



Palmerston North
Electronic card retail spending
Quarterly Report

December 2024

This report presents analysis of electronic card retail spending (i.e., total value of electronic card transactions made in person) in the city. The focus is on Palmerston North City Centre (consisting of CBD and Broadway Avenue precinct; and Outer CBD precinct); city as a whole (see map on page 9 for location of precincts); and comparison with New Zealand.

Data is obtained from Marketview and is based on information from Worldline (formerly known as Paymark) the largest electronic card payment network in New Zealand. Analysis covers eight retail sectors consisting of accommodation; apparel & personal; arts, recreation & visitor transport; cafes, restaurants, bars & takeaways; fuel & automotive; groceries & liquor; home & recreational retail; and other consumer spending (see retail sector classification on page 10).

Table of Contents

SUMMARY – DECEMBER 2024	1
RETAIL PRECINCTS	2
RETAIL SECTORS	5
CITY CENTRE: CUSTOMER ORIGIN	7
PALMERSTON NORTH: RETAIL FLOWS	8
CITY CENTRE: WEEKLY SPENDING	9
PRECINCT MAP	10
RETAIL SECTOR CLASSIFICATION	10

Summary – December 2024

Palmerston North: City at a glance

- For the quarter ending December 2024, total electronic card spending was \$403 million, a decrease of -1.1% from the same period the previous year. This compares with a -0.7 % decline in spending across New Zealand (NZ) in the same quarter.
- For the year ending December 2024, total electronic card spending in Palmerston North was \$1,488 million, a decline 0.8% decline compared with the previous year. In contrast, spending across NZ increased by 0.1% compared with the year ending December 2023. See graph on “Electronic Card Retail Spending Annual Change (%)” on page 4.
- The annual growth rate of retail spending in Palmerston North, as well as in NZ is lower than the annual inflation rate of 2.2% for the year ending December 2024. This indicates spending growth was below the rate of inflation, reflecting negative real growth in spending in both the city, and nationally in the 2024 calendar year.

City Centre

- Electronic card retail spending in the City Centre in the December quarter was \$231 million, an increase of 0.2% compared to the December quarter 2023. This exceeds quarter on quarter growth of -0.7% across NZ in the December quarter 2024.
- Annual electronic retail spending in the City Centre was \$837 million, down -0.2% compared to the previous year. Nationally, retail spending increased by 0.1% over the same period. Over the 2024 calendar year, retail spending growth was below the rate of inflation across all retail precincts, indicating negative real growth across the city and nationally in 2024.
- The top three retails sectors were “Groceries and liquor” (34% share of City Centre spending), “Home and recreational retail” (30% of City Centre retail spending), and “Café, restaurants, bars and takeaways” (16% of City Centre spending). Together, spending across these sectors made up 80% of total retail electronic card spending in the City Centre in the 2024 Calendar year. Please see pages 5 and 6 for a breakdown of spending by retail sector.
- Since the November 2023 quarter, annual spending on “Groceries and liquor” has taken over from “Home and recreational retail” as the top retail category in the City Centre. This pullback in spending on non-essential goods and services is consistent with what is being observed nationally, as household and businesses across the country continue to spend cautiously in response to the economic downturn.

Retail precincts

Retail Precincts	Dec 2024 quarter		Year ending Dec 2024		
	Value of spending (\$m)	Change from same quarter last year (%)	Value of spending (\$m)	Change from last year (%)	Precinct share (%)
Palmerston North Inner CBD and Broadway Avenue	138	0.0%	503	0.6%	33.7%
Palmerston North Outer CBD	93	0.5%	334	-1.3%	22.3%
Palmerston North City Centre*	231	0.2%	837	-0.2%	56.0
PNCC Terrace End	34	-2.0%	126	-0.7%	8.5%
Rest of Palmerston North	139	-2.8%	526	-1.8%	35.5%
Total Palmerston North**	403	-1.1%	1,488	-0.8%	100
Total New Zealand	21,152	-0.7%	77,833	0.1%	

Notes:

*Palmerston North City Centre spending consists of spending from: 1) CBD and Broadway Avenue (inner business zone) precinct, and 2) Outer CBD (outer business zones) precinct.

