

Karori: analysis of merchant spend

For the local Business Improvement District

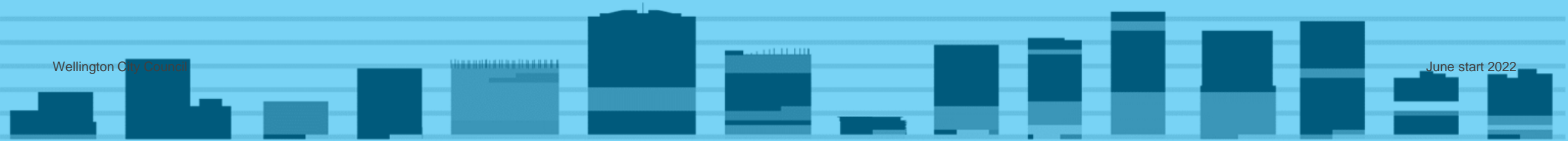


Issued: Nov 2022

Image:

Contents

1. Overview of retail and residential services
2. Annualised spend by retail category
3. Short-term spend by apparel, other and hospo
4. Residential consents
5. Issues for BID to think about

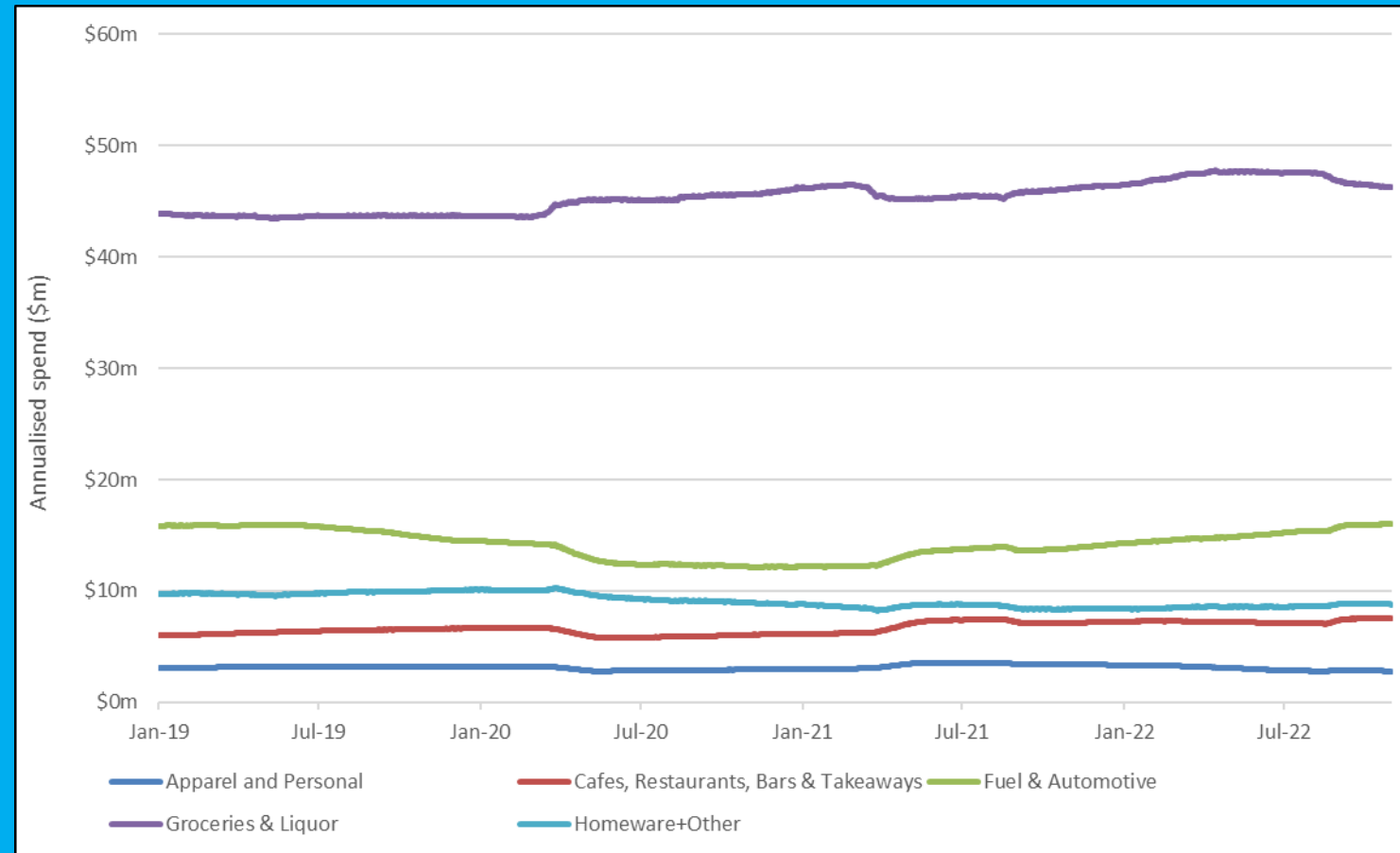


Karori: Overview commentary

- Karori like other suburban centres, benefited from a buoyant economy, working from home and a supportive community.
- However rising interest rates and inflation is likely to change the consumer mood. Consumer destinations and businesses need to work smarter, understand their audiences more closely and be adaptive to customer needs.
