

MARKET RESEARCH REPORT

Prepared By Gravitas Research and Strategy Limited

**BUSINESS LOCATION
IN RELATION TO THE CBD**

Prepared For Auckland City Council



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EXECUTIVE SUMMARY

This summary contains the findings of a range of in-depth interviews conducted with key business people and decision makers across the Auckland Region. Businesses were selected if they had moved into, out of, within or had chosen not to move into the Auckland CBD in the last five years. In addition interviews were conducted with significant long term CBD tenants and with real estate agents. The key aim of the research was to focus on the CBD and determine:

- Drivers of location decisions in relation to the CBD;
- Impressions of the CBD as a business location; and
- Ideas for the future development of the CBD as a business location.

Business Location and Relocation

The research has revealed a number of macro trends that have been occurring over the last five years that have impacted business location in and out of the CBD. These trends are:

- The movement of a number of head office operations from Wellington up to Auckland, most noticeably in the banking sector, driven primarily by market size;
- The movement of a number of operations, particularly in the financial sector out of the Auckland CBD to Australia;
- A drift within the Auckland CBD of many of the more traditional CBD tenants (banks, lawyers, accountants etc) north and west towards the waterfront;
- A dramatic rise over the last 3-4 years in the share of CBD office space occupied by the education sector (now over 10%);
- Increased emphasis on maintaining staff through (in some sectors) providing a more relaxed corporate culture and providing greater access to a range of amenities;
- The on-going development of electronic means of communication resulting (in some cases) in less emphasis on physical proximity to clients, suppliers etc in the business location decision; and
- An increasing demand among larger companies for larger floor plates, allowing for greater space efficiencies and a more open (physically and culturally) working environment.

In the context of these on-going changes, businesses are still making decisions about where to locate or relocate. Among those who choose to locate into or maintain a location within the CBD, the key drivers are:

- The image of a CBD location, both in terms of the profile that comes from being located in the CBD and also the image of being seen as a CBD business;

- A relatively central location that in a regional perspective is relatively easy for staff and clients to access from a wide range of areas and is also relatively convenient for accessing clients located across the region. The CBD is also a hub for all major modes of private and public transport;
- Proximity to clients, suppliers and competitors that are also located within the CBD; and
- Access to a full range of amenities including shops, services, cafes and restaurants.

For businesses choosing to locate outside of the CBD many of the key drivers are similar in principle but differ based on a company's specific needs. Key drivers for out of CBD location are:

- Total occupancy costs tend to be considerably lower and car-parking is cheaper;
- An image which is not seen as too corporate – particularly important for companies that want to portray a less formal image;
- Amenities including shopping, restaurants, cafes and open spaces are frequently considered to be better outside of the CBD, particularly in fringe centres such as Newmarket;
- Accessibility to out of CBD locations is frequently considered easier particularly when inner city congestion can be avoided, and because car parking is more plentiful and cheaper; and
- A wider range of more suitable premises is often considered to be available outside of the CBD (again, strongly dependent on needs).

Impressions of the CBD

The physical form of the CBD is generally considered to be mediocre at best. There is agreement that certain areas have improved over recent years, and some pockets such as the High St/ Chancery area and the Viaduct Basin receive praise for their combination of form, function, people friendly spaces and vibrancy. However, the rest of the CBD is commonly criticised. In particular, Queen St is largely considered 'soul-less' and the retail offering poor in comparison to malls and other centres including Newmarket and Wellington.

Common criticisms of the CBD are its lack of open and people friendly space, and its lack of 'heart'. Many feel that the growth of the CBD has been too developer-driven with areas allowed to develop in an uncoordinated fashion with no overall blue print for how the CBD should be nurtured in the long term. While areas such as Chancery and the Viaduct are praised, they are also cited together with Aotea Square and Queen St as being isolated and unconnected spaces that contribute to a lack of focus in the CBD.

Similarly, vibrancy within the CBD is seen as isolated to a few key areas – although there is acknowledgement that with the increasing resident and student population the energy within the CBD has increased noticeably in the last few years. Safety remains an issue of concern in many areas, particularly for female CBD workers outside of regular working hours.

While the increase in student (particularly foreign student) numbers in the CBD is seen as contributing to the vibrancy and cultural diversity of the areas, there are also concerns about the growth. Businesses co-tenanting with language schools cite problems relating to building access and the impact on their professional image, which in at least one case contributed to a businesses decision to move out of the CBD. In addition, the growth of entertainment and food outlets on Queen St aimed at students is seen as detracting from the Queen St retail environment.

From an access point of view, the CBD is widely criticised for being both difficult to get to and difficult to get around. While many acknowledge recent improvements to the public transport services including the Link Bus and the bus lanes on arterials into the CBD, there is widespread agreement that the public transport network is below standard, particularly in comparison to other cities such as Wellington and Sydney

Parking is another major issue within the CBD for businesses – in particular the cost of parking. Several businesses cited the inability to secure enough parking at a reasonable cost within the CBD as among the reasons for choosing an out of CBD location.

Few regulatory issues were consistently raised in relation to the CBD. However, among those who are aware of it, the rates differential is considered excessive and a disincentive to locating in the CBD.

Still of concern to many businesses is the security of power supply in the CBD. Since the last power crisis, many have taken action to ensure that their current or new location is able to function with an auxiliary generator in the case of a major power failure.

Development of the CBD

In an overall sense the future development of the CBD and the keys to maintaining and enhancing the CBD as an attractive business location are seen as:

1. Producing a clear and long term plan that outlines the form and function of the CBD and allows business to see where they can fit within it;
2. Making the CBD an easier place to do business by improving access to and within the CBD, and ensuring it is a value competitive location; and

3. Focusing on the encouragement of small-medium sized businesses into the CBD area

While financial incentives to locate within the CBD are seen as attractive, businesses would prefer to see Auckland City working on improving the CBD, particularly in terms of access and events to make it a more attractive location.

More specifically, businesses' key visions for the future include:

- Improved access through continued development of the private and in particular the public transport network;
- Further development of the waterfront, linking it to the city and incorporating open spaces and access to the waterfront;
- Active promotion and marketing of specialist precincts within the CBD to attract both locals and tourist;
- Ongoing organization and facilitation of events within the CBD for both the public and business communities to encourage people in and add to the vibrancy of the area; and
- Development of a more diverse and interesting retail environment.

Summary Table

Issues
<ul style="list-style-type: none"> • Flow of corporates from Auckland to Wellington • Northwest drift of corporate CBD core north and west towards the water • Recent growth of Education sector in the CBD • Technology reducing the need for physical proximity to other businesses • Trend toward premises that offer large floor plates, open plan, employee friendly work environments
Opportunities
<ul style="list-style-type: none"> • CBD seen as premier corporate, high profile location • Proximity to the water/harbour offers significant amenity value • Wide range of amenities available – in particular cafes, shops and restaurants • Central location gives ease of access to and from the rest of the region • Major public transport hub • Vibrant pockets around Viaduct Harbour and High St • Largest agglomeration of businesses in the region
Levers for Change
<ul style="list-style-type: none"> • Development of long term strategic plan outlining CBD's future form and function • Improving access - particularly by public transport • Further development of the waterfront to link CBD with the harbour • Promotion of CBD businesses – particularly retail • Facilitation of events to attract public and business into CBD • Development of open/people spaces
Barriers to Change
<ul style="list-style-type: none"> • CBD seen as too corporate for some businesses • Access to CBD by private transport very difficult • Availability of parking limited and cost perceived as high • Total occupancy costs high in comparison to equivalent out of CBD locations • Current retail offer perceived as inferior to other centres • Necessity of CBD location on the decline • Long term vision of CBD form and function not clear • Safety concerns in some areas

1. INTRODUCTION AND OBJECTIVES

1.1 Introduction

The Auckland CBD has an integral function in both Auckland City and the wider region. Not only do businesses in the Auckland CBD account for 45% of jobs in Auckland City and nearly 23% of jobs in the Region, but over recent years, the CBD has become the home to an increasing resident population and more recently still a preferred location for specialist educational institutions. Other changes such as the development of the Viaduct Harbour for the America's Cup regatta and increasing tourist numbers to Auckland are seeing the CBD undergo a major transformation.

Auckland City acknowledges the importance of the CBD to the region through the development of the Central Area District Plan. Key to the development of the CBD is the commercial environment and the changes that take place within it. Auckland City has considerable anecdotal evidence relating to businesses location decisions with respect to the Auckland CBD. However, in order to set in place appropriate plans and initiatives for the further development of the Auckland CBD, it is important for Auckland City to have more comprehensive and objective information on how firms make their location decisions, what attracts them to Auckland's current CBD and what are the detractors from CBD location.

1.2 Objectives

The key objective of this research is to gain a greater understanding of the drivers for firms leaving, entering or not entering Auckland's CBD, and the pressures on firms staying in the central city area.

Specifically, the research addresses the following questions:

- How is Auckland's CBD perceived by firms in terms of:
 - Accessibility to markets
 - Suitability of premises (including cost)
 - Availability of an appropriate labour force
 - Transport – and parking
 - Telecommunications
 - Proximity to firms engaged in similar activities – are agglomeration effects evident?
 - Availability and access to suppliers/support services
 - Regulatory environment
 - Rates
 - Physical environment
 - The “feel” or atmosphere of the CBD
 - The resident population

- What are the main reasons firms have for moving into or out of Auckland's CBD, or choosing to locate elsewhere?
- What factors encourage firms to stay in the CBD?
- What pressure/issues would cause them to leave?
- Could any intervention by Council, such as rates relief or financial grants, influence firms in the location decision?
- What more could Auckland City Council do to promote economic growth in the CBD?

2. METHODOLOGY

Given that the nature of firms' location decisions are complex, and that a high level of detail was required, a qualitative methodology was used.

For interviews with participants in the Auckland region, a face-to-face approach was used. Interviews with businesses that have moved from the Auckland CBD to areas outside Auckland were by telephone.

In selecting participants, the focus was not necessarily on looking for a 'purely representative' sample of businesses in and outside of the CBD, but instead looking to focus on larger, high-profile businesses. The rationale behind this was that these higher profile businesses act as magnets to the CBD, attracting other businesses and thereby stimulating economic development and growth.