**Total Palmerston North City spending consists of spending from the City Centre + Terrace End precinct + the rest of the city. See map on page 9 for location of the precincts.

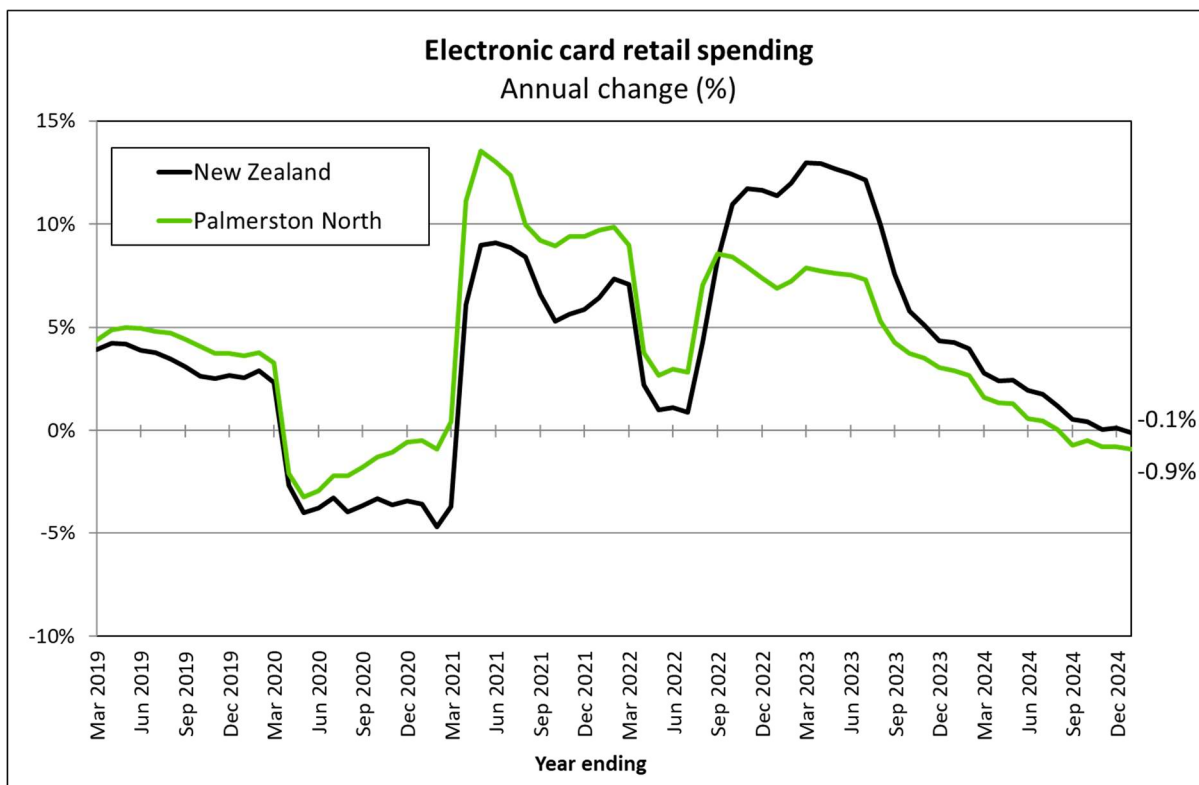
Annual retail spending in Palmerston North for the year ending December 2024 declined by -0.8%. This compares with an annual decrease in retail spending in the City Centre of -0.2%. The breakdown of the two City Centre precincts are as follows:

- Retail spending in the CBD and Broadway Avenue (inner business zone) precinct increased by 0.6% over the year to December 2024, exceeding the NZ annual growth rate of 0.1%.
- The Outer CBD precinct experienced a -1.3% decline in retail spending over the year.

