

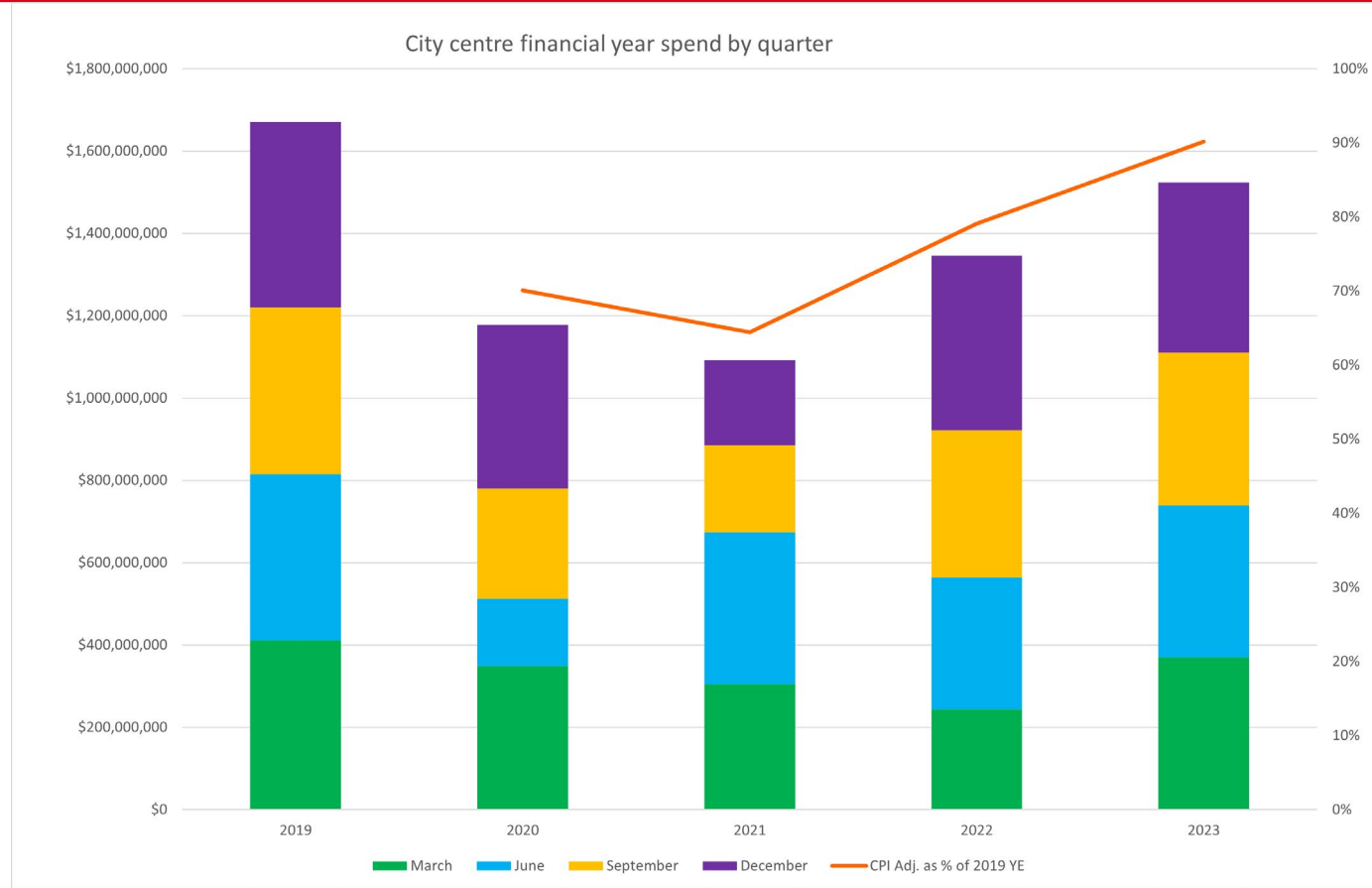
City Centre Quarterly Insights – Dec. 2023



HEART
OF THE CITY™
AUCKLAND

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Spend



City centre spend performs well against competition:

Overall spend for the December 2023 quarter reached 92% of the December 2019 quarter, with the year-end Dec. 2023 returning 90% (CPI adjusted) of the year-end Dec. 2019. Spending across the last three quarters of the year has remained consistent when compared to the equivalent quarters in 2019 - hovering between 91-92%.

