QUARTERLY REPORT

Devonport
September Quarter 2018

Date

October 2018

CONTENTS

QUARTERLY
HIGHLIGHTS

July 2018 to September 2018

Devonport Results

Spending	Transactions	Average Transaction Value
$21.6M	**449.0K**	**$48.00**
$21.6M | 0.0% LAST YEAR CHANGE	447.4K | 0.4% LAST YEAR CHANGE	$48.18 | -0.4% LAST YEAR CHANGE

Please see page 4 for more detail

Customer Origin

Top Spending Area	Highest Spending Country
$5.9M	**$206.3K**
Mt Victoria	Australia

Please see page 10 for more detail

Total Auckland
Spending

$5.3B

Storetype

Storetype with the Strongest Growth	Storetype with the Highest Spending
20.8%	**$12.0M**
Fuel & Automotive	Groceries & Liquor

Please see page 11 for more detail

Total Online Spend by
Auckland Cardholders

$504.8M

Please see page 6 for more detail

QUARTERLY
OVERVIEW

Change increases and decreases compared to the same quarter last year, are a good indicator of what is happening in the area. These changes could be for several reasons, and can offer good opportunities for customer attraction.

- Have you had promotional activity in the area?
- Have you been hosting (or close to) domestic or international events?
- Have you increased/changed your merchant offering?
- Do you have new housing areas?
- Do you have more workers coming into the area?
- Has there been roadworks or parking changes in the area?

Auckland saw **3.3%** spending growth for the quarter.

SPENDING

■ FY 2018　■ FY 2017
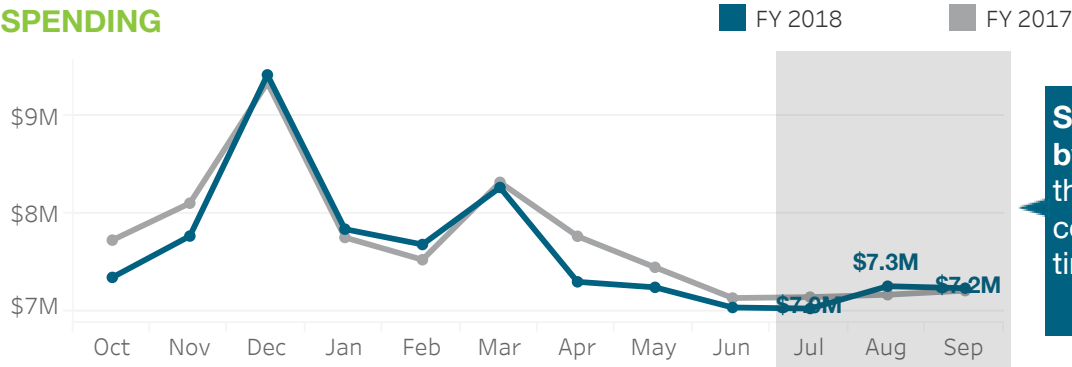
Spending was down by $0.0M (0.0%) for the quarter when compared to the same time last year.

TRANSACTIONS

■ FY 2018　■ FY 2017
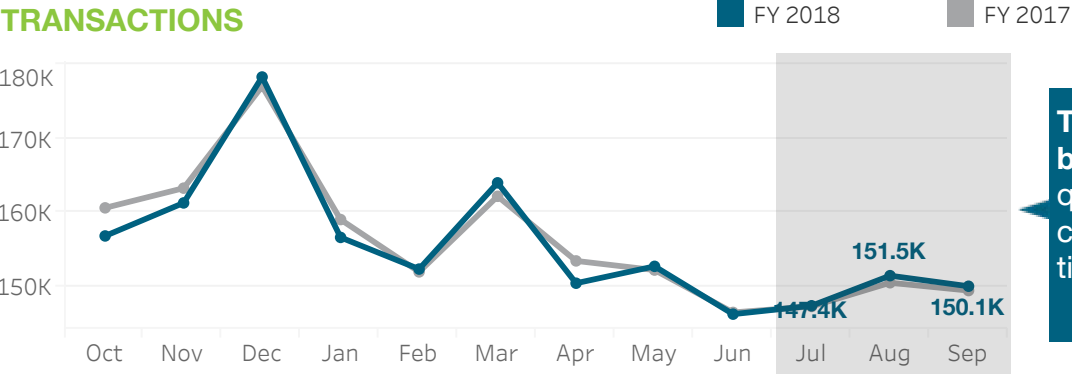
Transactions were up by 1.6K (0.4%) for the quarter when compared to the same time last year.

AVERAGE TRANSACTION VALUE

■ FY 2018　■ FY 2017
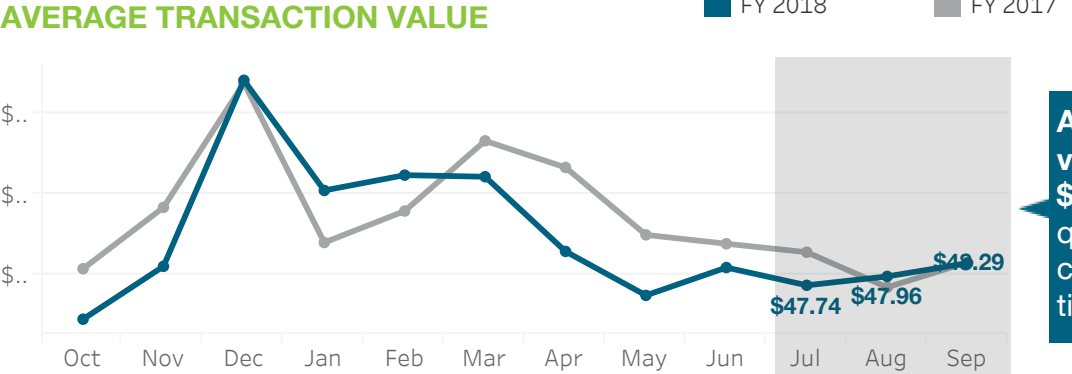
Average transaction value was down by $0.19 (0.4%) for the quarter when compared to the same time last year.

