

Enterprise Dunedin

DUNEDIN CBD – COVID-19 ECONOMIC UPDATE – 13 JULY 2020

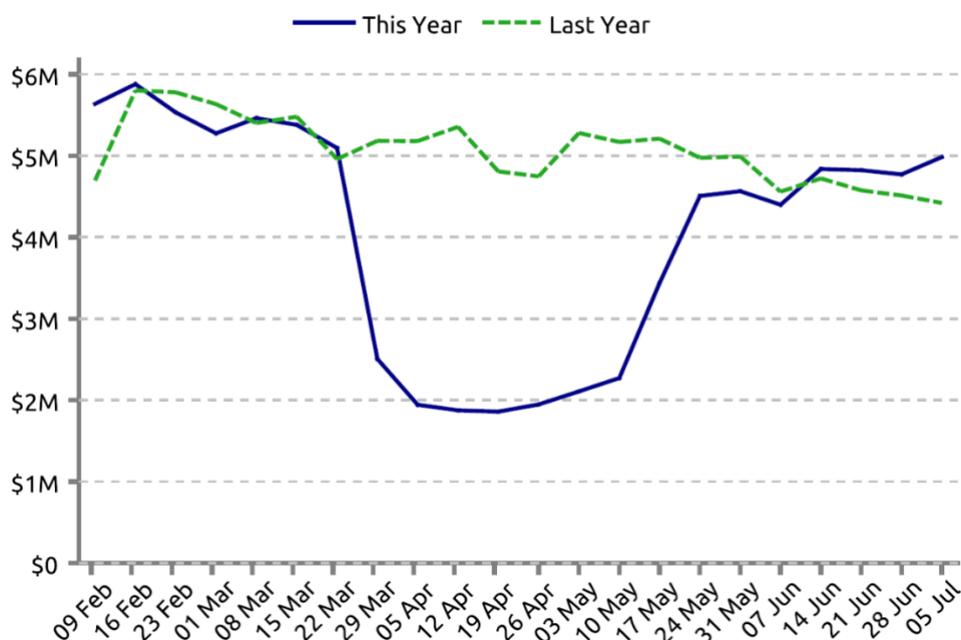
This document gives a high-level overview of economic activity within Dunedin’s central city. The indicators followed include foot traffic and retail spend. These two indicators allow us to understand how visitation to the CBD has recovered and the extent to which visitation is being converted into spending 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 the week ended 5 July totalled \$5.0 million, up 12.8% from the \$4.4 million spent across the same week a year earlier. Spending growth accelerated from the 5.7%pa growth rate recorded the previous week.

1. WEEKLY VALUE OF SPENDING



The week ended 5 July was the fourth consecutive week that central city retail spending had recovered to above its 2019 level. By comparison, spending in other parts of Dunedin City has been higher than its 2019 level for the past seven weeks.

The recovery in retail spending in the central city has become increasingly broad-based. Initially the recovery was concentrated on homeware and clothing, while supermarket spending has remained strong throughout the pandemic. However, last week was the first week where hospitality and accommodation spending had risen above its 2019 level.

The Highlanders vs Crusaders rugby match will have no doubt contributed to the hospitality and accommodation spending lift, but the sector had already been showing signs it was closing in on normal again the week before.

Lower spending continues to persist in the “other” category, which captures a range of categories including travel, vehicle hire, tours, events, casinos, beauty and health services.

The retail recovery in Dunedin Central and across the city more generally appears more entrenched than many of the bigger urban areas across the country. Nevertheless, there remains a risk that retail spending softens again in the coming weeks as pent-up demand works its way through the local economy. A sustained recovery will be contingent on a number of factors, including households’ financial positions and ongoing levels of domestic tourism after the school holiday period.

Week ended 5 July 2020	2020 Spend	2019 Spend
Food, liquor & pharmacies	\$1,938,597	\$1,655,232
Hospitality & Accommodation	\$1,212,762	\$1,055,118
Fuel & Automotive	\$92,045	\$80,021
Clothing, Footwear & Department Stores	\$425,010	\$300,474
Home & Recreational Retailing	\$512,042	\$351,146
All other	\$803,561	\$978,395
Total	\$4,984,017	\$4,420,385

Foot traffic in the central city

The average daily number of people in Dunedin’ central city across the week ended 5 July 2020 was 12.3% higher than a year ago, according to estimates from Data Ventures database derived from hourly monitoring of mobile phones.

Foot traffic in Dunedin Central has been higher than its 2019 level for five consecutive weeks.

