

Retail Spending in Mangawhai 2024 Update: A Story of Growth



Protecting our Environment, Sustaining our Community

Mangawhai Harbour and its barrier spit support biodiversity, recreation, and cultural, community, and personal well-being. When considering how best to manage the harbour, all these services need to be considered.

Stage 1 of the Sustainable Mangawhai Project identified the risks to the harbour and spit from a more volatile climate. Stage 2 is examining the likely consequences of extreme weather events on the physical environment and the community. The aim is to provide scientifically sound evidence so that together with the community the agencies responsible for the harbour can develop long-term management plans to reduce the impact of such events.

This Note updates 2023 research that identified the importance of visitor spending to the retail and business sector in Mangawhai. The aim is to indicate how far local business depends on spending by holiday makers.

Retail Spending in Mangawhai 2024 Update: A Story of Growth

Research Note 4, Sustainable Mangawhai Project
Prepared by Philip McDermott
Mangawhai Matters Inc.
July 2024

For further information, visit
www.mangawhaimatters.com/sustainabilityproject

The information in this report is presented in good faith using the best information available to us at the time of preparation. It is provided on the basis that neither Mangawhai Matters Incorporated nor its officers or members are liable to any person or organisation for any damage or loss which may occur in relation to that person or organisation acting or not acting in respect of any statement, information, or advice conveyed within this report

CONTENTS

Summary

1. Introduction	1
Previous Findings	1
This Update	1
2. Growth	2
A Rapidly Growing Population	2
Even Faster Retailing Growth	2
3. How important is visitor spending?	3
4. Seasonality	5
Seasonality by Category	6
5. Employment	8
6. Conclusion	9

TABLES

Table 1: Population Growth, 2018-2023.....	2
Table 2: Sources of Retail Spending Growth 2019-2024	3
Table 3: Changing Sales by Category	3

FIGURES

Figure 1: Retail Sales by Origin, 2018-2024	3
Figure 2: Origins of Spending by Value, 2024	4
Figure 3: Changing Dependence on Visitor Spending by Retail Category ..	4
Figure 4: Average Shares of Spending by Month, 2019-2024	5
Figure 5: Monthly Expenditure, Jan 2018-March 2024	5
Figure 6: Seasonality by Sector * (2024 Dollars).....	6
Figure 7: Employment by Category, 2021-2023	8

SUMMARY

This note updates Research Note 1 in the Sustainable Mangawhai Project. It uses Marketview data on spending for the year ending March 2024. ¹

Retail spending in Mangawhai continues to boom. Following the Covid lockdowns it rose by \$22m (30%) in 2023 and \$21m (22%) in 2024, to reach an annual figure of \$117m.

Spending more than doubled from 2019 to 2024, outstripping the 40% population growth recorded. In fact, additional population accounted for just 20% of the gain. Increased spending per head was the main driver, accounting for nearly 50% of growth. This reflects new retail capacity, which means residents can now meet more of their retail needs locally.

Despite substantial local growth, visitor spending remains critical to the viability of retailing in Mangawhai and, consequently, to the health of the local economy. Visitors accounted for a third of the growth in retail sales over the five years. In 2024 they spent almost \$50m in Mangawhai.

While still heavily dependent on visitors, faster residential growth means retailers are a little less dependent on the vagaries of summer spending.

This is important from a community point of view. Not only does holiday spending sustain a greater range and variety of local goods and services than the resident population alone would support. It also dominates the labour market. Based on their share of spending, visitors accounted for all employment growth between July 2022 and July 2023 and for around 40% of all jobs in 2023.

¹ Mangawhai Matters Incorporated gratefully acknowledges the support of the Mangawhai Community Opportunity Shop Trust for funding the purchase of the retail data used in this report.

1. Introduction

This note updates an earlier covering the growth, origins, and seasonality of consumer spending in Mangawhai.² It compares figures for the year ending March 2024 with those for the years ending March 2019 to 2023.

Previous Findings

From the 2023 study:

- Consumer spending in Mangawhai³ was \$91m in 2023, 65% higher than in 2019 (which was \$55m in 2023 dollars). Resident spending was 90% up, well ahead of population growth.
- Visitor spending grew by less, 30%, but still accounted for 40% of the total.
- Because it still relies heavily on holiday-makers, spending in Mangawhai is highly seasonal. Summer accounted for around 37% of sales, winter for 18%.
- Visitor spending was most important for hospitality (59%) and “other retail” (50%, gift shops, chemists, sports), and least important for hardware and automotive stores (44%) and groceries (39%).
- With the opening of Bunnings and New World it was estimated that retailing could account for as many as three hundred jobs in Mangawhai.
- Visitor spending supports a level of retailing which the local population could not otherwise support. Any fall in visitor demand could reverse recent gains in local income, jobs, and retail choice.