WEEKLY SPEND AND TRANSACTION
OVERVIEW

marketview
A Verisk Business

How have spending and transactions trended during the quarter?

SPENDING

Average weekly spend:	Week with the highest spend:
$1.64M	**12 Aug 2018**
$1.63M LAST YEAR	

When you look at this chart, are the highest performing weeks the ones where you may have had an event or promotion happening in the area? Do you have any new merchants which could be attracting a higher dollar spend?

■ This Year   ■ Last Year

$1.7M

$1.7M

$1.6M

8 Jul 15 Jul 22 Jul 29 Jul 5 Aug 12 Aug 19 Aug 26 Aug 2 Sep 9 Sep 16 Sep 23 Sep 30 Sep

Week Ending [2018]
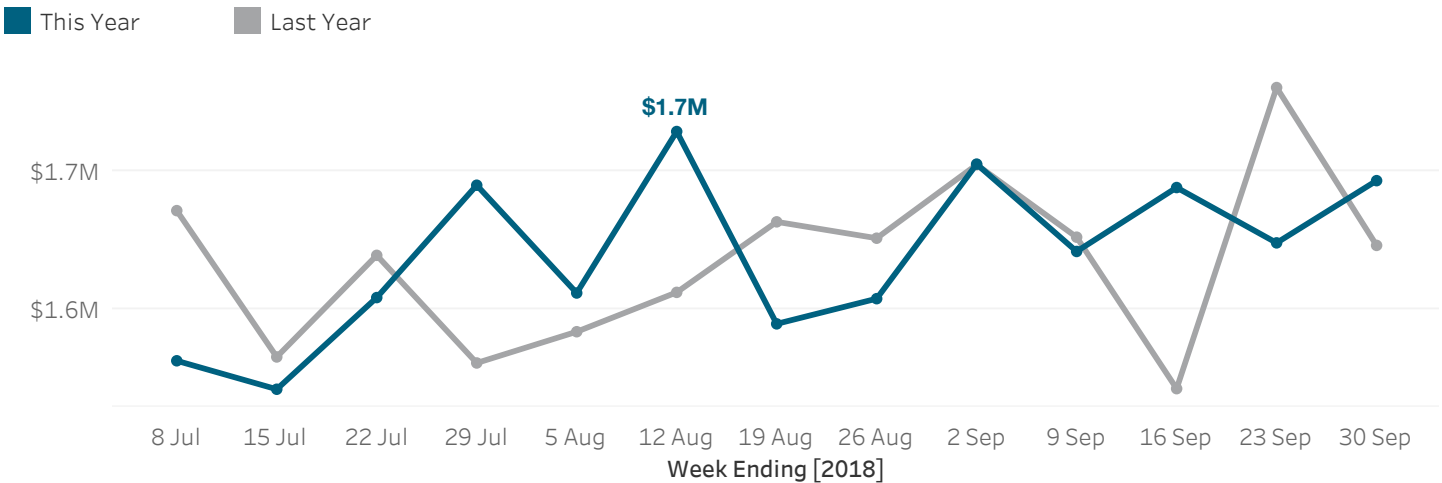
TRANSACTIONS

Average weekly transactions:	Week with the highest transactions:
34.2K	**30 Sep 2018**
34.0K LAST YEAR	

When looking at this year versus last year, if your change in transactions is higher than your spending then you have had more foot traffic in the area. Could more people be making purchases because of promotions offered by your merchants?