The time series below shows the annual (i.e., rolling 12 months) change in electronic card spending (Mar 2019 – Dec 2024) for Palmerston North and New Zealand. Prior to October 2022, growth in retail spending in the City outperformed relative to national spending. This was due to the industry structure in the City and less exposure to the impact of border closures on international tourism. Since October 2022, the average NZ growth rate has caught up and exceeded the rate of growth in Palmerston North City.

Annual growth in retail spending across NZ and Palmerston North have been declining since April 2024 in response to the continuation of challenging economic conditions for both households and businesses. This is reflected in negative annual growth in retail spending in Palmerston North since the year ending September 2024. Lower interest rates in 2025 are expected to flow through to households and businesses, supporting demand for goods and services across the City and national economy.

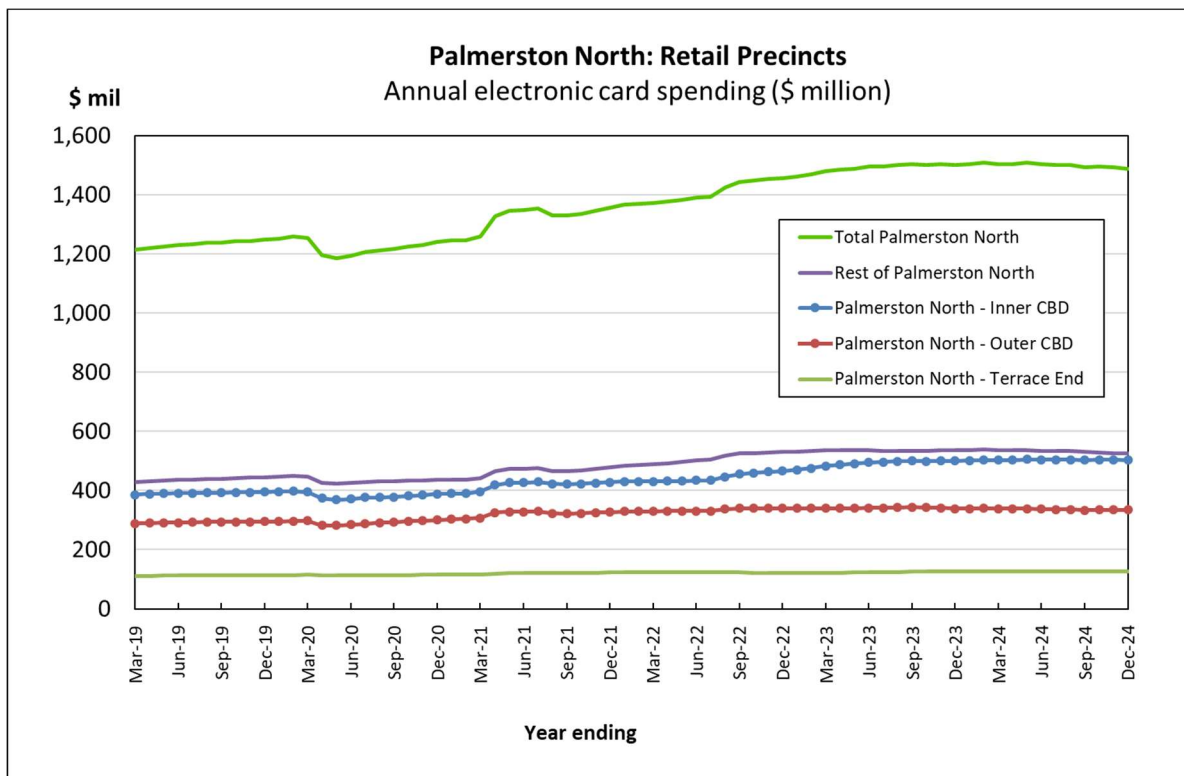
Time series: Annual Change (Mar 2019 – Dec 2024)



The time series below shows annual spending across retail precincts in the City over the period March 2019 to December 2024. Key findings are:

- On an annual rolling basis, total retail spending in Palmerston North fell between September to December 2024. This contraction in annual spend was driven predominantly by weaker spending in the “Outer CBD” precinct where rolling annual spending fell by between 1.1% and 2.8% between June to December 2024.
- In contrast, nominal growth in spending has been observed in the “Inner CBD” throughout the period March 2021 to December 2024.