Spend

Spend:

-3%

spend
Dec. 23 Q vs. Dec 22 Q
vs. -8% competitor total

+4%

transactions
Dec. 23 Q vs. Dec 22 Q
vs. -4% competitor total

+13%

Year end Dec. 23 vs. Year end Dec. 22
vs. +4% competitor total

90%*

of
Year ending Dec. 2019

92%

of
Dec. 2019 quarter

+22%

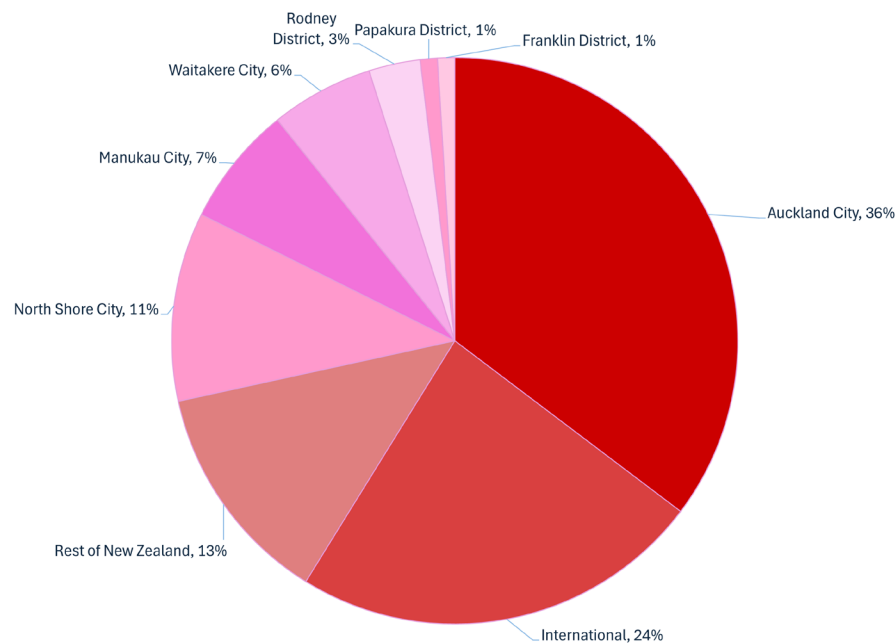
in international spend
vs. Dec. 2022 quarter

When looking at how 2023 compared to 2022, there has been positive year on year growth of +13%. This is particularly promising when looking at how the overall national consumer spending performed for the same period - which reported only a +4% growth.

There is no doubt that the high cost of living and other macro-economic forces saw overall consumer spending down across New Zealand, particularly during the December quarter. Notwithstanding this, the city centre performed well against our regional and national competition, with overall spend down less overall and the number of transactions up.

Who's spending from where and on what?

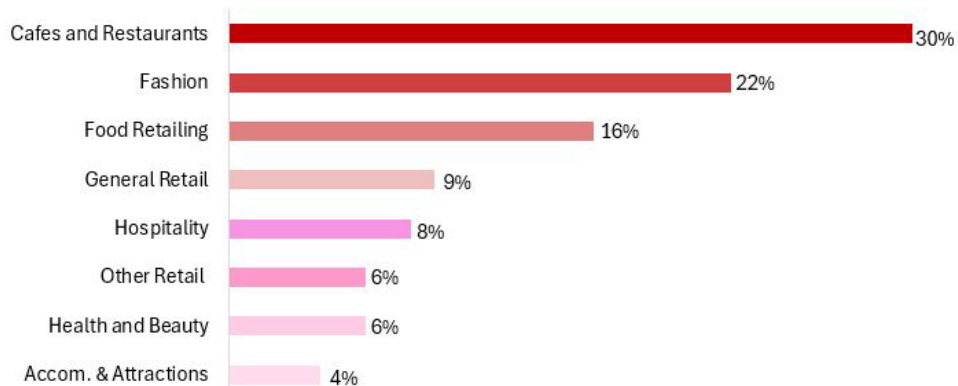
Origin of spending in Auckland's city centre, December 2023 quarter



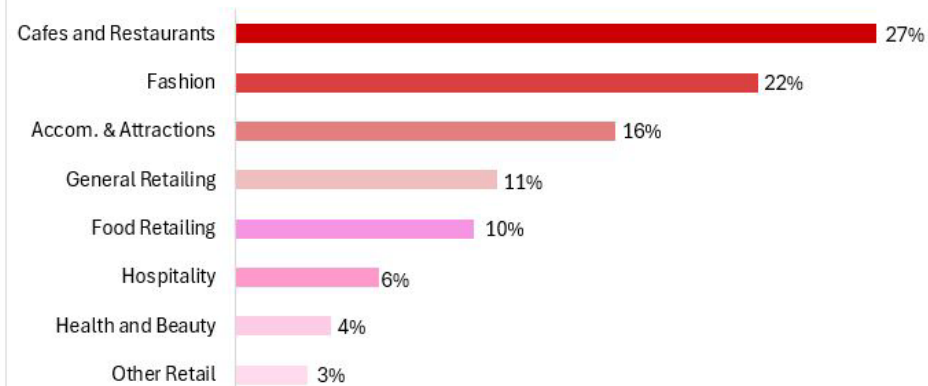
Welcoming the world: Internationals flock to Auckland, spending jumps during December quarter

