BearingPoint™

Auckland City CBD Programme PESTE analysis

AUCKLAND CITY

May 2003

Contents

Overview

The CBD Programme aims to revitalise the Central Area by reviewing and altering the physical form, the image of the City Centre and the kinds of people and the activities they engage in and experience.

The PESTE analysis is designed to understand within the time frame of the last 5 years (1998 – 2003) aspects of the the Auckland City CBD that have changed.

The approach to performing the analysis is based upon the PESTE framework. PESTE is an acronym for Political, Economic, Social, Technological and Environmental and provides a framework for thinking about trends both now and in the future.

Approach

The approach adopted to identify the driving forces of changes within the Auckland City CBD over the last 5 years is detailed below

Identify and Prioritise Key Changes	Identify causes and key changes	Fill research gaps	Synthesise findings
Identify the changes in CBD life over the last 5 years (1998 – 2003) through a number of different research methods and range of respondents	Deploying the PESTE categories to develop hypotheses about the causes of key changes.	Perform secondary research necessary to support and validate the hypotheses (OPTIONAL)	Compile the relevant information that identifies the driving forces of change in the Auckland City CBD over the last 5 years.
▪ A survey of CBD people (professionals, residents, retailers, shoppers, university students / employees) to identify significant changes in the CBD	Validate hypotheses with statistical information for example: population / immigration trends, GDP trends, inflation and employment trends, accommodation trends (SOURCE: Economic Workstream)		
▪ Focus group with Senior City Managers to identify key changes			
Review, categorise and prioritise survey findings			

Key changes and trends in the CBD

Political

A number of by-laws have been passed by Auckland City Council to improve the safety of the Auckland CBD and surrounding areas

- Auckland Domain and One Tree Hill Domain Roads, access way and park closure to control gathering of people and their motor vehicles late at night and associated anti social behaviour particularly on Friday and Saturday; and
- Liquor ban in Auckland City for a prohibition on the possession and consumption of alcohol in public places due to the increasing concern over the level of negative alcohol related behaviour in the Auckland Central Business district.
- Rating differential between business and residential ratepayers
- Financial contribution imposed on the CBD in 2003
- A range of Central Government legislative and policy changes have impacted on the CBD, including:
  - Immigration policy (including refugees)
  - Education sector (limitation on private educational facilities)
  - Allowing the importation of second-hand Japanese cars, increasing ratio of people to cars and congestion
  - The economic development thrust and the Industry NZ funding of Small and Medium Enterprises for example in the marine sector, which continues to be a prominent part of Auckland's foreshore
  - Lack of capital gains tax on property has driven investment in apartments
  - Changes to 1991 Building Act have allowed for low grade apartments to be constructed and a lack of building controls
  - Support for bus-lanes, which has led the attempt to increase passenger transport volumes in and around Auckland

(SOURCE: Auckland Domain Road Closures and One Tree Hill Domain Access way Closures - 14 Jun 2002, Options for Introducing a Citywide Liquor Ban in Auckland City - 15 Sept 2002)

Economic – Economic Trends

The economic trends for Auckland City have been positive and this is expected to continue into the immediate future

- The Auckland City economy expanded 4.6% over the year ended Mar 02 (3.3% for NZ);
- Rapid population growth, fueled by migration, vibrant real-estate activity and strong employment in health, business and property services;
- A net migration gain has further stimulated population growth of around 5% in the year to December 2002. Annual net migration has risen to 15,000 per annum which is more than double the average of the past decade (7,000 per annum);
- Strengthening job numbers in construction, tourist-related and business and property services industries;
- Tourism in the city has grown strongly over the past year which reflects:
  - the boost to business tourism from the centralisation of more national business activity in the city;
  - on-going strong growth in international visitor arrivals; and
  - the Americas Cup.
- The loss of the Americas Cup is not expected to have a large impact on Auckland City's economy. The bulk of the value created by the Cup occurs only every four years through extra syndicate and tourist spending. A positive from losing the America's Cup is that it opens up the Viaduct Harbour for further development;
- The City's real estate and residential construction industry has grown rapidly over the last 2 years. Over 2002 house prices rose 20%, house sales increased 40% and new dwelling consents grew 100% compared to 2001; and
- Apartments have contributed significantly to the growth in building activity.

Economic – Economic Trends

Economic forecasts

Indicator	2001	2002	2003	2004
Real GDP	2.5 %	4.1 %	2.6 %	2.5 %
Unemployment	5.4 %	4.9 %	5.0 %	5.1 %
CPI Inflation	1.8 %	2.7 %	2.1 %	1.9 %
90 day bank bill rate	5.0 %	5.9 %	5.9 %	5.9 %

- The net flow of migration is at a peak and will provide less of a stimulus to population growth:
  - Growth in tourism activity will weaken over 2003 a reflection of slow global growth and the higher New Zealand dollar; and
  - Slowing economic growth will take the sting out of construction, real estate activity and retail sales growth.
- Construction activity will continue:
  - Residential construction employment will be solid through 2003 as house building tries to catch up with migration driven demand;
  - Economic growth and low vacancy rates will help strengthen non residential building activity; and
  - Government funds will boost infrastructure construction activity.
- An increasing number of international students will ensure employment in the education industry continues to grow.
- Retail sales growth will remain strong in the city as lower interest rates and rising house process sustain household spending.

