

## Enterprise Dunedin

### DUNEDIN CBD – 21 SEPTEMBER 2020 COVID-19 ECONOMIC UPDATE

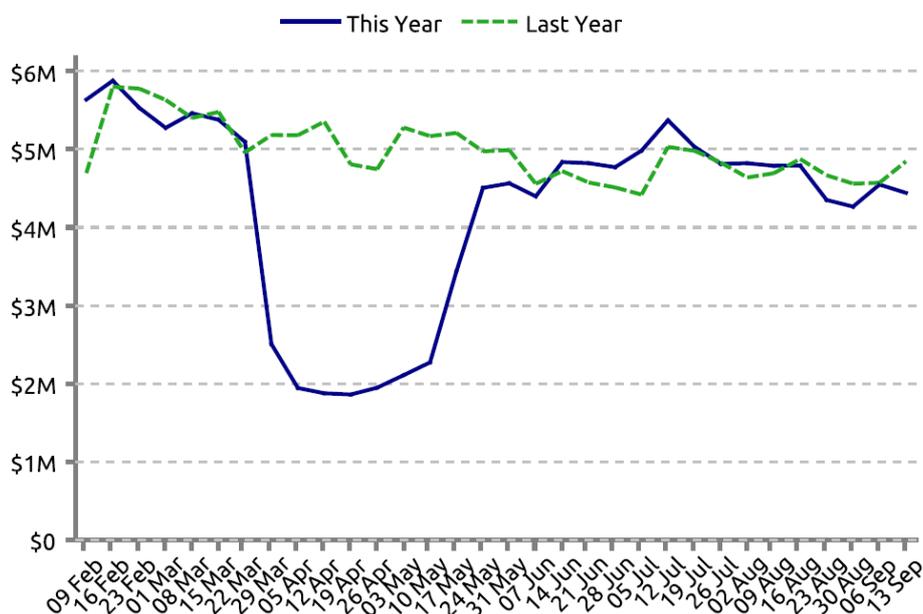
This document gives a high-level overview of economic activity within Dunedin’s central city. The indicators followed include foot traffic and retail spend. These two indicators allow us to understand how visitation to the CBD is holding up and the extent to which visitation is being converted into spending 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 the week ended 13 September was below its 2019 level against a backdrop of COVID-19 Alert Level 2 restrictions. Spending declined at a rate of -8.3%pa last week, compared to 2.0%pa growth the week ended 9 August before the alert level increase. Spending in the central city has been softer than other parts of Dunedin over recent weeks.

### 1. WEEKLY VALUE OF SPENDING



Social distancing restrictions continued to dampen hospitality spending, while there was also a pronounced decline in the “other” category, which captures a range of categories including travel, vehicle hire, tours, events, casinos, beauty and health services.

High street retailing appeared mixed last week, with clothing and footwear retailing still growing, while homeware retailing had a softer week after very strong growth the previous two weeks.

Supermarket, pharmacy, and liquor retailing continued to rise sharply.

A modest recovery to CBD spending is likely when we 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 a number of factors, including resilient local employment conditions and ongoing levels of domestic tourism.

Week ended 13 September 2020	2020 Spend	2019 Spend
Food, liquor & pharmacies	\$1,995,841	\$1,919,200
Hospitality & Accommodation	\$1,001,517	\$1,132,107
Fuel & Automotive	\$76,417	\$87,555
Clothing, Footwear & Department Stores	\$321,109	\$304,686
Home & Recreational Retailing	\$320,277	\$367,646
All other	\$727,451	\$1,034,452
<b>Total</b>	<b>\$4,442,612</b>	<b>\$4,845,647</b>

### Foot traffic in the central city

The average daily number of people in Dunedin’s central city across the week ended 13 September 2020 was 4.8% below 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 in central city visitation during the week ended 9 August, immediately before the increase of the COVID-19 Alert Level from level 1 to 2.

Social distancing measures in workplaces under COVID-19 Alert Level 2 and public health restrictions on hospitality capacity have limited visitation to the CBD. Visitation should return to growth again once we move back down to COVID-19 Alert Level 1.

