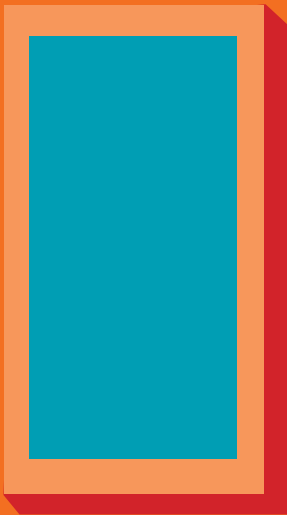


# Stable spaces



The Stable Spaces study:  
a strategy document to  
improve ownership of  
physical infrastructure  
in the arts

by Dr Melissa Laing



Hall bathroom, Gonville Centre for Urban Research, Whanganui

# Summary

The arts needs physical infrastructure to thrive.

Cultural and social infrastructure is enabled by built infrastructure. From home offices, rehearsal studios, recording booths and workshops to theatres, galleries, bars and libraries, the vast majority of creative work is made and shared inside the shelter of a building.

We need buildings – both custom-built and adaptively repurposed – for the cultural sector of Aotearoa to thrive.

The Stable Spaces study responds to this need by developing a picture of the state of community-owned infrastructure in the arts. This includes establishing how the independent arts sector is housed and exploring how we might improve that situation.

## **We are currently space-stressed and unstable**

Over the last fifteen years in Aotearoa we – both government and creative workers – have mainly focussed our energy on developing temporary and meanwhile uses of space. With some notable exceptions (some of which are explored in the Case Study section), we have neglected building long-term solutions to space provision. This is reflected in how the arts are housed.

Artists and arts organisations across artforms struggle to find affordable and appropriate spaces to operate in. In many cases the cost of accommodation is prohibitive or tenure is insecure. This impacts on their ability to create and present work, undertake long-term planning and development, and build sustainable communities.

In Aotearoa, only a small number of arts organisations and individuals own their own buildings in which they can make or present their artforms. In the 2023 Stable Spaces survey, two-thirds of respondents leased their premises either within the commercial market or from local government, and a fifth had made alternative arrangements, ranging from remote working to moving in and out of temporary spaces or popping up in public spaces.

A solution to this instability is to support arts organisations to own their own spaces.

## **Owning our own infrastructure has significant benefits**

Through interviewing representatives from organisations which own their buildings, Stable Spaces identified six major benefits to owning, or having an ownership-like control over a building. These included: increased autonomy; the ability to design or modify a building so it fits its purpose; increased stability and organisational longevity; a perception of professionalism; better financial control; and a flow-on ability to support the wider arts community and economy.

While a shift to ownership may seem like a daunting prospect for many arts organisations, there are local and international examples that we can learn from, to drive policy and action that increases ownership. Even incremental increases in ownership or ownership-like arrangements will boost organisational stability and have ripple effects into the wider arts community.

## **Addressing this issue involves focussing on four key areas**

- **Developing nationally-consistent policy**  
This involves developing a consistent national approach that enables asset transfer; affordable leasehold agreements; and the inclusion of arts facilities and live-work spaces in our developer incentives.
- **Growing the range of available financial instruments**  
This involves addressing funding issues for infrastructure providers; developing a wider range of financing sources than are currently commonly used; and creating collective economies of scale in property management in the arts.
- **Building property development and management expertise**  
This means providing access to general guidance; expert advice; and mentorship to support the transition into building ownership.
- **Promoting the possibility of building ownership**  
This involves actively promoting the feasibility and process of arts and community ownership of buildings, to both central and local government and the arts community.

## Stables Spaces proposes two key pathways to grow asset ownership in the arts

### 1. Create and fund an independent body to provide property development and management service to the arts and community.

This will provide much-needed expertise and support to arts organisations along the pathway to building ownership.

Modelled on organisations like CAST (Community Arts Stabilization Trust) in San Francisco and Creative Land Trust in London, the mandate of this independent body would be to grow stability in the arts via building ownership.

The proposed areas of focus include:

- Creating accessible guidance documents on asset transfer and building development and management processes for the arts
- Providing access to advice, technical expertise and legal services
- Developing mentoring options for organisations to develop building ownership-related capability
- Building relationships between developers, local government development arms, impact lenders and arts organisations
- Providing an umbrella for ownership, funding and financing
- Advocate for the sector on a national level

### 2. Develop and advocate for nationally-consistent policy and guidance

This will create the context for the arts to confidently pursue models of asset acquisition such as community asset transfer and community asset transition.

Current approaches around asset transfer, ground lease settings, the growth of maintenance funds and reserves, and infrastructure operational funding are inconsistent. This causes uncertainty about what is possible, and uneven access to opportunities across the regions. Nationally consistent policy and guidance would give greater confidence to organisations pursuing building ownership, and enable advice to be shared across the sector.

The proposed areas of focus include:

- At a national level, developing an enabling policy for local government to undertake asset transfer and asset purchase for transfer, and to encourage setting affordable, long-term ground rents.
- Incorporating the construction of arts spaces, including affordable live-work spaces, in our existing development incentive policies and funds
- Developing guidance aimed at end-of-life asset-owning trusts and societies around community asset transition
- Developing best practice guidance around maintenance funds and reserves for all classes of funders

## Who needs to be involved

Developing these pathways will require not only significant community guidance from the arts, but also the participation of the government departments and ministries that have responsibility for community development, arts, housing and urban development. It will need input from Local Government New Zealand and the Companies Office, as well as community law bodies, developers and the philanthropic sector.

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ASB theatre, owned by xx and blah blah.

# An introduction to this research

Kia ora koutou. Ko Melissa Laing tōku ingoa. I'm a Pākehā researcher, artist and project manager who has been working across the arts since 1998. I grew up in Papaioea on the banks of the Manawatū river, in the shadow of Wharite, and moved to Tāmaki Makaurau for art school. After ten years living overseas, four of them doing my PhD at the University of Sydney, I returned here, to Tāmaki Makaurau, in 2009.

Over my career in the arts I've worked in professional and community arts organisations, in temporary and permanent spaces, inside and outside of buildings. I've personally created projects in community workshops, artist residencies and my own garage, and I've worked with urban development and transport agencies to impact how we see and use space.

During this time, key community-developed spaces have come and gone. Many because of changing lease conditions, building sales or urban redevelopment. Others when the relentless cycle of funding fails them.

Over and over again we hear that creatives are resourceful. But it's exhausting to be resourceful, to be constantly solving the problem of where you are going to make, where you are going to share what you've made, and how you are going to pay for it. And to quote Whau the People: "Every day spent on finding chairs for a space is one less day spent on making the art."<sup>1</sup>

So I established Stable Spaces and undertook this research as a step towards solving that.

## Stable Spaces

Stable Spaces is a new arts advocacy group creating tools for space stability in the arts. Its title is an expression of an aspiration for the arts sector in Aotearoa. Established with funding from Manatū Taonga, Stable Spaces currently has one researcher working on the kaupapa – Melissa Laing – with the support of advisors. As the kaupapa grows, so too will Stable Spaces membership.

## Background

This research has its roots in a trip I made to San Francisco in 2018. At the time I was working as the Whau Community Arts Broker, and Whau the People had recently published their position on temporary activations – *Why we're not popping up*. While there I reached out to the Community Arts Stabilization Trust (CAST), a community-centred real estate organisation in the Bay Area, and asked if I could visit. They not only said yes, their staff and trustees spent an inspiring half day sharing their process and progress with me.

In the years that followed, in conversations at community meetings, openings and cultural events, I'd bring up the possibility of space ownership with arts workers and community leaders. It quickly became obvious this conversation was bigger than just the arts – the whole community sector is space-stressed. While this research is focussed on the arts, it also has value for the broader community sector.

In 2022 Manatū Taonga funded Stable Spaces, through Te Urungi innovation fund. I could finally begin to formally research what space ownership in the arts in Aotearoa looks like, and how we might strengthen it.

I mihi to everyone who contributed to this report, from the people who took the survey to the people who generously shared their stories of space. They are an impressive group of community leaders whose mahi has transformed their spheres in the artworld. Ngā mihi nui Frank Stark, Emma Bugden, Walter Genefaas, Richard Edgecombe, Janet Hetaraka, Jo Randerson, Sophie Jerram, Lester McGrath, Naomi McCleary, Natasha Pearce, Sean Curham, Stephen Bain, Christina Houghton, Philip Aldridge, Paul Burgess, and Simone Anderson. I also mihi to James Littlewood and Molly Mullen for their advice while developing this research.

### The wider context

The question of accommodation stability in the arts interlinks with issues of sustainable incomes, residential stability, and the arts funding environment. To build a better picture of those issues, we can look at the research on arts incomes which Creative New Zealand commissioned in 2019 which found that the median income for creative professionals was only \$37,000 and the median income for creative work was a low \$19,500.<sup>2</sup>

Research on the residential housing situation of artists independently undertaken by the Point Chevalier Social Enterprise Trust in 2022 showed that housing security is an ongoing issue for creatives.<sup>3</sup>

Finally, during their 2023 consultation on arts funding system in Aotearoa, the sector told Creative New Zealand that the current state of arts development and arts funding isn't working for everyone. The sector also made a call for communities to have "a stronger decision-making role about the arts development activities in, by, for and with their community".<sup>4</sup>

### The focus

Going in, I knew that the arts were space-stressed. Recent research in Australia by Josephine Caust found that artists need "four conditions in place to be able to practise successfully as artists: a regular income, a place to do their work, capacity to do their work and validation of their work."<sup>5</sup> However, the people whom Lana Lopesi interviewed for her February 2022 Metro article *What happens when artists can't afford places to make art?*, were clear about the struggle to access appropriate space to make art in Auckland.<sup>6</sup> Additionally, both the 2019 Creative Spaces Survey and the 2021 research report *Creating Change* demonstrated that youth and access arts organisations are concerned about security of accommodation and access to space.<sup>7</sup> What I wanted to know was exactly how the arts were housed and what approaches had successfully been taken to acquire stable space.

Little information is available about the overall picture of professional accommodation for the arts. By this I mean the building-based infrastructure which artists and arts organisations use to make and present work – studios, galleries, theatres and performance venues, rehearsal spaces, workshop and meeting spaces, and offices. Even less is known about how many arts organisations in Aotearoa actually own their buildings and if building ownership supports organisational longevity and stability.

We're not alone in lacking knowledge. In 2011 the Joseph Rowntree Foundation in the UK published a report titled '*Community Organisations controlling assets: a better understanding*' in which the authors wrote "Despite the growth of interest in community control of assets, relatively little is known about the size and shape of the field, about what makes an asset successful (indeed, what constitutes success) and about the challenges of owning or managing different kinds of assets"<sup>8</sup> Thirteen years later these words could easily have been applied to community ownership or control of assets in the arts in Aotearoa - a knowledge gap Stable Spaces has aimed to help fill.



### I wanted to know:

- Is there a demonstrated need for and interest in building ownership in the arts in Aotearoa?
- What is already succeeding locally?
- What international models exist that we can learn from?
- What does Aotearoa need to put in place to make it easier for arts organisations to gain control over buildings?

### What I heard is that:

- In Aotearoa, only a small number of organisations and individuals own their own buildings in which they can make or present their artform(s). Most lease or move between temporary and domestic spaces. Organisations and individuals are making leasing work for them. But a large majority indicated a desire for more security – whether that be a longer-term lease or building ownership.
- There are a wide range of successful models, locally and internationally, that show us how to grow asset ownership in the arts.
- Asset ownership is being held back by:
  - A lack of consistent national policy and guidance on matters like identifying appropriate assets for community ownership, negotiating community asset transfer and transition, and setting ground lease charges.
  - The high barriers to entry. These barriers ranges from lack of experience in building development and lack of access to expert advice, to the high cost of acquiring and operating a building.
  - Ownership not even being seen as an option.

The challenge this research sets for the government and the arts sector is to develop concrete strategies to support creatives and arts organisations into asset ownership, or ownership-like control.

The Stable Spaces research indicates there are four ways we can take action to address this, which work in tandem. These are through the policy space, the financial space, the provision of property expertise to potential owners, and the promotion of asset acquisition models. Many of these actions require investment and engagement from central and local government. To support these actions we need to keep gathering evidence around accommodation stability in the arts so we can build a better picture of its impacts.

Even incremental increases in ownership or ownership-like arrangements will increase organisational stability and have ripple effects into the wider arts community. But the arts have giant aspirations, so let's imagine how to achieve significant change. And then go and do it.

### Looking wider than the arts

The provision of arts-specific infrastructure is entangled with the wider provision of infrastructure for community and cultural expression. While there are highly specific technical needs for buildings in the arts, the sector itself is potentially too small to undertake building development or advocacy at scale. We would benefit from partnering with the community sector in undertaking this mahi.

In Aotearoa a major growth area in community-specific development is led by iwi and hapū. The drivers of this growth include the impact of asset return through treaty settlement processes and post-settlement asset investment and development. I chose not to research this important area, as any investigation should be Māori-led. (A kaupapa Māori organisation is included in the case studies.)

# Recommendations

## Action through policy

### We need to be more willing to transfer control of assets to communities

To do this we need to:

- Develop nationally consistent policy and guidance around the pathways to asset transfer from public to community hands
- Encourage public entities to actively identify opportunities for existing, viable assets to be transferred
- Encourage public entities to use their financial muscle to acquire strategic assets on behalf of independent organisations

### We need a greater commitment to removing land costs from arts and community organisations

To do this we need to:

- Develop nationally consistent policy and guidance around local government providing favourable lease terms and peppercorn ground rents to arts and community organisations
- Develop nationally consistent policies and guidance on minimum rates rebating for arts and community organisations

### We need to include and promote the construction of arts spaces, including affordable live-work spaces in our existing development policies

To do this we need to:

- Add the provision of arts and culture facilities to our existing developer incentives.
- Develop policy and incentives that encourage private developers to build affordable and appropriate live-work space.
- Develop policy and incentives that encourage the establishment of community housing developers focussed on the needs of the arts. We might look to the example of community housing developers in North America, such as Artspace Housing Co-operative in Canada and Artist Space Trust in the United States, for models
- Fund and develop live-work spaces across Aotearoa through Te Tūāpapa Kura Kāinga (Ministry of Housing and Urban Development) and Kāinga Ora

### **We need to address the disparity of asset ownership for Māori, Pasifika and migrant arts communities**

To do this we need to support research and resource strategy led by Māori, Pasifika and migrant communities targeted at addressing this gap.

### **We need to create collective economies of scale in property management**

This includes:

- Affordable, government-backed insurance schemes for arts and community organisations
- Establishing an industry body for arts and community-owned facilities to share resources and leverage collective bargaining and lobbying power

Developing nationally consistent local government policy is the remit of the Department of Internal Affairs and Local Government New Zealand. Changing our development policies will also need the input of the development sector, the Ministry of Housing and Urban Development and Kainga Ora. Where policy will not address the issue without supporting legislation, legislative change should be sought.

### **Action through financing and funding**

#### **We need to address funding issues for infrastructure providers**

To do this we need to:

- Promote a consistent, positive approach to reserves and maintenance funds across all classes of funders
- Develop reliable operational funding streams for infrastructure providers that recognise they provide space for projects to happen, rather than deliver projects themselves
- Provide better funding of the arts in the regions so that organisations and individuals can take advantage of regional asset affordability

#### **We need a wider range of financing sources than are currently commonly used**

To do this we need to:

- Promote and provide guidance on the extension of impact investment and patient capital models in New Zealand to the arts
- Support organisations to develop appropriate revenue models that would allow them to access patient capital and impact investment

#### **We need to create collective economies of scale in property management**

This includes:

- Affordable, government-backed insurance schemes for arts and community organisations
- Establishing an industry body for arts and community-owned facilities to share resources and leverage collective bargaining and lobbying power

Addressing our finance and funding landscape will involve the Department of Internal Affairs, Manatū Taonga and Creative New Zealand. It will also need leadership from the philanthropic sector including umbrella organisations like Philanthropy New Zealand and Community Foundations of Aotearoa NZ. Finally it will need input from the impact investing sector.

## Action through property expertise

### We need to develop accessible guidance documents to help develop pathways to asset ownership guides

These include:

- How to successfully achieve community asset transfer for community organisations
- Negotiating asset use change within wider communities
- How to negotiate community asset transition for societies and trusts
- What is involved in asset development for communities

Development of these resources could be funded by the Companies Office and/or the Department of Internal Affairs (who shares resources for communities through their website [communitymatters.govt.nz](http://communitymatters.govt.nz)) and undertaken by an organisation like Community Law, who developed [communitytoolkit.org.nz](http://communitytoolkit.org.nz) with the support of Wellington City Council.<sup>9</sup>

### We should establish an umbrella organisation to support arts (and community) organisations as they evaluate and navigate taking on a building

Models like CAST in San Francisco and Creative Land Trust in London show that an umbrella organisation can:

- provide the necessary confidence for funders and local government
- support the staged transition of an organisation into building ownership
- enable the upskilling of the arts in building development and property management through providing access to experts and mentors. This could include developing a development incubator program
- Providing design guidance for adaptive reuse
- Support the negotiation of rent-to-own model in the commercial/community property sectors
- Provide access to advice and legal services for societies and trusts exploring internal membership transition or asset transition so they can safeguard the building and organisation's legacy.

An independent organisation could be established through a partnership between government ministries such as the Department of Internal Affairs, the Ministry for Housing and Development and Manatū Taonga as well as the major community foundations and trusts that already invest in building acquisition.