(SOURCE: Auckland City: Business and Economy Mar 2003?

Economic – Education Sector

The education sector has experienced significant growth and is a major contributor to the Auckland economy

- In 2002 approximately 80,000 foreign fee paying students came to study in NZ (43% increase on 2001);
- Auckland attracts approximately 60% of the total Primary school foreign fee paying students, 49% of Secondary school and 40% of the Tertiary sector foreign fee paying students;
- The industry is worth $1.7 billion to the New Zealand economy in 2002 and estimated benefits to Auckland City were at least $450 million; and
- Growth rates indicate that the Export Education industry will be work $4 – 5 billion within the next 10 years.

Implications for the CBD

- The industry has impacted tenancy within the CBD and in particular has resulted in the high utilisation of B and C grade buildings as well as recreational, retail facilities and other public infrastructure;
- Growth in the demand for residential accommodation;
- Growth in the demand for transportation infrastructure; and
- Social and community impact of the presence of predominantly young Asian students on social and community infrastructure.

(SOURCE: Export Education (30 April 2003), Education Sector and its impact on the CBD)

Economic – Employment Trends

Business and financial employment for Auckland City

- As businesses centralise in Auckland City so have executives and a number of sub industries dominated by the professional sector:
  - Computer consultant workforce is the largest of any territorial authority in NZ;
  - Recruitment agencies; and
  - Banks (a trend that will continue with parts of Westpac and ANZ set to move to Auckland).
- Market research, business management and general insurance services all sustained job losses in the city (year to Feb 2002)

Sector	Level	% of Auckland City employment	Growth 2001 – 2002 (%)
Professional Services (for example legal and accounting)	8,970	13	6
Management	7,390	11	8
Finance	7,610	11	3
Information Technology	7,790	11	8
Real Estate	4,569	7	2
Consulting Engineering	3,760	5	8
Insurance	2,990	4	-6
Other	27,047	39	4
Total	**69,946**	**100**	**3**

AUCKLAND CITY

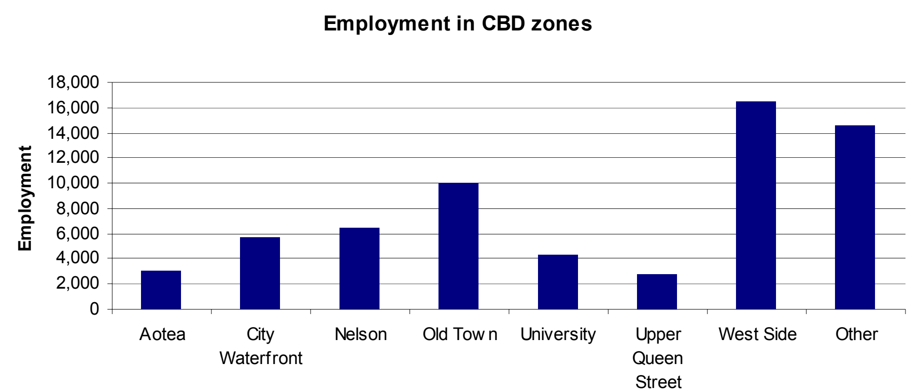
Economic – Economic Trends

Business and financial employment for Auckland City

- The size of businesses within Auckland region is dominated by small business (0 – 9 employees), however the CBD has predominately large organisations of 100 – 399 (18.5%) and 400+ (26%) of employees.

Number of employees	Number of business units	CBD share in the region (%)
0 – 9	5,884	16.3
10 – 49	858	10.9
50 – 99	127	14.6
100 – 399	91	18.5
400+	13	26.0
Total	**6,973**	

- The location of employees in the CBD is primarily in the West side and Old Town quarters



Economic – Property development

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Themes identified surrounding commercial property development includes :

- Prestigious towers and commercial development migrating to an east-west direction close to the harbour
- Greater protection for heritage buildings;
- Increased pressure to enhance the urban design through development; and
- Conversion of commercial office space into education facilities or residential apartments.

Themes identified surrounding residential property development includes :

- Proliferation of small apartments to accommodate students; and
- Various quality of apartment buildings ranging from budget to luxury for example the Viaduct area.

Economic – Commercial Property

Auckland CBD office market

- The overall Auckland CBD vacancy rate for Jan 2003 was at 9.9% which represents the lowest vacancy rate for a decade, even with the addition of PWC Tower on Quay Street (31,000 square metres).
- There is strong tenant demand for quality office accommodation. The education sector continues to have a profound effect on the secondary office market through a rapid uptake of space and a new wave of apartment conversions and developments has seen the removal of redundant, vacant office space from the CBD office inventory.
- The strength of the CBD office market has attracted national and international investors. The short to medium term looks positive with increased office occupancy increasing the potential for rental growth.
- Business are generally seeking a quality location which include the following features: proximity to the waterfront, views, car parking, quality of the accommodation and level of rental paid. This has seen the orientation of the Auckland CBD swing from a North-South direction to an East-West direction along the waterfront.

