

Enterprise Dunedin

DUNEDIN CBD – 7 SEPTEMBER COVID-19 ECONOMIC UPDATE

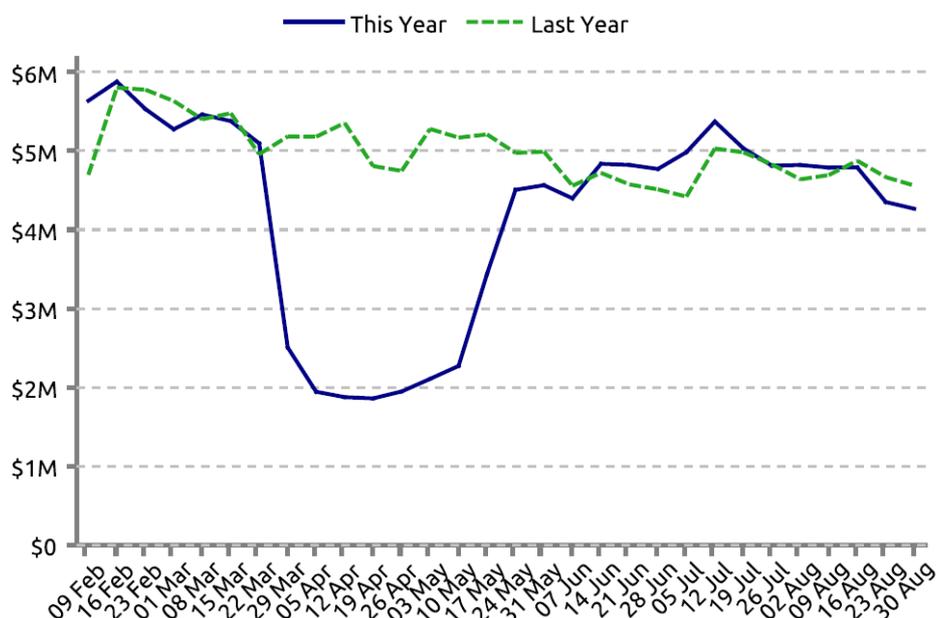
This document gives a high-level overview of economic activity within Dunedin’s central city. The indicators followed include foot traffic and retail spend. These two indicators allow us to understand how visitation to the CBD is holding up and the extent to which visitation is being converted into spending 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 week ended 30 August was below its 2019 level for the third consecutive week since the COVID-19 Alert Level was lifted from level 1 to 2. Spending declined at a rate of -6.5%pa last week, compared to 2.0%pa growth the week ended 9 August before the alert level increase.

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.

Clothing, footwear and homeware retailing have returned to modest growth, after having initially declined in the first week of reescalation to COVID-19 Alert Level 2 restrictions. Supermarket, pharmacy, and liquor retailing continued to rise strongly.

The total level of retail spending across the inner city 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 a number of factors, including resilient local employment conditions and ongoing levels of domestic tourism.

Week ended 30 August 2020	2020 Spend	2019 Spend
Food, liquor & pharmacies	\$1,857,065	\$1,742,994
Hospitality & Accommodation	\$943,291	\$1,200,451
Fuel & Automotive	\$75,797	\$71,226
Clothing, Footwear & Department Stores	\$316,886	\$295,084
Home & Recreational Retailing	\$301,560	\$299,187
All other	\$771,454	\$951,575
Total	\$4,266,053	\$4,560,518

Foot traffic in the central city

The average daily number of people in Dunedin’s central city across the week ended 30 August 2020 was 1.9% 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.