## Action by promoting the possible

### If we don't know where to start, or that starting is even possible, then how can we start?

We can change this by:

- Promoting tools and models for asset transfer and development to the arts
- Promoting asset transition to societies, trusts and faith sectors as an alternative to sale
- Regularly surveying the arts sector about their accommodation to establish the evidence we need to advocate for change.

Promoting and advocating for what is possible can be undertaken by the arts sector as a whole with the support of Manatū Taonga and Creative New Zealand and the Ministry of Business, Innovation and Employment and their subsidiary the New Zealand Companies Office. Establishing an independent organisation would give us a body that could take on the promotion and advocacy at a national and regional level.

# Vocabulary

## What I mean when I talk about “professional” housing, accommodation or assets

The whole or part of a building or physical site that houses the creation, presentation and/or administration of artform(s). This includes spaces used for studios and rehearsals, teaching, storage, office space, social gathering, presentation-related retail and hospitality, and the public presentation of work.

In some cases these spaces can not be separated from residential housing. In those cases the focus is on the professional use, not the domestic.

## What I mean when I talk about “ownership”

The case studies focus on ownership in the legal sense, as defined by property titles such as leasehold and freehold.

“Leasehold” is when someone else owns the land which the building sits on. You purchase an exclusive right to possession of the land for a specific period of time according to the terms of the lease. It is generally cheaper up front to buy a leasehold property, but ground leases can increase significantly in cost when the lease is renewed.

“Freehold”, or “fee simple” means you own the land and (generally) anything built on the land unless there are any registered or unregistered interests.<sup>10</sup>

Some arts organisations hold long-term leases that allow them to operate with an ownership-like relationship to the property. While a lease duration of 25 years or more will confer the kind of stability and control Stable Spaces promotes, they are not included in this round of case studies.

## What I mean when I talk about “community-based organisations”

Many of the international examples I look at explicitly use the word “community” in both their naming and their policies and practices. The 2008 report *Community Ownership and Management of Assets* identifies ‘Community-based Organisations’ as ‘local organisations that are independent of government or market’ and who seek benefits for defined places and people.<sup>11</sup>

This report understands the arts sector to be a community, itself made up of a variety of communities of practice. I take it as given, indeed as well-evidenced, that the arts and cultural activities benefit the wider communities they sit within, as well as benefit from them. In many cases arts and culture are inseparable from the daily activity of life.

I also recognise that the arts makes thorough use of physical community infrastructure in the wider sense – libraries, community halls, parks. In a number of the case studies, the organisations interviewed operate for both arts benefits and other benefits for communities, and do not see them as substantially separate.

## What I mean when I talk about arts and culture

I am referring to what Rosabel Tan and James Wenley describe as “a broad and inclusive range of cultural and creative activities in Aotearoa.” It is a definition “that seeks to embody culture as it is conceived through the many different worldviews in our country.”<sup>12</sup>

The survey mostly used the art-form categories defined by Creative New Zealand, such as: ngā toi Māori, craft and object art, visual arts, dance, literature, music, and theatre. It included the category of “cultural and social heritage” to encompass the breadth of artforms operating outside of western paradigms. I recognise that many artists and artforms do not sit comfortably within these definitions, but I see this narrower focus as a starting point to be built upon in the future.

The study looked at the arts sector as a whole, which is built from the professional, community and amateur fields of practice as well as the operation of the arts in the contexts of health, disability, education and faith.

# How I did this research

This research was funded by Manatū Taonga, Ministry for Culture and Heritage through Te Urungi innovation fund. It acts as the first step in improved and increased advocacy for stability for the arts through space. Acquiring the information presented here required both quantitative and qualitative approaches, meaning a survey, in-depth interviews and desk research.

McCahon House,  
Auckland. Photo  
courtesy the McCahon  
House Trust



## Survey

Participants were invited to take part in an online survey between 21 February and 4 April 2023. To get a wide range of participation from the Aotearoa arts community, desk research was undertaken to identify a breadth of arts organisations across the motu. They were then approached directly by the researcher. I further expanded the sample via paid advertising on The Big Idea, the leading arts directory website.

The survey questions focussed on three key areas:

- How are arts organisations and creative practitioners housed, and how does their housing affect their budgets?
- Does their housing enable them to deliver their goals and undertake long-term planning and development? Does this include supporting programme expansion, community building and staff stability?
- Is there a demonstrable demand for long-term accommodation?

## Interviews

To create the nine case studies, I interviewed thirteen people involved in property acquisition or management.

The interview guide focussed on four key areas:

- The organisation's process of acquiring a building,
- The benefits and costs of owning a building or having a lease arrangement that emulates owning the building,
- The governance and management processes
- What advice they would give to other organisations regarding property acquisition and management

The interviews took place between March and October 2023. The case studies were written using the interviews, with additional detail sourced from: newspaper articles and books about the organisations; trust or society records; land records including property titles; and architectural assessments and proposals.

## Desk Research

In order to assist with answering the question “What international models exist that we can learn from?”, a literature review was conducted, looking at initiatives taking place internationally that seek to grow community and arts asset ownership. This foundation – coupled with the findings from the survey and interviews – inform the recommendations of this report.

## Ethics Approval

The survey and interview research proposal was assessed and approved by the Aotearoa Research Ethics Committee (AREC23\_01) on 19 February 2023.

# How the arts are currently housed

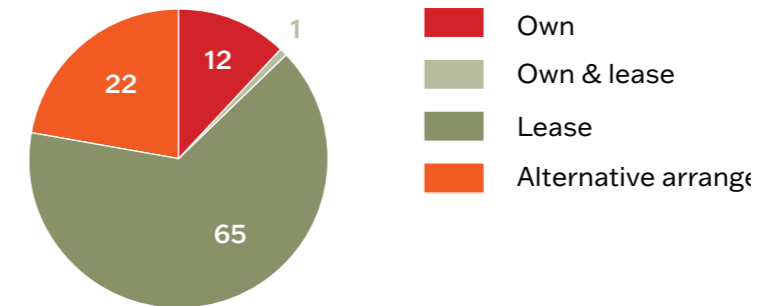
The following section outlines key findings from the Stable Spaces survey, undertaken between 21 February and 4 April 2023. Stable Spaces received 76 responses from across Aotearoa New Zealand.<sup>13</sup>

A full report on the survey can be found on the Stable Spaces website.

## How are the arts housed?

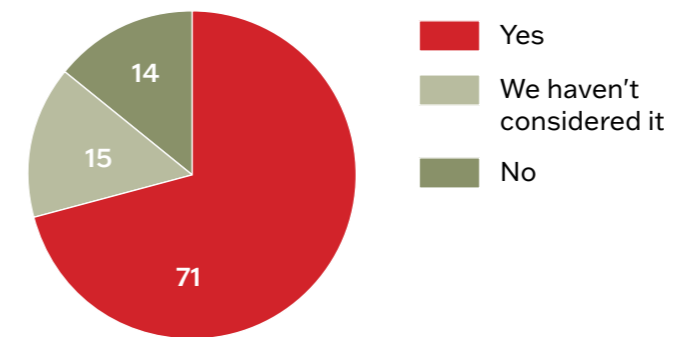
Two-thirds of respondents lease premises and 22% have alternative arrangements. Only 13% own a building.

Among those who own their own accommodation, half own publicly-accessible infrastructure such as rehearsal spaces, collective studios, galleries and theatres. The other half work from the home they own.

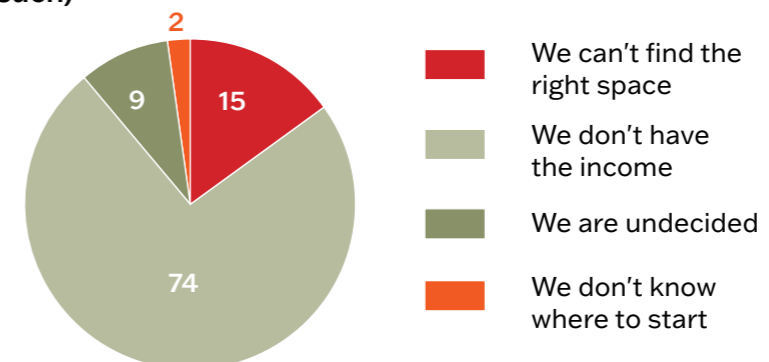


## Most respondents who lease or make alternative arrangements want to secure long-term accommodation.

Are you interested in securing long-term or permanent accommodation (answered solely by those who do not own already)



What is the main barrier to securing long-term accommodation? (answered by those who are interested in such)

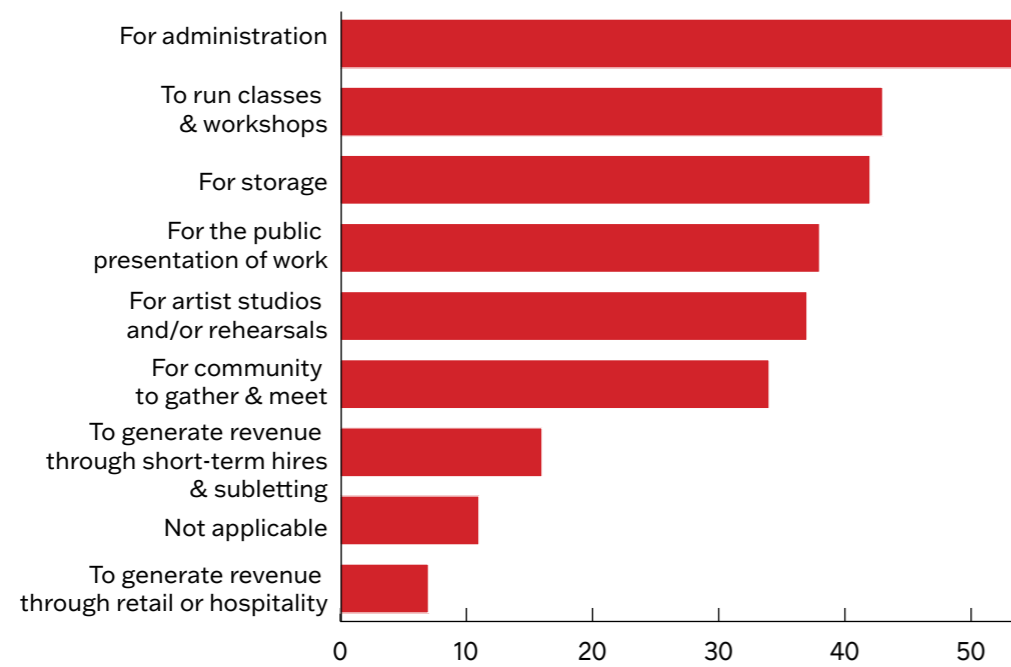




- Almost three-quarters (71%) of those who did not already own are interested in securing long-term accommodation – whether that be owning or ownership-like control.
- Three-quarters (74%) of those who indicated interest in securing long-term accommodation felt their income or funding was the major barrier to securing such accommodation. Only 15% could not find appropriate space.

### How are the arts using their space?

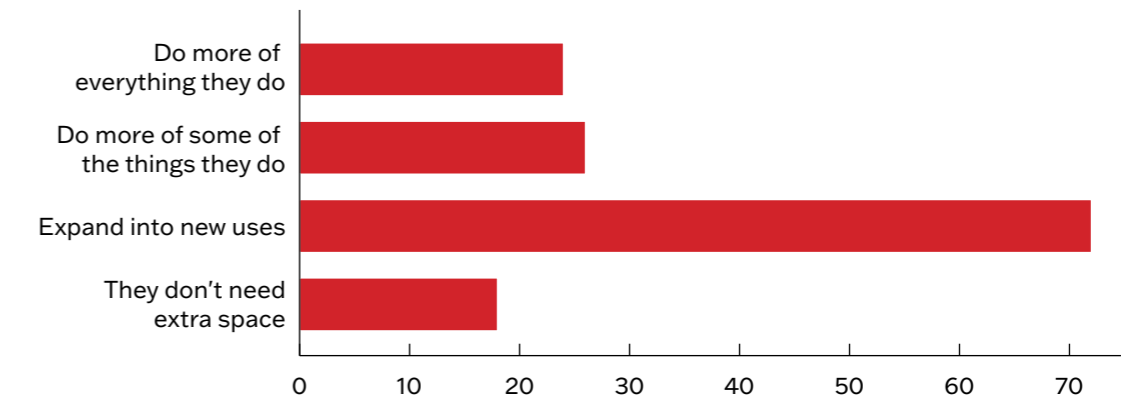
They are using what they have: <sup>14</sup>



Note: respondents were asked to select up to five uses of space from the list provided.

Most want extra space to expand into new activities.

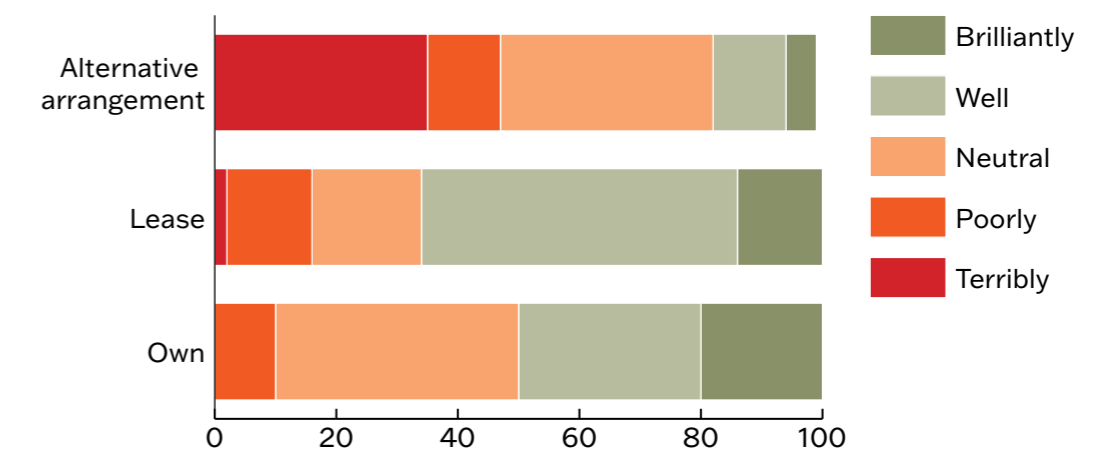
They want to:



### Are arts organisations and individuals supported and enabled by their accommodation?

Owners and those with leases were more likely to be satisfied overall with their accommodation than those with alternative arrangements, suggesting that some were in alternative arrangements because they could not secure even leased space.

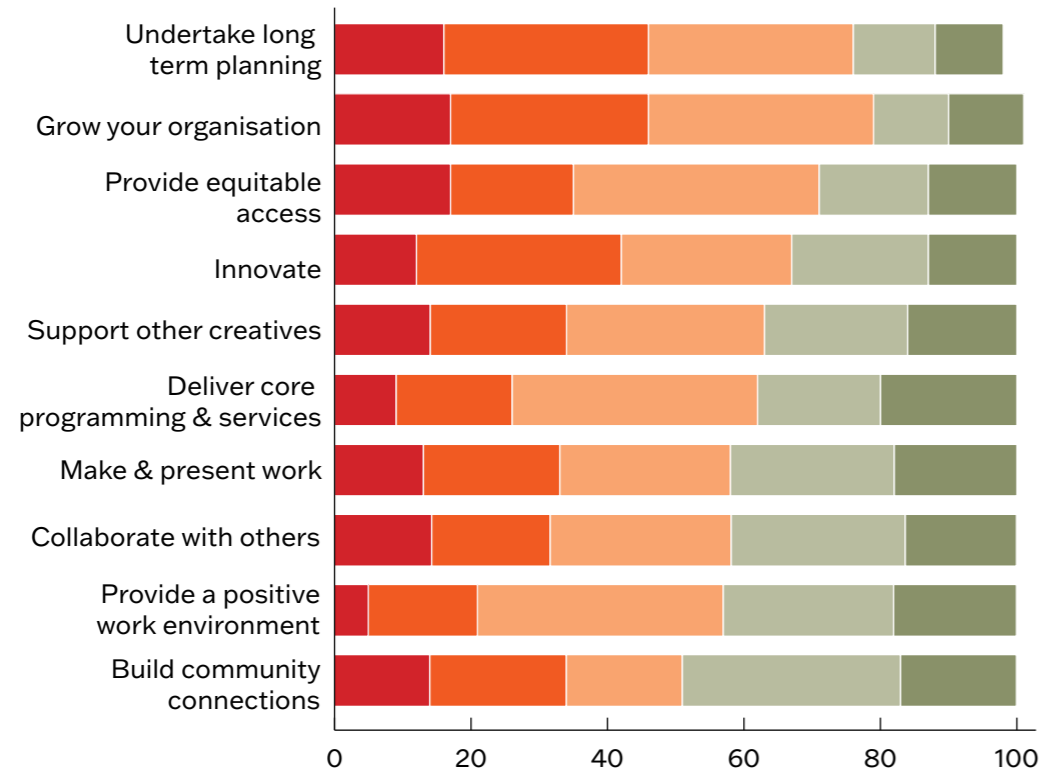
How well does your current accommodation suit your organisation?



### Do buildings support the respondents' activities?

Respondents were asked to rate how their current accommodation impacted their ability to undertake, grow and improve their activities, from core programming and providing a positive work environment to innovating, collaborating and building community.

