



QUARTERLY MARKET ACTIVITY REPORT

K ROAD RETAIL CENTRE

for the 3 month period ending 30 June 2018

Prepared for

K Road

Date

July 2018

CONTENTS

01 APR 2018 TO 30 JUN 2018

1. Quarterly Performance Summary	5
2. Monthly spending in the K Road Retail Centre	7
3. How activity in K Road compares to your Key Competitors	8
4. Average Transaction Value at K Road compared to your Key Competitors	9
5. Which parts of New Zealand are K Road customers coming from?	10
6. Which suburbs are K Road's local customers coming from?	11
7. Which countries are K Road's international visitors coming from?	12
8. K Road Long Term Trends	13
APPENDIX	
Information on the competitors, local area and dates you selected for this report	14

SMALL PRINT

Privacy

No personal or household data is shown or can be derived, thereby maintaining the privacy of end customers.

Copyright

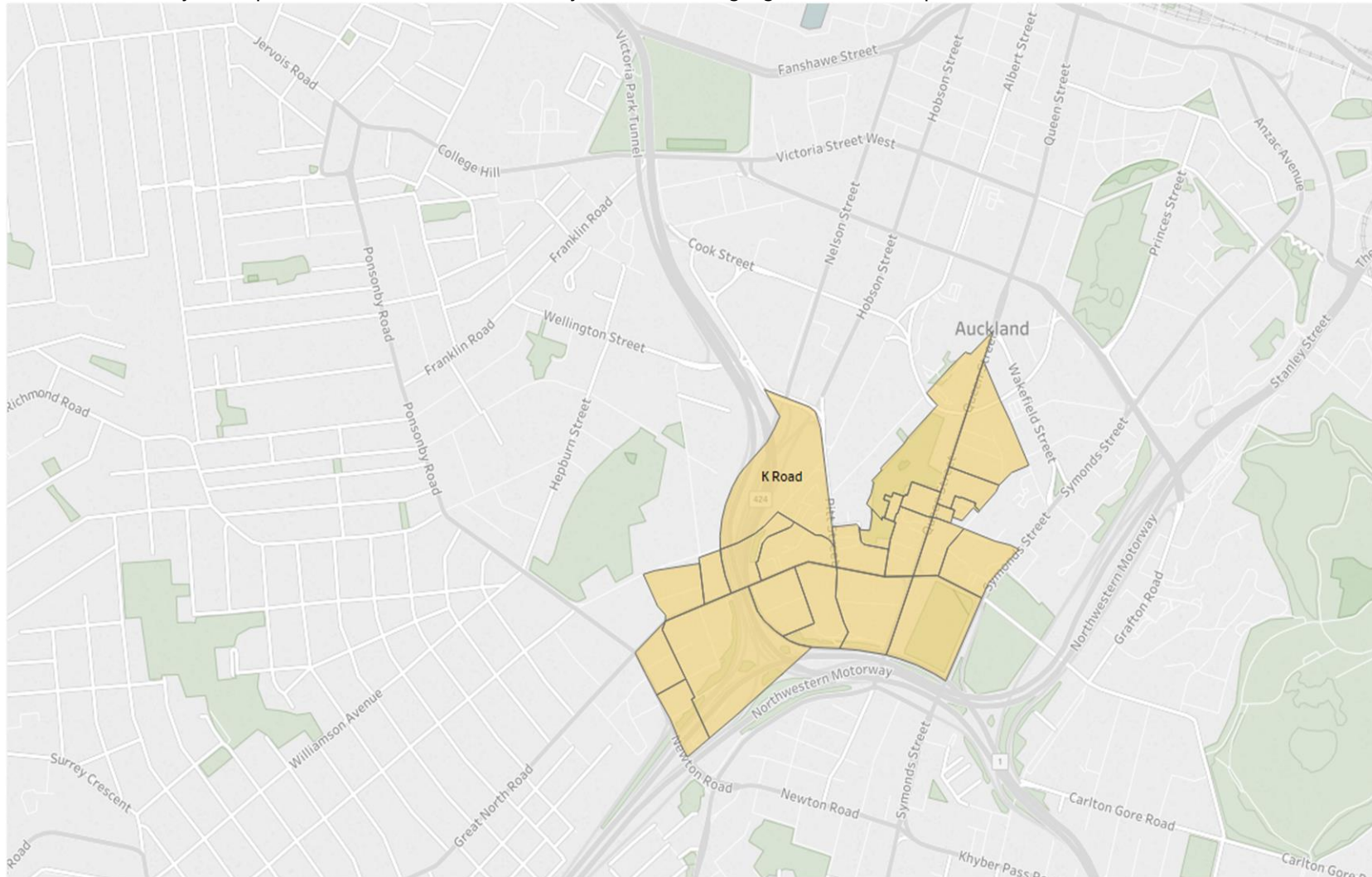
This report is protected by the copyright and trademark laws. No part of this report can be reproduced or copied in any form or by any means without the permission of Marketview Limited. Any reproduction is a breach of intellectual property rights and could subject you to civil and criminal penalties.