Time series: Annual Electronic Card Spending (Mar 2019 – Dec 2024)



Retail sectors

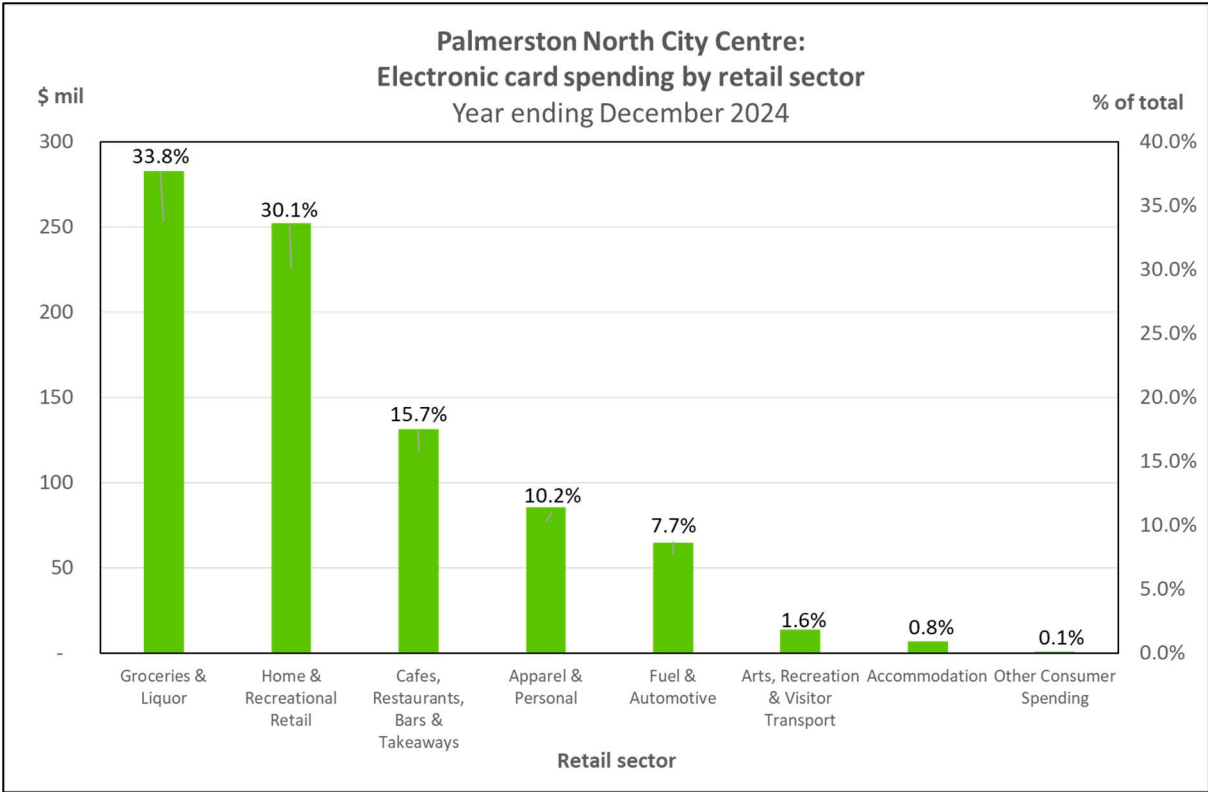
The table below shows the breakdown in spending by retail sector for the City Centre, Palmerston North, and New Zealand.

