Director,
Gow Langsford Gallery
and John Leech Gallery

Gary
Langsford



Property Owner,
Dilworth Building

Andrew
Stringer



Heritage
Consultant

Allan
Matson



General Manager,
NZ Bus

Shane
McMahon



Paddy
Stafford Bush

Director,
Rangitoto Advisory

The HOTCity team

Angela Barlie Office Manager
Johnathan Clark Ambassador
Lily Clark Marketing & Communication Executive
Kate Cleaver Marketing Manager
Suchitra Desai Ambassador
Tania Loveridge Centre Manager
Werner Mascaranhas Ambassadors Team Leader
Erin Stewart Events and Sponsorship Executive
Jane Stewart Events and Sponsorship Manager
Sarah Terry Brand Manager
Riah Vather Marketing Assistant
Graham Wilson Ambassador

10,800
Businesses

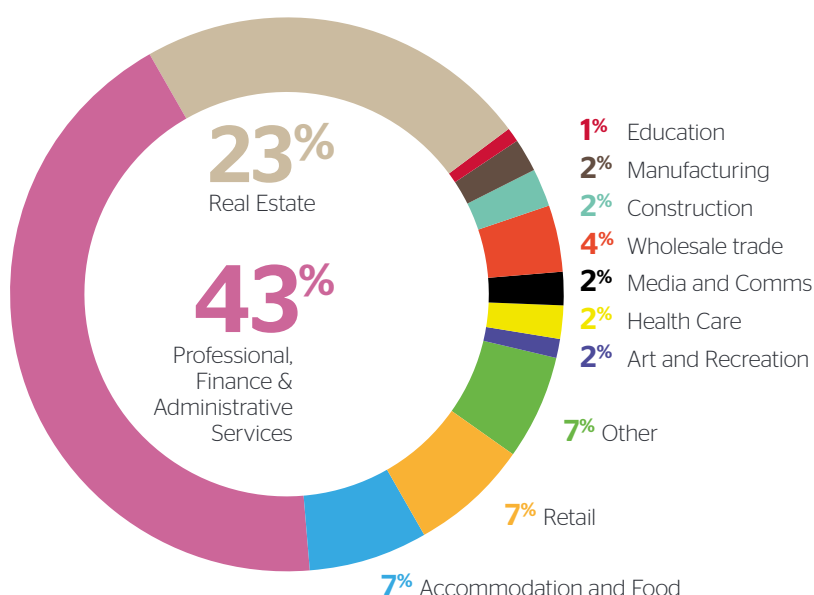
4,000⁺
Commercially
rated
properties

1200⁺
Property
owners

We have a broad
membership base
highlighting the
city centre's diverse
business mix.



Heart of the City membership



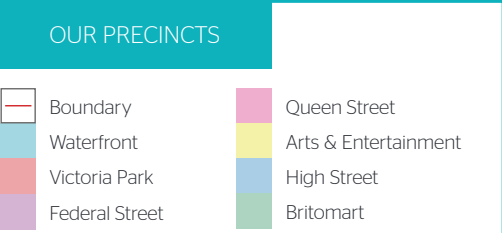
WHAT OUR MEMBERS SAY

Our annual members survey is a chance for HOTCity members to tell us what they are thinking about our performance as well as priorities for the City Centre.

This year we received great ratings for our performance, particular in the areas of **members communications, marketing and events. Parking and Safety** remain top priorities for the city centre. This is an area that we have been focusing on through our advocacy role and through a number of safety focused projects.

MEMBERS SURVEY RESULTS

- The highest priorities for the city centre are - Public Transport, City Rail Link, Parking, Safety and Marketing
- Overall, 79% rated us good, very good or excellent in our overall performance for the year
- The one thing we do well is comms to business, then marketing and then promotion and events - *"We have a beautiful city and you promote it well. Carry on with the good work so that we can all enjoy it"*
- We need to focus more on safety and parking - *"improve the 'short term street parking around the city, it is impacting on businesses in this area"*



Working on Behalf of Business

The daytime population makes us the 4th largest city in New Zealand. As a result, we are faced with set of challenges that set it apart from any other urban centre in New Zealand.

