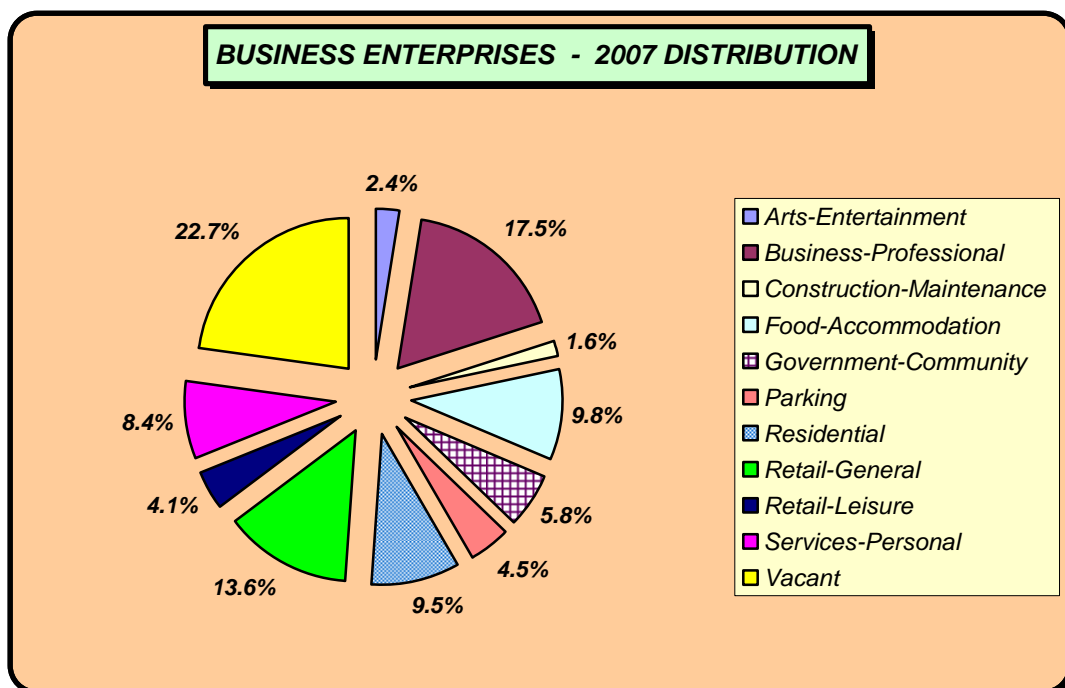


***BUSINESS VACANCIES SURVEY 2007  
EXECUTIVE SUMMARY***

- A comparison of the vacant businesses and changes in the business use of premises in the City Centre between August 2004 and December 2007 indicates that the number of premises now being used as commercial business enterprises has fallen by approximately 6%.
- Currently a total of 57.5% of premises are devoted to commercial business enterprises.
- There are currently a total of 267 vacant premises in the City Centre.
- There have been an additional 97 new businesses started since 2004 this has been more than offset by an additional 150 vacancies.
- Currently the dominant contributors to business activity are in the Business-Professional, Retail-General and Food-Accommodation sectors which combined, account for approximately 41% of the total premises in the City Centre.
- Redevelopment has taken place on 45 properties. This has been predominantly into residential apartments. There are now 111 residential properties within the City Centre which represents 9.5% of the total premises.
- Government Office and Community Organization closures during the three year period have resulted in an erosion of the number in the Government-Community sector to 68 or 5.8% of the total.
- A total of 53 premises & vacant blocks are now providing parking facilities. This has only slightly increased from the 2004 level.





## ***BUSINESS VACANCIES SURVEY 2007***

### **Introduction:**

A survey of the vacant businesses and changes in the business use of premises in the City Centre was conducted during December 2007.

This survey adopted a format that was similar to a marketing survey previously conducted by Frank Elgar in 2004.

The objective of this study was to quantitatively identify the key changes that have occurred over the intervening period.