- Karori Town Centre upgrade recently done will create attractive, comfortable and sheltered spaces in the town centre's Library Square and England Lane for people to enjoy and spend more time in shopping centre.
- Karori BID needs to better understand the needs of these consumers and deliver a compelling proposition of range, experience and convenience to earn their support.

Annualised spend by category

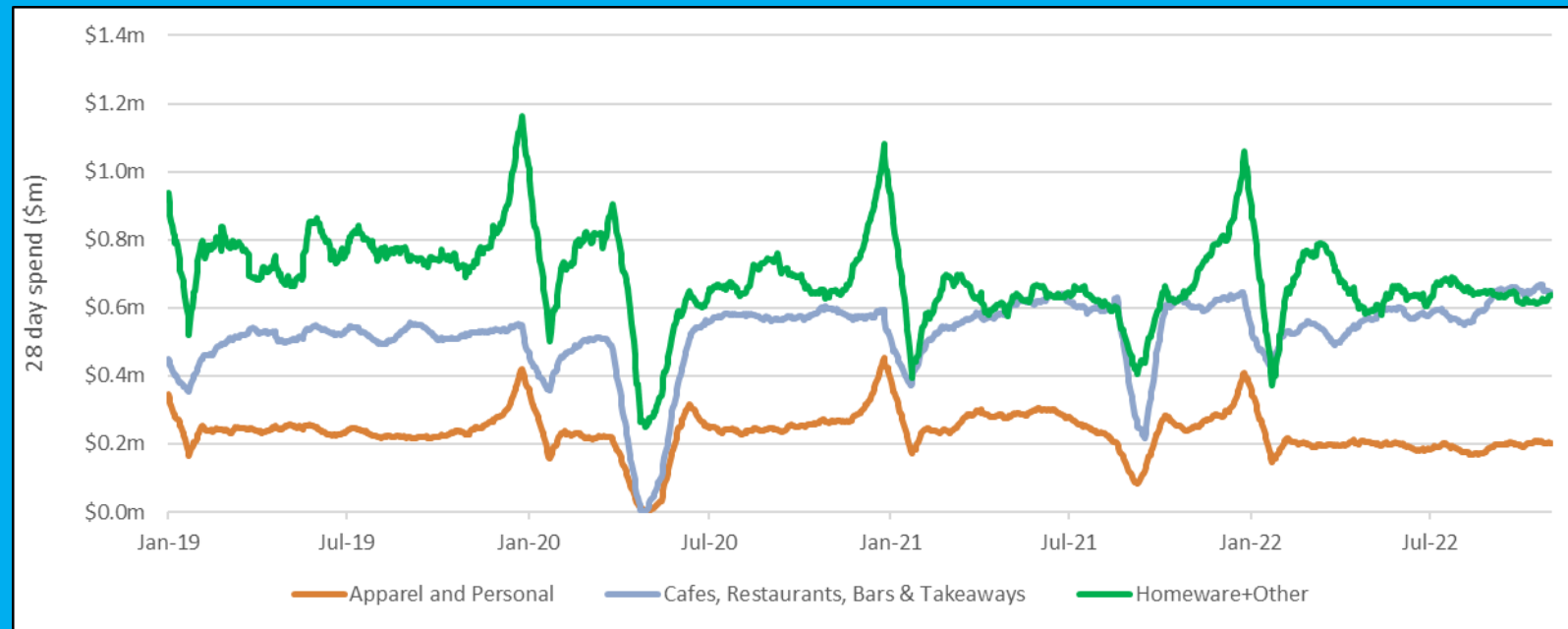
- Essentials dominate
 - Groceries
 - Fuel
- Minor players
 - Hospo rising slowly
 - Homeware in slow decline versus home improvement merchants who have grown



