DRAFT ANNUAL PLAN

HEART OF THE CITY 2027/2028



COMMERCIAL IN CONFIDENCE

EXECUTIVE SUMMARY

In FY28 the city centre is expected to move beyond recovery and into a period of growth and optimisation. The combined impact of City Rail Link (CRL), the maturation of the NZ International Convention Centre (NZICC), increasing investor confidence (notably in midtown) and ongoing improvements in safety will reshape both performance and perception. While these major investments provide a significant platform for growth, realising their full benefit is not automatic. Success will depend on creating the conditions that attract people, businesses and investment, including safety, accessibility, activation, amenity and residential growth.

A new 3-year Strategic Plan is under development for the period 2027-2030, which will provide the framework for our planning for each year within it, starting with FY28. Member and business input will be sought to inform the Strategic Plan. This draft Annual Plan for the year starting 1 July 2027 has been prepared as an indicative document for the AGM in October 2026. It will be adapted as required once the Strategic Plan has been completed.

By this time, we expect to see stronger momentum and tangible economic progress. The CRL will continue to transform access and movement through the city; there will be more visitors and events than the mid-2020s; stronger hospitality and retail confidence; ongoing investment; and a noticeably safer and better-managed city centre.

The conversation will be less about recovery and more about whether Auckland is finally realising the full benefits of CRL, NZICC and the broader city-centre revitalisation programme.

Overall, the city centre story is substantially more positive than the last planning period, although not without challenges. At the time of writing, foot traffic is trending up and perceptions of the city centre have improved. However, there is a burning platform to grow spending, along with sustainable week-day visitation. Ongoing advocacy will be important to ensure practical, multi-modal access policies and avoid major disruption with change scheduled in downtown; along with optimum use of city centre targeted rate funding for the benefit of ratepayers.

Heart of the City (HOTC)'s mission to work for the economic success of city centre business will remain important through this next phase of city centre development. Tangible economic success with Restaurant Month 2026 reaffirms that demand is increasingly event-led and experience-driven. Applying this principle to other events and activations for the benefit of business is a positive opportunity.

In recent years, Auckland Council has restructured and allocated more resources to the city centre, which allows us to continue to sharpen our focus on the areas we add unique value, including demand generation; city centre storytelling; advocacy for business; connection and integration across the city centre ecosystem; and filling place-related gaps that add value for our members and businesses. Accordingly, whilst HOTC has progressively pulled back from 'city management' functions that the Council group is responsible for, keeping a strong focus on safety and public realm order will be important. For the foreseeable future, we can see value in offering a safety team that provides a direct service to businesses, contributes to public realm order across the city centre, and maintains sufficient geographic coverage to fully leverage opportunities for growth and the overall success of the city centre.

PLANNING ASSUMPTIONS

To inform this draft plan, we have considered data currently available and made assumptions which will be reviewed after our Strategic Plan is completed in the first quarter of 2027. Overall, in FY28 the city centre is likely to have stronger connectivity, confidence and experience. Success will depend on leveraging the benefits of investment, delivering ongoing improvements and getting the 'basics' right - ensuring that investors, businesses, residents and visitors consistently experience a city centre that is safe, welcoming, well-managed and functional.

Economic Impacts

The Market Economics assessment identifies both cyclical macroeconomic pressures and longer-term structural changes as drivers of CBD performance. Elevated interest rates, weak consumer confidence and rising unemployment have constrained spending in the short term, while hybrid working patterns, online retail substitution and changing travel behaviours have contributed towards reduced city-centre footfall relative to 2019 levels. While major investments such as CRL, Te Waihorotiu Station and the new cruise terminal provide grounds for cautious optimism through 2027-28, we cannot reliably conclude that the market has yet reached a floor or entered a sustained recovery phase.

Despite this, overall, we anticipate moderate economic growth in FY28, with stronger tourism activity and convention visitation growing mid-week occupancy and supporting city-centre businesses. Hospitality, events and experience-led sectors may outperform traditional retail categories although there is growing confidence in retail with vacancy trending down and prominent investment in flagship retail stores.

The CRL is a major catalyst for development and private investment, with more than $6B of city-centre investment in the pipeline. The recently signed Auckland Deal includes commitments around city centre upgrades, transport, innovation precincts and tourism attraction initiatives. By mid-2027, we expect to see early implementation and investment flowing through.