The city
centre is the
shop face for
New Zealand

91,000
Workers

Residents
26,300

70,000
Students





Skypath observation deck

Getting around, particularly public transport and parking continue to be issues, the concentration of heritage buildings, the huge number of events and the high concentration of nightlife activity all collide here in the heart of our city.

MEMBERS COMMUNICATIONS

A key priority for us is to keep our members informed and engaged on HOTCity activity as well as key city developments and issues.

This year we have been working hard to increase the organisation's twitter presence ([hotcity_akl](#)), which now has over 800 followers. This is a useful engagement channel with members, to facilitate discussion around city issues and projects and allows us to connect with new and existing businesses.

KEY AREAS OF WORK THIS YEAR

THE AUCKLAND UNITARY PLAN

The Unitary Plan is the 30 year framework for the Auckland region. It is a daunting undertaking that will span a 3 year time-frame prior to implementation. Getting it right, or as near to right, is incredibly important.

The scale and scope is beyond many and most of our city stakeholders rightly expect us to represent their issues within this process. This year, we have been active participants in the Unitary Plan Development and Submission Phase and will be fully engaged throughout the next two years prior to its notification.

Our 186 page submission, covering 145 key points included commentary around transport links into the city, parking, public transport priorities, sequencing of implementation, waterfront and ports form and function, the balance between heritage protection and development and many other issues.

SKYPATH

Skypath is a project that will create a walking cycling link across our harbour and is a key contributor to meeting the objective of doubling the walking cycling modal shift for access to the city. We view it as being equally important as a tourism attraction for visitors to Auckland while also enhancing our environmental and liveability credentials. It is estimated that of the 800,000 p.a. users 20% will be tourists.

Heart of the City is a long-time supporter of this project culminating in the lodgement in August 2014 of the Resource Consent. It has been a long journey but we have a growing confidence that this project will be completed by June 2016.

Working on Behalf of Business

KEY AREAS OF WORK THIS YEAR

PARKING

It is not expected that parking capacity in the city will increase in the next 20 years and that the growth in commuter numbers will be by way of public transport patronage. We have continued to promote parking as an important part of the commuter matrix. Our position is that parking needs to work harder by providing a more relevant element to access, and we have continued to support the "Demand Parking" model that we worked on with Auckland Transport in late 2012. This year we have again worked closely with Auckland Transport through the early development of the Parking Discussion Document, and we have successfully advocated for a change in the pricing regime and reduction in long term parking (congestion model) in favour of increased short term shopper parking.

PORTS/WATERFRONT

Increasingly there is an appreciation that Auckland is a harbour edge city rather than a port edge city. Heart of the City supports

the efficient management of our supply chain but equally value the prospect of new economies on our waterfront – most notably tourism. The Port has an important role but as trade grows and port volumes increase the stress on the road and rail network have the potential to conflict with higher public transport numbers on these networks. We have led the advocacy for a wider long term view about the role of a modern port for Auckland. We do this with a wide range of partners in the architectural, marine and urban design sector and, importantly, with Ngati Whatua and Orakei.

SAFETY

Our key objective is to see an improved real and perceived rating for safety in the city centre. We are an active member of the Mayoral Task Force on Alcohol and Safety, as well as deliver and/or fund a number of safety projects. This year we have worked with partners around issues that impact safety in the city centre – including Alcohol and Begging.



We are a powerful advocate for you and your city... every day

We continue to send out regular E-letters to members, with over **3,500** subscribers.

CITY CENTRE ADVISORY BOARD

In 2002, HOTC negotiated with Council for the creation of a targeted rate for city centre projects. This \$200 million fund is overseen by the City Centre Advisory Board. We are a founding member of this Board representing business interests about the application of this fund and holding Auckland Council and other delivery agencies to account for key city projects. This year we have provided an early stakeholder input into the new round of projects planned for the city centre, as well as working on a new look Targeted Rate from 2016.

SUBMISSIONS MADE THIS YEAR

Unsurprisingly there are many competing interests in the high density city centre environment. These are managed within a range of policies and bylaws that prescribe the framework in which business is carried out in our city. HOTC is regularly submitting on this framework as it is constantly reviewed in light of the way that the city centre is evolving.