Retail sectors	Year ending Dec 2024						
	City Centre		Palmerston North		New Zealand		Palmerston North City Centre share of NZ
	Value of spending (\$m)	Change (from last year)	Value of spending (\$m)	Change (from last year)	Value of spending (\$m)	Change (from last year)	
Accommodation	7	-0.8%	24	-6.8%	1,740	-5.0%	0.38
Apparel & personal	85	-2.8%	100	-3.1%	4,491	-1.1%	1.90
Arts, recreation & visitor transport	14	-6.5%	26	-4.4%	2,218	-4.2%	0.62
Cafes, restaurants, bars & takeaways	131	-1.3%	196	-1.7%	11,523	-0.2%	1.14
Fuel & automotive	64	4.5%	254	0.2%	13,022	0.5%	0.50
Groceries & liquor	283	4.0%	528	2.2%	28,335	2.7%	1.00
Home & recreational retail	252	-3.9%	358	-4.0%	16,127	-2.8%	1.56
Other consumer spending	1	71.2%	3	22.9%	377	1.7%	0.23
Total	837	-0.2%	1488	-0.8%	77,833	0.1%	1.08

The top three retail sectors in the City Centre were

- “Groceries and liquor” (34% of total annual spend)
- “Home and recreational retail” (30% of total annual spend)
- “Café, restaurants, bars and takeaways” (16% of total annual spend)

Together, the top three retail sectors in the City Centre represent 80% of total retail electronic card spending. Since the November 2023 quarter, “Groceries and liquor” has taken the lead over “Home and recreational retail” as the top retail category in the City Centre. This is due to the contraction of spending on non-essential goods and services, as household and business budgets come under pressure due to the economic slowdown.



In the City Centre, annual growth in spending was supported by growth in retail sectors related to travel and tourism: -

- “Groceries and liquor” (+10.8 million of 4.0%)
- “Fuel and automotive” (+2.8 million or 4.5%)
- “Other consumer spending” (+0.4 million or 71.2%)

City Centre: Customer origin

Year ending Dec 2024

Cardholder origin	Value of spending (\$m)	Change from last year (%)	Share of total spending (%)
Palmerston North City	539.6	0.6	64.5
Manawatu District	82.2	-0.4	9.8
Horowhenua District	41.9	0.3	5.0
Rest of New Zealand	41.5	-6.4	5.0
Tararua District	34.7	-0.2	4.1
Wellington Region	25.9	-5.9	3.1
Rangitikei District	24.2	-0.6	2.9
International	17.3	9.3	2.1
Auckland Region	13.6	-3.8	1.6
Whanganui District	13.3	-5.0	1.6
Ruapehu District	2.6	-5.7	0.3
Total	836.9	-0.2	100.0

For the year ending December 2024, 65% of retail spending in the City Centre was made by locals. The visitor (i.e. non-local) share of spending made up 35% of total spending. Spending from residents of Manawātū, Horowhenua, “Rest of New Zealand”, Tararua, and the Wellington region contributed the most to spending in the city. Together, these areas contributed 27% of total annual spending in the city over the year to December 2024.

International visitors recorded the highest annual growth in spending at 9%. Overall, international spending makes up just 2% of total annual spending in the city.