■ This Year   ■ Last Year

35.4K

35K

34K

33K

8 Jul 15 Jul 22 Jul 29 Jul 5 Aug 12 Aug 19 Aug 26 Aug 2 Sep 9 Sep 16 Sep 23 Sep 30 Sep

Week Ending [2018]
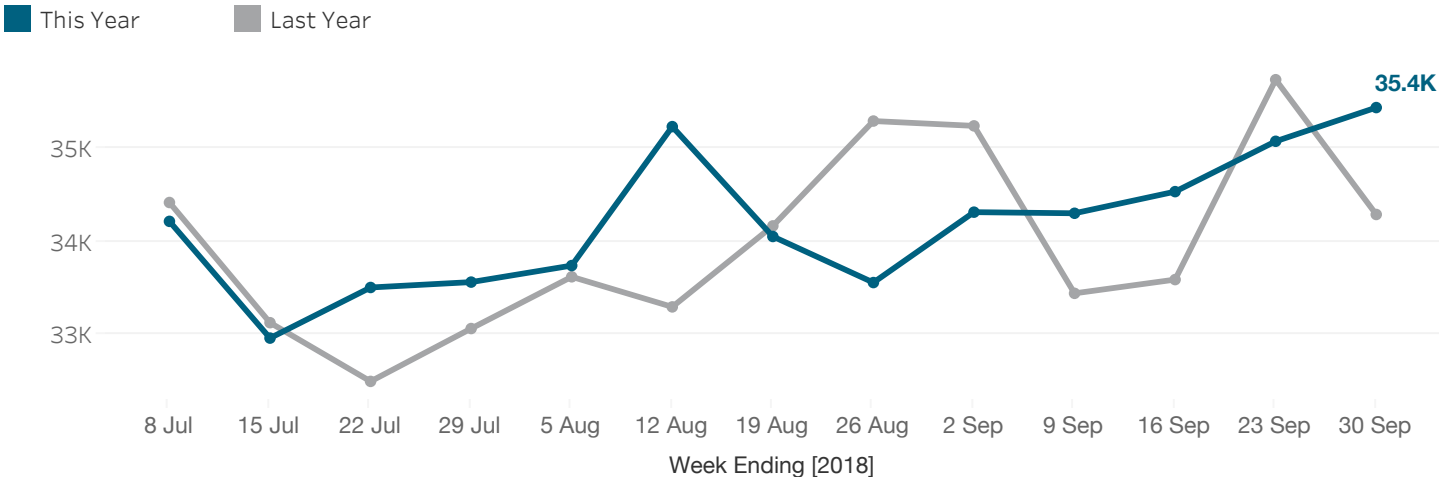
MARKET
COMPARISON

How does Devonport compare to its competitors for the quarter?

AUCKLAND REGION

The Auckland region saw a **3.3% increase in spending** for the quarter when compared to the same time last year. **Transactions increased by 1.3%.**

SPENDING	TRANSACTIONS	AVERAGE TRANSACTION VALUE
$5.3B	124.2M	$42.33
$5.1B | 3.3%	122.6M | 1.3%	$41.53 | 1.9%
LAST YEAR CHANGE	LAST YEAR CHANGE	LAST YEAR CHANGE

Comparatively, Devonport saw a **0.0% decrease in spending,** and transactions **increased by 0.4%.**

Change on Same Time Last Year		Change on Same Time Last Year		Change on Same Time Last Year	
Devonport	0.0%	Devonport	0.4%	Devonport	-0.4%
Total Auckland	3.3%	Total Auckland	1.3%	Total Auckland	1.9%

COMPETITOR COMPARISON

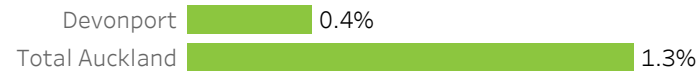Devonport's competitors saw an **average increase of -3.1% in spending** on the same time last year.
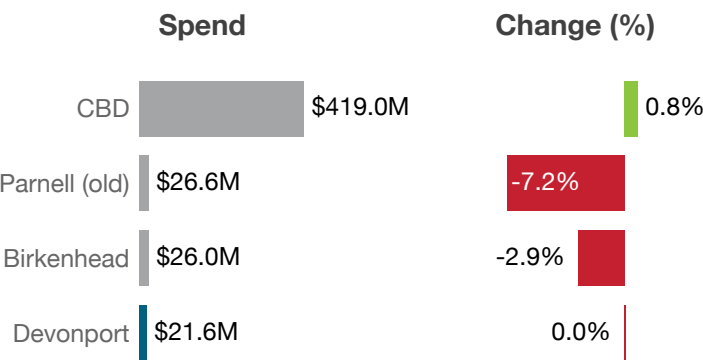
Devonport's competitors saw an **average increase of -4.1% in transactions** on the same time last year.
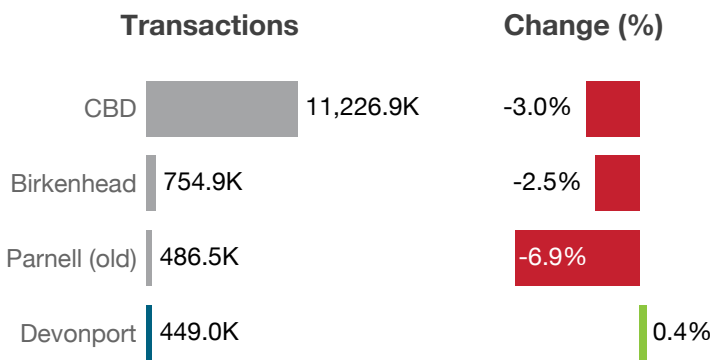
Devonport's competitors saw an **average increase of 1.1% in average transaction value** on the same time last year.

	Spend	Change (%)		Transactions	Change (%)		Average Transaction Value	Change (%)
CBD	$419.0M	0.8%	CBD	11,226.9K	-3.0%	Parnell (old)	$54.59	-0.3%
Parnell (old)	$26.6M	-7.2%	Birkenhead	754.9K	-2.5%	Devonport	$48.00	-0.4%
Birkenhead	$26.0M	-2.9%	Parnell (old)	486.5K	-6.9%	CBD	$37.32	3.9%
Devonport	$21.6M	0.0%	Devonport	449.0K	0.4%	Birkenhead	$34.48	-0.4%
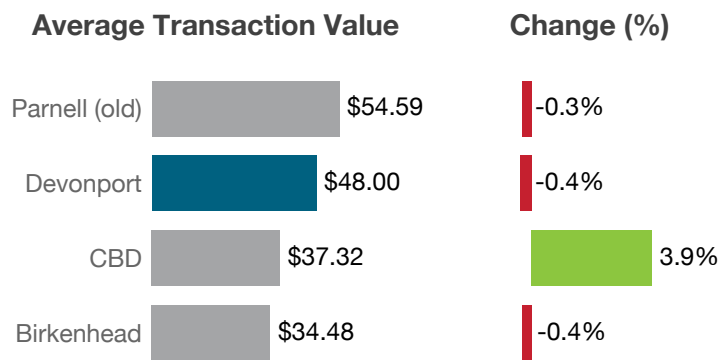
QUARTERLY
LEADERBOARD

Where does Devonport rank against its competitors (and other retail centres) for the quarter?