[111% growth of international visitor numbers](#) to Auckland to the year ending December 2023, plus [a cruise ship season with a 50% increase in port visits](#) than the previous year, played a role in the great year-on-year growth in spend from internationals for the December quarter (+22% compared to the December 2022 quarter). Most categories benefited from their presence, with Food Retailing, Health and Beauty and Hospitality noticing the biggest shifts.

Domestic Spend by Sector Dec. 2023 Quarter



International Spend by Sector Dec. 2023 Quarter



Foot traffic

Foot traffic:

78%

of
Dec. 2019 quarter

+32%

Year end Dec. 2023
vs. Year end Dec. 2022

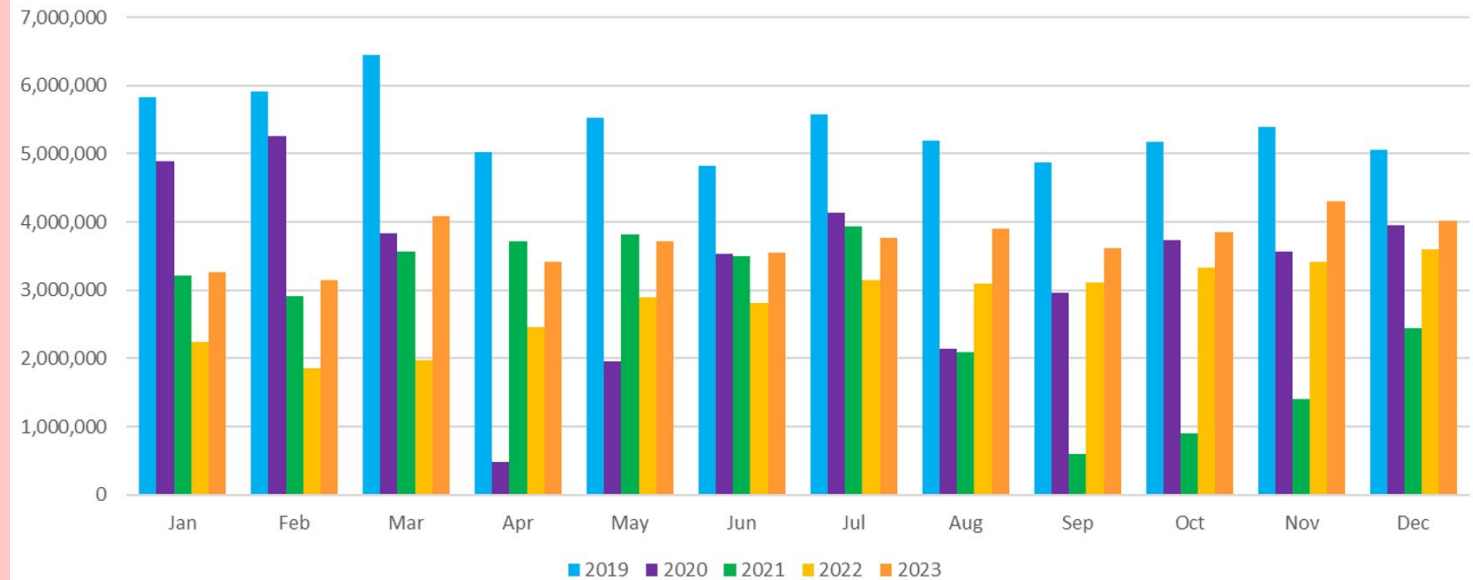
+18%

vs.
Dec. 2022 quarter

+8%

vs.
Sept. 2023 quarter

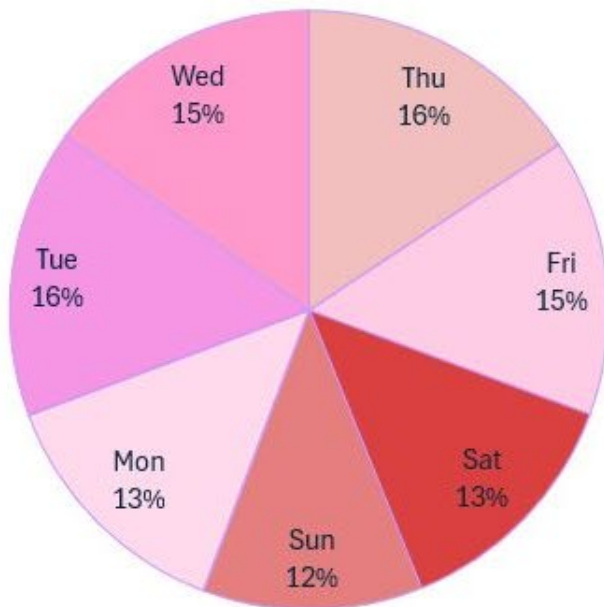
Pedestrian - 5 year comparison



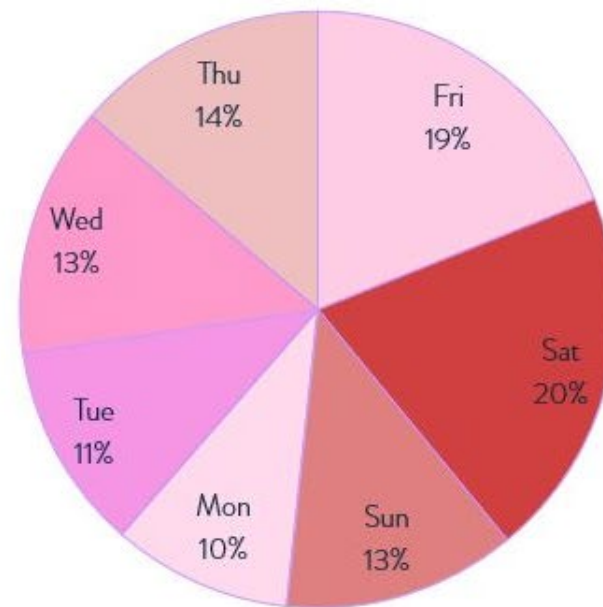
Foot traffic continued to track upwards during 2023, with an overall +32% increase on 2022. The figures for the December quarter grew +18% on the December 2022 quarter and reached 78% of the December 2019 quarter.

What were the busiest days & nights of the week?

Weekly Share of Day-Time Foot Traffic (6am - 6pm)
Dec. 2023 quarter



Weekly Share of Night-Time Foot Traffic (6pm - 6am)
Dec. 2023 quarter



Days: Throughout the year, Tuesday and Thursday have been the busiest days for pedestrians, each generating **16%** of weekly foot traffic. They were followed by Wednesday and Friday, which each generated **15%**. Despite the rise in the number of tourists and cruise ship passengers through the course of the December quarter, there's been no shift to what days of the week are busiest. This shows that people are here consistently throughout the week.