Auckland CBD secondary office market

- The secondary office market comprises just over 70% of the CBD's total net lettable area and resulting in a slow degeneration of the CBD office space
- The education sector occupies close to 90% of the secondary office market, and has taken up to approximately 50,000 square metres of office space during 2002.
- The education sector continue to develop key strong holds in mid town and Anzac avenue precincts.
- English language schools absorbed close to 17,000 square metres (Jan 2003) of net lettable office area (40% of office space occupied by education).
- New developments within the downtown and Viaduct harbour have attracted CBD tenants.

(SOURCE: Bayleys Research and Consulting 2003)

Economic – Commercial Property

Auckland CBD apartments

- The conversion of redundant office space into apartment accommodation has reduced overall office vacancy (11,000 square metres for the six month to Jan 2003).

Users of office space

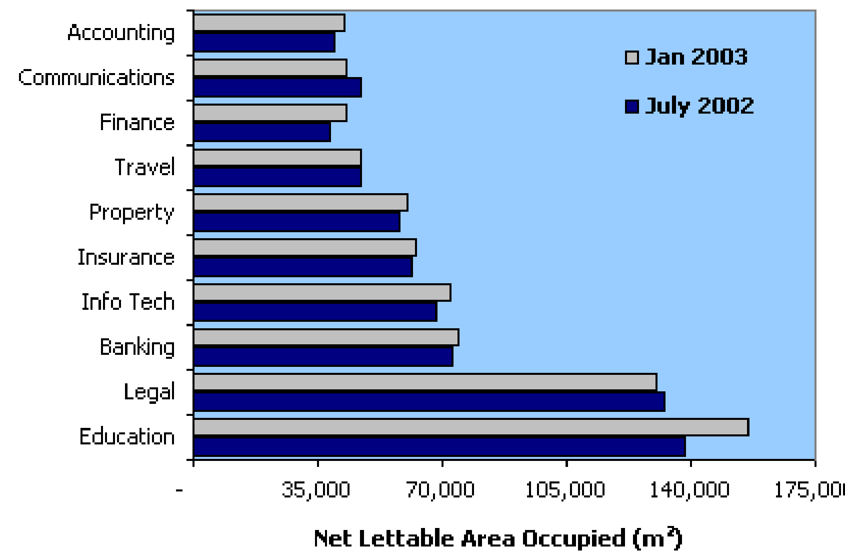
- The education sector is the largest user of office space in the Auckland CBD. Legal firms retain second position and banking has maintained third closely followed by information technology.

Future trends

- Any further decreases in the Auckland CBD overall office vacancy rate will largely depend on education growth.
- There are no new office developments currently under construction that will impact the market to the same degree as the PWC Tower. There is the potential of a Simpson Grierson office tower development in Quay Park.
- It appears developers have moved towards the development of smaller low rise office buildings which will see the CBD office inventory grow.

(SOURCE: Bayleys Research and Consulting 2003)

AUCKLAND CBD OFFICE MARKET
TOP 10 MAJOR TENANTS BY OCCUPIED FLOOR AREA



Source: Bayleys Research, Telfer Young

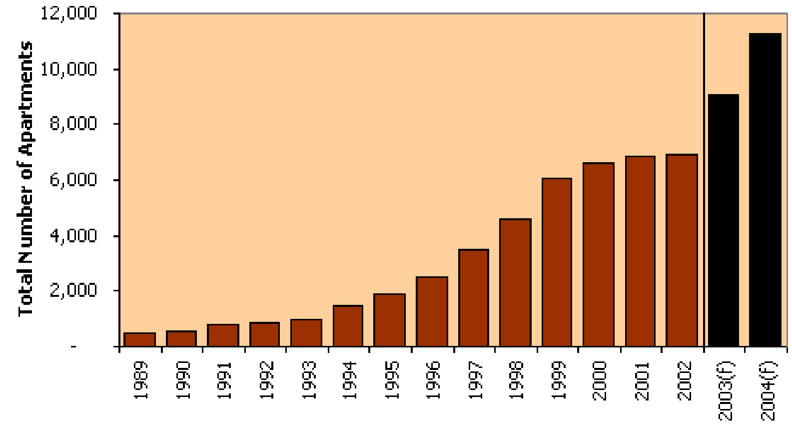
Economic – Residential Property

Auckland CBD Property

- Apartment accommodation within Auckland's Central Business District (CBD) is poised for significant growth over the next 24 months.
- Currently, just on 7,100 apartments exist inside the city boundaries. Based on apartments currently marketed and/or under construction, the total inventory will grow by approximately 55% by 2004's end.
- As the apartment market has continued to grow the range of accommodation available has become more diversified. Developers are now required to provide differentiated products to meet the demands of various buyer/user types and as a result three distinct categories of apartment types now exist: residential apartments, serviced apartments and student accommodation.
  - **Residential apartments** represent approximately 55% of the CBD's apartment inventory and within this category premium apartments make a small but growing sector of the market. Many of these top end projects are located in the Viaduct Harbour. The median price in the Viaduct has grown by 28.8% since 1997, a result that reflects increased quality of development over the last five years and associated higher prices being paid for this superior stock.

