



QUARTERLY MARKET ACTIVITY REPORT

BIRKENHEAD RETAIL CENTRE

for the 3 month period ending 30 September 2017

Prepared for

Birkenhead

Date

October 2017

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01 JUL 2017 TO 30 SEP 2017



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SMALL PRINT

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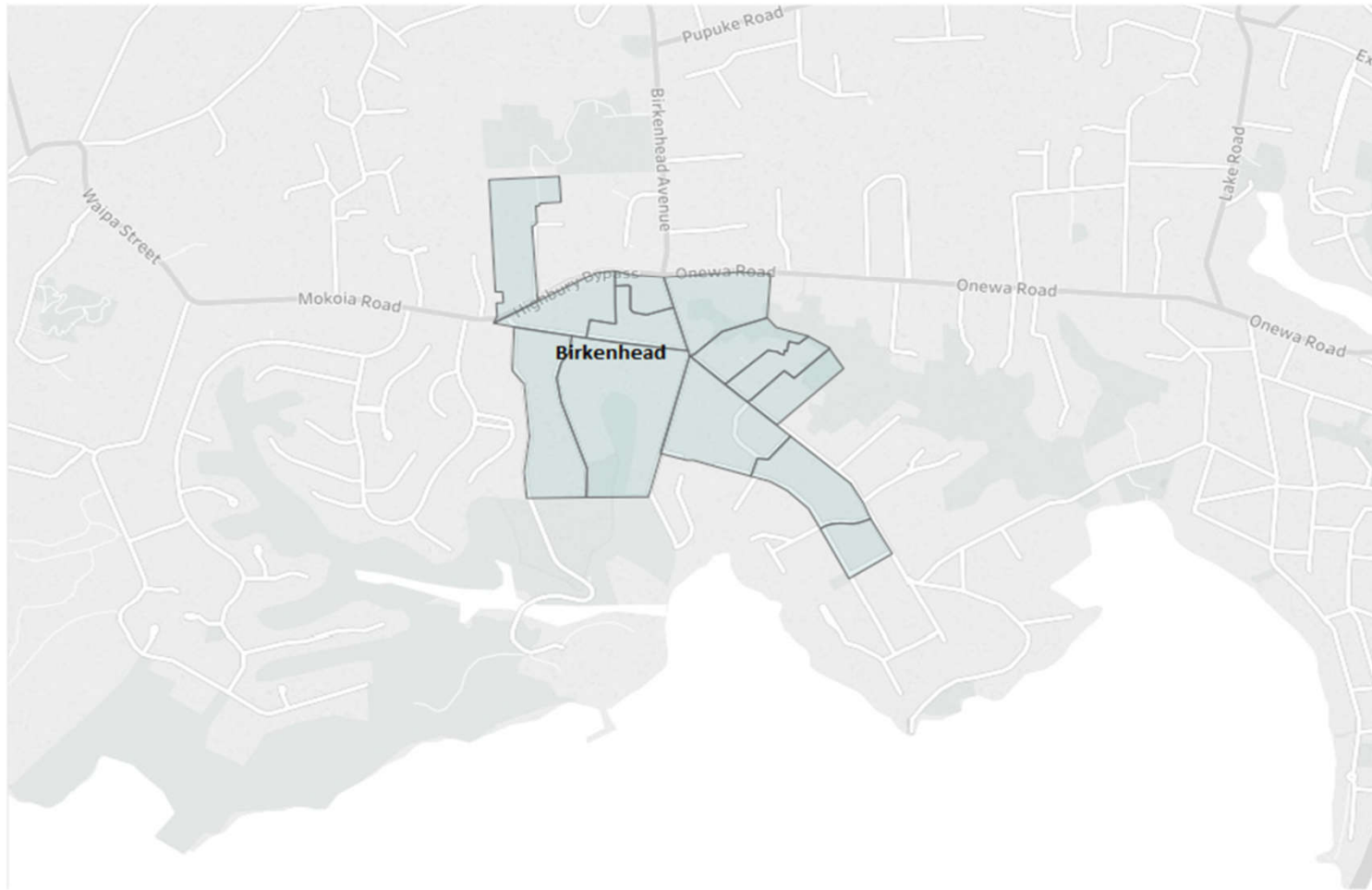
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Birkenhead Boundary Definitions



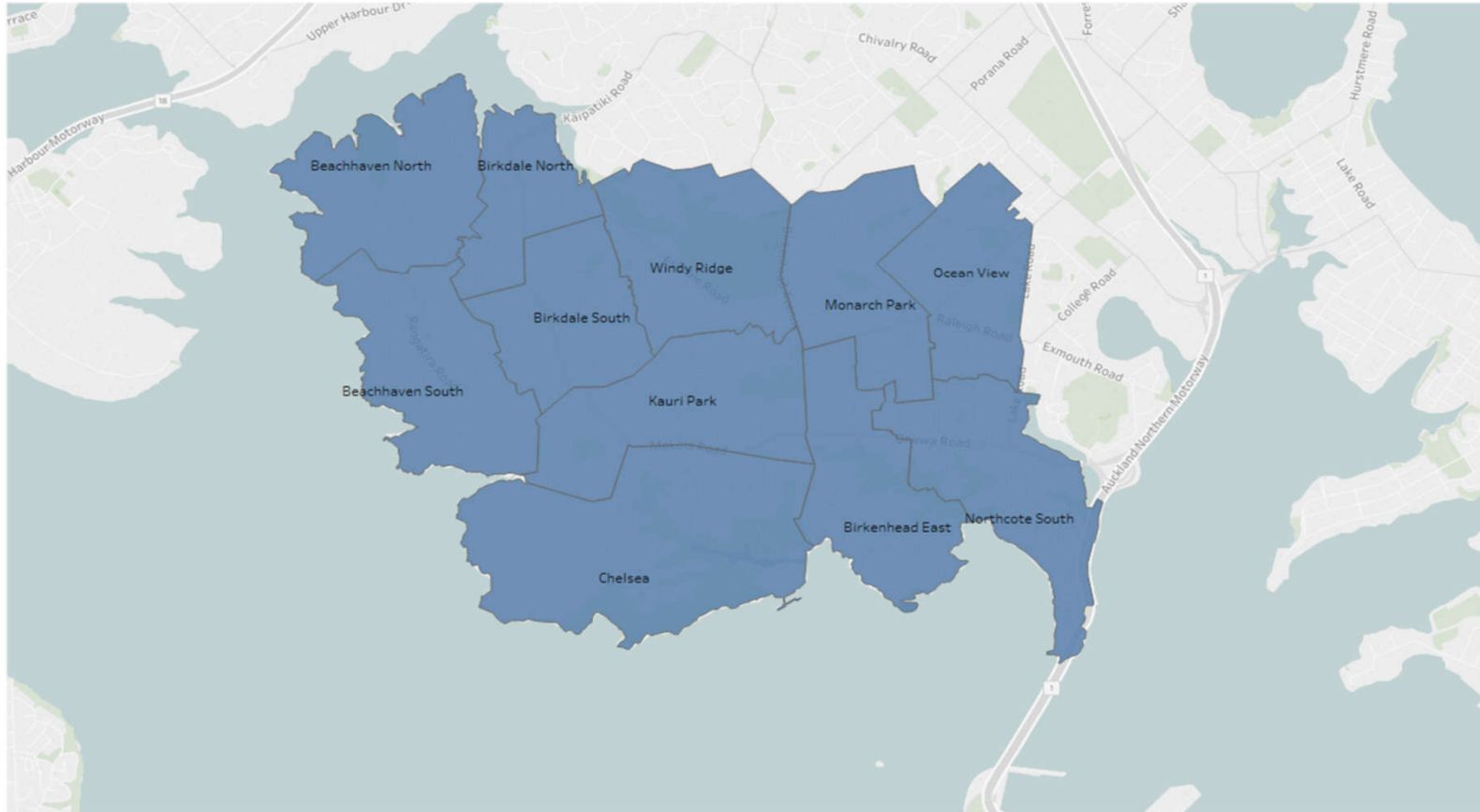
The boundaries of your Improvement District, as defined by Council, are highlighted on the map.



