



# Kilbirnie, Rongotai, Lyall Bay: analysis of merchant spend

For the local Business Improvement District

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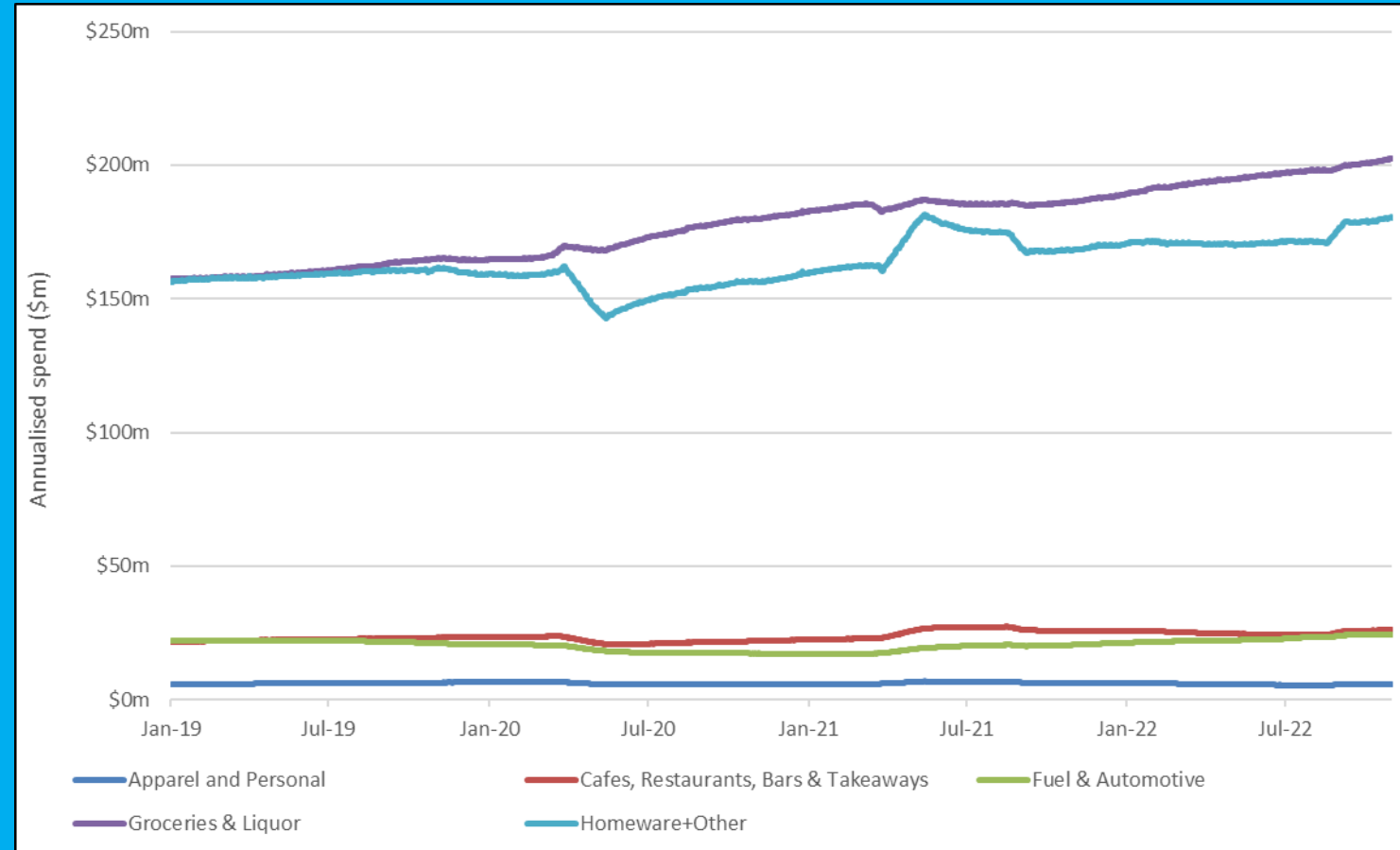
1. Overview of retail and residential services
2. Annualised spend by retail category
3. Short-term spend by apparel, other and hospo
4. Residential consents
5. Issues for BID to think about

# Kilbirnie, Rongotai, Lyall Bay (KRL): Overview commentary

- The eastern suburban centres (Kilbirnie, Rongotai and Lyall Bay or KRL), like others, 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.
- KRL has three distinct consumer destinations - each with their own and sometimes shared audiences, serving local and external consumers.
- KRL 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