Submissions made:

- Local Alcohol Policy and Alcohol Bylaw 2014
- Draft Arts and Culture Strategic Action Plan 2014
- Building (Earthquake-prone Buildings) Amendment Bill
- Proposed Auckland Unitary Plan
- Parking Discussion Document for the Auckland Region
- Street Trading and Events Bylaw 2014
- Signage Bylaw 2014
- Auckland Council Annual Plan 13/14

MAKING BUSINESS EASIER TO DO

We work closely with Council, Auckland Transport and many other agencies to achieve a better well managed and coordinated place.

This year we have been busy

The introduction of ultrafast broadband is welcomed, but its implementation was incredibly challenging for the city centre. We spent tireless hours working through the process to mitigate the impact to business, in the same way that we authored and oversee event and film policies and their application in the city.

Activity such as street and utility upgrades in the city can be disruptive for business. While we support these investments in our city it is our view that they must be mitigated by work practices that respect businesses ability to do business while expediting the required work.

Every day we advocate in this important area balancing development with the implementation of this change with the wide range of agencies delivering these projects.



Making the City Centre a Destination

Marketing & Events

This year we took a leap forward in how Auckland was promoted as a destination, forming a strategic alliance and joint venture partnership with ATEED (Auckland Tourism Events and Economic Development).

Together we developed and launched an award winning creative platform: AKL The Show Never Stops (Winners of the Lifestyle/Travel/Leisure category - NZ Marketing Awards, 2014).

The joint campaign launched nationwide on TV in February 2014, and meant that for the first time there was a single proposition and story for Auckland. Enabling both the organisations investing in promoting Auckland, to leverage and benefit from each other's limited marketing dollars. AKL: The Show Never Stops is integrated across all of our relevant marketing campaigns.

As part of this unification of our marketing platforms, we also took the opportunity to shift away from BIG little City, the very successful campaign that had run in Auckland for 5 years (since 2009) to 'Heart of the City' and create more visibility, linking the organisation with the delivery of these successful activities.

In addition to the way we market the Heart of the City, we have continued to strengthen our events programme this year, which provide additional reasons for people to visit and enjoy our central city. We've sought to further establish the pillar events that we know Aucklanders respond to, and engage with – and that most directly benefit our retail and hospitality sectors, i.e. 10 Days of Fashion in the City and Restaurant Month.

WINTER CAMPAIGN 2013

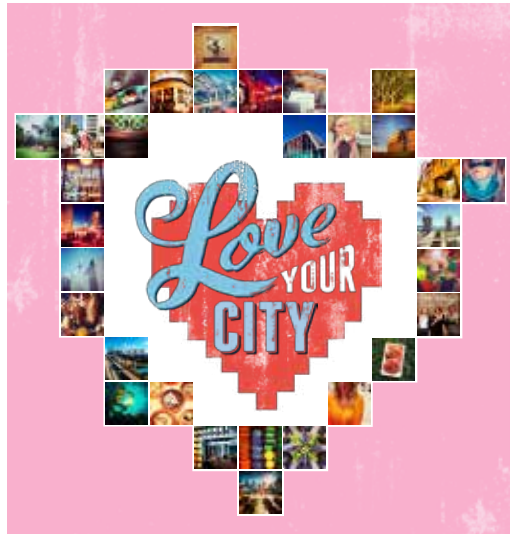
Love Your City

Nothing is more compelling than a personal recommendation, so we asked Aucklanders to post what they love about Auckland's central city – the content was authentic, real and believable.

We decided on a more socially integrated, user generated campaign approach to showcase the city. The timing was right, with the tide coming in for Auckland city we for the first time felt we had both the critical mass of audience following in social media and the substantiation to claim a 'Love Your City' styled idea for Winter.

Results

- **6%** increase in spending (over the 12 weeks of winter), and **+29%** increase v 5 year average, while competitor spending was down **-3%**
- Unprompted awareness rose to **65%** (without TV), from **57%** prior year
- Great engagement from Aucklanders, with **7,300** images to Instagram over 12 weeks
- People surveyed said they were visiting the city more often i.e. **4+** visits in the last month increased to a third or **33%** (vs **19%** the year before)
- Web visits increased by **+60%** v prior year, with **467k** visits in 12 weeks



There are so many reasons to love your city

And we want to see your favourites. Whether it's enjoying winter sun at Silo Park, a show at The Civic, or anything in between, send us your Instagram shots of what you love the next time you're in Auckland's BIG little City.