How does your accommodation impact your ability to:



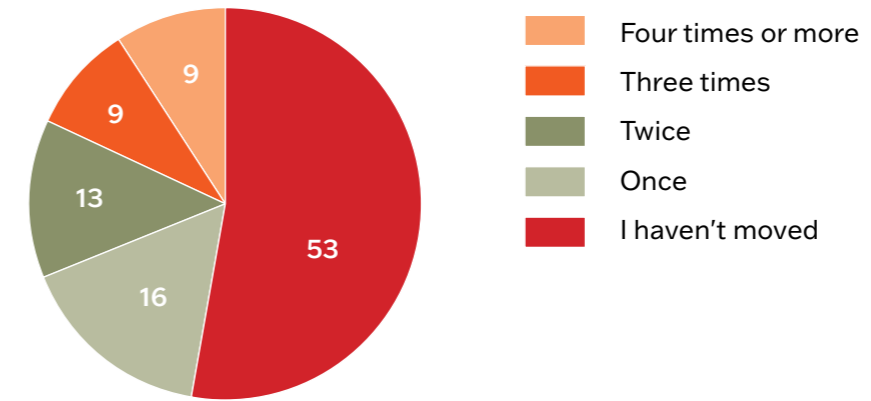
Overall, almost half of respondents feel their accommodation situation constrains their ability to undertake long-term planning (46%), innovate (42%) and grow (46%).

Their particular accommodation enables many respondents to provide a positive work environment (43%) and build community connections (49%) - but others find their accommodation constrains community connections.

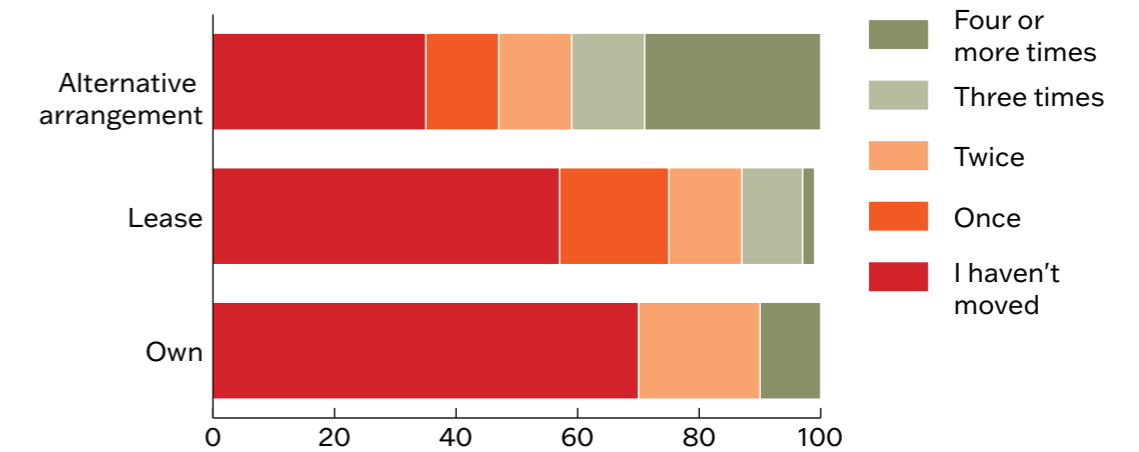
### How stable is accommodation in the arts?

There is significant accommodation instability in the arts.

How many times have you moved in the last five years?



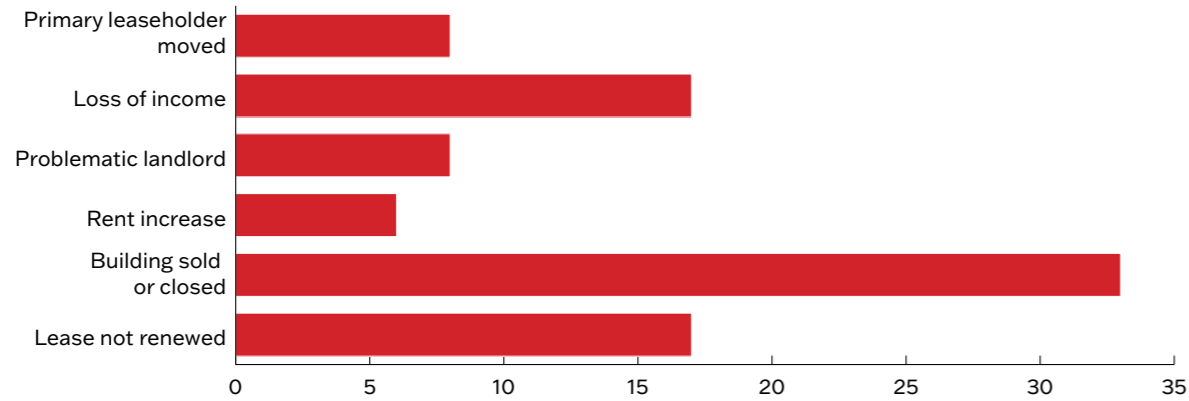
Those that own are less likely to have moved in the last five years.



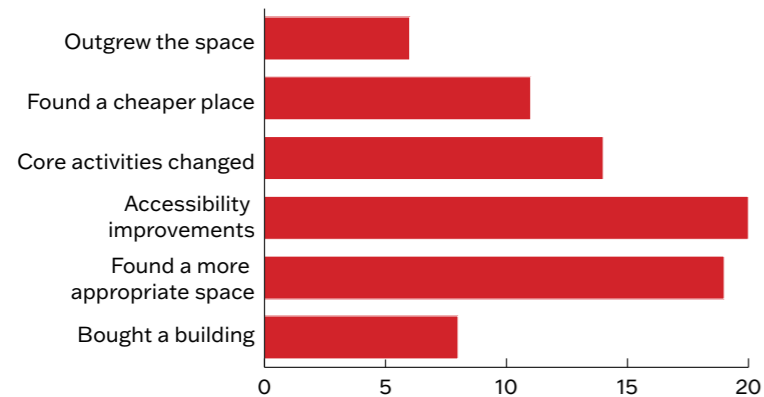
Note: the 30% of owners who had moved more than once, had most recently transitioned into ownership.

The single biggest reason for relocation was that the building was sold or closed.

**Forced relocation reasons**



**Strategic relocation reasons**



**The role of residential housing in professional accommodation**

The Stable Spaces survey indicated that a significant proportion of the arts sector are using their homes as workplaces.

- 28% of all of the respondents, whether they own, lease, or make alternative arrangements, are operating out of a private residence.
- 82% of those reporting alternative accommodation arrangements (to leasing or owning) were making use of residential accommodation.
- Half of the 13% of respondents who own their building were referring to owning their home, in which they also had their workspace.

It is common for sole traders – whether artists, itinerant teachers or arts administrators – to use their homes as workplaces. Small organisations without built infrastructure have similarly leaned on their staff and volunteers’ resources to operate.

According to a 2022 survey by the Point Chevalier Social Enterprise Trust, many artists “move house frequently, and live in unsuitable housing which is not fit for purpose, is cramped, mouldy, or poorly ventilated.”<sup>15</sup>

Their survey indicated that only just over one third of creatives own their own house compared to the 2018 national homeownership rate of 65%.

Importantly it showed that “only half (50%) said their accommodation currently meets their needs. One key feature their homes lacked was space to undertake their craft or practice, such as a studio or workshop, where they could connect with other creatives.”

One purpose of the survey was a ‘pulse check’ of need and interest in the community arts housing approach developed overseas.

“Three-quarters (74%) of respondents were interested in community arts housing as a concept with a further 23% unsure. When asked what they would find attractive about it, they said they wanted to be around and potentially collaborate with other artists and creatives, and have secure and appropriate housing that met their needs.”

The international examples discussed in this report show it is possible to incentivise the deliberate construction of affordable work-live spaces. The community housing developers in North

America, such as Artscape Housing Co-operative in Canada and Artspace in the United States, provide useful models.

### The sub-sub-sub tenant problem

One respondent to our survey sent a follow-up email to Stable Spaces flagging the precarity of subleasing as an ongoing problem for studio artists. They described paying to rent space as a sublessee of a sublessee. They had lost their studio space more than once because the head tenant left.

This not-uncommon situation arises out of the informal-collective studio model: a small number of artists find a commercial space and then partition it to increase individual affordability. Many informal collectives sign a lease as individuals. Tenants who join the collective later have no option to take over the lease.

The Incubator Creative Hub, Tauranga case study (page 122), is an example of the positive impact of a studio collective forming a legal entity to hold the lease. This enabled the initial collective members to leave the studio group without having to terminate the lease. It also allowed the organisation to organically grow without placing any one person in financial risk.

The Incubator  
Creative Hub,  
Tauranga



# Why pursue building ownership?

Artists and arts organisations across the artforms struggle to find affordable and appropriate spaces to operate in for the long term. The cost is prohibitive in many cases and/or tenure is insecure. This impacts on their ability to: undertake long-term planning and development, and build sustainable communities.

In Aotearoa, only a small number of organisations and individuals own their own buildings in which they can make or present their artform(s). Most lease or move between temporary and domestic spaces.



Gonville Centre for Urban Research, Whanganui

Leasing is working for a lot of organisations and individuals. But the majority indicated a desire for more security - whether that be a longer-term lease or building ownership.

We need to develop strategies to support creatives and arts organisations into stable spaces. Even incremental increases in ownership or ownership-like arrangements will increase organisational stability and ripple into the wider arts community.

This is not an argument in favour of a neoliberal devolution of the core arts infrastructure into the private or not-for-profit sectors. Community ownership of assets should sit alongside the robust provision of government-owned infrastructure. However, it recognises the importance of independent operation to the sector. Control of resources creates the space for self-determination.

Just as the arts sector wants the careful, structured curation undertaken by the major public institutions, we also want the grassroots emergence of alternative practices and experimentations led by artists and independent organisations.

## Benefits of Ownership

The people interviewed for the case studies identified six major benefits to owning, or having an ownership-like control over, a building. These include:

- autonomy
- the ability to design or modify a building for its purpose
- stability and longevity
- perception of professionalism
- financial control
- the ability to support the wider arts community and economy.

These benefits are similar to those identified by the UK's Development Trusts Association in their 2010 guide to community asset development *To have and to hold*:

“The asset itself can address local needs, for example for workspace, housing or other facilities. If a process of transformation or physical improvement of the asset is required, it can also increase the capacity of the organisation and its skills base – for example partnership working, long term management planning and devolution of control of the use of the asset to local level. It can also produce very practical benefits for the organisation – a physical presence in their community, increased revenue streams, credibility with funders, and ability to plan for the long term and act independently in policy and development terms.”<sup>16</sup>

## Autonomy

Our case-study interviewees told us that owning a building enables resilience, gives flexibility to pricing and programming, and creates space to take risks and think bigger, as well as giving control over how the space is set up:

“We’re kind of resilient to the whims and fancies of whatever’s coming our way politically and globally at the moment. We’ve built a whānau, we’ve built a community. It has been a real source of community development for this town. We’re sending our young ones out better equipped.”<sup>17</sup> – **Hihiaua Cultural Centre**

“Not having to conform to someone else’s idea of what that use needs to be is really important to us. The equipment that we’ve got takes hours to put away and get it back out again. I know there are groups like ours that share facilities just like this, say a tennis club or something like that. They have to put it all away and pack it into the store room every time they use it.”<sup>18</sup> – **Hamilton Citizens Band**

“Having autonomy and ownership over your building gives you the flexibility to, hopefully responsibly, make any adaptations you want to make.”<sup>19</sup> – **McCahon House**

“We maintain independence, so we’re not susceptible to Council price rises, and our activities are not defined in Council terms.”<sup>20</sup> – **Auckland Old Folks Association**

“It creates the opportunity for us to have a broader canvas that we can use to decide what it is we want to put on, the partnerships we want to do, and how we want to stage them.”<sup>21</sup> – **Auckland Theatre Company**

“I think there’s always that risk [of rent increases] and, by buying the building, we’ve got so much more control about what we want to do with it. We could just completely flip and change it into something else if we wanted to – not that we would.”<sup>22</sup>  
– **The Incubator Creative Hub**

## Design or modify a building to be fit-for-purpose

For many people, one of the big advantages to controlling a building is the ability to design and modify it to be the right size and have the services you need. These modifications could range from designing a shared kitchen in an adapted building to maximise its usability, to the complex design and construction of an entire theatre.

“We actually have somewhere to put our [shows] on that is the right-size venue for us.”<sup>23</sup>  
– **Auckland Theatre Company**

“We can change the building as far as improvements [go]. It’s part of the caretaking of the building, improvements, like we were talking about the disabled toilets.”<sup>24</sup>  
– **Auckland Old Folks Association**

“We can adapt [the building] to suit our needs, like doing the carpet a certain way, soundproofing a certain way over time. All of those sorts of things are important to us. If it was a building managed by others, then we’d have less influence”<sup>25</sup> – **Hamilton Citizens Band**

“[We wanted a] place that was equipped and properly set up for making theatre, for rehearsal, instead of temporary spaces [where] you couldn’t mark out the stage. [We wanted] administration separated from the rehearsal room.”<sup>26</sup> – **Auckland Theatre Company**

“We made sure that every space that we have here can be used for multiple purposes. Sliding doors, for getting light. In the summer we get nice air flow through between two rivers. [...] We really thought very carefully about the airflow because we know Northland’s really hot in summer and it can get wet, very, very wet.”<sup>27</sup>

– **Hihiaua Cultural Centre**

## Stability and longevity

Owning a building creates confidence inside and outside an organisation. It removes the stress of insecure tenancies from the community, and builds their confidence in the organisation’s long-term commitment to them and the artforms it supports.

“It’s really firmed up a little bit of stability for us having a little bit of a stake here as an asset in the village. [It’s] one of the most stable things that we have.”<sup>28</sup>

– **The Incubator Creative Hub**

“Longevity is that you’re like, ‘Okay. No one’s gonna kick us out now.’ I guess in the early days we [thought] this could all fall over at any point. As an artist you’re used to precarity all the time.”<sup>29</sup>

– **Vogelmorn Community Group**

“A lot of the people in these groups have been with them for a very, very, very long time. So [it’s] anecdotal, but [it gives] stability and all of that. It’s one thing to be a part of a community organisation, but you can do even better if you don’t have to stress about having a roof over your head. And that makes a difference.”<sup>30</sup>

– **Hamilton Citizens Band**

“From a making point of view, to have a permanent space to make work and be fit-for-purpose is really important.”<sup>31</sup>

– **Auckland Theatre Company**

“I feel like we have provided a place of stability, definitely for us, but definitely for other people too. So much as an artist is like ‘there’s nothing’. You’re at a tertiary [institution] and you have a home and you have access to all the equipment. Then you’re out and there’s nowhere for you. Either you get to work temporarily at Auckland Theatre Company or Bats for like one week or two weeks and suddenly you have something to hang [onto]. Otherwise you’re out there swimming without anything.”<sup>32</sup>

– **Vogelmorn Community Group**

## External perception of professionalism

A number of the people I interviewed felt that owning a building substantially changed how they were perceived, for the better.

“Having a home made a difference. [...] It sends out a really clear message that it’s a professional company, you’ve got proper space – it’s run properly – that’s resourced. It really changed the way people view the company, [how the company] viewed itself and the way that the performers viewed it.”<sup>33</sup>

– **Auckland Theatre Company**

“I think it’s having that security. But it also gives you a little bit more credibility in terms of other funders.”<sup>34</sup>

– **The Incubator Creative Hub**

“Over the years it’s just gone from strength to strength. And I think it is in part because of the independence and in part because of the support of Creative New Zealand. Then, as the reputation grew, the support of a lot of other people in the arts and the patronage sector.”<sup>35</sup>

– **McCahon House**

## Financial control

For some of the organisations, owning a building means they are able to control the operating costs, and keep any subleasing and hire charges low. The money they spend is going towards their asset or utilities and rates, not to a separate, often profit-seeking, owner. Through repeated use of their building they are also able to accurately predict what different projects will cost.

“The benefits are independence, obviously no hire charges”<sup>36</sup>

– **Te Matatiki Toi Ora The Arts Centre**

“Fundamentally it’s really cheap. Because we just have to cover rates, water, power, that’s it. So nowhere else can you really afford to do that. That’s really number one”<sup>37</sup>

– **Auckland Old Folks Association**

“[Owning], we’ve got the ability to keep that cost barrier [low]. We’d never want this to be a user-pays situation. [When leasing] you’re always at that risk of the rent going up [...] What are they going to do now? They’re seeing what you’ve done with the place, so let’s put the rent up. Because we’ve done all the investment on the inside.”<sup>38</sup>

– **The Incubator Creative Hub**

“We know how much it will cost us. If we took something like North by Northwest to one of the bigger theatres then there are different cost structures.”<sup>39</sup>

– Auckland Theatre Company

### Ability to support a wider community and contribute to the local economy

Having a building means that arts organisations are able to extend the use of that building out to others, supporting a wider range of activity, without having to find additional resources to do it.

“We do, twice a year, a thing called Ruckus, where we open the space for other people to come and use. For them, the knowledge that this thing happens twice a year, so they’re like, ‘oh, I’m not coming to the May one, I’ll come to the September one.’ Like I felt that from them, the advantage in being able to go, ‘we’re going to run this for the next five years’. [...] When we do Ruckus and people come and they just lie in the sun and drink coffee, I’m like ‘This is great.’, You don’t have to be devising a new work. Just having a place that can be yours, that is the thing. I really think it is missing. When we offer that, I see artists kind-of breathe out a little bit and go ‘I can just be here in this space’.”<sup>40</sup>

– Vogelhorn Community Group

“We also do community hires which are pretty much just break-even, whatever it costs for us to turn the lights on and if you can do your own cleaning then we can trim that back as well. [...] For us it’s not just on paper that we are there to support the industry. You know if we’ve got the lights on and all you want to do is use our meeting room for a meeting of Equity or a training exercise then you know, yep you can have the room. Or if you are wanting to come in and do some work on the stage because you’ve got a whole lot of young people and all we have to do is turn the lights on. We do those sorts of things.”<sup>41</sup>

– Auckland Theatre Company

Some of the organisations could also demonstrate that their buildings and activities had a positive, multiplier effect on the local economy.

