

# ANNUAL HIGHLIGHTS

JULY 2023 – JUNE 2024







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Mon-Fri  
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At All  
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# EXECUTIVE SUMMARY

**This has been another big year for the city centre. Overall, our key city centre metrics continued to track up in the past year, save for a particularly tough June quarter, consistent with national trends.**

Despite the challenging economic environment, we remain confident about the future opportunities for the city centre. Both office and retail vacancies remain stable; major developments continue to be announced, completed and hit major milestones; and new businesses continue to open.

Enabling a positive environment for business remains at the core of everything we do. We focused on addressing barriers to visitation, including safety and accessibility, as we strived to bring more people back and build positive feelings towards the city centre. There has been extensive advocacy undertaken to bring these issues and needs to the fore and top of mind across both central and local government.

During this period, our new safety team was introduced, with great feedback from members, and we were pleased to see our advocacy efforts help to deliver an additional 21 Police on the city centre beat.

Our signature events were successful – Restaurant Month, Art Week and Christmas. Our ‘Always On’ marketing continued to bring in impressive results – with extensive reach and we were never short of content – with hundreds of events happening here across the year including the successful FIFA™ Women’s World Cup which played a role in increasing visitation.

We continue to provide support to businesses as ongoing construction poses serious challenges for them, as well as unexpected issues like the breakdown of the Wynyard Quarter Bridge.

Looking ahead, Heart of the City will keep working hard to support the city centre and its businesses towards a brighter future.

## **Viv Beck**

Chief Executive











## REPORT FROM THE CHAIR

**On behalf of the Executive Committee, I'm pleased with the outcomes the organisation has achieved during the reporting period. Each part of the work programme for the year has added value and benefit to those we represent.**

This year the Executive Committee has overseen Heart of the City's governance obligations, strategic direction, and financial management, with another unqualified audit for the financial year. I'd like to thank our Executive Committee members, Chief Executive and staff for their ongoing passion and commitment over the past year.

We would like to acknowledge our partners and most of all our city centre businesses who are central to creating a vibrant city heart.

### **Martin Snedden**

Chair, Heart of the City Executive Committee



2023-2026

# SUMMARY OF OUR STRATEGIC OUTCOMES

By 2026 both the City Rail Link and NZ International Convention Centre will open here. Our vision for Auckland's city centre by then is to be a vibrant, 24/7 international city that is loved by locals and visitors alike. Four outcomes are sought over that timeframe:

## ▶ A PLACE THAT IS LOVED

PEOPLE FEEL POSITIVELY ABOUT THE CITY CENTRE

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## ▶ MORE PEOPLE

MORE PEOPLE DAY AND NIGHT, DOING MORE AND SPENDING MORE

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## ▶ VIBRANT PLACES

WELCOMING PLACES THAT FOSTER COMMUNITY, A GREAT PLACE TO DO BUSINESS

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## ▶ SAFE, CLEAN AND ACCESSIBLE

A WELL-FUNCTIONING, CONNECTED AND SAFE ENVIRONMENT

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2023-2024

## OUR FOCUS

After eight years of major construction impacts, COVID and the residual impacts of COVID, 2023/24 was an important step towards achieving our vision. We focused on addressing barriers to visitation, including safety and accessibility, as we strived to bring more people back and build positive feelings towards the city centre.

All four strategic outcomes are important and interlinked, however we focused on the most significant priorities first, with two key goals for 2023/24:

### GOAL ONE

Restore the reputation and  
experience of Queen Street –  
our Golden Mile.

### GOAL TWO

Bring more people into the city centre.

THESE ANNUAL HIGHLIGHTS SHOWCASE SOME OF THE RESULTS WE'VE  
DELIVERED FOR EACH OF THESE GOALS OVER THE REPORTING PERIOD.

# KEY CITY CENTRE PERFORMANCE METRICS

A crucial aspect of our work is to keep track of key city centre metrics - both our own pedestrian counts, as well as spend, leasing results and more. This data is regularly used by us and others to provide insights into the city centre's progress.

