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MEDIA RELEASE – with one table graphic provided and 10-year graphics available

Hospitality and services mainstay of Hawke's Bay CBDs

With the growing trend of online retailing and large format retail, Hawke's Bay's central business districts are increasingly relying on hospitality and service providers to draw customers and maintain vibrancy.

From its twice-yearly retail occupancy survey, property advisors and valuation firm, Logan Stone believes that tailored retail environments with strong elements of cafes, restaurants and the likes of banks, telecommunications providers, hairdressers and other services, was essential.

"People are shopping online more and more, and the large format retailers are utilising economic efficiencies and operate with lower margins, so it is continuing to make it a challenge for centrally-based retailers," says Frank Spencer, Logan Stone director, who has been overseeing the survey for the past 14 years.

"Contemporary retail is all about convenience, with people now quite confident and willing to travel to shop, or purchase online to meet every day retail needs. However, coming into the central business district to eat or socialise or get their service needs met, is a major drawcard in the current environment."

In Taradale and Havelock North, the service and hospitality sectors account for over half of the retail occupants (53 percent and 59 percent respectively). In Napier, these sectors equate to 34 percent, while in Hastings the breakdown shows 40 percent.

Mr Spencer noted that in three of the four retail core areas, occupancy rates are at the highest levels for several years and believes this was due to the economic surge Hawke's Bay is enjoying at present.

Havelock North has the highest occupancy at 98 percent (its highest since August 2012), with Taradale at 94 percent (highest since August 2015). Napier has seen the largest increase over the past twelve months, sitting at 93.5 percent, and is at its highest level since February 2012.

Hastings retail core has seen occupancy trend downwards since its peak of 97 percent in February 2011, now sitting at 83 percent. However, Mr Spencer suggests this is beginning to slow.

He says that once completed, the new developments and refurbishments within Napier's city retail core will likely attract national tenants and increase the retailing capacity within the area. He suggests that Napier's occupancy rates are likely to remain steady for the next six months.

In Hastings, the current redevelopments will also attract tenants but these were likely be a high number of short-term lease arrangements resulting in ongoing changing tenants, he said.

Mr Spencer expects demand in Havelock North to remain strong with the Village Exchange development nearing full occupancy at the ground level. Taradale's high percentage of hospitality outlets means it relies significantly on consumer discretionary spending to remain vibrant.

Location	Aug 2017 Occupancy	Past 6 Months	Movement	
			Past Year	Since Aug 2012
Hastings	83.4%	↓ 0.2%	↓ 2.3%	↓ 10.7%
Napier	93.5%	↑ 0.6%	↑ 6.2%	↑ 3.7%
Havelock North	97.8%	↑ 0.9%	↑ 0.2%	↓ 0.8%
Taradale	94.3%	↑ 2.7%	↑ 3.0%	↑ 1.6%

ENDS

As Frank Spencer is on annual leave, for more information including copy of the report and tables showing trends since 2003, please contact:

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BACKGROUND INFORMATION:

Logan Stone's six-monthly survey of retail space is undertaken in February and August. This latest survey was undertaken in August 2017. A summary of the results for the four centres is available that demonstrates the history of the survey since 2003. Historical data from 1996 is also held on file and can be made available if required.

The study records the level of occupancy within the ground floor retail tenancies within a defined retail core for each of the four locations on a tenancy occupied basis. A physical inspection of all properties is undertaken on a specific day with that snapshot being the base information for the survey which is undertaken in February and August of each year. Space that is being redeveloped is excluded from the survey.