(SOURCE: Bayleys Research and Consulting 2003)

AUCKLAND CBD APARTMENT INVENTORY
OVERALL APARTMENT GROWTH



Source: Bayleys Research (f) forecast

Economic – Residential Property

Auckland CBD Property

- **Serviced Apartments/Hotel Apartments** are distinguished from residential apartments by the offering of short term accommodation (generally on a nightly or weekly basis) and the provision of "services". Occupancy levels for all suites hotel apartments within Auckland metropolitan with a 3-star rating or better have increased from around 65% in 2001 to slightly above 70% for the 12 months ending December 2002. Added demand from tourism has been the main driver of increased occupancy levels.
- **Student Accommodation -** the growth of the education sector within Auckland's CBD over recent years has been phenomenal. Education related businesses are now the biggest users of office space, accommodating 14% of the CBD's total net lettable office area – up from 3.8% in 1996. The major contributors to this increase have been the growth of the University of Auckland, Auckland University of Technology expanding outside their traditional areas and English language schools.

(SOURCE: Bayleys Research and Consulting 2003)

Economic – Retail

Auckland Metropolitan Retail

- The growth in consumer spending levels has been the underlying driver of the strengthening retail market. Greater retail trade can be attributed to a combination of the following:
  - Strong population growth is being led by immigration. Population growth is placing pressure on the housing market and is a driver of increased retail sales;
  - Continuing low mortgage interest rates is resulting is greater disposable household income;
  - Rising house prices has generated increased equity;
  - The number of short-term visitors to New Zealand have consistently grown;
  - The strength of the employment market,with national unemployment is at a record low. Wage growth is currently strong and job security is high; and
  - The rising exchange rate has made imported retail items cheaper to source and enabled retailers to maintain competitive pricing.
- Retail trade has shown excellent growth to date, however growth at similar levels could be tested in the short to medium term. Those factors that could possibly impact negatively on consumer spending include:
  - The SARS virus impact on world travel and tourism; and
  - A slowing economy with GDP forecast to come down from 4.2% at March 2003 to 2.7% by March 2004.
  - Counterbalancing factors including buoyant house prices, mortgage interest rates which are forecasted to remain at low levels, sustained population growth and the current strength of the job market.

  (SOURCE: Bayleys Research and Consulting 2003)

Economic – Retail

Auckland Metropolitan Retail

- There has been no change in the top five most prominent retail use positions and Clothing continues to hold the top spot, however Jewellers and Footwear have moved up the ranking. The growth of Metropolitan Auckland's Asian population has resulted in many more Asian style superettes/supermarkets.

AUCKLAND METROPOLITAN RETAIL: TOP 10 RETAIL USES		
JAN 2003 POSITION	JAN 2002 POSITION	USE CLASSIFICATION
1	1	Clothing
2	2	Cafes/Restaurants/Takeaways
3	3	Giftware/Souvenirs
4	4	Banks/Financial Services
5	5	Books/Stationary
6	8	Jewellers
7	10	Footwear
8	6	Hairdressers
9	9	Travel
10	12	Food Retail

Source: Bayleys Research

Economic – Business environment

The business environment in the CBD is characterised by

- Growth of fringe SME (Small to Medium Enterprises);
- The centre of New Zealand Head offices – there is little competition from other New Zealand CBD's;
- Companies moving out of the CBD to suburbs / industrial parks / overseas; and
- Businesses moving premises closer to the Waterfront.

Work patterns and business characteristics of the Auckland City CBD are characterised by

- Business is performed in cafes and restaurants;
- Business is based more upon partnership and relationships;
- A more relaxed business style;
- Business and information is performed faster due to the internet and e-mail; and
- More flexible in terms of hours.

Changes to the working style are thought to have occurred because of

- Greater flexibility in where and when people work;
- Technology able to support changes in where people work;
- Difficultly in getting into and out of the city due to congestion;
- Cost of operating a business within the CBD (office space and parking); and
- Auckland CBD is developing into a branch economy of Australia.

