

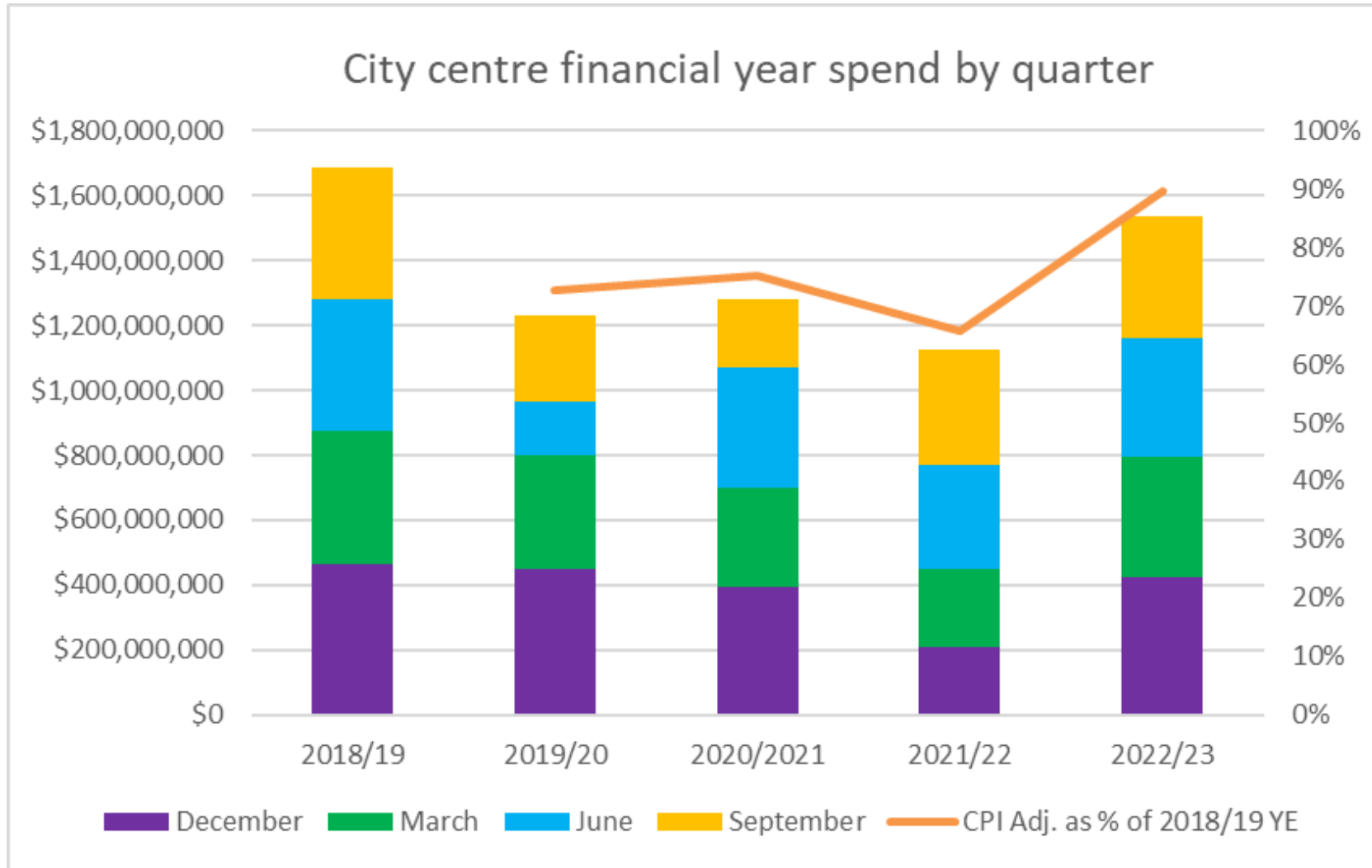
City Centre Quarterly Insights – Sept. 2023



HEART
OF THE CITY™
AUCKLAND

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Spend



Overall spend for the September 2023 quarter reached 92% of the September 2019 quarter, with the year-end Sept. 2023 returning 90% (CPI (Consumer Price Index) adjusted) of the year-end Sept. 2019. This continues the positive trend seen in the first two quarters of the year - the June quarter was 91% and the March quarter was 82% of the same respective quarters in 2019.