Disclaimer

While every effort has been made in the production of this report, Paymark, the Bank of New Zealand and Marketview Limited are not responsible for the results of any actions taken on the basis of the information in this report and expressly disclaim any liability to any person for anything done or omitted to be done by any such person in reliance on the contents of this report and any losses suffered by any person whether direct or indirect, including loss of profits.

K Road Boundary Definitions

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



K Road Catchment

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



1. Quarterly Performance Summary

01 APR 2018 TO 30 JUN 2018

Amount Spent

	This Year	Last Year	Change
K Road			
Customers from New Zealand	\$36.09 mn	\$37.59 mn	-4.0%
International Visitors	\$4.69 mn	\$4.48 mn	+4.8%
TOTAL	\$40.79 mn	\$42.06 mn	-3.0%
% from New Zealand	88.5%	89.4%	-1.0%
Average Transaction Value	\$35.55	\$38.31	-7.2%

Number of Transactions

	This Year	Last Year	Change
Customers from New Zealand	1.09 mn	1.05 mn	+4.5%
International Visitors	0.05 mn	0.05 mn	+4.1%
TOTAL	1.15 mn	1.10 mn	+4.5%
% from New Zealand	95.4%	95.4%	+0.0%

Key Competitors	This Year	Last Year	% Change
CBD	\$420.81 mn	\$435.77 mn	-3.4%
Grey Lynn	\$59.53 mn	\$58.13 mn	+2.4%
Ponsonby	\$73.33 mn	\$70.99 mn	+3.3%
All of Auckland Region	\$4.113 bn	\$4.024 bn	+2.2%

	This Year	Last Year	Change
CBD	10.58 mn	10.88 mn	-2.8%
Grey Lynn	1.28 mn	1.27 mn	+0.4%
Ponsonby	1.44 mn	1.45 mn	-0.9%
All of Auckland Region	87.95 mn	85.65 mn	+2.7%

CHANGE

YOUR RANKING		Spending	Transactions	
Last Year	HIGH	Quartile 1	Quartile 2	MED HIGH
This Year	LOW	Quartile 4	Quartile 3	MED LOW

TOTAL VALUE

	Spending	Transactions
Last Year	Quartile 2	Quartile 1
This Year	Quartile 2	Quartile 1

Key

K Road 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.

About this Page

This page gives an overview of spending and transaction volumes made for the three months ending 30 June 2018 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 K Road Retail Centre

01 Apr 2018 to 30 Jun 2018

1. Spending in the K Road Retail Centre

	Amount Spent			Number of Transactions			Average Transaction Value		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
TOTAL	\$40.79 mn	\$42.06 mn	▼ -3.0%	1.15 mn	1.10 mn	▲ 4.5%	\$35.55	\$38.31	▼ -7.2%

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

	Amount Spent			Number of Transactions			Average Transaction Value		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
TOTAL	\$37.93 mn	\$39.59 mn	▼ -4.2%	1.01 mn	1.02 mn	▼ -0.5%	\$37.54	\$38.98	▼ -3.7%

3. Net change in merchant numbers within the K Road Retail Centre

	2017	2018	* Diff	Change
Automotive	6	6	+0	0.0%
Core retail	11	10	-1	-9.1%
Food and Liquor	34	35	+1	2.9%
Hospitality	111	109	-2	-1.8%
Medical services	2	2	+0	0.0%
Other retail	22	23	+1	4.5%
Other storetypes	18	19	+1	5.6%
Personal services	7	8	+1	14.3%
Recreational	6	6	+0	0.0%
TOTAL	217	218	+1	0.5%

Notes

- Overall spending in the marketplace decreased by -3.0%
- On a same store basis i.e. merchants active in K Road for all 24 months of the last two years, spending was down by -4.2%.
- We calculate there has been a net change in merchant numbers within the K Road BID of 1 more merchants.

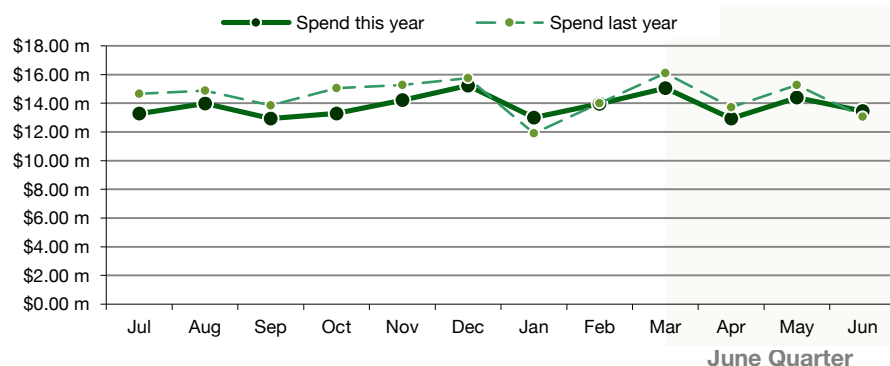
* Change in merchants is the NET change. For example if you have 60 merchants in the first year and 80 merchants in the second year there is a difference of 20. This does not mean that you have had 20 new merchants join; it could be that you have had 40 new merchants join and 20 who have left giving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