The Auckland City CBD economic workstream project team were able to provide some assistance in identifying relevant firms to include in the research. In addition, businesses that had recently moved into and out of the CBD were identified through use of Universal Business Directory databases.

All potential firms were initially approached by telephone. The recruitment script was designed to allow the recruiter to identify the most appropriate person/people in the organisation to talk to. All recruitment was undertaken by a member of Gravitas' team of experienced business-to-business recruiters.

Each successful recruitment phone call was followed up with a confirmation letter. The letter provided the Gravitas project director's contact details. Confidentiality for participants was assured both in writing and verbally.

Given the case study methodology proposed, the possibility that many of the location decisions made are likely to be complex and also that participants are likely to be senior people within their organisations, Gravitas considered it important that interviews be conducted by executive research staff rather than interviewers. All members of the executive team were experienced business-to-business interviewers with expertise in probing techniques and active listening skills.

For the convenience of participants, all interviews were undertaken at the participants' places of work.

To ensure complete coverage of the objectives of the research, and to ensure consistency between interviewers, an interview schedule was used to guide all interviews. This was drafted by the Gravitas team and submitted to the Auckland City CBD economic workstream project team for feedback and approval prior to any live interviewing taking place. However, while the interview schedule formed the basis of the interview, free discussion was also be encouraged in order to

pursue issues of importance to particular participants. Each interview took between 25 minutes and an hour.

To both encourage participation and thank participants for their time and contribution, Gravitas made a donation to a charity on behalf of each participant.

With participants' permission, all interviews were audio-taped. These were transcribed in full to provide a comprehensive record of the consultation. The use of transcripts as the main record of analysis ensured that no information was lost between the field work and analysis/interpretation stages, also allowed discussions to be reviewed across members of the project team.

The use of transcripts has allowed for the inclusion of verbatim comments in this report, to assist in elaboration or clarification of concepts, as well as adding colour to the text.

Businesses who participated were given the choice of remaining anonymous or being identified. Those who allowed themselves to be identified did so on the provision that information given would be used for internal Auckland City purposes only.

Businesses interviewed were:

Moved into the CBD

- A small-medium sized software company*
- A major New Zealand trading bank*
- Westpac*
- A small fashion retailer*
- Boffa Miskell (environmental consultants)*
- Frame-up Films*

Moved out of CBD

- A major primary produce marketing operation*
- A medium sized brokerage company*
- URS (engineering/consulting)*
- A major telecommunications provider*
- John Peebles Associates*
- A small-medium sized law firm*
- The Public Trust Office*
- A small-medium sized software developer*

Moved/moving within the CBD

- Price Waterhouse Coopers*
- An international bank*
- A major law firm*

KPMG

Always been within the CBD/ not moved

Smith and Caughey

Air New Zealand

The Tourist Group (retail)

Cosco (shipping)

Expanded/ moved, but not into CBD

A major telecommunications company

Genesis Power

A multinational consumer goods manufacturer

A national transport infrastructure provider

Fonterra

Made decision not to move to Auckland

A medium sized finance company

Australian department store

David Jones

2 central city commercial real estate agents

3. BUSINESS LOCATION AND RELOCATION

This section looks at overall trends of business location in the CBD over the last five years, and summarises the information gathered through the case study interviews related to business location and relocation. As such, this section attempts to paint a 'big picture' of CBD business dynamics over the last few years. More specific information relating to particular businesses interviewed can be found in Section 6 of this report, Case Studies

3.1 Macro Trends Affecting Business Location

North West Drift

The CBD has experienced great change over the last few years in regards the make up and location of its tenants. One of the more notable of these trends has been the 'Northwest Drift'. This term has been used to describe two key trends in location. The first is at a national/international level – the movement of businesses north from Wellington to Auckland and west from Auckland to Australia – and the secondly is at a more localised level – north up Queen St towards the harbour and west in the direction of the Viaduct Basin.

The movement of businesses north from Wellington to Auckland has occurred across a range of sectors. Possibly the most notable of these in recent times has been the banking sector, with three of the country's four major trading banks – Bank of New Zealand, Westpac and ANZ - all having moved their head office operations to Auckland within the last 3-5 years. The size of the Auckland market appears to have been the major driver of this movement, with Auckland and the upper north island accounting for a significantly larger proportion of both the public and commercial marketplace:

It is better to be near the market. We are talking about market scale, and where the scale is large is in the Auckland area, that is about as simple as it gets and you have also with other corporate drift people that they are dealing with is either north or west, so that is how it happened

Similarly, corporates such as Unilever, Fonterra, and Tranzrail have also moved all or parts of their operations north recently. Again, being closer to the major centre of population and economic activity appear to have been the key drivers:

For us, it was looking to be closer to the centre of economic activity and a number of our large customers. The move was really focused initially on our marketing divisions and our Head Office, but there were certain synergies to be gained from bringing other parts of operation along with it as well

The size, diversity and quality of the labour pool in Auckland also played a role in the decision of a major manufacturer of consumer goods that recently moved north from Wellington to Auckland.

The drift west across the Tasman to Australia is a trend that has received considerable press at times, but does not seem to have occurred at the scale of the movement north from Wellington. The move to Australia appears to have focussed largely around the financial sector, with companies such as Merrill Lynch and Deutsche Bank recently having either closed their Auckland office and re-located staff to Australia, or moved particular sections of their operations to Australia. A recently documented case of this was the movement of the equities division of Deutsche Bank to Australia, while the trading arms have remained in operation in Auckland (*NZ Herald 5/5/01*). At the same time however, there is a fear among some of the businesses interviewed that more large corporates will be taking large portions of their operations off-shore to Australia and Asia. Again, the relative size of markets appears to be the key driver.

The tragedy is that we are losing the companies like the Carter Holt Harveys. We will lose them. They employ 12,000 people. Its not going to be long if they have gone from 11% of their sales out of Australia to over 40% in 6 to 8 years. How long is it going to take before they have got over 50% of their sales in Australia and they move to Sydney and Melbourne. Not long.

Within Auckland, the most notable characterisation of north-west drift has been relocation as businesses have chosen to move north towards the harbour, and west towards the newly developed viaduct basin. This trend has been characterised by both the development of new office blocks and relocation into existing office buildings. This movement has been particular apparent among the more traditional CBD tenants such as lawyers, accountants, insurance, banking and computing. Recent high profile examples of this include:

- The movement of Price Waterhouse Coopers and Buddle Findlay to the PriceWaterhouse Coopers tower on Quay St;
- HSBC relocation from mid Queen St to No1 Queen St;
- The movement of a number of computer companies including Hewlett Packard and Alcatel to Maritime Square in the Viaduct Basin;
- The upcoming movement of KPMG and Kensington Swan from Princess St and Customs St to new premises in the Viaduct Basin;
- The not so recent location of the Delloites building; and
- The new Quay Park development

For some businesses, there is an increasing perception that the mid to southern end of Queen Street is no longer a desirable location. This is frequently attributed to the growth of the entertainment and education sectors in this area:

The area seemed to be going a bit shabby and we felt we needed to be down the bottom end of Queen St. I suppose the CBD is not just Queen St, it is some of the streets running off it, so most of the major accounting and law firms are tucked in this lower part of Queen St

When we first went there we had State Insurance and Inland Revenue and other professional places around us which got taken over by the Tech, ATI, the University, whatever, and we were just about the only ones left that

were – and when Planet Hollywood and all that opened across the road, I mean basically there was no other professional people up our part of town. .

Bayleys Research also note this trend in their most recent article on the CBD Office Market:

“Proximity to the waterfront is now as important as views, carparking and quality of accommodation as a determinant in the choice of accommodation and the level of rental paid. This has seen the orientation of the Auckland CBD swing round from a north-south direction (parallel to Queen St), to an east-west direction along the waterfront.”

As part of this move north along Queen St, Shortland Street and the surrounding areas in Fort St and the Chancery area are developing as the so called ‘Legal Alley’. Examples of this movement have been:

- The location of Russell McVeigh and Rudd Watts and Stone to the Sun Alliance Tower
- Gosling Chapman's upcoming move into the Shortland Street towers
- The movement of a number of smaller law firms into the Auckland Club Tower and the Shortland Chambers
- The establishment of Wilson Harle, a new law firm in Fort Street
- A new 29 storey development with Simpson Grierson as the anchor tenant on the old Northern Roller Mills site on Shortland Street

The appeal of this location to the legal sector is its proximity to both Court buildings in the CBD, and to the shopping/restaurant amenities offered by the High St/Chancery area:

Movement from the CBD has been predominantly from the south to the north, down a bit closer to the water and there are key locations - the Viaduct being one of the newest of course. Another key location is the Shortland Street environment which is finance, solicitors and real estate, so those are two key locations. So people are moving from south of Wellesley St to the north of Wyndam Street as a preference.

The Rise of the Education Sector

Possibly the biggest and most widely publicised trend in business location over the last 3 years has been the rise of the education sector. This has occurred in a wide range of centres across the region, but its impact has been felt most dramatically in the CBD. From 1998, when the education sector accounted for only a small proportion of all floor space in the CBD, it is now the largest single sector represented in the CBD, accounting for over 10 percent of all office floor space (excluding the traditional Auckland University and AUT Campus areas).

The sector gravitates primarily towards the Secondary Office Market (B and C grade offices), with 90% of the education sector occupying buildings of these grades. Much of the space occupied in recent years has been left vacant as more traditional CBD tenants have moved to new and higher grade office space (as part of the drift towards the waterfront). The sector is dominated by private English Language Schools (40%) and by Auckland University and AUT (37% combined).

Previous research has found that the attraction of the CBD is centred on:

- The availability of B and C Grade space
- The vibrancy or 'buzz' that the CBD provides
- Access by public transport
- Proximity to apartments

While the education sector has been credited with dramatically reducing vacancy rates and injecting life into the CBD through attracting students to the area, it is also seen as creating problems for businesses, particularly co-tenants. There is evidence that some corporates do not consider language schools to be suitable co-tenants due to

- Image problems caused by congregations of students in common areas such as building foyers and entrance-ways
- Access problems associated with large numbers of students using lifts and stairways
- Concerns about the volume of people in a building in the case of a fire

There seems to be a lot of these foreign language schools that disgorge lots of people onto the pavement where there is smoke and so forth. That is not a very attractive sort of thing.