Birkenhead Catchment



The catchment has been defined by the penetration and transactions from your customers over a 12 month period



1. Quarterly Performance Summary

01 JUL 2017 TO 30 SEP 2017



Amount Spent

Birkenhead

| | This Year | Last Year | Change |
|----------------------------------|-------------------|-------------------|--------------|
| Customers from New Zealand | \$27.69 mn | \$27.28 mn | +1.5% |
| International Visitors | \$0.50 mn | \$0.25 mn | +99.6% |
| TOTAL | \$28.18 mn | \$27.53 mn | +2.4% |
| % from New Zealand | 98.2% | 99.1% | -0.9% |
| Average Transaction Value | \$35.77 | \$35.70 | +0.2% |

Key Competitors

| | This Year | Last Year | % Change |
|-------------------------------|-------------------|-------------------|--------------|
| Glenfield | \$27.05 mn | \$29.43 mn | -8.1% |
| Howick | \$22.24 mn | \$22.70 mn | -2.0% |
| Ponsonby | \$69.02 mn | \$67.75 mn | +1.9% |
| All of Auckland Region | \$3.974 bn | \$3.874 bn | +2.6% |

CHANGE

YOUR RANKING

| | | Spending | Transactions | |
|-----------|----------------|------------|--------------|-----------------|
| Last Year | MED LOW | Quartile 3 | Quartile 2 | MED HIGH |
| This Year | MED LOW | Quartile 3 | Quartile 3 | MED LOW |

Key

Birkenhead BID = retailers listed based within the Business Improvement District boundaries.

Key Competitors = The Business Improvement Districts you selected to compare your performance against

All of Auckland Region = The value of spending and transactions at retailers based in Auckland Region

Your Ranking = All BIDs in the Auckland City Council have been ranked based on the change in spending/ transactions and also the total value of spending/ transactions and put into one of four quartile groups. The quartile ranking listed above shows which quartile your BID is in this year and how that relates to last year. Quartile One is the top 25% of BIDs, representing high growth, whereas Quartile Four is the lowest 25% of BIDs, meaning growth has been slow.

Number of Transactions

| | This Year | Last Year | Change |
|----------------------------|----------------|----------------|--------------|
| Customers from New Zealand | 0.78 mn | 0.77 mn | +2.1% |
| International Visitors | 0.00 mn | 0.00 mn | +18.7% |
| TOTAL | 0.79 mn | 0.77 mn | +2.2% |
| % from New Zealand | 99.5% | 99.6% | -0.1% |

| | This Year | Last Year | % Change |
|-------------------------------|-----------------|-----------------|--------------|
| Glenfield | 0.74 mn | 0.77 mn | -4.4% |
| Howick | 0.49 mn | 0.49 mn | +0.1% |
| Ponsonby | 1.43 mn | 1.46 mn | -1.9% |
| All of Auckland Region | 86.51 mn | 83.85 mn | +3.2% |

TOTAL VALUE

| | Spending | Transactions |
|-----------|------------|--------------|
| Last Year | Quartile 2 | Quartile 2 |
| This Year | Quartile 2 | Quartile 2 |

About this Page

This page gives an overview of spending and transaction volumes made for the three months ending 30 September 2017 compared to the same period last year. The top section refers to spending in your marketplace, and at your selected competitors. The bottom one measures overall retail spending in Auckland and is based on spending in the last 12 months.

1. A Summary of Changes to Birkenhead



01 Jul 2017 to 30 Sep 2017

1. Spending in the Birkenhead Retail Centre

| | Amount Spent | | | Number of Transactions | | | Average Transaction Value | | |
|--------------|-------------------|-------------------|---------------|------------------------|----------------|---------------|---------------------------|----------------|----------------|
| | 2017 | 2016 | Change | 2017 | 2016 | Change | 2017 | 2016 | Change |
| TOTAL | \$28.18 mn | \$27.53 mn | ▲ 2.4% | 0.79 mn | 0.77 mn | ▲ 2.2% | \$35.77 | \$35.70 | ◀▶ 0.2% |

2. Same Store Comparison - spending at Birkenhead merchants that were operating both in this year and last year

| | Amount Spent | | | Number of Transactions | | | Average Transaction Value | | |
|--------------|-------------------|-------------------|---------------|------------------------|----------------|---------------|---------------------------|----------------|----------------|
| | 2017 | 2016 | Change | 2017 | 2016 | Change | 2017 | 2016 | Change |
| TOTAL | \$26.56 mn | \$25.91 mn | ▲ 2.5% | 0.74 mn | 0.72 mn | ▲ 2.1% | \$36.00 | \$35.85 | ◀▶ 0.4% |