2 Mangawhai Matters, 2023- *A summer story: Visitors and Retail Spending in Mangawhai* Research Note 1 ([Click Here](#))

3 Comprising the Mangawhai [village], Mangawhai Heads, and Mangawhai Rural Statistical Areas (SA2).

This Update

This note adds another year of spending data to our information base, another year clear of Covid lockdowns and enjoying improved summer weather.

The data⁴, methods, and conventions were set out in Research Note 1. Values have been updated to April 2024 dollars. This does not alter estimated *rates* of change in expenditure. All annual spending figures are for March years.

People with mailing addresses outside Kaipara Districts are treated as *visitors*. Data for *local* or *resident* spending is based on district boundaries and does not distinguish Mangawhai from other Kaipara residents, potentially overstating spending by Mangawhai residents and understating visitor spending.

However, local spending figures will be dominated by people who live in Mangawhai or its immediate surrounds. The town accounts for close to 30% of Kaipara’s population today, and 60% of its growth over the last ten years. In addition, the distances to other towns mean that most “local” spending does come from people who live in or around Mangawhai.⁵

As in the previous research note, data is aggregated into the following spending categories (with the short titles adopted for this report in brackets):

Accommodation
 Cafes, Restaurants, Bars & Takeaways (Catering)
 Fuel & Automotive (Automotive)
 Groceries & Liquor (Groceries)
 Home, Hardware & Electrical (Hardware)
 Rest of Consumer Spending (Other)

4 Marketview (www.marketview.co.nz) consolidates Paymark spending data. This data has been used extensively since 2001 by retailers, investors and developers, and local and central government. It covers the value of and origin of spending, date of purchase, and type of merchant by ANZSIC.

5 20km to Kaiwaka, 30km to Maungatoroto and 110km to Dargaville.

2. Growth

A Rapidly Growing Population

Mangawhai is the fastest growing area in New Zealand⁶. According to Statistics New Zealand Census data the population grew from 3,580 people in 2013 to 7,430 in 2023, a 120% increase over the ten years. The rate of growth slowed, with 56% growth recorded between 2013 and 2018, and 40% between 2018 and 2023. In all three cases, these rates of growth were well ahead of those recorded by other rapidly growing areas in New Zealand (Table 1).

Table 1: Population Growth, 2013-2023

	Percentage Growth		
	2013	2018	2023
New Zealand	10.3%	6.6%	17.6%
Northland Region	12.8%	9.7%	23.8%
Whangarei District	12.4%	8.3%	21.7%
Kaipara District	15.6%	15.2%	33.2%
Dargaville	19.4%	6.7%	28.0%
Kaiwaka	27.4%	17.5%	49.7%
Mangawhai	56.5%	40.5%	119.8%
Auckland Region	10.8%	5.1%	16.5%
Rodney Local Board	20.6%	17.2%	41.4%
Wellsford	13.0%	9.6%	23.9%
Warkworth	30.2%	15.6%	50.6%
Hibiscus Coast	15.4%	8.0%	24.7%
Selwn District	35.5%	28.4%	74.1%
Queenstown Lakes District	43.1%	24.2%	77.8%
Queenstown	43.3%	25.5%	79.9%
Rest of New Zealand	10.1%	7.3%	18.1%

Source: 30 June estimates, Statistics New Zealand

Even Faster Retailing Growth

Consumer spending grew much faster than the population. In 2024 it reached \$117m, 22% ahead of 2023 (\$96m), and 66% ahead of 2019 (\$55m). Over the five years to 2023 (the latest Census data) the June population grew by 40%, well behind the 138% growth recorded in spending over the five years to March 2024.

The main reason for this difference is increased spending levels per head. Additional resident numbers accounted for \$11.2m of the growth⁷ and higher spending per person (excluding visitors) accounted for \$28m.⁸

The reasons for higher spending per head include:

- Average household incomes rising as more working people and families moved into an area long dominated by a largely retired population;
- Increased construction, trade, and business-related spending;
- The introduction of two large format stores – Bunnings and New World – enabling residents to meet more of their spending needs locally rather than elsewhere (reducing spending “leakage”); and
- The additional retail capacity encouraging people from a wider catchment to shop in Mangawhai, from elsewhere in Kaipara (although , the southern part of Whangarei District, and the northern part of Auckland).

At the same time, visitor spending grew by \$20m (69%) to \$50m in 2024. On this basis, visitors accounted for 34% of total retail growth, compared with 19% due to population growth and 47% from higher spending per resident (Table 2).