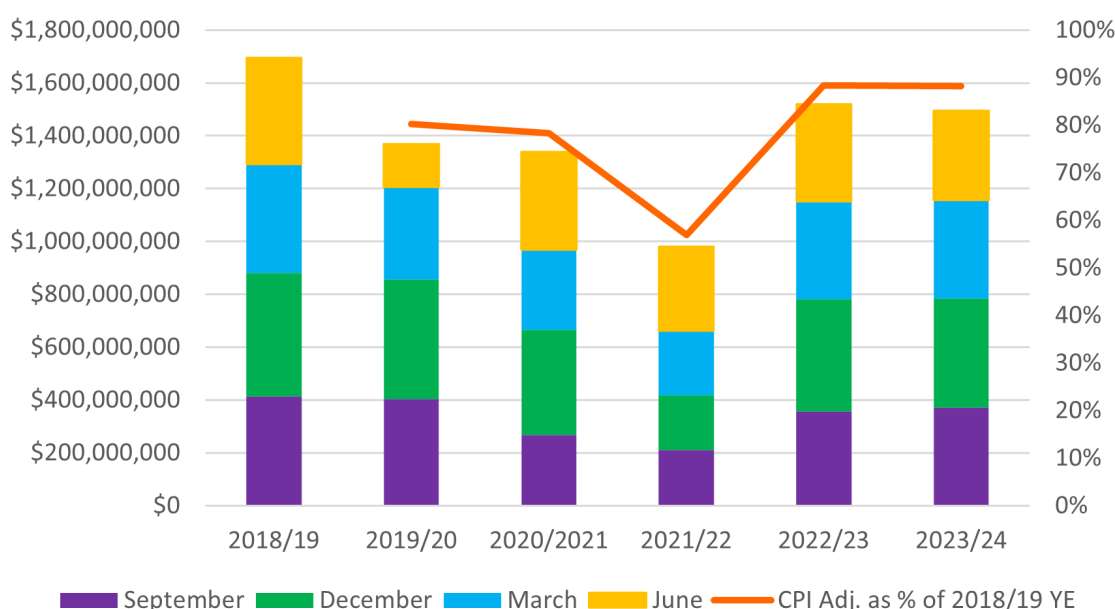
## YEAR ENDING JUNE 2024 VS. 2023:

**Foot traffic:** +10% last 12 months vs STLY<sup>1</sup>

**Spend:** -2% last 12 months vs STLY<sup>2</sup>

**# of Transactions:** +5% last 12 months vs STLY<sup>3</sup>

## CITY CENTRE FINANCIAL YEAR SPEND BY QUARTER



Source: Marketview

Both office and retail vacancies were “largely stable”<sup>4</sup> with demand remaining highest for premium, environmentally friendly spaces, and luxury spaces located towards the waterfront. As of June 2024, overall office vacancy rates were at **13.1%**, with premium office spaces sitting at **7.5%**. Retail vacancy rates were **10.3%**.<sup>5</sup>

The impact of major regional events was seen throughout the year. P!NK's sold-out Auckland show was the highest day of spend for the March 2024 quarter, hitting **\$6.5 million**.<sup>6</sup> Tātaki Auckland Unlimited reported a direct correlation between the FIFA™ Women's World Cup and an increase in demand for accommodation in the city centre.<sup>7</sup>

Confidence in the city centre's future is evident with more than 65 consumer-facing businesses opening throughout the year and a number of major developments having been completed including the Deloitte Centre and the Horizon Hotel - or announced - such as Precinct Properties' significant redevelopment planned to house student accommodation on Lorne Street.

<sup>1</sup> Heart of the City Pedestrian Count Data. <sup>2</sup> Marketview. <sup>3</sup> Marketview. <sup>4</sup> Colliers New Zealand Research Survey, August 2024.

<sup>5</sup> Colliers New Zealand Research Survey, August 2024. <sup>6</sup> Marketview. <sup>7</sup> Tātaki Auckland Unlimited, published 21 August 2023.



GOAL ONE

# RESTORE THE REPUTATION AND EXPERIENCE OF QUEEN STREET – OUR GOLDEN MILE





## GOAL ONE

# RESTORE THE REPUTATION AND EXPERIENCE OF QUEEN STREET – OUR GOLDEN MILE

As one of New Zealand's most famous streets, Queen Street and its environs are home to our region's civic facilities, significant heritage and commercial buildings, and the Aotea Arts Quarter. Given its vital role in the city centre, we wanted to see negative perceptions overcome for the benefit of the future of both Queen Street and the wider city.