Access & Connectivity

While AT data indicates that the total number of people coming to the city centre in the week-day morning peak has reduced by ~32% since 2015 (~26K fewer people on average each weekday), the CRL is expected to be a gamechanger over time, fundamentally changing how people access and move through the city centre. Midtown (and Karangahape Road, which is outside HOTC's boundary) are already seeing increased foot traffic, which will create new opportunities for retail, hospitality and events.

Safety & Perception of Safety

By July 2027, the biggest shift is likely to be that safety is less of a dominant conversation than it has been in recent years. Visible police and safety presence, improved coordination between agencies and move-on powers are expected to contribute to improved perceptions of safety. That said, homelessness, addiction and mental health issues are unlikely to disappear entirely. However, the discussion will likely have shifted from "is the city centre safe?" to "how do we sustain improvements?".

Move on powers are expected to have the following impact:

- Police using them around transport hubs, retail precincts and public gathering areas
- Less tolerance for aggressive begging, intimidation, obstruction of entrances and persistent anti-social behaviour

While there is likely to be continued debate from social sector groups about how the powers are being applied, we expect the likely outcome is that city centre workers, business owners, residents and tourists feel there is a greater ability to address behaviour before it escalates.

Return to Work

In our most recent Perceptions Survey (April 2026), city centre working patterns have shown some improvement, with 78% of Aucklanders spending the same amount or more time working in the city centre compared to 12 months ago - up from 73%. Looking ahead, most city centre workers expect their time spent working in the city to remain stable or increase further.

Residential Growth

While growth in the resident population has stalled in recent years, it is forecast to increase, with intensification expected around the CRL and new student accommodation supporting continued growth in international students. However, planning policy that simply enables additional residential capacity will not, in itself, deliver growth. Attracting and retaining more residents will require a city centre that offers strong amenity, a safe public realm, and a compelling urban lifestyle. Growth will also depend on creating market demand and encouraging development that aligns with the needs and preferences of future residents.

Visiting the City Centre

As highlighted in our latest Perceptions research, weekend visitation among Aucklanders has strengthened, which points to a growing appeal of the city centre as a leisure and entertainment destination. As visitation frequency increases, attractions are complementing the food offering and creating more diverse reasons to visit. Shopping remains stable year on year.

While international tourism and convention activity are expected to grow, Aucklanders will remain the city centre's most important customer base. Growing repeat visitation from Auckland residents will therefore remain a critical priority.

City centre appeal

Overall perceptions of Auckland city centre remain positive, with Aucklanders stable and HOTC subscriber perceptions improving over the past 12 months. This is likely to grow now major construction in midtown is complete. While dining remains the main drawcard, continued investment in events, attractions, and precinct activation is likely to drive further appeal and repeat visitation.

Information Sources and Communications Awareness

HOTC remains the dominant source of information about the city centre and HOTC brand awareness remains high. Across both HOTC subscribers and Aucklanders, content related to events, festivals, and the arts continues to be the strongest driver of engagement.

KEY CHALLENGES

Perception vs Reality

Expensive parking, access, construction/roadworks, and antisocial behaviour are the most commonly cited detractors from the city centre. A key challenge will be ensuring that ongoing improvements continue, so that public perceptions catch up with physical changes. Perception measures will continue to be tracked, recognising that public confidence often lags actual improvements.

Growing demand & spend

The city centre has changed structurally in recent years, with working from home, online shopping and competition from shopping malls. Rebuilding demand and spend across key sectors, particularly consistent week-day activity, remains a key challenge.

Impact of AI

The impact of AI on city centre worker numbers and mix is unknown but there are potentially significant impacts. However, there are some indications that firms will leverage the benefits from improved productivity to change their mix of work to items of higher value, without major job cuts.

Changes proposed for Downtown

Changes include transport and proposed removal of the flyover, parking and public realm upgrades; continued redevelopment around lower Hobson Street and the waterfront; and further investment in Wynyard Quarter and innovation-related precincts. As we have seen in midtown, changes that impact access, operational functionality and affordable parking present a significant risk that will need to be well managed.

Time of Use Charging - City Centre Cordon

AT continues to promote this option, despite the city centre not being one of the top ranked options, primarily due to its limited geographical coverage and corresponding limited potential for impact on overall network performance.

KEY OPPORTUNITIES

High impact occasions & experiences that generate economic return

Restaurant Month delivers demonstrable economic value for participating businesses through increased visitation and revenue generation, providing a clear return on investment for those involved. This focus on creating direct commercial outcomes for businesses is a model we are seeking to build upon and replicate through other major occasions, including Christmas. Under this approach, HOTC would retain a strong emphasis on programming and activations that drive customer demand and business revenue, while decorative and place-making elements are transferred to Auckland Council.