⁶ Statistical Areas: Mangawhai (Village) Mangawhai Heads, and Mangawhai Rural

⁷ Average \$/person in 2019 multiplied by the growth in resident numbers from July 2018 to July 2023

⁸ March year local sales divided by July populations (\$9,100 in 2019 to \$18,300/person in 2024)

Table 2: Sources of Retail Spending Growth 2019-2024

Attributable to:	\$m	Share
Population Growth	\$11.5	19%
Spending Per Head	\$27.7	47%
Increased Resident Spend	\$39.2	66%
Increased Visitor Spend	\$20.3	34%
Total Increase	\$59.5	100%

Growth was dominated by the groceries and liquor category in which sales increased by 140% between 2019 and 2024, and by 52% in 2024 alone. In 2024 this category accounted for 57% of all Mangawhai sales (Table 3).

The homewares, hardware and electrical category had a higher *rate* of growth, though (233% over five years), although from a much lower base. Its share of total sales grew from 11% to 13% over the year to March 2024. Catering also experienced spending ahead of population growth (74% compared with 40%) to maintain its 15% share of total spending.

Table 3: Changing Sales by Category

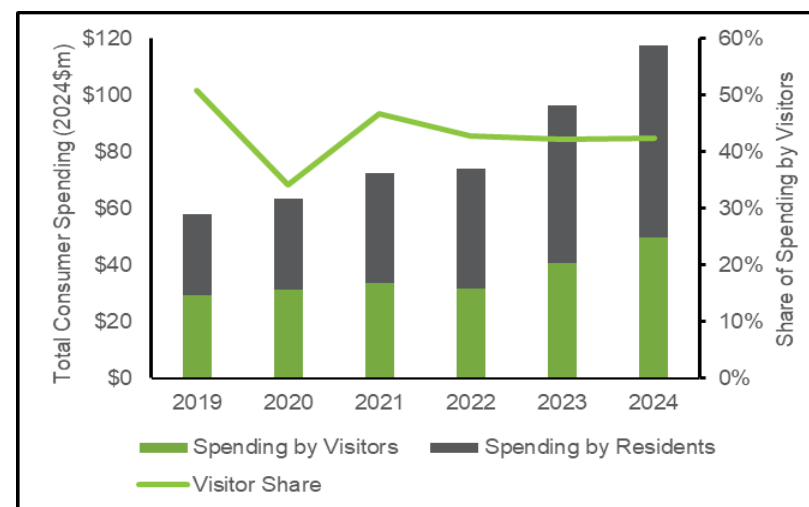
	2019		2024		2019-2024 Change		2023-2024 Change	
	\$m	% Share	\$m	% Share	\$m	% Change	\$m	% Change
Accommodation	\$0.8	1%	\$0.7	1%	-\$0.1	-13%	\$0.0	-2%
Catering	\$10.2	18%	\$17.7	15%	\$7.5	74%	\$1.2	8%
Automotive	\$7.2	12%	\$8.2	7%	\$1.0	14%	-\$1.3	-14%
Groceries	\$27.9	48%	\$66.8	57%	\$38.9	140%	\$17.0	34%
Hardware	\$4.5	8%	\$14.8	13%	\$10.4	233%	\$4.5	43%
Other	\$7.4	13%	\$9.3	8%	\$1.9	25%	-\$0.2	-2%
Total	\$58.0	100%	\$117.6	100%	\$59.6	103%	\$21.2	22%

In contrast, automotive sales went up by just 14% and other retailing 8%. It is not clear why these categories lagged population growth. The changing structure of car servicing may account for the former, while a greater range of goods in the supermarket may have depressed sales in the latter.

3. How important is visitor spending?

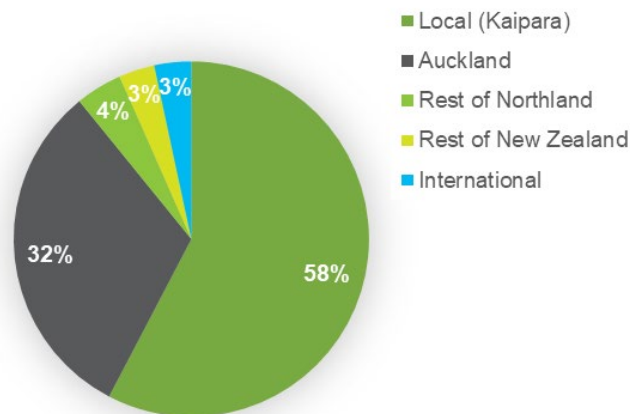
Visitors spent an estimated \$29.5m in 2019 accounting for 61% of all spending in Mangawhai. The balance between residents and visitors has reversed, however, with visitors accounting for 42% of sales in 2024, despite increasing by 69% over the period, to \$50m (Figure 1). The bulk of this growth (57%) has been driven by gains in the past two years and particularly 2024.