Highlights from this year's work include:

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## UNDERSTANDING QUEEN STREET

We initiated a PlaceScore survey which identified what people valued about the street and the biggest opportunities and needs for attention, such as cleaning, safety and activation. Our ongoing advocacy in this space was instrumental in achieving support from the likes of council to look at improvements to the area.

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## SAFETY

We invested significantly to bring a greater security presence to the city centre, along with extensive advocacy for cross agency alignment with more Police; mental health and addiction services; and better management of emergency housing. We collaborated regularly with Police, Auckland Council, precinct security and community organisations to improve overall safety.

A noteworthy result is the increased Police presence, with **21 additional officers** patrolling the city centre from July 2024. We continue to push for a permanent downtown Police Station.

Crime statistics also trended down in the first half of 2024. Police data from the last quarter of the year (April - June 2024) showed that incidents of theft and burglary in the city centre **decreased by 34%** from the same period in 2023 and have nearly halved since peaking in January 2023.<sup>8</sup>



<sup>8</sup> policedata.nz



Our new security provider was introduced during the year, operating 24/7 in and around the Queen Street area. Our HOTC Safety Team, with their distinctive new uniforms and proactive approach has been positively received by businesses.

**“They are doing a fantastic job, and we are absolutely thrilled to have such amazing support for the safety of our staff and customers.”** – *City centre business*

We established a successful pop-up **Safety Hub** during the FIFA™ Women’s World Cup in partnership with Community Patrols NZ (CPNZ), paving the way for ongoing CPNZ presence here. This added an important element to the overall city centre safety network.

Our longstanding contribution to Auckland Council’s CityWatch programme continued, which was enhanced with additional council compliance officers, as well as a shift in approach to compliance which has led to improvements in our streets. Additionally, we facilitated the installation of **eight additional CCTV cameras**, expanding the city centre’s extensive network.

Focused engagement with the Police helped redirect their attention towards repeat offenders, especially in retail crime. This has been supported by our StoreWatch retail theft prevention network, involving over **130 businesses**. Additionally, we commenced a one-year trial of Auror at the end of the financial year. This Retail Crime Intelligence Platform makes reporting to Police easier by building their evidence base and highlighting recidivist offenders. Although we had only started reporting at the end of the year, it has already shown benefits.

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## BUILDING A POSITIVE NARRATIVE ABOUT QUEEN STREET

Sharing the stories of Queen Street businesses, investment and events was a way of bringing Queen Street to be ‘top of mind’ for our audiences.

Our ‘Always On’ digital campaign promoted **137 Queen Street-specific businesses and events across various marketing channels**.

Through both earned and reactive PR, confidence in Queen Street was amplified, showcasing leasing activity and investment. This included sharing the good news that Christian Louboutin opened its first New Zealand store, the expected restoration of the St James Theatre and various leasing announcements. In the past year, this included the impending arrival of the Raddison Red hotel and the redevelopment of the former McDonald’s site with new commercial and retail offerings.

Despite improved safety, steady vacancy rates, and significant investment, this effort was necessary to counter ongoing negative sentiment.





## ACTIVATION, EVENTS AND PLACEMAKING

Creating moments of vibrancy and encouraging people into the Queen Street area was an integral part of our work. This included sponsoring a range of events, including the Auckland Writers Festival (which reported a record 85,000 attendees in 2024), the Auckland Arts Festival, the Farmers Santa Parade and the New Zealand International Film Festival.

We also promoted and/or got involved in festivals which aimed to bring people to the area, including Matariki Ki Te Manawa and Diwali. This included the inaugural Lunar New Year programme (led by Auckland Council), where we installed **162 Chinese lanterns across the Queen Street area and held four sold-out food walking tours** to celebrate the Lunar New Year festivities while supporting local businesses - who had great feedback:

**“My shop is busier and better, with different customers coming in to try our food. They say they like it and that they’ll come back again so I’m very happy and my team is very happy too.”** – Lunar New Year Walking Tour Business participant

We provided opportunities for business to get involved in the council’s New Zealand Music Month and promoted the programme. The Vacant Spaces programme, supported by Auckland Council and the city centre targeted rate, has also added vibrancy throughout the year. A highlight has been the ongoing creative installations in The Strand Arcade, starting with one vacant space that was leased towards the end of the year.