2. Monthly spending in the K Road Retail Centre

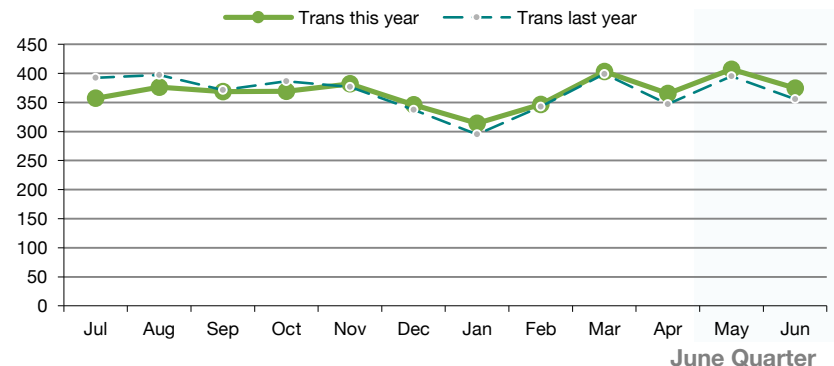


01 Jul 2017 to 30 Jun 2018 vs same period last year

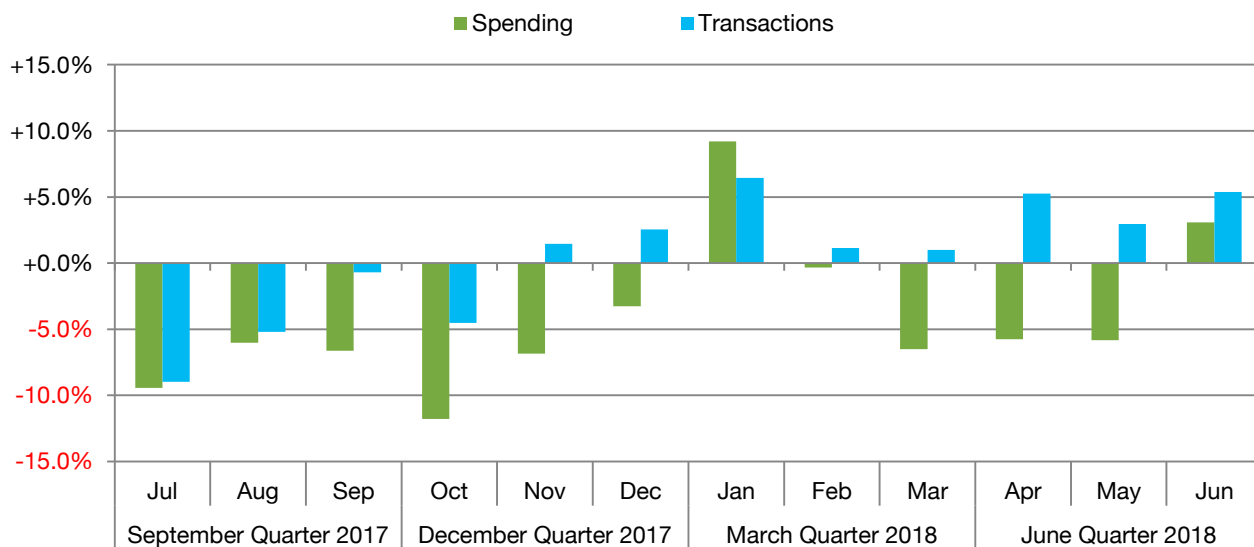
2.1 Monthly value of SPENDING at K Road merchants



2.2 Monthly TRANSACTION volumes at K Road merchants (,000s)



2.3 Percentage change over the same month last year



2.4 Chart Data

	SPENDING		
	This Year	Last Year	Change
April	\$12,933,894	\$13,723,636	-5.8%
May	\$14,390,895	\$15,279,890	-5.8%
June	\$13,462,787	\$13,060,970	3.1%
Quarter	\$40,787,575	\$42,064,495	-3.0%

	TRANSACTIONS		
	This Year	Last Year	Change
April	365,341	347,081	5.3%
May	407,075	395,359	3.0%
June	374,771	355,630	5.4%
Quarter	1,147,186	1,098,070	4.5%