Figure 1: Retail Sales by Origin, 2018-2024



Most of the visitor spending comes from people living in Auckland (Figure 2), reflecting the significant role Mangawhai plays as a holiday and recreation destination for Aucklanders. The rest of Northland (Whangarei and Far North districts) accounts for 4% of spending, while visitors from the rest of New Zealand and overseas each account for 3%.

Figure 2: Origins of Spending by Value, 2024



How Important are visitors to different retail categories?

Dependence on visitors varies by category (Figure 3), although a drop in their share of spending to 2022 (with Covid closures), is common to them in all.

Most *Accommodation* spending takes place outside Mangawhai as people purchase holidays through bach booking agencies. What does take place locally is still dominated by people who live outside Kaipara, 53% by Aucklanders, 21% from other parts of the northern North Island, 10% from the rest of New Zealand, and 17% overseas. This, though, is based on only a small part of the total.

Visitors account for a high 60% of spending in *Catering* (down from 64% in 2019). The recovery in the past year most likely reflects a post-Covid resurgence, reinforced by better summer weather in 2024.

Visitor spending remains important to the *Hardware, Homewares and Electrical* category, although no longer accounts for a majority, as it did in 2019 and 2020.

The dominant *Groceries and Liquor* category is least dependent on visitors, who accounted for only 37% of 2024 spending, compared with 43% five years earlier. It was also the fastest growing. The reduced dependence on visitor spending reflects the substantial boost to local spending from greater capacity provided to resident households with the opening of the new supermarket.

The mixed *Rest of Retailing* category continues rely on visitors as much as residents.

Figure 3: Changing Dependence on Visitor Spending by Retail Category

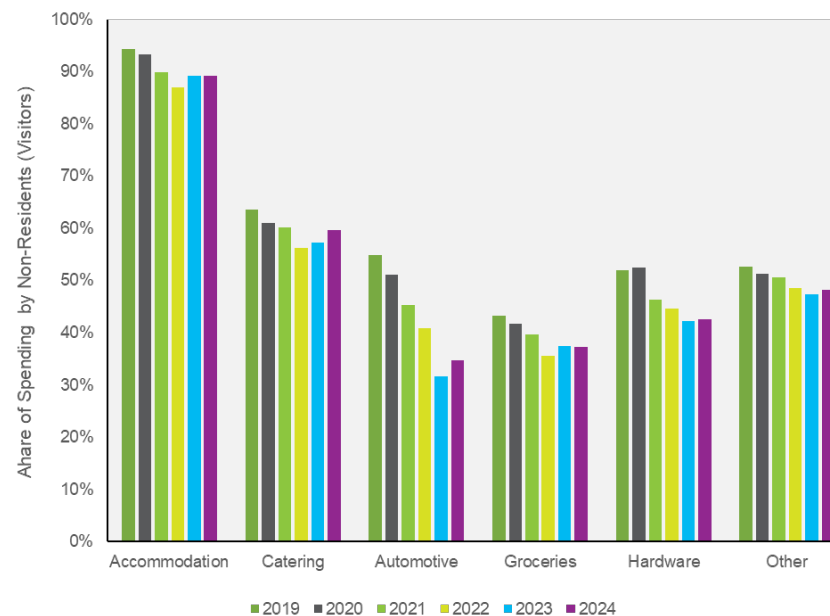


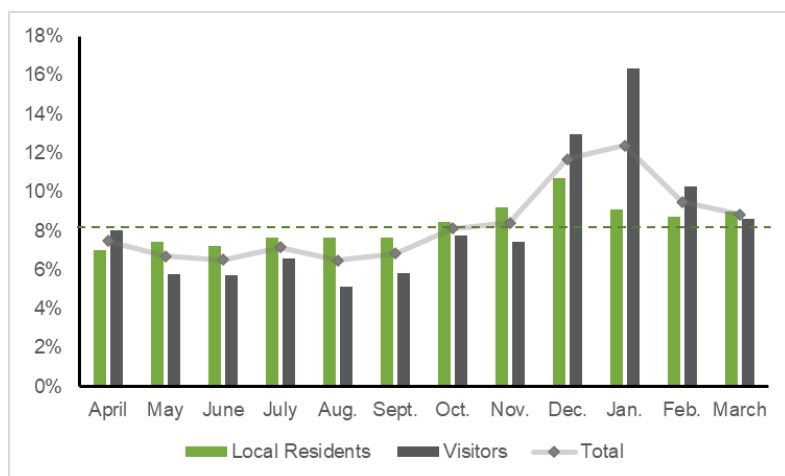
Table 4: The Changing Split Between Resident and Non-Resident Spending,