Retail Centre

■ You ■ Competitor

The two charts to the right show the **top 50 retail centres** for the quarter.

- The first chart shows retail centres ranked by spending.

- The second chart shows the change in spending compared to the same time last year.

The table below summarises the results shown in the two charts to the left.

How do you compare to your competitors? Even if your competitors saw more spending during the quarter, did you manage to achieve greater spend growth?

Retail Centre	Spending	Spend Growth
Parnell (old)	$26.6M	-7.2%
Devonport	$21.6M	0.0%
CBD	$419.0M	0.8%
Birkenhead	$26.0M	-2.9%

RETAIL CENTRES RANKED BY SPEND

$419.0M

$26.6M
$26.0M

$0M $100M $200M $300M $400M $500M

Spend

% CHANGE ON THE SAME TIME LAST YEAR

0.8%

-7.2%
-2.9%

-150.0%   -100.0%   -50.0%   0.0%   50.0%   100.0%

Spend Growth
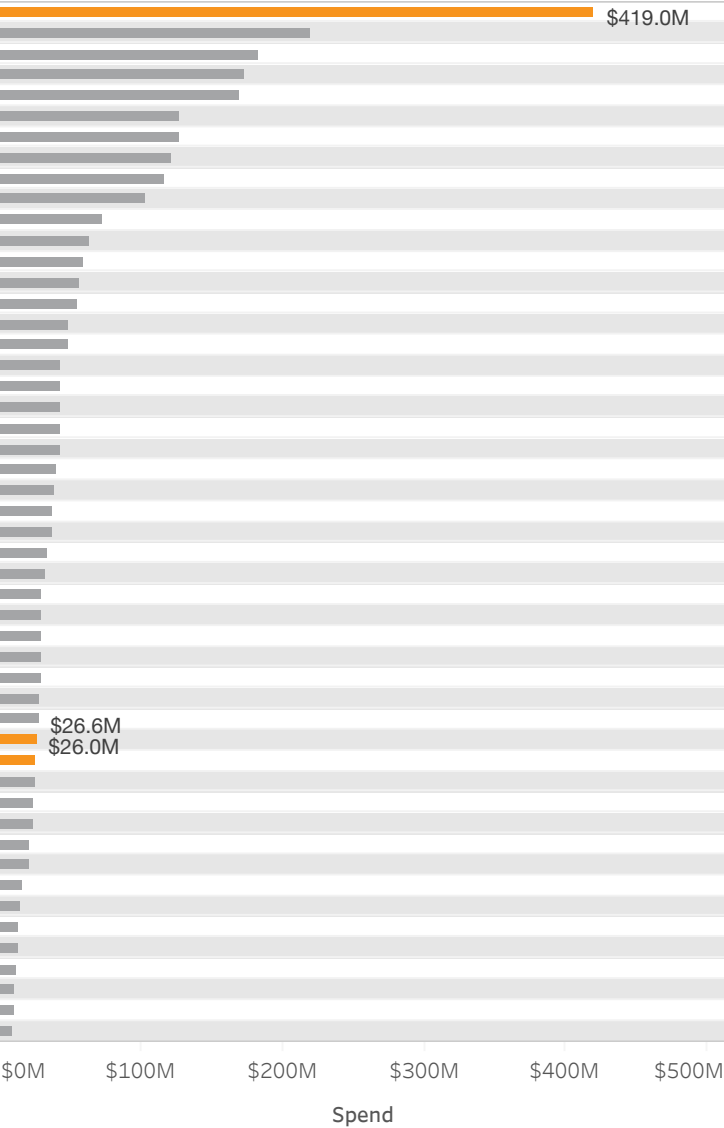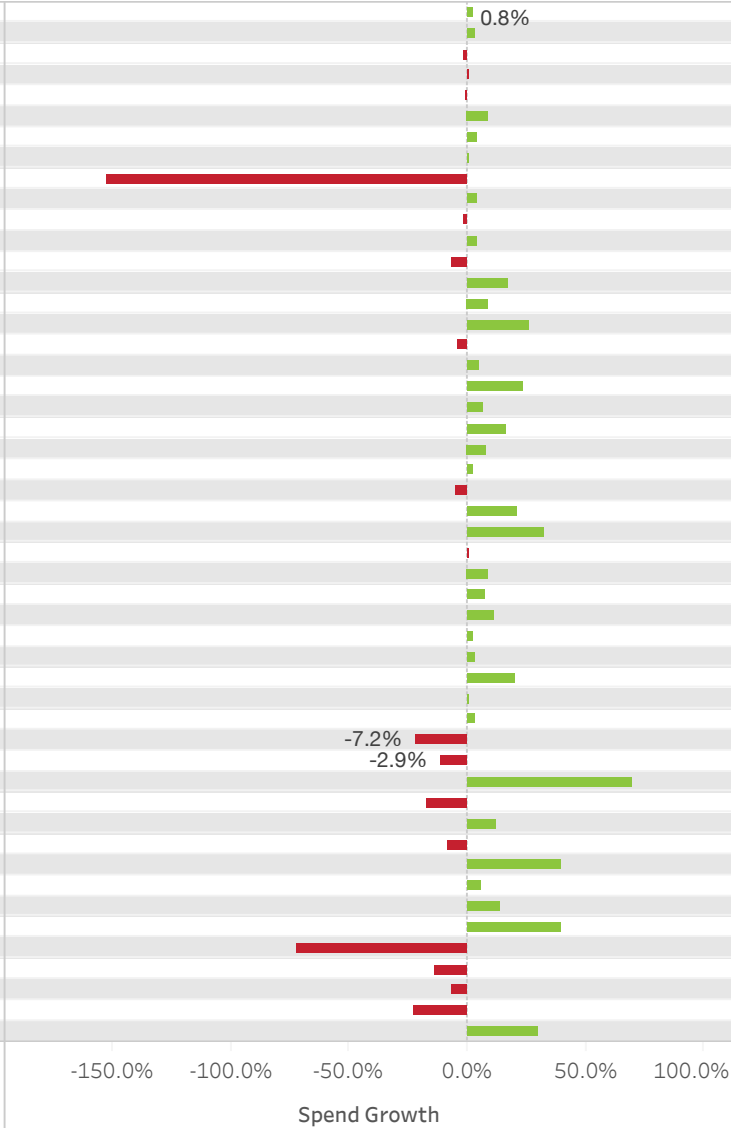
QUARTERLY
INFLOW/OUTFLOW