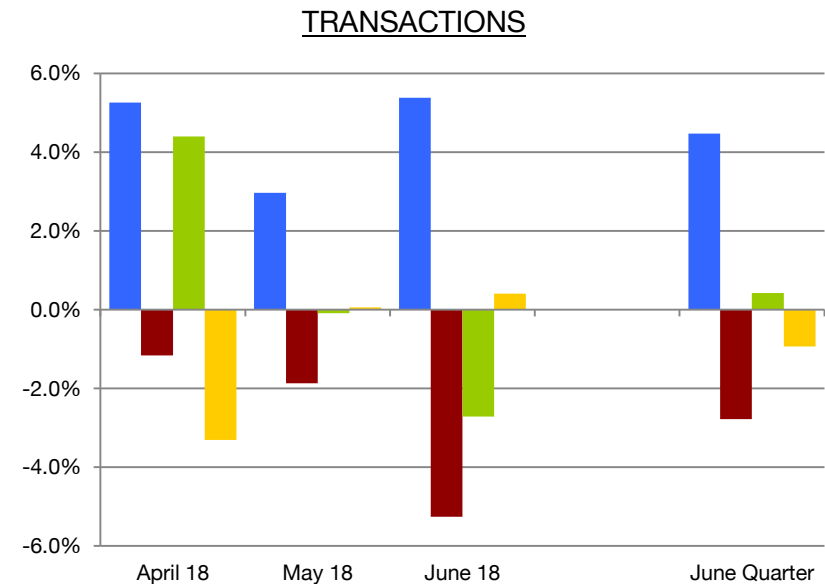
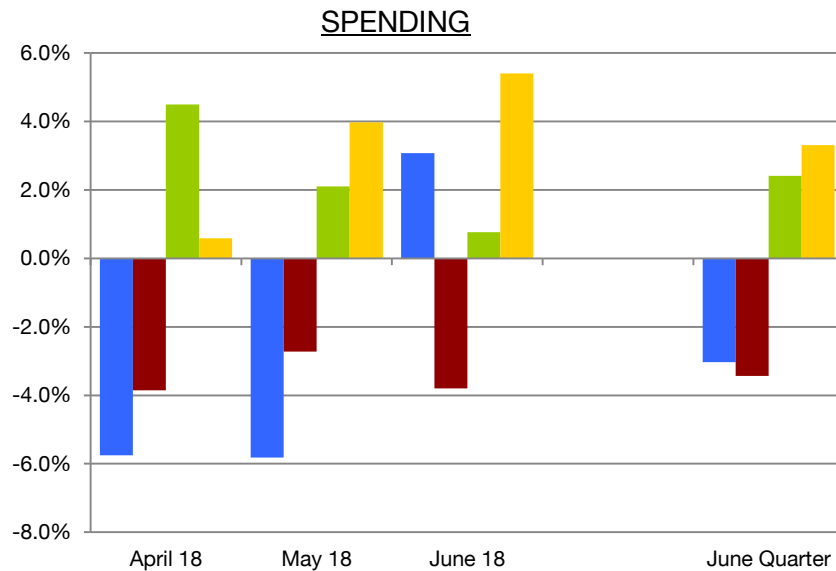
Reading these Charts

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 K Road compares to your Key Competitors

01 Apr 2018 to 30 Jun 2018

3.1 Change in spending and transactions, over same month last year - K Road, compared to Key Competitors (CBD, Grey Lynn and Ponsonby)



K Road

CBD

Grey Lynn

Ponsonby

3.2 Change over June quarter last year

	Spending	Transactions
K Road	-3.0%	4.5%
CBD	-3.4%	-2.8%
Grey Lynn	2.4%	0.4%
Ponsonby	3.3%	-0.9%

3.3 Change over the March quarter

	Spending	Transactions
K Road	-2.9%	7.8%
CBD	-7.5%	4.1%
Grey Lynn	0.5%	2.0%
Ponsonby	3.4%	-0.2%

Reading these Charts

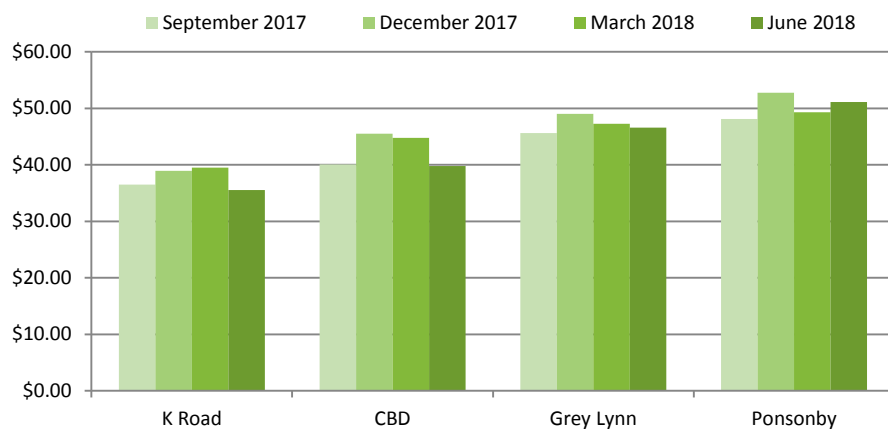
This page shows how activity in your retail centre over the last quarter compared to your key competitors. The chart top left shows the change in spending in each retail centre over the same month in the quarter last year. The chart top right provides the same information for transaction volumes.