Source: MarketView

'Monthly' spend by 'minor' categories

- Hospitality
 - Rising consistently apart from lockdowns
- Homeware
 - In slow decline relative to Hospo
- Apparel
 - Holding steady



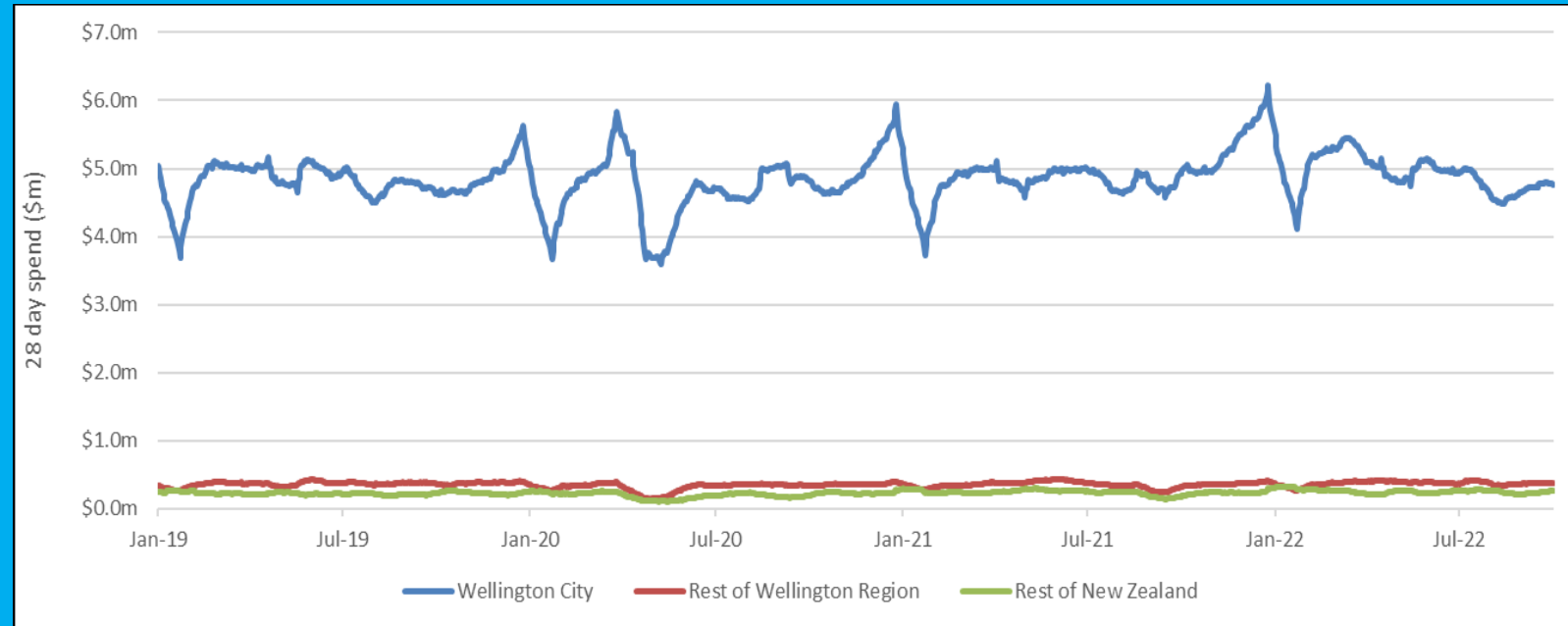