	2019		2024		2019-2024 Change		2023-2024 Change	
	\$m	% Share	\$m	% Share	\$m	% Change	\$m	% Change
Accommodation	\$0.8	1%	\$0.7	1%	-\$0.1	-13%	\$0.0	-2%
Catering	\$10.2	18%	\$17.7	15%	\$7.5	74%	\$1.2	8%
Automotive	\$7.2	12%	\$8.2	7%	\$1.0	14%	-\$1.3	-14%
Groceries	\$27.9	48%	\$66.8	57%	\$38.9	140%	\$17.0	34%
Hardware	\$4.5	8%	\$14.8	13%	\$10.4	233%	\$4.5	43%
Other	\$7.4	13%	\$9.3	8%	\$1.9	25%	-\$0.2	-2%
Total	\$58.0	100%	\$117.6	100%	\$59.6	103%	\$21.2	22%

4. Seasonality

Figure 4 shows that retailing in Mangawhai is highly seasonal. Summer (December to February) dominates. Spending peaks in January (the grey line in Figure 4), a peak clearly driven by visitors (the black bars). An average of 16% of annual visitor spending took place in January over the six years for which there is data. By contrast, just 5% of visitor spending occurred on average in August.

Figure 4: Average Shares of Spending by Month, 2019-2024

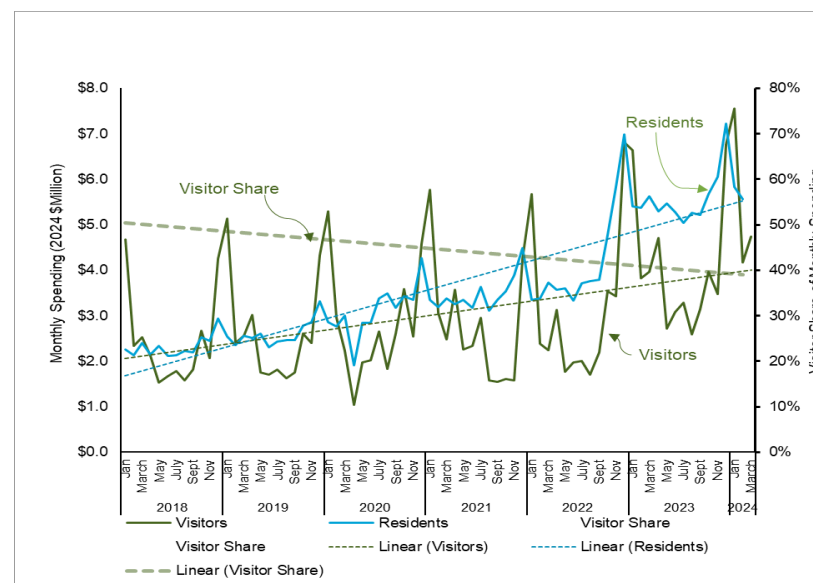


Seasonality is changing, though. Figure 5 plots monthly spending from January 2018 to March 2024. The visitor peak fell significantly in 2024, partly because of the lift in off-peak spending. As a result, the January share has fallen as local spending grew faster than visitor spending (as shown by the dotted trend lines).

In January 2019 visitors accounted for 13% of sales compared with 6% in June. In 2024, the January figure was down to 11% and June up to 7% indicating a spread away from the peak as visitor spending increased. Unsurprisingly, resident spending is less peaked, although their spending also increases in December, perhaps reflecting a higher level of household activity in the holiday months.

The divergence of trends in Figure 5 highlights how resident spending continues to run ahead of visitor spending, something that will persist subject to sufficient residential capacity to sustain growth.

Figure 5: Monthly Expenditure, Jan 2018-March 2024



Seasonality by Category

This section summarises the performance of the individual categories from 2019 to 2024 (Figure 6). Key trends are illustrated in terms of the total value of sales in the autumn (March, April, May), winter (June, July, August), spring (September, October, November) and summer seasons, along with the changes in the share of annual sales made in the summer. Not surprisingly, the differences in seasonality reflect categories' different levels of dependence on visitor demand.

(A) Cafes, restaurants, and bars: The decline in the share of summer sales since 2021 reflects the impact of Covid in 2022 and poor summer holiday weather in 2023. There has also been rapid growth in off-season sales. So, while total summer spending recovered to a new peak in 2024, the summer *share* of the total lifted only slightly.