What did Devonport's inflow/outflow look like for the quarter?

Domestic Visitor Spending is down by 28.0% on the same time last year.

Have you been actively promoting your area to other parts of Auckland/New Zealand? What events could be drawing people in?

International Visitor Spending is down by 1.7% on the same time last year. The highest spending is coming from individuals visiting from Australia.

Do you have tourist type activities in your area? Or are you in close proximity to them? Is your retail offering attracting visitors?

Locals Spending Within the Rest of Auckland has increased by 7.4% on the same time last year.

This shows your locals are increasingly shopping outside of your area. Is this due to something missing within the local offering?

Locals Spending Outside of Auckland has increased by 5.2% on the same time last year.

This shows your locals are increasingly shopping further afield.

Locals Spending Inside your BID is up by 3.5% on the same time last year. This shows a decreasing rate of your locals shopping elsewhere within Auckland.

Do you have have the right offering to encourage shopping locally?

$6.0M
Domestic Visitor Spending

$0.7M
International Visitor Spending

Devonport $21.6M

$46.2M
Locals Spending Within the Rest of Auckland

$14.8M
Locals Spending Inside BID

$8.1M
Locals Spending Outside of Auckland

CUSTOMER CONTRIBUTION
OVERVIEW

How are Devonport's customers contributing to spending?

DISTRIBUTION FOR THE QUARTER

■ Local Customers   ■ Domestic Visitors   ■ International Visitors

By breaking down the different customer types spending within your area for the quarter, we can see who is contributing the most to your overall spending figure.

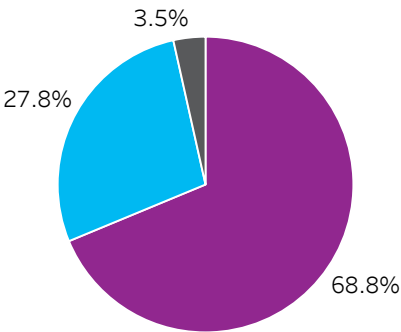The largest proportion of customers spending within Devonport for the quarter were **Local Customers (68.8%).**

Visitors, both domestic and international, contributed a combined **$6.7M (31.2%)** for the quarter.

Proportion of Spending by Customer Type

3.5%
27.8%
68.8%

Spending by Customer Type

Local Customers — $14.8M
Domestic Visitors — $6.0M
International Visitors — $0.7M
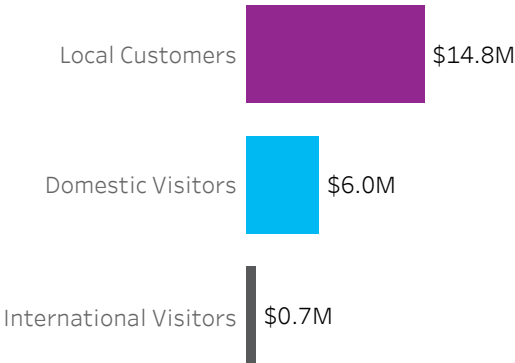
SPENDING OVER THE LAST 12 MONTHS

When looking at spending over a specific period of time, a pattern can generally be seen in customers' behaviour.

We can see peaks and troughs for when customers are spending, as well as when there is an increasing number of international visitors spending in your area.