Source: MarketView

Wellington City Council

June start 2022

Customer origin spend

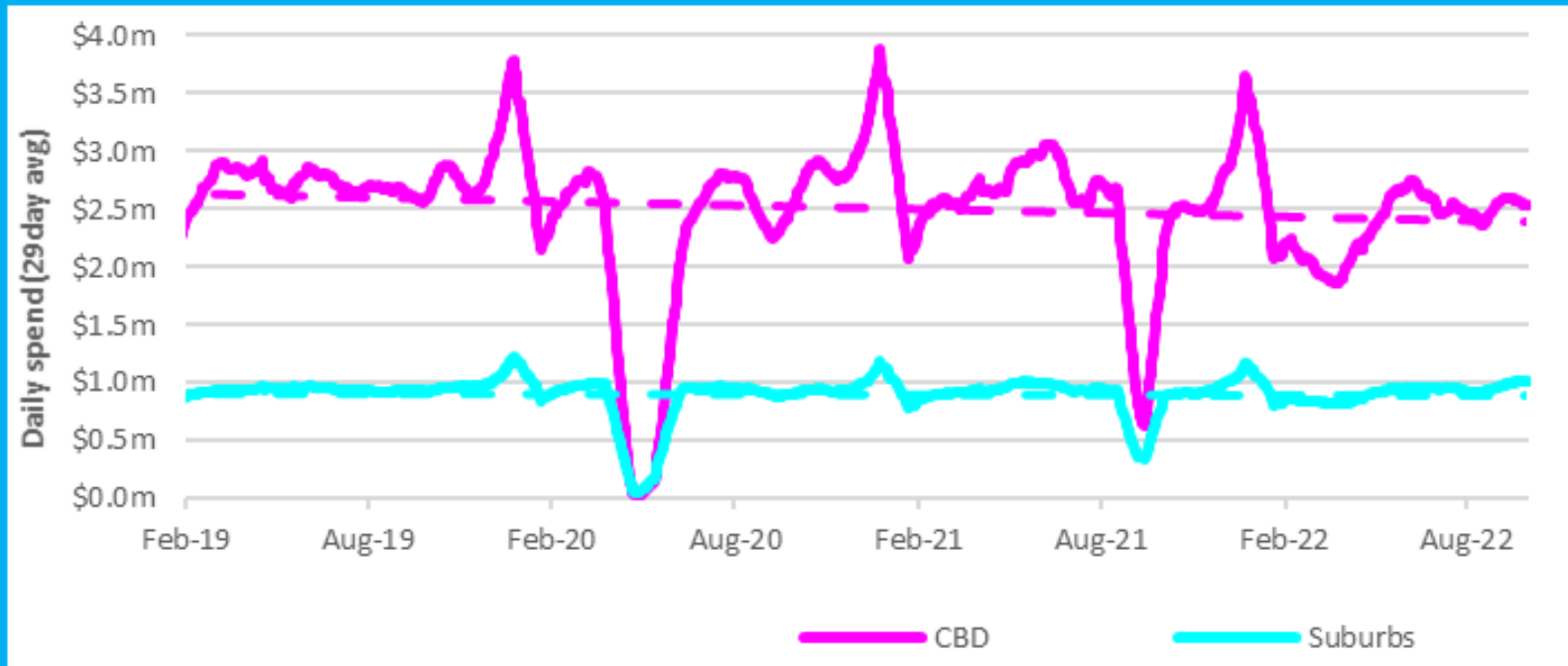
- City residents
 - Dominant and stable
- Rest of Wellington and visitors
 - Insignificant