“It’s a beautiful building. It brings a lot of life down to that part of Wynyard quarter. There’s a lot of eateries down there [...] there’s always a bit more life when there’s something going on.”<sup>42</sup> – Auckland Theatre Company

“We’ve added value and now it’s actually a destination for the city.”<sup>43</sup> – The Incubator Creative Hub

However, not all of the organisations are in a position to keep the hire rates low, or operate a sliding scale, as their overheads are too high.

“Before the earthquake we had a financial model where we had many small tenants, individual artists and craftsmen. They were all precariously based [and] received discounted rents to encourage them. But the financial model was terrible for the Arts Centre. After the earthquakes, the trustees settled on a new financial model where we try to seek two or three anchor tenants, quite large institutions. [...] We also want to be able to service the smaller organisations, but at the moment, they’re all paying market rates.”<sup>45</sup>

– Te Matatiki Toi Ora The Arts Centre



# The picture overseas

When we look across the United Kingdom, Ireland, United States of America, Canada and Australia, it quickly becomes obvious that the arts in comparator countries are also feeling the pressure of unaffordable spaces.

As Left Bank Co. in Australia points out:

“Creative and cultural industries businesses are predominantly sole traders, small or micro businesses of fewer than 20 employees, often reliant on cheap leases, older buildings or temporary space, and often in less desirable parts of our cities and in industrial zones. They are also highly reliant on access to shared assets like community halls or fit-for-purpose practice spaces and need workspaces in proximity to supply chains, audiences and the larger infrastructure that supports their practice (galleries, museums, theatres, etc).”<sup>45</sup>

When the availability of cheap leases and affordable shared assets is low, the arts struggle.

A 2016 study commissioned by Arts Council England, *Making Space: Developing and Sustaining Affordable Artists’ Studios and Creative Workspaces* found that a “borrowed infrastructure” model was not providing long-term stability:

“Models of “find a space and occupy” have especially supported regeneration activity – as artistic communities have occupied under-invested sites and supported the redevelopment cycle. Yet such development cycles leave many workspaces and communities as vulnerable – on short-term leases, undesignated and exposed to the broader dynamics of the property development process. Currently, few artist studios are owner-occupied or permanently designated for the creative community.”<sup>46</sup>

In their 2022 *Artists’ workspace consultation report* Dr Rhian Scott in the UK described this as a ‘sectoral dependency’ on planning delays and economic depressions.<sup>47</sup>

At the same time, local authorities in the UK have adopted a short-term leasing approach to many of their assets, taking what the Quirk Review described as “a pseudo-contractual relationship based on annual service contracting”, going on to point out that “too often this has produced unhealthily short-term horizons for councils and community groups alike”<sup>48</sup>

Like overseas, here in Aotearoa we have pursued a ‘borrowed infrastructure’ model – finding temporary, meanwhile and pop-up spaces – to increase the availability and affordability of creative space. However, for many countries, this is only one part of the solution. Relying predominantly on this model makes arts infrastructure brittle in Aotearoa. It is time we seriously looked at growing our community-controlled permanent-spatial-infrastructure to balance the picture.

In Australia, urban strategy consultancy Left Bank Co. has recently begun working in partnership with the New South Wales and Victorian state governments and the cities of Sydney and Melbourne to scope and advance opportunities for innovative creative space development.<sup>49</sup>

This work has included developing a creative space design guide for Melbourne and initiating a professional development incubation program, *Making Space for Culture* in Sydney. Over the last three years they have brought together property developers and creative and cultural organisations to begin developing the capacity for innovative property development models in the arts.

Before I look at individual local examples of the successful acquisition and operation of community-based arts infrastructure I want to discuss how people overseas have approached growing community-owned arts infrastructure.

## Tactical and strategic approaches to addressing space stress internationally

Internationally there are a range of tactical and strategic approaches addressing space availability and affordability that we can learn from. These can be loosely grouped into two intersecting categories. The first is a range of property development and management services approaches. They make strategic use of 'for-purpose' company structures, financing tools, and cross-sector collaborations to further property stability in the arts. These include: creative sector property management companies, creative land trusts, community arts stabilisation trusts, and brokerage services. The second category of approach is government-led – policies and legislation to enable community asset transfer, and targeted community-development tax credits.

### One: Property development and management services approaches

These approaches include creative-sector property management companies and creative (or cultural) land trusts – not-for-profit companies that develop, own and manage assets leased to the cultural sector. They act to prevent displacement through enabling permanent affordability by removing properties from the speculative market. They also take the form of community stabilisation trusts which support and mentor arts organisations to acquire their own property. This includes providing an umbrella financing company alongside property development and management expertise.

These models have been enabled by a range of factors including: initial capital investment from philanthropic or government sources; asset transfer; debt financing through traditional lending, for-purpose lending, patient capital, and/or municipally-backed bonds; tax credit mechanisms; and economies of scale across insurance, development and lending.

## Creative sector property management companies and creative land trusts

### **Kaapeli (Helsinki, Finland)**

Kiinteistö Oy Kaapelitalo, KAAPELI, is a for-profit property company formed by the City of Helsinki to own, renovate and rent out old industrial buildings for cultural uses. It was established in 1991 in response to artist-led advocacy seeking to protect their occupation of a former cable factory in the Ruoholahti district of Helsinki.

Now KAAPELI owns and manages three former industrial buildings: the Cable Factory; Suvilahti, a former electrical power plant and gasworks; and N10, a former pharmaceutical production plant. In total, KAAPELI manages almost 100,000 square metres at three locations around Helsinki.

KAAPELI is entirely income financed. With a 99% occupancy rate, the majority of the company's turnover comes from income from long-term leases. As an asset owning, income generating company, with no requirement to return a dividend to its shareholder, it is able to finance renovations and developments by reinvesting its profits as well as taking on loans.

More information about Kaapeli is available on their website: [kaapeli.com/en](https://kaapeli.com/en)

### **Creative Land Trust (CLT) (London, United Kingdom)**

Creative Land Trust is a charitable purposes company established in 2019 by the Mayor of London and Arts Council England to tackle a long-standing problem for London – the loss of affordable workspace, and consequent outflow of artists and makers.

The CLT team sources viable property opportunities by building relationships with local authorities and property developers across London and seeks to acquire sites on a freehold, long leasehold or asset transfer basis.

Through stable long-term leases with affordable studio space providers, CLT supports the sustainability and financial resilience of studio space providers and artists. Leases are set following research commissioned by the Mayor of London's office on what level of rent is affordable.

More information about CLT is available on their website: [creativelandtrust.org](https://creativelandtrust.org)

### **Artspace (USA)**

Artspace is a nonprofit real estate organisation operating across the USA. Originally established as an advocacy body, they made the leap to developer in the late 1980s. They specialise in creating, owning, and operating affordable spaces for artists, creators and creative entrepreneurs. These spaces include workforce housing, live/work apartments, working artist studios, arts centres, space for arts-friendly businesses, and other projects. In addition, Artspace operates a consultancy to help organisations and municipalities plan the spaces they need to deliver programs and services to their communities.

Now, in 2024, Artspace owns and operates 58 projects across the USA with a further 12 in development. The developments are funded through a mix of conventional financing, philanthropy and public funding. Due to the breadth of their activity they are able to access public funding and tax credits targeted toward the creation of affordable housing, workforce housing, economic development, historic preservation, and cultural facility development.

More information about Artspace is available on their website: [artspace.org](https://artspace.org)

### **Artist Space Trust (San Francisco Bay Area, USA)**

Artist Space Trust was established in 2024 as a partnership between long-standing community land trust developer Northern California Land Trust and Vital Arts, a Bay Area arts advocacy organisation. Community land trusts (CLTs) acquire, maintain, and permanently own the land underneath housing to ensure long-term affordability of housing.

Artist Space Trust's mission is to acquire properties affordably through bequests, donation, or other strategies including partial subsidy and options allowing for ageing in place. They then split the title so the property can be sold on a leasehold title. The underlying land is owned by the not-for-profit trust and the houses have deed-restrictions ensuring they are permanently designated for affordable first-time artist ownership and/or occupancy.

More information about Artist Space Trust is available on their website: [artistspacetrust.org](https://artistspacetrust.org)

## Community Stabilisation Trusts

### Artscape (Toronto, Canada)

Artscape was founded in 1986 in response to an affordability crisis that threatened to price artists out of Toronto. It initially operated as an umbrella lease holder, securing affordable studio spaces for artists. In the mid 2000s Artscape stepped into property development with a range of partnerships to develop housing for artist-led families and cultural facilities. They were seen as a desirable partner for developers who, under provincial legislation, could gain extra density for their projects in exchange for community benefits, such as arts facilities.

In 2015 Artscape took on its most ambitious project – a co-working and incubator space on the Toronto waterfront with a membership-based revenue model. Unfortunately, this project led Artscape to take on debt they couldn't service and, in late 2023, its directors placed it into receivership.<sup>50</sup>

Many of its operations were transferred to two new companies, ANPHI Affordable Homes Inc. which took on the housing portfolio and ArtHubs Toronto Inc which manages four community cultural hubs.<sup>51</sup>

More information about Artscape is available on their website: <https://www.artscape.ca/>

Information about ArtHubs Toronto is available on their website: [arthubs.ca](http://arthubs.ca)

### Community Arts Stabilization Trust (CAST) (San Francisco, USA)

CAST — the Community Arts Stabilization Trust — is a community-centred real estate organisation for artists and cultural workers in the San Francisco Bay Area. It was initiated by the Kenneth Rainin Foundation and mission-focused lender Community Vision in 2013 as their response to the tech-boom-driven affordability crisis in the Bay Area. It launched with the simple premise – “What if nonprofits could buy their buildings, or at least sign long-term, affordable leases to stabilize their current and future operations?”<sup>52</sup>

In 2014 CAST secured the financing to buy two buildings to manage and hold for a period of seven years, providing stabilised rents or a pathway to ownership for their arts partners. As a community-benefits developer they are able to participate in the New Markets Tax Credit (NMTC) program that enables real estate projects or businesses in a low-income community to generate capital by providing investors – typically a bank or financial institution – a tax credit as an additional incentive for capital investment.

CAST continued to grow, applying real estate financing tools and structural models in innovative ways, building community knowledge and agency, and creating and holding space for visioning and arts activation. They have partnered with the City of San Francisco and private developers to renovate and manage further buildings.

In 2023, one of the first organisations they worked with, Counterpulse, completed their capital campaign and purchased the building off CAST.

More information about CAST is available on their website: [cast-sf.org](http://cast-sf.org)

### Austin Cultural Trust (Austin, Texas, USA)

The Austin Cultural Trust is a community arts stabilisation trust established in 2018 by the city of Austin through the Austin Economic Development Corporation (AEDC). Its purposes are to: create, through purchase and long-term lease, affordable spaces that support artists and arts organisations; preserve historic and iconic cultural buildings; create new spaces for creative and cultural uses and functions in a way that provides for cultural assets to exist in all parts of the city.

The seed capital for the trust was raised through a combination of municipal bonds (debt financing) and targeted rates. Their first Request for Proposals received 45 applications of which five were chosen to proceed. The successful applicants receive an initial investment towards their project goals and technical support, but are required to bring further partnership and fundraising efforts to the table.

More information about Austin Cultural Trust is available on their website: [austinedc.org/cultural-trust](http://austinedc.org/cultural-trust)

## Two: Government-led approaches

### Community Asset Transfer

Since the early 2000s there has been an acceleration of policy initiatives focussed on community-based organisations owning or managing assets in the UK. In 2007 the Quirk Review was published providing significant impetus for this approach. Titled *Making assets work* it found that there was a strong case to be made for community asset transfer between local government or public institutions and community-based organisations, with the proviso that:

“Any sale or transfer of public assets to community ownership and management needs to realise social or community benefits without risking wider public interest concerns and without community purposes becoming overly burdened with asset management”<sup>53</sup>

The authors pointed out that, while there are risks, they are not an impediment to asset transfer if approached with proper assessment, mitigation and management. As we can in Aotearoa New Zealand, the review team could show concrete examples of successful community asset transfer. What was missing was an overall consistent and strategic approach to community asset transfer.

To address this, the Quirk Review made a series of recommendations towards enabling community asset transfer between local government or public institutions and community-based organisations. These included developing:

- explicit guidance on asset transfer to community management and ownership
- a toolkit on managing risk in asset transfers to communities
- smarter investment of funds and expertise to facilitate community-led, asset-based developments
- a major campaign to spread the word through seminars, roadshows, and publications on good practice.

Between 2003 and 2015 a range of legislative changes were also implemented in the UK to enable communities to identify assets of community value, nominate them for community purchase or asset transfer, and ensure that communities have right of first refusal on public assets. These include The Land Reform (Scotland) Act (2003, 2018); the Localism Act (2011), and the Community Empowerment (Scotland) Act (2015). A range of not-for-profit development services have emerged to support community organisations to undertake asset transfer.

In *Community Organisations Controlling Assets: a better understanding* (2011), the authors express a concern re the UK “that, as pressure grows on local authorities to divest themselves of assets, communities may find themselves responsible for more unsuitable buildings with high maintenance costs and without the funds to bring them into effective community use”<sup>54</sup> This concern is borne out in a 2019 study of community asset transfer in West Yorkshire:

“[A]ccording to officers and councillors interviewed for this research, cost divestment is the principal driving motivation for councils undertaking the process. Typically these transfers involve property the local authority is looking to divest, because it is under-utilised or too expensive to maintain.”<sup>55</sup>

Both the Quirk Review and later reports emphasised that community asset transfer works when the community-based organisation is properly capitalised and the asset that is transferred is viable.

#### In Aotearoa

In New Zealand, there is a history of local government transferring property into the hands of community ownership for community purposes. Indeed, two of the case studies discussed in this report – McCahon House in Auckland and Hihiaua Cultural Centre in Whangārei – are in community hands due to the progressive actions of the relevant local authority. Te Matatiki Toi Ora The Arts Centre in Christchurch was transferred into community ownership by the University of Canterbury in the 1970s, with the support of the government of the time. However, there is no consistent national approach to transferring property into community hands. New Zealand could benefit from a considered national policy promoting community asset transfer as well as guidance for communities on how best to achieve this process.

#### Place-based tax credits (USA)

These tax credits are a federal-government-guaranteed return on an investment to encourage debt or equity investments in businesses and real-estate projects located in low-income communities. The federal Low-income Housing Tax Credit (LIHTC) was instituted in 1986 to support the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. Rents must remain affordable for between 30 and 55 years.<sup>56</sup> Organisations like Artspace have successfully used this programme to develop live/work spaces for artists.

In 2001, the federal government introduced the New Markets Tax Credit (NMTC) program. Both Artspace and CAST have taken advantage of the scheme to enable their developments. The NMTC program seeks to attract private investment capital to low-income communities by providing taxpayers credits against their federal income taxes for making Qualified Equity Investments (QEIs) in Community Development Entities (CDEs).

The intention is to stimulate economic growth through developments, and there is evidence they do. Importantly, some of that growth may be a result of culture-driven gentrification.

“NMTC-funded community facilities, such as libraries, museums and event spaces, and school and childcare projects, are associated with increases in residents with jobs, [in] population, and [in] the population with a bachelor’s degree along with a decline in poverty rate. These types of projects provide new amenities that may attract higher-income residents to the neighborhood.”<sup>57</sup>

#### In Aotearoa

The New Zealand government tends to take a direct funding approach to incentivising community development via housing rather than a tax credit approach. The Ministry for Housing and Urban Development administers both the Housing Acceleration Fund and the Affordable Housing Fund which could conceivably be used to support the development of affordable live/work spaces. Currently, new build-to-rent developments receive some tax incentives in the form of the ability to deduct interest costs against the income they make from a residential property.

#### Developer Incentives

Granting development bonuses, such as increased height or density, in exchange for the construction of spaces for public good, such as gardens, plazas and walkthroughs, has long been standard practice, internationally and in Aotearoa. There is scope to include spaces for the arts in the incentives. For example the City of Austin is currently introducing a developer density bonus in exchange for providing discounted space for music venues or creative uses for up to ten years.<sup>58</sup>

# How we are doing it here, in Aotearoa

Stable Spaces explored approaches which arts organisations had taken on the journey to owning their own building through nine case studies. Eight of the nine case studies were in the North Island, and one in the South Island. Five were in main centres and four in regional centres. Eight were Pākehā-led, one was Māori-led. None were led by people of Pasifika, Asian or any other identity.<sup>59</sup>

I've told their abridged stories in Appendix One. I've delved deep into their experiences in the full case studies contained in **Nine Approaches to Buildings** on the Stable Spaces website. Here I focus on what we can learn from their experiences, and how we might apply that knowledge.<sup>60</sup>

McCahon House,  
Auckland. Photo  
courtesy McCahon  
House Trust



## The nine buildings

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### ASB Waterfront Theatre, Auckland

The ASB Waterfront Theatre in Wynyard Quarter was built by the Auckland Theatre Company (ATC) in 2016. They raised \$36.5 million dollars to fund the development which sits on council owned leasehold land. The 675 seat theatre filled a gap in venue provision in Auckland and is Auckland Theatre Company's home theatre.