They are just all over you. You go to get in the lift and they would push in and they would be there first. We never had the lifts full until we got all the students. Then you couldn't get in them and would have to wait for three or four lifts to come and go before you could get up and down to your floor and all that sort of thing. . There was no way we were going to stay there with the landlord and the students at the end of the day.

At the same time however, the rise of the education sector has been seen by many as a strong positive injecting both money and in particular life and vibrancy into the CBD. This is explored further in Section 4.4

The Casualisation of the Workplace

Although not as widespread as some of the other patterns noticed, there does seem to be a trend in some sectors towards the casualisation of the workplace. This is manifest not only in appearances, but in working relationships and the way work is done. Examples of this include:

- More casual dress codes – the demise of the tie
- Meetings held in cafes rather than board rooms
- The move to open plan work environments
- More flexible working hours

Many of these elements are aimed at attracting and maintaining good staff in an era when certain skills are in short supply and changing jobs is more common than it has been in the past.

The impact of this trend on location is a move to a less formal corporate environment where staff have a range of amenities at their disposal and can work in a pleasant environment. In some instances this has contributed towards a decision to move out of the CBD, or alternatively, not move into the CBD, as it is a location that is traditionally seen as more 'corporate' and less friendly.

This is a more comfortable environment and I link that to the culture we are trying to get here at the moment which is relatively informal. Being a little bit outside the CBD helps to support that view, we are surrounded by apartments, parks, nice shopping environment, it is just that little bit more informal

One of my strong things right at the outset was that we wanted a hotel-style lobby that people could use, comfy chairs, get a cup of coffee. I sometimes have clients coming in at 10.00 and we meet down below and have a cup of coffee and it is a good environment for that sort of thing

If you look at everybody here most people are probably slightly environmentally sort of conscious and prefer a relaxed, not too hectic environment around them. One of our philosophies is to try to provide staff with the best working conditions, one so they can work hard and as part of the philosophy we asked them all where they wanted to be and the predominant thing was actually probably not wanting to be being in the middle of the city.

The Impact of Electronic Communication

For many businesses, the ability to send documents and conduct transactions by telephone and email has negated the need to necessarily be physically proximate to customers, clients and/or suppliers. While this has not necessarily resulted in significant movement away from traditional locations, it means that more businesses now have the option of locating more remotely than has previously been the case, thereby freeing up their location options to an extent.

Before technology improved like it has, [the CBD] was the only place to be because, if you wanted a Land Transport Office search or something, you could walk to the LTO and get it. Now you can electronically do all that sort of stuff so it is not important any more for us to be there.

Pre 1991 we had to be Downtown where all the customs brokers and where the people who facilitated the import and export movement of the cargo were situated including Customs, Agriculture and MAF and so forth. Post 2000, absolutely no need to be anywhere. We could be in Queenstown, we could be in the Bay of Islands. There is only a psychological requirement to be somewhere. We don't have customers visiting our office to pick up Bills of Lading and produce pieces of paper, it is all done electronically or by mail or by courier. So we have no need to be in any specific location, we can be anywhere we want. The only advantage in being in this area is that our major customer base, and therefore our decision-making process people, are in Auckland, not necessarily in the CBD, but in Auckland, so therefore we maintain a presence.

Demand for Larger Floorplates

Among larger businesses in particular, there appears to be a growing demand for office space that offers large floor plates thereby allowing businesses to be located on fewer floors. Larger floor plates are widely considered to minimise the physical and psychological barriers created by having different operations on separate floors, and allowing for flexible open plan fit-outs to be installed.

We were reinforcing divisional silos, in other words, the finance team was on one floor, the sales team was on one floor and the marketing team was on one floor and so you didn't really open up the communications channels between the teams very well so it was probably the key reason for moving here.

In the Broadway office we were spread over three and a half floors. It was amazing what a problem that made for communication internally. People just didn't talk, didn't make the effort to go downstairs and see colleagues.

The building didn't really suit us in terms of it was quite a small floor-plate and we were constantly having to reshuffle legal teams in order to fit people onto the same floor as the people they were working with.

Examples of businesses that have been drawn by large floorplates include

- ACP Media's move to new premises in Beaumont Street which has allowed them to move from a range of locations to a single level in a purpose built environment.
- PWC, who have moved from multiple levels in two buildings to only 5 employee and 1 client floor in the new PWC Tower
- KPMG who will soon be moving from multiple levels in two premises to three levels in their new premises (currently under construction)
- Telecom Xtra, who have moved from most of an entire building in the CBD to only one and a half levels in their new premises in Karangahape Road

Associated with the move to larger floor plates are gains in efficiency in terms of floor space required per employee. As such, many businesses that have moved from premises comprising several floors to new premises over fewer floors have found that the total area they need to lease is reduced. Moves to a higher grade of space are countered by the need for less floor space in total and so economies are achieved

I guess one of the key things rather than the location is the size of the building, the floor-plates, the 1350 sqm is pretty big. Our other two buildings were just over 1,000 and in one case close to 1100, but that extra 250 metres per floor is a lot of space and it means that we can get to where we have got, 110-115 per floor which makes for good efficiencies. So that was number one.

So the building which we are going into is 1620 sqm floor. Now if you take this one which is one of the options and it is 900 sqm, you don't get the efficiencies so it wasn't just because that building was where it was, it was the particular attributes of the building.

Many of the new large buildings offering the larger floor-plates have been developed in the CBD. For some however, the lack of existing buildings offering the larger floor-plates was among the reasons they chose to look outside of the CBD.

The CBD certainly is largely constrained with fairly small floor-plans which would have meant that we would be very vertical but without the ability to get the appropriate adjacencies we were looking for. City fringe there were actually a couple more opportunities in that regard with a larger floor-plate, but nothing that was going to be either available in the timeframe that we were looking for..... basically we have got a completely open-plan office, so there are no offices here whatsoever, managing director sits out in open plan as does the rest of the team. And with a larger floor-plate size you are then able to design areas that allow proper adjacencies, so customer service near sales and your operations and all those things. You can have logical groupings of people. With smaller floor-plates you end up being constrained over much by the floors, not by the way you want your business to run.

3.2 Reasons for Relocating

Reasons for relocating are as many and as varied as the companies spoken to. There was little evidence of a single factor or a set of factors being responsible for business relocation. Reasons given by businesses interviewed were as follows

- Business growth leading to the requirement for more floorspace
- The merger of two companies and a requirement for more space to house the new company in a single premise
- A need to be closer to key suppliers
- A desire to be closer to key markets
- A desire to operate on a single or a reduced number of levels
- A desire to be located in a building that provided naming rights
- Current space being made unavailable as a result of a premises sale
- Lease expiry and not being able to reach an acceptable re-lease with the landlord
- Lease expiry and a desire to move to more suitable/ higher quality premises.

The Case Studies in Section 6 give more details on the specific triggers for re-location.

3.3 Why the CBD?

Image

The CBD is the traditional location for many large companies in key sectors including law, insurance, accounting, finance and computing. Many of these large corporates have always been located in the CBD and their overseas offices are located in CBDs across the world. CBD location then is a function of both history (have always been there) and image (is the place to be).

The CBD is where many businesses feel they are expected to be, and it is a location that portrays an image that an out of CBD location may not. This is important for some businesses in terms of attracting both business and staff. While there is general acknowledgement that these businesses could functionally operate outside of a CBD location, potential deterioration of client relations and threats to the continued ability to attract and maintain top quality staff mean this risk is not taken. Further, from an image perspective, it is also important to be in the right location within the CBD and this has clearly contributed towards the north-west drift within the CBD towards the harbour and its associated amenities.

All of the sites that we looked at were in the CBD so I think, from that, it is important. It is high on the priority list. I think at this stage we probably prefer to stay in the city, I think that is where people expect to see a large corporate professional firm like ours, but that is not to say that things won't change in the future.

One of the important things was the attraction of graduates. Graduates say I want a top firm, I want a CBD firm - and even some clients would say if they are not in Auckland Central, they are a suburban firm. First of all we have got to attract and then retain the best people. If you can't attract them in the first place because

they think you are a suburban practice and perhaps not up to it.., maybe it is all to do with image, it is all perception, you are selling the sizzle, not the sausage.

The CBD's proximity to the harbour also means some businesses in the marine sector feel it is an appropriate place for them to be located, even if it is not strictly necessary for their business operation.

We belong on the waterfront because we are a waterfront industry. We want to stay here because the image of being a shipping company and basing yourself in an office in Queenstown or in the Bay of Islands or Albany just doesn't fit. We are a logical tenant for a building on the waterfront and we need to stay here, simple as that.

In addition, the CBD is a location that is seen to provide a high profile – especially if building naming rights are secured – that other non-CBD locations may not:

We just felt we should be in the CBD, that is not to say that most of our customers are CBD based because they are not, they are all over the country, but this is where the business takes place. The lawyers are here, the accountants are here, the banks are here. Mainly but also to have a presence here, if you have a presence in a fringe who knows, you become invisible.

We were keen on the naming rights and therefore to be in this sort of location with the name up on top is quite good. It is not a small name so it needs to be a big building to fit the name, it has got that sort of profile with it as well.

Accessibility

Having always located in the CBD area, many of the traditional CBD businesses attract employees from across the region. Although access to the CBD is often cited as a key problem, by being relatively centrally located, the CBD is inherently relatively physically accessible to the whole region (notwithstanding traffic congestion), and is therefore often considered a good compromise in terms of demands on staff to travel.

The main reason we chose the CBD was the way the transport structure works in Auckland. All roads lead to the CBD, and all buses come into the CBD. It is a sort of focal point for the transport network. All my staff could get a direct bus into the CBD if they had to.

Similarly, accessibility from the CBD to the rest of the region is important for businesses that need to visit clients in a range of locations:

We decided that we really wanted to be on that ridge because it has the advantage of being very accessible in terms of all forms of transport and therefore was pretty useful for us. We do have a lot of staff out on client premises and they need to be able to get to and from the office pretty easily given that much of the commuter service here really has to be by car, so that accessibility was pretty critical.

