

Retail Spending in Christchurch July 2020

Summary

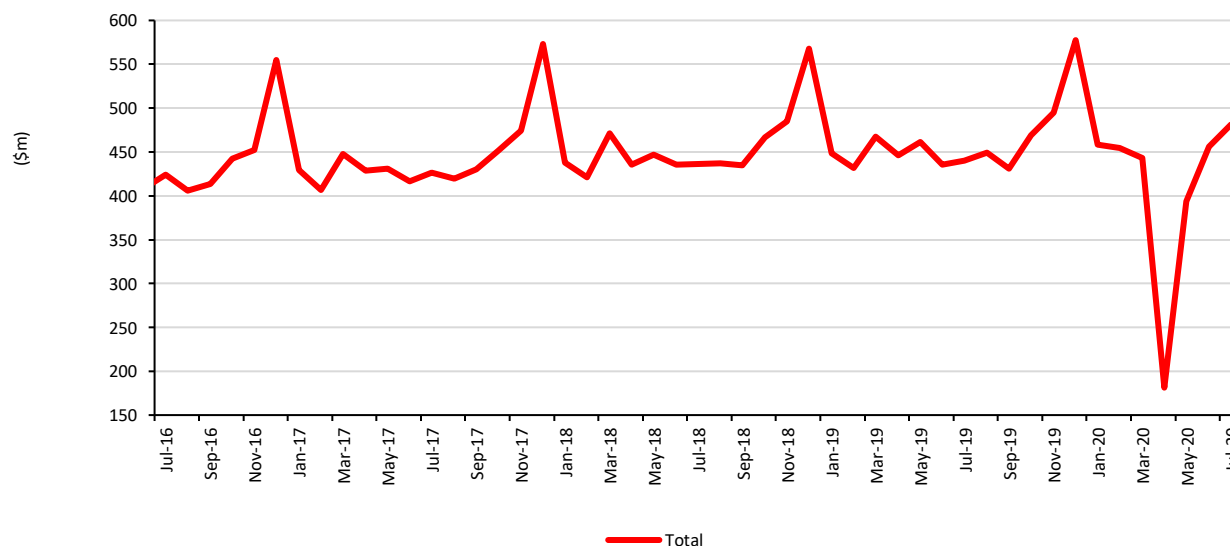
- Christchurch saw an overall spending increase of 9 percent for July 2020 to \$481m compared with the same month last year.
- Spending in Christchurch’s central city was up 16 percent to \$37m in July 2020, compared to the same month last year.
- Retail spending figures since mid-May 2020 have returned to pre COVID levels – likely due to both pent up demand and eased restrictions on domestic travel and social gatherings.
- In the period July 4 to July 19 (school holidays) spending in Christchurch increased 8 percent compared to the same period last year.
- While spend has been rebounding well from the forced closures of the lock down period, it’s important to note that pent up demand will likely slow and that this rebound period may not be enough to cover the losses incurred to businesses over those two months. This becomes somewhat evident when considering that retail spend for the YE July fell 4 percent in Christchurch city and 6 percent for the central city.
- Tourism related industries: accommodation and cafes, restaurants, bars and takeaways have seen the greatest declines of 27 and 11 percent respectively for the year ending July 2020. The hospitality industry is made up of many low margin businesses and as a result there is a risk of many business failures.

Retail spending in July 2020 is the second full month of post lockdown activity which translated to continued growth (Figure 1).

