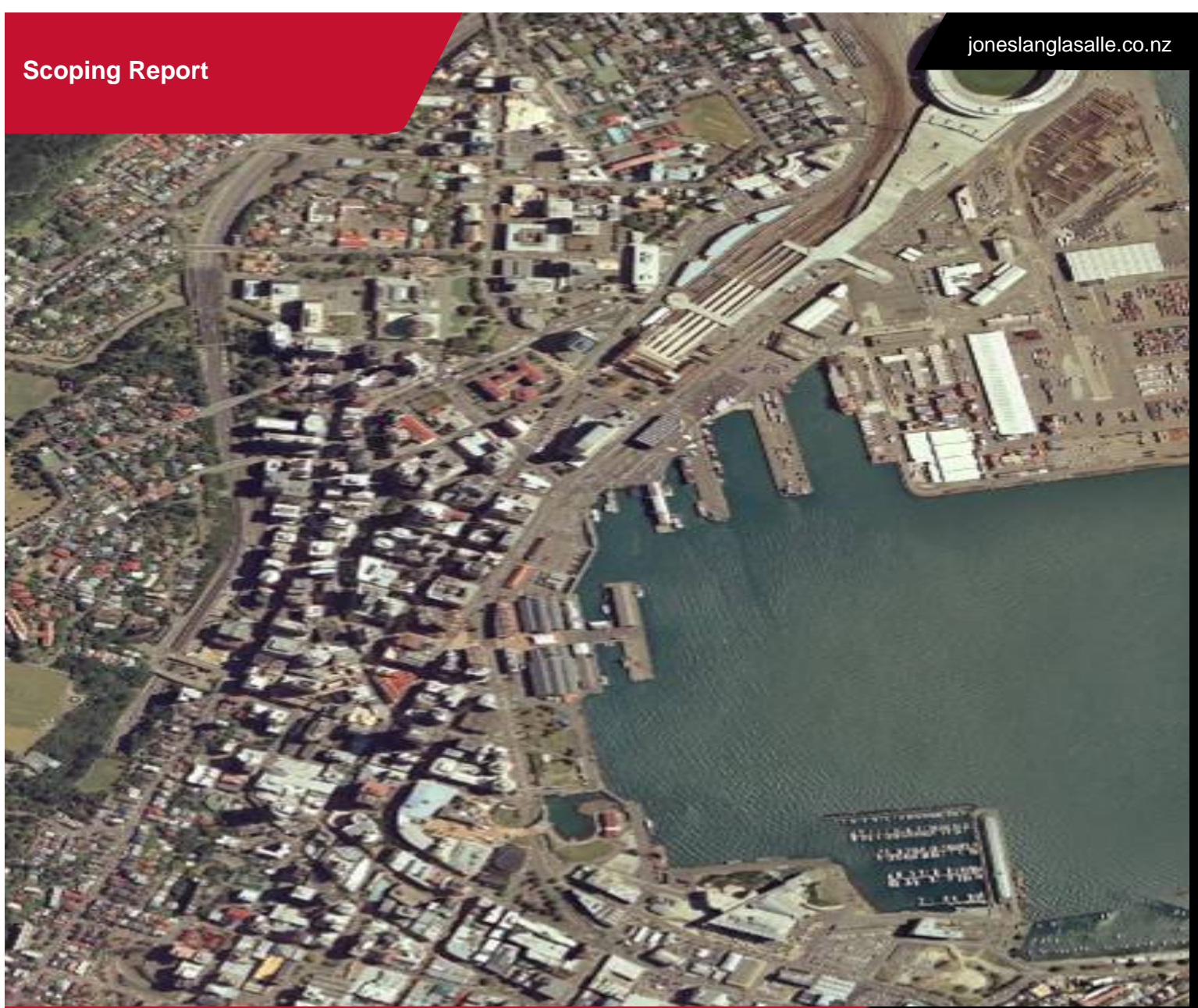


# Scoping Report



## Scoping Report for Segment of Golden Mile



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8 September 2008

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WELLINGTON CITY COUNCIL **Wellington**

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## **1.0 BACKGROUND & REPORT SCOPE**

### **Background**

The following commentary has been supplied to provide exploratory research into potentially improving the vitality and vibrancy of the Golden Mile between Taranaki Street and Willis Street. The commentary provides an initial assessment on factors highlighted from discussion of potential changes to the traffic network and public spaces through this precinct. A number of scenarios have been provided by the Wellington City Council, however, it should be noted that the research being undertaken into these scenarios at this stage does not constitute support for or against and only provides an assessment of certain conditions.