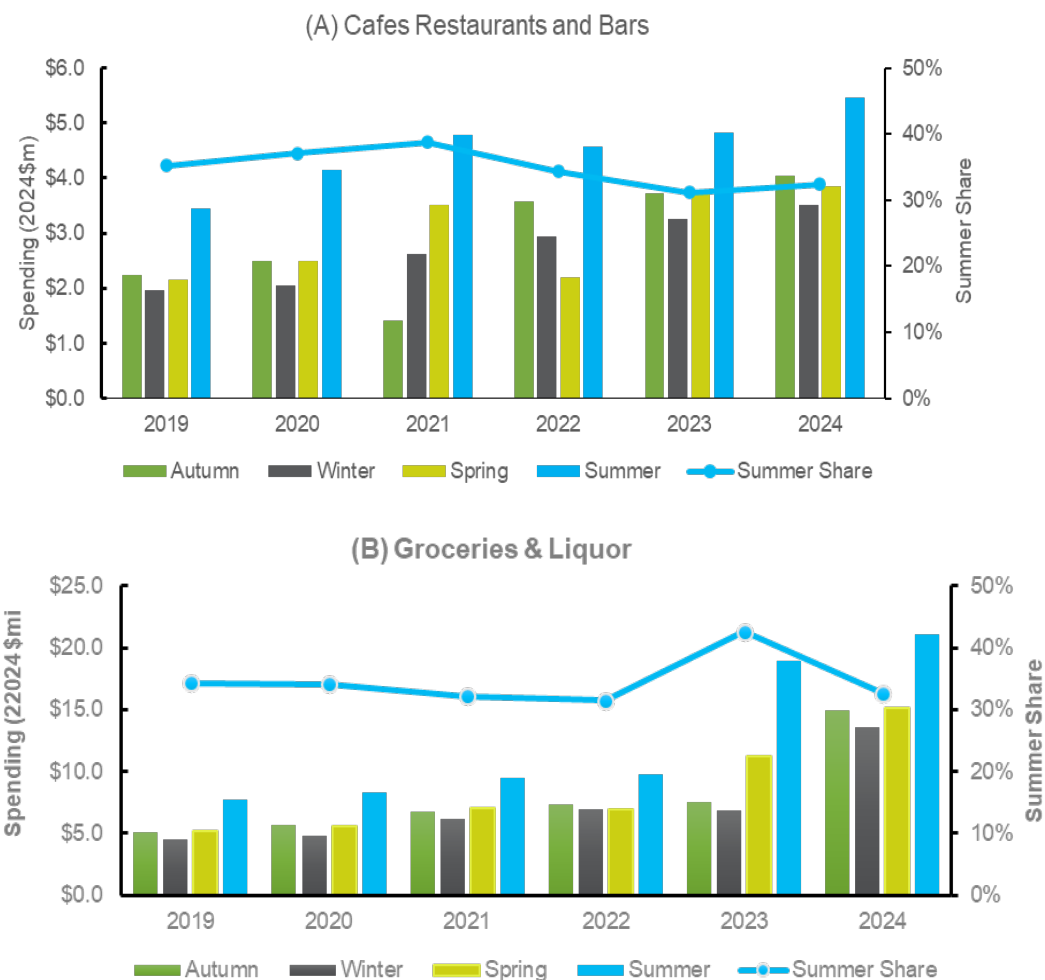
Visitors' summer spending still remains highly important, though, ensuring a range of catering services available to a growing residential population. The continuing growth of that population, in turn, can reduce the category's heavy dependence on the vagaries of the holiday market.

(B) Groceries and Liquor: The share of visitor spending in the grocery category was diminishing slowly through to 2022 as population growth drove modest gains in autumn and spring sales. The launch of New World in late 2023 changed that, leading to an increase in all four quarters.

The timing of the opening clearly favoured summer sales in its first two years of operation, with that peak likely to fall again as trading settles down.

The major drivers over the exceptional peak in the first two summers has been the capacity for locals to meet more of their daily needs in Mangawhai supported, no doubt, by an expansion of the retail catchment further into the surrounding area. Growth in the future can be expected to reflect local population growth more closely, with the major adjustments in shopping behaviour in response to the new supermarket now having been made.

Figure 6: Seasonality by Sector * (2024 Dollars)



Note: Axis scales vary between sectors.

(C) Homewares, Hardware, and Electrical Goods: Hardware sales are oriented towards property and dwellings more than individual or household consumption. As a result sales tend to be less seasonal than in other categories. Also, much of the spending on construction materials in Mangawhai will be invoiced to non-local contractors, down-playing the local share of total demand.