Nights: Throughout the year, Saturday night was the busiest night for pedestrians, generating **22%** of all foot traffic across the week followed by Friday (**20%**) and the popular "student night" Wednesday at **14%**. As we shifted into the festive season and summer gigs, the December quarter saw a slight shift in the data, with Saturdays remaining the busiest night of the week at **20%** and Fridays at **19%**. But then we saw Thursday's making an appearance as the third busiest night of the quarter at **14%**. Night-time foot traffic was helped throughout the December quarter as music fans flocked to gigs like The War on Drugs and Royal Blood, and people enjoyed our Late Night Art event and new events like the Midtown Festival.

Leasing News

JLL has released their [latest leasing insights for the city centre](#). Head of Research Gavin Read says of the current landscape:

“The year seems to have started with plenty of vibrancy and colour, superbly supported by the sun providing long hot days. There have been plenty of cruise ships in port, and activity seems to be increasing with employees back to the office.”

Looking back to the December 2023 quarter, Gavin notes:

“The city centre’s net prime rents are up 4% [for the quarter], and up 10% for the calendar year. The city has seen some new occupiers, however, for the quarter, retail vacancies are unchanged at 7%, slightly down from the start of the year’s 8%.”

JLL wrote in their [Retail Quarterly Market Snapshot](#) for the December 2023 quarter that they're "still seeing high demand for prime luxury retail locations in the city centre." This has been a consistent trend throughout the year.

The Snapshot used the leasing of 60 - 62 and 30 Queen Street to luxury brands, the expansion of I Love Ugly, the opening of Moochi in Commercial Bay and the [opening of Christian Louboutin on Queen Street](#) to illustrate this demand. It also touched on the increasing amount of retail activity in the lower city centre, exemplified by the corner site on 1 Albert Street being leased to Remarkable Gifts.