For example, Devonport's highest month of spending within the last 12 months was:

December 2017 ($9.4M)

Spending by Customer Type

■ Local Customers   ■ Domestic Visitors   ■ International Visitors

Spending: $8M, $6M, $4M, $2M, $0M
Month: Oct 17, Dec 17, Feb 18, Apr 18, Jun 18, Aug 18
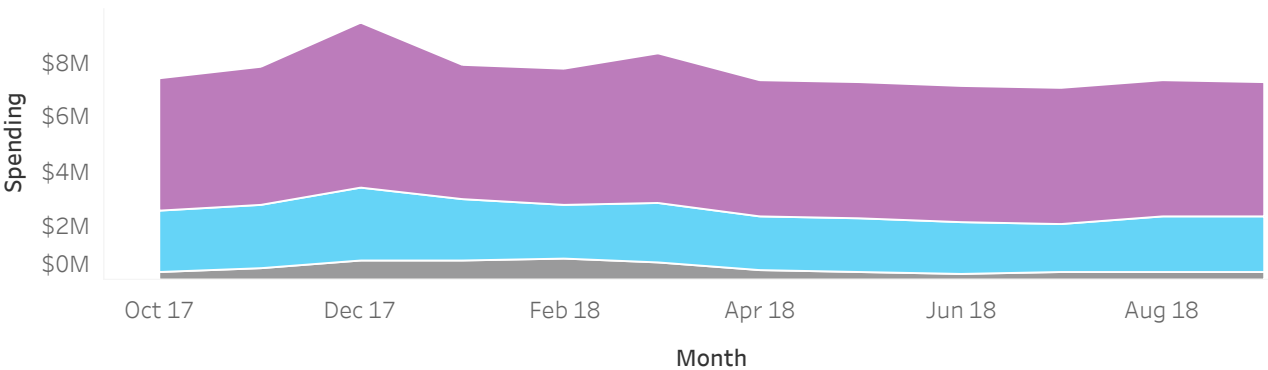
CUSTOMER ORIGIN
OVERVIEW

Where do Devonport's customers come from?

CUSTOMER ORIGIN

The customer origin with the highest change in spending compared to the same time last year is **Auckland South**

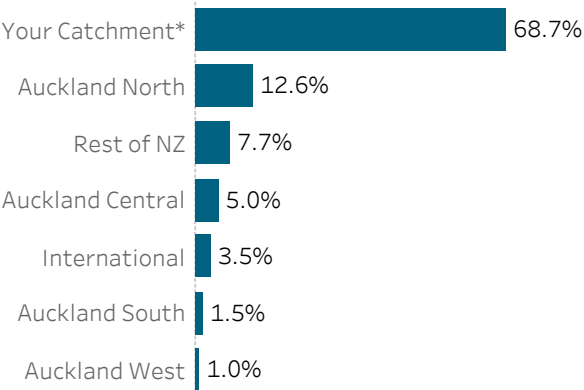### Devonport's Distribution of Spending by Location

Location	%
Your Catchment*	68.7%
Auckland North	12.6%
Rest of NZ	7.7%
Auckland Central	5.0%
International	3.5%
Auckland South	1.5%
Auckland West	1.0%

Customer Origin	This Year	Last Year	Change
Your Catchment*	$14.8M	$14.3M	3.5%
Auckland North	$2.7M	$2.8M	-4.1%
Rest of NZ	$1.7M	$1.9M	-14.7%
Auckland Central	$1.1M	$1.2M	-8.2%
International	$0.7M	$0.8M	-1.7%
Auckland South	$0.3M	$0.3M	13.5%
Auckland West	$0.2M	$0.2M	-14.6%

* Your Catchment is excluded from your TLA

INTERNATIONAL CUSTOMERS

Total International Spending
$748.9K

Same time last year
$762.0K

Top Five Countries

Country	Spending
Australia	$206.3K
United States of America	$168.6K
United Kingdom	$89.2K
Rest of Europe	$76.1K
China	$45.2K
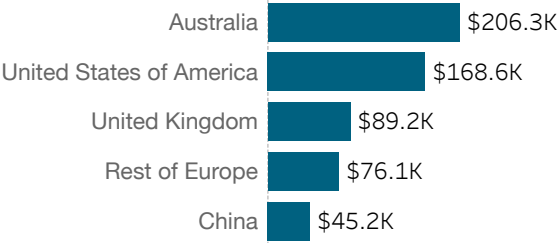
Customers from the top five countries spending within **Devonport** during the quarter made up **78.2% of total international spend.**

Country Grouping	Spending	% of Top Five Spend
Australia	$206.3K	35.2%
China	$45.2K	7.7%
United States of America	$168.6K	28.8%
United Kingdom	$89.2K	15.2%
Rest of Europe	$76.1K	13.0%

STORETYPE
OVERVIEW

What are Devonport's leading storetypes?

The following three storetypes saw the highest spending during the quarter:

Groceries & Liquor

Cafes, Restaurants & Takeaways

Other Storetypes

The storetype with the highest change in spending between now and the same time last year was:

Fuel & Automotive

Storetype Spend

Storetype Name	This Year	Last Year	Change
Apparel & Personal	$1.2M	$1.2M	1.2%
Cafes, Restaurants & Takeaways	$4.0M	$3.6M	10.8%
Department Stores & Leisure	$1.2M	$1.2M	1.7%
Fuel & Automotive	$0.5M	$0.5M	20.8%
Groceries & Liquor	$12.0M	$12.3M	-2.2%
Home, Hardware & Electronic	$0.6M	$0.6M	-10.9%
Other Storetypes	$2.1M	$2.2M	-7.6%

Storetype in the Auckland region with the biggest change in spend:
Fuel & Automotive (13.1%)

Storetype Distribution

Storetype Name

Groceries & Liquor	55.9%
Cafes, Restaurants & Takeaways	18.3%
Other Storetypes	9.6%
Department Stores & Leisure	5.6%
Apparel & Personal	5.4%
Home, Hardware & Electronic	2.6%
Fuel & Automotive	2.5%

LONG-TERM
VIEW

How is spend trending for Devonport?