As the major hub for public transport services, the CBD is also a relatively accessible location for staff travelling by bus, train and ferry. The upcoming opening of the Britomart is viewed with optimism by some in terms of making the CBD more accessible, and encouraging more people into the CBD via public transport:

The accessibility of the site is – other than when you see Friday’s traffic jams – generally pretty good and with the ferries and so forth, we are finding an increasing number of people now just coming from Devonport or Gulf Harbour and so forth on the ferries, so that is working well. And clearly with the Britomart, if we find a train to put into it, that could be useful as well.

Proximity to Clients, Customers and Competition

Proximity to other businesses is also a major factor in choosing a CBD location. From a businesses efficiency point of view, it is often desirable to be close to clients and suppliers who are dealt with on a regular basis – particularly when personal contact is important. From a staff retention point of view it is frequently important to be close to competitors to ensure you are not at a locational disadvantage.

I feel that there will always be quite a large corporate centre presence in the CBD and one of the reasons for that is proximity to the likes of the solicitors, the accountants, receivers, whoever, even our competitors.

A lot of our clients are based in the centre of town because they want to be around the solicitors and all the people that service them. So we have come to town to be closer to our clients, based in town.

There were other things like being near the major banks, the major lawyers, so there was a bit of pressure to be relatively close to those sorts of things.

For retail, the CBD is seen as a necessary location to capture the spending dollar of workers in the area. Although it is commonly acknowledged as offering an inferior shopping experience to many of the large malls outside of the CBD, there is little doubt that, particularly during the week, the CBD has a captive market of workers and students and increasingly now, residents.

With attractions such as the Sky Tower, Casino, and the Viaduct Harbour, the location of many of the large hotels, and proximity to the wharf and its burgeoning cruise ship industry, the CBD is also a magnet for tourists and a prime location for retail appealing to the tourist market.

Amenities

Although frequently criticised for lack of amenity, some businesses consider the amenity offered by the CBD as an attractor for staff. In particular, easy access to services such as banks, cafes, bars and restaurants and the availability of a wide range of shops is seen as an advantage – particularly in certain areas:

You have got the ease of access to the Viaduct Harbour if you want restaurants or to the Downtown Centre if you want foodcourt type of thing, so there is a wide range of possibilities within pretty much on the same site or within a block or two, so that is a real asset and it is proving to be very popular.

3.4 Why Not The CBD?

It is of note that many of the reasons given for preferring a non-CBD location are the same as those given for preferring a location within the CBD, including image, accessibility, proximity and amenities. This demonstrates the importance in the business location decision of finding a location that suits a particular company's needs. These needs vary widely from business to business depending on company size, company type and location of customers and staff.

Image

In the same way that many businesses chose to locate or re-locate within the CBD because of the image that it has, other businesses chose not to locate for this very reason. For some businesses, the CBD is regarded as too corporate and so they choose to either locate elsewhere (i.e. not move into the CBD) or to move out. Businesses that move out of the CBD frequently locate to the CBD fringe. Areas such as College Hill, Newton, and Ponsonby are frequently seen as less corporate and more 'funky'. This clearly ties in with the casualisation of the workplace in some sectors, with employers wanting to give staff a more informal workplace and at the same time, not portray their business as too 'corporate'.

You get the corporate office in Auckland, you have got that sort of corporate head office type image, whereas out here, it is a little bit more low key which is what we wanted to achieve. When you have got people coming up from other sites - less salubrious surroundings - it is much more palatable to those people you have less of the 'We are the corporate head office elite that is in the centre of town that spends vast amounts of money on office accommodation and eating out' and all that sort of stuff.

We didn't see ourselves as typical corporates. We wanted to differentiate ourselves from our main competitor. So taking a floor in an Auckland CBD medium high rise or high rise wasn't seen as being part of the jigsaw that fit with us.

Although we are NZ's biggest company by a long shot and probably NZ's only global operation, we are not a Queen St company, we are not a CBD-type operation and that is principally driven by the nature of our business, who we are, a dairy industry, that we are a cooperative, that we are owned by 30,000 farmer/shareholders and if anything, their aspirations for us would be to be even more rural than we are.

For one business, the image of Auckland at the wider scale contributed to its decision to not move to Auckland. While it was recognised that an Auckland location would more easily facilitate dealings with Auckland clients, it was seen in a slightly more negative light in terms of dealing with clients in the rest of New Zealand. An out of Auckland location was seen as more in keeping with the 'national' image the company wished to portray.

We find the fact that we are in (location), really helps us in our relationships with Wellington and south Island companies, and if we were to move to Auckland, we get the upside benefit of having greater interaction with Auckland companies, but it disadvantages those companies that are not in Auckland – so there has to be a balanced view. Our view is that we are a national organisation and we need to respect that.

Amenities

Areas outside the CBD are frequently seen to provide a better level of amenities for staff. Areas such as Parnell, Newmarket and Ponsonby are often considered to provide a more complete offering in terms of shopping, services, cafes, restaurants and open spaces than many areas of the CBD. Proximity to such amenities assists in the attraction and retention of staff. In addition, office spaces are frequently less 'high rise' and offer a more pleasant environment.

This thing here for us too was the lifestyle thing in that it is fairly pleasant surroundings and you have got some concept of space, you are not all sort of jammed in in a big high-rise. It is low and you have got the grass and you can kind of walk if you want to do a five minute walk over to Ellerslie. I mean I haven't worked in the city for ages but you don't get all that sort of stuff in there do you?

People like being around here. There is good access to cafes and food, either casual or something a bit more than that is well within easy reach so it has the benefits of being in the CBD without having the disadvantages.

The third thing was that this has got the best shopping area in New Zealand 200 yards away which is Newmarket and our people like it and there's restaurants and there's everything right around you and why would you want to stay in the CBD because you have got the CBD, frankly its dirty, it smells, the pavements are ugly, if you want to be downtown, actually its not that pleasant.

Accessibility

Possibly the biggest attractor of an out of CBD location is the access it provides and the ability to provide more parking at a lower cost. Although the CBD is relatively accessible in that it is in a central location and is the key hub of most public transport routes, traffic congestion on key routes leading into and out of the CBD and congestion within the CBD make access difficult by private vehicle. For companies that visit clients often, getting into and out of the CBD is increasingly taking longer and costing more as a result. Similarly, some companies report that a CBD location can be a deterrent for some clients, particularly those unfamiliar with Auckland.

It is easier for out-of-towners to get to us here [in Kingsland] than it is for them to go into the CBD. Lots of people out of Auckland are afraid of the traffic in Auckland. We had a client meeting for our North Island clients in the CBD and there were several people that turned down the opportunity to come because they would have to come into the CBD and find parking!

Access for staff to an out of CBD location is frequently seen as easier – dependent on where staff are travelling from. A very clear example of this has been the development of Smales Farm and Albany on the North Shore, as business locations. Not only do these two areas offer new

premises or sites to build with ample car-parking, but they are also very accessible and therefore attractive to the large pool of generally well educated, middle class labour available on the Shore:

One of the key advantages would be being close to where a large number of the staff live - access to a large body of potential employees here who are interested in working on the Shore and not having to go into the city. So that has actually been an attraction for people in terms of hiring and attracting new staff.

Once access is gained, many businesses cite issues relating to parking – particularly cost - as a key detractor of a CBD location. For businesses that rely on clients visiting them not only is access difficult, but car parking costs are high either for the visitor or for the business if they choose to supply customer parking.

We actually analysed our clients, we had remarkably few in the CBD so we said why are we here? And where can our clients reach us more easily, and they generally come to us by car, congestion in the city, parking is absolutely hopeless, its frightfully expensive,

Other businesses have traditionally provided parking to a large proportion of their staff and wish to continue when they move to a new premise. For these businesses, the cost of providing parking to a large number of employees makes the cost of CBD location too high:

One of the things that we believe is important for our staff is that everyone be accorded free parking, and ability to do that in the CBD was non-existent and would have incurred a great deal of cost to the company then.

Outside of the CBD, businesses find there are more parks available and the cost is much lower. Further, the cost of parking for staff who are not provided with a work carpark is considerably less:

We lease I think 40 spaces so not everyone has a carpark and we knew that would be the case if we ended up in a situation here but we wanted at least reasonable access to carparking for those who didn't have parks so there are a number of carparks around here which are about \$4 or \$5 a day. The carparking in the centre of town tend to be quite a lot more expensive and that would be unaffordable.

Parking is great. We have got underground carparking here there is a big basement down the bottom so pretty much all staff have a basement carpark so drive-in, drive-out so it is secure and under-cover. And I think we have got 12 parking spaces out the front here and around the side as well.

We wanted somewhere that was quite easy to get to by car and had plenty of parking which is what the Carlton Gore site offered us. We have got a number of carparks for our customers to use and there is always plenty of parking around there anyway

Suitability of Premises

Three businesses interviewed had looked out of the CBD because they had problems locating suitable premises. In all cases, this related to the lack of availability of large floor plates at a price they were willing to pay.

We prefer to be on single levels as much as possible, or as big a floor-plates as possible because we have lots of teams all working together on the multi-discipline type projects, so we prefer a big floor-plate if we can and that was definitely a problem. There were plenty of buildings that would have had us spread over six floors, but that just doesn't work

In two other cases, issues such as naming rights and being able to secure a ground floor tenancy were important and could not be achieved at an affordable cost within the CBD:

One of the things that we wanted to do was have a ground floor tenancy in a modern looking building that we were able to secure naming rights for and that sort of thing, so those things all played a part in deciding on that location. We did look at a couple of other places, but we fairly quickly decided that Newmarket was the sort of location we wanted to be.

The naming rights was also quite important as well for us

Necessity

For some businesses the requirement to be located in the CBD is less pronounced than it may have been 10 years ago. The advent of the internet and improved communication means that proximity to clients, customers, suppliers is no longer as important as it once was. Banking is increasingly done by internet rather than over the counter, documents can be sent electronically, goods can be purchased over websites and even legal documents can be transferred and signed electronically. As such, physical proximity to banks, lawyers and other suppliers or clients is less of a requirement than it has been in the past.

Cost and Value

Perhaps the largest drivers in choosing an out of CBD location is cost. Occupancy costs are generally lower in an out of CBD location than in the CBD for an equivalent grade of building. As such, by locating outside of the CBD a business can either cut its overheads or afford more space:

I think value comes into it from a CBD location. Again if you take all the components together, the cost per sq ft, the cost of parking and all those types of things, it does get to be quite high, even with some higher vacancy rates or you might get some lower office space, the amount of office space we would have had to take because of some optimal sizing would have in the end cost us more than what we were looking at over here.