Source: MarketView

Context City wide for retail and hospo spend

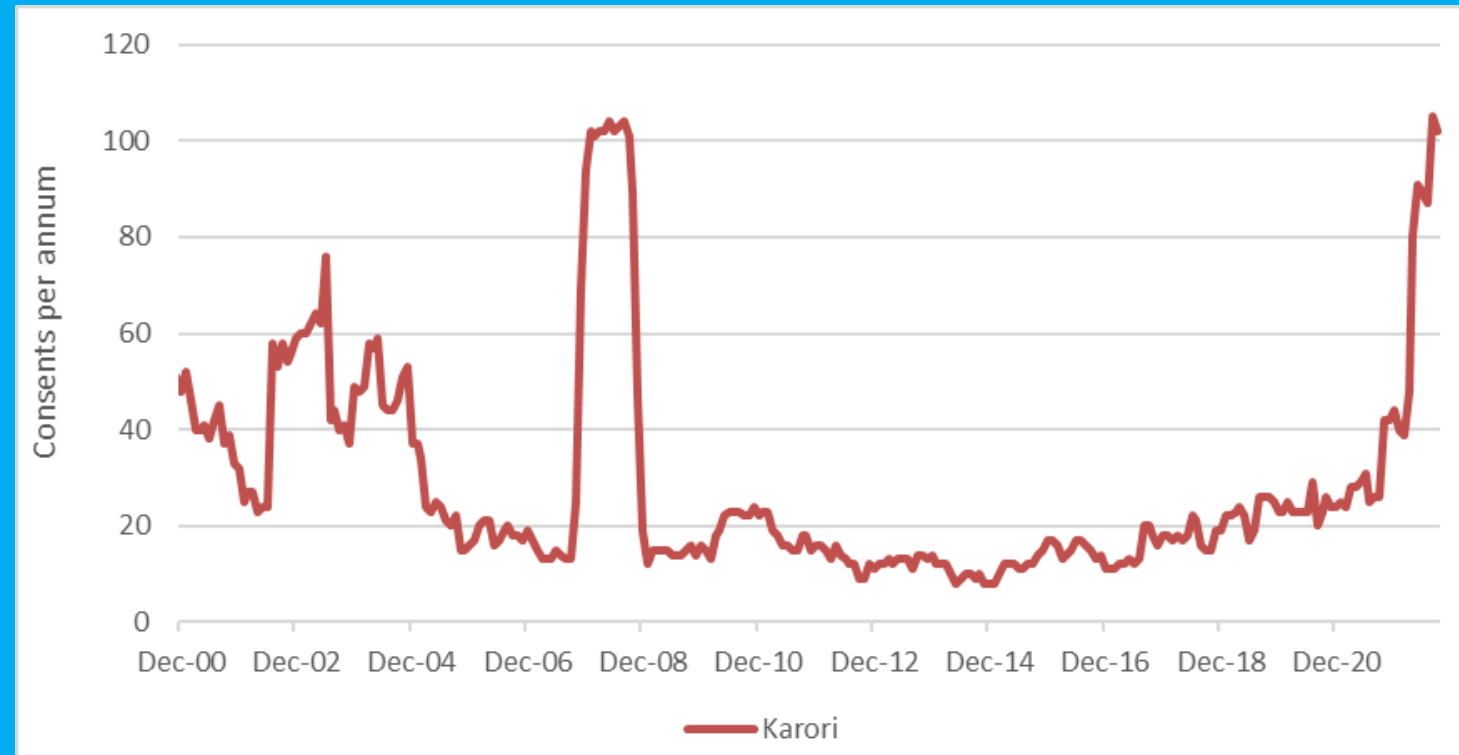
- CBD declines
 - Note Christmas peaks
- Decline attributed to combination of
 - Working from home
 - Fewer visitors
 - Earthquake damage
 - COVID-19 business failure
 - Urban decay as high needs people move into the 'vacuum' left as fewer people are around
- Suburbs stable
 - Beneficiary of the above