4. Average Transaction Value at K Road compared to your Key Competitors



01 Jul 2017 to 30 Jun 2018

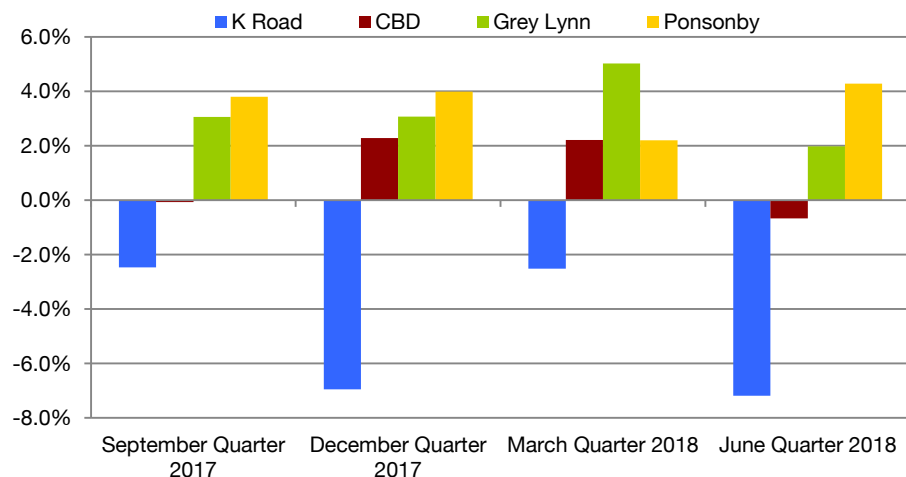
4.1 Average transaction value over the last 12 months



4.1.1 Key Stats

Quarter	K Road	CBD	Grey Lynn	Ponsonby
September 2017	\$36.49	\$40.06	\$45.61	\$48.14
December 2017	\$38.95	\$45.53	\$49.03	\$52.77
March 2018	\$39.49	\$44.75	\$47.29	\$49.30
June 2018	\$35.55	\$39.77	\$46.59	\$51.09

4.2 Change in quarterly average transaction value over the last 12 months - K Road, compared to Key Competitors (CBD, Grey Lynn and Ponsonby)



4.2.1 Change over same quarter last year

Quarter	K Road	CBD	Grey Lynn	Ponsonby
September 2017	-2.5%	-0.1%	3.1%	3.8%
December 2017	-6.9%	2.3%	3.1%	4.0%
March 2018	-2.5%	2.2%	5.0%	2.2%
June 2018	-7.2%	-0.7%	2.0%	4.3%

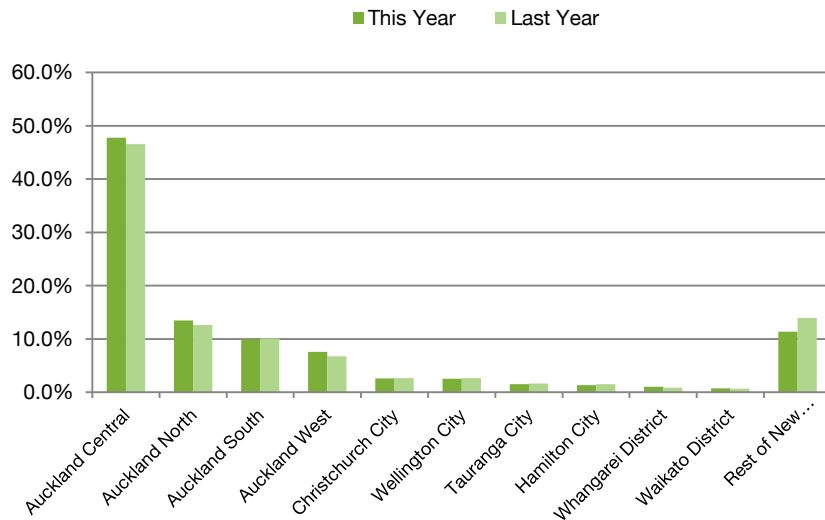
Reading these Charts

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.

