Thorndon Quay upgrade & Te Matapihi ki te Ao Nui central library reopening

Spend assessment

June 2026

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Aim of this paper

Wellington City Council has requested an external group to review the Golden Mile upgrade project. To help inform discussions, it has been requested that spend data for the Thorndon Quay upgrade and Te Matapihi ki te Ao Nui (central library) reopening may provide a possible comparator on the impact of street upgrades on commercial activity in the city. This document presents the trends in EFTPOS spend observed in and around those precincts while considering changes in the economy over that time.

Thorndon Quay upgrade objectives

Thorndon Quay provides the following key services to Wellington city:

1. Medium density arterial route for peak public transport and commuter traffic accessing the north-west suburbs.
2. Cycleway for cyclists from the north-west of Wellington city and from the Hutt valley.
3. Trade services for the construction sector coupled with a mix of high-end household retailing and light industrial automotive services (see attachment).

From 2023 to mid-2025 the Thorndon Quay roadway was upgraded with the objective of delivering:

1. Commuter route that enabled faster public transport.
2. Cycle lane to enable cyclists from the Hutt Valley and the northern suburbs to access the central city along a safer and faster route.
3. Pedestrian realm that was safer and more attractive for foot traffic.
4. 50% of parking spaces removed to improve safety and throughput.

Results were:

1. A cycleway provides relatively safe access for cycling commuters.
2. Raised pedestrian crossings make crossing the road more practical.
3. Works disrupted access and significantly reduced spend for some merchants.
4. Merchants complained the reduction in parking has impacted trade.
5. Studies suggest the parking spaces are ‘full’ at the peak of the day for a few hours but otherwise show availability. Similar studies in the Lambton precinct suggest their parking spaces are generally ‘full’ during the working day.

Te Matapihi upgrade objectives

Te Matapihi provided a place for the following in the central city: *learn, create, discover, connect, and belong*

Following seismic damage in 2019 and in addition to upgrades to Te Ngākau Civic Square, Te Matapihi has been: *strengthened, reimagined, and brought to life in new ways*

Te Matapihi reopened in March 2026 and has attracted a strong audience where the extra foot traffic is expected to generate additional spend in the adjacent precinct.

Limitations of this analysis

Limitations and mitigation applied are:

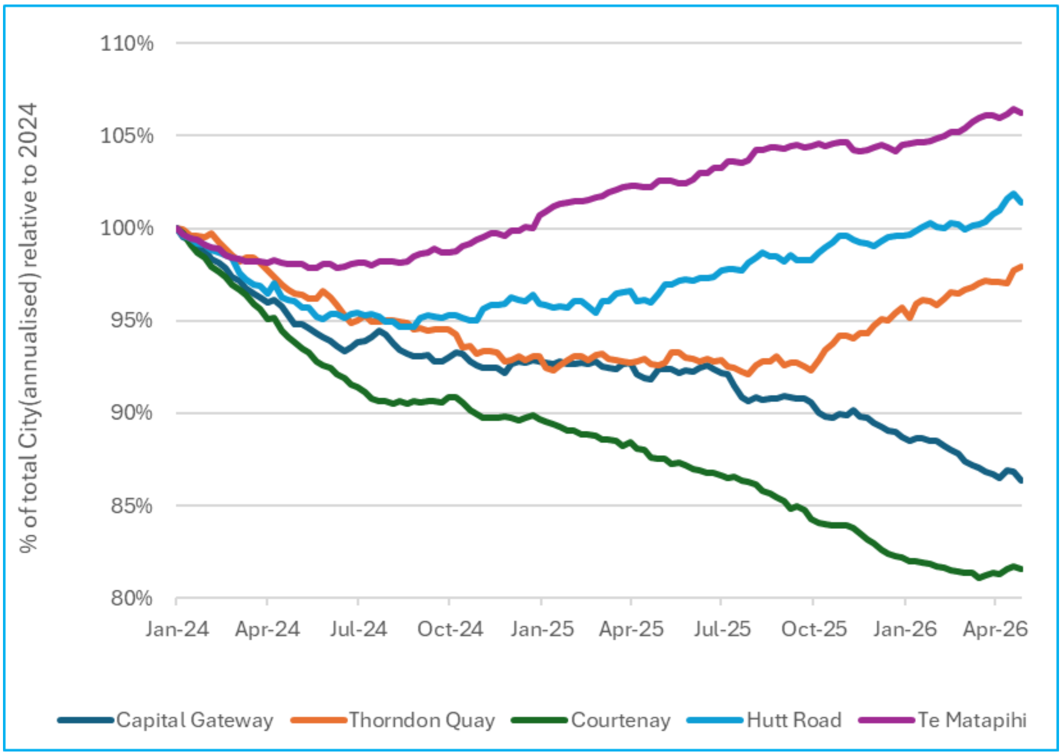
1. Merchant churn
   To control churn caused by merchants closing/starting, continuously trading merchants over the analysis period were used to avoid volatility from churn.