### **Scope of Work**

- Review and analyse the current and future state of the retail markets in Wellington CBD and the study area in terms of rental return rates, vacancy rates, yields and tenant absorption.
- Identify outcomes in regards to the possible changes highlighted.
- Provide the latest Property Institute of New Zealand (PINZ)'s Wellington CBD pedestrian count information (as of November 2007).
- Comment in regard to reintroducing two way bus traffic in Manners Street East and Manners Mall and possible impacts on retail and office mix.
- Provide examples of other international locations that have reintroduced traffic to a Mall setting.

## **2.0 EXECUTIVE SUMMARY**

Within this analysis we have reviewed the retail market, Wellington CBD pedestrian count information and international perspectives defined in the Scope of Work. Our initial comments on the proposed project are briefly presented below:

## Key Points

- Efficient public transport and proposed enhancement of streetscapes are likely to benefit retail and commercial premises.
- Gradual changes in the surrounding social and commercial environment on completion of the subject project can trigger refurbishment to existing malls that have become functionally obsolescent.
- Retailers along Manners Mall are likely to benefit from the increased exposure as a result of the proposed changes to transport networks and streetscape.
- Proposed changes are likely to further enhance the subject area's cafe and restaurant atmosphere.
- Additional on-street car parks are likely to promote pedestrian flows and may provide funding towards any improvements made.
- Proposed changes may be beneficial for future introduction of light-rail.
- Positioning of bus stops in the area will be important to avoid possible congestion. Investigation into this has been undertaken.
- Incentives for people to stop in the area and impacts on local retailers during the redevelopment process need to be investigated.
- Proposed changes may increase commuters traveling times to office buildings along Dixon Street and Wakefield Street.
- Low vacancy rates in the subject area indicate pedestrian flow and the current traffic network for retailers works well with current retail mix.

### 3.0 WELLINGTON CBD & SOUTH RETAIL MARKET

The performance of the Wellington overall retail market eased during the past six months to June 2008. The overall vacancy rate for Wellington CBD and Te Aro was 2.8%, up by 0.8 percentage points over the first half of 2008. Higher vacancies recorded were in retail space within non-prime locations such as Featherston Street and the southern part of Willis Street. It appears that retailers occupying non-prime locations were suffering from the weakening economy. A slowdown in retail spending, increasing food and fuel prices, along

with the higher interest rate environment make retailers more cautious when leasing.

Vacancy within the Te Aro precinct dropped from 3.1% to 1.3%. The low vacancy rate for this precinct was a result of limited prime stock in the CBD and Te Aro's increasing reputation for its hospitality and entertainment as well as a retail mix similar to Lambton Quay. Low vacancies in Te Aro were also evident in strong uptake of retail space in this area. The overall net absorption in June for Te Aro nearly doubled the December 2007 survey result, up by 240m<sup>2</sup> to 484m<sup>2</sup>. Details of vacancy rate and net absorption for each location in Te Aro are presented below:

<b>Wellington Te Aro Retail Vacancy and Net Absorption</b>						
<b>Location</b>	<b>Vacancy Rate</b>			<b>Net Absorption</b>		
	<b>Jun-08</b>	<b>Dec-07</b>	<b>1/2 Yr Change</b>	<b>Jun-08</b>	<b>Dec-07</b>	<b>1/2 Yr Change</b>
<b>Te Aro</b>	1.3%	3.1%	-1.8%	484	244	240
<b>Willis Street</b>	2.3%	1.4%	0.9%	593	903	-310
<b>Manners</b>	1.5%	1.0%	0.5%	-1,003	242	-1,245
<b>Cuba Street</b>	2.2%	4.2%	-2.0%	30	199	-169
<b>Dixon Street</b>	0.8%	5.9%	-5.1%	381	-22	404

(Source: Jones Lang LaSalle Real Estate Intelligence Survey)

\* Note: Willis Street – Vacancy survey for Willis Street starts from its intersection with Lambton Quay, and ends at its intersection with Manners Street West.

Manners Street – Survey for Manners Street starts from its western part which is close to its intersection with Willis Street, and ends at its intersection with Cuba Street.

Cuba Street – Survey for Cuba Street starts from its intersection with Manners Street, and its southern end is close to the intersection of Cuba Mall with Ghuznee Street.

Dixon Street – Vacancy survey for Dixon Street was only around the intersection of Dixon Street and Cuba Street.

As indicated in the above chart, vacancies for Cuba Street and Dixon Street tightened by 2.0 and 5.1 percentage points respectively. Main vacancies along Cuba Street were medium sized (35m<sup>2</sup> to 75m<sup>2</sup>) retail premises clustered in CubaCade at 108-116 Cuba Street. Cuba precinct is dominated by cafes, restaurants and clothing retailers with space facing directly to Cuba Street generating strong demand. These factors, together with the tightly held nature

of retail space along Cuba Street, benefit Dixon Street especially towards its intersection with Cuba Street. As a result, vacancies for Dixon Street greatly improved with a net absorption gain of 381m<sup>2</sup> in June.