Spend

The Sept. 2023 Q. spend results showed:

92%

of
Sept. 2019 quarter

+4%

vs.
Sept. 2022 quarter

90%*

of
Year ending Sept. 2019

+36%

vs.
Year ending Sept. 2022

+10%

of transactions
vs.
Sept. 2022 quarter

+7%

in night-time spend
vs.
Sept. 2022 quarter

Overall spend was 92% of the Sept. 2019 quarter, with the Sept year-end 2023 returning 90% (CPI adjusted) of the Sept year-end 2019. This continues the positive trend seen in the first two quarters of the year - the June quarter was 91% and the March quarter was 82% of the same respective quarters in 2019.

In addition, at year end Sept. 2023, spend was +36% vs. the prior year-end Sept. 2022.

Night-time time spending

Growing the nighttime economy is a key opportunity for the city centre. For the Sept. quarter, there was a 7% increase in night time spend (6pm to 6am) over the same time last year.

Transactions

The overall number of transactions grew in the Sept. quarter compared to the Sept. 2022 quarter.

Number of transactions

- HOTC: +10%
- Competitors: +2%

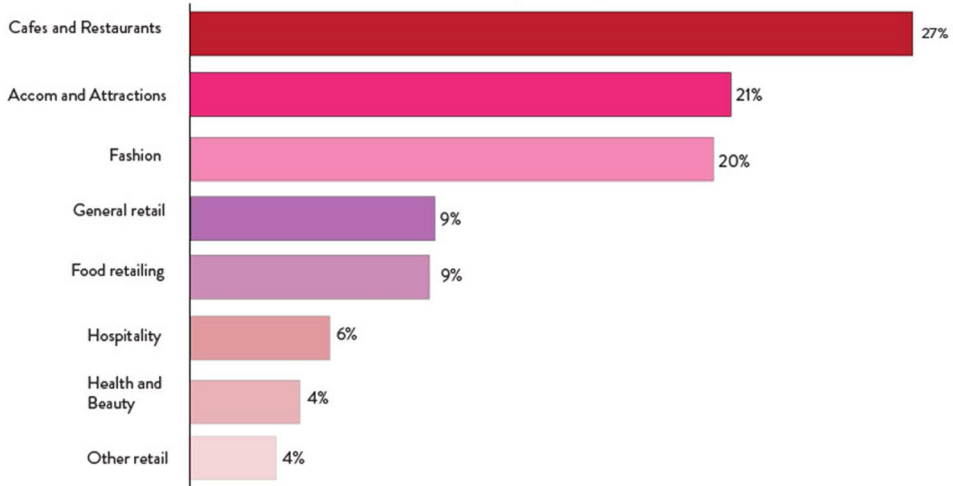
Average value of transactions

- HOTC: -5%
- Competitors -3%

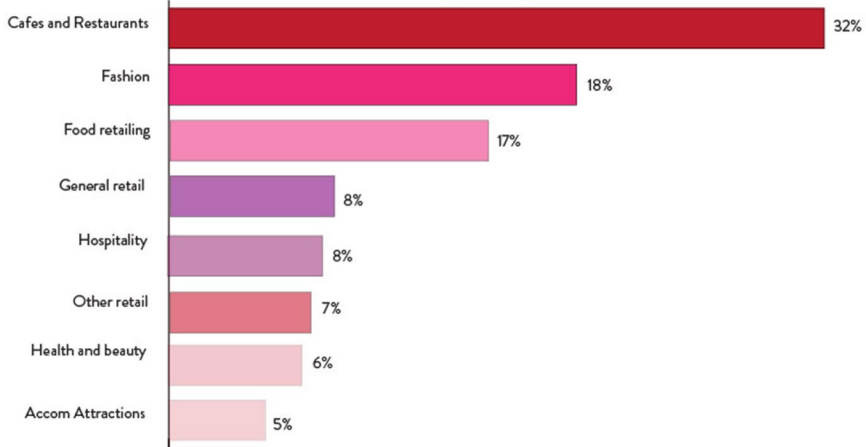


Who's spending from where and on what?

