

Retail Focus[®] | November 19

Hawke’s Bay Hospitality Occupancy Increases

Hawke’s Bay hospitality occupancy has increased 2015-19 for all prime mainstreet locations surveyed: Napier, Taradale, Hastings and Havelock North. Food & Hospitality account for a quarter of shops occupancy in both Havelock North and Taradale. Our other talking points for this report are:

- Shops occupancy improved/ vacancies down
- Retail spending up
- HB economic conditions buoyant
- CBD revitalisation and vibrancy initiatives afoot

Overall Hawke’s Bay mainstreets’ vibrancy situation is much improved on 51 vacancies in July 2015 (10%), compared to 33 shop vacancies in October 2019 (7% of 507 shops surveyed).


Retail spending has an upward trajectory, with the September 2019 quarter MarketView figures for Hastings showing spending is increased 5.6% on the same quarter last year, with a Hastings total spend of \$72m.

Hawke’s Bay economic conditions remain exceptionally buoyant. Confidence is high driven by a coincidence of fortunes across most sectors that lead the region’s economy, underpinned by persistently low interest rates. Retail conditions are not immune.

Hastings District Council is planning CBD streetscape redesign and has confirmed a \$4.5m plus potentially land acquisitions budget. The City Centre Revitalisation Plan ‘Hastings Alive’ is aimed at attracting more people and business by coupling CBD revitalisation and other strategic initiatives. Council projects such as pocket parks and outdoor dining in Hastings, and in Napier; Marine Parade major upgrades and further outdoor art are aimed at further bolstering CBD vibrancy in Hawke’s Bay.

Turley & Co surveys Hawke’s Bay mainstreet retail twice-yearly generating fulsome comparisons 2015-19, and for Napier 2003 and 2015-19. Sample findings follow:

Napier’s CBD



Vacancy Change 18-19			
Location	Oct 18	Oct 19	Change
Emerson St – all	7	7	Same →
Balance CBD	12	10	↓ 2

Use Change 15-19			
Category (2 of 7)	Jul 15	Oct 19	Shift
Fashion Retail	33%	30%	↓ 3 pts
Food & Hospitality	12%	15%	↑ 3 pts

Shop Numbers Change 15-19	
Prime Retail	Jul 15 - Oct 19
Shops number change	↑ 1

Refer to Turley & Co for full data 2015-19 and Napier 2003 survey.

Turley & Co photo Emerson Street mid-winter

Napier: The 2015-19 surveys shows hospitality and café occupancy is up 3 points, and fashion retail has diminished 3 points.

Dickens Street vacancy has significantly reduced with a number of smaller shops amalgamated into bigger spaces, reducing vacancy and shop numbers (Nood and Rio Beauty). Napier CBD shop numbers overall increased by one 2015-19.

Gloucester St, Taradale



Turley & Co photo Gloucester Street

Vacancy Change 18-19			
Location	Oct 18	Oct 19	Change
Gloucester St	3	5	↑ 2

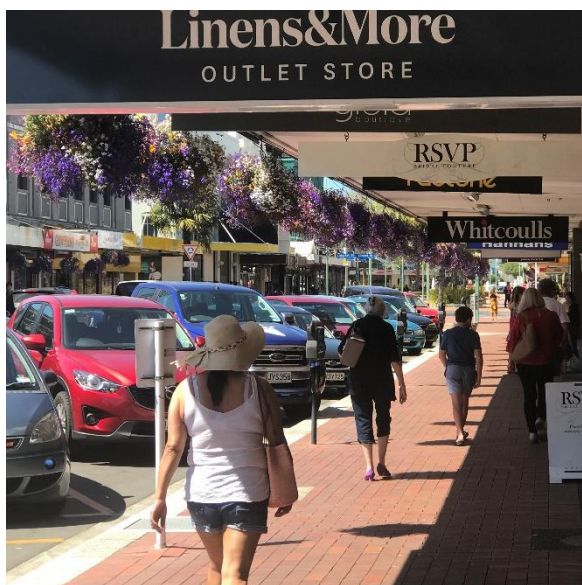
Use Change 15-19			
Category (2 of 7)	Jul 15	Oct 19	Shift
Fashion Retail	13%	11%	↓ 2 pts
Food & Hospitality	23%	25%	↑ 2 pts