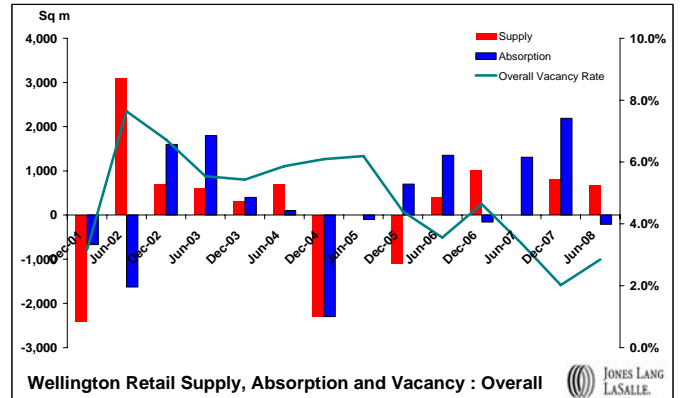
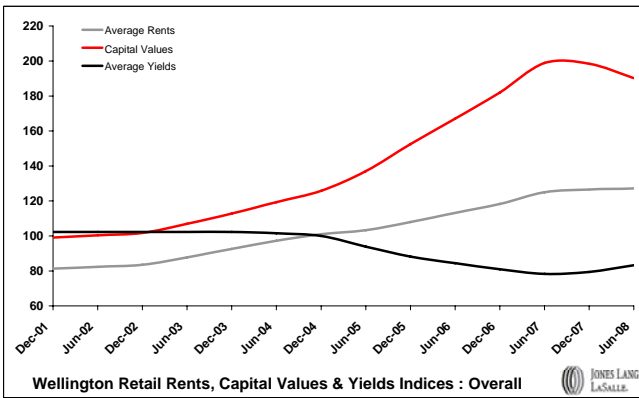
Both Willis Street and Manners Street recorded an increase in their vacancy and drop in net absorption. Large sized (over 75m<sup>2</sup>) vacant retail space in Willis Street was located along the southern part of the street. It was noted that a number of retail shops towards the south along Willis Street were having closing-down sales during the survey. Space vacant by these retailers will further enlarge the vacancy rate for both Willis Street and Te Aro precinct. Vacancy for Manners Street was at a low level although it increased slightly from December to June. Manners Mall, as the middle part of the entire Manners Street, has been 'integrated' to the Cuba retail precinct with proximity to Cuba Street and high pedestrian thoroughfares. Negative net absorption for Manners Street was attributable to the slow uptake of retail space around Manners Street West rather than Manners Mall. As part of the CBD Frame office precinct, Manners Street West has generally less pedestrian thoroughfares for retail premises and weaker uptake of large sized retail space compared to other parts of Manners Street. This has been the main reason for a significant drop in the overall net absorption for Manners Street.

Rental growth for both Wellington CBD and Te Aro have slowed down, as the unexpected drop in retail sales and threat of an economic recession have hit retailers confidence, restricting owners' ability to increase rents. In Wellington CBD, prime retail rents increased by 0.5% over the six months and now attract rents of around \$1,925/m<sup>2</sup> - \$2,575/m<sup>2</sup>. Ground floor rents in Willis Street increased by 0.8% during the first half of the year and now range from \$975/m<sup>2</sup> towards the southern end up to \$2,250/m<sup>2</sup> closer to the Lambton Quay intersection. In the Te Aro retail precinct, rental growth for both prime and secondary markets was relatively flat. Rents for prime Te Aro retail increased by 0.5% to \$605/m<sup>2</sup> - \$1,235/m<sup>2</sup>, while for secondary Te Aro were static over the past six months and remained around \$240/m<sup>2</sup> - \$500/m<sup>2</sup>.

Close analysis of recent leasing evidence in the subject precinct indicates that prime rents at Cuba Mall range between \$820/m<sup>2</sup> - \$1200/m<sup>2</sup>, while prime rents at Manners Mall sit around \$800/m<sup>2</sup> - \$900/m<sup>2</sup>. This is evidenced by 71-81 Cuba Mall which leased at a rate of around \$1,200/m<sup>2</sup>, 101 Cuba Mall at \$974/m<sup>2</sup>, 89 Cuba Mall at \$910/m<sup>2</sup>, and 127-133 Cuba Street for \$820/m<sup>2</sup>. Rental evidence for prime retail space in Manners Mall includes 69 Manners Street which leased for \$900/m<sup>2</sup>. Non-prime retail space along Cuba Street was generally leased at a rate ranging between \$250/m<sup>2</sup> - \$600/m<sup>2</sup>.