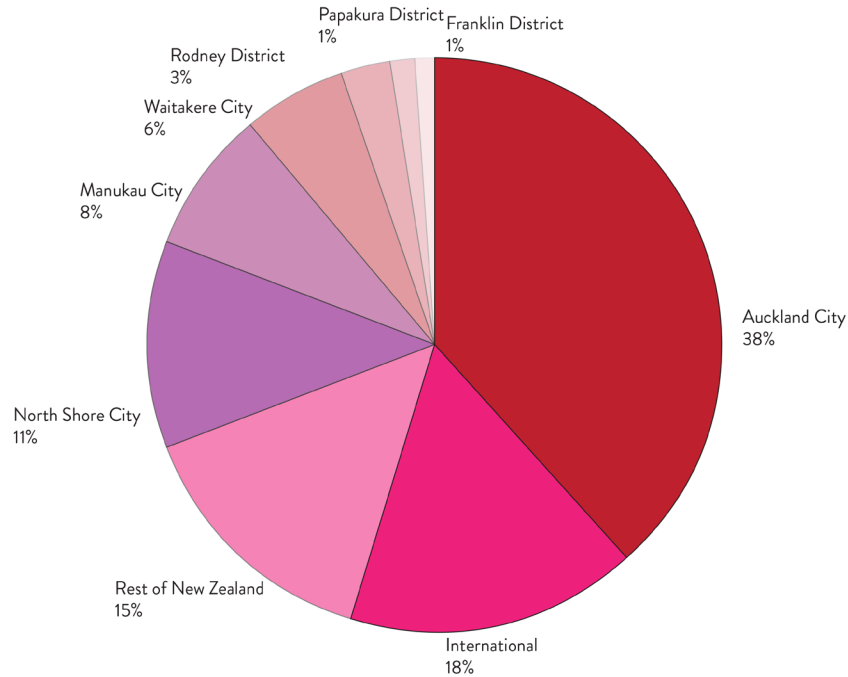
International Spend by Sector



Domestic Spend by Sector



Origin of spending in Auckland's city centre
September 2023 quarter



Internationals start to make their mark, demand for accommodation, cafes and restaurants

International cardholders spend increased by 6% vs. the same quarter last year (STLY), with the biggest category spend (27%) at our Café and Restaurants. Accommodation and Attractions also made up 21% of their spend. Tātaki Auckland Unlimited [reported a direct correlation between the FIFA Women's World Cup and an increase in demand for accommodation in the city centre.](#)

Cafes and Restaurants took out the top spot for locals as well, making up 32% of spend by sector.

Auckland city area residents made up the biggest share of city centre spending (38% - unchanged from the previous quarter).

Pedestrian Counts

74%

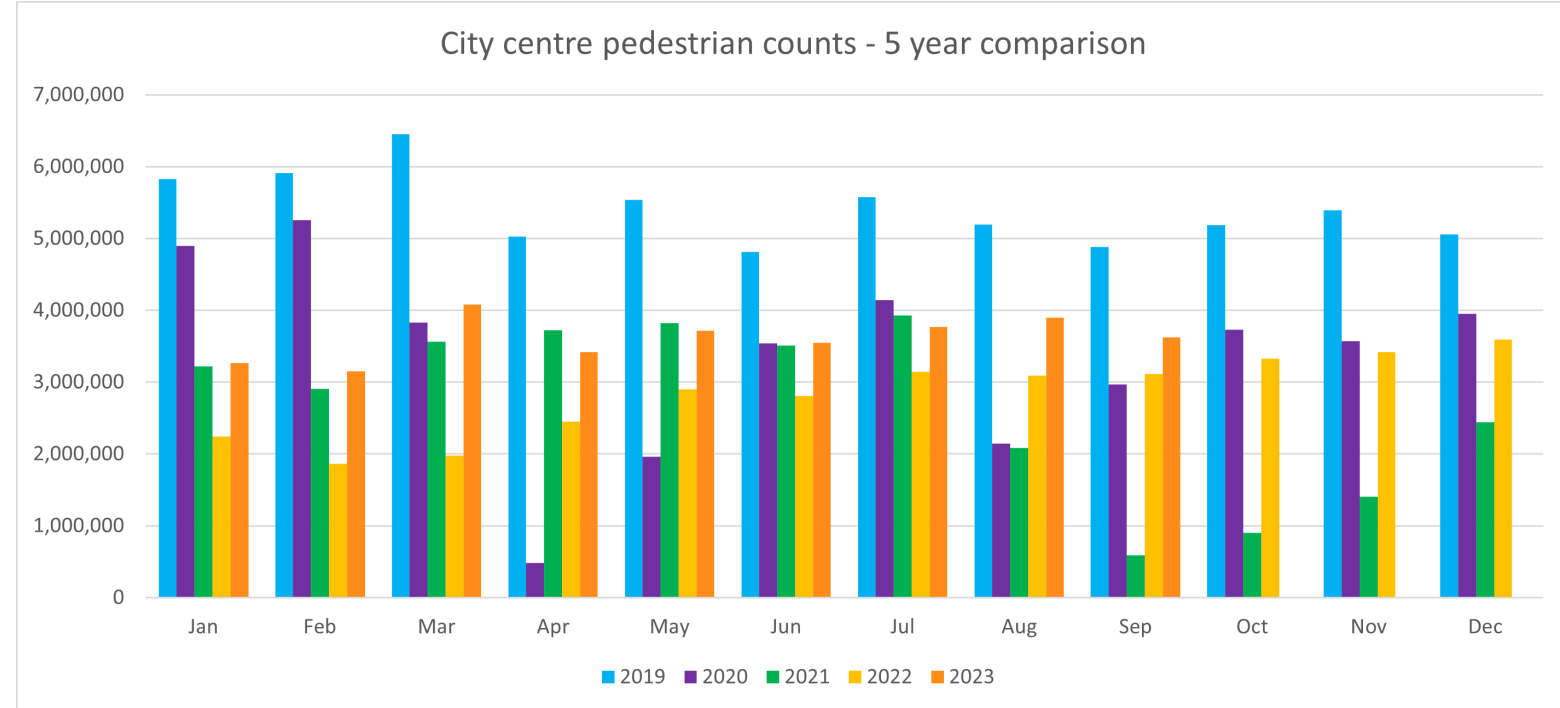
Sept. 2023 quarter
of
Sept. 2019 quarter

