

City Centre Monitoring Quarterly Snapshot

July 2013

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Overview

Introduction

This report provides a snapshot of the key trends in the city centre, as well as how the wider Auckland economic trends may impact on the city centre. It includes the latest data available as at July 2013.

Highlights

- Retail spend in the city centre increased by 3.6 per cent in the year ending March 2013, higher than other retail precincts in Auckland which fell by 2.6 per cent.
- Public transport patronage increased by 1.2 per cent compared to 2012 according to the 2013 annual screenline survey.
- Tourism guest nights increased by 3.3 per cent in the year ending March 2013.

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- 1 – Infometrics, (2013). Regional GDP estimates.
 - 2 – Statistics New Zealand, (2013). Auckland Building Consents.
 - 3 – Auckland Council, (July 2013). Auckland Economic Quarterly.
 - 4 – Statistics New Zealand, (2013). Household Labour Force Survey.

Auckland economic trends

The Auckland economy grew 3.2 per cent in the year to March 2013¹. In particular, there was high growth in the construction sector in Auckland (12%)¹, which coupled with the increases in consents across Auckland, which are up 13.8 per cent for the year ended May 2013², is a leading indicator of renewed optimism in the construction and development sector³.

Net business and consumer confidence remains optimistic, which is positive for the city centre's retail and business services sector³. However, this optimistic outlook is tempered slightly by the relatively weak labour market, with Auckland's unemployment rate remaining at 7.3 per cent in March 2013⁴.

For more detailed analysis and commentary of Auckland's Economy, please see Auckland Council's *Auckland Economic Quarterly* and *Business and Economy 2013*.

Retail Spend

Highlights

Retail spend⁵ in the city centre fell by 1.7 per cent in the March quarter, compared to 2012. This was a smaller decrease compared to other retail precincts (-5.4%).

On an annual basis, the city centre increased overall spend by 3.6 per cent, while other precincts experienced a fall of 2.6 per cent.

Overall, the city centre's market share of retail spend increased by 1.3 per cent in the year to March 2013.

Quarterly retail spend⁵ in city centre and other major retail precincts⁶, March 2012 and 2013

	City Centre			Other retail precincts		
	Mar-12	Mar-13	Change	Mar-12	Mar-13	Change
Spending (\$million)	\$44.44	\$43.67	-1.7%	\$90.03	\$85.15	-5.4%
Transactions	701,430	693,112	-1.2%	1,303,054	1,247,504	-4.3%

Annual retail spend in city centre and other major retail precincts, YE March 2012 and 2013

	City Centre			Other retail precincts		
	2012	2013	Change	2012	2013	Change
Spending (\$million)	\$186.12	\$192.78	3.6%	\$398.29	\$387.98	-2.6%
Transactions	2,970,677	2,986,351	0.5%	5,671,477	5,578,674	-1.6%

Marketview, (2013). Heart of the City Quarterly Report – March 2013.

5 – Based on electronic card transactions of BNZ customers.

6 – Competitor areas include Newmarket; Ponsonby; Parnell; St Lukes; Albany; Botany and Mt Wellington.

Building Consents and Transport

Building Consents, Office Vacancy and Council Projects

Building consents⁷ in the city centre have continued to remain relatively low, with 35 consents in the year ending March 2013, for a total floor area of 17,300 sqm. This is approximately half the size of the 58 consents that were granted in the year ended March 2012.

Overall office vacancy remained relatively stable at 12.5 per cent as at December 2012⁸

Auckland Council is involved in a number of construction activities within the city centre, with some nearing completion. These include the Fort Street streetscape upgrade (scheduled for completion in August), and the cruise ship terminal on Queen Wharf. Other projects that are currently in the design phase include Freyburg Square, O'Connell St and Khartoum Place upgrades⁹.

7 – Statistics New Zealand, (2013). Auckland Building Consents.