It is evidenced from rental level analysis that rents achieved in the subject precinct depend on the premise's proximity to Cuba Mall and Manners Mall. For instance, retail premises on Courtenay Place benefit from having easy access to both Cuba Street and Manners Street. Rents range from \$610/m<sup>2</sup> to \$1,020/m<sup>2</sup> at the top end. Victoria Street provides one of the main routes in the Te Aro precinct linking Manners Mall with the Lambton Quay precinct. As a result, retail space along Victoria Street within the Te Aro precinct attracts relatively higher rents between \$580/m<sup>2</sup> - \$1,010/m<sup>2</sup>. Retail rents along Taranaki Street fall within the lower end of the rental range in Te Aro due to the proximity to industrial premises. Recent rental evidence implies that retail rents at Taranaki Street are now at approximately \$250/m<sup>2</sup>. Dixon Street comprises of a high proportion of lower grade office buildings and retail premises. As a result, retail rents are likely to fall within the lower end of Te Aro's rental range.

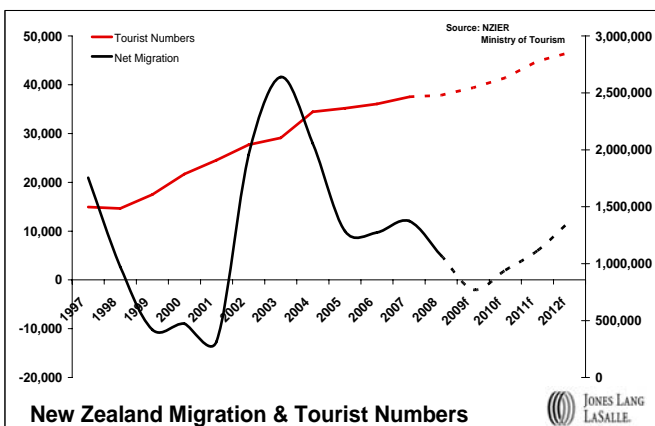
The overall retail sector in Wellington is facing increasing vacancies, easing rental growth and subdued economic conditions deteriorating investors' confidence and drove up investment yields. Both prime and secondary CBD retail yields softened by 50 basis points in average over the past six months as investors took a more cautious approach to pricing in order to compensate for their higher debt costs. Consistently with the general upward trend in yields, prime suburban retail yields increased by 25 to 75 basis points during the same period.



Easing rental growth and softening yields resulted in a depreciation of capital values. As indicated in the ‘Wellington Retail Rents, Capital Values & Yields Indices’ chart, the capital value index has trended downwards since June 2007 along with smoothing rents and increasing yields.

However, recent retail transaction volume has been restricted as some owners are mindful that there is likely to be a reduction in capital value appreciation in the face of a weakening economy and a slow down in the retail market.

Looking forward, under the current outlook, rental growth for the Te Aro precinct will be restricted unless economic conditions improve. As indicated on the ‘New Zealand Retail Spending’ chart, retail sales growth has slowed considerably over the first half of 2008 as a result of consumers’ willingness to spend decreasing. This is largely due to subdued economic growth, rising petrol prices and mortgage interest rates as well as easing in the overall housing market.





As a result, it is anticipated that rents in this area will be flat through to 2009 and then increase marginally by around 0.8% per annum from 2011 if the economy recovers.

Retail yields are likely to continue softening for the short to medium term due to a slowdown in the economy, high borrowing costs and higher risk premiums required by investors. It is expected that retail yields will range from 8.5% to 10.00% for Wellington prime CBD, and 9.00% to 11.25% for Wellington prime suburban in 2012.

The continuous easing in rental growth and softening yields suggest that capital values will keep trending downwards at least for the short to medium term. These factors indicate that retailers, in particular those at the secondary locations, are likely to be under pressure until the economy recovers.

All the above mentioned factors imply that vacancies for the Te Aro retail precinct will increase gradually. However, it is anticipated that retailers demand for the area should remain strong as this area is characterized by increasing reputation of entertainment and shopping for tourists. According to the Tourism Council's figures, travellers to Wellington will rise by 1.2% per annum through to 2013. It is expected that the upward trend on the number of tourists is likely to continue to support this sub-precinct with sufficient pedestrian thoroughfares, maintaining retailers demand on a higher level than other sub-precincts. Willis Street and other retail sub-precincts in Te Aro are likely to suffer from a higher increase in vacancies and decrease in rental growth for retail premises at non-prime locations.