A database has been compiled containing the outcomes from both surveys and each of the business premises in the database was assigned to one of the following categories:

- Government-Community: Govt/Council facilities & services; charities etc.
- Food-Accommodation: Cafes; restaurants; hotels & accom; convenience & supermarts etc.
- Retail-Leisure: Sports; hobbies; books; recreational etc.
- Retail-General: Dept stores; fashion; jewellery; electrical; computers; cars etc.
- Services-Personal: Medical & health services; hair & beauty; pharmacies; laundry etc.
- Arts-Entertainment: Media; art & photo galleries; clubs & nightclubs; theatres etc.
- Business-Professional: Financial institutions; professional services; marketing etc.
- Construction-Maintenance: Building, marine & auto services; fabrication etc.
- Parking: Parking stations & services etc.
- Residential: Apartments; private dwellings etc.
- Vacant: Empty premises, derelict buildings; for sale & leases available etc.

A comprehensive listing of the types of businesses contained in each category can be found in Attachment 1.

An indication of the overall commercial business activity occurring in the City Centre can be estimated using a Business Activity Index (BAI).

BAI is defined as the ratio of “Total Operating Business Enterprises” to the “Total No. Premises”.

Where “Total Operating Business Enterprises” = Sum of (Food-Accommodation, Retail-Leisure, Retail-General, Services-Personal, Arts-Entertainment, Business-Professional, Construction-Maintenance).

While this index is purely an approximation, it should nonetheless be useful for comparative purposes.

**2004 Survey:**

In the Elgar survey of 2004, Business-Professional, Retail-General and Vacant categories accounted for more than 50% of the total 1100 or so premises. These three categories were almost equivalent, accounting for approximately 17.5% each.

A total of 186 premises were deemed to be vacant within the boundaries of the City Centre in 2004.

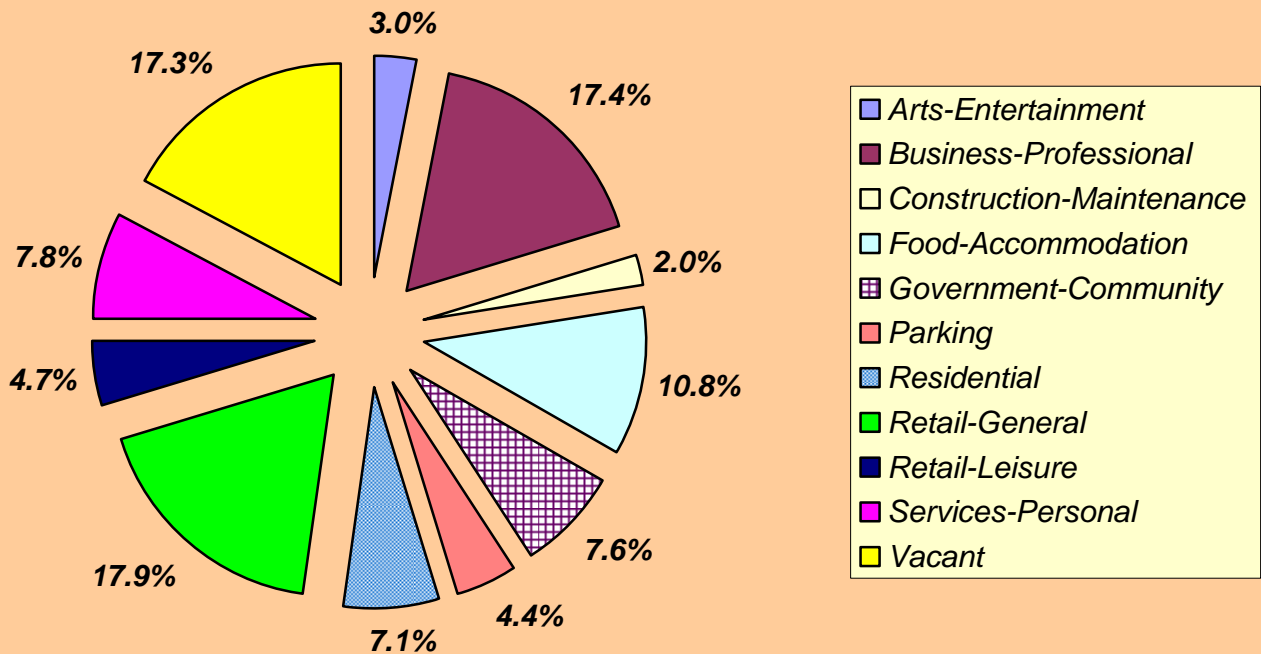
After these three categories the next highest was Food-Accommodation at approximately 11% followed by Services-Personal, Government-Community and Residential at between 7% & 8% each.