- Groceries dominate
  - Growing market share?
- Homeware
  - Homeware grows but erratic as lockdowns and supplier shifts intervene
- Minor players
  - Hospo subdued

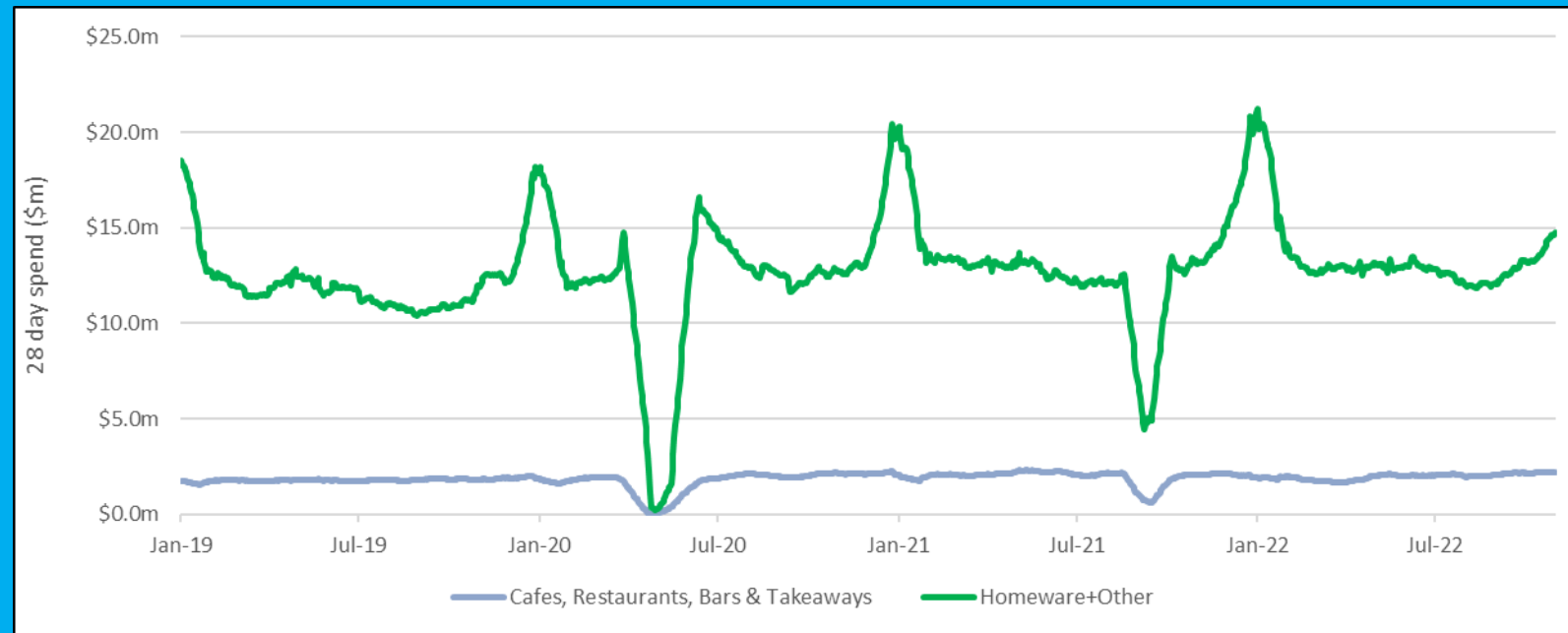


Source: MarketView



# 'Monthly' spend by 'minor' categories

- Homeware
  - A lockdown darling
  - Strong growth in Sep
  - Future potential?
- Hospitality
  - 'Static' apart from COVID-19 lockdowns