We'll use them to celebrate the heart of our city, and the very best will be featured in an exhibition.

To see all the photos, visit biglittletcity.co.nz

Here's how to send us your photos:

- 1 Take a photo using Instagram (free business version)
- 2 Hashtag with #loveyourcity
- 3 Tap "Add to your Photos" and choose the location
- 4 Upload it

By uploading an image to Instagram and using the image on the #loveyourcity hashtag, the participant agrees and consents to Heart of the City Incorporated publishing the image in any form without further notice to you. Although the purpose of publishing the images is to promote Heart of the City Incorporated and its activities, the images are not for sale. All images are the property of Heart of the City Incorporated and will remain the property of Heart of the City Incorporated. All images are subject to the full terms and conditions. Copyright is reserved to the owner of the image and is not subject to design and availability.

HEART OF THE CITY
BIG LITTLE CITY

6% Increase in spending over 12 weeks period

48 HOUR CITY 2013

16 June – 31 August

- A deals based campaign that helped drive people to the city's retail and hospitality businesses during the quieter winter months
- Free for members to participate, this was Year 3 for the campaign but the first with a sponsor - American Express

Results

- The result was **12,000** deals claimed, **+9%** on 2012
- **29%** of Aucklanders surveyed had heard of 48 Hour City (or seen our advertising), up from **+9%** awareness the year before
- Visits to 48 Hour City landing pages on our website were up **+132%** versus STL. **139k** page views vs **60k**



Love YOUR CITY
MORE REASONS TO LOVE YOUR CITY

COFFEE
AND MORE

48 Hour City
NEW OFFERS DISPLAYED EVERY 48 HOURS

AUCKLAND'S BIG LITTLE CITY
CHECK BACK SO YOU DON'T MISS OUT
VIEW TODAY'S DEALS

12,000 deals claimed

RESTAURANT MONTH 2013

3 JULY – 31 AUGUST

In partnership with American Express we delivered the signature dining event for the city, with over **100** participating Restaurants, and **20** events – including International Chef dining series, the inaugural Street Eats at Shed 10 (with **15,000** people), and the Winter Warm Up at Vic Park.

- Media included: Print, Outdoor, Digital (incl. Facebook & Mobile)
- Editorial Partnership with Viva delivering 7 weeks of coverage



Results

- Spend at participating restaurants **+22.5%** vs prior year. Web visits **+69%**, and visits to Restaurant Month pages **+73%**



Web visits **+69%** Spend at participating restaurants **+22%**



The central city is full of gifts you won't find anywhere else this Christmas. And while you're here, take the time to soak up the festive atmosphere in the heart of the city. See the enchanting Smith & Caughy's windows, Santa on Whitcoulls Corner and the brilliant Queen Street lights. The shops have extended trading hours, so stay later to take in these dazzling displays at night.

There's more to discover this Christmas at heartofthecity.co.nz



CHRISTMAS 2013

24 Nov – 31 Dec

- 18 Christmas Events – including our 12 Days of Christmas which saw daily events across 12 different public spaces, encouraging people to stop and enjoy their surroundings
- Decorations, including Santa on Whitcoulls Cnr, Durham Lane Doves, Elliott St Angels, High Street Paper Chains & Extended Queen St lights.
- An dedicated marketing campaign, including Print, Digital, Radio and a NZH Viva Cover Wrap & 12page Bumper Issue and A5 Christmas Event Guide



Results

- Spending in the HOTC **+1.1%** vs total competitors down **-3.2%**. transaction numbers up **4.1%**

Transaction numbers up **+4.1%**

ARTWEEK 2013

16 September – 19 October 2013



- Celebrating art in central city galleries, public spaces & corporate collections
- 19 free guided walks, 13 exhibitions and 27 events, including the hugely popular Love Your City exhibition
- A dedicated marketing campaign including Print, Radio, Web, and an A5 Event guide
- **150,000** copies of the Artweek Guide (**100,000** inserted into NZ Herald)