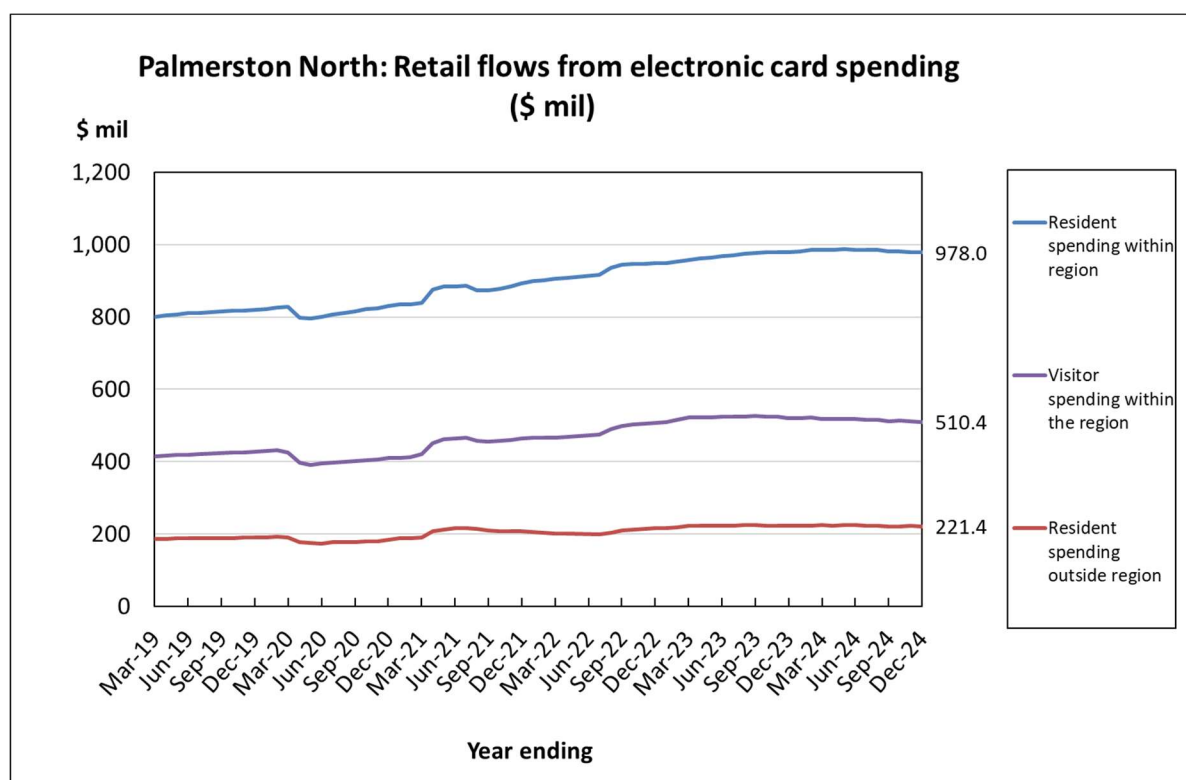
Palmerston North: Retail flows

Year ending Dec 2024

Retail flow	Value of spending (\$m)	Change from last year (%)
Resident spending locally (A)	978	-0.1
Resident spending outside the city (B)	221	-0.2
Total resident spending (A)+(B)	1,199	-0.2
Visitor spending (C)	510	-2.0
Total spending at Palmerston North merchants (A)+(C)	1,488	-0.8
Net gain in spending for city (C)-(B)	289	-3.3
	Year ending Dec 2024	Year ending Dec 2023
Visitor share of Palmerston North spending	34.3%	34.7%
Palmerston North loyalty rate	81.5%	81.5%

For the year ending December 2024, Palmerston North residents spent \$978 million locally (-0.1%) compared to \$221 million outside the city (-0.2%). Total visitor spending was \$510 million (-2.0%), which consisted of \$484 million (-2.5%) from domestic visitors and \$27 million (+7.4%) from international visitors. See figure below for trend in annual spend over time.

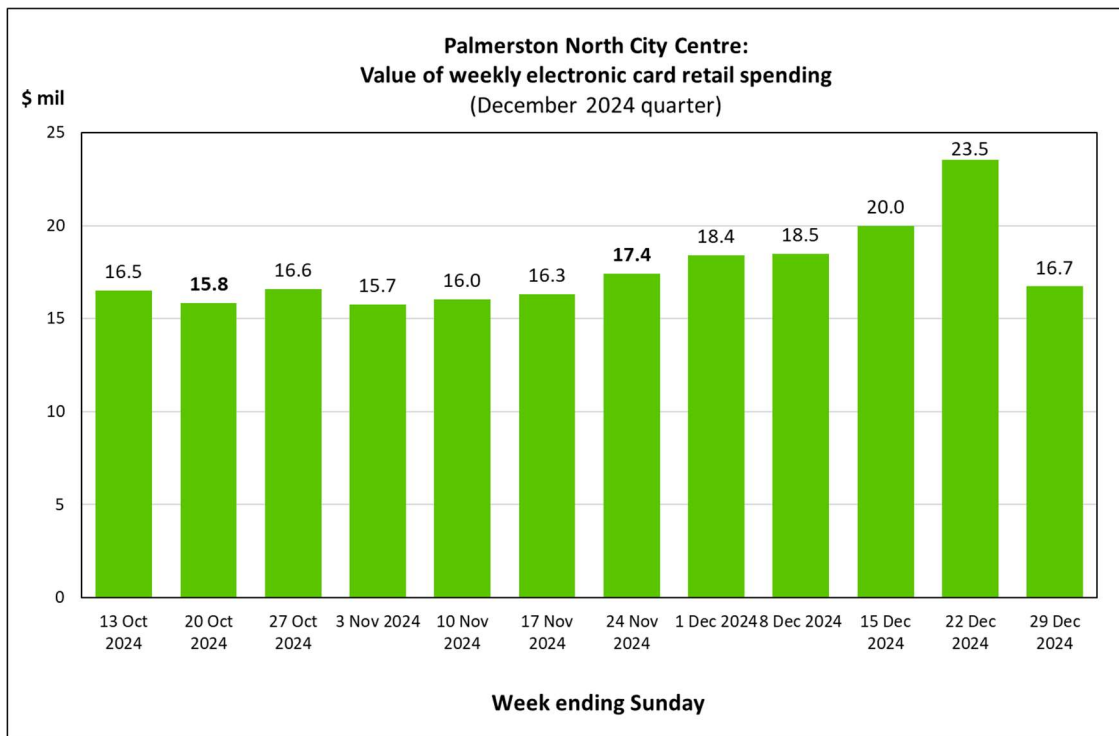
Time series: Retail flows – Annual Spending (March 2019 – December 2024)



