

QUARTERLY INSIGHTS

Heart of the City

DECEMBER 2024

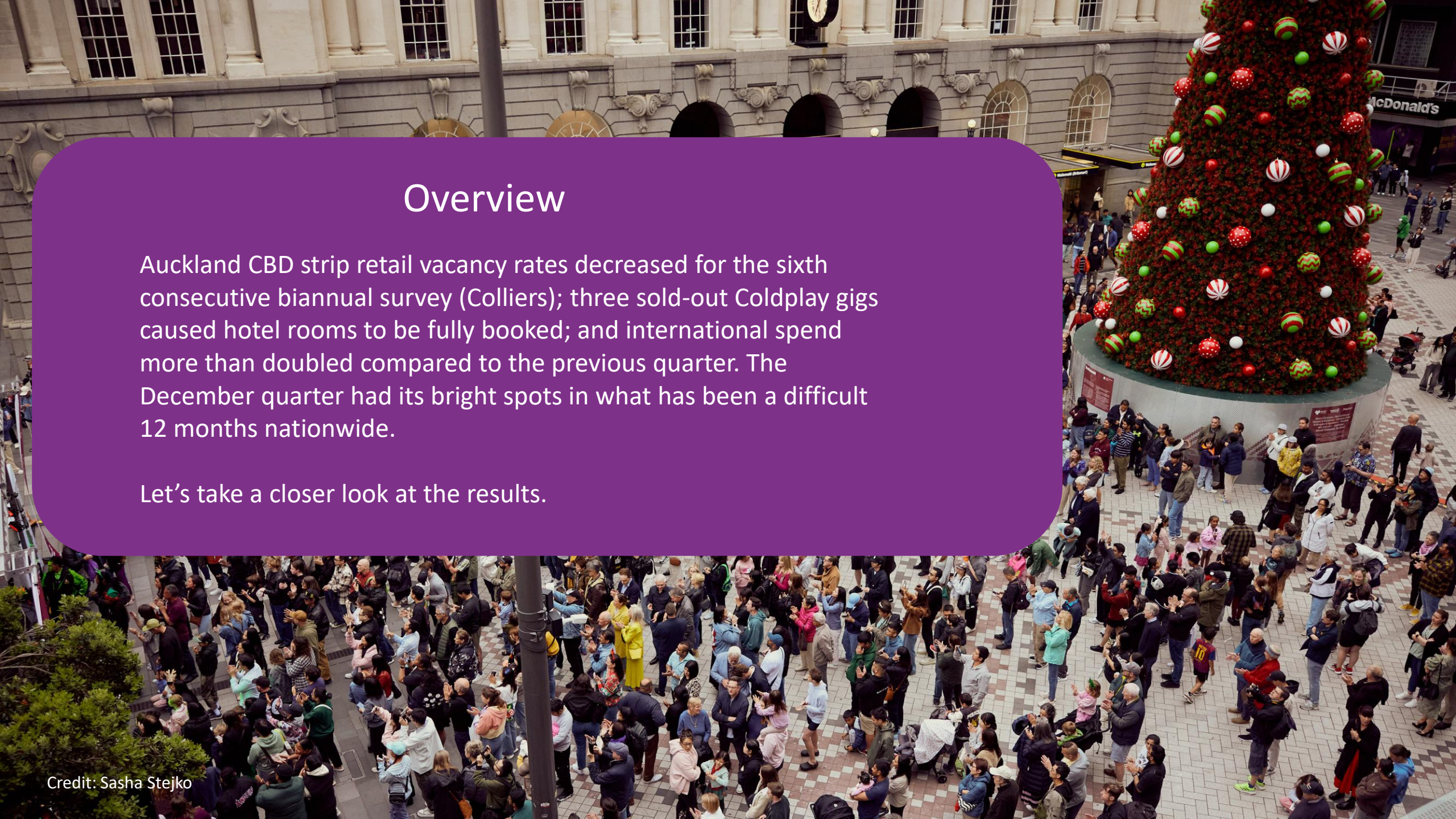


HEART
OF THE CITY™
AUCKLAND

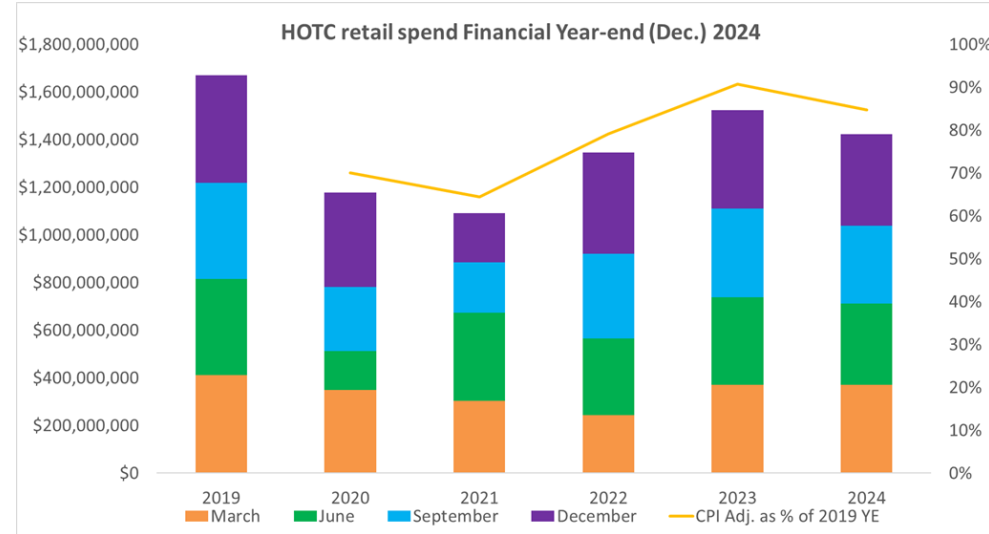
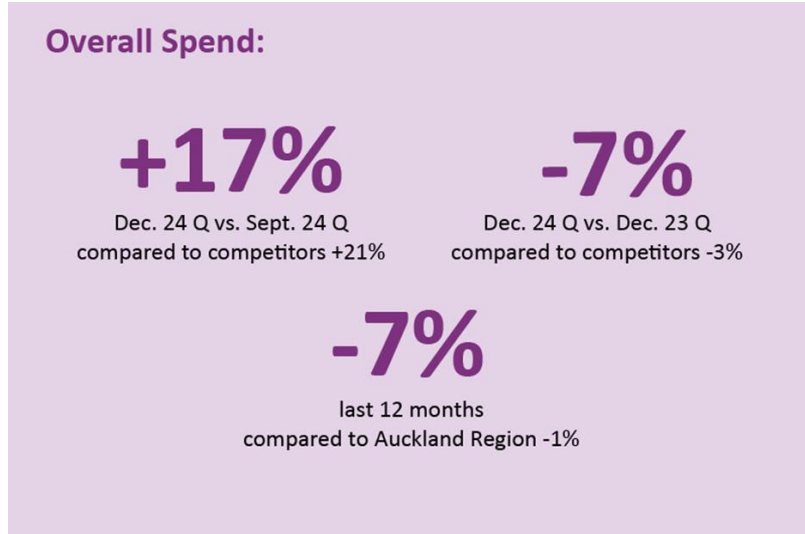
Overview

Auckland CBD strip retail vacancy rates decreased for the sixth consecutive biannual survey (Colliers); three sold-out Coldplay gigs caused hotel rooms to be fully booked; and international spend more than doubled compared to the previous quarter. The December quarter had its bright spots in what has been a difficult 12 months nationwide.

Let's take a closer look at the results.



Overall spend



Overall spend results reflect national trends