Cost is a big one obviously, our costs there are lower than they would be in the CBD. Leasing costs certainly especially with carparks and what have you, they are probably quite a bit cheaper than you would find in central Auckland.

There's one other killer and that is we have got the same amount of space that we had in the city and its \$140,000 per year cheaper.- that's half what we were paying in the CBD - and it hasn't affected our business one bit, in fact it has made it easier access for our clients.

4. PERCEPTIONS OF THE CBD AS A BUSINESS LOCATION

This section looks at perceptions of the CBD as a business location, focussing particularly on the physical or built environment, issues of access in and around the CBD, regulatory issues and the general atmosphere of the CBD area.

4.1 The Physical Environment

Streetscape

Perceptions of the CBD's physical environment vary widely depending on where businesses are located within the CBD and how long they have been in a CBD location (or not). Overall, the physical look of the CBD is considered to be not too bad, but few comment particularly favourably and there is widespread agreement that it could be a lot better.

Auckland is actually a reasonably nice CBD to work in barring a few streets here and there and I think there has been good development in that regard over the last several years.....I am just thinking additional cafes and new and interesting buildings and services that are available in some of that.

Physically I think a lot of parts are quite dowdy, it seems crowded, it is a hassle to get around whether by foot or by car, just generally it lacks something

I would say not a particularly good feel no, not a bad feel, just there. In terms of streetscape I think it is pretty uninspiring

I am not an architect, but I will say it is architecturally horrible. And I wouldn't necessarily blame it on the architects, I blame it on the planners

There are a few areas of the CBD that are considered to be very attractive and pleasant environments to be in and around. The Viaduct Harbour and the Vulcan Lane/Chancery/High Street are particularly favoured as areas that offer a good mix of people space as well as shops, restaurants and bars of interest and all within an aesthetically pleasing environment. To a lesser extent the areas around Aotea Square and the Sky City Casino are also mentioned as having improved over the last few years and showing potential as entertainment precincts:

I think Chancery is a great way to go, the courtyard that they have created and the courtyard is always very busy. Less traffic flows and people seem to like it, and this square out here at lunch time is good, especially in summer to sit out there. It is good.

I think it has come a long way in the last five or 10 years I suppose in terms of – part of that has come from the apartments around the place, bringing more people into the inner city, part of it has come from perhaps the Edge getting its act together a bit more, and Sky City are attracting people to that part of the city and the

Viaduct development, those sorts of things. So therefore you could thank the America's Cup for quite a lot of it and I think we just need to continue down that path

I mean you have got the little Chancery pocket up around the back there which is quite good and then you sort of walk through no-man's land and you have got that whole sort of Vulcan Lane area which is quite good.

At the same time however, there are a number of areas that are considered very un-attractive including the Hobson St/Albert St area, Upper Queen St, Fort St and the new development in and around the Quay Park area. To some, the Quay Park area epitomises everything that is wrong with the development of the CBD, with developers permitted to construct new retail, office and apartment developments in a seemingly haphazard and un-co-ordinated fashion. The development in this area is particularly criticised because it is very close to the harbour and therefore a very valuable site and also because it is on one of the key entry routes to the CBD.

Others see the problem as a city-wide planning issue, with no development of a plan that controls the form and function of the CBD into the future. Haphazard development is seen as developer driven throughout the CBD area with little regard given to people spaces, both in terms of open spaces and buildings set back from main roads to allow the development of pedestrian courtyards housing cafes and the like.

Auckland's overall planning has been extremely poor, so poor, that what happens is that you are getting buildings and buildings and buildings. There's no people space. The Americans would never let that happen. They would give you taller buildings but they would give you people space. So there's walk areas and parks and other stuff

A lot of the areas in Sydney have got nice big spaces around them rather than having all your café tables poked on the footpath, there is actually space in front of the buildings In Auckland we just clump them across footpaths and people step around them. I think parks and reserves and things like that, Council should just cough up even now and knock down a few buildings and turn them into decent spaces around the town. You have got to look at Aotea Square and say what a concrete jungle. QE Square is the same, they are not NZ sort of spaces

The developers tell us the CBD is moving west, so it has moved to the water and it is now going to the only area it can because of the port and that is west, - that isn't something that has been designed so it has a heart or something - it is just evolving that way. I think other cities, if you take particularly Melbourne, I know where the centre of Melbourne is, I understand there is the South Bank and all that sort of thing, I know how it works, and I know where all these bits are. I don't think in Auckland we do know, first of all where to start and where all the bits are or why they would logically be there. Is there an entertainment block that is different from something else and where does Newmarket fit into this whole Auckland City thing, so I think it looks like it has evolved rather than have been planned.

Queen St and the Retail Experience

It is of note that Queen St is seldom mentioned as a desirable area in the CBD and is often criticised for being quite the opposite. While many acknowledge that improvements in the way of

plantings, seats and new footpaths make it a nicer area than it was five to seven years ago, there is a strong perception that Queen St is not an attractive area:

Queen St itself is pretty unattractive, both from the quality of the shops and the appearance of those shops and also the appearance of the pavement and it is not a very appealing place. The streets leading off it are similarly not very appealing

There are some nice places but you have got to sort of step back from the – if you are on Queen Street where do you go to sit if you want to go and sit outside somewhere and have some space.

There is also widespread agreement that the retail offer in Queen St is not particularly attractive. The abundance of banks and building entranceway/foyers in Queen St are seen to detract from the flow of retail, as does the length of the shopping precinct which some consider too lengthy to work. The retail available is perceived as boring and lacking in interest by some.

It has slightly changed for the better as I said the streetscapes are improving, better lighting, etc. The problems that you get during the day, there are large stretches on Queen street especially which are taken up with basically offices, rather than having shops on the ground floor, you have banks and things like that. Anybody putting in an office-block in the CBD area should have to make the ground-floor retail orientated and that would be a big improvement. Then you wouldn't get big gaps in the street as you walk down.

The retail has all gone and you have got banks now hogging most of the shop frontages, I mean Queen Street is not attractive to shop in anymore. Chancery is a bit far away. Atrium charges like a wounded bull for carparking, it is a pain.

I think every corner you have got a bank on them now, National Bank, BNZ and ANZ and they are all over the place, and what else is there. There is not the speciality stores that you have down here (Wellington). You have got maybe the major dress shops which are chain-stores and sort of very little else

Also commonly mentioned are the number of tourist shops and lower quality retail, such as the \$2 shop, Starmart, and the large number of food outlets. All these combine to lower the quality of the shopping experience in Queen St:

You walk down Queen St and there are quite a few empty shops or shops with people on temporary rentals, \$2 stores which is not a good look.

It is a bit soulless Queen St, it is not my sort of a street at all really. I think probably because the nature of the shops has become quite touristy shops in Queen St, the sort of the duty free type stuff, it is not necessarily duty free, especially down this end, the northern end. It is not an interesting street Queen St at all, never has been. It is the nature of the businesses, the nature of the shops, even the food places are nowhere near as interesting as they are away from Queen St.

The central city has just got a sad air of neglect to it I think, you know, some of those arcades and things. I drove down Queen St the other day, went to the town hall in the first time in years and everything along Queen St was Chinese or Japanese sort of souvenir shops or eating places

Despite this however, real estate agents claim that demand for retail in the CBD is very strong and that there is very little room for additional retail at present:

There is no retail available. There is some secondary retail but they are mainly in sort of property redevelopment sites rather than prime – even though they are in prime retail locations so they will eventually go. It is very difficult to find retail space in the city right now, in fact it is almost impossible and there is strong demand for it.

And by contrast, one retailer feels the CBD offers a unique and enjoyable shopping experience:

It is where a lot of Aucklanders come to if they want to get something different, special, etc. You could go to any shopping mall in Auckland and the shops are identical, it doesn't matter which one you go to, they are all the same. There is a point of different in the CBD in that there is a big variety of shops.

4.2 Access and Parking within the CBD

Of all the issues discussed with business owners, there is little doubt that problems related to access and parking are the most commonly raised and generate the most ire:

Well you have got increased parking charges and it is not very shopping friendly so there is no reason to go into the heart of the city. It is very hard to park and it is very hard to get around, the traffic is appalling, it is just not an easy city to do business in at all.

Volume, length of drive time. Anywhere was going to take us an hour to get to a meeting, it just slowed the whole day down. Guests trying to park anywhere near us and visitors were just having to pay through the nose to do so it became unviable except to do anything but by taxi, which added cost to all sorts of business dealings. But if Auckland doesn't do something about that infrastructural problem, they are going to lose business simply because of it.

Access

Clearly the CBD is seen as difficult to access both in relation to getting into the area via either the main roads or motorways and also in terms of getting around once in the CBD. It is also commonly noted that access is becoming worse, with traffic 'snarl ups' occurring earlier, and more roads suffering from congestion.

The old perennial is traffic and access, that is my biggest complaint from my agents. They have got to design their days pretty thoroughly because they are out and about and you don't want to get caught in any main road after 3.30 or you are stuffed, so that is a big issue for a lot of people.

Issues of access affect both employees' journeys to and from work and work related travel. Similarly, customers, clients and guests suffer increasingly from problems of getting into and around Auckland's CBD.

Apart from Friday, the flow is not too bad within the CBD, but it is getting to and from with the motorways which is the increasingly hard part, so that does affect us quite a lot when you have got staff that spend most of their life out of the office and they might be needing to get into the office from Penrose or North Shore or wherever because that is where most of the businesses operate, so that becomes a bit of a frustration, so I think that is probably Auckland's biggest problem in a way.

Well of course it is absolutely impossible to get into town and that was my biggest issue because I used to drive in every day. And of course down in Wellington you have got a great bus service and it makes life so much easier.

