

GOLDEN MILE: RETAIL IMPACTS ASSESSMENT

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Methodology

Two workstreams were established to understand both the current state and future expected impacts of proposed improvement options on Golden Mile retailers

Workstream 1: Market Assessment

- Current state-of-market, including COVID-19 impacts. Analysis of rents, lease demand growth, tenancy trends and vacancy rates
- Benchmarking with Auckland retailer data over a 3-year period, including rents, yields, net capital values and vacancy rates
- Physical observations of retail street frontage breakdown (to hospitality, business and retail) and current amenities

Workstream 2: Case Study Research

- Desktop research of domestic and international case studies from similar corridor transformations

Economic Impacts Analysis

Positive and negative impacts of each proposed improvement option on retailers. Specific effects on landlords and tenants also identified

Key assumptions

A range of inputs and assumptions guide our conclusions, indicating how our findings and recommendations were reached



Inputs

- Utilised most recent retail historical data sets
- First-hand manual data collection, including observation of current amenities
- Domestic and international case studies
- Quantitative analysis of retail economic impact provided by MRCagney (yet to be incorporated)



Assumptions

- Access is available to customers of retail premises during entire construction period
- Additional support provided during construction period if required (including possibility of a hardship fund)
- No case study is completely comparable due to unique demographics and attributes of Wellington's Golden Mile
- Source data assumptions apply where data is provided from an external party

Evaluation outcomes

Evaluation Question: What is the likely impact/opportunity to retailers and businesses?

Lambton Quay



	Score	Justification	Retain Loading Bays	Retain Loading Bays & Taxis
Status Quo	0	<ul style="list-style-type: none"> High street retail with established brands 28 parking spaces 	<ul style="list-style-type: none"> High pedestrian flow Low street front vacancy 	
Option 1	1	<ul style="list-style-type: none"> Increased foot traffic and pedestrian activity Better public transit 	<ul style="list-style-type: none"> 11 loading bays, most on the Golden Mile Less risk and greater convenience for retailers 	<ul style="list-style-type: none"> Greater convenience for customers
Option 2	1	<ul style="list-style-type: none"> Improved transport networks from two bus lanes No general traffic may limit access 	<ul style="list-style-type: none"> Loading bays for large retailers already located on the Terrace and Featherston Street 	<ul style="list-style-type: none"> Marginal benefit to retailers Not a deterrent to accessing retailers if taxi stands were relocated
Option 3	2	<ul style="list-style-type: none"> 75% more footpath space Bike and scooter allowances create long term benefits 	<ul style="list-style-type: none"> Retaining makes a '+1' 	

Evaluation outcomes

Evaluation Question: What is the likely impact/opportunity to retailers and businesses?

Willis Street



	Score	Justification	Retain Loading Bays	Retain Loading Bays & Taxis
Status Quo	0	<ul style="list-style-type: none"> High street retail with established brands No parking spaces or taxi stands 	<ul style="list-style-type: none"> High pedestrian flow Low street front vacancy 	
Option 1	1	<ul style="list-style-type: none"> Increased foot traffic and pedestrian activity Better public transit 	<ul style="list-style-type: none"> 3 well-utilised large loading bays 	
Option 2	1	<ul style="list-style-type: none"> Improved transport networks from two bus lanes No general traffic may limit access 	<ul style="list-style-type: none"> Less risk and greater convenience for retailers Larger retailers have loading bays on Boulcott Street 	<ul style="list-style-type: none"> N/A – no taxi stands
Option 3	2	<ul style="list-style-type: none"> 75% more footpath space Bike and scooter allowances create long term benefits 	<ul style="list-style-type: none"> Retaining could increase score 	

Evaluation outcomes

Evaluation Question: What is the likely impact/opportunity to retailers and businesses?

Manners Street



	Score	Justification	Retain Loading Bays	Retain Loading Bays & Taxis
Status Quo	0	<ul style="list-style-type: none"> Mainly secondary retail No parking spaces or taxi stands 	<ul style="list-style-type: none"> Medium-low pedestrian flow High street front vacancy Lower area character/atmosphere 	
All Options	0	<ul style="list-style-type: none"> Increased footpath space Closure to Lower Cuba Street No general traffic One bus lane and one bus stop in each direction 	<ul style="list-style-type: none"> 1 loading bay currently Retaining provides little benefit to retailers Unchanged score 	<ul style="list-style-type: none"> N/A – no taxi stands

Evaluation outcomes

Evaluation Question: What is the likely impact/opportunity to retailers and businesses?

Courtenay Place



	Score	Justification	Retain Loading Bays	Retain Loading Bays & Taxis
Status Quo	0	<ul style="list-style-type: none"> Mainly hospitality & entertainment Prominent night life 52 parking spaces 	<ul style="list-style-type: none"> Low day pedestrian flow and lower area character Medium-high street front vacancy Saint James Theatre refurbishment underway 	
Option 1	1	<ul style="list-style-type: none"> Minimal increase in pedestrian activity 		<ul style="list-style-type: none"> 4 taxi stands
Option 2	1	<ul style="list-style-type: none"> Better public transit Minimal impact from limiting general access, low private vehicle usage 	<ul style="list-style-type: none"> 7 loading bays Less risk and greater convenience for retailers 	<ul style="list-style-type: none"> Low day utilisation, much greater at night Greater convenience for customers, not a deterrent to the area if relocated
Option 3	2	<ul style="list-style-type: none"> Increased footpath space and modal allowances create long term benefits Subdued impact due to atmosphere 	<ul style="list-style-type: none"> Retaining creates '+1' 	<ul style="list-style-type: none"> Retaining makes '+1'
Tory St	1	<ul style="list-style-type: none"> Better accessibility makes a stronger '+1' 	<ul style="list-style-type: none"> Consider promenade from Te Papa to War Memorial 	

Comments

There are a number of key comments and observations from the market assessment, case studies and economic impacts analysis



<p>COVID-19 has impacted the retail market</p>	<p>Retailers currently face a difficult operating environment that may compound positive or negative impacts. Vacancy rates are expected to increase from fewer tenants in the market and increased business failure.</p>
<p>Option 3 expected to deliver best net benefit</p>	<p>Net impacts on retailers expected to be highest in Option 3. Negative impacts are offset by the greatest expected positive impact. Loading bay and taxi bay removal and dedicated modal share spaces give rise to greatest expected uplift in pedestrian numbers and per shopper spend.</p>
<p>Landlords and tenants are both expected to benefit</p>	<p>Landlords can expect greater lease demand, lower vacancy rates and increased rental appreciation. Tenants can expect increased rent and competition, and higher sales volumes from increased pedestrian footfall and modal share.</p>
<p>Likely that positives will outweigh negatives</p>	<p>Perceived negatives (particularly from carpark removal) have been raised by lobby groups and local retailers. While these might materialise, they are relatively small compared the positive benefit expected from the options.</p>

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