2. Volatility
   Seasonal variation in spend is managed using an annualised average. Economic variation (i.e. the recent recession) is managed by taking precinct spend as a % of total central city spend. It is noted that the recession has affected all merchants but some more than others, especially those subject to discretionary spend.

3. Benchmark comparisons
   Thorndon Quay is compared against a range of selected benchmarks to try to isolate the impact of works versus the recession and sector-specific impacts.

Spend trends

The following graph presents trends in precinct spend for continuously trading merchants relative to total central city EFTPOS spend intended to compensate for the impact of seasonality and the recession:



Source: MarketView

Observations:

1. Thorndon Quay recovery
   Works finished in mid-2025 and spend has grown significantly as spend in Capital Gateway (household and hospitality+) and Courtenay (hospitality) precincts has declined.

It is unclear at this time, whether that recovery is driven by:

a. Absence of the works disruption.
b. Success of the new road layout in attracting customers.
c. Economic recovery that favours this precinct (i.e. similar to the Hutt precinct).

2. Recession
   The recession has selectively affected some sectors, notably the discretionary sectors such as hospitality and capital goods retail as observed in Capital Gateway.

3. Te Matapihi ki te Ao Nui
   Te Matapihi was closed in 2019 and reopened following seismic strengthening and modernisation in March 2026. The spend trend for Te Matapihi was estimated using a selected group of merchants in its vicinity who should benefit from the audience that the library attracts. This merchant group have performed strongly through the recession and the 'fuel crisis' (relative to their peers in the central city) and have shown themselves to be quite resilient. There is a suggestion of a slight uptick in spend in March 2026 onwards following a plateau, but the uptick is consistent with the trend though 2025 and with other precincts groups (Hutt Road), so attributing the 2026 uptick to the opening of Te Matapihi is probably not a strong causal relationship.

Attachment: Merchant mix

The following records the mix of merchants surrounding Thorndon Quay as grouped using ANZSIC6 definitions:

ANZSIC6 desc	Total count	Capital Gateway	Hutt Road	Thorndon Quay	Courtenay
Cafes and Restaurants	32	4	1	1	26
Specialist Medical Services	8	1		2	5
Hardware and Building Supplies Retailing	5	3	1	1	
Manchester and Other Textile Goods Retailing	5	3	1	1	
Floor Coverings Retailing	4		2	2	
Fuel Retailing	4		4		
Car Retailing	3		3		
Clothing Retailing	3	3			
Hairdressing and Beauty Services	4	2		1	1
Sport and Camping Equipment Retailing	3	1	1	1	

Observations:

1. Renewal cycle
   All precincts lie alongside the railway line and 'historic' road access into Wellington before the motorway was built in the late 1970's. Buildings along Thorndon Quay and Hutt Road are undergoing renewal, with a mixture of very old (some in disrepair) and some new purpose built. Capital Quay by comparison was built in 1996 and replaced railway worker huts.

2. Hospitality
   All sectors have hospitality outlets but arguably they support the local audience who are attracted by the destination merchants, as opposed to being a destination in their own right. i.e. the hospitality providers on and around Courtenay Place provide a destination service in their own right, and do not rely on other attractors to generate an audience.

3. Specialist trade providers
   Both Thorndon Quay and Hutt Road provide services to the 'trade' and the household sector although the mix is different. The dominant features are arguably:

a. Hutt is strong in building supply merchants, high-end automotive and budget fuel.
b. Thorndon Quay is strong on specialist providers (household/building retail).
c. Capital Quay is strong on general household and family retail.

But there are some surprising exceptions with the medical providers in Thorndon Quay.