The remaining categories of Retail-Leisure, Parking, Arts-Entertainment and Construction-Maintenance accounted for less than 5% each.

The overall Business Activity Index for the period was estimated to be 63.6%

The detailed distribution of business enterprises can be seen in Chart 1 below.

**CHART 1  
BUSINESS ENTERPRISES - 2004 DISTRIBUTION**



**2007 Survey:**

In the 2007 survey, the vacancy rate within the City Centre had risen from the 2004 levels by approximately 5% to more than 22%. This represents a total of 267 premises, or an additional 81 premises now lying vacant within the City Centre.

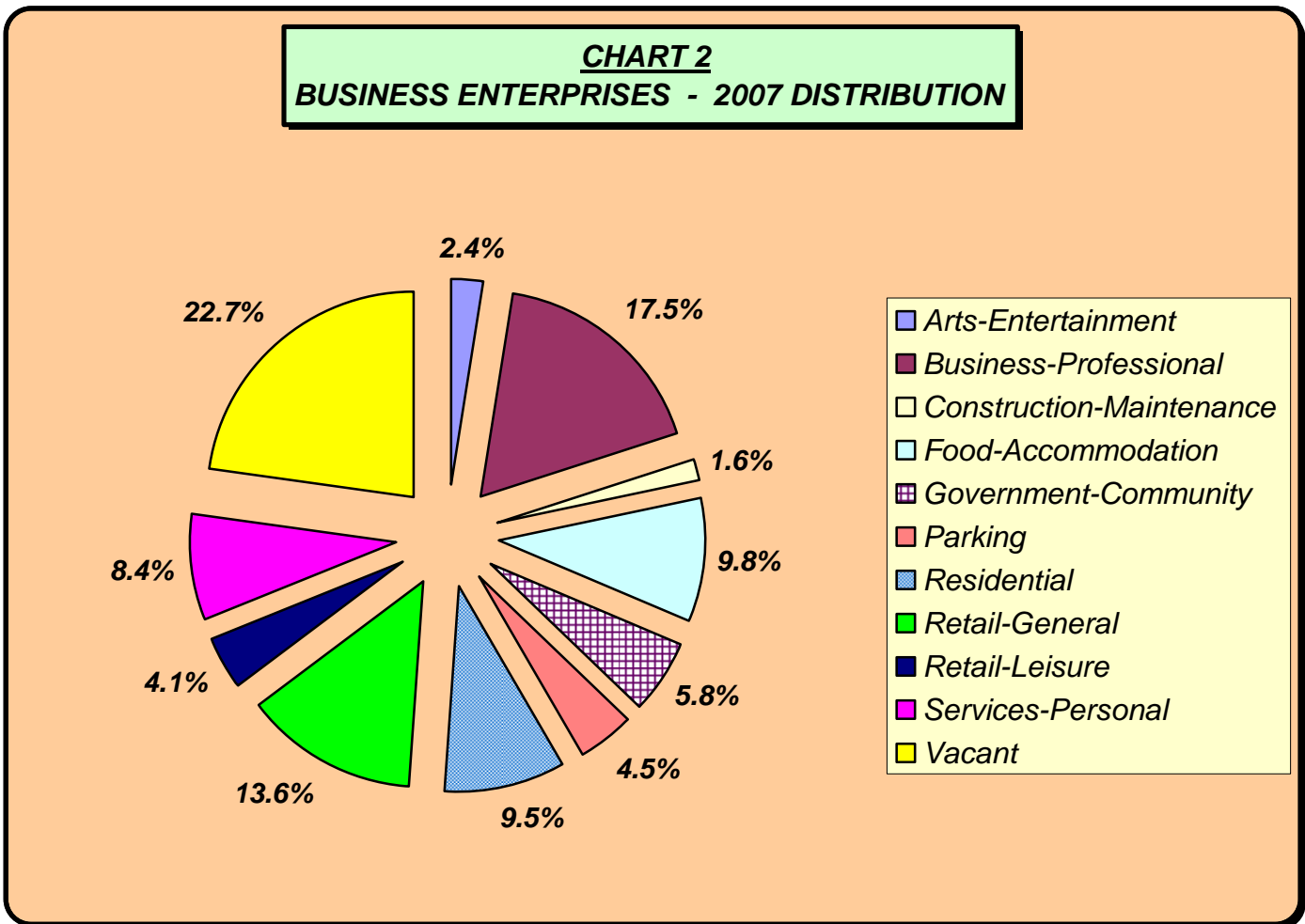
While the Business-Professional sector has remained relatively stable at around 17.5%, the Retail-General category now only accounts for approximately 13.6%. This is some 4% below the 2004 survey results.