3. Net change in merchant numbers within the Birkenhead Retail Centre

| | 2016 | 2017 | * Diff | Change |
|-------------------|------------|------------|------------|--------------|
| Automotive | 5 | 4 | -1 | -20.0% |
| Core retail | 14 | 12 | -2 | -14.3% |
| Food and Liquor | 24 | 23 | -1 | -4.2% |
| Hospitality | 62 | 58 | -4 | -6.5% |
| Medical services | 12 | 11 | -1 | -8.3% |
| Other retail | 23 | 24 | +1 | 4.3% |
| Other storetypes | 4 | 4 | +0 | 0.0% |
| Personal services | 20 | 18 | -2 | -10.0% |
| Recreational | 4 | 3 | -1 | -25.0% |
| TOTAL | 168 | 157 | -11 | -6.5% |

Notes

- Overall spending in the marketplace increased by 2.4%
- On a same store basis i.e. merchants active in Birkenhead for all 24 months of the last two years, spending was up by 2.5%.
- We calculate there has been a net change in merchant numbers within the Birkenhead BID of 11 fewer merchants.

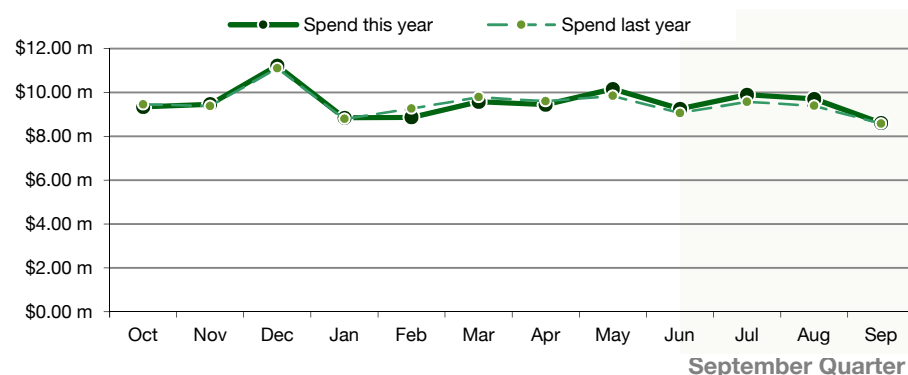
* Change in merchants is the NET change. For example if you have 60 merchants in the first year and 80 merchants in the second year there is a difference of 20. This does not mean that you have had 20 new merchants join; it could be that you have had 40 new merchants join and 20 who have left giving you a NET change of 20.

2. Monthly spending in the Birkenhead Retail Centre

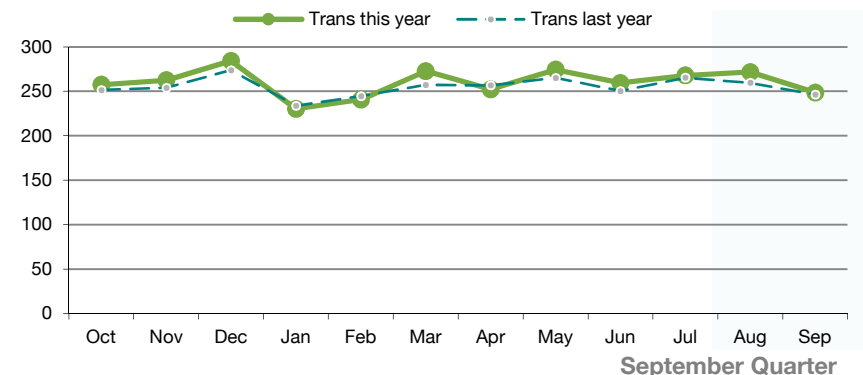
01 Oct 2016 to 30 Sep 2017 vs same period last year



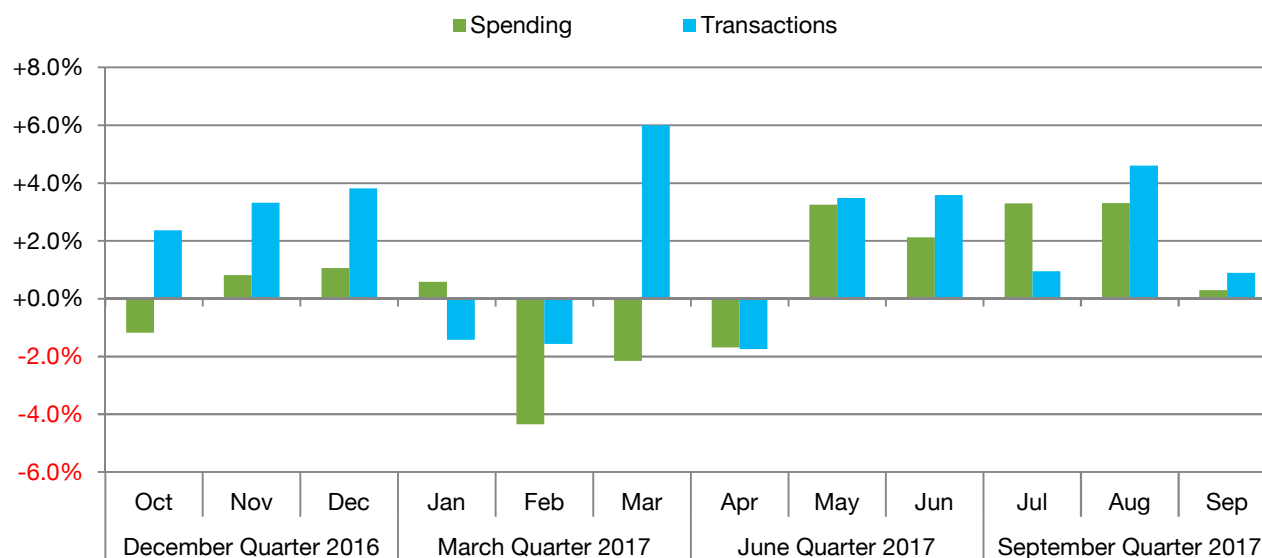
2.1 Monthly value of SPENDING at Birkenhead merchants