Results

- Total Web visits up **+96%**, Art Week pages **+97%** – over **30,000** pages views during the campaign
- Great feedback from those who attended the works

CRUISE SEASON 2013/14

Guide to AKL in a Day

- With **186,178** Cruise Guests, on **75+** Ships coming in almost daily over summer, Our 'Guide in to AKL in a Day' has been developed to keep the visitors in the city centre, and experience the best of what we have to offer. **50,000** guides were handed out by our Ambassadors at Queens Wharf
- Extremely positive feedback from cruise guests, City Centre businesses, iSite staff, Cruise NZ and ATEED



10 DAYS OF FASHION IN THE CITY 2014

3 Feb – 9 Mar 2014

- 10 days of in-store offers from over **100+** participating retailers, over 20 events incl. fashion shows, launch parties and exhibitions, sponsored by Resene
- NZ's Longest Catwalk on Queen St was hugely successful, we literally stopped traffic, est. **5,000** attended the event
- A dedicated marketing campaign that positioned the city centre as a fashion destination: across a range of media including an A5 16pg Event Guide (**120k** copies distributed via NZ Herald, & Participating Retailers) plus integrated PR and editorial partnership with Viva

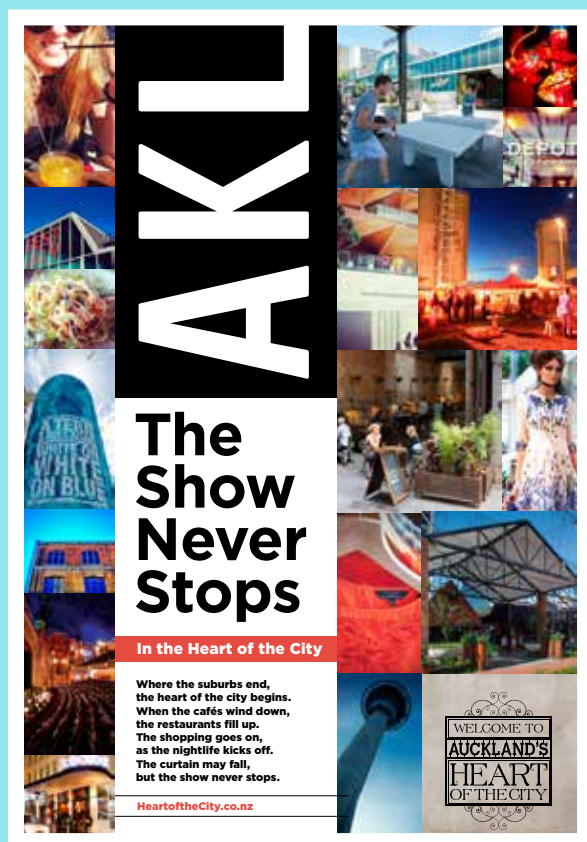
Results

- Spending at participating retailers was **+12.4%** during the 11 days of the event versus the same time last year
- Visits to the Fashion landing pages on the website were up **+36%**



WINTER CAMPAIGN 2014

The Show Never Stops



- Media consisted of: Cinema, Print, Outdoor, Digital, Facebook, Mobile advertising, Social & Web Media
- APN Media Partnership to deliver added editorial value c. **\$900k**
- WHERE NEXT™ App launched on 30 June, FREE to download
- False Front Cover for Viva & 11 page Supplement of winter content on 16 July

Results

- **10.3%** increase in website visits – **515,000** visits vs 467,000 visits same time last year
- The joint campaign with ATEED won the 2014 NZ Marketing Award for The Lifestyle Travel Leisure category

10.3%
Increase in
website
visits

\$900,000
Value added
to APN media
partnership

WHERE NEXT APP 2014

30 June – 21 September

- A clever, meaningful app that encourages people to stay longer and do more in the city, by giving ideas of what to do/where to go next
- Provides HOTCity with a new tool and channel for our audiences in a personalised, relevant way, based on their preferences & behaviour
- **17,500** downloads in 12 weeks
- Repeat open rate of **61%**
- **52%** surveyed said it had encouraged them to come into the central city
- **72%** said they would recommend the App to the others