Food-Accommodation has fallen about 1% and now represents around 10% of the total. Services-Personal has increased only marginally to approximately 8.5% while the Government-Community sector has fallen by nearly 2% to its current level of around 6%.

There has been an increase of more than 2.5% in the Residential sector with a total of 111 premises now residing in this category. The remaining categories of Retail-Leisure, Parking, Arts-Entertainment and Construction-Maintenance continue to each account for less than 5% of the total.

The overall Business Activity Index for 2007 was estimated to be 57.5% which represents a 6% decrease compared with the level in 2004.

The detailed distribution of business enterprises can be seen in Chart 2 below.



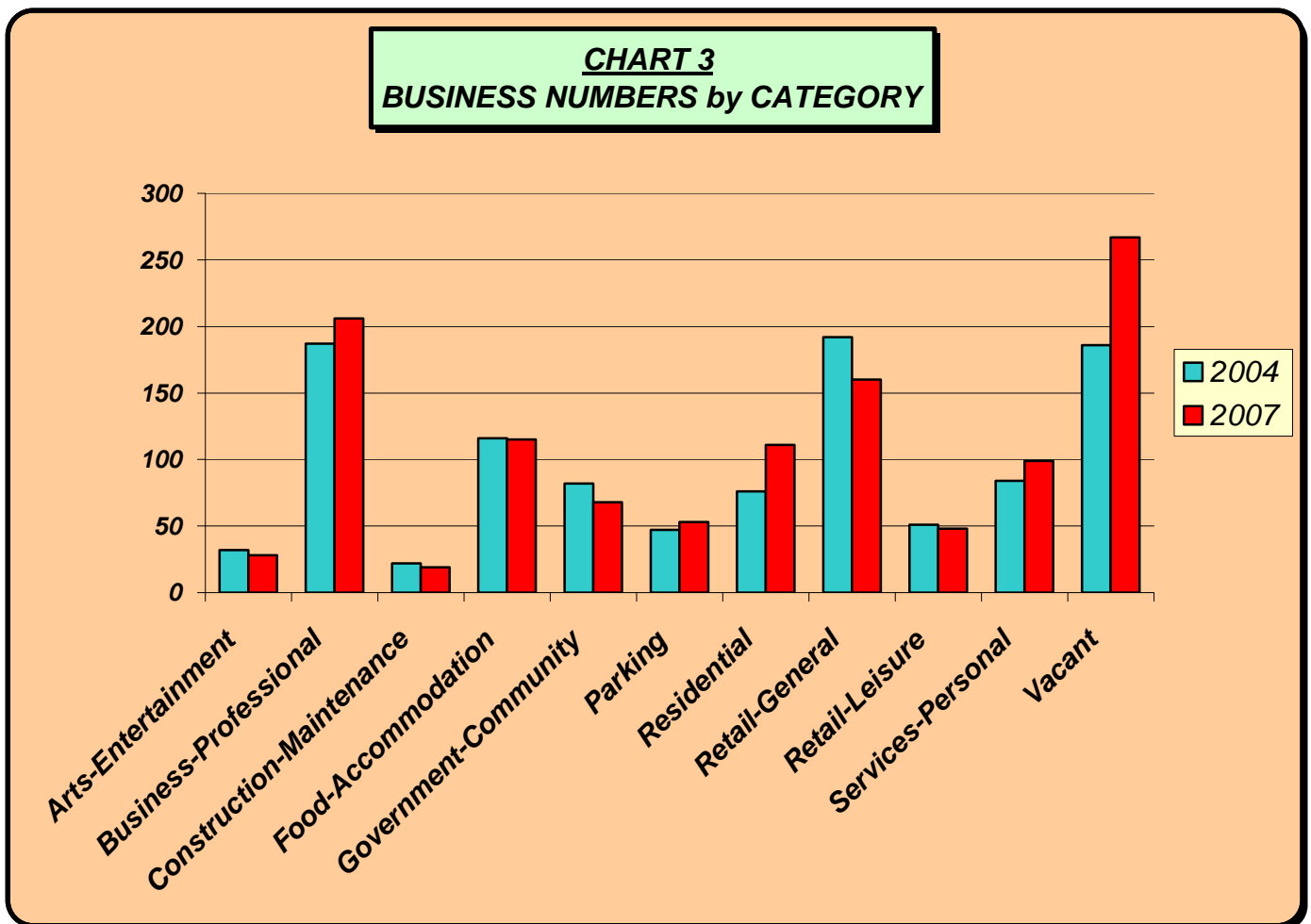
**Business Numbers By Category:**

The changes in the numbers of premises in each category between 2004 and 2007 can be seen in Chart 3 below.

As was indicated above, there are now some 81 additional vacant premises in the City Centre compared with 2004 and these additional vacancies have come at the expense of Retail-General, Government-Community and to a lesser extent Retail-Leisure, Food-Accommodation, Arts-Entertainment and Construction-Maintenance.

These losses have been offset to some extent by significant increases in the Business-Professional, Residential and Services-Personal sectors.

There has been a slight increase in the number of premises in the Parking category (+6).