It is probably an issue in so far as it is difficult for staff getting to work from home so we probably don't do too much travelling during the day but when we do it is difficult and there are times when the city grid-locks or just gets bad and it can take 45 minutes to get from here to the top end of Albert St just to get on the motorway, so that transport is probably a significant issue for the city and that is probably one reason why people would be leaving the city

For the most part, issues related to access are raised in the context of private vehicle access, with few respondents making regular use of public transport. There is acknowledgement that, in a relative sense the CBD is potentially the most accessible area in the region, and there is also acceptance that the introduction of services such as the Link and the introduction of bus lanes on some key arterials has improved public transport access over recent years. However, those who can make comparisons clearly see the Auckland public transport system as inferior to those in other major overseas cities (e.g. Sydney, Singapore and even Wellington). This group cites improvements to the public transport service as a major catalyst to improving access to and within the CBD.

Specific issues raised in relation to public transport included the cost and the frequency of service outside of peak hours.

The other big one is public transport. Get the public transport system sorted out. You are not going to get people out of their cars until there is a viable public transport system

My observation of public transport is that they still think that people finish work at 5 o'clock and getting to work is no problem on a bus but if you are trying to get home and you miss your bus, you wait half an hour or more and who wants to wait on a wet windy street for half an hour at 7 o'clock at night. I used to use the bus but I stopped because of that

What is missing is in terms of the public transport. I have lived in San Francisco, London, Shanghai and for short periods in other places in the world. Public transport in those other cities is absolutely fabulous. Sure, they have the population base, but even if you pare it back. Let's take Sydney, the frequency of buses from certain areas, the frequencies of ferries in Sydney, far outstrips even on a comparative basis what is available here and the cost of those services here is astronomical compared with the cost of those services over there.

Parking

Parking is a second commonly mentioned issue in the CBD. While there is a certain level of differentiation between the issues facing retailers and workers, the fundamental issue of concern appears to be the cost of parking.

For retailers, the key problem is that shoppers are forced to pay for parking throughout the week and to a lesser extent in the weekend. Costs are seen as excessive. When compared to malls where parking is convenient, generally plentiful and usually free, retailers in the CBD feel they are at a very real disadvantage in comparison to other suburban locations:

The cost of parking is horrendous and that stems I think largely from the fact that a lot of the people that owned or had vested interests in carparking buildings down this way passed it onto foreign corporations who are scalping, raping and pillaging

The cost of parking, that is the biggest complaint we get from our customers in that you can go to a mall and either get free parking or get the first two hours free parking. They want to be able to bring their cars in here

on the weekend and go shopping. They don't want to come back and find it has been towed away or go into a parking building and find they have spent almost as much on parking as they have on their purchases for the day.

For many businesses, parking is an issue that plays a role in their business location decision. For some businesses interviewed, the availability of more parking at cheaper rates in locations outside of the CBD has played a role in their choosing to locate or relocate outside of the CBD. Most of these businesses however, were already located outside of the CBD and parking played a role in them not choosing a CBD location rather than forcing them out of the CBD.

For other businesses where the decision to locate in the CBD has been made, parking is purchased for staff as it can be afforded. In many of the larger companies, the policy seems to be to provide parking only for the most senior staff members. For others, a parking space is included as part of their remuneration package. Increasingly though, it would seem that staff are forced to find and pay for their own parking. These businesses then do not choose to locate outside of the CBD because of the price of parking, but simply choose to pay for fewer parks:

Because people do bring their cars, because there is not a wonderful commuter system, parking is becoming increasingly expensive and it is very expensive in this building and quite expensive next door. Carparking for those that need to park and leave their car there all day is not that easy

Very few businesses provide parks for their staff in any event. We do here but that was probably seen as important that we did have carparks for our staff quite frankly because we are in and out of the cars all the time but a lot of businesses don't provide staff carparking. I wouldn't see that as a substantial driver

You would have a two o'clock appointment and you just couldn't rely on that you were even get in the carpark and then it costs a fortune to park, that is when we first went there, then it changed to pay and display and what a nightmare, everybody hated it.

4.3 The Regulatory Environment/Infrastructure Provision

Few common issues of concern were raised relating to the regulatory environment in the CBD or infrastructure provision. Isolated regulatory issues raised were:

- Problems with historic covenants placed on buildings restricting development that could take place

Well probably if I go back to the experience we had in 1997 when we literally woke up and found that heritage orders had been slapped on our building without any consultation at all, and it took us hundreds of thousands of dollars and about four years' work to get them lifted to a stage that we felt that we could continue our business. Now that sort of issue we never want to go through that again. We hope the Council never make that sort of mistake again

- Issues of objection to a new building after a non-notified consent had already been issued;

Before this building got underway, it got issued its consents on a non-notified basis which caused a bit of consternation. Then some groups stood up to try and halt the progress. That was a particular problem for us because, at the end of the day, they just didn't really want any development of any high-rise around the waterfront area. We were within all the zoning requirements but yet they still seemed to be able to halt progress, and that did cause a hold up of probably four or five months at the end of the day to no real gain from their point of view or ours. The fact that they were able to do that, they hadn't done anything at the time when they could have done things in terms of the time frames, it would only after the consent had been granted, or some time after, they stood up and made a noise, the fact that that can happen is to my mind a bit crazy. That is a bit of a problem and I can see that that would be a problem for any future developments around as well.

- Disagreement with the floor area ratio regulations for new developments on Queen Street;

Because we are a land owner here, I am very interested in the district scheme, the proposed district scheme and I cannot understand why that side of the road has a 13 to 1 maximum total floor area ratio that is currently under appeal, and this side is 8 to 1

Issues relating to rates were raised sporadically. It is assumed that rates were not raised consistently as an issue because many businesses pay rates as part of their overall lease and are therefore not aware of the component of their total occupancy costs comprised by rates. However, when rates were raised as an issue, they were considered to be very high and the differential was considered to be unfairly large. A few businesses commented that the rates bill particularly in combination with ground level rental is a disincentive to any business looking to purchase property within the CBD or undertake a sole lease on a building or site:

Someone looking at opening a shop in the CBD has got to be assured of a lot more turnover than if he opens the shop out of the CBD because of that huge rate cost. We accept that there will always be a differential

because it would be really politically impossible to have flat rates through Auckland, but just to get it down to a realistic level would make a huge difference for attracting new business into the CBD.

The rates have just gone mad. I think they want to kill the city. The rates we pay are exorbitant and I just can't see the logic of it. Why should the city subsidise other locations? We hardly use any services here and yet we have to pay for everything. Everybody thinks the commercial area is a cash cow. It's not. Ask any small businessman, they all struggle and then we have to pay an exorbitant sum on rates for nothing. I feel it is highway robbery!

I haven't really sat down and thought about that because I have got more to worry about than what we should be getting for our rates. It is just such a phenomenal amount and I don't actually know what we are getting for those rates because [the body corporate] takes care of our rubbish and everything, so I don't know what the rates cover!

No businesses noted any problems with the provision of utilities such as telephone, water and wastewater.

It is of note however that many of the businesses spoken to still have memories of the last power crisis and the impact on their business operation. Some businesses were unhappy at the short notice they received of the power cuts. Some recounted having to relocate their operations in a single day before all power to their premises was lost thereby limiting their ability to access their building and remove furniture and computers.

I have always had a concern that the power crises would happen all over again because I don't think that is fixed by any stretch of the imagination. The power crisis caused significant impact to a lot of business to the extent of having to relocate back out of Auckland as many offices did, to Wellington or simply out to Manukau or wherever they could manage. That is an infrastructural problem and there has always been a concern at the back of my mind that that will tip again

For at least one business that relocated to a Remuera basement, the power crisis opened the owners eyes to the possibilities and advantages of an out of CBD location. While the business moved back into the CBD immediately after the crisis was over, they were given the opportunity to move out of the CBD soon after and took it. Another business went to the considerable expense of installing an alternative power supply/generator after the power crisis was over.

It would appear that the availability of an alternative power source is in the back of some businesses' minds when looking for new premises particularly for those who provide an essential service to the public. At least two of the businesses that have recently moved into new premises insisted on the ability to be able to connect to an auxiliary generator in the event of a power outage:

Probably with the electricity supply-it does have you doing things which you shouldn't have to do in a civilised society. What is your back-up, what size generator and this has all been in our planning. When you

remember last time and you think gosh, no we have dug tunnels since then, or Vector have, but you have still got that in the back of your mind.

When we moved in here we didn't expect them to have auxiliary power, but we wrote in the agreement we won't move into this building unless there is a plug down at the power board that allows you to bring an auxiliary generator and plug it in, and they are to give us that undertaking.

4.4 The Atmosphere of the CBD

Overall, the CBD is considered to have a reasonable atmosphere or buzz. Most feel the atmosphere of the CBD has improved considerably over recent years. This is generally attributed to the increase in residents living in apartments in the CBD and also to the extra people – generally students – that the rise of the education sector has brought into the CBD area.

I think we like the buzzy-ness if you like of being in the city. When there are parades going on and entertainment down at the Viaduct or whatever I think is always a positive

It is not bad, it is getting better, I enjoy coming into the CBD, it is a great place to work and everything happens.

By virtue of the fact that this wharf and that Basin has been developed as an entity if you like, it brings a vibrancy that brings another dimension to the daily lives of our staff and that is important.

Again, however, many feel that the buzz of the CBD is not as it could be, and that it is limited to certain pockets. These tend to be the areas where people congregate around the High St/Chancery area, at the Viaduct Basin, on Queen St and to a lesser extent in the Aotea Centre area. Some feel other areas, particularly around the CBD fringe, offer a better atmosphere:

You go to somewhere like Newmarket and it has got a whole lot more buzz to it hasn't it. Even along Ponsonby and Ponsonby Rd it has got a bit of a hum to it that the city doesn't have.

Compared to overseas cities it probably dies a bit more at night by comparison. It is not too bad when you go to Queen St around the Aotea area, now it has a bit more of a buzz to it. But I think that is one area that could be spruced up a bit, Aotea Square, around there is not the most attractive parts of the world, that could be improved in itself.