61%
Open rate

17,500
App
downloads



CITY DEALS 2014

16 June – 31 August

- City Deals was a chance to drive people to retail and hospitality businesses during the quieter winter months, by offering great value, short or long term deals to Aucklanders
- Deals were promoted every 2 days
- This year we had over **15,500** deals claimed, **+29%** on 2013



15,000

Deals
claimed

+29%

vs 2013

Heart of the City Maps 2014

16 June – 31 August

- **100,000** folded and map pads distributed via Ambassadors to visitors and hotel concierges



RESTAURANT MONTH 2014

3 JULY – 31 AUGUST



- The fourth year of our signature dining event
- Sponsored by American Express
- Over **100+** participating restaurants, **20+** events, including international chef series, and the second year of Street Eats (**23,000** visitors)
- Our 9 week campaign, included Print Media, Outdoor, Digital (including Facebook & Mobile), **120,000** copies of the A5 Event Guide inserted into the NZ Herald late July
- Editorial Partnership with Viva for Restaurant Month, delivering 8 weeks of coverage
- An extensive social media campaign reaching over **100k** fans of Heart of AKL City



Results

- Fantastic feedback from our consumer and participating businesses
- Spending with participants **+21.1%** versus 2013, total **HOTC +8.6%**
- Transactions with participants **+11.3%** vs 2013 total **HOTC +3.3%**

Channel Reach



Website Total
Visits (2013)
1,250,000
total visits



Unique Web
Visitors (2013)
800,000
unique visitors



Heart of the
City page
98,500 Likes



Weekly email
database
32,000
subscribers



WHERE NEXT™ App
18,200 downloads to date



HeartOfAkICity
10,900
followers



HeartOfAkICity
1,700
followers

As at October 2014



Lantern Festival



Comedy Festival



Buskers Festival

Sponsored Annual Events

We sponsor events that will increase visitation and spending with our businesses.

- ArtDego
- Artweek Auckland
- Atamira
- Auckland Seafood Festival
- Big Egg Hunt
- Documentary Edge Festival
- Farmers Santa Parade
- International Buskers Festival
- International Comedy Festival
- International Film Festival
- Lantern Festival
- NZ Fashion Weekend
- NZ Writers Festival
- Taste of New Zealand
- Weird Night Out

15 Events
Sponsored



Atamira



Santa Parade

Making the City Centre Safe and Inviting

HEART OF THE CITY AMBASSADORS

A Team of up to 8 Ambassadors across the year, welcome and assist visitors to the city centre.

31,033

Happy customers greeted

100,000

Heart of the City Maps distributed

64

Cruise ships met and **50,000** cruise ship guides distributed



Ambassadors

CITYWATCH

In partnership with Auckland Council, the role of CityWatch is to improve the perception and experience of Safety in the City Centre. In the 8 months to August this year, the team had 9188 call outs - ranging from issues around Begging, Liquor Ban breaches, 'Sleeping' in the city, and issuing permits for Busking.



Gavin

Peter

30
Members



BARWATCH

A communication network of late night city centre venues, working together with NZ Police, and the City Watch team to improve safety in the city at night, currently **30** members.

“ It has been very useful and in some cases instrumental in keeping unwanted patrons out. We feel it really does improve general safety in the CBD. ”

Rauairi Hatrick - Cassette 9



110
Members

STOREWATCH

A communication network of city retailers working together to reduce retail theft and in partnership with HOTC, NZ Police and **110+** retail businesses.

“ We have benefited a lot from being a part of StoreWatch. Since being a part of this program, we have made a close connection with the stores involved around us and also received heaps of support from the Police. We would 100% recommend StoreWatch to anyone. ”

Sam Shepherd - Rebel Sport Atrium

Monitoring the City Centre's performance

PEDESTRIANS IN THE CITY

This year we've created an interactive website that has made our **24/7** pedestrian counts, located across **17** sites in the city centre, freely accessible to all HOTCity members. Invaluable for monitoring foot traffic trends, assisting business performance, and evaluating impacts resulting from major events and infrastructure upgrades.