Figure 1 Total retail spend

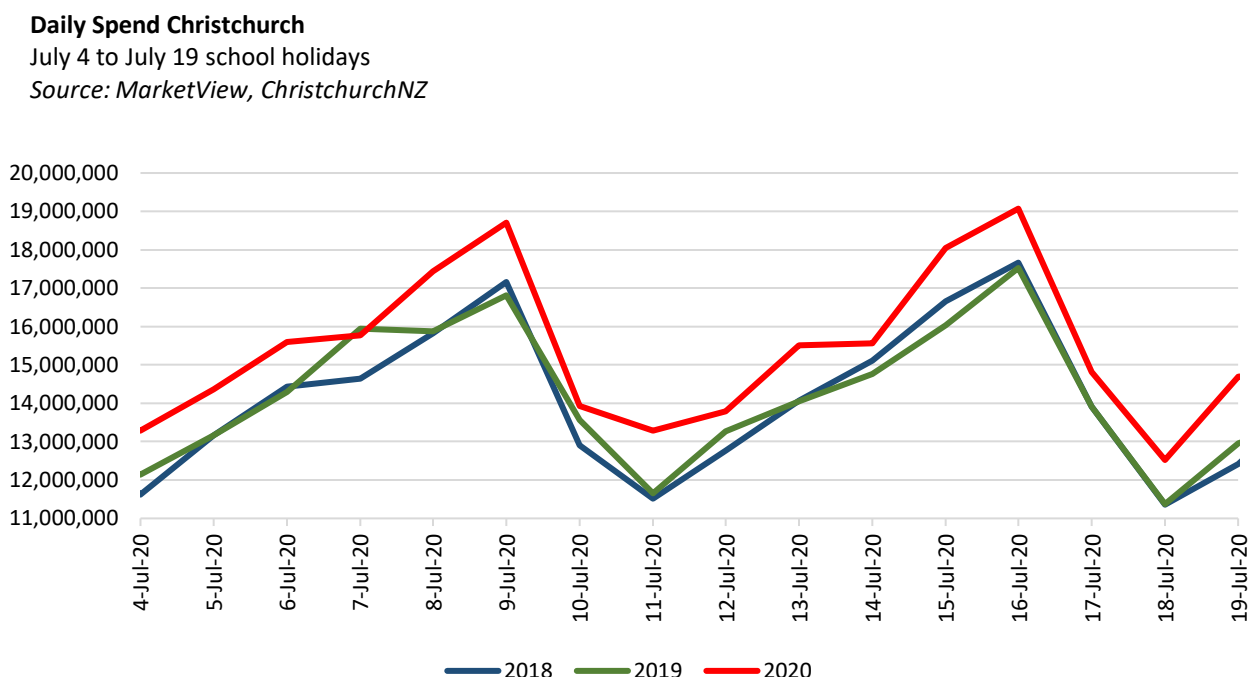
Christchurch Total Spend

Source: Market View, ChristchurchNZ



In Christchurch, for the period between 4 July and 19 July 2020, term 2 school holidays, consumer spending saw above average growth of 8 percent when compared to the same holiday last year. Conversely, the 2019 term 2 school holidays saw very limited growth of 0.8 percent compared to the same holidays of 2018. (Figure 2)

Figure 2 School holidays



Spending by location

Many locations saw exceptional retail spend in July 2020 with the greatest increases being seen in Akaroa, up 45 percent, followed by Spreydon, up 27 percent, when compared to the same time last year. The remainder of the 5 suburbs to see the greatest growth in July 2020 was Lyttleton, Tower Junction and Rest of Four Avenues up 26 percent, 22 percent and 18 percent respectively.

When compared to the limited growth seen in June, July central city spend made a delayed recovery in the wake of the lockdown period. The core and the core fringe saw increases of 17 percent and 15 percent in July 2020. The central city (core and fringe combined, see Figure 3) saw growth in July 2020 of 16 percent compared to July 2019.

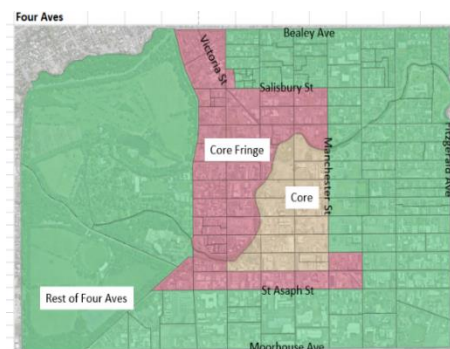
Figure 3 Highest retail spend growth suburbs

Akaroa	Spreydon	Lyttleton	Tower Junction	Rest of Four Avenues	Central City
45%	27%	26%	22%	18%	16%

Figure 4 depicts a summary of annual growth in Christchurch by geographic location.