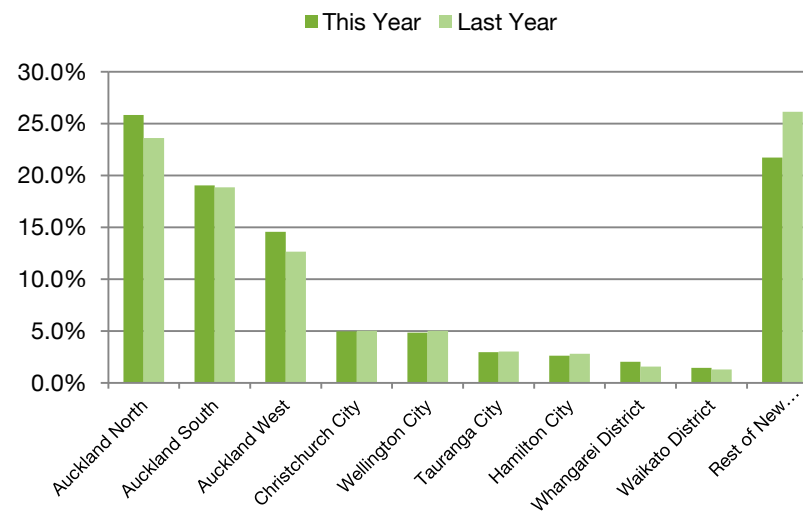
5. Which parts of New Zealand are K Road customers coming from?

01 Apr 2018 to 30 Jun 2018

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



5.2 Top Local Authority Areas (excluding Auckland Central)



5.3 Key Stats

Origin of customers	% of Spending	Change over last year	
		\$ Spent	Contribution
Auckland Central	47.8%	-1.5%	+1.2%
Auckland North	13.5%	+2.7%	+0.9%
Auckland South	9.9%	-5.3%	-0.1%
Auckland West	7.6%	+8.0%	+0.8%
Christchurch City	2.6%	-7.4%	-0.1%
Wellington City	2.5%	-9.4%	-0.2%
Tauranga City	1.5%	-8.2%	-0.1%
Hamilton City	1.4%	-12.9%	-0.1%
Whangarei District	1.1%	+21.8%	+0.2%
Waikato District	0.8%	+5.1%	+0.1%
Rest of New Zealand	11.3%	-22.0%	-2.6%

% 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 K Road coming from people living in this Area (This quarter over same quarter last year)

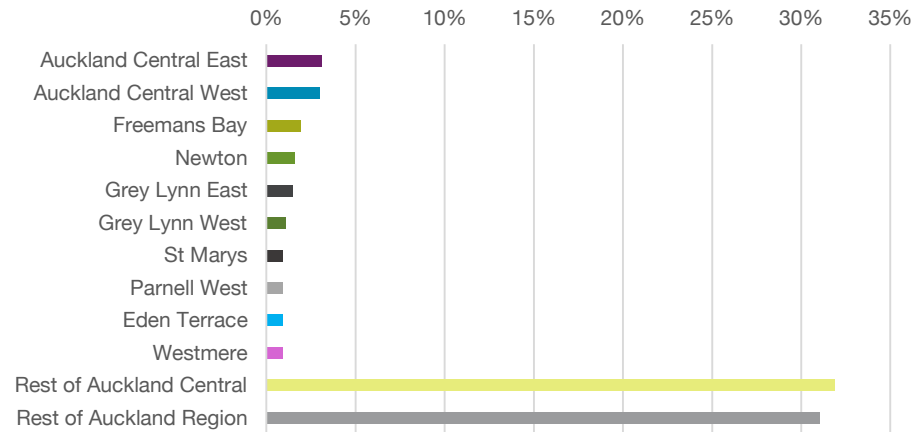
Reading these Charts

This page shows where people spending at K Road 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 Central. The dark bars represent the percentage of spending this year, the light bars represent last year.

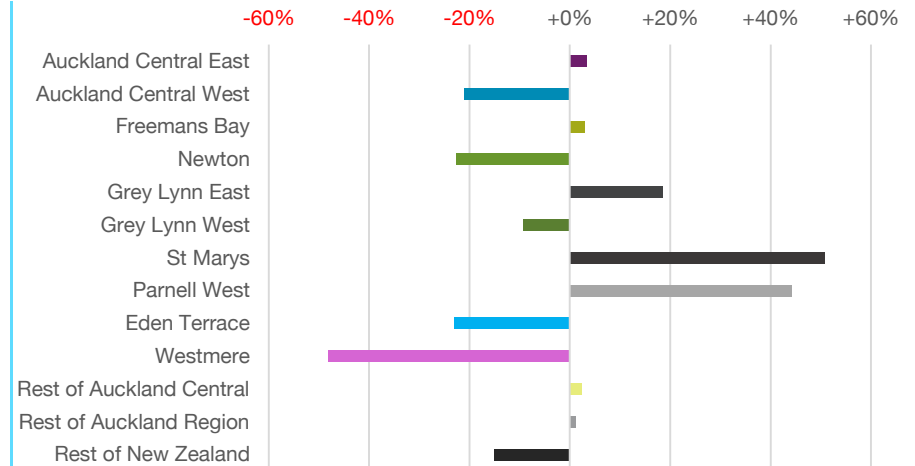
6. Which suburbs are K Road's local customers coming from?

