

## Retail Spending in Christchurch May 2020

### Summary

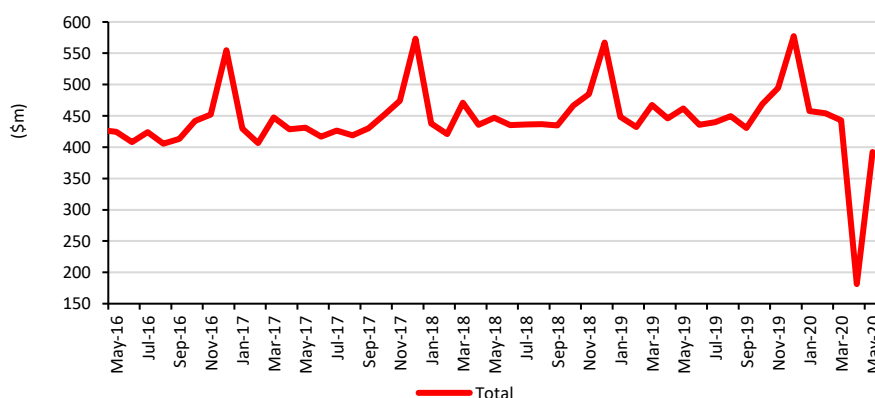
- Retail spending figures in the second half of the May 2020 month saw growth partially due to pent up demand.
- In the period May 14 to May 31 (Move out of alert level 3 to level 2) spending in Christchurch increased 9 percent compared to the same period last year.
- Christchurch saw an overall spending decrease of 15 percent for May 2020 to \$392m compared with the same month last year.
- Spending in Christchurch’s central city core was down 39 per cent to \$11.8m in May 2020, compared to the same month last year.

Retail spending in May 2020 continues to be influenced by the COVID-19 crisis. Total spending in Christchurch reached \$392m in May 2020, 15 percent down on the same month last year (Figure 1).

Figure 1

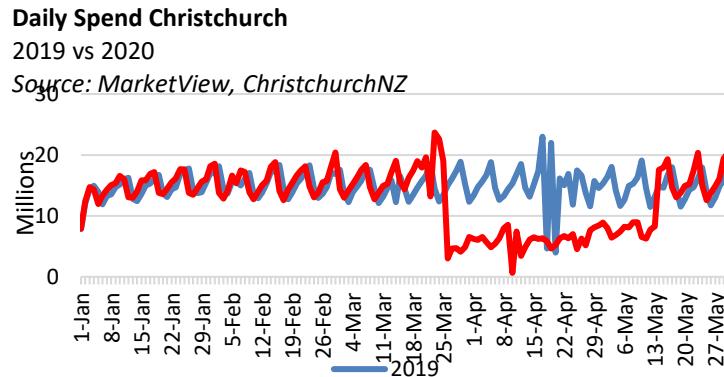
#### Christchurch Total Spend

Source: Market View, ChristchurchNZ



Between March 26 and April 27 (Alert Level 4), all but essential businesses and services were in operation dampening consumer spending activity in the later part of March and throughout April. It appears that as New Zealand moved to Alert Level 2 (14 May), consumer spending recovered and returned to pre COVID – 19 levels due to many of the restriction on businesses and hospitality venues lifting. For the period of 14 May to 31 May 2020 compared to the same period last year spending was up 9 percent. Consumer spending following lockdown is artificially high from pent up demand following the lockdown and is likely to soften in the coming months. (Figure 2)

Figure 2



**Spending by location**

Almost all locations saw negative growth in spending in May 2020 with the greatest fall in spend being seen at the airport of 53.5 percent compared to the same time last year. The core and the core fringe saw declines of 39 percent and 45.5 percent respectively. The central city (core and fringe combined, see Figure 3) saw a drop in spend in May 2020 of 42 percent compared to May 2019. The only areas to see positive growth were Akaroa, Hornby and Spreydon at 0.3 percent, 1 percent and 6 percent respectively.

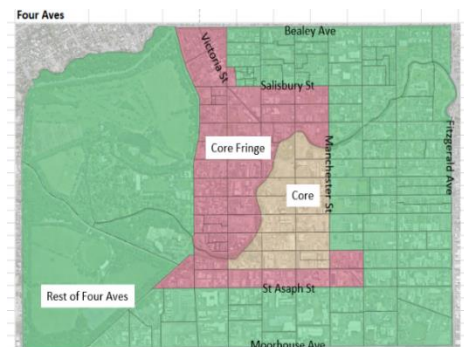
Figure 3

Akaroa	Four Aves Core	Four Aves Fringe	Central City (core & core fringe)	Hornby	Spreydon	Airport
+0.3%	-39%	-45.5%	-42%	1%	6%	-53.5%

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

Figure 4

Annual Change	Christchurch City	Central City (Core & Core Fringe)	Core	Core Fringe
18/19	2%	10%	20%	-3%
19/20	-5%	-6%	-2%	-12%



**Daily spending by location**

The top recoveries for the period following Alert Level 3 seen in Figure 5.