Leverage investment to drive growth

This particularly relates to midtown. We are already leveraging the CRL through coordinated precinct story telling to drive visitation through the city centre in our Let's Meet in the City campaign. Drawing on work started earlier this year, there is an opportunity to work with midtown property owners to ensure a coordinated approach to achieve location-specific objectives and leverage existing/attract new investment to support growth.

Review City Centre Masterplan (CCMP) & Access for Everyone

The CCMP has guided some great investment in the city centre, particularly around the waterfront areas. However, KPIs for some key projects have ignored business needs and operational functionality. This has led to decisions that have adversely affected foot traffic and spending (e.g. Queen Street). The city centre exists first and foremost as Auckland's economic engine. Future planning and transport interventions must be evaluated not only against transport and urban design outcomes, but also business performance, consumer spending, functionality and economic growth. Business needs must be taken into account from the outset, with greater reliance on economic impacts and data to review progress and change approach as may be needed. The timing of ongoing streetscape works will need careful consideration, with a pause following the opening of the CRL to regenerate and attract people back.

Boundary Change

HOTC's boundary is outdated and there is an opportunity to grow the boundary (and funding) to reflect reality. This has been considered over time and decisions were made to defer as there were more pressing priorities for our limited resources. However, once our new Strategic Plan is developed, this could present an ideal opportunity to highlight an updated value proposition and grow HOTC's boundary to reflect our true landscape.

Leverage Networks to achieve ambitious goals (& avoid duplication)

The city centre now attracts significantly more interest and support from various organisations (public and private) than through much of the last decade. We will utilize our networks to maximise the return and ensure that the needs of our members and businesses are front and centre.

ANNUAL PLAN 2027/28

Specific goals for FY28 will be set once the Strategic Plan is complete. At this time, we expect our focus will be to promote and deliver vibrant and engaging city centre experiences that drive repeat visitation, growth and investment. This will be achieved through inspiring, well-targeted marketing and communications, innovative revenue-generating events and partnerships. Effective advocacy to achieve agreed results, including a safe and accessible trading environment, and meaningful connection and engagement with members and stakeholders will be important to ensure a great place to do business.

FACILITATE GROWTH	ENSURE A GREAT PLACE TO BUSINESS
CAMPAIGNS/EVENTS/COMMUNICATIONS • Restaurant Month • Christmas • Visitor Attraction • Collaborative activation programmes • Targeted marketing & communications • Always On digital programme to promote what's on **BUSINESS/INVESTMENT** • Champion city centre through PR & comms, highlighting business success & investment • Promulgate city centre data to help inform investment • Leverage networks	**SAFETY** • HOTC Safety Team (visible, business-focused deterrence & rapid response) • Safety networks, communications, intelligence and technology integration • Ensure application of laws & bylaws **ACCESS & PLANNING** • Targeted advocacy – central & local government – influence key projects, policy, funding and regulatory settings • Focus on functionality & experience • Influence design, support & disruption mitigation outcomes **OPERATIONS** • Data and performance monitoring • Business continuity

KEY MEASURES

Spend, foot traffic, repeat visitation, perceptions metrics
Marketing/Communications/Event metrics, Ad Impact
Research, Participant & Business/Member feedback
Business/Investment growth & Vacancy rates
Advocacy outcomes
Crime rates

CAMPAIGNS, EVENTS & ACTIVATION

HOTC EVENTS

Restaurant Month

Restaurant Month is one of our most important and successful initiatives on the events calendar. It has provided a competitive advantage and platform to showcase the breadth and depth of the city centre's diverse dining scene for 16 years. Importantly it also provides a valued mechanism to engage with our dining and hospitality businesses, delivering measurable return for those who participate. In 2027 we will leverage the successful event in 2026, which delivered participant spend of ~$4.98 for every $1 invested by HOTC.

Christmas

Christmas 2027 will follow a significant and collaborative effort to enhance the city centre's position as the "home" of Christmas for the Auckland Region and as an attraction for visitors. From a marketing and events perspective, this is the biggest retail month of the year, and we will leverage this fully to promote the city centre's extensive offer, along with hospitality for Christmas celebrations. The giant Christmas Tree Te Manaaki is already a "must-see" Christmas destination, growing impact and attendance year on year.