**Change in Usage Patterns:**

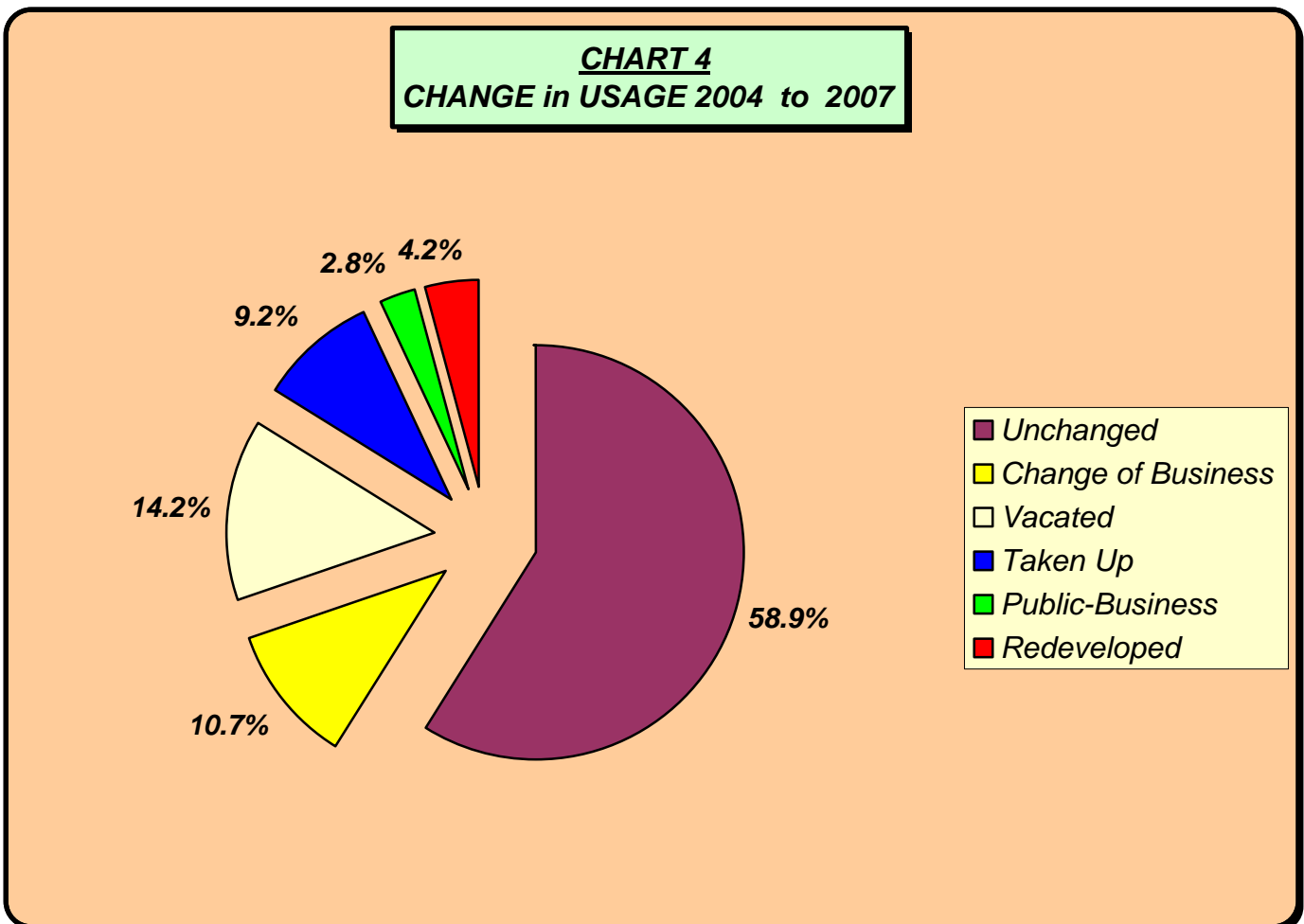
By taking each individual record in the database individually, and directly comparing the business use in 2004 with that in 2007, we can get a sense of the dynamics of the changes that have taken place. In this comparison each record in the database was individually assigned a “Change in Usage Pattern” as shown in the following table.

<i>Change in Usage Pattern</i>	<i>Description</i>
Unchanged	Business continues to operate without change.
Change of Business	Business continues to operate but with a change of type or name.
Vacated	Business was previously operating but premises now vacant.
Taken Up	Premises were previously vacant but now contain an operating business.
Public-Business	Business enterprise has been changed from Public to Private or vice versa.
Redeveloped	Premises have been redeveloped eg. business to residential, vacant to parking etc.

As can be seen from Chart 4 below, which shows the detailed change in usage patterns, approximately 60% of the businesses within the City Centre continue to operate despite an overall contraction of business activity since 2004.

While more than 14% of premises have become vacant over the last three years, this has been offset by a more than 9% “Take Up” rate of previously vacated properties.