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## NIGHT-TIME ECONOMY

The Nighttime Economy (NTE) accounts for about 30% of our overall consumer spending<sup>9</sup> and has virtually returned to pre-COVID levels. Besides organising Restaurant Month and Late Night Art, and our ongoing promotion of what’s on, we supported Tātaki Auckland Unlimited’s NTE project by facilitating city centre businesses’ participation in their research. This should lead to specific implementation opportunities in 2024/2025.



<sup>9</sup> Marketview

GOAL TWO

## BRING MORE PEOPLE TO THE CITY CENTRE





## GOAL TWO

# BRING MORE PEOPLE TO THE CITY CENTRE

Our data and stakeholder feedback indicated the need for more people in the city centre.

Our high-performing communications channels were used to promote unique experiences and offers throughout the year. Signature Heart of the City events and campaigns such as Restaurant Month 2023, ArtWeek in the City Centre and our annual Christmas activity attracted visitors and spotlighted local businesses. We also focused on strengthening community networks to improve safety and advocated to ensure that the basics in the city centre such as public space cleaning and maintenance were addressed; as well as working on behalf of businesses to support improved access, particularly for city centre operations.

Highlights from this year's work include:

## MARKETING & COMMUNICATIONS

Our channels performed strongly throughout the year, with consistently high engagement rates, indicating that our content is valued amongst our audiences.

'Always On' digital marketing was effective, promoting a range of experiences and city centre businesses, especially events, retail, hospitality, attractions, arts and culture. This included promoting major events such as the FIFA™ Women's World Cup and localised programming including Matariki ki te Manawa. Key results included:

**6.6 million TikTok video views** (+300% vs STLY)

**6.4 million consumer website page views** (+8% vs STLY)

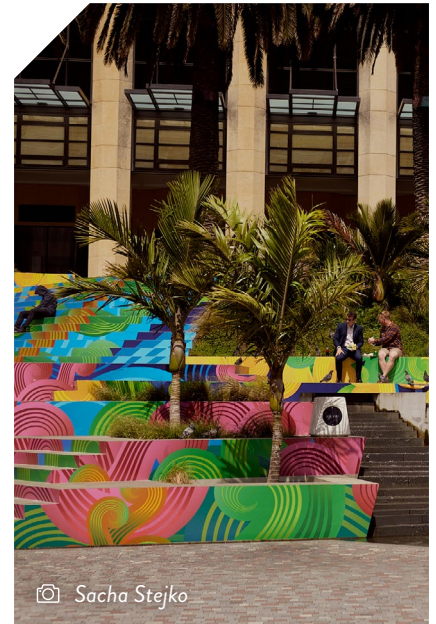
**14.6 million Instagram video views** (+190% vs STLY)

With feedback from members informing our business communications content, engagement rates were well above platform averages or benchmarks. This included:

**38% average open rate for members' business EDM** (vs. the average open rate across the platform of 21.5%)<sup>10</sup>

**+17% organically gained LinkedIn followers** (+10% a year, if only posting organically, is considered good)<sup>11</sup>

Over the reporting period, we also broadened the audience of our City Centre Quarterly Insights by establishing a LinkedIn newsletter dedicated to it. It is highly engaged with, and our data is regularly cited by various organisations in the media.



<sup>10</sup> Campaign Monitor

<sup>11</sup> socialstatus.io

## EVENTS AND CAMPAIGNS

The return of our signature events, supported with extensive campaigns, aimed to bring people into the city centre, with results indicating they were of benefit to business.

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### RESTAURANT MONTH 2023

Over 100 restaurants presented special menus to enjoy for Restaurant Month 2023. It included the return of the Chef Collab series, and a new series called Flavours of the City. This had everything from a dumpling and noodle crawl to four-course fine dining experiences.

It was supported by Auckland Council and the city centre targeted rate.

PR activity for this reached new highs:

**+22% in media coverage** (vs 2022)

**23 million impressions** (estimate)

Our campaign also delivered some great results:

**578,000 webpage views** (+8% vs 2022)

**1.4 million completed video views** (+16% vs 2022)

These results supported a welcome boost in spend for participating restaurants in the month of August. Our data showed **+23%** in overall spend for them compared to Restaurant Month 2019. Business feedback reinforced the benefit of Restaurant Month, with one reporting:

**“Was awesome and well needed! Would be great to extend this somehow into September next time as there’s been a huge drop since!”**

– Participating business

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### ARTWEEK IN THE CITY CENTRE

Across the ten-day programme, there were 50 activations, events and installations, ranging from Changing Lanes to guided walking tours. An additional 30 events were hosted as part of Late Night Art, the highlight event of the programme, which brought boosts to both foot traffic and spend.