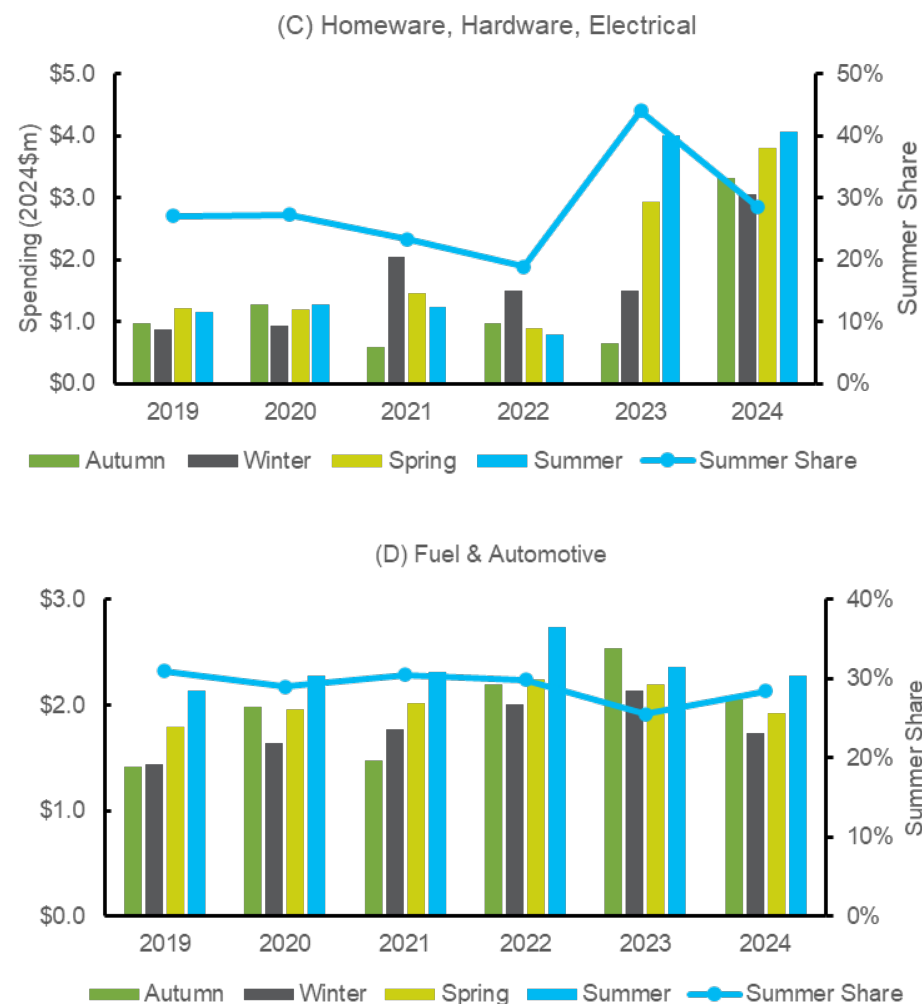
As with groceries, the introduction of a large format retailer, Bunnings, in late 2023 accounts for a high summer peak in that year. This was not sustained, with the summer share only 28% in 2024, closer to the prior average.

Again, it is likely that the rate of growth experienced in 2024 will not be experienced in 2025 but will return to something a little closer to the rate of local population and income growth.

(D) Fuel and Automotive: The automotive sector is relatively minor in Mangawhai. Trade was reasonably steady through until 2024 when it appears to have experienced lower sales than previously. This may reflect the concentrated nature of the sector, both in Mangawhai and generally. It may also reflect a structural problem, with enhanced automotive technology reducing service demands within the fleet generally, and many of those for more recent cars met by dealers rather than generic workshops.

Consequently, service stations, mechanical services and related services are diversifying and relying increasingly on sales of convenience goods, catering (drinks, carry-out food), or other goods and services. This movement could increase seasonality slightly, but the expectation is that the sector will continue to rely heavily on local demand in Mangawhai. It is likely to grow at less than the rate of growth of the population, although this might be compensated by increased demand for complementary, non-automotive goods and services.

Figure 6 (Continued): Seasonality by Sector *



* Note: Axis scales vary between categories

(E) Rest of Consumer Spending: This general category (covering pharmacies, stationery, sporting equipment, footwear and clothing, gifts, etc) and enjoyed a summer boost in 2021-22. More generally, slow growth over the past three years has been reflected in static summer sales offset only in part by improved local sales. Poor weather in summer 2023 was reflected in diminished seasonal sales, with only a slight recovery in 2024.

It is not clear whether the arrival of New World and Bunnings with relatively diverse offerings undermined sales in this category. Alternatively, it is a matter of insufficient local population to sustain the step change that investment in additional capacity or outlets might require.

The prospect for the future is for slow growth among existing retailers aligned with population gains. They will continue to rely on visitor spending to sustain businesses that would otherwise be marginal until such time as the population reaches a level that justifies another round of retail investment.

5. Employment

Employment categories differ from spending categories used, covering retailing, automotive, and hospitality activity. Hospitality covers accommodation, cafes, restaurants, bars (jointly “catering” in this report), and specialist food services.

