

Retail Focus[®] Report | November 18

Hawke’s Bay Retail Vacancies Unchanged 2017-18

Whilst Hawke’s Bay is booming, retail fortunes remain mixed. Overall prime main-street retail vacancies for Hawke’s Bay are unchanged for the past year to October for Napier, Taradale, Hastings and Havelock North. Collectively there are 37 shop vacancies being 7% of 510 shops surveyed.

The situation is much improved on 51 vacancies in July 2015, then 10% of 499 Hawke’s Bay shops surveyed.

Prime retail rents in Napier are 40-50% higher than Hastings and Napier’s pedestrian numbers are superior. In the 10 years to 2018, the top three Napier foot traffic counts declined only 4% that is impressive given big-box and online retail. Pedestrian numbers for Hastings’ best three locations declined 34% over the same period.


The best 3 sites for Napier 2008-18 were pedestrian traffic 109% better than the equivalent 3 for Hastings. The 10 years average shows Napier was 63% superior. The best Napier site was 143% better than Hastings’ best site. For the third time in about 20 years Napier’s best pedestrian site is back in Emerson Street (Strandbags) relegating The Warehouse Napier.

Hastings’ best retail site re-leased in 2016 at 17% below its prior rent. Hastings is however looking up. Council has budgeted \$4.5 million for Hastings CBD reworks and streetscape enhancements. It is investing \$30 million in the Hawke’s Bay Opera House precinct plus laneways projects. Some game-changing Hastings CBD private developments are in the wings.

CBDs like shopping centres periodically need format and design updates to remain successful. Palmerston North City that is marginally bigger than Hastings, will invest \$31 million over the next six to eight years in CBD reformatting and streetscapes plus \$25 million on reworking the sports arena on the edge of its CBD.

Turley & Co surveys Hawke’s Bay main-street retail twice-yearly generating complete data sets for comparisons 2015-18 and for Napier 2003 and 2015-18. Sample findings follow:

Napier’s CBD



Vacancy Change 17-18			
Location	Oct 17	Oct 18	Change
Emerson St – all	6	7	↑ 1
Balance CBD	14	12	↓ 2

Use Change 15-18			
Category (2 of 7)	Jul 15	Oct 18	Shift
Fashion Retail	33%	31%	↓ 2%
Food & Hospitality	12%	14%	↑ 2%

Shop Numbers Change 15-18	
Prime Retail	Jul 15 - Oct 18
Shops number change	↑ 4

Refer to Turley & Co for full data 2015-18 and Napier 2003 survey.

Turley & Co photo Emerson Street mid-winter

Napier: In 2003 Turley & Co intensively surveyed Napier’s CBD and in 2015-18. The 2003-18 surveys confirm hospitality and cafes is unchanged at 14%, and banking and finance at 5%. Fashion accounted for 32% of shops in 2003, and 15 years later is barely diminished.

The most significant change for central Napier 2003-18 is the escalation of national and Australasian retail brands from one-third to just over a half. Shop numbers overall are almost unchanged. Many have been built and others were demolished.

Gloucester St Taradale



Turley & Co photo Gloucester Street

Vacancy Change 17-18			
Location	Oct 17	Oct 18	Change
Gloucester St	3	3	Same →

Use Change 15-18			
Category (2 of 7)	Jul 15	Oct 18	Shift
Fashion Retail	13%	10%	↓ 3%
Food & Hospitality	23%	26%	↑ 3%

Shop Numbers Change 15-18	
Prime Retail	Jul 15 - Oct 18
Shops number change	Same →

Refer to Turley & Co for full data 2015-18.

Taradale: Gloucester Street is steady. Since 2015 there has been a trend to food and hospitality for Taradale up 3%.

Hastings' CBD



Turley & Co photo 200 Block Heretaunga Street Hastings

Vacancy Change 17-18			
Location	Oct 17	Oct 18	Change
200 Block	2	3	↑ 1
Balance CBD	8	8	Same →

Use Change 15-18			
Category (2 of 7)	Jul 15	Oct 18	Shift
Fashion Retail	29%	28%	↓ 1%
Food & Hospitality	13%	15%	↑ 2%

Shop Numbers Change 15-18	
Prime Retail	Jul 15 - Oct 18
Shops number change	↓ 1


Refer to Turley & Co for full data 2015-18.

Hastings: Overall vacancy increased by one October 2017-18. With the shops mix change moving slightly away from fashion retail to food and hospitality that is up 2%.

MarketView retail spending statistics for Hastings in aggregate have been very good 2017-18. The Mall 100 Block West was markedly improved by 3 new leasings in 2017.

Opera precinct and Heretaunga Street East is undergoing a revival pivoting around a craft gin distillery entrant, Fun Buns, Cornucopia Organics and café, the Common Room (bar) and Cupple. The Hawke's Bay Opera House redevelopment involving a \$30 million investment by HDC will undoubtedly have positive effects for this end of town and the city generally.

Havelock North



Vacancy Change 17-18			
Location	Oct 17	Oct 18	Change
Mainstreets HN	4	4	Same →

Use Change 15-18			
Category (2 of 7)	Jul 15	Oct 18	Shift
Fashion Retail	19%	21%	↑ 2%
Food & Hospitality	24%	22%	↓ 2%

Shop Numbers Change 15-18	
Prime Retail	Jul 15 - Oct 18
Shops number change	↑ 8

Refer to Turley & Co for full data 2015-18.

Turley & Co photo Middle Road

Havelock North: Contrary to trends elsewhere, fashion retail for 2015-18 marginally increased in Havelock North. Meanwhile, food and hospitality eased 2%. Joll Road further development is underway that will add retail, hospitality and offices www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12126111

Turley & Co article for BayBuzz magazine November 2018 observations about the history of Hastings and Napier CBDs:

BAY BUZZ www.turley.co.nz/2018/11/09/cbds-are-social-centres-a-hastings-cbd-history-baybuzz-magazine/

Turley & Co Hastings CBD LTP submission May 2018:



www.turley.co.nz/2018/06/05/hastings-city-centre-submission-hdc-ltp-may-2018

Turley & Co commercial-industrial property comprehensive data-laden market reports for Hawke's Bay including and national property metrics www.turley.co.nz/news-2/current

Report by Team www.turley.co.nz/tcl-people/our-people



Tim Whittaker Te Mata Peak Millennium Sunrise

Hawke's Bay-based premium quality valuation and creative property strategy® leading \$0.5B acquisitions-disposals NZ-wide for 20-years. Valuation litigation and commercial property specialist. Development and public land specialist. Property economy analysts and commentators. Turley & Co press page www.turley.co.nz/press/latest

The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purpose. To the extent that any information or recommendations in this publication constitute financial or property advice, they do not take into account any person's particular financial or property situation or goals. Turley & Co recommends that you seek advice specific to your circumstances from your financial advisor and independent property advisor. The contents of this publication are not for reliance. Any future projections made may prove erroneous. Neither Turley & Co nor any person involved in this publication accepts any liability for any loss or damage whatsoever that may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication. Contact Turley & Co for Registered Valuer and Registered Property Consultant property advice.