2.2 Monthly TRANSACTION volumes at Birkenhead merchants (,000s)



2.3 Percentage change over the same month last year



2.4 Chart Data

| | SPENDING | | |
|----------------|---------------------|---------------------|-------------|
| | This Year | Last Year | Change |
| July | \$9,887,403 | \$9,572,088 | 3.3% |
| August | \$9,694,411 | \$9,384,084 | 3.3% |
| September | \$8,602,381 | \$8,576,989 | 0.3% |
| Quarter | \$28,184,195 | \$27,533,161 | 2.4% |

| | TRANSACTIONS | | |
|----------------|----------------|----------------|-------------|
| | This Year | Last Year | Change |
| July | 267,908 | 265,391 | 0.9% |
| August | 271,556 | 259,599 | 4.6% |
| September | 248,506 | 246,290 | 0.9% |
| Quarter | 787,970 | 771,280 | 2.2% |

Reading these Charts

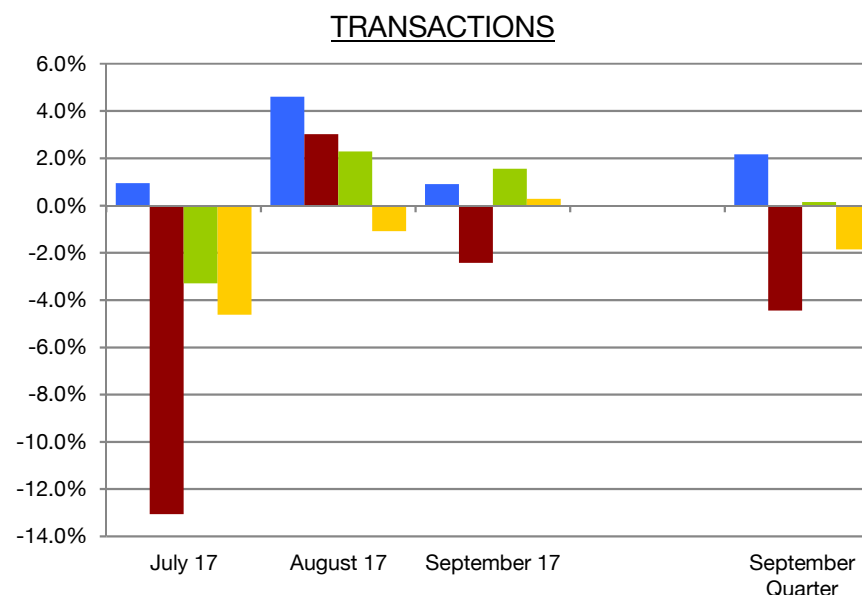
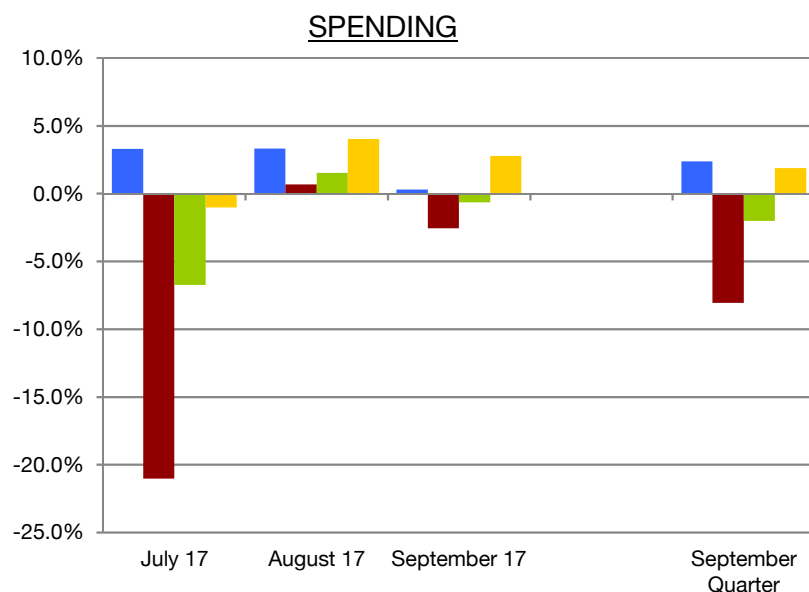
This page shows the monthly spending and transaction trends this year and last year. In the top left chart, the solid dark green line refers to monthly spending this year and the green dotted line refers to the previous year. The right-hand chart refers to monthly transaction volumes.

3. How activity in Birkenhead compares to your Key Competitors



01 Jul 2017 to 30 Sep 2017

3.1 Change in spending and transactions, over same month last year - Birkenhead, compared to Key Competitors (Glenfield, Howick and Ponsonby)



Birkenhead

Glenfield

Howick

Ponsonby

3.2 Change over September quarter last year

| | Spending | Transactions |
|------------|----------|--------------|
| Birkenhead | 2.4% | 2.2% |
| Glenfield | -8.1% | -4.4% |
| Howick | -2.0% | 0.1% |
| Ponsonby | 1.9% | -1.9% |

3.3 Change over the June 2017 quarter

| | Spending | Transactions |
|------------|----------|--------------|
| Birkenhead | -2.3% | 0.3% |
| Glenfield | -4.5% | -2.1% |
| Howick | -6.9% | 1.1% |
| Ponsonby | -2.8% | -1.0% |

Reading these Charts

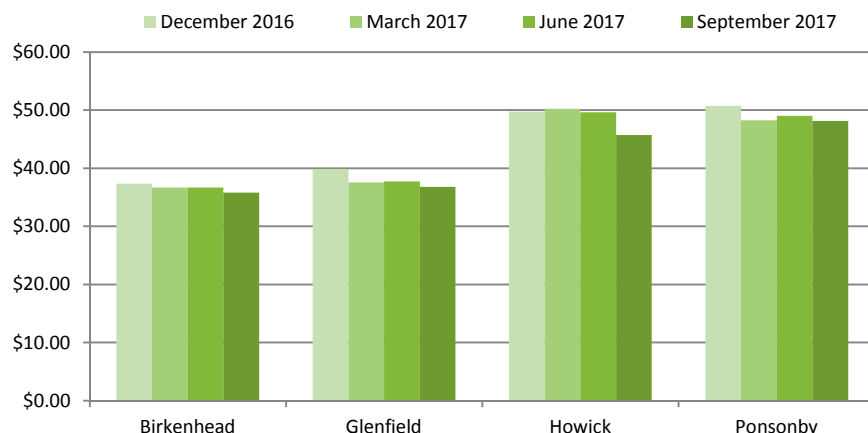
This page shows how activity in your retail centre over the last quarter compared to your key competitors. The chart top left shows the change in spending in each retail centre over the same month in the quarter last year. The chart top right provides the same information for transaction volumes.