How has your area performed over a long period of time?

Whether the line is going up or down can depend on a range of factors. Do you show growth in the area? This could be through an improved retail offering, revitalization of the area, attraction of visitors, increased housing, national or international events, or simply that there is more money being spent.

If the line is declining or slowing there could be several things happening. Visitors may have decreased, stores may have closed, roadworks may have been happening long term, new competitive shopping centre's may have started up, or people might be simply tightening their belts.

The chart is based on indexed spending and looks quarterly at a 12 month period (Moving Annual Total) i.e. 12 months to the December quarter, then 12 months to the March quarter etc.

Moving Annual Total - Retail Spending by Quarter

Legend: You — Total Auckland — Competitors
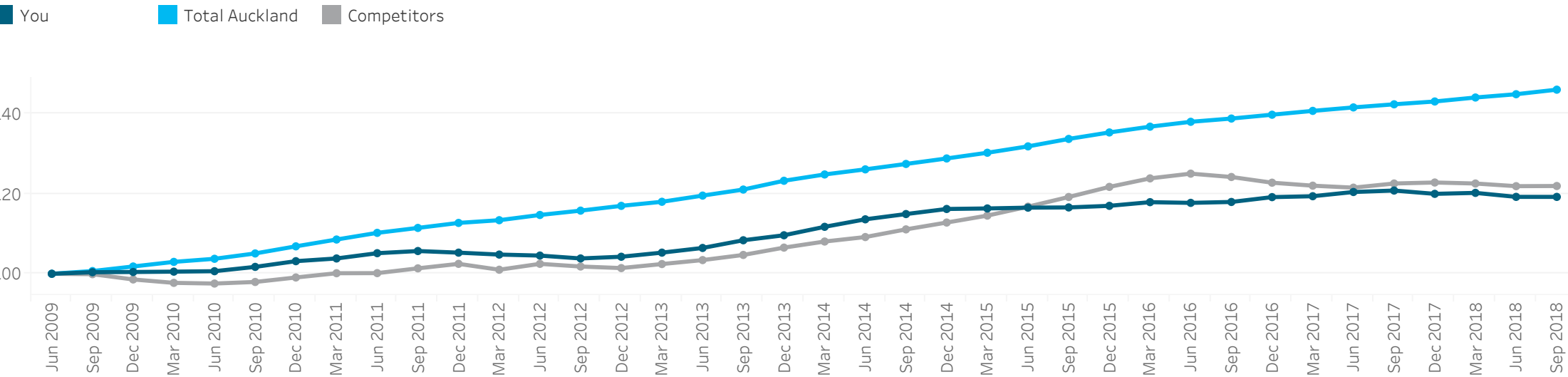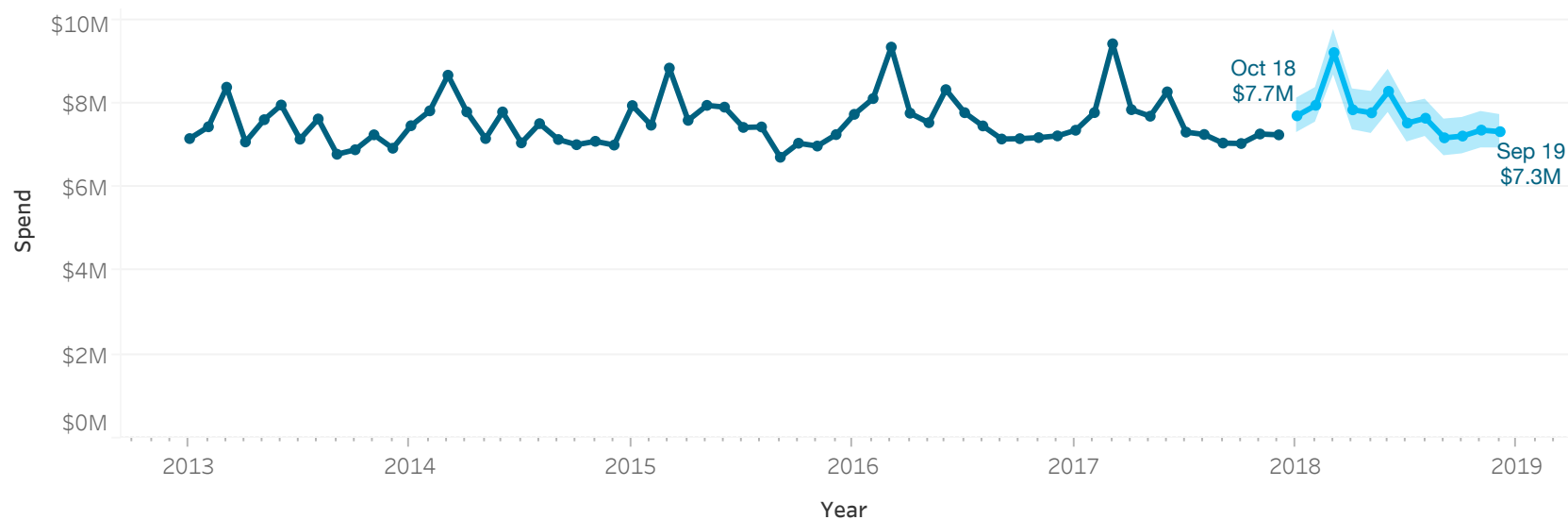
SPENDING
FORECAST

What does future spending look like for Devonport?