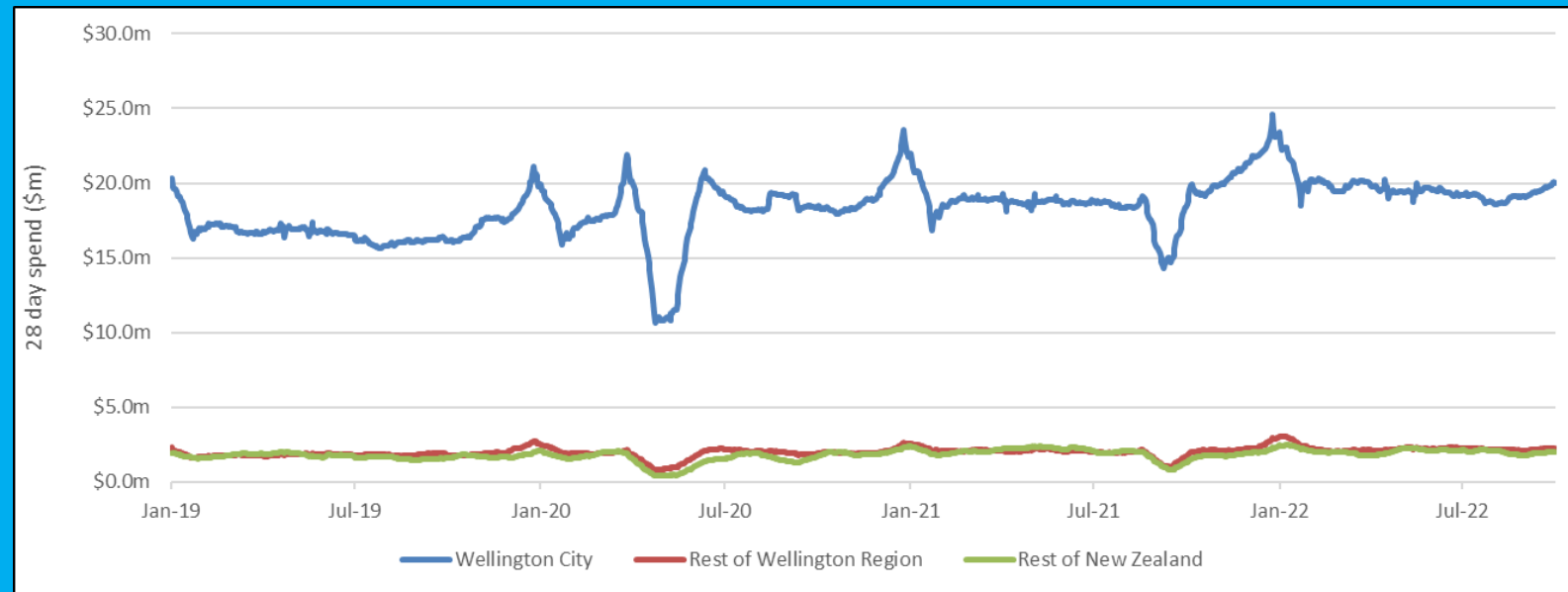
Source: MarketView

Wellington City Council

June start 2022

# Customer origin spend

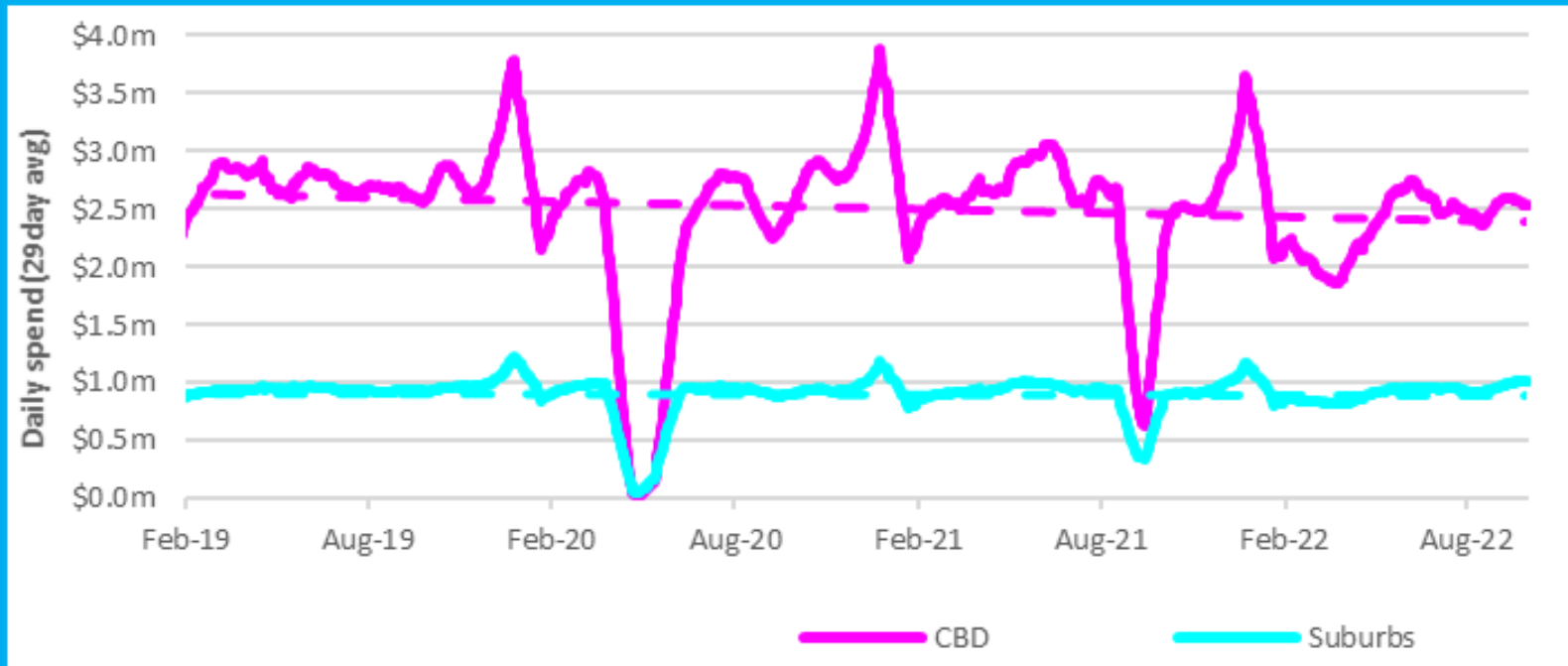
- City residents
  - Dominant and growing
- Rest of Wellington and visitors
  - Insignificant