Social – Population

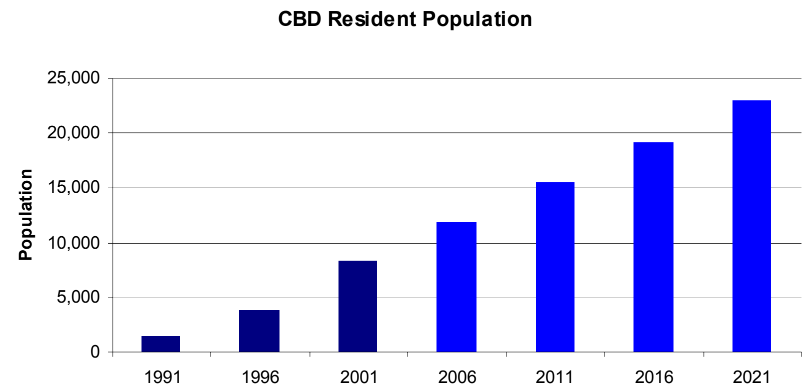
There have been significant changes in the characteristics of people who have used the Auckland City CBD over the last 5 years. Common themes identified were

- An increase in the number of people in the CBD;
- Significant increase in the number of CBD residents;
- Tourists and immigrants have become far more prevalent;
- A significant ethnic shift in the people who use the CBD in particular Asians;
- A greater number of students in particular Asian students;
- Typically younger people in the CBD;
- Greater visibility of the homeless;
- Small concentrations of the mega wealthy; and
- The creation of new sub cultures in the CBD for example boy racers.

Social – Population

These views reflect the themes from other Auckland CBD studies

- Resident population grew significantly between 1991 and 2001 from 1,476 to 8,307 people
- CBD population has grown from 0.5% (1991) to 2.5% (2001) of the total Auckland City population
- There is a high concentration of Asian Ethnic residents (32%) in 2001
- The birth place of CBD residents in 1991 was 64% in New Zealand however in 2001 it was 38%



Age segment	CBD	Auckland City	Auckland Region
Under 15	4%	20%	23%
15 – 24	36%	15%	14%
25 – 44	40%	34%	32%
45 – 66	16%	20%	21%
65 and over	4%	10%	10%
Total	**100%**	**100%**	**100%**

(SOURCE: Auckland Central CBD Residents Population – Key Socio economic characteristics and trends of people living in the CBD, Behaviours and Attitudes and Perceptions of Residents, Workers and Visitors to the Central City 1999 and 2002)

Social – Population

Labour and workforce statistics of resident population aged 15 years and over

Age segment	CBD	Auckland City	Auckland Region
Employed Full time	43%	47%	48%
Employed Part time	9%	12%	12%
Unemployed	7%	5%	5%
Not in labour force	32%	31%	31%
Unidentifiable	9%	5%	4%
Total	**100%**	**100%**	**100%**

(SOURCE: Auckland Central CBD Residents Population – Key Socio economic characteristics and trends of people living in the CBD, Behaviours and Attitudes and Perceptions of Residents, Workers and Visitors to the Central City 1999 and 2002)

Social – Population

The reasons identified for the changes to the characteristic of people who use the Auckland City CBD are

- Increasing number of immigrants;
- Migration to Auckland from other cities for employment or education;
- Promotion of education to overseas students;
- Relatively low cost of living in NZ compared to other international countries;
- International events such as the Americas Cup;
- Lifestyle choices that NZ provides; and
- Auckland is now seen as an international destination for tourists for example the starting port for cruise ships.

Social – Population

The changes identified have impacted the Auckland City CBD through

- Increased demand on the transportation system resulting in:
  - Congestion on the roads;
  - Public transport system running at capacity; and
  - Increased cost of commuting to and from the CBD.
- Variety and diversity of entertainment:
  - Greater selection of bars, restaurants and cafes; and
  - Greater retail selection.
- Increased demand on infrastructure resulting in:
  - Increased cost of living in the Auckland Region;
  - Congestion and overcrowding; and
  - Pollution.
- Multicultural and ethnic diversity

In general the population changes of the Auckland City CBD are seen as positive (42%) primarily due to the economic impact and increased diversity and variety of entertainment. It is seen as negative (36%) due to the impact on the infrastructure, congestion, pollution, and increased cost of living.

Social – Residential population

There has been substantial growth in the residential population of the CBD as evidenced by a number of studies performed within the Auckland City CBD

- Resident population grew significantly between 1991 and 2001 from 1,476 to 8,307 people (20,000 in 1960)
- CBD population has grown from 0.5% (1991) to 2.5% (2001) of the total Auckland City population
- The distribution of males and female residents within the CBD was 69% male, 31% female in 1991 and 52% male and 48% female in 2001
- The composition of CBD residents is primarily one person households (40%), one family house holds (34%) and multi-person non-family households (19%)
- House hold occupancy in the CBD has decreased from 1991 to 2001 from 2.6 to 2.2
- The actual number of CBD families with children has increased between 1991 and 2001, however the proportion has decreased from 35% to 28%
- The proportion of family households comprising families without children has increased from 62% to 72% of CBD families in households
- The age structure for the CBD is much younger than for Auckland City as a whole with 36% of the CBD resident population aged between 15-25 years and 40% aged between 25-44 years

(SOURCE: Central Area Residents Survey 1995 and 2000, Auckland Central CBD Residents Population – Key Socio economic characteristics and trends of people living in the CBD)