4. Average Transaction Value at Birkenhead compared to your Key Competitors



01 Oct 2016 to 30 Sep 2017

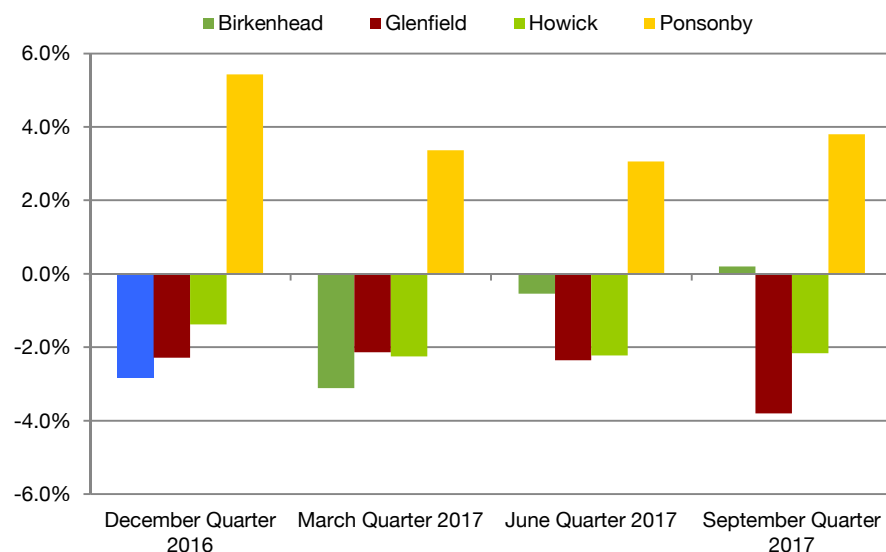
4.1 Average transaction value over the last 12 months



4.1.1 Key Stats

| Quarter | Birkenhead | Glenfield | Howick | Ponsonby |
|----------------|------------|-----------|---------|----------|
| December 2016 | \$37.32 | \$39.85 | \$49.74 | \$50.74 |
| March 2017 | \$36.66 | \$37.57 | \$50.22 | \$48.24 |
| June 2017 | \$36.69 | \$37.71 | \$49.63 | \$48.99 |
| September 2017 | \$35.77 | \$36.78 | \$45.73 | \$48.14 |

4.2 Change in quarterly average transaction value over the last 12 months - Birkenhead, compared to Key Competitors (Glenfield, Howick and Ponsonby)



4.2.1 Change over same quarter last year

| Quarter | Birkenhead | Glenfield | Howick | Ponsonby |
|----------------|------------|-----------|--------|----------|
| December 2016 | -2.8% | -2.3% | -1.4% | 5.4% |
| March 2017 | -3.1% | -2.1% | -2.3% | 3.4% |
| June 2017 | -0.5% | -2.4% | -2.2% | 3.1% |
| September 2017 | 0.2% | -3.8% | -2.2% | 3.8% |

Reading these Charts

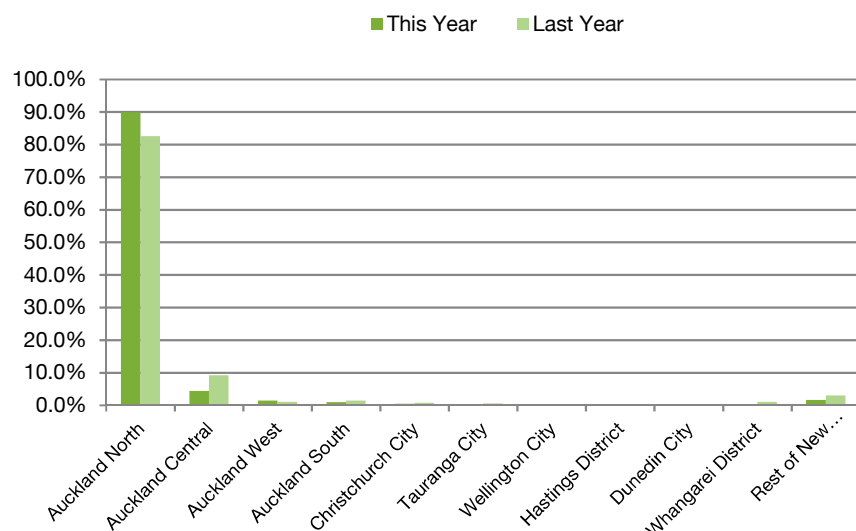
This page shows how the average transaction value in your retail centre has changed over the last 12 months compared to your key competitors. The top chart shows your average transaction value by quarter compared to your key competitors. The bottom chart shows how your average transaction value has changed compared to your key competitor groups.

5. Which parts of New Zealand are Birkenhead customers coming from?

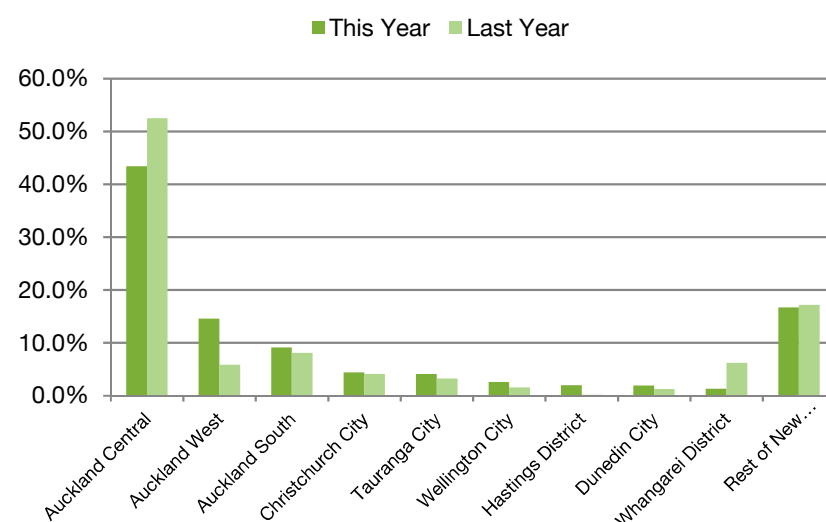


01 Jul 2017 to 30 Sep 2017

5.1 Top Local Authority Areas - Current Quarter vs the Same Quarter Last year



5.2 Top Local Authority Areas (excluding Auckland North)



5.3 Key Stats

| Origin of customers | % of Spending | Change over last year | |
|---------------------|---------------|-----------------------|--------------|
| | | \$ Spent | Contribution |
| Auckland North | 90.0% | +10.6% | +7.4% |
| Auckland Central | 4.4% | -51.6% | -4.8% |
| Auckland West | 1.5% | +45.9% | +0.4% |
| Auckland South | 0.9% | -34.0% | -0.5% |
| Christchurch City | 0.4% | -37.0% | -0.3% |
| Tauranga City | 0.4% | -26.5% | -0.2% |
| Wellington City | 0.3% | +0.3% | -0.0% |
| Hastings District | 0.2% | +713.7% | +0.2% |
| Dunedin City | 0.2% | -8.7% | -0.0% |
| Whangarei District | 0.1% | -87.8% | -1.0% |
| Rest of New Zealand | 1.7% | -43.1% | -1.3% |

% of spending = The percentage of spending coming from people living in this part of New Zealand.