Helped by major international events, overall city centre spend in the December quarter was up **+17%** over the September 2024 quarter, with competitors reporting **+21%** over the same period.

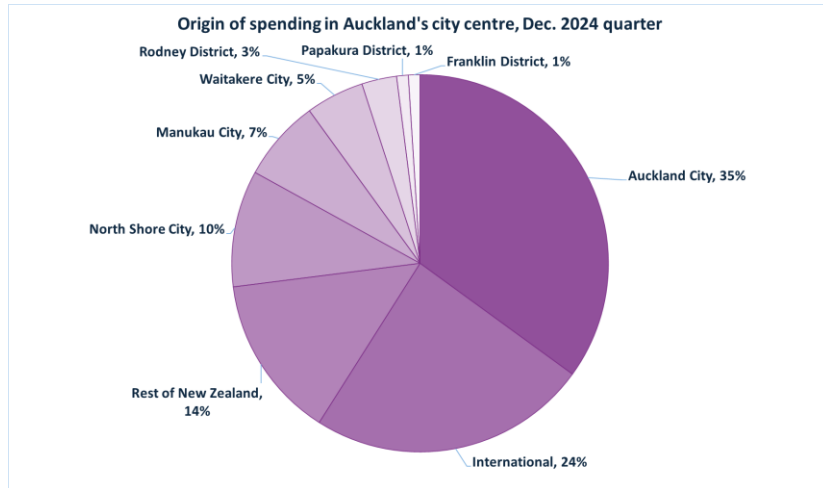
Unfortunately, this wasn't enough to bring spending in the quarter above 2023 levels, still down **-7%** compared to the December 2023 quarter. The overall year to date spend was at **-7%** vs. the prior year, and was **85%** CPI adjusted of 2019. Year-to-date transactions were less impacted at **-0.4%** year-on-year, showing the impact of the cost of living, with people simply spending less at the till.