Source: MarketView

Residential building consents

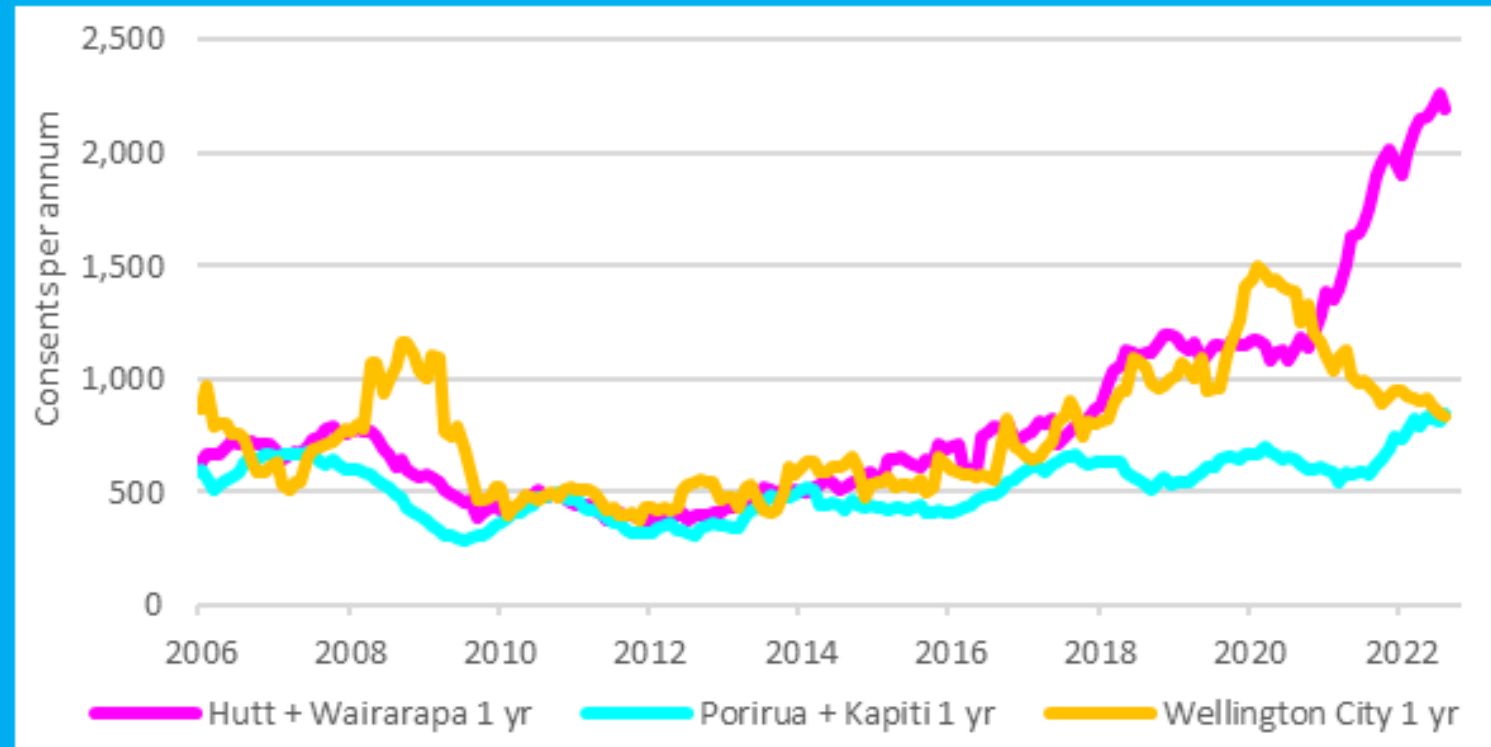
- Growth
 - Has potential
 - Flat(ish), close to CBD and the 'wild', good neighbours
 - Will current growth (presumably due to new consenting rules) persist?
- Implications
 - How will demands on the BID and Council services be met?



Source: StatsNZ

Residential building consents: Region wide context

- Hutt + Wairarapa dominate
 - More 'affordable' housing
 - Flat land and simple buildings
- Porirua rising
 - Ngati Toa and Kainga Ora make progress
- Wellington City declines
 - Expensive to build compared to Hutt/Porirua
 - Land expensive, seismic costs, large projects risky
 - What part does Karori contribute to City growth potential?



Source: StatsNZ

Summary: BID issues to think about

- Urban intensification
 - How will urban intensification (CBD and fringe) affect Karori
 - Develop real-time knowledge of spending and audience trends relative to the Town Centre to attract new customers from nearby suburbs who lacks of proper shopping attraction and hospo such as Wilton – Northland – Wadestown & Crofton Down
 - Connect and engage with key existing and prospective developers and investors
 - Leverage empty or public spaces to create opportunities for fresh, differentiated offers