Figure 5

<b>May 14 to May 31</b>	<b>Tower Junction</b>	<b>Hornby</b>	<b>Papanui</b>	<b>Linwood</b>	<b>Spreydon</b>
<b>19/20</b>	49%	42%	36%	36%	34%

**Spend by store type**

Within the central city core, all store categories saw negative growth in May 2020 compared to May 2019. Industries with a strong link to the visitor economy, such as accommodation and cafes, restaurant, bars and takeaways, continued to see the strong declines in spend at 88 percent and 52 percent respectively as can be seen in Figure 6.

Figure 6

<b>Accommodation</b>	<b>Home, Hardware and Electrical</b>	<b>Cafes, Restaurants, Bars and Takeaways</b>	<b>Fuel and Automotive</b>
-88%	-53%	-52%	-50%

Likewise, spending on all categories fell for the central city too compared to May 2020. The greatest declines in spending were seen in Accommodation and restaurant, bars and takeaways at 87 percent and 54 percent respectively. (see Fig 7).

Figure 7

<b>Accommodation</b>	<b>Cafes, Restaurants, Bars and Takeaways</b>	<b>Groceries and Liquor</b>	<b>Home, Hardware and Electrical</b>
-87%	-54%	-26%	-22%

When considering all of Christchurch some store types saw growth in May 2020. Both groceries and home and hardware saw some growth of 10 percent and 2 percent respectively. Like the previous two analyses, accommodation and cafes, restaurants, bars and takeaways registered the biggest falls in spending of 75 percent and 40 percent respectively as seen in Figure 8.

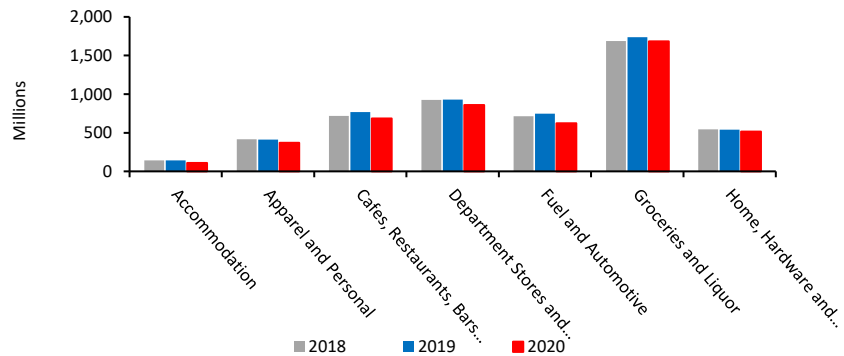
Figure 8

<b>Accommodation</b>	<b>Cafes, Restaurants, Bars &amp; Takeaways</b>	<b>Fuel and Automotive</b>	<b>Apparel and Personal</b>
-75%	-40%	-36%	-20%

Figure 9 depicts a summary of annual spend in Christchurch by category.

Figure 9

**Total Spend in Christchurch (YE May)**  
By Spend Category  
Source: MarketView, ChristchurchNZ



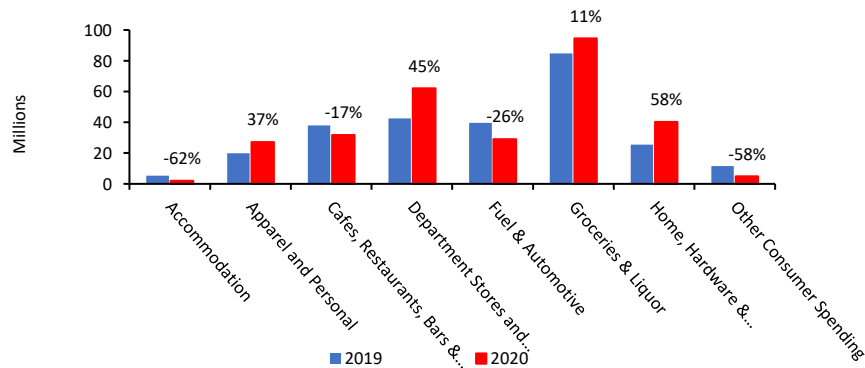
\*Note: due to confidentiality issues there was no categorical data provided for the month of April. As a result, the 2020 annual figures will be understated by one months' worth of data.

**Daily spend by store type**

For the period following the lifting of restrictions on businesses and hospitality venues (May 14 to May 31) many store categories saw recovered growth. Home hardware and electrical (58 percent) and department stores (45 percent) saw the strongest growth (Figure 10). As previously stated, this is likely due to pent up consumer spending demand following lockdown.