01 Apr 2018 to 30 Jun 2018

6.1 K Road'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
Auckland Central East	3.1%	+3.3%	+0.2%
Auckland Central West	3.0%	-20.9%	-0.6%
Freemans Bay	1.9%	+3.0%	+0.1%
Newton	1.6%	-22.7%	-0.4%
Grey Lynn East	1.5%	+18.6%	+0.3%
Grey Lynn West	1.1%	-9.3%	-0.1%
St Marys	1.0%	+50.8%	+0.3%
Parnell West	0.9%	+44.3%	+0.3%
Eden Terrace	0.9%	-23.1%	-0.2%
Westmere	0.9%	-48.0%	-0.8%
Rest of Auckland Central	31.9%	+2.4%	+2.0%
Rest of Auckland Region	31.0%	+1.2%	+1.6%
Rest of New Zealand	21.2%	-15.1%	-2.8%

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 K Road Retail Centre coming from people living in this Suburb (This quarter over same quarter last year)

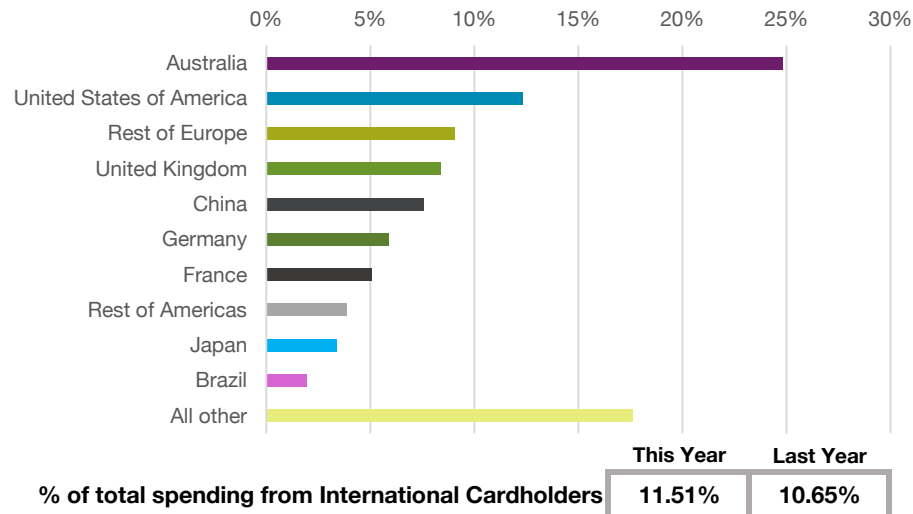
Reading these Charts

This page shows the suburb of origin of people spending in the K Road 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.

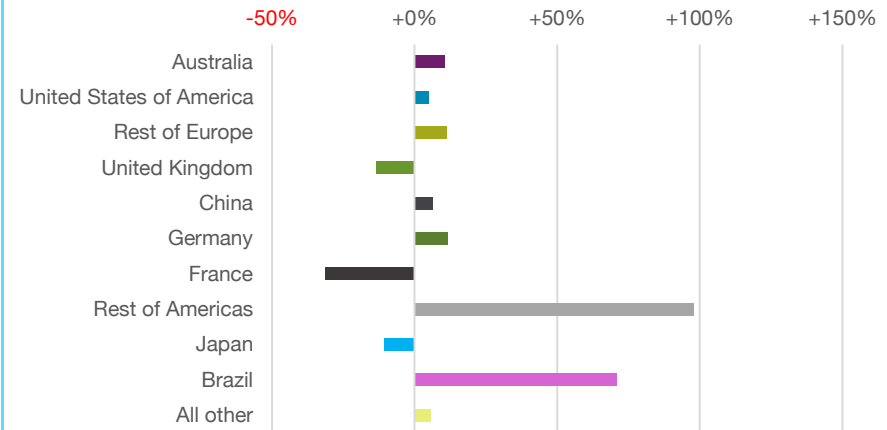
7. Which countries are K Road's international visitors coming from?

01 Apr 2018 to 30 Jun 2018

7.1 K Road'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
Australia	24.8%	+10.7%	+1.3%
United States of America	12.3%	+5.0%	+0.0%
Rest of Europe	9.1%	+11.4%	+0.5%
United Kingdom	8.4%	-13.5%	-1.8%
China	7.6%	+6.4%	+0.1%
Germany	5.9%	+11.7%	+0.4%
France	5.1%	-31.3%	-2.7%
Rest of Americas	3.9%	+97.8%	+1.8%
Japan	3.4%	-10.8%	-0.6%
Brazil	2.0%	+71%	+0.8%
All other	17.6%	+5.5%	+0.1%
TOTAL	100.0%	+4.8%	

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 K Road Retail Centre coming from people living in this country (This quarter over same quarter last year).