The loyalty rate, described as the proportion of total spend by local residents at local merchants, remained stable at 81.5% in the December year 2024.

City Centre: Weekly spending

Weekly spending in the City Centre in the December 2024 ranged between \$16-\$24 million, with an average weekly spend of \$18 million. Weekly spending gradually increased from \$16 million in the week ending 3 November to \$24 million in the week ending 22 December. This is consistent with the pre-Christmas increase in spending observed annually.



Precinct Map



Retail sector classification

Accommodation

Accommodation

Apparel & personal

Clothing retailing

Footwear retailing

Watch & jewellery retailing

Other personal accessory retailing

Hairdressing & beauty services

Arts, recreation & visitor transport

Interurban & rural bus transport

Urban bus transport (including tramway)

Taxi & other road transport

Rail passenger transport

Water passenger transport

Air & space transport

Scenic & sightseeing transport

Passenger car rental & hiring

Other motor vehicle & transport equipment rental & hire

Travel agency & tour arrangement services

Museum operation

Zoological & botanical gardens operation

Fuel & automotive

Motor vehicle parts retailing

Tyre retailing

Fuel retailing

Other automotive repair & maintenance

Groceries & liquor

Supermarket & grocery stores

Fresh meat, fish & poultry retailing

Fruit & vegetable retailing

Liquor retailing

Other specialised food retailing

Home & recreational retail

Sport & camping equipment

Entertainment media retailing

Toy & game retailing

Newspaper & book retailing

Marine equipment retailing

Department stores

Pharmaceutical, cosmetic & toiletry goods

Stationery goods retailing

Antique & used goods retailing

Nature reserves & conservation parks operation
Performing arts operation
Creative artists, musicians, writers & performers
Performing arts venue operation
Health & fitness centres & gymnasias operation
Sport & physical recreation clubs & sports professionals
Sports & physical recreation venues, grounds & facilities
Sport & physical recreation admin. & track operation
Horse & dog racing administration & track operation
Other horse & dog racing activities
Amusement parks & centres operation
Amusement & other recreation activities n.e.c
Casino operation
Lottery operation
Other gambling activities

Cafes, restaurants, bars & takeaways

Cafes & restaurants
Takeaway food services
Catering services
Pubs, taverns & bars
Clubs (hospitality)

Flower retailing
Other store-based retailing n.e.c.
Furniture retailing
Floor coverings retailing
Houseware retailing
Manchester & other textile goods retailing
Electrical, electronic & gas appliance retailing
Computer & computer peripheral retailing
Other electrical & electronic goods retailing
Hardware & building supplies retailing
Garden supplies retailing

Other consumer spending

Car retailing
Motor cycle retailing
Trailer & other motor vehicle retailing
Retail commission based buying & selling