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### Gonville Centre for Urban Research, Whanganui

The Gonville town centre was a municipal complex consisting of a fire station, swimming baths and town hall, all initially built in 1911. It is now privately owned by Frank Stark and Emma Bugden as a home and community venue. Under the banner of the Gonville Centre for Urban Research (GUR) they host researchers and architectural archives and support local creative activity through affordable hall hire.

100

### Hamilton Citizens Band, Hamilton

The Hamilton Citizens Band is an incorporated society with band rehearsal rooms in Clyde St in Hamilton. The old tennis club was bought in 1993 on a 20-year renewing ground lease from Hamilton Council. The renovations were managed by two society members who were trades professionals.

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### Hihiaua Cultural Centre, Whangārei

Hihiaua Cultural Centre started out as a workshop for whakairo in a run down boat building shed on a small point of land in Whangārei. In 2009 the trust put together a multi staged plan to build a multi purpose arts facility on the point. In 2019 Stage one – a renovated shed and added waka store and launching gantry – was completed.

110

### McCahon House (and Shadbolt House), Auckland

McCahon House is an artist residency and museum in French Bay. The former dwelling of the McCahon family and the adjacent land were strategically purchased by the Waitākere City Council between 1996 and 1999. They were later gifted to the McCahon House Trust. In 2006 the Waitākere City Council sought to repeat their success by buying Maurice Shadbolt's house. Unfortunately the property was not transferred before the formation of the super city in 2010.

114

### Old Folks Association Coronation Hall, Auckland

The Auckland Old Folks Association Coronation Hall was built in the 1950 by the then thriving Auckland Old Folks Association. It has remained in the hands of the association ever since. In the 2000s performance artist Sean Curham established an ongoing relationship with the association, culminating in the eventual transition of the society to an intergenerational arts-focussed membership base.

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### Te Matatiki Toi Ora The Arts Centre, Christchurch

Te Matatiki Toi Ora The Arts Centre is a 23-building campus on a two-and-a-half hectare site in the centre of Christchurch gifted by the University of Canterbury to The Arts Centre trust. According

to its current director, Phillip Aldridge (ONZM), The Arts Centre is "a community centre in a very grand setting."<sup>61</sup> Since 1974 it has provided essential infrastructure for Christchurch arts communities inside its heritage-listed Gothic Revival architecture.

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### The Incubator Creative Hub, Tauranga

The Incubator Creative Hub was established in 2013 when a small group of artists rented a run-down barn in Tauranga's Historic Village for artist studios. In the subsequent ten years, The Incubator has grown to a creative confederation housed across 16 buildings. It recently bought a building in the Historic Village, through a combination of a grant from the Lottery Community Facilities Fund and a rent-to-buy agreement.

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### Vogelmorn Community Group, Wellington

The Vogelmorn Bowling Club was forced to close in 2014. The members planned to sell their buildings to fund a new foundation for the benefit of the local community. Vogelmorn Community Group negotiated a different result – paying to subdivide the property and then buying the club building off the foundation for a nominal sum. They now operate it as a mixed use community and arts facility.



# The four approaches to building acquisition

From the nine case studies we can outline four common approaches to acquiring a building currently or recently in use in Aotearoa:

- Asset transfer (by gift or nominal payment)
- Community asset transition
- Asset purchase at market value
- Construction of new building

Many of the organisations combined these approaches along their journey to asset ownership.

## 1.

### Asset transfer for a nil or nominal payment

Asset transfer is a process to allow a community organisation to take over land or buildings, usually at a discounted price, in recognition of the public benefits that the community use will bring. Usually this involves the exchange of a property title for a minimal consideration. This consideration can range from the traditional \$1 to a few thousand to cover the transfer costs.

Currently there are appropriate legal mechanisms to safeguard community asset transfer. Hihiaua Cultural Centre, Vogelmorn Community Group, McCahon House Trust, and Te Matatiki Toi Ora The Arts Centre were all successfully transferred to new community-based owners using appropriate safeguards (eg to ensure public benefits would continue) from within existing legislation. The safeguards were embedded in the constitutions of the respective trusts and through property title mechanisms such as encumbrances and sales contract conditions.

Asset transfer is a long-standing and successful pathway to community ownership of property in Aotearoa. Where it has occurred it has strengthened the independent arts ecology. However, there isn't a consistent national approach to asset transfer. Stable Spaces believes that the sector would benefit from:

- Developing nationally consistent policy and guidance around the pathways to asset transfer from public authority to community hands
- Encouraging public entities to actively identify opportunities for existing viable assets to be transferred to community
- Establishing an umbrella organisation to help arts (and community) organisations to evaluate and navigate receiving a building currently in public hands

## 2.

### Community asset transition

Community asset transition involves moving ownership of an asset from one community organisation to another.

Usually these assets are owned by incorporated societies or trusts who have not-for-profit activity restrictions and defined purposes in their deeds. When they can no longer sustain their activities they need to dispose of their assets within those restrictions. It's not uncommon to sell the property on the commercial market and then give the proceeds to another not-for-profit organisation such as a national sports body or charitable foundation.

Community asset transition recognises that the building has a non-monetary and profoundly enabling value to another community.

Two of the organisations I interviewed had undertaken a process of community asset transition. Vogelmorn Community Group established a brand new trust to acquire a building built by an older community organisation – the Vogelmorn Bowling Club. The Old Folks Association demonstrates the potential of internal transition through a planned membership change or renewal. Stable Spaces believes that community-to-community asset transfer is viable and can ensure that a community asset remains in community hands. We should encourage this option by:

- Promoting asset transition to the societies and trusts sector as an alternative to sale
- Developing guidance around negotiating community asset transition for end-of-life societies and trusts
- Providing access to advice and legal services for societies and trusts exploring internal membership transition or asset transition so they can safeguard the building and organisation's legacy.

## 3.

### Asset purchase at market value

The purchase of a leasehold or freehold property at market value is the most common property transaction in Aotearoa. Each of the following four case studies show innovative approaches to asset purchase:

- Hamilton Citizens Band significantly renovated an existing leasehold building in the right location to make it fit for purpose
- Incubate Tauranga combined a Lottery Community Facilities Grant with a rent-to-own agreement to acquire their leasehold building from a supportive local business person
- The McCahon House freehold title, and land adjacent to it, was bought by the Waitākere City Council when it went to market, to preserve the cultural heritage, and then transferred to an independent trust to develop into a museum
- The Gonville Centre for Urban Research (GCUR) is a former public facility on a freehold title. It is owned privately and operated for mixed private and public benefit. Its purchase was enabled by the difference in real estate values between Wellington and Whanganui.

Stable Spaces believes that asset purchases can be made accessible to arts organisations through:

- Providing guidance on adaptive reuse and enabling access to the kind of in-house trades experience that Hamilton Citizens Band demonstrated is so valuable
- Exploring the application of the rent-to-own model in the commercial/community property sectors
- Promoting strategic acquisitions by local government for community ownership, particularly where private property markets move too fast for community fundraising
- Local government providing favourable lease terms and peppercorn ground rents to community organisations,

# 4.

## Construction of a new building

Five of the organisations I interviewed constructed new buildings to fit their purposes.

New building developments allow organisations to create a fit-for-purpose facility for their particular activity. However they are significant, multi-stage undertakings that require significant fundraising to achieve.

The ASB Waterfront Theatre and the Old Folks Association Coronation Hall developments both benefited from project management by professional developers.

Organisations who managed their own construction projects internally included: Hihiaua Cultural Centre; the McCahon House Trust (for “Parehuia”, its artist residency and studio building); and GCUR (for a new residence fitted into the adaptive redevelopment of their civic complex).

Many of the organisations constructing new buildings describe climbing a significant learning curve, with staff put under severe stress. Stable Spaces believes that we could support the arts sector better in development projects by:

- Cultivating building development skills in the arts
- Providing access to experts and mentors during building development projects

Vogelmorn Bowling Club stairwell, Vogelmorn Community Group, Wellington



# What we can learn from the case studies

In addition to discussing how to lay your hands on a building, the interviews explored the ongoing experience of owning a building, including operating and maintaining it; when infrastructure should be left in public hands; how to negotiate the complex funding needed to acquire a building; and how the organisations created good governance structures.

## Getting started

### The role of opportunity

Many of the people I interviewed spoke about the importance of being able to respond to an opportunity as it arose. In the case studies, you can see how opportunity was seized in stories like the collective advocating for an arts centre in response to the University of Canterbury's staged exit from the Christchurch city centre in the 1970s, or the Waitākere City Council arts advisor inspiring a response to McCahon's former dwelling being prepared for sale in the 1990s, or the community take-over of the Vogelmorn Bowling Club in the 2010s. The collectives and individuals involved all became aware of an opportunity with sufficient time to create a proposition for its use by the arts. They then advocated for that proposition, to colleagues and community, to funders, to local and national government bodies, and to politicians.

Opportunity can easily be missed if the more general planning and strategy hasn't left space for the opportunity. In general, the buildings we discussed were secured in response to already-identified needs in the community or visible gaps in available infrastructure. In her interview, Simone Anderson of The Incubator Creative Hub in Tauranga advocates for writing organisation strategic plans that identify potential opportunities and which are flexible enough to encompass unexpected ones.

Being ready and able to pitch a project at a pivotal moment also plays a significant role in success. Lester McGrath spoke of seizing the moment of Auckland's 'super city' formation to pitch the ASB Waterfront Theatre to the new council. Both the Old Folks Association and Hihiaua Cultural Centre were able to move forward when new development grants were created. GCUR formed in response to a professional opportunity that allowed the co-owners to remain in Whanganui.

In a fast-moving property market, time can foreclose opportunity. This is where examples like McCahon House and Shadbolt House are useful. They demonstrate how local government, or a well-resourced independent organisation, can secure property for the arts before it's too late and the opportunity disappears. This approach allows time for a use-vision to emerge from the possibilities of the site. Once that is settled, the independent structures can be created and the asset handed over for development.

### The value of a staged transition

A staged transition or development can play an important role in easing the transfer of ownership and allowing an organisation to build its capacity around building ownership. Te Matatiki Toi Ora The Arts Centre, Hihiaua Cultural Centre and Vogelmorn Community Group all benefited from a trial period to populate and manage their building(s) before the ownership was transferred. This allowed them to better understand what they were taking on, demonstrate its viability and grow their economic base to support the future operation of the building.

As an organisation, Hihiaua Cultural Centre Trust emerged from a collective of artists occupying a building. They then developed a vision for a multi-stage development of the site. The completed and highly successful stage one of their development has enabled them to grow their staff, secure ownership of the buildings, and complete a leasehold agreement for the entire point of land.

### Opportunity through relationships

As Sean Curham of the Old Folks Association stressed, opportunities emerge out of relationships. It is important that time and space is allowed for these relationships to develop. Community asset transition takes a leap of faith; it takes trust that the new hands are good hands. The fraught transition of the Vogelmorn Bowling Club building from one community use to another illustrates the emotional layer of building use change. Letting go of a building can be difficult for an outgoing group, particularly if they feel forced out, even if the new group has nothing to do with their changed circumstances.

There often has to be an engagement with formal politics to achieve a successful asset transfer or construction project. Decisions about allowable land use and financial investment are often ultimately made by elected members in local government or parliament. These decisions can span multiple political terms. To succeed, organisations need to build relationships and support for their project across the political spectrum.

Both the McCahon House and ASB Waterfront Theatre Company case studies demonstrate that many important decisions are also made by local government staff, in regard to the advice they give elected members. In an ideal world, local government staff support a project. But, if the staff don't see the value of your proposition, the politicians might. Or they might be brought around by their constituents. As the

Auckland Theatre Company so effectively demonstrated by mobilising their audience to lobby Auckland Councillors prior to a budget vote, community backing from your user or subscriber base can change political decisions (if you're privileged to have a community courted by political decision-makers).

### Realising your proposal isn't the only vision on the table

Many of the case studies revealed multiple, competing visions for the future use of a community building, or the wealth the asset represents. There may be times when it looks like your vision won't be chosen. The Vogelmorn Bowling Club initially wanted to sell their building at market rate and use the proceeds to seed their foundation. The Shadbolt House project could not progress until an alternate proposal for its use was deemed unviable, and a commercial real estate developer had their eyes on the Old Folks Association Coronation Hall.

Gonville Centre for Urban Research, Whanganui



## Adapting and managing your building

### Maintenance

The difficulty of managing and maintaining a building or building complex is largely determined by its age and scale. A modern band rehearsal building may only demand regular monitoring and renovation planning that is within the volunteer capacity of a nominated trustee. In contrast, the purpose of a campus like Te Matatiki Toi Ora The Arts Centre is to provide infrastructure for the arts in a campus of category-one heritage buildings. The Arts Centre employs dedicated staff to manage leasing and maintenance. This work consumes a large percentage of its operating budget.

Irrespective of the scale and age of their facility, organisations stressed the importance of having both a designated process for staying on top of maintenance needs and a dedicated maintenance fund, or sufficient reserves to cover planned and unexpected maintenance. Without such reserves an organisation is easily thrown into crisis.

Our current funding environment poses an impediment to this best practice. While some funders encourage organisations to have reserves and maintenance funds, others penalise organisations for their prudence by refusing funding.

### Adaptive Reuse

Adaptive reuse emerged as a theme amongst the interviews. From the transformation of a house to a museum, to the conversion of a swimming pool complex to a hybrid home and workspace, buildings were commonly acquired and repurposed to a different use.

A common consideration that came up during the repurposing process was the impact the new use would have on the surrounding residents, including noise and traffic volume. Local government is sensitive to (negative) community feedback, and vocal local resident objection to your activities will impact your ability to proceed. Adaptive reuse also allows organisations to experiment with a range of uses. However, when a temporary use change becomes permanent, physical modifications are often needed to comply with the relevant regulations for that use.

If the building is heritage listed, specialised heritage architecture assessments are needed, and the cost and complexity of maintenance and any renovation increase. If a building is heritage listed, an accurate valuation and full

insurance coverage becomes very important as you may not be able to demolish the building if disaster strikes.

The process of adaptive reuse has the potential to be highly responsive to community. After reopening their renovated workshop space, Hihiaua Cultural Centre discovered a significant community demand for event and exhibition hosting, leading them to give over one of their spaces to this purpose. The Incubator Creative Hub discovered that by taking a community-responsive approach they could grow with the population of Tauranga and be in a position to buy and adapt a building. Stephen Bain from the Old Folks Association described deliberately tailoring their level of building renovation to the community and purpose it serves. This recognises the licence that a more worn space might give to its users.

### Access to experience

The importance of having access to property management, and/or construction, development and/or building experience, is shown in the case studies through both presence and lack.

The advantages of in-house experience can be seen in the small-scale yet highly effective renovations undertaken by the Hamilton Citizens Band members who were tradespeople, and the smooth running of the ASB Waterfront Theatre construction through the offices of development professionals on the trust board.

In contrast, people who were ‘learning by doing’ reflected that they struggled with the big maintenance projects at the outset and made mistakes. More than one organisation mentioned the stress that a development or renovation project can place on a single staff member. Terms like “overwhelming”, “isolating” and “leading-to-burnout” were used. Suggestions included not doing it alone, having other staff or trustees support you, separating the work into small manageable jobs, and recognising where building hazards can be safely managed in the interim.

### Leaving it in public hands?

There was a considered recognition of the advantages of leaving large infrastructure in local government hands, particularly if the core purpose of an organisation is the creation and presentation of work. Local government has access to inhouse expertise, economies of scale and rates revenue to support the infrastructure they build.

## Raising the money

The organisations selected for case studies had all successfully raised funds for their property project.<sup>62</sup> As such they all attest that there are funding mechanisms available to support building maintenance, renovation and construction. They were also all relatively confident in their ability to secure the necessary funding. Interviewing unsuccessful organisations may present a different picture. Despite their success, none of the organisations suggested that raising the funding was a trivial process. As Janet Heteraka of Hihiaua Cultural Centre points out, undertaking a multi-million-dollar redevelopment takes courage and persistence.

The more complex and expensive the project is, the wider the funding net must be cast. A modest recarpeting, repainting, asbestos removal or re-roofing project might successfully raise the money from one or two sources. This could be from local government; a Department of Internal Affairs administered fund; a regional charitable foundation, community-owned energy trust or local class four gaming trust (if an organisation's funding policies allow); private philanthropy; or through community fundraising. A complex development needs to draw on all of these sources. The capacity of an organisation to secure these large amounts of money is influenced by the inherent wealth of a region and the level of competition for the same funds.

As Naomi McLeary, who was instrumental in establishing McCahon House, reminds us, many funders prefer to be involved from an early development stage. This means having a clear vision of what you want to achieve, but leaving space for the funders to work out 'the how' with you. Both Jo Randerson (Vogelmorn Community Group) and Sean Curham (Auckland Old Folks Association) discussed the advantage of having a wide group of users, beyond the arts, to securing funding. Finally, both Richard Edgecombe (Hamilton Citizens Band) and Lester McGrath (Auckland Theatre Company) emphasised the importance of being able to tell a story about the bigger picture of the building beyond its primary use, reaching out into community and economy to create opportunities.

The Auckland Theatre Company (through the Waterfront Theatre Trust), Hihiaua Cultural Centre, McCahon House, and The Arts Centre had all undertaken multi-million dollar development projects. None of these organisations downplayed the effort and time it required to secure millions of dollars of funding.