Visitor Attraction & Collaborative Activation

We will deliver new initiatives to drive increased visitation and dwell time, lifting spend across retail, hospitality, arts and culture, and events. Delivered in collaboration with key stakeholders and partners, this will reinforce the city centre as a leading commercial and cultural destination.

In 2026, we collaborated with the city centre universities to welcome international students and introduce them to city centre businesses. This was well received and we are exploring how this can be expanded to grow both the economic return for participating businesses and student activity across the year.

While we expect retail vacancies to drop, we will continue to support the Vacant Stores programme to activate empty premises across priority city centre precincts. We connect property owners and managers with Auckland Council to implement creative solutions that support vibrancy and enhance leasing activity by maintaining high-quality presentation of vacant assets.

A collaborative approach is also in place with Tataki Auckland Unlimited and key stakeholders to implement practical solutions that support the growth of the night-time economy. HOTC's role includes promotion, participation in agreed actions, and liaison with businesses, alongside delivering our safety programme.

Always On Digital Programme

Our Always On digital marketing programme promotes the day-to-day, ever-changing offering of the city centre, keeping visibility on new news - especially events, dining, retail, arts and culture, nightlife and entertainment. We also share safety and access content to help grow our consumer audiences' knowledge of what's in place to positively support the city centre.

As well as our own events, we will continue to support the many others that bring people to the city centre. We will continue to amplify storytelling of Auckland's diverse cultures and ethnicities – particularly around festivals such as Lunar New Year, Matariki and Diwali.

Growing our reach with Aucklanders and businesses/members will also be facilitated by our unified website covering both our consumer and member channels – streamlining our digital presence, growing engagement with businesses; and enhancing our CRM processes. Our website, social media, and EDM's enable us to promote our own and others' activity across the year in a targeted way.

These platforms provide an opportunity to regularly engage with businesses, private partners (SkyCity, Commercial Bay, Viaduct, Britomart and others), council stakeholders and event providers, through to owner operators, to share their content. This engagement and content will play a vital role in maintaining strong interest - to inspire our audiences and ensure the city centre remains top of mind. It will also be an important means of showcasing our work to our businesses and members.

BUSINESS/INVESTMENT

Encourage Private Sector Investment

Building on the work of the previous period, we will identify opportunities to influence the offer, with a particular focus on the midtown area. Regular contact with council's economic development unit, real estate companies and property owners will be important to support leasing and influence outcomes, along with publication and distribution of research insights.

Member Communications, Business & Stakeholder Engagement

We will continue to champion confidence in the future of the city centre, positioning it as a place to invest and do business while clearly articulating our stance on key topics of interest to members, and amplifying our investment attraction work. Now the large-scale concurrent construction is complete in midtown, engagement with stakeholders will move beyond traditional channels to a more structured, scalable approach - combining strong relationships with enhanced use of technology, data and targeted communications.

This includes implementing an integrated communications plan, strengthening our LinkedIn presence and broader B2B marketing capability, and leveraging timely, value-driven content to reach a wider audience. As previously advised and intended as we came out of the intense and extended period of disruption, we are modernising our membership and engagement systems through CRM and website consolidation. This will improve onboarding, data quality and ongoing communication touchpoints with our members and potential members - our primary customers.

Alongside this, we will continue direct engagement through face-to-face interactions and targeted outreach, while creating more opportunities for participation, partnership and collaboration in delivering our Strategic and Annual Plans. This joined-up approach will enable us to deepen engagement, extend our reach, and enhance our role as a catalyst for business success in the city centre.

Public Relations

We will take a proactive and responsive approach to media – both amplifying and maximising impact of HOTC-led events, initiatives and emerging opportunities, including those that drive visitation and support our advocacy priorities. At the same time, we will continue to champion business-friendly policy and economic growth, while showcasing member success stories and demonstrating the collective impact of the city centre.

ENSURE A GREAT PLACE TO DO BUSINESS

Safety

Significant improvements in safety have been achieved, particularly in the Queen Street valley, which has been the centre of these concerns. Efforts will need to remain focused as safety is an operational, economic, and vibrancy issue which directly influences how people experience the city centre, how long they stay, and how often they return. Continuing to improve safety will directly influence visitation, dwell time, and overall confidence in the city centre.