Figure 10

**Total Spend in Christchurch May 14 to May 31**  
By Spend Category  
Source: MarketView, ChristchurchNZ



**Spending by visitor type**

Due to COVID-19 disruptions to consumer spending in Christchurch, international domestics spending remains soft in May 2020. International spending saw a 68 percent decrease on the same month last year to \$3.9m compared to a 35 percent decline to \$30m for domestic spending (Figure 11).

Figure 12 depicts monthly international and domestic visitor spending in Christchurch.

Figure 11

Domestic visitors	International visitors
-35%	-68%

Spending by Christchurch residents in Christchurch (excluding fuel) decreased by 5.4 percent, and in the central city declined by 34 percent as seen in Figure 13.

Figure 13

Christchurch	Central city
-5.4%	-34%

**Daily spending by visitor type**

In line with the other graphs depicting daily spend, the impact of New Zealand moving to alert level 2 can be seen by a jump in visitor spending in Canterbury driven by domestic visitors (Figure 14).

Figure 12

**Christchurch Domestic and International Visitor Spend**

Source: Market View, ChristchurchNZ

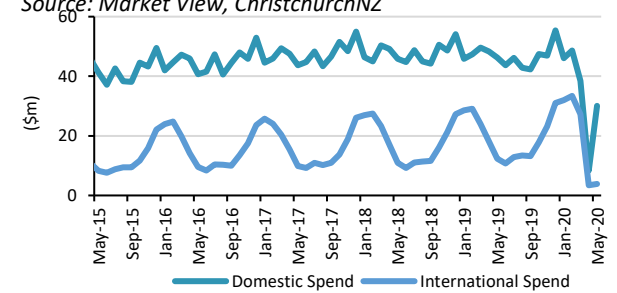
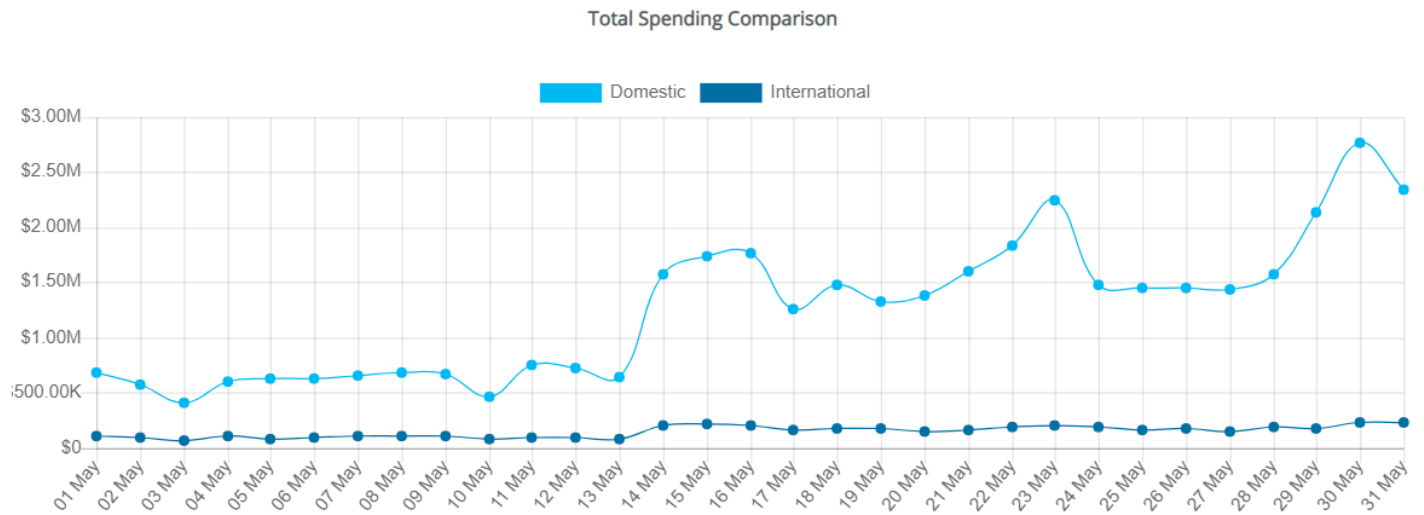


Figure 14 Canterbury\*<sup>1</sup> spending flows



**Want to know more?**

Read the latest [Quarterly Economic Report](#), or get the latest insights on the dynamics of the Christchurch and Canterbury economies directly from the experts. To view more work from our economics team exploring the impacts of COVID-19, please visit [ChristchurchNZ.com](http://ChristchurchNZ.com)

[Contact us](#) to find out more.



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<sup>1</sup> (Excluding Mackenzie, Kaikoura & Waitaki)