\$ spent = The percentage change in spending coming from people living in this Area (This quarter over same quarter last year)

Contribution = The change in the percentage of total spending at Birkenhead coming from people living in this Area (This quarter over same quarter last year)

Reading these Charts

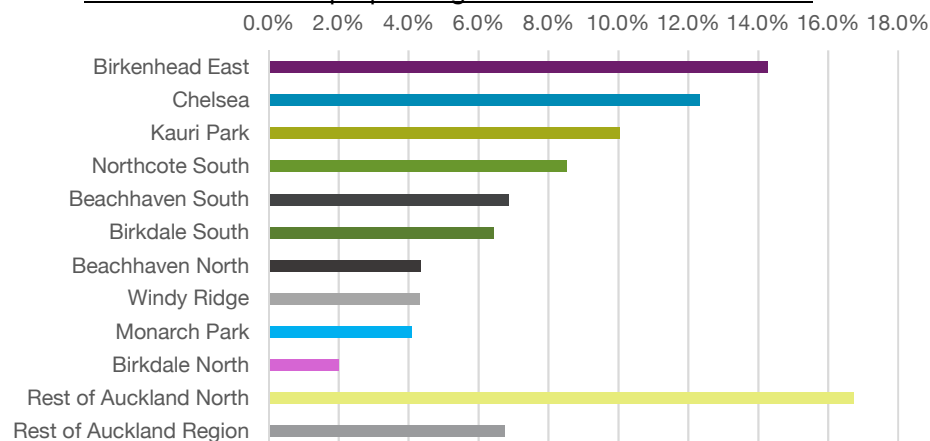
This page shows where people spending at Birkenhead Retail Centre came from. The left-hand chart shows the percentage from all local authority areas. The chart on the right shows the top ten areas, excluding Auckland North. The dark bars represent the percentage of spending this year, the light bars represent last year.

6. Which suburbs are Birkenhead's local customers coming from?

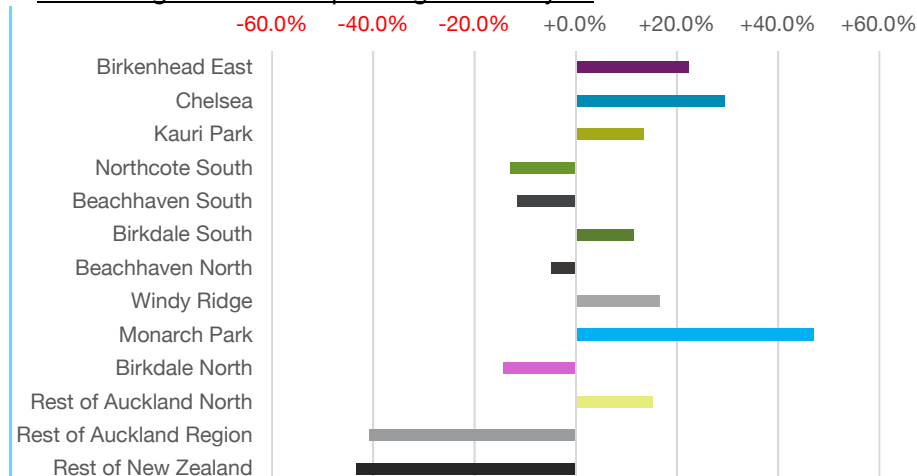
01 Jul 2017 to 30 Sep 2017



6.1 Birkenhead's Top Spending Suburbs in the last 3 months



6.2 Change in value of spending over last year



6.3 Change over last year

| Origin of customers | % of Spending | Change over last year | |
|-------------------------------|---------------|-----------------------|--------------|
| | | \$ Spent | Contribution |
| Birkenhead East | 14.3% | +22.3% | +2.4% |
| Chelsea | 12.3% | +29.5% | +2.7% |
| Kauri Park | 10.0% | +13.4% | +1.1% |
| Northcote South | 8.5% | -13.0% | -1.4% |
| Beachhaven South | 6.9% | -11.5% | -1.0% |
| Birkdale South | 6.4% | +11.6% | +0.6% |
| Beachhaven North | 4.4% | -4.9% | -0.3% |
| Windy Ridge | 4.3% | +16.6% | +0.6% |
| Monarch Park | 4.1% | +47.0% | +1.3% |
| Birkdale North | 2.0% | -14.4% | -0.4% |
| Rest of Auckland North | 16.7% | +15.2% | +2.0% |
| Rest of Auckland Region | 6.7% | -40.9% | -4.8% |
| Rest of New Zealand | 3.3% | -43.4% | -2.6% |

Key

% of spending = The percentage of spending coming from people living in this suburb

\$ spent = The percentage change in spending coming from people living in this suburb (This quarter over same quarter last year)

Contribution = The change in the percentage of total spending at Birkenhead Retail Centre coming from people living in this Suburb (This quarter over same quarter last year)