+6%

Sept. 2023 quarter
vs.
June 2023 quarter

+21%

Sept. 2023 quarter
vs.
Sept. 2022 quarter



More people heading into the city centre – over 300 events and the benefits of working in the office play a role in boosting foot traffic.

Whilst not back to where we'd like to see it, [foot traffic](#) in the city centre reached 74% of the September 2019 quarter. This was the third consecutive quarter increase of the year. There was also a 6% increase compared to the June 2023 quarter and a 21% increase compared to the September 2022 quarter. This can be partially credited to the increase in international arrivals, a calendar that boasted over 300 events – including the FIFA™ Women's World Cup, New Zealand Fashion Week and our own events - [as well as a rise in people returning to the office.](#)

Leasing News

under **3%**

premium office building
vacancies available in the city
centre

9

out of 26 office buildings in the
city centre have 0% vacancy

5

out of 26 office buildings in the
city centre are 5% vacant or less

Premium office building vacancies hit historic low, Enquiry and demand for retail increasing

Premium office building vacancy rates in the city centre hit a historic low of under 3%, according to [JLL Asia Pacific office vertical vacancy review for the third quarter of 2023](#). They also reported that 9 out of 26 buildings here have 0% vacancy while 5 additional buildings are 5% vacant or less. Head of Research, at JLL, Gavin Read tells us: "On a global stage, these [low numbers of vacancy] are remarkable and shows how resilient we are here in Auckland."

While [Colliers latest data for retail leasing shows](#) that CBD Strip Retail has made a marked improvement declining to 12.4% from 13.7% the year prior (June 23 vs June 2022). Nick Pettitt, Retail Leasing Broker at Colliers says: "There is positive market sentiment, particularly amid occupiers who want to get ahead of the curve."

Nilesh Patel, Senior Director, Head of Retail and Metro, JLL tells us that demand for retail on Queen Street is moving back to pre-COVID levels

"Demand outweighs supply [in Lower Queen Street] therefore rents are back to pre-COVID levels and rising. Vacancy continues to fall in Mid Queen Street, and rents have increased slightly since COVID, but not at the same pace as Lower Queen Street."

Speaking broadly about retail leasing in the city centre, Nilesh says that "enquiry and demand for retail in the city centre has increased this last quarter and we expect this to continue into the foreseeable future...[businesses are motivated to locate to the city centre by] the increase in tourism, increase in workers returning to their workplace and a longer-term goal to be established in time and to take advantage of the City Rail Link."

Accommodation Forward Bookings