The Statistics NZ Business Directory show that these activities employed 500 people in February 2023, 40% of Mangawhai’s total jobs. (2024 figures are not yet available). This was up 32% on 2021, and up 39% from the 2022 downturn. They accounted for all the area’s employment growth in the year to February 2023.

The bulk of this growth came from the supermarket and grocery sector (Figure 7). Employment in hospitality dropped sharply under the influence of Covid and did not fully recover in 2023. It did do better, though, despite the poor 2022-23 summer season, and no doubt has continued to expand since, most likely equalling or exceeding employment in the grocery sector.

Figure 6 (Continued): Seasonality by Sector *

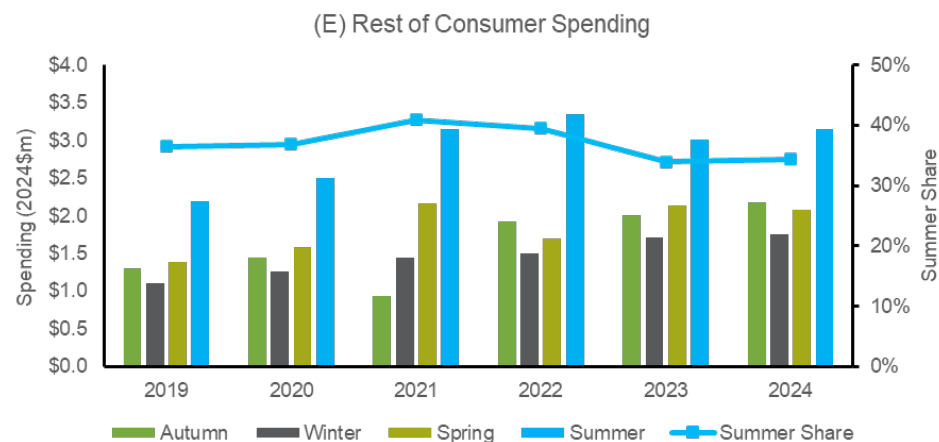
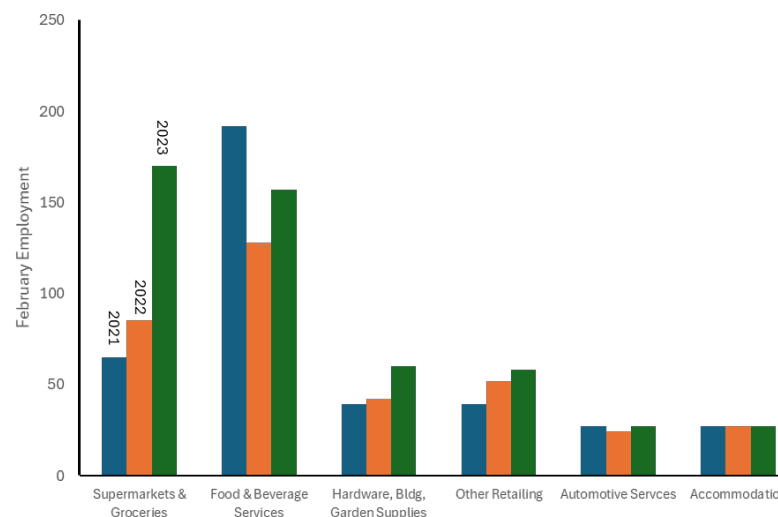


Figure 7: Employment by Category, 2021-2023



The figures, incidentally, point to significant structural differences between the efficiency of grocery distribution and the labour intensity of the catering sector, with its heavy dependence on visitor expenditure. Clearly, any reduction in visitor demand will have a disproportionate negative affect on local employment.

6. Conclusion

The post-Covid growth observed in 2023, boosted by the opening of the two large format stores towards the end of year, was sustained through to March 2024. In fact, retail spending grew a lot faster than the population numbers, more than doubling over the five years to 2024, with 47% of that growth attributable to an increased level of local spending by residents.

Spending by visitors remains highly significant. It accounted for over a third of the five-year growth, outstripping spending attributable to population growth. It remains critical to the current level of retail sales and the health of local businesses and employment.

It is particularly important to the catering business in in Mangawhai which is, in turn, a disproportionate employer and, along with grocery retailing, were a key to the recovery in employment over the past year in 2023 and, no doubt, since.

So, while population growth and greater capacity have reduced retail dependence on the visitor market, the substantial size of the visitor sector and its continuing growth mean it remains critical to the viability of retailing at its current level. This supports a greater range of goods and services available for Mangawhai residents than would otherwise be the case, which since 2023 has clearly spurred growth in its own right.

Because visitor spending still accounts for 40% of spending, though, and because of the labour intensity of the highly dependent catering category, its contribution to employment means it remains a significant pillar of the local economy.