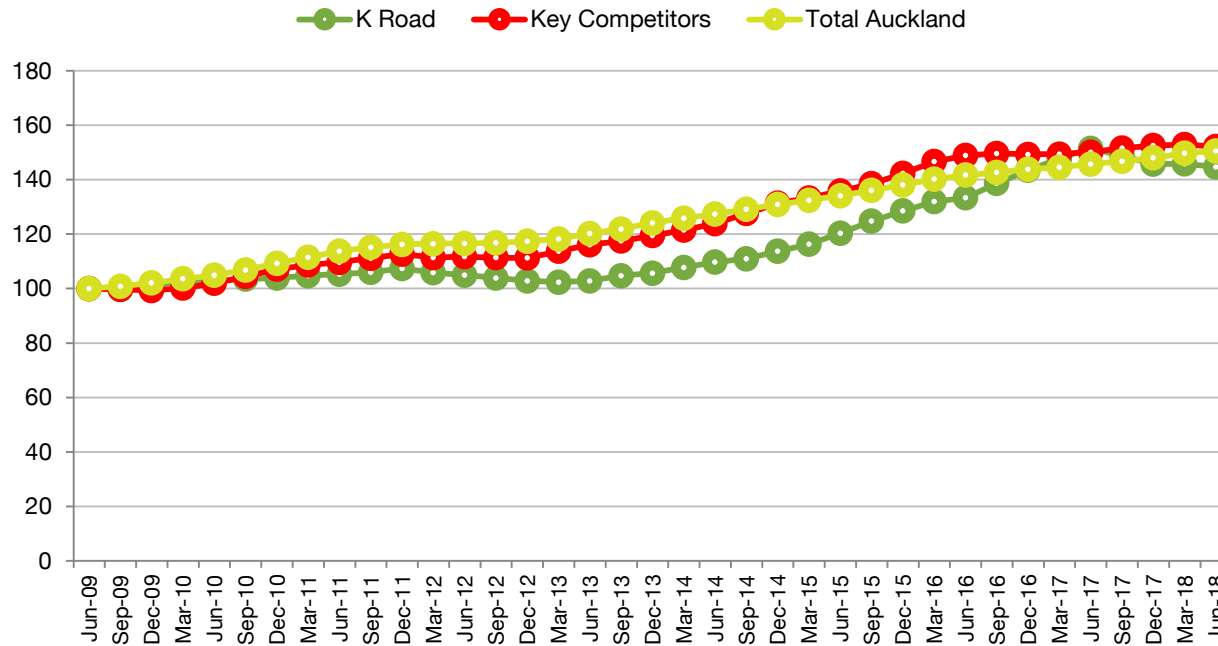
Reading these Charts

This page shows the country of origin of people spending in the K Road 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. K Road Long Term Trends

8.1 MOVING ANNUAL TOTAL - RETAIL SPENDING - BY QUARTER

Spending trends in Auckland



SPENDING

CHANGE OVER 5 YEARS AGO

K Road	Key Competitors	Total Auckland
▲	▲	▲
40.6%	31.0%	25.2%

8.2 THE FIGURES

Based on Moving Annual Total Spending

12 months to	K Road	Key Competitors	Total Auckland
Jun-14	\$125.75 m	\$1,905.56 m	\$16,294.87 m
Jun-15	\$137.97 m	\$2,089.53 m	\$17,162.85 m
Jun-16	\$152.82 m	\$2,289.95 m	\$18,132.84 m
Jun-17	\$173.59 m	\$2,309.15 m	\$18,651.94 m
Jun-18	\$165.78 m	\$2,340.75 m	\$19,265.38 m

* most recent 12 month period directly above

8.3 BEST PERFORMING PERIODS - K ROAD

HIGHEST ANNUAL SPEND 12 Months ending	*HIGHEST ANNUAL SHARE 12 Months ending
Jun-17	Dec-14

* 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

K Road	Key Competitors	Total Auckland
▼	▼	▼
-1.3%	-7.6%	-5.8%

Inputs to your Report



Selection Criteria

These are the criteria used to create this report

Your area

K Road

Reporting Period

The 3 Months between 01 Apr 2018 and 30 Jun 2018

Your designated competitors

CBD

Grey Lynn

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: <i>Auckland North - Rodney District and North Shore City combined</i> <i>Auckland West - Waitakere City</i> <i>Auckland Central - Auckland City</i> <i>Auckland South - Manukau City, Papakura District, Franklin District combined</i>

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.