Shop Numbers Change 15-19	
Prime Retail	Jul 15 - Oct 19
Shops number change	↓ 1

Refer to Turley & Co for full data 2015-19.

Taradale: Since 2015 there has been an increasing trend to food and hospitality that increased 2 points October 2015-19, whilst fashion and retail is down 2 points. Vacancy increased by two shops October 2018-19. Recent sales in Gloucester Street have reflected low 6% yields for retail investment property.

Hastings' CBD



Turley & Co photo 200 Block Heretaunga Street Hastings

Vacancy Change 18-19			
Location	Oct 18	Oct 19	Change
200 Block W	3	2	↓ 1
Balance CBD	8	7	↓ 1

Use Change 15-19			
Category (2 of 7)	Jul 15	Oct 19	Shift
Fashion Retail	29%	25%	↓ 4 pts
Food & Hospitality	13%	15%	↑ 2 pts

Shop Numbers Change 15-19	
Prime Retail	Jul 15 - Oct 19
Shops number change	↓ 2

Refer to Turley & Co for full data 2015-19.

Hastings: The CBD's vacancy decreased by two shops October 2018-19. The mix of shops is slightly changed away from fashion retail to food and hospitality that is up 2 points 2015-19. This is a Hawke's Bay wide trend.

Heretaunga Street East is undergoing a revival including a craft gin distillery, Fun Buns, Cornucopia Organics and café, the Common Room (bar), Cupple and the well-advanced Opera House redevelopment – renamed Toitōi www.hawkesbayoperahouse.co.nz. This city block is trending towards becoming the Hastings entertainment district.

Hastings District Council initiatives to support outdoor dining include planned street dining buildouts enabled by street space occupancy licences aimed at further improved CBD vibrancy.

Havelock North



Turley & Co photo Middle Road

Vacancy Change 18-19			
Location	Oct 18	Oct 19	Change
Mainstreets HN	4	2	↓ 2

Use Change 15-19			
Category (2 of 7)	Jul 15	Oct 19	Shift
Fashion Retail	19%	21%	↑ 2 pts
Food & Hospitality	24%	25%	↑ 1 pts

Shop Numbers Change 15-19	
Prime Retail	Jul 15 - Oct 19
Shops number change	↑ 10

Refer to Turley & Co for full data 2015-19.

Havelock North: New developments for Havelock North (The Exchange and Joll Road), added to supply – 10 prime shops since 2015. Hospitality occupancy is high and trending upward.

The Havelock North commercial hub has seen occupancy improve by two October 2018-19, with impressive 98% occupancy that is a Hawke’s Bay retail districts stand out.

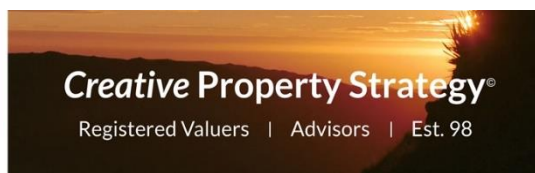
Turley & Co’s article for BayBuzz magazine late 2018 about the history of Hastings and Napier CBDs:

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

Turley & Co commercial-industrial property market reports for Hawke’s Bay plus national property metrics, and our last Retail Focus© report November 2018 www.turley.co.nz/news-2/current

Use the following link to access prior full reports Q1-2 2019: *Macro, Retail, Office and Industrial* www.turley.co.nz/1h19-property-market-reports-private. For latest 2H19 full reports email us people@turley.co.nz

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