Source: MarketView

# Context City wide for retail and hospo spend

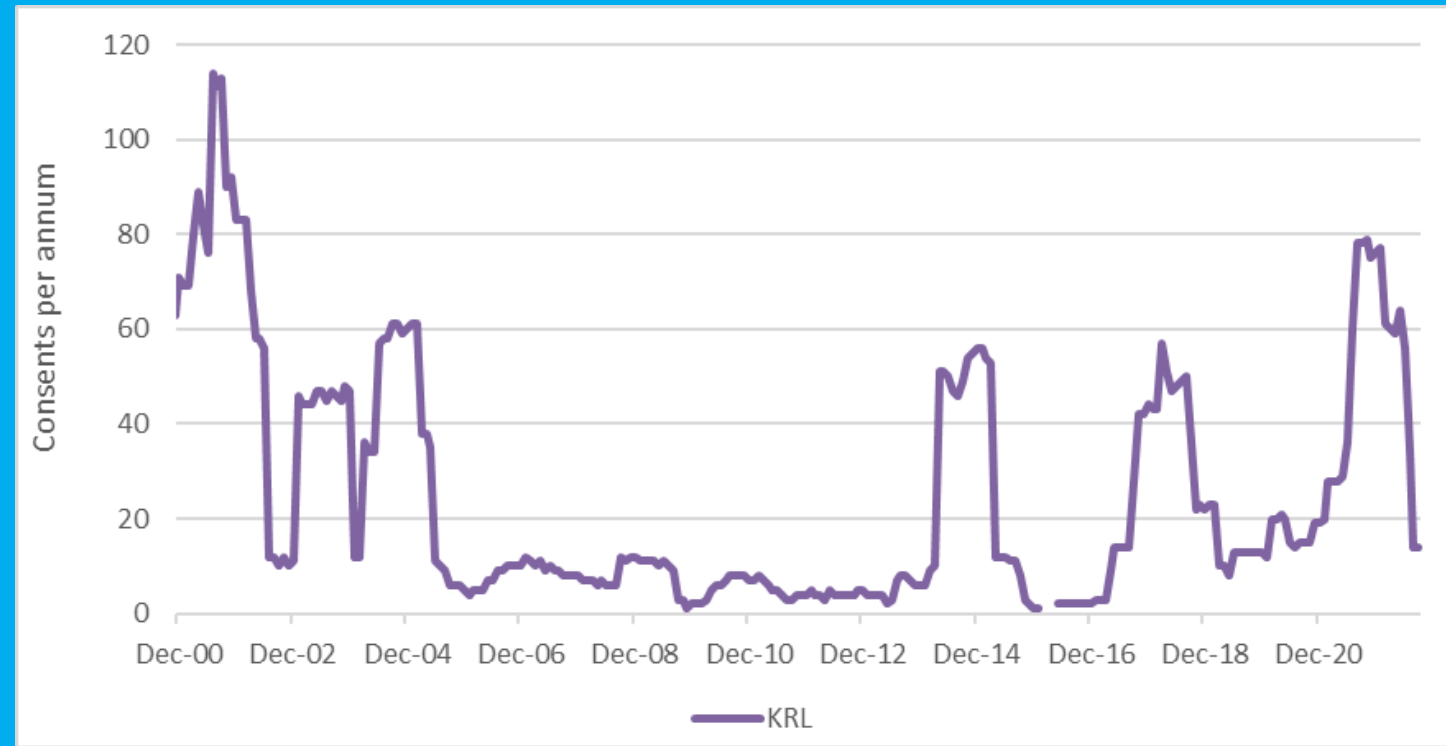
- CBD declines
  - Note Christmas peaks
- Decline attributed to combination of
  - Working from home
  - Fewer visitors
  - Earthquake damage
  - COVID-19 business failure
  - Urban decay as high needs people move into the 'vacuum' left as fewer people are around
- Suburbs stable
  - Beneficiary of the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