Figure 4 Annual growth

Annual Change	Christchurch City	Central City (Core & Core Fringe)	Core	Core Fringe
18/19	+2%	+8%	+17%	-3%
19/20	-4%	-6%	-3%	-11%



Spend by store type

Apparel and personal, department stores and leisure and cafes, restaurants, bars and takeaways saw the greatest increases of 39, 22 and 19 percent in July 2020 compared to last year in the central city. Accommodation continues to see strong negative growth with declines of 37% when compared to July 2019(see Fig 5).

Figure 5 Central city expenditure

Apparel and Personal	Department Stores and Leisure	Restaurants, Bars and Takeaways	Accommodation
+39%	+22%	+19%	-37%

When considering all of Christchurch, some store types saw growth in July 2020. Home and hardware, apparel and personal and department stores saw strong growth of 30, 25 and 13 percent respectively. Accommodation saw the biggest falls in spending of 16 percent as seen in Figure 6.

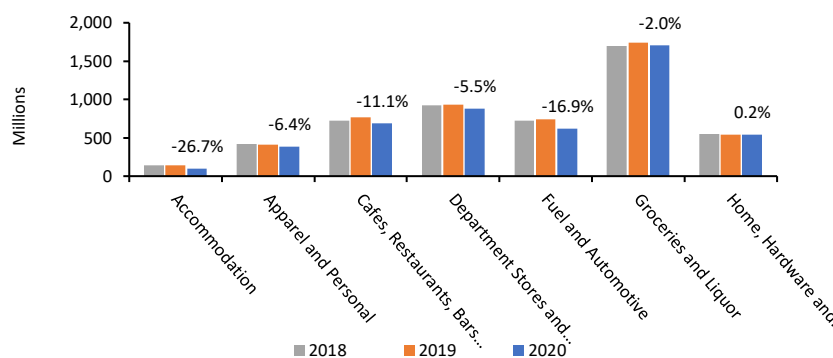
Figure 6 Citywide expenditure

Home Hardware and Electrical	Apparel and Personal	Department Stores and Leisure	Accommodation
+30%	+25%	+13%	-16%

Figure 7 depicts a summary of annual spend in Christchurch by category.

Figure 7 Annual Spending

Total Spend in Christchurch (YE July 2020)
By Spend Category
Source: MarketView, ChristchurchNZ



*Note: due to confidentiality issues there was no categorical data provided for the month of April. As a result, the 2020 annual figures will be understated by one months' worth of data.

Spending by visitor type

Continued disruptions to international consumer spending as a result of COVID-19 resulted in weak July 2020 figures. Thanks to relaxed domestic visitor restrictions, domestic visitor spend saw significant growth in July 2020. International spending saw a 61 percent decrease on the same month last year to \$4.7m compared to a 28 percent increase to \$47m for domestic spending (Figure 9).

Figure 10 depicts monthly international and domestic visitor spending in Christchurch.

Figure 9 Visitor spending July 2020 compared with July 2019

Domestic visitors	International visitors
+28%	-61%

*Smaller than expected decline in international visitor spend is due to the contribution of long-term visitors, returning kiwis, foreign nationals, special visas etc.

Spending by Christchurch residents in Christchurch (excluding fuel) increased by 12 percent, and in the central city increased by 21 percent as seen in Figure 11.

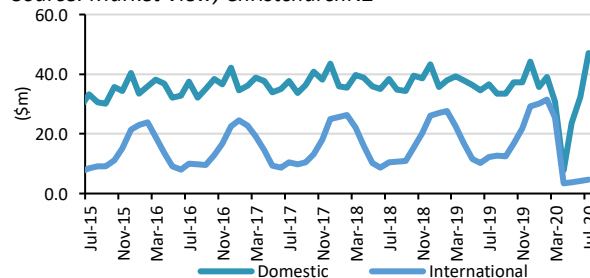
Figure 11 Resident spending July 2020 compared with July 2019

Christchurch	Central city
+12%	+21%

Figure 10 Visitor spending

Christchurch Domestic and International Visitor Spend

Source: Market View, ChristchurchNZ



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