#### **4.0 COMMENTARY ON PROPOSED SCENARIO**

Wellington City Council is exploring the potential to improve the vitality and vibrancy of the Golden Mile between Taranaki Street and Willis Street. Initial evaluation on bus priority resulted in a number of possible opportunities and benefits on adjacent streets to emerge. These opportunities are currently being

investigated in order to provide a detailed analysis of the possible benefits for the precinct and the wider Wellington area. These benefits revolve around improvements to the amenity of the streetscape in the precinct, additional on-street car parking, a strengthened Cuba Street pedestrian axis to Civic Square, higher exposure for retailers on the new route and security and safety benefits.

After consideration of the subject area our initial comments are as follows:

- There would be a substantial cost in resources and time in redevelopment of the current streetscape of the Taranaki to Willis Street precinct. It is expected that a large proportion of the funding for this would ultimately come from the community. Therefore, robust and defensible analysis on the impacts to change the current status quo will need to be undertaken to mitigate any negative public feedback. It is understood that a number of organisations directly and indirectly involved within the subject precinct have been consulted by the Wellington City Council including retailers, public transport companies, major property owners in the area, architects, urban designers, planners and local police. It is also envisaged that the local community will be consulted in due progress.
- Proposed bus stops at the intersection of Victoria Street with Manners Mall, and Cuba Street with Manners Street, could cause congestions. Positioning of bus stops in the area will be important. Initial network and bus stop location modeling work undertaken on behalf of the Wellington City Council indicates a number of locations and options that may not cause intersection congestion.
- Enhancement of streetscapes in the precinct as a result of a change in traffic networks is likely to be of benefit to retail and commercial premises due to an improvement in access to the area and pedestrian flows for the precinct. Efficient public transport is likely to further enhance this increase.
- Pedestrian flows and retail spend in the subject precinct may not organically increase due solely to introducing new transport thoroughfare. Incentives for people to actually stop in the area will need to be investigated.

- Current pedestrian flows in the subject precinct indicates shoppers could be attracted to the area as a result of the current retail layout as well as pedestrian flow moving to and from Lambton Quay to Courtney Place.
- Impacts on local retailers during the redevelopment process will need to be investigated. These impacts could be costly to both retailers and the Council. The Auckland City Council provided free parking for customers along Queen Street for one month in recognition of the disturbance of the streetscape upgrades. This helped both consumers and retailers.
- Noise, possible pollution from diesels, along with the possibility of the above mentioned congestion, if any, may diminish the existing amenity value of premises in Manners Mall.
- It is likely that any negative impact that occurs on premises located in Manners Mall may also affect Cuba Street premises as both locations are regarded as an 'integrated' retail precinct.
- Removal of bus routes along Dixon Street and Wakefield Street and into Manners Mall is likely to increase the number of people waiting for buses around Manners Mall. This may provide a negative impact on retail premises.
- The proposed changes to the bus routes may impact upon commuters traveling times to office buildings along Dixon Street and Wakefield Street. Complaints may arise as bus stops are now further from people's working places. Increased inconvenience could be detrimental to the attractiveness of office premises. It is understood that Wellington City Council has engaged specialist expertise in conjunction with the Wellington Regional Council to investigate bus stop spacing and safety issues for the precinct in order to further understand and mitigate any potential negative impacts.
- There is likely to be a decrease in exposure to retailers with the discontinuation of bus routes that currently run along Dixon and Wakefield Streets. Conversely, retailers along Manners Mall will benefit from the increased exposure.
- As indicated in the Wellington retail commentary, vacancy rates for Te Aro generally and the subject precinct in particular is historically low. Sound

retail performance in these areas indicates pedestrian flow and the current traffic network for this vicinity already works well. Enhancement of the streetscape should occur, however, there may be no need to change the precinct dynamic for the purpose of attracting retailers and increasing pedestrian flow in the area.

- It is expected that pedestrian flows to destination retail premises such as McDonalds, Burger King, KFC, Time Zone, and the Cinema in Manners Mall are not likely to be enhanced significantly due to extra transport services directly to the area.
- The removal of bus routes from Wakefield and Dixon Streets into Manners Mall and wider footpaths are likely to further enhance the cafe and restaurant atmosphere in these areas.
- Service, delivery and emergency vehicles are able to access and support retail premises in the precinct without the creation of extra traffic routes.
- The introduction of bus services to the Manners Mall area may increase the risk of collisions with pedestrians. Negative impacts on pedestrian movements may affect retail attractiveness. Suitable restrictions may need to be put in place to stop this from occurring.
- Conversely, the reduction of bus routes along Dixon and Wakefield Streets, estimated to be four times the length of the route through Manners Mall, may reduce the risk of collisions for the precinct as a whole.
- Increased vehicular movement along Manners Mall is likely to slow traveling time for retail pedestrians and office commuters. This may detract from the attractiveness of the area.
- It is expected that the reintroduction of bus services to Manners Mall is likely to not influence the current mix of retail and commercial activities due to the current leases in place. However, over time it is expected that the retail mix may change from its current situation. This is a result of the change in form of the social setting of the current Mall.
- Retail premises in the precinct that are currently hard to reach due to road and pedestrian footpath layout, especially feeding into Manners Mall, do not seem to be negatively impacted by this factor. Public awareness of the area

is satisfactory as indicated by pedestrian counts and low vacancy rates. The reasons for this are expected to be as a result of the social setting and natural path of the 'Golden Mile' through the precinct.