The following chart forecasts Devonport's spending over the next 12 months.

The forecast is the light blue line surrounded by a blue border.

Please note: This forecast is solely based on historical spending, and will not reflect the impact of any unexpected events that may occur over the next 12 months.

Devonport Spending Forecast

Oct 18
$7.7M

Sep 19
$7.3M

A Few Things to Consider:

- If your spending is forecast to **increase** this indicates you have seen stable historical spending at your retailers, and may likely continue to do so.

- If your spending is forecast to **decrease** over the next 12 months, this indicates you have seen steadily reducing spending historically. This may be the result of ongoing events having an impact.

- If your spending is forecast to **plateau** (i.e. to stay at the same level over time), this indicates that you may see a period of neither decline or growth. This may be the result of strong growth in spending prior to the forecasted period.

How does spending look for your area over the next year?

BOUNDARY
DEFINITIONS

BOUNDARY EXPLANATION

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

BOUNDARY MAP

CATCHMENT

CATCHMENT EXPLANATION

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

CATCHMENT MAP

INPUTS TO YOUR REPORT

SELECTION CRITERIA

Your area:
Devonport

Reporting period:
The three months between 1/07/2018 and 30/09/2018

Your designated competitors:

Birkenhead
CBD
Parnell (old)

TERMINOLOGY USED IN REPORT

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	Ordered, from the highest category to the lowest
Change in total 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 share of 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 (TLA)	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.

INPUTS TO YOUR REPORT

STORETYPE CLASSIFICATIONS

STORETYPE NAME	ANZSIC06	ANZSIC CATEGORY
Apparel & Personal	4251	Clothing Retailing
	4252	Footwear Retailing
	9511	Hairdressing and Beauty Services
	4259	Other Personal Accessory Retailing
	4253	Watch and Jewellery Retailing
Cafes, Restaurants & Takeaways	4511	Cafes and Restaurants
	4513	Catering Services
	4530	Clubs (Hospitality)
	4520	Pubs, Taverns and Bars
	4512	Takeaway Food Services
Department Stores & Leisure	4273	Antique and Used Goods Retailing
	4260	Department Stores
	4242	Entertainment Media Retailing
	4274	Flower Retailing
	4245	Marine Equipment Retailing
	4244	Newspaper and Book Retailing
	4279	Other Store-Based Retailing n.e.c.
	4271	Pharmaceutical, Cosmetic and Toiletry Goods Retailing
	4241	Sport and Camping Equipment Retailing
	4272	Stationery Goods Retailing
	4243	Toy and Game Retailing
Fuel & Automotive	9412	Automotive Body, Paint and Interior Repair
	9411	Automotive Electrical Services
	4000	Fuel Retailing
	3921	Motor Vehicle Parts Retailing
	9419	Other Automotive Repair and Maintenance
	3922	Tyre Retailing
Groceries & Liquor	4121	Fresh Meat, Fish and Poultry Retailing
	4122	Fruit and Vegetable Retailing
	4123	Liquor Retailing
	4129	Other Specialised Food Retailing
	4110	Supermarket and Grocery Stores

INPUTS TO YOUR REPORT

STORETYPE CLASSIFICATIONS

STORETYPE NAME	ANZSIC06	ANZSIC CATEGORY
Home, Hardware & Electronic	4222	Computer and Computer Peripheral Retailing
	4221	Electrical, Electronic and Gas Appliance Retailing
	4212	Floor Coverings Retailing
	4211	Furniture Retailing
	4232	Garden Supplies Retailing
	4231	Hardware and Building Supplies Retailing
	4213	Houseware Retailing
	4214	Manchester and Other Textile Goods Retailing
	4229	Other Electrical and Electronic Goods Retailing
Other Storetypes	4400	Accommodation
	8591	Ambulance Services
	9139	Amusement and Other Recreational Activities n.e.c.
	9534	Brothel Keeping and Prostitution Services
	8534	Chiropractic and Osteopathic Services
	9491	Clothing and Footwear Repair
	8531	Dental Services
	9512	Diet and Weight Reduction Centre Operation
	9421	Domestic Appliance Repair and Maintenance
	9422	Electronic (except Domestic Appliance) and Precision Equipment Repair
	9520	Funeral, Crematorium and Cemetery Services
	8511	General Practice Medical Services
	9531	Laundry and Dry-Cleaning Services
	8532	Optometry and Optical Dispensing
	9429	Other Machinery and Equipment Repair and Maintenance
	9539	Other Personal Services n.e.c.
	9499	Other Repair and Maintenance n.e.c.
	8520	Pathology and Diagnostic Imaging Services
	9001	Performing Arts Operation
	9532	Photographic Film Processing
	8533	Physiotherapy Services
	5101	Postal Services
	8512	Specialist Medical Services
	7220	Travel Agency and Tour Arrangement Services
	6632	Video and Other Electronic Media Rental and Hiring

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.

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.

INPUTS TO YOUR REPORT

FREQUENTLY ASKED QUESTIONS

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.