Reading these Charts

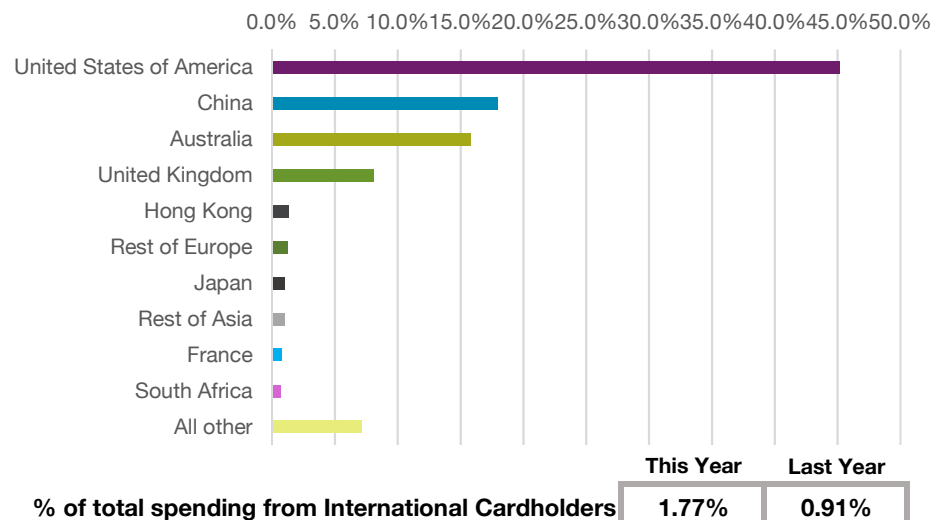
This page shows the suburb of origin of people spending in the Birkenhead Retail Centre. The left-hand chart shows the percentage each suburb contributes to the BID. The chart on the right shows the percentage change in spending from each suburb over last year. The table left shows the values used in the charts.

7. Which countries are Birkenhead's international visitors coming from?

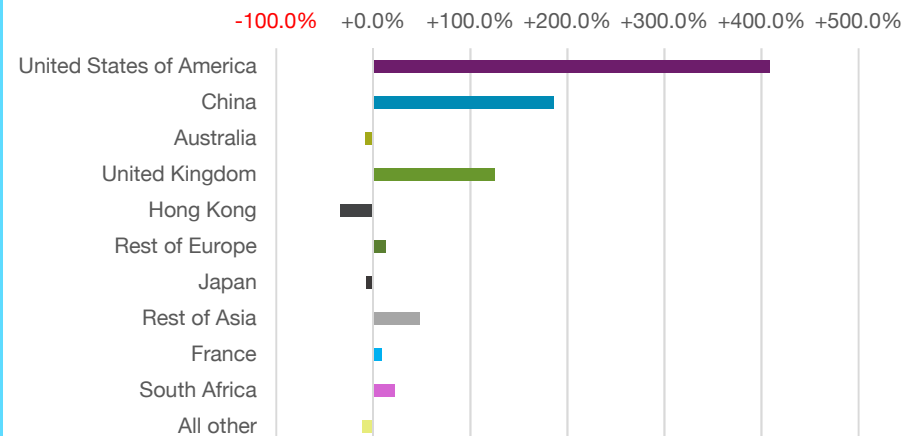


01 Jul 2017 to 30 Sep 2017

7.1 Birkenhead's Top Spending Countries in the last 3 months



7.2 Change in value of spending over last year



7.3 Change in spending by international cardholders over last year

| Origin of customers | % of Spending | Change over last year | |
|--------------------------|---------------|-----------------------|--------------|
| | | \$ Spent | Contribution |
| United States of America | 45.1% | +408.2% | +27.4% |
| China | 18.0% | +185.4% | +5.4% |
| Australia | 15.8% | -8.3% | -18.6% |
| United Kingdom | 8.0% | +125.8% | +0.9% |
| Hong Kong | 1.3% | -33.5% | -2.6% |
| Rest of Europe | 1.2% | +12.6% | -0.9% |
| Japan | 1.0% | -7.1% | -1.1% |
| Rest of Asia | 1.0% | +47.7% | -0.4% |
| France | 0.8% | +8.3% | -0.7% |
| South Africa | 0.7% | +23% | -0.4% |
| All other | 7.1% | -12.0% | -9.0% |
| TOTAL | 100.0% | +99.6% | |

Key

% of spending = The percentage of spending coming from people living in this country

\$ spent = The percentage change in spending coming from people living in this country (This quarter over same quarter last year)

Contribution = The change in the percentage of total spending at Birkenhead Retail Centre coming from people living in this country (This quarter over same quarter last year)

Reading these Charts

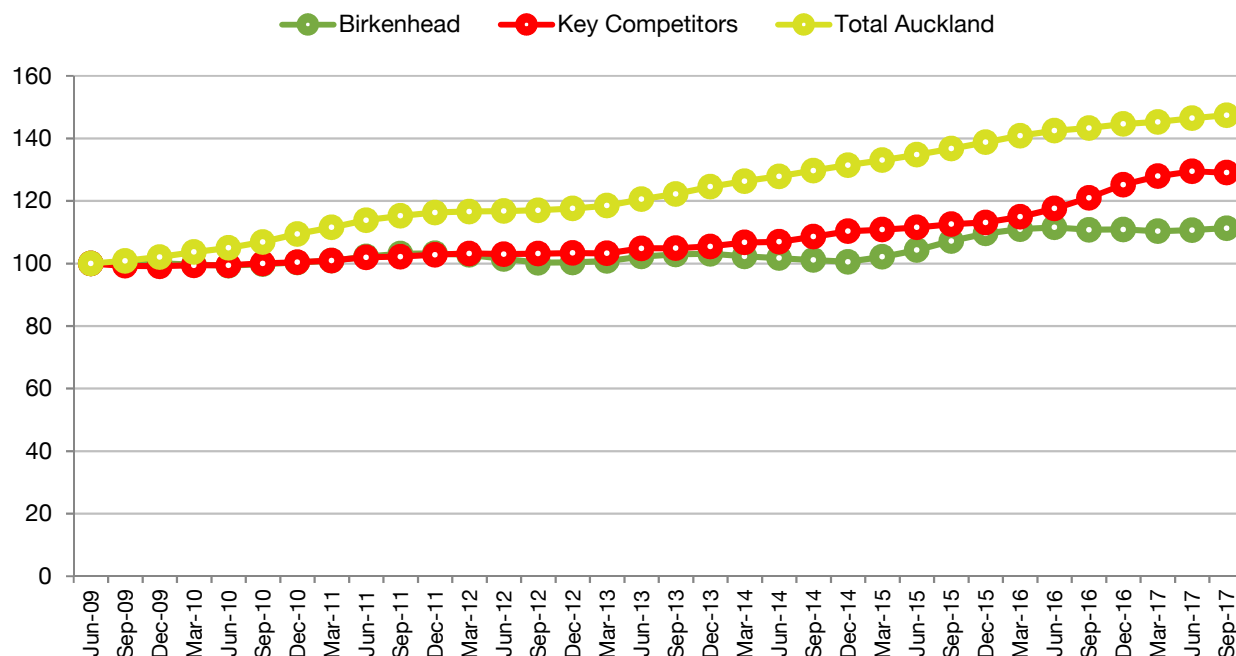
This page shows the country of origin of people spending in the Birkenhead Retail Centre. The left-hand chart shows the percentage each country contributes to the BID. The chart on the right shows the percentage change in spending from each country over last year. The table left shows the values used in the charts.