The HOTC Safety Team operates in the space between agencies - providing visible deterrence, rapid response, and direct support to businesses. Given the importance of retaining and continuing to maintain the gains made, we have moved increasingly towards an integrated safety operation - combining increased "boots on the ground" with improved coverage and mobility, and a focus on deterrence, prevention and rapid response. This will be supported by the introduction of new technologies and better integration with platforms such as Auror, enabling more effective reporting, coordination and retail crime response.

We will continue to advocate strongly for the resources the city centre needs -including stronger Police presence to support the CRL. At the same time, we will work closely with Police, Community Patrols NZ and other partners to ensure a coordinated, city-wide approach to safety. We will continue to support environmental safety measures, including lighting upgrades and CPTED (Crime Prevention Through Environmental Design) initiatives.

Access

AT data, perceptions research and ongoing feedback highlight the importance of ensuring the city centre is functional and accessible for all users. Access must support the needs of key market segments, including residents of central Auckland suburbs, who represent a significant source of spending and visitation. It is important that people can easily access the city centre using the mode that best suits their needs, supported by clear information about transport options, including convenient and affordable parking. While the opening of the City Rail Link has made it easier and faster to get in, out of and around the city centre, a balanced multi-modal transport system that does not over-favour or exclude particular modes, reflects real travel behaviour, and removes barriers to entry that will be important to underpin growth.

Our work to improve access and functionality is primarily through advocacy and participation in relevant working groups at both a strategic and operational level. We are also advocating with private parking operators to ensure there is an offering that meets demand for convenient and affordable parking when the Downtown Car Park is demolished.

Planning & Development

From planning through to implementation, we will seek action to ensure that business needs are factored into public projects and planning and ensure there is appropriate support for businesses impacted by construction. We will work with council, transport agencies, and developers to secure transparent consultation processes, smart design and scheduling that minimizes disruption, ensuring mitigation measures and support for businesses impacted by construction.

Operations

This includes data and performance monitoring, and business continuity.

DRAFT BUDGET 2027/28

HEART OF THE CITY INCORPORATED BUDGET Income and expenditure	2027/28	% of exp	2026/27	% of exp
Income				
BID targeted rate grant 2026/27	5,224,623		5,224,623	
BID targeted rate grant 2026/27 received			5,174,623	
Proposed 2027/28 BID Increase of 2%*	104,492			
Proposed 2027/28 TOTAL BID Funding	**5,329,115**			
CCTR plus Local Crime Funding in 26/27	1,000,000		559,129	
Other Income	335,500		335,500	
Pedestrian Count Count Contribution	80,460		80,460	
Interest Received	20,000		25,000	
TOTAL INCOME	**6,765,075**		**6,174,712**	
EXPENDITURE				
PERSONNEL				
Personnel, Contractor & Recruitment Expenses	1,540,000		1,480,668	
Personnel - subtotal	**1,540,000**	**23%**	**1,480,668**	**24%**
PREMISES & ADMINISTRATION				
Accountancy	72,000		80,102	
Audit Fees	21,600		20,550	
Computer/Phone Maintenance	71,000		65,275	
General	68,482		66,488	
Insurance	26,780		26,000	
Legal & Consulting Fees	40,000		38,500	
Rent	177,341		172,176	
Subscriptions (incl HubSpot)	72,942		70,818	
Premises & Administration - subtotal	**550,145**	**8%**	**539,908**	**9%**
MARKETING, EVENTS & COMMUNICATIONS				
Events*, promotion & advertising	3,194,179		2,751,608	
Members Communications/Website/Website Hosting	74,563		72,391	
Research	134,067		130,163	
Marketing, Events & Communications - subtotal	**3,402,809**	**50%**	**2,954,161**	**48%**
SAFETY				
Safety team & programme	960,000		949,370	
Safety - subtotal	**960,000**	**14%**	**949,370**	**15%**
BUSINESS, INVESTMENT & ADVOCACY				
Advocacy	10,000		10,000	
Business Support	20,000		17,500	
Pedestrian Counts	139,917		135,842	
Projects	25,000		20,000	
Business, Investment & Advocacy - subtotal	**194,917**	**3%**	**183,342**	**3%**
NON-CASH ITEMS				
Depreciation, amortisation & loss on disposal				
Non-cash items - subtotal	**117,000**	**2%**	**67,000**	**1%**
TOTAL EXPENDITURE	**6,764,872**	**100%**	**6,174,449**	**100%**
NET SURPLUS/(DEFICIT)	**204**		**263**	
**The purpose of the proposed increase is to support events that generate economic return (refer p.8 of 2027/28 Annual Plan)*				

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