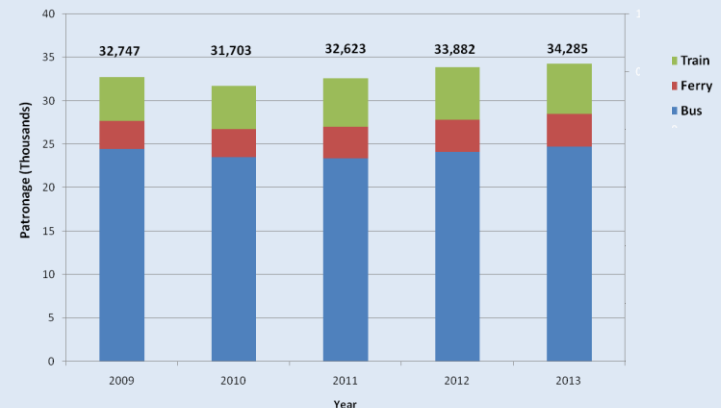
8 – CBRE, (2013). Auckland Marketview – Q1 2013.

9 – Auckland Council, (2013). City Centre Portfolio Report.

Public Transport

The 2013 annual city centre screenline survey showed 34,285 people took public transport into the city centre, a 1.2 per cent increase compared to 2012. Both buses and ferries experienced small increases in patronage (2.6% and 2.1% respectively). Train patronage fell compared to 2012 (-4.8%), but remains at over 5,700 passengers.

Public Transport Patronage into the city centre, 2009-2013



Auckland Council, (2013). Annual Screenline Survey – City Centre

Tourism

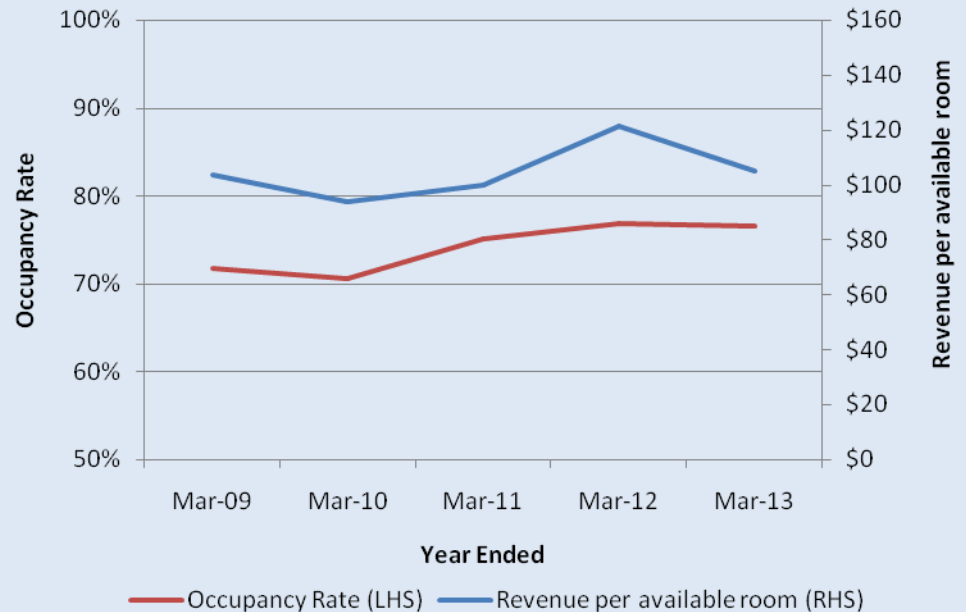
Auckland hotel occupancy rates and revenue¹⁰

Occupancy rates in Auckland hotels remained relatively stable at 76.5 per cent in March 2013. However, the revenue per available room has fallen by 13.3 per cent since 2012, reversing the increases that occurred at the time of the Rugby World Cup.

Overall tourism trends¹¹

In the year ending May 2013, guest nights in Auckland increased by 3.3 per cent to 6.56 million across all accommodation categories¹².

Occupancy Rates and Revenue per Room in Auckland hotels, 2009-2013



New Zealand Hotel Council, (2013). Auckland Patronage Statistics

10 – City Centre hotels make up over 67 percent of the Auckland survey.