Only a small proportion (<5%) of the premises has been subject to some form of redevelopment predominantly into residential apartments.



**Conclusions:**

This survey has demonstrated that, in the City Centre, there has been a clear level of reduced business activity over the past three years. Some 6% less premises are now being used as commercial business enterprises than was the case in 2004.

Approximately 60% of the businesses which were operating in 2004 continue to operate despite the lower level of business activity. In addition, there have been a further 11% of businesses which have undergone a commercial transformation such as change of name, business proprietor or business type.

While there have been an additional 97 new businesses started since 2004 this has been offset by an additional 150 vacancies.

The major contributors to business activity in 2004 were the Business-Professional, Retail-General and Food-Accommodation categories which combined, accounted for just in excess of 46% of the total premises in the City Centre.

In 2007 these three categories retained their dominant positions but now account for approximately 41%. Losses in the Retail-General sector accounted for the majority of this reduction.

Redevelopment has taken place on 45 properties, which represents just over 4% of the total. This redevelopment has taken place predominantly into residential apartments. There are now 111 residential properties within the City Centre which represents 9.5% of the total premises.

Government Office and Community Organization closures during the three year period have resulted in an erosion of the number in the Government-Community sector to 68 or 5.8% of the total.

A total of 53 premises & vacant blocks are now providing parking facilities. This has only slightly increased from the 2004 level.

***Rick Armstrong***  
***5<sup>th</sup> February 2008***

**ATTACHMENT 1**

<b>BUSINESS CATEGORIES</b>		
<b>Government-Community</b>	<b>Food-Accommodation</b>	<b>Retail-Leisure</b>
Tourism Information Tourist Attractions Community Organisations Charities Religious Organisations Professional Associations Govt/Council Facilities Infrastructure Services Government Services Media Parks - Gardens	Café - Coffee Shops Takeaway - Bakeries Restaurants Hotels Accommodation Catering Function Centres Specialty Food Retail Liquor - Tobacco Supermarket - Convenience Health Food	Sport Equipment - Clothes Hobbies - Toys - Games Health - Fitness Sports Venues Camping - Disposals Adult Books - Services Books - Music Surf - Bikes - Ski Boating - Fishing Craft - Sewing - Beads Pets
<b>Retail-General</b>	<b>Services-Personal</b>	
Department - Variety Lighting - Hardware Homewares - Furnishing Newsagents - Stationery Office Equipment Publishing - Printing - Copying Photographic - Art Services Bridal - Formal Wear - Florists Shoes - Clothing - Accessories Jewellery - Gifts - Souvenirs Discounts - Pawnbroking Electrical - Whitegoods Specialty - Antiques Electronic - Computer Commercial Eqpt - Furniture Florists	Medical - Optical - Dental Health - Rehab Alternative Health Pharmacy Veterinary Family - Childcare Hair - Beauty - Tattoos Drycleaning - Laundry Tailoring - Mending Svces Adult Services Shoe repairs	
<b>Arts-Entertainment</b>	<b>Business-Professional</b>	<b>Construction-Maintenance</b>
Newspapers, Radio, TV Galleries & Art Sales Libraries, Museums Theatres & Movies Clubs & Nightclubs Video & Games Rental Dance Studios	Finance - Banking - Credit Union Brokers - Financial Advisers Education - Employment Services Insurance - Real Estate Legal - Accounting - Professional Travel Agents Telecommunications - IT Postal - Courier Security - Investigation Advertising - Marketing - Events Architects - Property Development Engineering - Surveying Transport - Shipping - Logistics Research & Development	Building - Construction Auto Services Marine Services Fabrication - Signage Manufacture Property Services Defence Industry Air Conditioning Refrigeration
<b>Parking</b>	<b>Residential</b>	<b>Vacant</b>
Parking Stations Parking Services	Apartments Private Dwellings	Empty Shops Leases Available Derelict Buildings