Several of those spoken to commented that they don't feel that Auckland 'has a heart'. Comparisons were frequently drawn with other cities, including Wellington. The Wellington CBD is widely viewed as offering a more vibrant atmosphere due to the more compact nature of the CBD and the stronger presence of the arts and creative communities. While many acknowledge that Auckland's geography and spread contribute largely to this, others attribute it to a lack of long term planning of the city centre resulting in the haphazard development of a range of disconnected focal points including the Viaduct Basin, Aotea Square and the Chancery/High Street area:

I think that Auckland still doesn't really have a heart, we are still a little bit too spread out and that is not something that we can change, but we can create areas that have got hearts. And I mean obviously one of those is the Viaduct, Aotea Square and that area, I mean I think the weekend markets and that all add to the vibrancy of the city and I think all of that is good

The city just doesn't really have a heart you know. You have got Queen St and it is all just – you walk up and down there and it is just unappealing isn't it, there are no big green spaces, they haven't done anything. If you

look at places like Wellington and what Wellington have done around the waterfront they are just streets ahead of Auckland

We suffer from something I know that Auckland City is well aware of, of not having a heart, not having a centre. Where is the centre of Auckland? I think we have confused it even more because the development of the Aotea Centre and the entertainment things around, most people are thinking that is going to be the centre and then we had the America's Cup and we start developing the Viaduct and now Quay Park is going to have a dome or whatever and you start saying where is the heart.

Safety

There are a number of issues surrounding safety in areas of the CBD. Many businesses cited safety as an issue of concern for employees who are working late and are located outside of the more populated areas. Office workers in the Shortland St/ Fort St area, in the vicinity of the Court, in Upper Queen St and around Victoria Park Market all expressed issues of concern regards safety:

I think that certainly in the evening, it is not a place you really want to hang around unless you are right down in the Viaduct. To me it doesn't feel nearly as safe, and that is a comment I have heard from a lot of people.

I am always concerned about security in the city, and I know that there has been a lot done in terms of security and there are security guards on in the weekends and Friday nights and that and that is good, but I do think things like street lighting, particularly street lighting between what I would call the corporate buildings to where public transport is needs to be really good

In addition, the Boy Racer phenomenon which has long affected Queen St on Friday and Saturday nights is generally seen as detracting from the atmosphere of the CBD. Some expressed concerns at bringing their families into the CBD and concerns at the impressions the boy racers left of tourists:

I think Friday night is a real issue, I think in the evenings you sometimes feel – I am not sure if alarmed is the right word – but there is certainly a limit. I think the cars driving up Queen St in the evenings, it just seems a nonsense to me that that should be happening. Certainly on a Friday night or even perhaps a Saturday night in Auckland, I think if you are out there at 10 or 11, it is not a very nice place to be.

For one retailer, the real problem lay with people's perception that the city is not safe, and the need to get across the message that in fact it is a relatively safe environment to be in:

You still get people saying wouldn't go into the CBD after dark, it is too dangerous. The fact is it is a lot safer than a residential suburb, and it is getting that message across that it is actually quite safe in the CBD. Okay if you want to come here at 2am in the morning you are taking a risk like going anywhere else at 2am in the morning, but for the normal family person, it is safe and that is the one big difference they have made.

Growth of Students and CBD Dwellers

There is relatively widespread agreement that the increase in the resident population of the CBD over the last five years has been beneficial. Not only has it increased the area's vibrancy by bringing more people into the area, but retailers have noticed increased turnovers, particularly after hours and in the weekends:

Absolutely, it has been fabulous, money for retail and of course it has tripled the residential sector as well so it has been a huge influence on the city, huge. Just positive immigration and people coming to town and spending money and needing services.I just noticed when we walk down Queen St on a Sunday afternoon five years ago by comparison to today you just wouldn't recognise it, the differences are vast in terms of the people.

It means that our weekend business is now very important to us. We are open seven days a week and it is a growing part of our business. Saturday is a very strong day, Sunday is getting stronger from the weekend population mainly, plus from people in the suburbs. It is a pleasant place to come on a Sunday, it is quite a nice place to spend a Sunday, come in and have lunch down at the Viaduct and stroll up and do a bit of shopping.

On the question of the increasing population of foreign language students, views are divided. While many see the increase in student numbers and the cultural diversity as injecting life into the CBD, others are concerned about the impact of student numbers into what has historically been a business environment, and the impact it is starting to have on the retail environment:

The one thing that might have changed out of it is the ethnic mix which has brought a new dimension and the young people seem to like this, and it brings ethnic things, it brings different types of restaurants and different types of behaviour even if you are not into karaoke or whatever it happens to be.

I guess it changes the perception about what the centre of the city is like, whether that is good or bad. I don't really have an opinion, it is just different, it gives a different feel to it. You get a little bit around Newmarket, there is a few language schools and so forth in Broadway. I don't think it is a problem. Maybe others do. It is more about how it changes the perception of it as being a place to do business.

I suppose it is bringing more people into the city which is what they need, but then you are bringing in one type of person and they are cramming into little apartments and there is not that mix any longer, it is all young, bright, student-type person who hasn't got a cent to their name, so they are not really contributing to the CBD.

5. DEVELOPMENT OF THE CBD

This section summarises the key ideas raised by businesses for developing the CBD and making it a more attractive environment for current businesses to operate and a more enticing environment for businesses considering moving into the CBD

The Overall Approach

Overall, businesses feel the best approach to attracting more business into the CBD, or making it a more attractive business location, is more about putting in place a long term plan for developing the infrastructure and the environment in the CBD rather than offering enticements to locate in the CBD. In particular, small business rather than large multinational corporates are seen as the future of the Auckland CBD.

Financial incentives such as rates holidays are seen as a short term solution to a long term problem and not the best use of Council resource. Instead, businesses would prefer that the Council concentrate on making the CBD a more accessible environment - through continuing to develop public transport alternatives, improving roading routes and providing cheaper parking - and a more attractive environment, both physically and in terms of the attractions available and things to do in the CBD:

We are here long term, not for a bit of relief up front. I mean I don't believe in that, that is a bonus rather than a driver, I don't think that would be an issue. More for me it would be just fix the traffic

I mean they could do it, it is not what we went looking for and personally I don't think that is what they should be doing. I think it is much more about the infrastructural issues to make it attractive, rather than giving people money, I just think it is a waste.

I think their roles are to provide the infrastructure, you could debate that, and to promote that, but beyond that, it is the developers themselves and the tenants and so forth, the businesses you have got to attract here that do the rest.

The idea of financial incentives to attract businesses was not completely rejected, particularly among smaller businesses. However businesses were keen that any incentives offered were not for the short term. The best form of incentive is seen as a reduction in the rates differential.

The rates differential that used to work against businesses was the most silly thing I could imagine because to say to someone because you are generating employment and you have got to pay more rates than someone who has got a residency just never made sense to me and what we do find is incentives do actually work, people look at where is it cheaper for me to go.

It is a huge disincentive for people to come into the CBD if they have to pay twice the rates that they have got to pay anywhere else, because the tenants basically pay the rates, so someone looking at opening a shop in the

CBD has got to be assured of a lot more turnover than if he opens the shop out of the CBD because of that huge rate cost

Also considered essential to the future development of the CBD is the implementation of a **long term** plan that sets out a vision for how the CBD will be allowed to expand and develop. It is felt such a plan would allow the city to develop a 'heart' and move away from what is commonly seen as haphazard and sporadic development to date. One respondent considered it unlikely that they would sign a long term lease in a city whose structure and appearance in ten or twenty years' time is completely unknown.

We are pretty happy with our lot, but I think the Council needs to have a long-term strategic plan to keep the CBD alive. It is not something that will happen by itself and it is a question of critical mass. Once it gets down below a certain point, it is gone, it would be very hard to retrieve, so it is not something they can put on the back-burner for 20 years and say it is not a problem now. They have got to do something, and they have to be constantly working on making sure that new businesses want to come into the CBD and that customers want to come to the businesses that are in the CBD.

If I want to go and take an investment or a lease on a building for 10 years, I want to know where this is going, I want to know what's going to be there and what its going to look like. If I had a view of what the concept was going to look like it would make it a hell of a lot easier. I think you have to view a city as being a hundred year plan, not as being a three year plan. We actually have to start thinking about what it's going to look like long term.

In developing a long term plan, several consider that the focus should be on making the CBD an attractive environment for small and medium sized businesses rather than large multinationals. With the gradual down-sizing of larger companies worldwide and their global centralisation, the future of New Zealand is seen to lie in the nurturing of existing smaller and start-up companies. In addition, a range of smaller companies is also seen as creating a more vibrant environment.

I think maintaining the environment where small businesses can survive. There is a notion that you can have lots of small businesses which gives you variety which makes it more attractive for people to come in and you do get cities like Toronto. Toronto has got a CBD for big business, it is completely soulless, sky-scrappers and it is just corporation after corporation and then it has got other parts of the city which are much more funky. You wouldn't want that to happen I don't think to this end of town at all .You just hold back on major development I suppose and have a mix, a mix of high-rise and mix of low-rise.

So if you are going to have a vibrant sort of CBD it's got to be built around small to medium size businesses and they have got to be encouraged to go in and at the moment they won't. There's no transport system that is adequate, you can't get around town easily, your parking is hellishly expensive. Why would you do that?

I think the hope is not at multi-nationals because we won't put more people here or anywhere else, I mean we are shrinking around the world as all our competitors are doing. I hope it is much more in start-up businesses, small businesses growing and I think that is the biggest economic challenge to NZ is how we actually grow our local businesses to be international businesses in some scale and take them from being small businesses to medium-sized businesses and take the medium-sized businesses to be large businesses. I

am not closely enough involved in those kinds of operations but that is the future for NZ I think rather than the Unilevers, the Shells, companies like that because they will continue to get smaller all around the world.

Improve Access

Among the suggestions given for improving the CBD, none was more consistently raised than that of improving access. Making the city more attractive by making it easier to get in and out of - by both private and public transport - is seen as essential to the future growth and development of the area:

A lot of it comes back to the infrastructure again, making it easy for people to come into the city in the weekend or whatever so they do make it possible for a business to thrive in Queen St. And beyond that, obviously the broader motorway system for the city so as people can get around the city in the broader sense, but also access to CBD very easily when they need to. I mean that really is critical and that has to be priority number one. Second harbour crossing ain't that far away, in practical terms it is 10 years, planning has got to get underway pretty soon and that sort of thing is pretty critical as well.