8. Birkenhead Long Term Trends



10.1 MOVING ANNUAL TOTAL - RETAIL SPENDING - BY QUARTER

Spending trends in Auckland



SPENDING

CHANGE OVER 5 YEARS AGO

| Birkenhead | Key Competitors | Total Auckland |
|------------|-----------------|----------------|
| ▲ | ▲ | ▲ |
| 11.1% | 25.1% | 26.0% |

10.2 THE FIGURES

Based on Moving Annual Total Quarters Spending

| 12 mnths to | Birkenhead | Key Competitors | Total Auckland |
|-------------|------------|-----------------|----------------|
| Sep-13 | \$105.67 m | \$406.26 m | \$15,215.97 m |
| Sep-14 | \$103.84 m | \$420.36 m | \$16,149.04 m |
| Sep-15 | \$110.11 m | \$435.88 m | \$17,021.45 m |
| Sep-16 | \$113.78 m | \$468.51 m | \$17,844.97 m |
| Sep-17 | \$114.31 m | \$499.78 m | \$18,355.07 m |

* most recent 12 month period directly above

10.3 BEST PERFORMING PERIODS - BIRKENHEAD

| HIGHEST ANNUAL SPEND 12 Months ending | *HIGHEST ANNUAL SHARE 12 Months ending |
|---|---|
| Jun-16 | Jun-17 |
| * Highest annual share is your retail centre's share of spending with you and your key competitors. | |

AVERAGE TRANSACTION VALUE

CHANGE OVER 5 YEARS AGO

| Birkenhead | Key Competitors | Total Auckland |
|------------|-----------------|----------------|
| ▼ | ▼ | ▼ |
| -15.7% | -4.9% | -6.1% |

Inputs to your Report



Selection Criteria

These are the criteria used to create this report

Your area

Birkenhead

Reporting Period

The 3 Months between 1 July 2017 and 30 September 2017

Your designated competitors

Glenfield

Howick

Ponsonby

Terminology used in the reports

Your

Marketplace

Your area and your designated competitors

% of total
spend

The percentage of total spending by customers that each segment in the marketplace made, i.e. International cardholders made 7.4% of the total spend in the specified timeframe.

Ranking

Basically it means ordered, from the highest category to the lowest

Change in
share of
spend

The difference in percentage points when comparing one period to another (e.g. 14.4% this year compared to 15.1% in the previous year is a relative percentage change of -0.7 percentage points. (i.e. 14.4-15.1))

Change in
total spend

The difference in value when comparing one period to another (e.g. \$15,000 this year compared to \$13,500 in the previous year is an absolute percentage change of +11.1 percent (i.e. (15,000/13,500)-1))

Census
Area Unit
(CAU)

Area units are an aggregation of meshblocks, and in urban areas typically contain 3,000 - 5,000 people. Commonly known as suburbs or parts of suburbs.

Territorial
Local
Authority

An aggregation of census area units to form a city or district. Each TLA has a council that administers public services. There are 13 cities and 56 districts in New Zealand.

The pre-Super City Auckland TLAs have been combined as follow:

Auckland North - Rodney District and North Shore City combined

Auckland West - Waitakere City

Auckland Central - Auckland City

Auckland South - Manukau City, Papakura District, Franklin District combined

Inputs to your Report



Frequently Asked Questions

What is the source of the data used in the Auckland Council Regional Spending Database?

The data is primarily sourced from electronic card transactions made via Paymark network at each of the Business Improvement Districts operating within the Auckland Council boundaries. To determine information on the origin and types of customers spending in each market we have used data from BNZ MarketView. Details on both data sources are provide below.

The spending values include GST, but exclude cash out with purchases. Withdrawals from ATMs are not included. Other payment types including cash, HP or automatic payments are also not included.

About Paymark

Paymark operates New Zealand's largest electronic transaction processing network. The company is jointly own by ASB, BNZ, the National Bank and Westpac. Around 70% of New Zealand's eftpos terminals are connected to the Paymark Network. For merchants on the Paymark Network we receive 100% of their electronic card transactions. We use an extrapolation of BNZ cardholder spending for merchants that aren't on the Paymark Network.

BNZ MarketView

BNZ MarketView is based on the eftpos and credit card spending of BNZ card holders in the New Zealand retail market. BNZ has around a 20% market share of the cards business in New Zealand, and typically accounts for approximately 14 - 15% of total spending by value. There are over 700,000 BNZ cardholders. BNZ de-personalises BNZ MarketView data by removing any potential identifiers i.e. names, addresses, account, or card numbers. These are replaced with a unique id, a meshblock number (based on the cardholders home address), and a demographic profile. The cardholder's age and gender are retained, but there is no way of identifying an individual cardholder.

BNZ cardholders they are largely demographically representative of the country and distributed in line with the national population. They also spend everywhere, which includes retailers not on the Paymark network. We are able to BNZ MarketView's share of spending at Paymark merchants to estimate the value of spending at non-Paymark merchants:

Inputs to your Report



What card types are included?

The data is drawn from all card spending using all card types. This includes all Eftpos cards, and all major American Express, Diners Club, MasterCard, Visa Cards. The data will also include electronic gift cards.

How have the Business Improvement District Boundaries been decided?

BID boundaries have been determined by the Council's Business Area Planning team, in consultation with the Research, Investigations and Monitoring Unit.

How is domestic spending determined?

Cards issued in New Zealand are identified in the database. Any transaction made in the Auckland Region, on a New Zealand issued eftpos or credit card, is assumed to be spending made by New Zealanders.

How is international spending determined?

From the Paymark's Market Reporting data it is possible to distinguish between New Zealand cards and cards issued by overseas banks. Overseas cards have a country code. We report the value of spending by the country of origin of the card, and by association, the cardholder.

Does the data include GST?

Yes. NB: From 1 October 2010, GST rose from 12.5% to 15%. This means there is a natural 2.2% increase in spending between periods using the old and new GST rates.