## Securing that first piece of seed funding

A number of organisations emphasised the importance of securing that initial seed funding or investment that allows them to begin the project. This includes developing the business case, undertaking the heritage architecture assessment, and designing. As Edgecombe attests, being able to plan your modifications well and get them right for your needs sets you up for the long term. Pre-build planning also includes costing the build or renovations, and undertaking all the local government planning, assessment and compliance processes. For Hihiaua Cultural Centre, having this in-hand meant they were eligible for funding when a 'shovel ready' opportunity arose.

## It takes more time than you think

A common theme is that fundraising takes time. Despite Auckland Theatre Company's initial confidence they could raise the money in a year, it took them five years to piece together the full funding package. Hihiaua Cultural Centre took ten years to raise the money for stage one. In retrospect Heteraka believes they should have asked for more money at the outset, but inexperience led them to be modest in their requests. Construction prices continue to rise over the fundraising period so the faster an organisation raises the money, the less they have to raise. In addition, over long fundraising periods, organisations report having to repeatedly go back and secure the early funding commitments, either through negotiation or repeated compliance reporting. This can create additional costs for the organisations that they are not resourced to meet. As you get closer to your goal, funders and philanthropists become more confident. In McGrath's words "people want to support something that's successful."<sup>63</sup>

## Commercial or private finance

Only one of the case study organisations reported using any kind of commercial finance, such as an investor or commercial property loan. The ASB Waterfront Theatre Trust secured a shareholding investment – from AUT, a tertiary education provider – in their subsidiary, limited liability company. The rarity of this kind of investment is most likely due to arts organisation's revenue structures being focussed on making a social profit or impact while financially breaking even. But it may also be a by-product of commercial investors and finance providers not being familiar with arts and social impact organisations and therefore perceiving them as risky.

In 2017 Foundation North commissioned research on impact investment which included a discussion of a range of forms of investment including patient capital and its potential role in Aotearoa.<sup>64</sup> While patient capital is an investment instrument, not a grant, it tends to be invested over a longer time period with lower (often below market) interest rates or financial returns.

As its name indicates, the ASB Waterfront Theatre also took advantage of concurrent development in the same city block to secure corporate sponsorship in exchange for both naming rights and facilities sharing.

The restoration of Te Matatiki Toi Ora The Arts Centre, after the Christchurch earthquake, was also enabled by investment. In their case, it was through strategically investing their \$136 million insurance payout and using income from the investment, instead of capital, where possible. Very few arts organisations will experience both such disaster and opportunity, but it does demonstrate the value of an endowment or investment fund.

At the opposite end of the fundraising spectrum, GCUR has been entirely enabled by a small-scale private investment by its owners.<sup>65</sup> Frank Stark points to the important role this kind of private investment in infrastructure can have in creating opportunities for the wider community. From owner-created artist residencies in baches and back-of-the-garden small dwellings, to galleries in houses and garages, private owners have been creating peer-to-peer arts infrastructure for some time. Incubate Tauranga also benefited from a form of private capital support – securing a rent-to-own arrangement from the building owner.

## Costs we could work to minimise

### The land cost

A number of the buildings discussed are on council-owned leasehold land. There was a range of leasing approaches from the different councils. Some offered very short ground-lease periods of 10 years, others longer 25-, 33- or 99-year leases. The length of a lease can be a factor for a funder, and longer terms are more attractive for them.

Similarly, some organisations said their councils gave them very favourable rents, of as little as \$1. Others flagged that their ground rents are a significant cost that impacts their financial operations. Generous lease terms, peppercorn ground rent, and rent and rates rebated as grants are ways local governments can support asset ownership in the arts. When they don't give good terms it makes things harder. As McGrath puts it:

“We knew [from] other theatres around the world, when the land had been contributed, it could be viable. If you had to pay for the land, either in terms of a ground lease or in terms of a purchase, it just cripples the project”<sup>66</sup>

As Phillip Aldridge (The Arts Centre) points out, there is often a tension between location affordability and location accessibility. Land is cheaper on the outskirts, or as Stark and Bugden discovered, in another town. Affordability, existing civic infrastructure, and the size of the local creative community are integral aspects people should consider when deciding on location.

### Insurance

The cost of insurance has been steadily increasing in response to a significant uptick in ecological disasters worldwide. Because of this, insurance is taking up a larger portion of operating budgets. Building-owning organisations are having to make hard decisions about if they insure and to what value. Te Matatiki Toi Ora The Arts Centre in Christchurch is a significant example of the value of an accurate valuation and full insurance. However their payout did not cover all the rebuild costs, even with the income from investing it. At the other end of the spectrum, GCUR chose not to insure their old wooden hall recognising that if disaster struck they would not rebuild the same structure. Alleviating the cost of insurance would free-up significant operating budget for arts organisations.



## Ongoing operating models

Most organisations had a mixed revenue model that included revenue from some or all of the following:

- Leasing
- Short-term hires
- Public, trust and foundation funding
- Community fundraising
- Ticket sales
- Income from hospitality

Lease and hire costs are mostly charged on a sliding scale, from market rent to community rates. Setting a balance between accessibility and income is both a practical and ideological decision. As Bain points out, when reflecting on the Old Folks Association's deliberating on affordability decisions, each financial model of operation has its own limitations. Setting market rents narrows who is able to use a space, but setting low rents means you can't build reserves or a maintenance fund (without another source of funding).

Both the Auckland Theatre Company and Te Matatiki Toi Ora The Arts Centre identify that it is challenging to cover their buildings' operating and maintenance costs through only rental income. Our current arts funding models do not provide adequate options for organisations whose primary business is providing arts infrastructure. Both organisations advocate factoring ongoing operational costs into your development fundraising process, seeking commitments for ongoing operational funding from your funders and stakeholders, and locking in commitments from multi-year anchor tenants.

## What entity owns the property?

Apart from the individually-owned GCUR, all of the buildings were owned by trusts, societies or companies. Most have for-purpose restrictions on their operation and asset disposal.

### Just one, or many?

Most of the organisations operated as only one entity. But some had chosen to strategically create subsidiary and sister organisations. The most complex structure was created by the ATC, which established a separate charitable trust to raise the money for the Waterfront Theatre. The theatre itself is owned by a charitable purposes company with only two shareholders, the Waterfront Theatre Trust and AUT. This represents a strategic approach to both fundraising and asset ownership and operation. A separate charitable trust allowed the ATC to separate raising money for the building from raising money for the theatre company. It also protects one company against the failure of the other. However, they found that the separation is not always obvious to the public, and can confuse funders.

The Incubator Creative Hub Tauranga took a similar approach, creating a new company to hold the property they own, with the trust leasing the building off the company. This allows them to raise the money for the rent, and later the maintenance fund, through revenue from the building.

### Making sure the humans are alright

It is a conventional piece of advice: fill your board with trustees who have skills that will benefit your organisation. But it is worth restating as development projects benefit from board members with relevant experience. An organisation with a broad membership base is more likely to include more of the skills the project needs in order to thrive, from construction skills to funding applications expertise to cultural and imaginative capacities. Simone Anderson (The Incubator Creative Hub) strongly advises ensuring new trustees understand and support the way your organisation operates. Guidance documents and trustee induction processes should reaffirm that understanding.

Property projects are complex and stressful and human relationships are at the heart of them. Randerson pointed out that community organising involves negotiating complicated relationships and historic conflicts, and hanging on in there despite them. Heteraka emphasised the importance of being able to compromise with other trustees and maintain relationships when decisions don't go your way.

### The glaring lack of building ownership in non-Pākehā arts communities.

When I started this research I was aware of a disparity in asset ownership between Pākehā and Māori arts organisations due to the structures and inequalities created by colonisation. As I stated in the introduction, it is important that Māori led research into the extent of this disparity – and the significant work iwi, hapū, and kaupapa Māori organisations are doing to change this – is supported. What I hadn't actively considered was the extent of the disparity in arts-specific asset ownership in other non-Māori, non-Pākehā arts communities in Aotearoa. This disparity was brought home to me when I went looking for asset owning organisations to interview.

The case studies were identified through a combination of media searches and advice from members of the arts community. When I reached out to members of the Pasifika arts community, they struggled to identify organisations that unambiguously own their buildings. One person I consulted pointed out that Pasifika communities didn't have access to the kind of generational wealth or investment that could enable ownership of land and buildings. Only 21% of the community own their own house. The most visible Pasifika-owned arts assets are privately held: the Kim Meredith Gallery, that opened in June 2023 in the front room of Meredith's private residence; and a rehearsal studio built by Black Grace founder and chief executive Neil Ieremia out the back of his house in Swanson, that I am told he built to address access issues to appropriate space for Black Grace dance rehearsals.<sup>68</sup>

In many communities faith-based organisations and cultural associations are providing vital built infrastructure for the arts, housing church brass bands and choirs as well as teaching and presenting traditional art forms. However, I was unable to easily identify any solely arts-focused buildings owned by other non-Māori, non-Pākehā arts communities in Aotearoa. Further research into and action on arts facility ownership in minority communities is warranted.



Blacksmith Studios, The Incubator Creative Hub,  
The Historic Village, Tauranga

# The Challenge

The nine case studies that inform this report demonstrate that property ownership in the arts sector is not only viable, but transformative, enabling arts organisations to thrive and lead in their communities. They also reveal the challenges that come with property ownership and how to address them. Through the stories they share, the case study interviewees are describing strategies and tactics that we can learn from and repeat to increase building ownership in the arts.



Parehuia, the McCahon House Residence. Photography by Patrick Reynolds

The international examples I discuss in the section titled ‘The picture overseas’ illustrate successful models of community-based asset development and management. There is no reason we can’t develop our own world-leading models here in Aotearoa.

Significantly, what all of the examples demonstrate is that artists and community members have immense capacity to run their own spaces. In the words of Jo Randerson from the Vogelmorn Community Group, “we are way more capable than we give ourselves credit for.”<sup>69</sup>

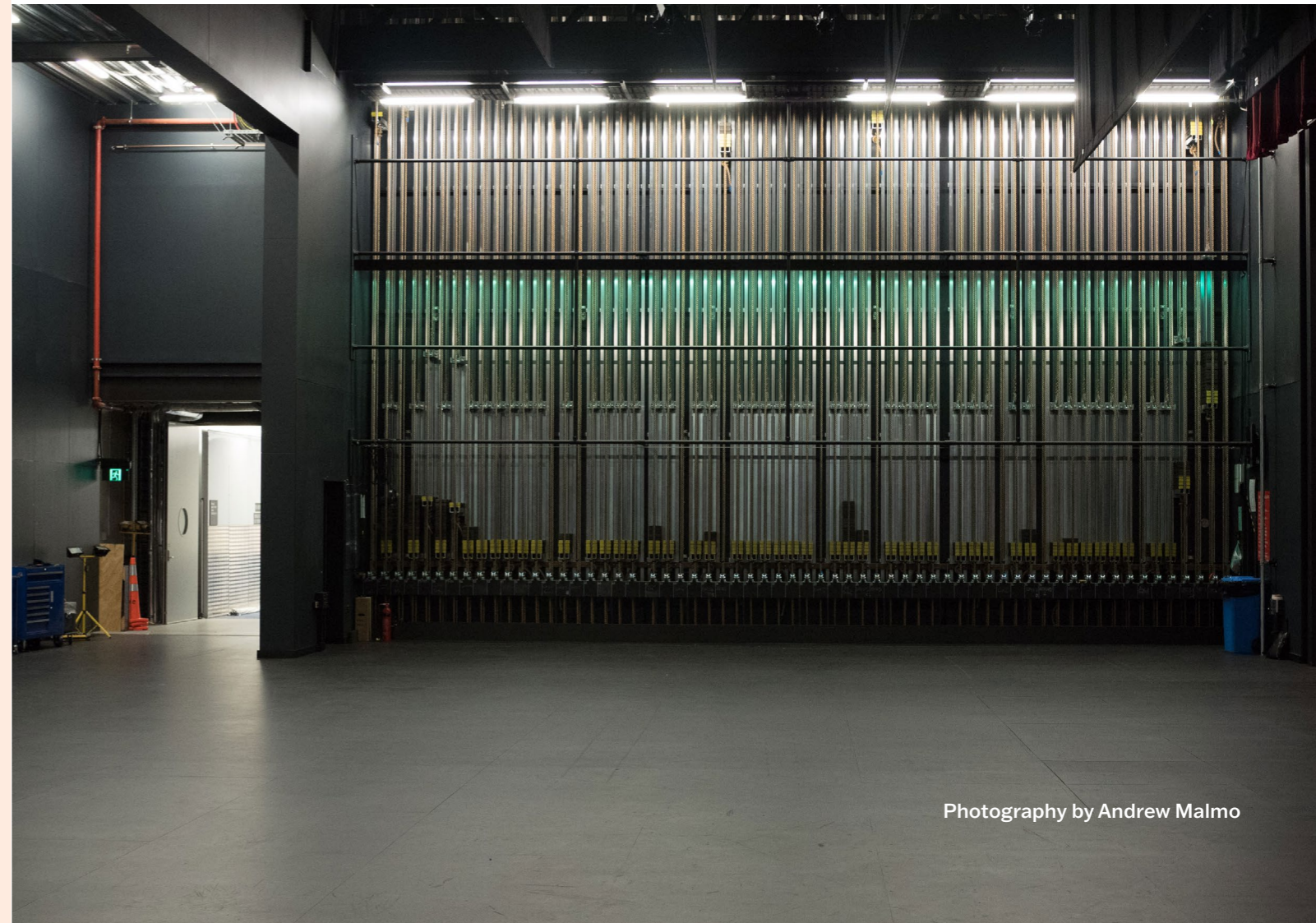
In the recommendations section of this report on page 19 I outline ways in which we – the arts sector, central and local government, and the philanthropic sector – can collectively act to enable stable spaces for the arts. I urge you to re-read them and pick up your part of the wero they lay down.

# Appendix One: Condensed Case Studies

Extended versions of these Case Studies can be found in the document **Nine Approaches to Buildings** on the Stable Spaces website.

## A building fit for the work: Auckland Theatre Company's ASB Waterfront Theatre

<b>Model:</b>	A new fit-for-purpose building on leasehold land with a deferred lease payment
<b>Built:</b>	2014 - 2016
<b>Key enabling factors:</b>	A new local government body looking for a signature project; existing, clear needs analysis and business case for a new theatre; high-skill trustees with experience in property development; ASB Bank relocating its Head Office to the Wynyard Quarter; a high-profile successful arts organisation with a loyal following
<b>Key stakeholders:</b>	Auckland Council, Waterfront Auckland (now Eke Panuku), Auckland Theatre Company (ATC), ASB Bank, AUT, Foundation North, the Lion Foundation, NZ Lotteries Grants Board, ATC-subscriber base and Creative NZ
<b>Legal protections:</b>	Two Limited Liability companies with Charitable Purposes owned by Charitable Trusts which allow for the financial separation of the program from venue operation



In 2008 the Auckland Theatre Company (ATC) secured permanent rehearsal space in Mt Eden and began working towards the vision of also securing their own theatre. The vision was driven by ongoing difficulties in securing bookings for their annual program in appropriately sized, professionally-run theatres that could deliver the theatre experience ATC prided themselves on. At the same time the Auckland City Council undertook a needs analysis for theatre in Auckland, identifying gaps in both small and mid-sized venue provision. Council was already investing in the creation of Q Theatre to address the top end of the small venue provision for the independent sector, leaving ATC to pursue a vision for a 600-to-700 seat theatre.

Working with Waterfront Auckland – the council-controlled organisation responsible for managing and developing Auckland’s inner waterfront – ATC identified a site in Wynyard quarter, an area undergoing intense redevelopment. This was aided by architect and ATC board member Gordon Moller, who was sitting on the Auckland Waterfront Development Technical Advisory Group at the time. Seizing the opportunity presented by the newly amalgamated Auckland Council, and by an existing sponsor – ASB Bank – moving its Head Office to the Wynyard Quarter, the ATC pitched the concept of the ASB Waterfront Theatre to the Auckland Council governing body as their first major project for the “Super City”, securing a 99-year ground lease with deferred payment and a \$10 million investment commitment. The ATC then formed Waterfront Theatre, a separate company and trust structure to realise the build, appointing experienced property developer Matthew Cockram as its chair. Moller and Cockram’s combined experience ensured the build went to market for a fixed-price contract and came in on time and within budget.

To make this happen the ATC raised \$36 million: “\$17m from the central and local Governments, \$7m from charitable trusts and foundations, and \$12m from AUT, corporate partners and private donors.”<sup>70</sup> The fundraising campaign was supported by a business case which provided funders with multiple reasons to support it, from its predicted impact on the local economy to benefits for the performing arts and other social and cultural benefits. For ATC’s 2007-2019 general manager Lester McGrath, who led the process, “being able to tell a story that enhances the work or the DNA of what you’re doing and that wider public good” was key.<sup>71</sup> The fundraising was ongoing over the entire build process, reflecting the need of some donors and funders to see a project underway before they could support it. To achieve the goal, the ATC mobilised its subscriber base to lobby local government to continue to support the initiative (as well as to donate their own money).

The theatre occupies a small footprint in Wynyard Quarter adjacent to ASB’s Head Office, with the auditorium on the first floor rather than the ground floor to allow everything to fit onto the site. The purpose of the building project was to create an auditorium designed primarily to support spoken live-theatre performances and to create an entire theatre (including front-of-house) which also delivered the rest of the ATC high-quality theatre experience for patrons. Key to this was ensuring the audience’s journeys

from outside the building to foyer to auditorium - and the relationship of the audience to the stage - were the best they could be, to create a high quality, pro-social, enriching audience experience even before the performance began.