**+67% in pedestrian counts** vs the same time the previous week

**+15.5% in spend in activated areas** vs Late Night Art 2022





There was great feedback from businesses and attendees:

**“An event like Late Night Art just reminds people the city centre’s alive, it brings them out onto the streets at times that are really helpful for us as a new business.”** – *City centre business*

**“It’s so nice seeing something that’s lively and busy, I think we should have more stuff like this all the time.”** – *Late Night Art attendee*

85% of Aucklanders surveyed were aware of the ArtWeek in the City Centre programme and digital campaign.<sup>12</sup> This level of awareness was in part due to some impressive results for the marketing and PR campaign, including:

**9 million impressions** (vs. 5.3 million in 2022)

**506k completed video views** (+95% compared to 2022)

**Over 140k website pageviews**

**25+ pieces of media coverage**



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## CHRISTMAS 2023

We brought Christmas to the city centre with Auckland Council and support from the city centre targeted rate. Christmas was all around the heart of the city, with street decorations, activations and so much more across the city centre. The return of the Christmas Pavilion in Te Komitanga and its entertainment schedule proved popular. For the four Saturdays prior to Christmas, performances could be found up and down Queen Street. We facilitated opportunities for businesses in the area to have these activations outside or nearby and there was positive feedback from businesses who took up the opportunity.

**84% of visitors** rated the Christmas Pavilion and its entertainment as ‘Excellent’.<sup>13</sup>

**84% of visitors** said events like the Christmas Pavilion made them feel more positively about the city centre.<sup>14</sup>

We also spread the Christmas cheer through our marketing campaign, seen across our own channels, along with other offerings such as out-of-home and street posters, delivering some impressive results, achieving:

**245k website pageviews** (+8% vs 2022)

**148k clicks to website** (+6% vs 2022)

**1.1 million completed video views** (+35% vs 2022)



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<sup>12</sup> ArtWeek in the City Centre post-event survey

<sup>13</sup> Christmas post-event survey

<sup>14</sup> Christmas post-event survey

## CITY CENTRE PLANNING

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### ACCESS

We continued to advocate for better accommodation of business and customer needs in project and policy planning, as well as through retrospective work where necessary.

Auckland Transport's planned overnight parking charges have been initially deferred following our successful advocacy, in collaboration with the Karangahape Road Business Association, Hospitality New Zealand, and Restaurant Association of New Zealand.

We also supported Wynyard Quarter businesses throughout the year with the issue of the pedestrian bridge closure and contributed to Auckland Transport plans, including the Room 2 Move city centre parking management plan and a Midtown loading and servicing plan, both of which have not been completed at the time of writing this report.

Additional efforts included funding the Wynyard Quarter Transport Management Association's annual travel plan survey, promoting affordable parking deals, and engaging in planning submissions for the Downtown West and Victoria Cycleway extension and the city centre bus plan. There has been ongoing engagement with government on a variety of matters, including Time of Use (Congestion) Charging which will ramp up during 2025.



### TRANSFORMATION AND INVESTMENT

Public and private sector investments were highlighted through media and business communications to outline the long-term confidence in the future of the city centre.

We continued to represent the needs of business in public projects, particularly the City Rail Link (CRL) and Midtown developments. Significant progress was made on CRL construction, with several areas completed and reopened. Despite this progress, we continued to advocate for businesses affected by construction, including seeking backdated and continued support from the CRL Targeted Hardship Fund and additional support from the council.

Ensuring business interests were represented and the issues facing the city centre for our members were understood was a key priority for our advocacy to council and others, and through our role on the City Centre Advisory Panel (CCAP). Through these forums, we have highlighted the need for improved planning and support for businesses, including the need for better project evaluations and better alignment on transport planning. We are confident that needs for the city centre such as breaking down key barriers around safety and access, and much needed growth of people is now top of mind. This year, the panel supported increased investment from the city centre targeted rate in city centre safety, funding Street Guardians programme for two years, and promoting economic growth through destination marketing and investment programmes.