Gavin says of office leasing:

“Office like Retail has had a positive 2023, with prime net rents up 8% annually, while premier vacancy has remained extremely low at 1.6%, confirming the high demand for quality office space from occupiers.”

JLL's Office Market Snapshot for the December 2023 quarter looks ahead to the six office buildings in various levels of completion. Once finished, "they are expected to add ~106,000sqm by 2026....[and] expected to attract tenants from the lower end of prime and upper end of secondary properties, as more and more organisations compete to secure prime offices, especially as most of these developments are pre-committed."

Source: JLL Quarterly Market Snapshots Dec. 2023 (Retail and Office)

Leasing insights:

+4%

in net prime retail rents
vs. Sept. 2023 quarter

+10%

in net prime retail rents
vs. last 12 months

+8%

in net prime office rents
vs. last 12 months

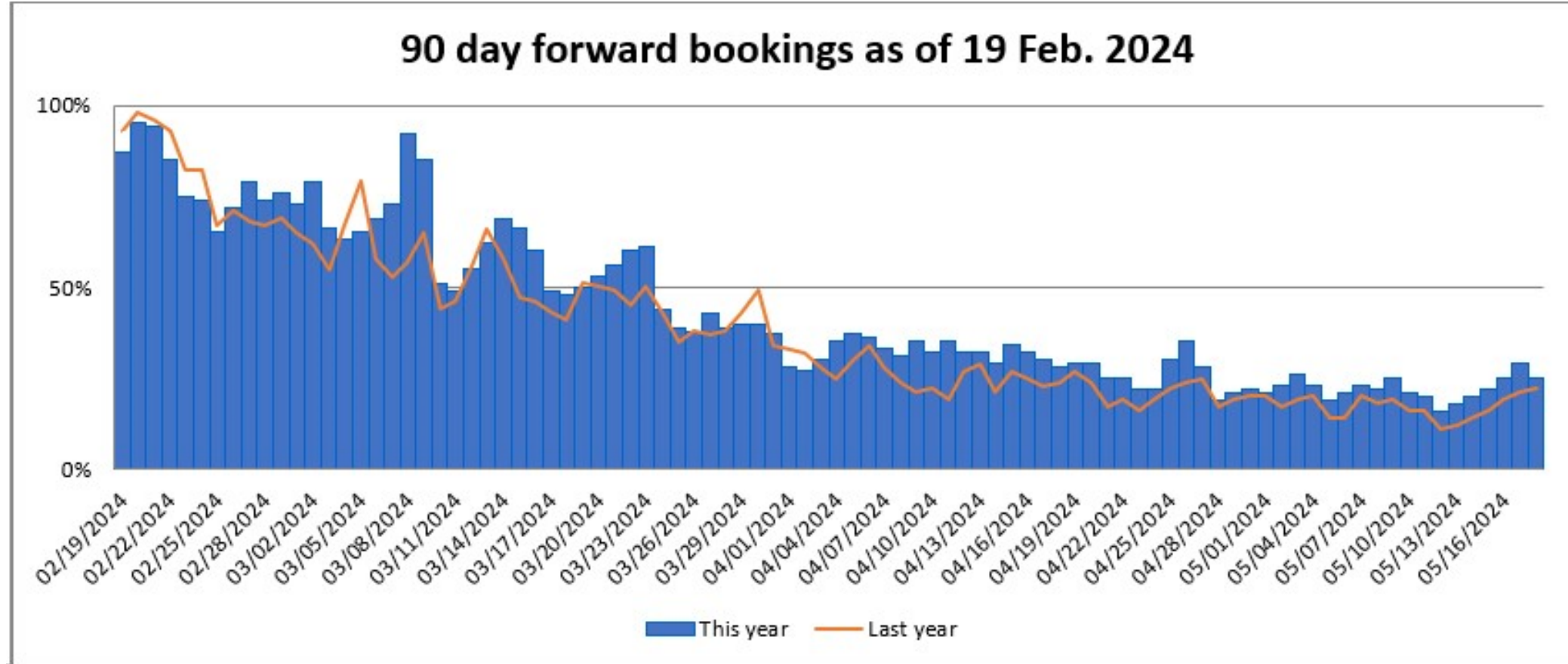
under

2%

premier office vacancies
in the city centre



Accommodation Forward Bookings



With expected continued growth in tourism numbers, accommodation forward bookings are higher for the period from February 2024 to January 2025 in comparison to last year. Occupancy on the books is also set to hit over 92% on Friday 8th March 2024, when P!NK will be performing at Eden Park.