Once operational, the theatre worked towards generating the revenue required to cover its operations, filling four months of the year with ATC productions and building a hire model incorporating a range of corporate, performing arts and community rates, finding ways to keep the last rate as low as possible. Aside from the targeted venue fund from the Covid recovery budget, the ASB Waterfront Theatre has had to raise its operational budget from hires as there is a general reluctance amongst funders to fund venues.

In addition to solving the availability and scale issues, having a home venue has brought a number of benefits to the ATC program. In the words of Head of Strategy Natasha Pearce:

“It creates the opportunity for us to have a broader canvas that we can use to decide what it is we want to put on, the partnerships we want to do, and how we want to stage them.”<sup>72</sup>

The ATC is able to stage ambitious productions while improving their ability to plan and budget for them.

Despite the success of the ASB Waterfront Theatre neither Lester McGrath, who led the project, nor Pearce think owning a building should be a default position, instead advising that it should only be undertaken if there is a clear need or gap. First look around at what is available and whether you can have the appropriate usage of it.



## The private purchase of a town centre: Gonville Centre for Urban Research

Model:	Private investment(s) in semi-private and community spaces
Acquired:	2020
Key enabling factor(s):	Real estate price differences between urban centres. Adaptive reuse strategies.
Key stakeholders:	Frank Stark, Dr Emma Bugden, Mitchell-Anyon family
Legal protections:	Fee Simple Title

In 2016 Frank Stark and Emma Bugden moved to Whanganui from Wellington. Initially it was a temporary move for Stark to take up the role of director of the Whanganui Museum while Bugden wrote her PhD. However, once Bugden submitted her thesis, she secured the role of Strategic Lead, Creative Industries, at Whanganui & Partners, Whanganui's economic development agency. At this point Stark and Bugden made a long-term commitment to Whanganui, and invested in the Gonville town centre and created the Gonville Centre for Urban Research (GCUR).

The Gonville town centre was a municipal complex consisting of a fire station, swimming baths and town hall, all initially built in 1911. In 2005 the Whanganui District Council closed the buildings and put them up for sale. They were purchased by potter Ross Mitchell-Anyon and Bobbi Magdalinos.





Mitchell-Anyon had a long track record of buying Whanganui heritage buildings to prevent their destruction and either reselling them to like-minded individuals or repurposing them for rental to other artists.

Stark and Bugden's purchase of the Gonville town centre in 2020 was made possible by the difference in property values between Wellington and Whanganui. However, it is not just the affordability that made creating a self-funded cultural organisation viable. Whanganui was established as a port town and built a significant amount of civic infrastructure in its early years, giving it amenities disproportionate to its current size. It also possesses a large and active arts community. Stark recommends people consider all three of these elements – affordability, civic infrastructure and creative community – when relocating to enable creative stability.

Since buying the town centre, Stark and Bugden have: subdivided off and sold the fire station; built a new dwelling within the pool complex; and restored parts of the pool buildings to allow for a residency space for visiting artists and researchers, a library and a working space for GCUR fellows and associates. The residential modifications that Ross Mitchell-Anyon had made to the old Town Hall have been reversed, and the hall stage has been restored to its original rake, allowing it to be hired for a range of community activities, exhibition projects and live performances. Many of the renovations have been done on a shoestring budget with a focus on adaptive reuse, recycling materials left over from the build of Stark and Bugden's house.

Stark and Bugden have chosen not to pursue public funding for GCUR. For Stark, after a career in publicly funded organisations he is "exhausted about public funding. I'm attracted, not to replacing it with the grand-scale high-net-worth individual philanthropy, but to just guerrilla-operating on zero budget, away from the obligations that public funding brings."<sup>73</sup> However, he also recognises that as GCUR grows and changes they might end up creating a public institution through the projects they take on and the structures they institute. For example, currently Stark is mulling over how the Town Hall might be run by an independent not-for-profit organisation.





## Getting it right, once: Hamilton Citizens Band

Model:	Leasehold land
Bought:	1993
Key enabling factors:	Money invested from prior property sale, society members who were professional tradespeople, volunteer labour, significant grant from Hamilton City Council
Key stakeholders:	Hamilton City Council, society members
Legal protections:	Incorporated Society legislation and the Hamilton Citizens Band society rules, 20 year leasehold period.

The Hamilton Citizens Band was formed in 1935 by members of the Waikato Regimental and Hamilton Municipal Bands. At some point, before the end of the 1950s, the Hamilton Citizens Band acquired a property on the Waikato River for their band rooms. Then, in 1974 the Hamilton City Council decided to build the Waikato Museum on the river's bank and bought the site from the band for \$25,000. The band invested the money and began a shared occupation, with a playcentre, of a council-owned building off Peachgrove Road. It took almost 20 years from the sale of their old band rooms for the Hamilton Citizens Band to acquire a new property. In 1992 they used their invested money to buy a former tennis club bungalow on Clyde St, opposite Clyde Park, with a 20-year ground lease from Hamilton Council.

Once they bought the property, Hamilton City Council provided a further \$60,000 to support major renovations of the former tennis club rooms, including raising the roof, relocating the toilets, putting in a better kitchen and converting rooms to secure storage. According to current society president Walter Genefaas, a team led by society member Richard Edgecombe "did the hard work and the smart work in 1993. And since then it's just been incremental changes."<sup>74</sup> The work in 1993 was mostly done by volunteers led by society members who were tradespeople. Only the heavy work, such as raising the roof, was contracted out. In 2023, the society contracts all the major maintenance work due to changing safety standards. They raise the money to do the work through smaller grants from community trusts, fundraising and private donations.

The band rooms were renovated with a single use in mind: band and orchestra rehearsals. They leave the rehearsal room set up for their needs and rent it to other local bands and orchestras when they don't need it. A dedicated space removes a key frustration of shared space use – having to pack away the equipment – and enables the society to invest in bigger instruments like the timpani (which would otherwise be difficult to store and move).

To Genefaas's mind, in addition to being able to set up the building in the way the society needs, owning a building also provides for social and community stability. The Hamilton Citizens Band has members who have been playing with the society their entire adult lives. Being able to be consistently in one place supports this longevity of participation. The pride the members take in their building ensures that it is kept clean and looked after. There is a community-initiated cleaning roster and a standing committee item 'Buildings and Maintenance'. Each month, Edgecombe reports to the society committee to ensure the maintenance is managed. As the society undertakes maintenance, they tweak the set-up, for example extending the new carpet up part of the wall to dampen reverberation.



## Doing it in stages: Hihiaua Cultural Centre



**Model:** A staged development of an entire point of land, involving the renovation of an existing building and the construction of new buildings, supported by asset transfers and long-term leases by local government

**Stage one completed:** 2019

**Key enabling factors:** Support from local government, establishment of the Provincial Growth Fund, building purchase for \$1, architects experienced in community projects

**Key stakeholders:** Whangārei District Council, tohunga mahi toi, trustees, local community, local hapū/iwi, Kānoa, Ministry for Business, Innovation and Employment

**Legal protections:** Charitable trust deed, leasehold with a 33-year lease with two rights of renewal



The organisation discussed in this case study is midway through a multistage development project. They have completed stage one – a renovated building and waka store – and are actively working on stage two.

In the early 2000s, Te Warihi Hetaraka (Ngāti Wai, Tainui, Ngāpuhi), a tohunga whakairo based in Whangārei, was undertaking a number of civic commissions with his students and needed a place to work. A Councillor on the Whangārei District Council offered Hetaraka the keys to an unused yacht building shed on the Hihiaua Peninsula. Although the building was filthy and filled with boat-building detritus, the carvers were delighted with the new building and moved in, bringing waka, whale skeletons and wood with them.

The kaimahi using the building quickly dubbed it “The Shed” and welcomed visitors. People would come and sit and watch while they worked, and schools and preschools would bring their classes down to look at the work in progress. Recognising the value of what had formed around The Shed, the whakairo group established the Hihiaua Cultural Centre Trust (“Hihiaua”) in 2008 as a vehicle to grow public engagement with, and knowledge of, toi Māori and mātauranga Māori, both locally and nationally by creating “centre of excellence” for toi Māori. In the words of Janet Hetaraka (Ngai Tahu, Waitaha, Kati Mamoe) – the Trust’s secretary – the Hihiaua Cultural Centre was created “by Māori for everyone” with a focus on building cross-cultural understanding.<sup>75</sup> Underpinning all the activity of Hihiaua is a kaupapa of reclaiming, restoring, and renewing.

With funding from Te Papa, Hihiaua were able to work with contractors to scope the opportunities that would be created by transforming The Shed into a centre of excellence and develop a business plan to take advantage of them. From there, they undertook a tender process to identify an architect to design a cultural centre for the Hihiaua peninsula. Moller Architects led the winning tender with a three-stage design. Stage one renovated the shed for a wide range of toi activity and added a waka store and launching gantry. It was completed in 2019. Stage two is a proposal for a performance complex with an arrival area and outdoor and indoor spaces suitable for large-scale kapa haka events and other performances. Stage three proposes a custom exhibition space fitted between the performance and carving spaces.<sup>76</sup>

When Hihiaua received the plans from Moller Architects in 2009, they anticipated it would take them 18 months to raise the money for stage one. However, it took ten years to secure the funding and complete the build. They had commitments of \$500,000 from the Whangārei District Council, and \$675,000 from Foundation North, but it wasn’t until 2018, when the central government’s Provincial Growth Fund was established, that Hihiaua was able to secure the final required \$1 million. Once the renovated shed reopened, the community quickly adopted it for events, exhibitions and wānanga.

The kaiwhakairo ceded the front open workshop to community use, using the enclosed back workshop and outdoor areas to work.

Moving forward with stage two, the Whangārei District Council committed \$5 million over the ten year plan and disbursed \$1 million to the Hihiaua trust to enable preliminary works to proceed. This included paying for the geotech, fire, audio and sound reports, and the resource and building consent process. Having the reports and some consents in hand allowed the district council in 2020 to put the project forward to the COVID-19 Response and Recovery Fund, administered by Kānoa (the unit within the Ministry for Business, Innovation and Employment which also looks after the Provincial Growth Fund). They requested \$13 million from Kānoa, but only received a commitment for \$3 million. The Whangārei District Council also resolved to sell The Shed and another building on the peninsula to the Hihiaua trust for \$1, and began the community consultation process to be able to issue the Hihiaua trust a 33-year lease with two renewals for the bulk of the land on the Hihiaua point, where stage two and three will be built.

The Hihiaua trust have received significant funding from the Whangārei District Council and Kānoa for stage one and stage two - and they benefit from ongoing support from the Whangārei District Council, Te Puna Tahua (New Zealand Lottery Grants Board), Foundation North, Te Puni Kokiri and Toi Ngāpuhi. However, it is not easy to secure the full \$20 million they need to build stage two. They are trying to raise a large amount of money in an area without the kind of wealth that supports private or corporate philanthropy, or iwi funding. As they work on securing the remaining \$12 million, they are incurring the cost of monthly reporting on the not-yet-disbursed Kānoa funding.

The vision of the Hihiaua Cultural Centre was first laid down by some of the kaumatua and previous mayors of Whangārei. Realising the project has taken courage. Janet Hetaraka states that as a Māori-led organisation, the Trust have had to be twice as good as non-Māori-led organisations to secure support. However, they have built very strong relationships with councillors for whom they are a bridge to the Māori world. Her advice for both internal board relationships and external relationships in complex political environments is to not let disagreements get in the way of realising a building:

“Keep your eye on the goal, don’t get stuck in what could have been or the past. You know, like, bring all that with you, but keep moving forward. Keep creating good relationships. Even when they’re hard, when political colours change. Politicians come and go.”<sup>77</sup>



18mm Thickness Planer

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## The two Waitākere City Council acquisitions: McCahon House and Shadbolt House

Model:	A strategic acquisition by local government of culturally significant buildings with the intention they be developed into new arts infrastructure by independent trusts
Acquired between:	1997 and 2006
Key enabling factors:	A supportive council and staff leadership
Key stakeholders:	Elected members, council staff, trustees, and the family of the artist/writer (other stakeholders include neighbouring residents)
Legal protections:	Charitable trust deed and Memorandum of Encumbrance

The success: in 1997 the Waitākere City Council (West Auckland) started the process of leveraging its financial resources to enable the development of a piece of significant local arts infrastructure. The Council first speculatively purchased the empty lot beside the McCahon cottage in French Bay. The primary intention was to preserve the integrity of the view from Colin McCahon's former residence. But they undertook the purchase with the awareness that the McCahon property was likely to come up for sale in the next decade. Indeed, in 1997 they began discussions with the owner – Jacqueline Amoamo – and finalised their purchase of the McCahon property in 1999. The two sites were bought with the intention to gift them to a yet-to-be-established independent arts organisation.

Waitākere City Council arts manager Naomi McCleary (MNZM) then led the establishment of the independent trust and worked with the trustees and McCahon family to formulate the future direction of McCahon House. This trust took possession of the two sites in 2003 under a Memorandum of Encumbrance which preserved the charitable purposes of the land gift into the future and required the return of the property to the Council if they ceased to be met.

With a clear program vision, and a heritage architecture assessment, the McCahon House Trust raised \$2.5 million to restore the McCahon cottage, establish a McCahon education centre, and build Parehuia – a new residence and studio – to support an artist residency program.. The residency program is now in its 16th year, the initial strategy of property purchase and gift having enabled the formation of a stable and nationally renowned program that benefits the visual arts in practical ways.

The as-yet-unrealised repeat: Building on the success of the McCahon House process, in 2004 the Waitākere City Council began discussions with the Shadbolt family about acquiring writer Maurice Shadbolt's former residence for a heritage and arts purpose. The acquisition was finalised in 2006 and a range of opportunities for its future use were explored. Unfortunately its use was not settled by the time the Auckland Council Super City transition process commenced and so the transitional authority rejected Waitākere City Council's proposal to transfer Shadbolt House to an independent trust and instead absorbed the property into the new Auckland Council's commercial holdings.

Without the active support of council staff, which made McCahon House possible, progressing the Shadbolt House initiative meant a 12-year fight to secure political support from elected councillors and acquire an agreement to lease to an independent arts trust to enable even the first steps to take place – raising the funding to undertake a heritage architecture assessment and restore the house.





## Trust through service over time: Auckland Old Folks Association Coronation Hall

its building to a newly formed committee of creatives under the leadership of Curham, and stepped back from the administration of the society.

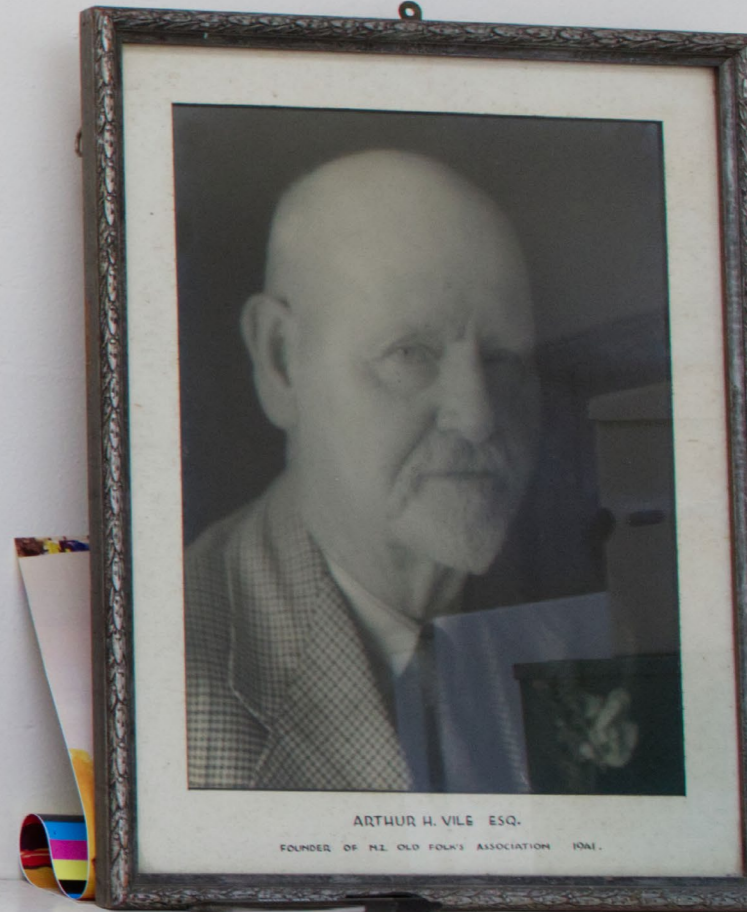
Curham led the process of raising funding for building renovations including a roof replacement, learning hard lessons about dodgy contractors and the need for a community of support and strong governance around a renovation process. Eventually he stepped back from leading the Society, passing the reins to new Society members from the arts and community who are aligned with the vision of providing affordable creating space for performing and experimental arts, and exploring the idea of alternate support structures and value systems in the arts.

Model:	Society membership transfer
Handover:	2012
Key enabling factors:	Trust built over time
Key stakeholders:	Society membership, performing arts community
Legal protections:	Incorporated Society legislation and Society rules

Performance artist Sean Curham began hiring the Auckland Old Folks Association Coronation Hall in the early 2000s, slowly building a relationship with the elderly Society committee. He became creatively interested in their rituals and social events, and started supporting their activities, by becoming their go-to person to handle maintenance and logistical problems. Since its heyday in the 1950s Society membership had undergone a significant decline, and the current members were ready to relinquish responsibility for the building.