Source: MarketView

# Residential building consents

- Erratic history
  - Has potential
    - Flat, close to CBD and the 'wild'
  - But prone to sea level rise and road congestion
- Implications
  - **Will LGWM deliver?**

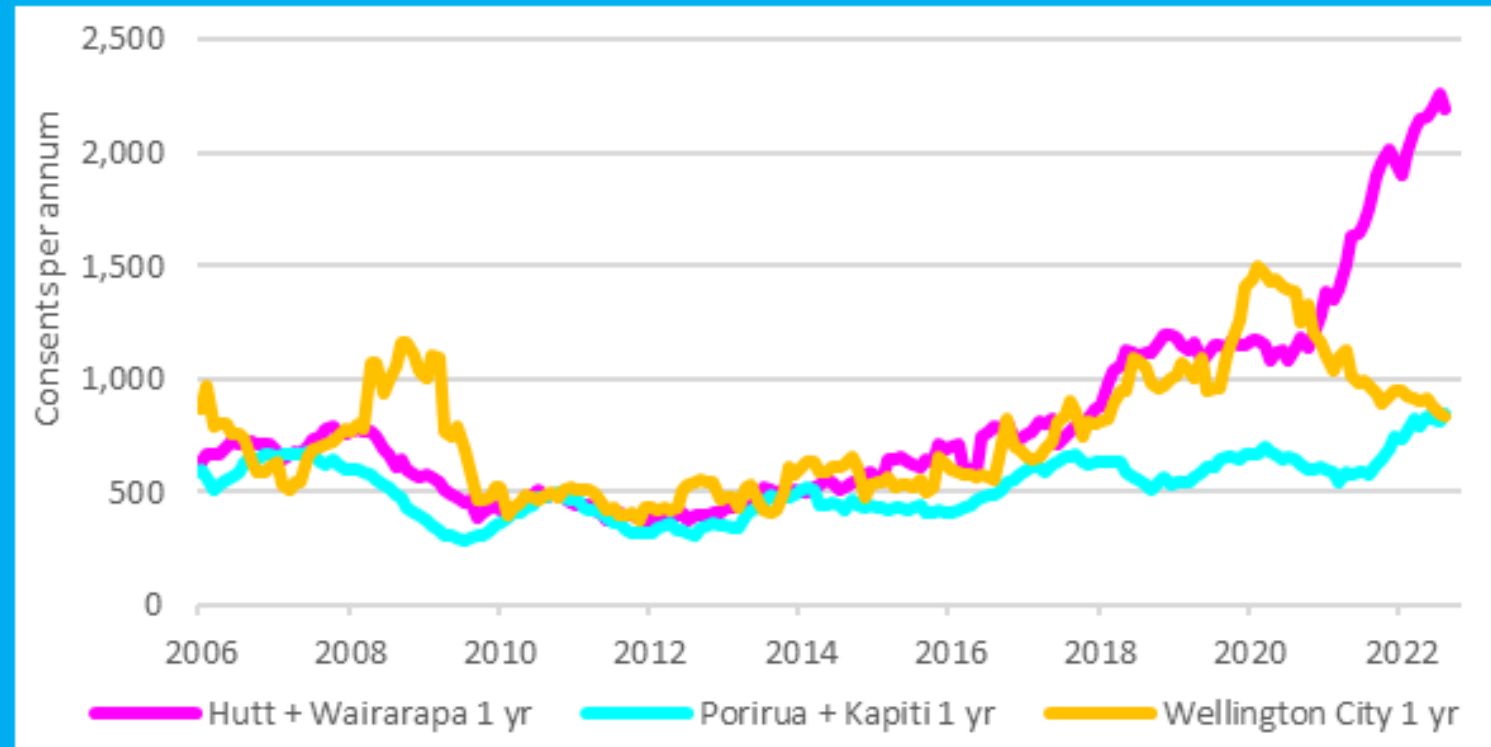


Source: StatsNZ



## 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 KRL provide in the City



Source: StatsNZ

# Summary: BID issues to think about

- Urban intensification
  - How will urban intensification affect KRL
  - What part does the Airport play in this?
  - **Include & develop community representation to understand audience needs and aspirations**
  - Connect and engage with key existing and prospective developers and investors