- Long-term vacancies in the precinct are relatively non-existent supporting good retail mix.
- Anecdotal evidence suggests introduction of Manners Mall in the late 1970s provided an increase in retail amenity. This is in line with a number of other pedestrian malls globally. However, a number of pedestrian malls have become functionally obsolescent since this time and have required upgrading to better suit the needs of the surrounding social and commercial environment.
- The number of 'impulse buying' retail premises in the precinct could change if transport networks are changed or introduced. This could be a negative or positive impact.
- The adaptation of current bus routes through Manners Mall provides a quicker and more practical route through the CBD. This could reduce transit times for commuters.
- The addition of around 50 on-street car parks in the subject precinct is likely to increase pedestrian flows in the area. Restrictions on the length of time allowed for parking could increase pedestrian flow further. It is also recognized that parking could contribute revenue towards any improvements made, however, the introduction and monitoring of the car parks would also induce costs.
- The proposed changes on introducing buses through Manners Mall could be beneficial for future introduction of light-rail.

## **5.0 GLOBAL CONTEXT**

The enhancement of downtown shopping areas has occurred in many cities around the world. This has been undertaken to revitalise existing shopping districts and improve social and commercial activity. While vehicular traffic has often been withdrawn from these types of redevelopments, a number of

pedestrian malls have been partially or completely re-opened to private and/or public transport.

### **Urban Land Institute in America**

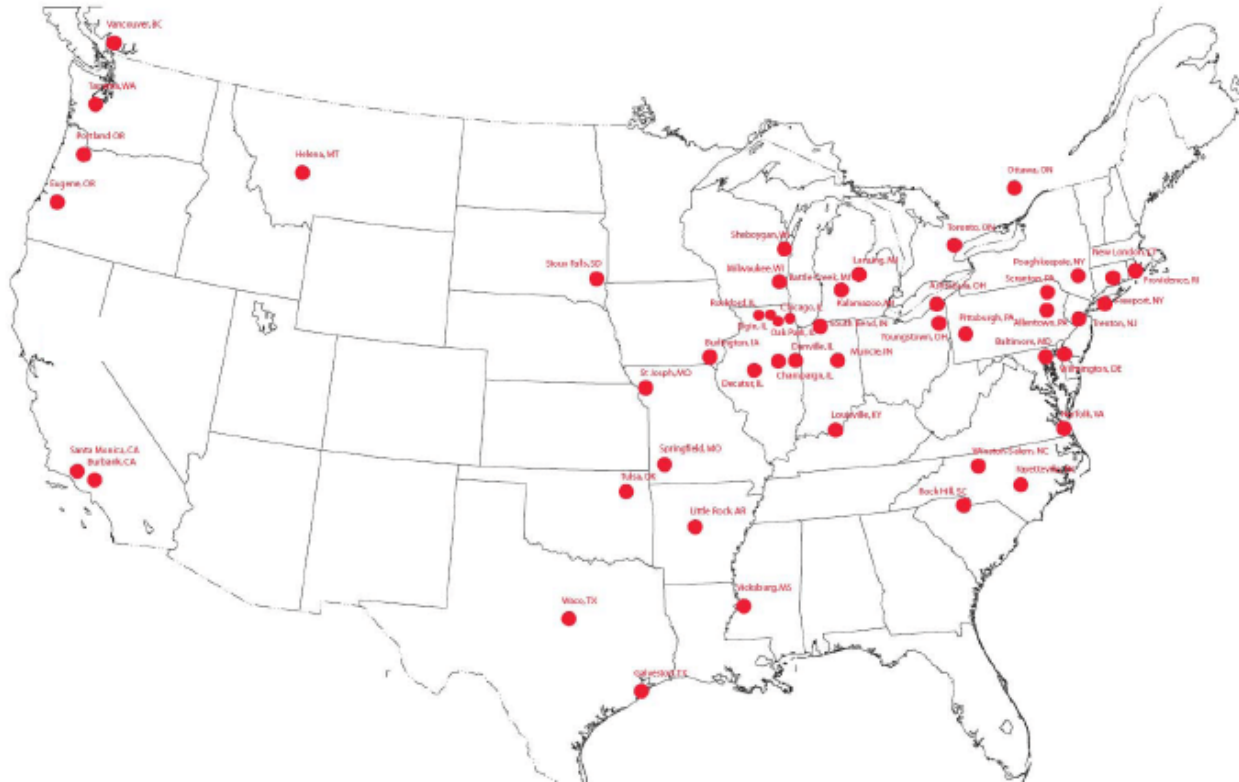
The Urban Land Institute in America concluded that:

- Closing blocks to traffic has resulted in marginal sales for retailers.
- Most cities have reopened pedestrian malls to at least some form of traffic.
- The few successful pedestrian malls that remain are in cities with large populations of nearby residents.

According to a report undertaken by City of Buffalo Main Street Multi-Modal Access And Revitalization Project: Environmental Assessment, May 2006

- 200 pedestrian malls constructed in the United States between 1960 & 1970 were developed to revitalize downtown areas and compete with the movement of retail businesses to suburban malls.
- 78 percent of pedestrian malls across 72 communities have completely or partially reopened their pedestrian mall to vehicular traffic.
- 90 percent of the communities that have reintroduced vehicular traffic report significant improvements in occupancy rates, retail sales, property values, and private sector reinvestment in the downtown area.

# RE-OPENED TO TRAFFIC



## Malls Re-Opened to Traffic in Australia

In Australia approximately 48 malls were constructed during the 1960s and 1970s, mostly in NSW. Since that time, 10 malls have been removed and the future of others is under consideration.

In Parramatta public consultation with retailers was undertaken on a pedestrian mall that had been reopened to slow vehicular traffic. Comments included:

- Increase in property values
- Changes in retail mix for the better
- Increase in retail turnover
- Reduction in actual crime in the area
- Number of long-term vacant sites decreased dramatically

## International Experience

International perspectives on the benefit of re-opening pedestrian malls to traffic are highlighted below:

- Visibility and access for commercial tenants - regional tenants expect visibility for their storefronts.
- Improved access options for shoppers and diners.
- On-street parking promotes retail activity by creating opportunities for “impulse shopping”.
- Evening retail activity becomes viable and desirable – passive surveillance of the street improves security and safety.
- Traffic lanes can be closed for special events and festivals.
- Auto traffic is important for downtown economic health such as circulation clarity and convenience, and to provide service, delivery, and emergency vehicle access.

International perspectives on the disadvantages of re-opening pedestrian malls to traffic are highlighted below:

- Significant cost outlay.
- Increase in pollution from exhaust emissions.
- Pedestrian safety becomes an issue, depending on the form of traffic re-introduced. i.e increases the chances of collisions and accidents, possible mixing of people under the influence of alcohol with vehicular traffic poses serious safety issues.
- Congestion of vehicular traffic
- Security and safety not enhanced as the primary source of crime is not dealt with. People in cars are just as able to violate public safety as those not in cars.
- Demolition of the mall’s greatest and most loved feature may occur
- Limited sidewalk size increases pedestrian congestion



- Lack of seating and shelters as a result of removal of mall space.
- Pedestrian walking times lengthened due to waiting for traffic.
- No more pedestrian friendly than when downtown streets were wider and didn't have dedicated bus lanes.

Attached to this report are two studies undertaken on the Portland Transit Mall for further international examples (Appendix I & II).

## 6.0 PEDESTRIAN COUNTS

### 2007 PEDESTRIAN COUNT – WELLINGTON CBD

(Source: PINZ Pedestrian Count 2007)

#### Summary

In summary the top 5 spots in 2007 within the Wellington CBD are as follows:

Wellington CBD (overall)		
Ranking	Address	Shop
1	292 Lambton Quay	Jacqui-E
2	206-218 Lambton Quay	Farmers
3	280-290 Lambton Quay	Cable Car Centre (Equip)
4	318-324 Lambton Quay	Westpac
5	78 Manners Street (full width)	KFC

The top five spots (excluding Lambton Quay) are:

Wellington CBD (excluding Lambton Quay)		
Ranking	Address	Shop
5	78 Manners Street (Manners Mall)	KFC
10	83 Cuba Street (Cuba Mall)	The CD & DVD Store
11	8 Willis Street	The Sunglass Hut
12	79 Cuba Street (Cuba Mall)	Area 51
15	103 Cuba Street (Cuba Mall)	Christopher's for Crystals

#### Comments

The overall pedestrian count in the Wellington CBD decreased by approximately 5%, with a total of 66,054 in 2007. This compared to 69,567 in 2006, 72,888 in 2005 and 64,313 in 2004.