Positively, the December quarter performed comparatively better year-on-year than the September quarter, which saw overall spend down -12% vs. September 2023.

Looking at the months within the quarter, November performed the best. Out of the three months, it was the closest to 2023 (**-3%** down) and was **+19%** over October. November was helped by increased visitation and resulting spend due to the Coldplay concerts held at Eden Park.



Origin of Spending



Domestic vs. International spend:

+9%

in domestic spend
Dec. 24 Q vs. Sept 24 Q

+55%

in international spend
Dec. 24 Q vs. Sept. 24 Q

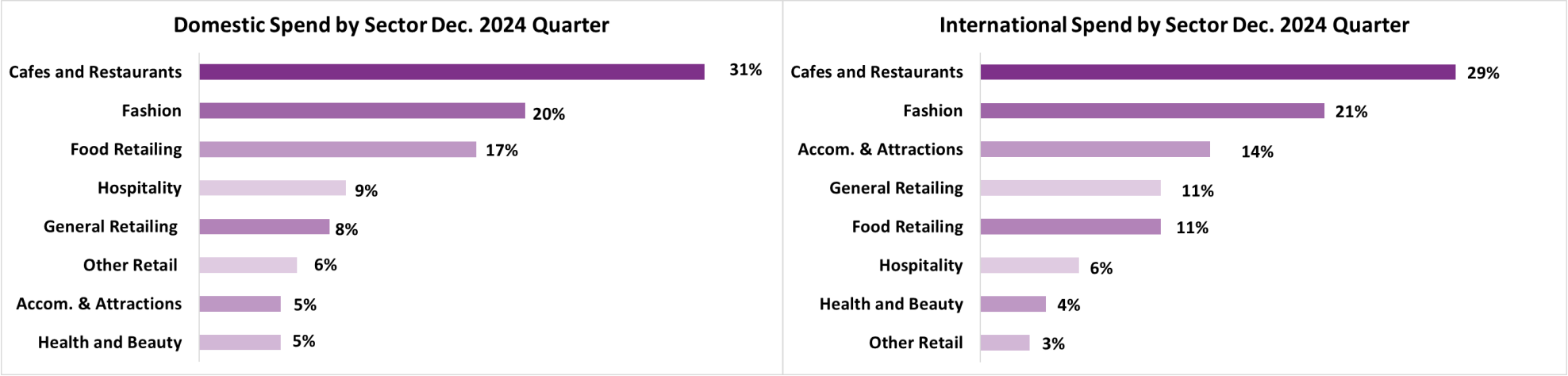
International spend is a bright spot; more than doubling on the previous quarter and up on 2023

With the start of the peak tourist season, including cruise, overseas visitors left an impact during the quarter, with spend **+55%** up on the September quarter and **+2%** vs. the December 2023 quarter.

Unsurprisingly, the overall share of spend also shifted – with internationals making up **24%** of all spending (up from 18% in the prior quarter), compared to 6% at our competitors.