I think you have got to get onto public transport at some point, you can't keep building roads because you will get to the Bangkok situation where you just fill the roads, but Auckland being Auckland that we are so spread, one of the solutions of having everybody drive to work but not come to their office, you drive to a place where some fast method gets you there

Auckland City needs some serious infrastructure money forgetting the rest of it, it needs some serious infrastructure money and its not just roading, its sewerage, it's a number of other things, but it certainly needs it. But the issues are about transporting things around, people wont get out of cars because the central city transport system is lousy. Its been improved with Links and the other things, there's been a hell of an improvement, but it still doesn't meet the need of a an executive or a working person who can afford a car.

Several feel that cars should be removed from the central area either by closing streets off or simply not allowing cars in. Another solution was to encourage parking around the edge or fringe of the CBD area and to run free and/or cheap shuttle buses into and around the CBD area.

In order to relieve the traffic situation within the city, I support the idea of free or extremely low-cost shuttle services up and down Queen St between the main areas of the CBD and from the carparking areas on the periphery of the CBD. Let's keep as many of the cars outside of that

You need to gut the centre of town and get cars out of there or charge them huge amounts of money to get in there that is what Hong Kong do, that is what Singapore do, and you just can't get people onto public transport if you don't offer regular 24 hour systems. Like the Link Bus is a fabulous idea but it stops at 11 or whatever it is and only does a certain area

The biggest thing that I can see is access, the CBD at the moment is strangling it and I don't know why there is not a bus loop, a free bus loop around the city, I just don't know. I mean Link is fine, but why people just don't do a Symonds Street, Hobson Street loop, just a continuous loop in each direction to get around I don't know.

If you had that link there you wouldn't need to come right in for parking if you were driving in and you were still driving you could get rid of the cars, you would have parking buildings more on the perimeter and then just get all of the traffic out of the city itself if you had a really good bus system around the city

One respondent suggested that High Street should be pedestrianised to remove issues of parking and congestion altogether:

Maybe a few more no traffic streets to keep the traffic out. It is pointless, I don't understand why High St has to be a street, it should be a pedestrian mall, it is just chaos, it is crazy, and that would encourage more people, it should be just all pedestrian mall through there I think and it would make it more vibrant again.

Other suggestions made to improve access into and around the CBD included:

- Making parking more affordable;
- Light rail up Queen St and out to the western suburbs;
- Make public transport more affordable; and
- Levy cars coming into the CBD (as in London and Singapore) and use the additional revenue to fund improvements in the public transport system.

Develop Precincts

The development and marketing of precincts is seen by some as another way of helping to revitalise the CBD. It is recognised that there are currently areas of the city which are specialising including:

- High Fashion – Chancery/Vulcan Lane/High St
- Entertainment – Aotea Square/Sky City
- Bars and Restaurants – Viaduct Basin

Some suggest however that these areas could be much more clearly defined, others developed and then marketed. Other possible examples given were a Chinatown in Upper Queen St and an Education Precinct in the vicinity of AUT. One Wellington based business that had recently opened a branch in Auckland gave the example of how this was working in Wellington

They have split all the different areas of the CBD into different areas - there is Lambton Quarter and the Willis Quarter ... and then [the Wellington City Council] will promote different areas and the different feels of those different areas. That's been really good.

As well as developing and promoting precincts based on location, other Councils also promote precincts by retail type:

[Council] have put out an Arts Map and a Fashion Map and they are fantastic. They are just little books and everyone pays to get into them, and you have a photo and a bit of editorial. The books are put into all the hotels, all the shops, and the cafes, just anywhere people could get them. The Fashion Map shows all the fashion shops and a map of how to get to each one. We got lots of people coming into the shop holding onto their Fashion Maps.

Develop the Waterfront

A very common theme among businesses is further development of the Waterfront. It would appear that the Viaduct Basin has opened many eyes to how the waterfront could be developed, and many would like to see this taken further.

Several businesses mentioned the need for more open and public space within sight of the Harbour and the need to join the bottom end of Queen St with the Harbour. The idea of undergrounding Quay St was one that had widespread approval and many mentioned their disappointment that this idea was shelved:

I think it could be opened up and there was talk I think that some of the Britomart developments that turned into parks and things like that. The undergrounding in Quay St I thought was an excellent idea, and in spite of all the inconvenience that would cause, I still think it is a great idea to get people out walking and enjoying the water and the city.

When we signed on, at that stage it was part of, or associated with, the Britomart project which was undergrounding of Quay Street. That was a real appeal, it was going to give nice quiet access with grass, trees and so forth up to the harbours edge. I still think that that should be something that they strive to achieve because it really would be the icing on the cake as far as Auckland is concerned. It would give it a fantastic feel.

Having your prime waterfront land taken up with a port in the heart of the CBD hasn't proven to be a model that works in most other cities. Most cities, whether it be San Francisco, whether it be Sydney, have actually relocated those facilities elsewhere and have taken advantage of one of their key assets. So, from a development stand-point, I am not sure Auckland has sorted that and having the port there brings a number of issues to it just in terms of congestion and trucks running up and down roads and those types of things...If it wasn't there it would remove a lot of traffic, a lot of truck traffic, it would open up that entire waterfront area then to be developed either as parkland or new office space or new innovative use of it, I think it would enhance the feel of the city. Basically for all intents and purposes, the city as it stands now ends at Customs Street and the businesses on Quay St are either abandoned or being overtaken by Britomart or are old and run down, so you have kind of lost this great area that is right on the waterfront that doesn't have anything to do with the city from a business perspective

I think the cities that are ranked really highly in the world and one of them is Auckland, Vancouver is rated highly, Sydney is rated highly, they have all got a common theme and that is water and I don't think we can ever miss the fact that we have a harbour here and with islands that people live on, it is just amazing to many people of the world and I think we have got one of the best, we can't drift away from the water

Further round, in the area that is currently the Tank Farm, businesses are keen to see the development of a commercial, residential, retail and open space mix. Views on the place of the marine industry in the area are mixed, but common to all, is the provision of open space for public use and access and connection with the harbour:

I think a mixture of residential and I think there needs to be obviously some pretty careful attention paid to make sure there are public areas as well. Open spaces as well as access around the waterfront, like where it

is around the front of the apartment buildings around the Viaduct, but more than that, it would need to preserve some nice green areas as well, not just be covered in buildings. It would be a fantastic asset for the city to see that developed in a tasteful way. It would bring more people to the downtown and hopefully puts a bit of the pressure into the out rather than everybody else coming in. It is all quite important I think to give the city a bit of life

I think it should be mixed use down there, and low level mixed use I think it would be fabulous. That West Haven vista should be maintained from the city. It is a great vista through there, and just low level mixed use, more community-based, community-style developments I think would be great and you know to include the boating industry down there, it is what has made it all happen anyway, there should be a place for it down there somewhere. Apartments should probably be further back towards Fanshawe St maybe, just more low-level less intense housing and more parks so you can walk down to West haven

I think the idea of converting the syndicate bases into high-density living area along with its attendant open-space park areas, small retail, interest entertainment areas, is absolutely paramount. It needs to happen to retain the vibrancy of the local area. It will also give the city an opportunity to bring the living population right down into the waterfront and, if you like, drive out some of the maritime interests that have been perhaps a little overdue in moving like the tank farms, like the gravel discharge berths, like the oil berths which could have been moved to other places without too much difficulty.So that area, let us develop that into a living and recreational area that has some meaning because you have got seven years minimum and possibly an awful lot longer before any cup challenge will come back and we can find another place for that to live

The mix of uses is considered particularly important in light of the way the Viaduct Harbour has developed. While most accept it has been a good thing for the city there is also reservation with the dominance of apartments in the area which do not contribute to it being a particularly people friendly space:

I mean it is an arid walk when you are walking past these walls - and it is dead boring. It would be much better if there were little cafes along there and bars, - but you are not going to get them because people live up above them who are going to reject them, so it is not really a community space at all, it is like a suburban neighbourhood, so I still think the bottom of Queen St and then going along the wharves and Mechanic's Bay, that whole area could be opened up along the harbour-side in the same way that Wellington has been which has been very good.

Event/ Business Facilitation

In addition to making the CBD look more attractive, there is also relatively widespread agreement that there needs to be more happening in the CBD to attract people in. Parades, festivals and events were all mentioned several times and many businesses made comparisons with Wellington which they feel is more alive with events than the Auckland CBD:

The events, getting people here is the key to the success of the downtown part of the city. You have got your big attractive shopping centres outside the CBD, so therefore you have got to give people a reason to want to come downtown and despite giving them that reason to come downtown that creates the viability for businesses to establish themselves downtown, so those events are a critical part of that

Also commonly mentioned was a desire to see a large venue similar to the new Wellington Stadium in the CBD. The 'Cake Tin' is seen as being a major boost for the Wellington CBD. Being within walking distance of most offices, bars and restaurants, events at the Stadium are seen to attract more people into the area before, and encourage more people to stay in the CBD after games and events:

Something like a Wellington Stadium when the total land was available I think would have just been fantastic for Auckland. It has been great for Wellington to have that stadium so much in the downtown. So we have probably missed out on that opportunity to do it quite to the same scale, but maybe even a smaller venue would still be of benefit

From a business perspective, events may include the facilitating of conferences and seminars that attract business people into the CBD:

I think areas like the likes of facilitating large conferences, the car rally that comes, those sorts of things, America's Cup, around the world yachts, it is all those sort of things are vital to keep the city refreshed and with a buzz because each one attracts different sorts of segments.

Two businesses currently located outside of Auckland also saw merit in the idea of Auckland City facilitating access to space where businesses without a physical Auckland presence could work or hold meetings when they travel to Auckland.

One thing that they could do is assist Wellington companies to work out of Auckland, with some form of a serviced office, or some sort of office space that gives companies from Wellington an increased visibility in Auckland. If you could get easy access to a cost efficient working space up there you'd probably get more companies going there more frequently who don't have offices there. You could have a Wellington satellite centre up there which would give companies a presence.

Develop Retail

In line with the many comments that the CBD lacks the retail attraction of areas such as Newmarket, Parnell, Ponsonby and the major Malls, many comment that the CBD requires an higher standard of retail, and fewer non retail activities on Queen Street. Suggestions ranged from boutique fashion stores to more traditional food markets.

Something that could be encouraged I think in the CBD could be a central food market – other big cities have them – but Auckland doesn't really have one at all..... Adelaide has got a central city market, that is a city about as big as Auckland.