Social - Activities and entertainment

Greater accessibility to and variety of activities and entertainment has become evident in the Auckland City CBD over the last 5 years. Respondents were 58% more likely to come to the CBD for entertainment (42% were less likely reflecting the growth of suburban malls and subsidiary entertainment centres in greater Auckland). Respondents felt the city was generally lively and exciting. Some of the common themes evident from the survey responses were

- Increased in the number of multicultural events
- Greater selection of cafes, restaurants and bars
- Introduction of fashion and up market retailers
- Greater diversity of entertainment available (adventure activities, theatre, cinema, gambling)

Other Auckland CBD studies also identified a number of changes to the way people view the range of activities and entertainment available in the Auckland CBD

- In 2001, 78% of respondents remained in the city after work. Typical reasons for remaining in the city were eating out, pubs, theatre / cinema and shopping, however the primary reason for not remaining in the city was personal safety
- In 2001 63% of respondents thought the city was an exciting and colourful place compared to 61% in 1999 (statistically insignificant)
- CBD residents were 70% satisfied (2001) with the entertainment in the CBD compared to 75% in 1995 indicating that the large majority of respondents are still satisfied with entertainment

  (SOURCE: Central Area Residents Survey 1995 and 2000, Behaviours and Attitudes and Perceptions of Residents, Workers and Visitors to the Central City 1999 and 2002)

Social - Activities and entertainment

The key reasons identified for changes to the provision of activities and entertainment within the Auckland City CBD over the past 5 years were:

- The Auckland City Council have become more proactive in bringing the CBD to life;
- Cultural diversity of people who live in the CBD;
- Presence of major events such as the Americas Cup has stimulated growth in the CBD entertainment industry;
- Growth in the number of residential dwellings;
- Catering for population growth through migration and immigration and increasing student community;
- Catering for tourist demand;
- Proliferation of cheap Asian shops and growth in New Zealand fashion houses;
- The Yachting-isation of the CBD due to the Americas Cup; and
- Increase reliance on fringe centres for example Newmarket.

Social - Activities and entertainment

The impact of these changes on the Auckland City CBD have been

- Wide selection of retail and entertainment choice;
- A more buoyant and vibrant city centre;
- Pressure on services and facilities;
- Congestion of the public transport system and road network; and
- Economic growth in the retail and entertainment sectors.

The changes in entertainment activities available in Auckland City CBD have been seen as positive by respondents primarily due to

- Increased diversity and variety;
- Economic impact; and
- Increased levels of activity

Respondents generally felt that the feeling generated by the CBD was lively, happening, up beat, exciting and vibrant.

Social - Transportation

Due to the growth in the Auckland City CBD the transportation system have been heavily impacted. Views identified in respect of transportation within the CBD were

- The city is becoming congested and main arterial routes are clogged - peak hours are extending;
- There is insufficient parking;
- Changes to the road network are being implemented for example Grafton Gully and Bus lanes;
- A greater emphasis has been placed on addressing the public transport issues;
- There has been an increase in frequency / service of public transport services for example the link bus and ferry;
- Pedestrian congestion is becoming common; and
- The CBD is not pedestrian friendly and is difficult to navigate.

Social - Transportation

These views are confirmed from other Auckland CBD studies performed

- Main modes of transportation to work for CBD residents in 2001 included walking / jogging (35%) and driving private car, truck or van (21%). Modes of transportation used by Auckland City residents included driving private car, truck or van (50%) and walking / jogging (5%). Since 1991 there has been a small decrease in the proportion of CBD resident using the bus, cycling and walking / jogging and an increase of residents driving private vehicles.
- The frequency of visits by respondents was 51% daily (1999) and 49 % daily (2002). 19% of Non residents traveled to the city on weekdays only in 2002 compared to 21% in 1999.
- The proportion of people who find it difficult to get to the CBD has increased to 25% (2001) from 16% (1999).
- The proportion of people who find it easy to get to the CBD has decreased from to 46% (1999) to 36% (2002).
- The time of day affected the choice of transport for Non residential respondents primarily due to traffic congestion at peak hours and limited availability and frequency of public transport services during the day and night.
- There are low levels of vehicle ownership in the CBD and there has been a decrease in the number of dwellings in the CBD with no motor vehicle between 1991 (42%) and 2001 (30%).

(SOURCE: Behaviours and Attitudes and Perceptions of Residents, Workers and Visitors to the Central City 1999 and 2002, Auckland Central CBD Residents Population – Key Socio economic characteristics and trends of people living in the CBD)

Social - Transportation

The primary reasons identified for changes in transportation over the past 5 years are

- Population growth of the Auckland City CBD and Region;
- Poor planning of and lack of spending on transportation infrastructure;
- Lack of a comprehensive integrated transportation network;
- Insufficient allocation of resources to support improving the transport system; and
- Growth in the student population.

The impact of these changes on the Auckland City CBD have been

- Congestion, traffic jams and parking problems;
- Increased travel times and reduction in productivity;
- Increased pollution and impact on pedestrian safety and enjoyment;
- People avoiding the CBD and remaining local (suburban development);
- Increased cost of coming to the CBD for example transportation and parking ;
- Changing work patterns; and
- Greater suburban development reducing the need to commute to the CBD.