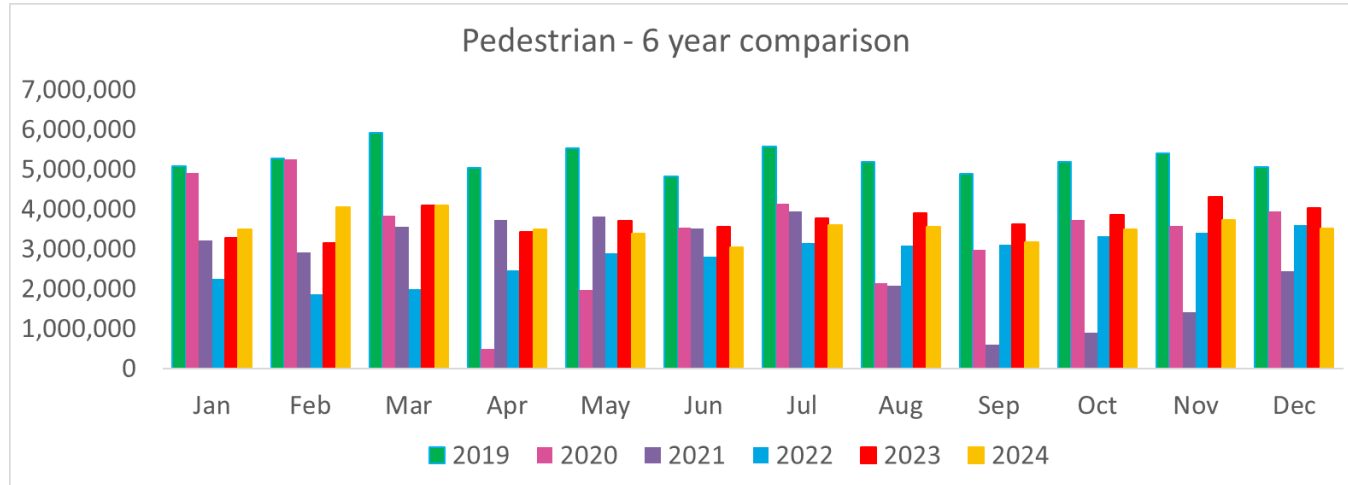
Spend by Sector



Stats NZ reported that international visitor arrivals to New Zealand totalled [3.3 million](#) in the December 2024 year, **+12%** from the December 2023 year. For the Auckland region [latest data on international arrivals](#) reported to the year ending October 2024, shows that **2.2 million visitors** touched down in the Auckland region, **+13.9%** on the previous year. The latest projections for international visitors show that **3.61 million people** are anticipated to visit New Zealand in the year ending October 2028, with Auckland receiving the largest share.



Pedestrian Counts



Foot Traffic:

+4%

Dec. 24 Q vs. Sept. 24 Q

-12%

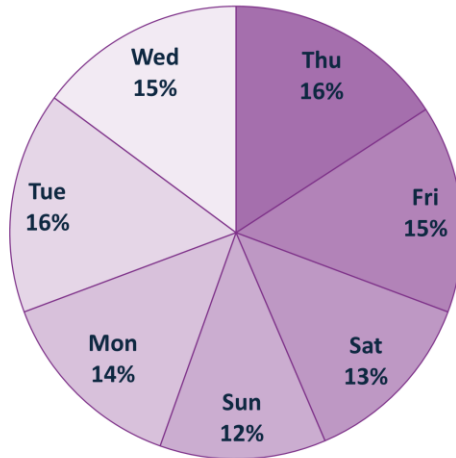
Dec. 24 Q vs. Dec. 23 Q

Foot traffic for the quarter was **-12%** vs. the December 2023 quarter, while year-on-year foot traffic in the city centre was **-5%**. However, foot traffic was **+4%** vs. the September 2024 quarter, supported by the festive season kicking off and the start of summer.

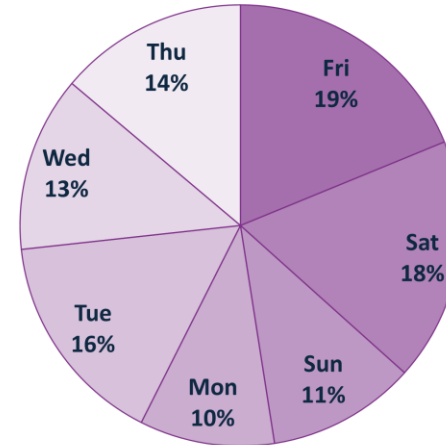


Busiest times to be in the city centre

Weekly Share of Day-Time Foot Traffic
(6am - 6pm)
Dec. 2024 Quarter



Weekly Share of Night-Time Foot Traffic
(6pm - 6am)
Dec. 2024 Quarter



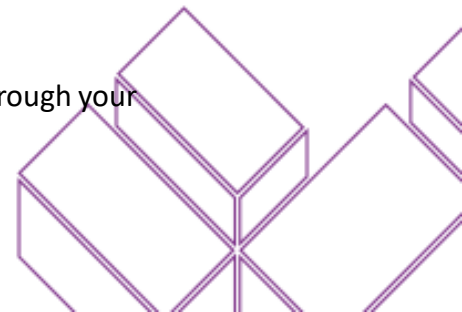
Workers are in the office more often, busiest day to get a coffee revealed

JLL's Chris Dibble took a closer look at 22 of the city centre's cafes and discovered that **Thursdays between 11am – midday** are the busiest time to grab a cup of coffee, closely followed by Wednesdays and Fridays.