The cold and wet weather conditions appear to be one reason for this decline in pedestrian numbers. Another factor which may have contributed was a protest march which took place on Lambton Quay during the midday count. This year's count was also conducted after examinations had finished at Victoria University, which may have resulted in fewer pedestrians within Cable Car Lane, one of the transport links to the Victoria University Campus. Finally, construction work in the vicinity of the Chews Lane Development and the footpath redevelopment at the northern end of Lambton Quay near the Occidental may also have had some impact on pedestrian flow.

Lambton Quay continues to lead the way as the primary retail location in Wellington. It filled 4 of the top 5 locations in 2007, compared to 5 out of 5 in 2006 and 4 out of 5 in 2004 and 2005. The top count location has again changed, with first place going to Jacqui-E at 292 Lambton Quay. The top 5 locations for 2007 in summary are detailed in the table below, including count numbers and rankings for 2006:

<b>Wellington CBD – Top 5 Location Summary</b>				
<b>Rank</b>	<b>Shop and Address</b>	<b>Count 2007</b>	<b>Count 2006</b>	<b>Rank 2006</b>
1	Jacqui-E (292 Lambton Quay)	2,771	2,873	2
2	Farmers (206-218 Lambton Quay)	2,756	2,767	3
3	Equip (280-290 Lambton Quay)	2,748	3,668	1
4	Westpac (318-324 Lambton Quay)	2,537	2,664	5
5	KFC (78 Manners Street)	2,507	2,319	9

This year's count confirms that Lambton Quay still remains Wellington's premier retail location, with 4 out of the 5 top retail spots and 8 out of the 10 top retail spots (compared to 5 out of 5 and 9 out of 10 respectively in 2006).

No count point in 2007 recorded over 3,000 pedestrians per hour, unlike 2006 when Equip recorded 3,668 pedestrians per hour. However, this apparent decline in foot traffic is likely to be due to the cold, windy and wet weather on the day of the count.

The most significant changes that have taken place between 2006 and 2007 at individual locations are detailed below:

#### *Increases*

- Gas (40 Mercer Street) – up 38.4% from 448 in 2006 to 620 pedestrians per hour.
- Shalari (180 Lambton Quay) – up 21.5% from 814 in 2006 to 989 pedestrians per hour.
- The CD and DVD Store (83 Cuba Street) – up 18.5% from 1,807 in 2006 to 2,142 pedestrians per hour.
- Kiwibank/NZ Post (24 Panama Street) – up 31.5% from 400 in 2006 to 526 pedestrians per hour.

#### *Decreases*

- Equip (280-290 Lambton Quay) – down 25.1% from 3,668 in 2006 to 2,748 pedestrians per hour.
- Starmart (2 Cable Car Lane) – down 32.5% from 717 in 2006 to 484 pedestrians per hour.
- Kirkcaldie & Stains (171 Lambton Quay) – down 26.7% from 1,208 in 2006 to 886 pedestrians per hour.
- Vance Vivian (197 Lambton Quay) – down 32.3% from 1,066 in 2006 to 722 pedestrians per hour.

Pedestrian numbers on Lambton Quay showed a downward trend overall with only 3 of the 24 count points showing any increase. Those that did show an increase were situated towards the northern end of Lambton Quay and on its western side.

Count points on The Terrace showed increased numbers of between 16-37% compared to 2006. The area to the east of Lambton Quay (e.g. Brandon, Johnston, Grey Streets etc) saw mixed results in 2007 as it did in 2006. 26 Brandon Street showed a slight increase of 1.3% overall while Panama Street recorded an increase in pedestrian numbers of 31.5%. Johnston and Grey Streets showed decreases of 4.2% and 5.6% respectively.

Featherston Street results were mixed with two counts showing increases and the two other counts showing decreases. Whilst there is no apparent pattern it is interesting to note that 109-111 Featherston Street (on the western side) recorded a decrease of 13.9% whilst 110 Featherston Street (on the eastern side) showed an increase of 8.6%.

Willis Street results were also mixed with 5 out of the 11 count points recording increases compared to the 2006 count. The Chews Lane development on the eastern side of Willis Street was still in progress, and may have had some effect on pedestrian numbers on that side of the street. However, there was no obvious pattern with rises and falls seen on both the eastern and western sides of the street.

Manners Street pedestrian numbers generally showed a downward trend with the exceptions of 118 Manners Street (a small 3.4% increase) and KFC at 78 Manners Street (an increase of 8.1%).

Cuba Street recorded mixed results with 3 out of the 5 count points showing increases in 2006. The most notable of these was The CD and DVD Store (83 Cuba Street) which showed an increase of 18.5%, lifting it to 10<sup>th</sup> place overall in the Wellington CBD.

For further information please refer to the full report located attached (Appendix III).