109%

Increase in foot traffic on 16 February 2014 at the time of the Lantern Festival and the Sevens Tournament

9,478,302

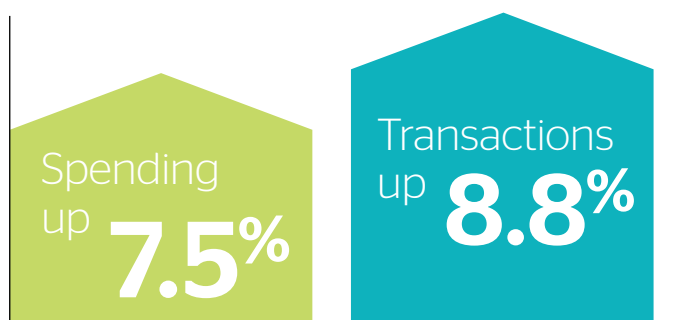
Pedestrians walked past 210 Queen Street in a 12 month period



Retail Performance

To Year End July 14, Heart of the City results were:

Source: Marketview Ltd.



Compared to same time previous year

Vacancy Rates

1.4%

Prime office

Vs a long term average of 8.2%*

3.1%

Retail

Vs a 20 year average of 4.8%*

2014 Figures

*Source: Colliers International (2014 figures)

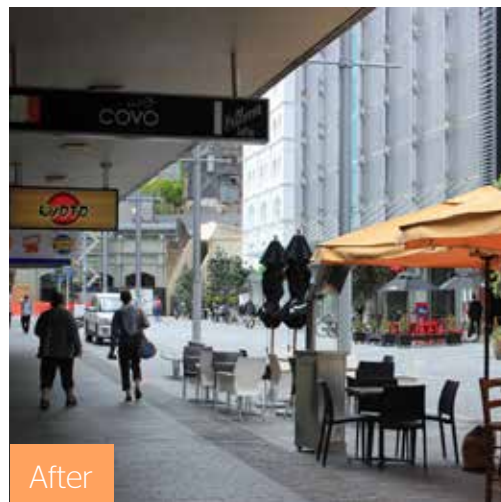
Our New City Spaces

Highlights from a year of transformation

FORT STREET STAGE 3

November 2013

Completing the wider Fort Street area precinct's upgrade



UPPER KHARTOUM PLACE

September 2014

Completing the connection between Lorne Street and the Art Gallery, creating a space for people to stop and enjoy.

AGENCY

Auckland Transport and
Auckland Council



FEDERAL STREET

September 2014

A shared space that celebrates one of the city's newest dining precincts.



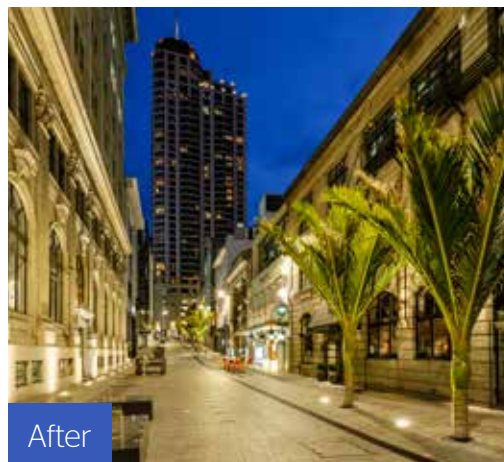
O'CONNELL STREET

September 2014

A shared space that showcases the street's heritage, and now allows the street's businesses to take their dining outside.



Before



After

**DALDY STREET
& HALSEY STREET
LINEAR PARK, STAGE 1**

Opened December 2013 &
July 2014

AGENCY

Waterfront Auckland



After

**SHED 10
REFURBISHMENT
QUEENS WHARF**

Re-opened 2013

Caters for the cruise industry,
as well as add a valuable
new event space in the city,
showcasing the building's
heritage.

AGENCY

Waterfront Auckland



After

**GRAFTON GULLY AND
BEACH ROAD****SEPARATED
CYCLING LANES**

Opened September 2014

Significantly improving
access to the City Centre
for recreational and
commuter cycling.

AGENCY

Auckland Transport and NZTA



After



After



HEART OF THE CITY

hotcity.co.nz

Contact

Physical Address
Level 2, 26 Lorne St
Auckland City
New Zealand

Postal Address
PO Box 105 331
Auckland
Ph: (09) 379 8000
Fax: (09) 308 1555
info@hotcity.co.nz