The changes to Auckland City CBD transportation over the last 5 years are seen as negative (72%) due to the congestion and restrictions on peoples ability to negotiate into and out of the CBD.

Social - Transportation

The City's Central area parking policy aims to go some way towards managing both congestion and parking problems by encouraging greater use of public transport by those who work in the city while not discouraging visitors for shopping, business or entertainment

Under the Central area parking policy (June 1999)

- The District plan will constrain the supply of long term parking, to keep traffic volumes within the capacity of the arterial road network.
- Council owned parking will be managed to encourage short stay parking, encourage car pooling and cycling and discourage commuter parking in the central area.
- Free uncontrolled street parking will be removed and time limit or charge implemented.
- On street parking for periods greater than 30 minutes will become significantly more expensive than off street parking buildings.
- Subsidised programmes for Auckland City staff will be removed.

The parking policy aims to:

- Manage congestion by controlling the supply of parking;
- Manage parking to encourage visitors through high turn over of on street parking and short stay parking;
- Discourage long stay parking;
- More space for car poolers and bicycles; and
- Eliminating free on street parking.

Social - Transportation

Summary of central area parking inventory

Indicator	Long stay spaces	Short stay spaces	Total number of spaces	% of total
Council operated public car parks	1,670	2,760	4,430	9
Public on street spaces	2,370	1,810	4,180	9
Privately operated public car parks	8,255	4,655	12,910	26
Private non residential spaces in commercial buildings	22,580	2,090	24,670	50
Private residential spaces in apartment buildings	3,170	0	3,170	6
Total	38,045	11,315	49,360	100

Overall there has been 7.6% increase in the number of central area parking space between 1999 and 2002. This increase has generated by :

- New Viaduct harbour car park buildings;
- New commercial buildings; and
- New apartment buildings.

Social - Crime

Recorded crime in the Auckland District (recorded crime per 10,000 population) has experience a minor increase primarily due to increase in offences involving dishonesty, property abuse and administrative crimes

Crime Category	2000	2001	2002
Violence	114.6	132.0	121.9
Sexual offences	11.3	8.2	8.8
Drugs and anti social offences	174.4	192.1	199.4
Dishonesty	1,018.3	1,060.3	1,061.2
Property Damage	71.5	74.3	69.6
Property Abuse	55.4	60.5	65.4
Administrative	23.9	23.7	27.9
Total	**1,469.3**	**1,551,2**	**1,554.2**

(SOURCE: Auckland District – Police Crime Data 2002 – Office of the Police Commissioner – March 2003)

DEFINITION: Dishonesty is defined as burglary, car conversion, theft, receiving, fraud. Property Abuse is defined as trespass, littering, arms act offences. Administrative is defined as crime against justice, immigration, racial and by law breaches)

Social - Crime

Summary of Auckland District recorded crime by area

Crime Category	2000	2001	2002
Auckland City - Central Area	22,017	23,453	24,702
Auckland City – Eastern Area	16,744	17,779	18,263
Auckland City – Western Area	15,301	16,390	16,656
Total	**54,602**	**57,622**	**59,621**

The Auckland District has experienced a 3.5% increase in recorded crime between 2001 and 2002 and achieved a 32.6% resolution rate in 2002 (32.8% for 2001)

- The relationship between police visibility and the reduction of crime is supported by local data on the New Year crime statistics for Auckland City's CBD. A snapshot comparison between the 2001/ 02 and 2002/03 New Year periods shows a significant decline in the number of offences in the CBD area (191 recorded offences in 2001/02 versus 100 in 2002/03). Two interventions were introduced for the second period:
  - Auckland City introduced an alcohol ban; and
  - the police presence in the CBD increased by a total of 107 as a result of the America's cup event.

  It seems reasonable to assume that together these interventions (one about visibility, the other about community engagement and interface) resulted in the decline of offences

(SOURCE: Auckland City Council Regional Policy Report)

Technological

The advancement in technology and adoption by organisations have provided employees with greater flexibility around when and where they work. Some of the changes identified by participants that have resulted from technology include

- Greater flexibility in working hours;
- Greater flexibility in where people work for example from home; and
- Ability to operate businesses outside the CBD

Technological – Internet Access

Some facts about internet access in New Zealand

- The higher the household income the greater the level of internet and telecommunication access;
- 37% of household have access to the internet;
- Just over 25% of households have access to a fax;
- Over 96% of households have access to a telephone; and
- One in 25 household do not have a telephone, facsimile or internet access.

Groups with higher internet access levels

- Households in the Auckland and Wellington regions have the highest rates of internet access at nearly 9 out of 20;
- More than 7 out of 10 household with an income of more than $100,000 have Internet access;
- Six out of 10 household with Asian ethnicity have access to the internet; and
- Over half of households with people aged 45 to 54 years have access to the internet.

Groups with lower internet access levels

- Households with income of 10,001 to 15,000 – one in 9 of these households have access to the internet;
- One person households – 1 in 6 have access to the internet; and

(SOURCE: 2001 Census Snapshot 2 – Statistics New Zealand).

