



CBD Quarterly Monitoring – A summary prepared for the CBD Board November 2012

Here is a summary from the report prepared by Auckland Council for the CBD Board, providing a snapshot of performance in Auckland's CBD.

Executive Summary

Where possible this report provides an economic snapshot of Auckland's City Centre in the year to September 2012.

Auckland City Centre trends

Crime

In the year to June 2012 there were 20,523 recorded crimes in the City Centre. This shows a 21 percent increase compared to 2011, with much of this increase due to the Rugby World Cup. Overall, recorded crime remained below the long-term (1995-2012) average of 21,261 offences.

Retail

Estimated retail spending in the City Centre increased by 0.7 percent in the year to September 2012. Over the same period, spending remained stable in Albany/Mt Wellington (no change), while spending in Newmarket and Ponsonby fell by 3.2 percent and 9.9 percent respectively.

Hotel activity

Occupancy rates have fallen slightly to 68.9 percent, down 1.5 percentage points since June 2012.

Auckland trends

Auckland's annual Gross Domestic Product (GDP) increased by 1.15 percent in the year to September 2012. Indicators for Auckland continue to show mixed results, with the region having performed well (or less negatively) in a number of areas. These include:

- Auckland continued to experience positive net migration and arrivals through the airport remained stable.
- The quarterly survey of business opinion showed that a greater number of businesses believe that the general business situation will improve.
- Guest nights in commercial accommodation remain relatively stable.

Auckland's economy has struggled in a range of areas. Key amongst these are:

- Unemployment, remains at an historical high, and has increased since June 2012.
- Both exports and imports through the ports remain at lower levels compared to previous years.

National trends

New Zealand's annual GDP grew by 1.7 percent in the year to June 2012; however unemployment remains a significant issue. Inflationary pressures remain relatively subdued, with overall inflation remaining between the 1-3 percent target band. The trade-weighted index remains well above the 10-year average.

The table below summarises the quarterly changes in the indicators between September 2011 and September 2012.

Table 1. Scoreboard of quarterly Auckland City Centre, Auckland-wide and New Zealand economic indicators

City Centre level indicators	Year ended				
	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
City Centre office vacancy rates (six month value) ¹	n/a	12.3%	n/a	11.0%	n/a
Residential consents for new buildings	0	1	2	n/a	n/a
Value of non-residential consents for new buildings	\$57m	\$116m	\$110m	n/a	n/a
Recorded offences in the City Centre ²	n/a	19,431	n/a	20,523	n/a
Growth in retail spend (quarterly) ³	1.3%	0.2%*	0.8%*	8.0%*	0.7%*
Passengers on public transport into City Centre ⁴	n/a	n/a	n/a	33,484	n/a
Average hotel occupancy rates ⁵	71.1%	71.3%	70.4%	70.4%	68.9%**
Regional level indicators					
Regional GDP growth ⁶	2.7%	2.9% ^R	1.7%	2.1%	n/a
Average unemployment rate	7.5%	7.2%	7.2%	7.2%	7.6%
Growth in exports (sea and air port)	6.9%	-0.3%	-15.4%	-25.2%	-26.0%
Growth in retail sales	5.6%	7.2%	6.6%*	3.9%	n/a
Quarterly business sentiment ⁷	31.3%	4.7%	17.6%	5.2%	5.9%
Quarterly business investment intentions ⁷	-6.9%	-2.50%	-5.3%	-10.5%	-9.0%
Net migration	5,207	5,648	5,452	5,079	4,051
Arrivals through Auckland International Airport	3.46m	3.5m	3.53m	3.56m	3.55m
Guest nights in commercial accommodation ⁵	6.968m	6.26m	6.325m	6.404m	6.350m**
New Zealand indicators					
GDP growth	1.4%	1.2%	1.0%	1.7%	n/a
Consumers price index (inflation)	4.6%	1.8%	1.6%	1.0%	0.8%
Trade weighted index (month) ⁸	69.1	69.3	70.6	71.1	71.3
Average unemployment rate	6.6%	6.5%	6.6%	6.6%	6.8%

All data is from Statistics New Zealand unless specified.

All values are for the year ended unless specified.

¹ CBRE Ltd

² Statistics New Zealand and New Zealand Police

³ Marketview Ltd

⁴ Auckland Transport

⁵ Ministry of Business, Innovation and Employment

⁶ Infometrics Ltd

⁷ New Zealand Institute of Economic Research, Quarterly Survey of Business Opinion

⁸ Reserve Bank of New Zealand

^R Revised figure

* This data is based on a new City Centre retail boundary

**To August 2012, September data is not yet available

Please note that building consents within the City Centre for the June and September 2012 quarters were unavailable at the time of publication.