

Enterprise Dunedin

DUNEDIN CBD – 24 DUNEDIN 2020 COVID-19 ECONOMIC UPDATE

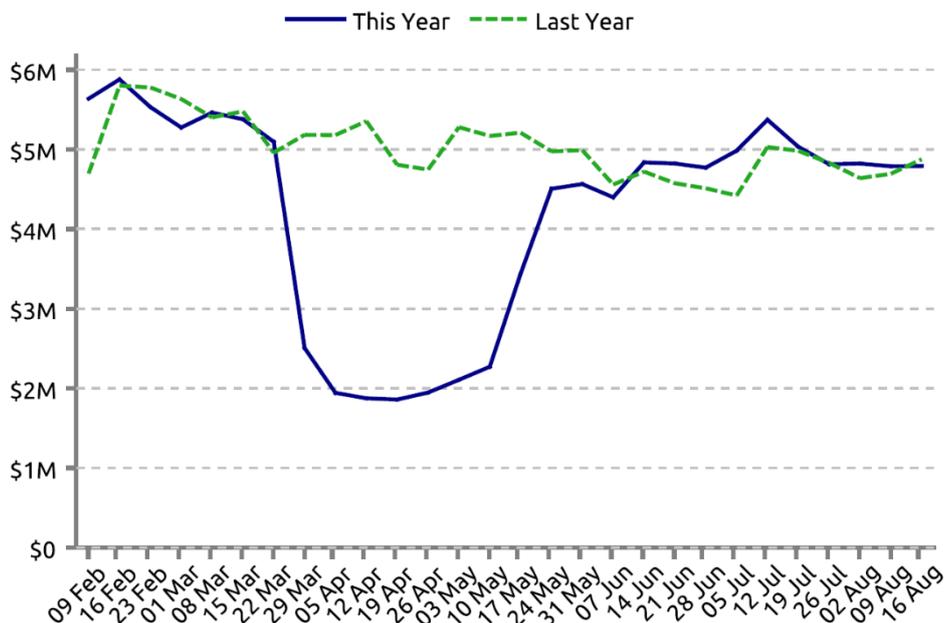
This document gives a high-level overview of economic activity within Dunedin’s central city. The indicators followed include foot traffic and retail spend. These two indicators allow us to understand how visitation to the CBD has recovered and the extent to which visitation is being converted into spending with CBD retailers.

Foot traffic has been proxied using population counts in the central city on different dates. The data has been provided by Data Ventures (Statistics New Zealand’s commercial arm) and is derived from mobile phone records. Retail spend data is provided by Verisk from transactions occurring in the Paymark system.

Spending in the central city

Retail spending in Dunedin’s central city over week ended 16 August slipped below its 2019 level for the first time since early June as COVID-19 Alert Level 2 restrictions affected business operations and foot traffic in the city centre. Spending declined at a rate of -1.7%pa last week, compared to 2.0%pa growth the previous week.

1. WEEKLY VALUE OF SPENDING



The most pronounced declines in spending last week were in hospitality, as well as the “other” category, which captures a range of categories including travel, vehicle hire, tours, events, casinos, beauty and health services.

Increased weariness by households to make discretionary held back clothing, footwear and homeware retailing in the CBD.

Supermarket, pharmacy, and liquor retailing rose strongly as people stocked up their cupboards in case of another escalation to the COVID-19 alert levels.

Inner city retail spending will remain soft for as long as we are in Alert Level 2. A modest recovery is likely when we eventually move back down to Alert Level 1, but there is unlikely to be the same ‘sugar rush’ for retailers as was experienced in June and July. Households are expected to display more caution in their consumer behaviour over the coming months. Sustained retail spending growth will be contingent on several factors, including resilient local employment conditions and ongoing levels of domestic tourism.

Week ended 16 August 2020	2020 Spend	2019 Spend
Food, liquor & pharmacies	\$2,262,996	\$1,838,480
Hospitality & Accommodation	\$1,016,774	\$1,229,597
Fuel & Automotive	\$73,109	\$80,119
Clothing, Footwear & Department Stores	\$303,501	\$324,166
Home & Recreational Retailing	\$335,314	\$339,538
All other	\$799,482	\$1,064,265
Total	\$4,791,175	\$4,876,165

Foot traffic in the central city

The average daily number of people in Dunedin’s central city across the week ended 16 August 2020 was just 0.5% above its level from a year earlier, according to estimates from Data Ventures database derived from hourly monitoring of mobile phones. By comparison, there was 9.1%pa growth the previous week.

Social distancing measures in workplaces under COVID-19 Alert Level 2 and public health restrictions on hospitality capacity have limited visitation to the CBD.