11 – Statistics New Zealand, (2013). Commercial Accommodation Monitor.

12 – Accommodation categories include Hotels; Motels; Backpackers; and Holiday parks.

Port activity

International Trade

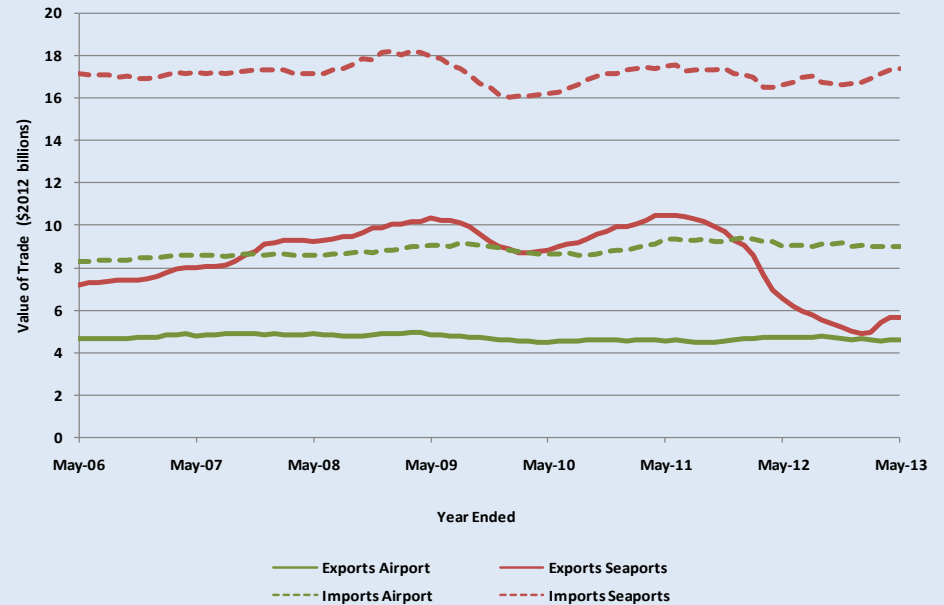
In the year to May 2013, exports from Auckland Seaports were \$5.6bn, which was similar to March and April 2013, but 13 per cent below 2012 levels.

In comparison, the value of imports through Auckland's seaports remained firm, increasing 4.5 per cent in the year to May 2013 to \$4.6bn.

Cruise Ships

Over the 2012/13 season cruise season, the Ports of Auckland had 101 cruise ship visits, bringing 256,000 passengers and crew as well as estimated spending of \$300 million¹³. There is expected to be an increase in the 2014 season, as the cruise terminal at Shed 10 is completed later this year.

Annual values of exports and imports through Auckland Ports



Statistics New Zealand. (2013). Overseas Cargo Statistics.

13 – Ports of Auckland (2012). Auckland planning for growth in cruise.

Overall Trends

Indicator	Units	2012 Average	Year Ended Q1 2013	Change (2012-13)
Office vacancy rate ^{16,20}	%	11.7%	12.0%	↑
Building consents value (\$2012)	\$2012	\$219.1m	\$80.6m	↓
Growth in Retail spend ¹⁷	%	0.8%	3.6%	↑
Average hotel occupancy rates ¹⁸	%	75.8%	72.9%	↓
Public transport patronage into City Centre (7am-9am) ¹⁹	Survey Total	33,882	34,285	↑
Exports (value; sea + airport; Year ended May 2013)	% change	-30.8%	-8.5%	↑
Imports (value; sea + airports; Year ended May 2013)	% change	-3.2%	3.1%	↑

14 – Unless otherwise stated, all data is from Statistics NZ and is not seasonally adjusted.

15 – Other data sources include: CBRE (16); Marketview (17); Hotel Council of NZ (18); Auckland Council (19).

20 – 2013 data refers to the 2nd half of 2012, which is the latest data available.



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