The reason? Chris says it's the return of workers, supported by his data showing that commuters have cafes buzzing between 7am – 9am. He's not the only one reporting this – we're hearing from a number of businesses that they have their staff back in the office an average of four days a week, up from three days a week.

Chris further elaborated on his findings in an [interview with One Roof](#):

"The popularity of Thursday from 11am could be down to people going out for a mid-morning team or client meeting...after a few hours of working through your emails and what you need to do for the day it provides that sort of opportunity to catch up."



Leasing Results

Corporate relocations, flight-to-quality shaped office leasing trends

Colliers reports that there is now a “[new record level](#)” of prime office space available in the city centre as major developments and refurbishments are completed. As a result, businesses are keen to upgrade their offices, resulting in “significant tenant movement”. The combination of an increase in prime stock and tenancy movements has resulted in a rise in prime office vacancy rates: 9.8% for the second half of 2024 vs. 7.5% in June.

Improvements to retail vacancy rates, new customer-facing businesses open

The [latest Colliers vacancy rates](#) for Auckland’s CBD strip retail sector is 9.9%. This is the sixth consecutive survey that vacancy has decreased, and the first time it has fallen below 10% since mid-2021. Overall, Colliers described occupation trends in 2024 as “positive.” With the City Rail Link expected to be operating in 2026, and the New Zealand International Convention Centre scheduled to be open in February of the same year, Colliers are optimistic about continued improvement for the retail sector.

Prime offices:

9.8%

vacancy rates H2. 24

Strip retail:

9.9%

vacancy rates H2. 24



Events

Foot traffic in the High St district for Late Night Art:

+118%

vs. the prior Thursday

+28%

vs. Late Night Art 2023

Spend in the city centre the week of Coldplay:

+16%

in overall spend vs.
prior week

+6%

of transactions vs.
prior week

+9%

av. value of transactions
vs. prior week

Aucklanders stayed up for Late Night Art:

Our Late Night Art programme on 10 October– part of [Art Week 2024](#) – saw over 40 events unfold across activated areas, including the High Street district. From an art market to live music, pop-up exhibitions to workshops and more, it was a hit.

Vibrant Diwali celebrations brought two-day boost to foot traffic

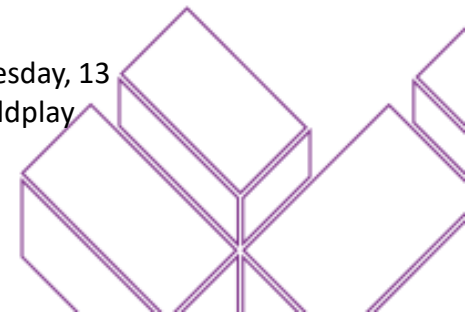
Tātaki Auckland Unlimited reported that [60,264 people](#) descended upon Aotea Square and its surroundings for the two days of Diwali festivities, spending a total of **\$1.96 million**. [Our foot traffic data](#) showed the impact: Saturday 19 October **+31%** vs. the previous Saturday and Sunday 20 October **+64%** vs. the previous Sunday.

‘Paradise’ found: Coldplay concerts had out of towners flocking to the city centre

The back-to-back Pearl Jam and Coldplay concerts in November had a positive impact on the region. Out-of-towners flocked to attend both shows, making the hotels and attractions sector the big winners.

CBRE Hotels described the two weeks as “[just what the market needed](#).” Combined, they drove 27,000 additional room nights and \$19 million in additional hotel room revenue. Occupancy peaked at 96% for Coldplay’s Friday concert. All three of their shows at Eden Park were sold out, with 57,000 at each gig.

Let’s take a closer look at the impact Coldplay’s three shows in November had on the city centre. These big numbers saw foot traffic here **+19%** on Wednesday, 13 November and **+8%** on Saturday, 16 November vs. the prior week. We also saw spend from New Zealanders outside of Auckland **+52%** the week of the Coldplay shows compared to the previous week, with our hotels and attractions sector **+45%** vs. the prior week.





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