Due to the culture of trust established over a ten-year period, the Society committee chose to pass the responsibility for the Society to Curham. This was made possible by a rule change that opened up the Society to any age, and additions to the purposes of the Society, modifying them to support the arts and preserve the heritage of the Society. Once these legal changes had been achieved, the then-committee handed the running of the Society and





## Rebuilt twice: Te Matatiki Toi Ora The Arts Centre, Christchurch

Model:	Gift of land and heritage building to a trust which rents to arts, creative and hospitality organisations, creating an arts complex
Acquired:	1979
Key enabling factors:	An original land gift by government for education purposes, later re-gifted by University of Canterbury to a trust. A high-skill steering committee with a vision for an arts centre. Adequate insurance cover
Key stakeholders:	University of Canterbury, people of Christchurch, national and local government, charitable funders
Legal protections:	Incorporated Society, followed by Charitable Trust; Trust deed amended by act of Parliament. Fee simple (freehold) land

This is an account of restoring and populating an independent, arts-led community centre – twice.

Te Matatiki Toi Ora The Arts Centre in Christchurch is a 23-building campus on a two-and-a-half hectare site in the centre of Christchurch. According to its current director, Phillip Aldridge (ONZM), The Arts Centre is “a community centre in a very grand setting.”<sup>78</sup> Over the last half-century, it has provided essential infrastructure for Christchurch arts communities inside its heritage-listed Gothic Revival architecture.

The campus was built between 1877 and 1929 on land bought in 1873 by the provincial government for Canterbury College (now the University of Canterbury). Between 1957 and 1974, the university slowly relocated its departments to a new campus in Ilam. As the campus emptied out, the Christchurch arts community began to actively discuss the proposition that the campus could become a centre for cultural activity.

In 1971 a variety of interested groups came together to form a steering committee to further the proposition. The University of Canterbury agreed with the concept and, in 1973, announced that it would gift the campus to the people of Christchurch for the purposes of an arts centre. The steering committee formed a sub-committee to develop a feasibility plan which demonstrated the value and economic viability of an Arts Centre and, in 1974, the Christchurch Arts Centre Association Inc. was registered as an incorporated society and ready to start operating the centre.

The campus was transferred to The Arts Centre in stages. First, at the end of 1974, the Christchurch Technical Institute (CTI, now Ara Institute of Canterbury) took on a two-year whole-campus lease and sublet half the campus to the Christchurch Arts Centre Association. The Arts Centre quickly leased all its spaces to local arts organisations and formed a waiting list for spaces. At the end of 1976 The Arts Centre became the head tenant and, in turn, sublet buildings to the CTI. At the end of 1977, the CTI moved out to its new campus and, over the subsequent year, The Arts Centre filled the newly vacant spaces. In 1978, the society formed a charitable trust to receive ownership of the buildings and, in 1979, the University formally deeded the buildings and all six land parcels on which they sat to the trust.

While The Arts Centre has, from its inception, sought to cover its quite significant operating costs through rental income, taking over the buildings meant taking on a large capital project. Over the twenty-year relocation process, the university had allowed the buildings to fall into disrepair. As a precondition of the gift, The Arts Centre had to not only demonstrate the concept was viable, but also secure a guarantee of \$250,000 from local government to ensure it could restore and strengthen the buildings.<sup>79</sup> The restoration was also enabled by the government’s Temporary Employment Programme and community support, including donated services from town planners, architects, engineers and lawyers.

Thirty-two years after the formal ownership change, on Tuesday 22 February 2011, a magnitude 6.3 earthquake caused severe damage in Christchurch and Lyttelton, killing 185 people and injuring several thousand. Despite ongoing earthquake strengthening, both when the Trust took over the buildings in the 1970s, and in 1989, 2004 and 2008, 22 out of The Arts Centre’s 23 heritage-listed buildings were badly damaged in the earthquakes. The saving grace was the recent property revaluation and increased insurance cover arranged by the director at the time – Ken Franklin. A quick insurance settlement, for \$168 million, meant that The Arts Centre could begin to rebuild. However, the full rebuild was projected to cost \$290 million. Through strategic investment of the insurance settlement to

generate income over the ten-year process, plus a concerted fundraising campaign, securing support from national and local governments, foundations, charitable trusts and private donations, The Arts Centre was able to restore 20 of the 22 “Historic Place Category 1” stone buildings. The remaining two buildings were stabilised for future restoration.

In many respects the 2011 Christchurch earthquake took The Arts Centre back to its 1970s position: having to raise money to restore the buildings back to full use; redefine its purpose; and reimagine its governance structure (through an act of Parliament). It also had to rebuild its rental base as almost all of its previous tenants had found alternative accommodation after the earthquake.

Currently, The Arts Centre is at full occupancy at market rents. However, as the annual reports show, market rents do not cover the operating costs of a heritage-listed campus and it operates at a deficit. Unusually for an organisation of its scale, The Arts Centre does not receive ongoing operational funding from either national or local government. Over time, as the capital fund was spent on restoration, its investment income reduced, and the need for funding has become more pressing.

Despite, or perhaps because of, being the director of the largest independently-owned arts complex in Aotearoa, Aldridge does not advocate for independent ownership of buildings by arts organisations. For him, while there is no one right model, if your purpose is the creation and presentation of art, and local government can and will provide the infrastructure, then let them. In his words:

“There’s not a lot of point in having the huge burden of owning multi-million dollar facilities from which you can extract very little money because you’re using it for the artistic purpose it was built for.”<sup>80</sup>



## Community responsive growth: The Incubator Creative Hub, Tauranga

Ownership Model:	Growth enabled by affordable rental spaces leading to the opportunity to purchase a leasehold building on the same site
Acquisition:	2023
Key enabling factors:	Incremental growth, underutilised area, trust over time, generous previous owner, Lottery grant
Key stakeholders:	Artist community, Tauranga City Council, private business owner
Legal protections:	Charitable trust, separate company to hold building, 10-year ground lease with right of renewal, rent-to-own model

The Incubator Creative Hub was established in 2013 when a small group of artists rented a run-down barn in Tauranga's Historic Village for artist studios. They quickly expanded their activities, in response to community need, to hosting exhibitions and gigs in a small central space. In the subsequent ten years, The Incubator has grown to a creative confederation housed across 16 buildings, one of which it has bought. It provides adult arts classes and a range of exhibition spaces, as well as subsidised studio space to incubate early-career artists. The Incubator also acts as a leaseholder on behalf of a number of established artists and community-focused arts organisations.

At the time The Incubator took on its first lease in The Historic Village, the precinct was run-down and slated for divestment. However, the arts-led revitalisation of the precinct led to its retention by council, and a renewed investment in the maintenance of the buildings. Unfortunately, after the buildings were restored, the property was transferred from a not-for-profit arm of Tauranga City Council (Community Development) to a commercial arm (Venues and Events), and the rents increased by 200%. Lease increases are an ongoing issue for all the arts and community organisations in the village, and something they are resisting by mobilising community advocacy.

The growth of The Incubator has been fueled in part by the fast-expanding population of Tauranga and the Western Bay of Plenty (over the last 25 years, Tauranga's annual growth rate has usually been faster than Auckland's). In addition to population growth driving demand for creative infrastructure, founder and director Simone Anderson sees The Incubator's rapid growth as a response to a post-pandemic-restrictions appetite for community connection and interest in creative activity.<sup>81</sup> All of The Incubator's activities have evolved from matching community demand to opportunity, leading it to become an agile and change-responsive organisation with a circular-economy kaupapa. Members share skills and volunteer to help run events, and they select trustees who are comfortable with both responsive, community-driven operation and wielding a tea towel.

In 2023, The Incubator was presented with the opportunity to buy a building in the village. Due to village zoning changes, the owner of the Montessori Preschool was no longer able to operate a preschool in the village. He relocated his business offsite but left his building onsite, continuing to pay his ground lease. The Incubator initially approached him to use the vacant space for their Matariki events and, from there, negotiated to buy the building. Here, their ability to operate as an agile organisation really paid off as they could immediately pivot to raising money to take up the opportunity. Striking it lucky with a funding round closing date, within three months they had secured \$300,000 through a grant from the Department of Internal Affairs (DIA) Lottery Community Facilities Fund. The conditions of the grant required The Incubator to raise the final third from other sources. The building owner enabled the purchase to go ahead by keeping a one-third stake in the building, to be paid off over time, using a rent-to-own model. Once the building is fully paid for, the intention is to pay a similar amount to the erstwhile rent into a maintenance fund.

Owning their own building, with a ten-year renewable ground lease, has immediately provided a sense of stability for the organisation, as well as giving it a stronger stake in the village. In an environment of rapidly rising rents, owning the building has also given The Incubator the ability to manage accommodation costs, and buffer their users against rent increases.

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## A community vision: Vogelmorn Community Group



Model:	Asset transfer with receiving group covering the subdivision and transfer costs.
Acquired:	2016
Key enabling factors:	Council closure of bowling green, emerging active community group, a trial period of running to build confidence, support from individual bowling club committee members.
Key stakeholders:	Vogelmorn community members, Vogelmorn Bowling Club, Wellington City Council.
Legal protections:	Ten-year enduring clause in the sale agreement which requires the transfer of the property to the Vogelmorn Foundation if the Vogelmorn Community Group failed within the first 10 years. Vogelmorn Community Group Charitable Trust deed. A trust wind-up clause requiring any assets be distributed for charitable purposes within the same geographic area as the Vogelmorn Foundation currently covers.





The Vogelmorn Bowling Club was forced to close its doors in 2014 after membership declined and the Wellington City Council, with the support of Bowls New Zealand, decided not to renew the lease for the bowling green. While the City Council owned the green, the bowling club owned the adjacent land which the clubhouse and greenkeeper's cottage were built on. Not wanting their assets to go to Bowls New Zealand, the club committee decided to create a new foundation, the Vogelmorn Foundation, to hold the profits from the sale of the land and buildings, and to disperse them to the community.

The Vogelmorn Community Group (VCG), which had formed out of an earlier piece of community space advocacy, put forward a counter proposal: gift the land and buildings to the VCG to be run as a mixed-use community facility. This proposal had a mixed reception. Some trustees were in support of it and others preferred the foundation solution. The final agreement between the bowling club and community group required the VCG to arrange and pay for the subdivision of the cottage from the clubhouse, with the cottage being sold for the benefit of the new Vogelmorn Foundation and the clubhouse being purchased by the VCG for \$1,000. The agreement came with a ten-year enduring clause requiring the building be returned to the Vogelmorn Foundation if the VCG ceased operations within that period.

The negotiation and transfer process was fraught, as some members of the bowling club committee were unhappy about the forced closure of the bowling club in the first place and sceptical about the viability of the VCG proposal. To manage this, the VCG strategically included former bowling club members as negotiators, while the arts people in VCG set about activating the space. The VCG drew on local residents with the relevant skills to survey the new property boundary and lay in new drainage at reduced rates. Members who could afford to do so collectively contributed around \$24,000 to pay for this work.

While the subdivision process was underway, Barbarian Productions took over the running of the building to demonstrate the feasibility of the community project. Jo Randerson (ONZM), from Barbarian Productions, had initiated a relationship with the bowling club a year earlier when she had negotiated a lease to use the men's changing rooms as the costume store for the company. From there, she had incrementally expanded her access to the building, giving truth to the proposition that "once you're in, you're in". In the six months after Barbarian Productions took on full management of the building on behalf of the VCG, they successfully got life into it through hiring it out for theatre projects and parties and for co-working office space, proving its viability to themselves and giving VCG confidence to proceed.

While the initial resistance of the bowling club to the idea of a building transfer was challenging, Randerson believes that their scepticism forced the VCG to really think through and advocate for their idea, which

contributed to its success. Now, after nine years of operation, the VCG has evolved a mixed-use and mixed-income model across the arts, community activity, and hospitality, with a range of long-term tenants, temporary hires and events. They are also contracted to manage the adjacent City Council-owned green space (formerly the bowling lawn) and community hall, forming a whole community precinct. For Randerson, the mixed use is integral to the project's success, both in terms of the strength and richness of the community that has formed around it, and the breadth of grants that are available to the VCG. With the intensification of cities, "I think that we don't have space for the whole single-use model anymore," she says.<sup>82</sup>

The bowling club building does have its challenges, including a 2017 notice from Wellington City Council advising that it needs to be earthquake strengthened. But the VCG has so far managed to find a balance between work that needs to be addressed immediately and issues that can be managed in the short term and repaired later.

The Vogelmorn Foundation has also been successfully operating for seven years, distributing the profits from the sale of the cottage within the Brooklyn, Mornington, Vogeltown, and Kingston areas of Wellington. The intention is to continue granting until all the money is disbursed and then wind up the foundation.

VOGELMORN BOWLING CLUB



## Endnotes

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## Acknowledgements

### The case study contributors

**Philip Aldridge**, (ONZM), is a British-born actor and arts leader who has been the chief executive of New Zealand's Matatiki Toi Ora The Art Centre in Ōtautahi/Christchurch since mid-2018. Prior to this, he was the chief executive of New Zealand's largest theatre company, the Court Theatre in Ōtautahi/Christchurch, and chairman of the Bank of New Zealand in Canterbury.

**Simone Anderson** is the director and founder of The Incubator Creative Hub. She has worked internationally as a curator, painter, muralist, and picture framer as well as in human resources.

**Stephen Bain** has directed and designed many original plays and performances since the early 1990s. He lives in Tāmaki Makaurau/Auckland where he works on community projects and public space performances. He holds a PhD from the University of Tasmania based on his research into public space through performance. Stephen is a committee member of the Auckland Old Folks Association.

**Emma Bugden** is the Strategic Lead Creative Industries and Arts at Whanganui and Partners. Her curatorial career spans twenty years and includes the Physics Room, Te Tuhi, City Gallery Wellington, The Dowse Art Museum and SAPE: Public Art. She has a PhD from Te Herenga Waka, Victoria University of Wellington.

**Paul Burgess** is a registered dental technician, former Vogelmorn Bowling Club Committee member and current Vogelmorn Foundation trustee.

**Sean Curham** is the former Chair of the Old Folks Association and a choreographer whose performances occur inside and outside the artworld. He received his PhD in 2010 from Auckland University of Technology. He has worked extensively in design, technical, production and lighting for theatre, dance and film.

**Richard Edgecombe** is a professional builder, 2nd baritone, and committee member for the Hamilton Citizens Band society.

**Walter Genefaas** is a Civil Engineer, Principal Cornet, and the President of the Hamilton Citizens Band society (at the time of interview).

**Janet Hetaraka** ((Ngai Tahu, Waitaha, Kati Mamoe) is a founding trustee and Secretary of the Hihiaua Cultural Centre Trust. She has had a long career in journalism, mediation and management in both the private and public sectors, and served on various committees and boards.

**Christina Houghton** is an artist and choreographer with a PhD from Auckland University of Technology. She lives in Tāmaki Makaurau/Auckland where she works in community and education settings and with the disability sector. Christina is a committee member of the Auckland Old Folks Association.

**Sophie Jerram** works with artists in community, government and academic roles. Following the Letting Space and Urban Dream projects, she completed a PhD in spatial commoning at the University of Copenhagen and Te Herenga Waka, Victoria University of Wellington. She is a founding trustee of the Vogelmorn Community Group in Pōneke/Wellington.

**Naomi McCleary** (MNZM) has worked in the arts and cultural arena for over thirty years. As Arts Manager for Waitākere City Council, Naomi developed a significant arts portfolio for the city. Naomi was the founding chair of the McCahon House Trust and Chair for 18 years. She is currently Chair of the Waitākere Arts and Cultural Development Trust (trading as Corban Estate Arts Centre) and the Going West Trust.

**Lester McGrath** was the General Manager and then Chief Executive of Auckland Theatre Company between 2007 and 2018 and the Executive Director of the Royal New Zealand Ballet between 2019 and 2022.

**Natasha Pearce** is the Head of Strategy for the Auckland Theatre Company, with a broad background in arts administration having worked with some of Aotearoa's leading cultural institutions, including Te Papa, Markham Arts, DANZ and the Auckland Philharmonia Orchestra.

**Jo Randerson** (ONZM) is an award-winning writer, director and performer. They are the founder and artistic director of Barbarian Productions and founding trustee of the Vogelmorn Community Group.

**Frank Stark** is a former director of the Crafts Council of New Zealand and the Whanganui Regional Museum. He was the founder and Chief Executive of the New Zealand Film Archive, Ngā Taonga Sound and Vision. He is currently the Executive Director of Heritage Associates and a director of the Gonville Centre for Urban Research.

## Advisors

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**Molly Mullen** is a senior lecturer in applied theatre at Waipapa Taumata Rau, University of Auckland. She is an ethnographic researcher with a particular interest in the diverse economies of applied theatre and community-based arts practice.

Writer and filmmaker **James Littlewood** was the director of Going West, a literary organisation in West Auckland, between 2019 and 2024. In an earlier iteration of his career he was a design researcher and innovation facilitator, having spent eight years in market research and banking.

Copy-editing by **Janet McAllister** (Pākehā), social researcher, editor and journalist based in Tāmaki Makaurau/Auckland.

Design by **Sarah Laing**, writer, graphic novelist and designer based on the Kāpiti Coast.

Database development by **Mindy Catt**, artist and teacher based in Tāmaki Makaurau/Auckland.

## Photography

ASB Waterfront Theatre photos by **Andrew Malmo**

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