Environmental

Views on the changes to the Auckland City CBD and surrounding landmarks are

Landmark category	Auckland City CBD landmarks in 1998	Auckland City CBD landmarks in 2003
▪ Buildings	Aotea Centre Civic Theatre Auckland Art gallery Old Government House ANZ building Harbour bridge Town Hall Auckland Museum Auckland University BNZ Tower Queen Street	Sky Tower Metropolis PWC Building Royal Sun Alliance Building Auckland Museum Town Hall
▪ Green spaces and hard urban spaces	Albert Park Auckland Domain QEII square Rangitoto Island Auckland Harbour	Viaduct Basin Chancery Area Rangitoto Island Albert Park Auckland Harbour

Environmental

The skyline and streetscape has developed within the Auckland City CBD over the last 5 years principally through the addition of several commercial buildings, the introduction of apartment complexes and the development of the viaduct harbour and Chancery / High Street areas.

Changes to the skyline and streetscape are seen as positive by respondents

Views identified about the Auckland City CBD environment were

- The CBD had become a more vibrant place and had more places to meet over the past 5 years;
- There was no noticeable change in the cleanliness, hard urban spaces and facilities or amenities of the CBD over the past 5 years;
- The CBD had become a less safe place at night and did not have adequate green spaces;
- The CBD has become more polluted, noisy and cluttered;
- The CBD has become pedestrian unfriendly for example traffic, footpath congestion and uncovered footpaths; and
- Significant changes have occurred to the CBD skyline advertising billboards.

Environmental

BearingPoint

Views regarding the Auckland CBD environment identified from other studies performed were

- In 2002 59% of respondents had concerns about safety in the central area. Threatening behaviour and isolated streets were the most significant safety concern during both the day and night
- Of the respondents 64% of women and 31% of men considered the CBD to be unsafe at night
- Traffic related aspects and an unsafe pedestrian environment and vandalism / lack of general maintenance contributed to concerns about personal safely during the day
- Respondents felt that the most important improvement could be achieved by increasing the police presence, street lighting and increase security
- Residents impression of the lighting around the CBD was generally poor (32%)
- Residents were 51% dissatisfied with the noise in the CBD (2001) compared to 31% in 1995
- The majority of residential respondents (64%) were satisfied with the parks in the central area in 2001 compared to 62% in 1995
- The majority of residential respondents (49%) were satisfied with the squares and plazas
- The majority of residential respondents (72%) were satisfied with the provision of community facilities
- Residential respondents were dissatisfied with the street environment (38%), maintenance and cleanliness of the city (36%) and public toilets (39%)
- Residents were satisfied with street lighting (47%), planting and street trees (41%), public artworks (28%) and signage (36%)

(SOURCE: Central Area Residents Survey 1995 and 2000)

AUCKLAND CITY

Environmental

The characteristics from Cities around the world that respondents felt should be incorporated into the Auckland City CBD are

- Pedestrian malls and walkways (Bourke Street – Melbourne)
- More effective use of the harbour and introduction of walkways at the harbour edge (Sydney)
- An integrated public transport system (trains and buses) (Amsterdam / Germany)
- Reduction in pollution and introduction of motor vehicle usage laws (Singapore)
- A common thread to the city (Ghiradelli Square – San Francisco, Oxford Street – London, Long Beach – California)
- Restoration of old buildings (Melbourne)

Key trends and levers of change

Key trends

The key trends that have occurred within the Auckland City CBD over the past 5 years are:

- CBD economic growth fuelled by tourism, migration, employment increases in key sectors and international events;
- Growth in the residential population – but highly segmented and largely one person or multi person, non-family households;
- Education sector experiencing exponential growth on the basis of international students, who are also stimulating demand for low cost accommodation in the CBD;
- Large scale commercial building activity in decline – vacancy rates are low due to conversion of offices to residential spaces and education sector requirements;
- CBD business dominated by large corporate and professional services firms (Information Technology sector is on the rise);
- Younger population (80% under 44) and new sub-cultures;
- More relaxed business style and greater flexibility where and when people work;
- Significant ethnic shift in the CBD population make-up (32% Asian);
- Perception of traffic congestion and insufficient parking;
- Variety and diversity of entertainment and recreational activity as well as greater cultural diversity;
- Perception of over crowding, noise, pollution and not pedestrian friendly; and
- Minor increases in recorded crime aligns with some concern about personal safety.

Levers of change

BearingPoint

The levers of change that have influenced changes within Auckland City CBD over the past 5 years and could potentially be used to alter the future development and direction of the Auckland City CBD are :

- Regulatory mechanisms;
- Urban design including streetscape and open spaces;
- Control supply of parking;
- Level of cultural animation;
- Community development;
- Roading strategy; and
- Investment / promotion of public transport

These trends could be encouraged through :

- Central or Local government policy;
- Design, planning and deployment of targeted Auckland City CBD and regional strategies; and
- Investment pubic infrastructure and the provision of public services

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