

City of Melbourne - Melbourne Economy Snapshot

December 2022

DISCLAIMER: We’ve taken every care to ensure this information is correct at the time of publication. The City of Melbourne assumes no responsibility or liability for any errors, omissions or changes to information over time. The City of Melbourne does not accept liability whatsoever for any direct or indirect loss, damage or injury as a result of reliance on this information.

# City of Melbourne – Melbourne Economy Snapshot December 2022

Forecasts provide an informed guide to what may occur in the future. They help us answer questions around our population and employment such as how many people may live within the city or how many jobs may be within the city, and where these may be located. Having a reasonably confident understanding of the expected level of growth is essential to allocating sufficient resources and services to support our fast-growing city.

## Weekends are now busier than weekdays

Before the pandemic, weekdays were busier than weekends, but there are now more people in the city on weekends than before the lockdowns of 2020 and 2021. Overall spending is now higher on weekends and weekdays, even after adjusting for inflation, with weekend daily average spend now closer to weekday spend.

City of Melbourne, December 2019

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Weekday** | **Weekend** | **Weekend spend as % of weekday** |
| Daily average adjusted spend, $millions | $29.99 | $26.25 | 88% |

City of Melbourne, December 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Weekday** | **Weekend** | **Weekend spend as % of weekday** |
| Daily average adjusted spend, $millions | $31.68 | $30.18 | 95% |

Active sensors in City of Melbourne, December 2019

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Weekday** | **Weekend** | **Weekend spend as % of weekday** |
| Daily average pedestrian activity | 602,278 | 512,596 | 85% |

Active sensors in City of Melbourne, December 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Weekday** | **Weekend** | **Weekend spend as % of weekday** |
| Daily average pedestrian activity | 494,918 | 523,860 | 106% |

## Friday and Saturday are the busiest days of the week

Pedestrian activity during the work week is 23% to 32% lower than before the pandemic. Activity in October to December saw a gradual increase in pedestrian activity across the week, with a peak on Saturday, a deviation from pre-pandemic trends when the highest activity was on Wednesday, Thursday, and Friday, Overall spend has rebounded more strongly than pedestrian activity, even after adjusting for inflation, with weekday spend similar to pre-pandemic levels, suggesting that visitors are now spending more per visit than before.

### Daily average adjusted spend: Melbourne municipality, October to December, 2019 and 2022, $millions

|  |  |  |  |
| --- | --- | --- | --- |
| **City of Melbourne** | **October to December 2019** | **October to December 2022** | **2022 as % of 2019** |
| Monday  |  $ 24.03  |  $ 22.14  | 92% |
| Tuesday |  $ 25.01  |  $ 23.89  | 96% |
| Wednesday |  $ 25.80  |  $ 26.37  | 102% |
| Thursday |  $ 30.69  |  $ 29.53  | 96% |
| Friday |  $ 36.81  |  $ 35.61  | 97% |
| Saturday |  $ 29.96  |  $ 35.83  | 120% |
| Sunday |  $ 20.77  |  $ 23.10  | 111% |

### Daily average pedestrian activity: Active sensors, October to December, 2019 and 2022

|  |  |  |  |
| --- | --- | --- | --- |
| **Active sensors** | **October to December 2019** | **October to December 2022** | **2022 as % of 2019** |
| Monday  |  569,737  |  385,721  | 68% |
| Tuesday |  590,432  |  411,133  | 70% |
| Wednesday |  605,918  |  434,279  | 72% |
| Thursday |  626,915  |  453,159  | 72% |
| Friday |  663,436  |  508,384  | 77% |
| Saturday |  529,219  |  538,219  | 102% |
| Sunday |  461,382  |  414,179  | 90% |

## Activity during the work week is gradually recovering

COVID-10 lockdowns created a significant drop in office occupancy rates and daytime pedestrian activity in 2020 and 2021, as people switched to working from home. Hybrid working is still dominant, with the morning peak hour activity at around 40% lower than pre-pandemic levels, and office occupancy at 57% in November. Despite less office workers coming into the city, visitor activity has returned to the city, with spending on weekdays during the typical workday (8am to 6pm) in December at 2019 levels, even after adjusting for inflation, and while weekday pedestrian activity remains below 2019, activity has shifted to the afternoon peaks instead of the morning rush hour.

### Daily average adjusted spend during working hours for each month: Melbourne municipality, 2019 and 2022, $millions

|  |  |  |
| --- | --- | --- |
| **City of Melbourne** | **2019** | **2022** |
| January |  $ 19.23  |  $ 12.96  |
| February |  $ 21.06  |  $ 15.35  |
| March |  $ 21.91  |  $ 18.04  |
| April |  $ 21.12  |  $ 20.14  |
| May |  $ 21.16  |  $ 18.66  |
| June |  $ 21.05  |  $ 19.24  |
| July |  $ 20.83  |  $ 19.56  |
| August |  $ 21.47  |  $ 17.98  |
| September |  $ 21.02  |  $ 19.73  |
| October |  $ 21.70  |  $ 19.20  |
| November |  $ 22.30  |  $ 19.97  |
| December |  $ 23.85  |  $ 24.20  |

### Daily average weekday hourly pedestrian activity for each month: Active sensors, 2019 and 2022

|  |  |  |
| --- | --- | --- |
| **Active sensors** | **December 2019** | **December 2022** |
| Midnight |  4,332  |  4,271  |
| 1AM |  2,313  |  2,296  |
| 2AM |  1,324  |  1,155  |
| 3AM |  1,002  |  801  |
| 4AM |  876  |  940  |
| 5AM |  2,066  |  1,596  |
| 6AM |  6,474  |  4,222  |
| 7AM |  16,455  |  8,859  |
| 8AM |  31,906  |  19,434  |
| 9AM |  26,000  |  17,841  |
| 10AM |  26,149  |  20,537  |
| 11AM |  32,406  |  27,781  |
| Noon |  48,405  |  38,225  |
| 1PM |  48,874  |  38,637  |
| 2PM |  41,883  |  35,391  |
| 3PM |  41,470  |  36,296  |
| 4PM |  46,264  |  38,273  |
| 5PM |  55,466  |  44,112  |
| 6PM |  43,560  |  37,495  |
| 7PM |  33,807  |  30,510  |
| 8PM |  29,594  |  27,199  |
| 9PM |  27,490  |  25,956  |
| 10PM |  21,452  |  20,959  |
| 11PM |  12,710  |  12,131  |

|  |  |
| --- | --- |
|  | **% of 2019 levels** |
| November Office Occupancy | 57% |
| December Weekday Adjusted spend during work hours | 101% |
| December weekday pedestrian activity during daytime hours |  78%  |
| December weekday pedestrian activity during morning peak | 62%  |
| December weekday pedestrian activity during lunchtime peak | 86% |
| December weekday pedestrian activity during afternoon peak | 83% |

## Night-time spending is up across the city

Night-time visitation to the city has rebounded more strongly than daytime visitation, with activity in December at pre-pandemic levels. Night-time spending has been at or above 2019 levels since April (even after adjusting for inflation), so it seems that night-time patrons are prepared to spend more than they were before the pandemic. Supporting night-time economy are our late night food and drink businesses, with nearly half trading from 9pm to 12am and a quarter trading between 12am and 3am.

### Nightly average adjusted spend for each month: Melbourne municipality, 2019 and 2022, $millions

|  |  |  |
| --- | --- | --- |
| **City of Melbourne** | **2019** | **2022** |
| January |  $ 6.77  |  $ 5.27  |
| February |  $ 7.87  |  $ 7.05  |
| March |  $ 8.27  |  $ 8.28  |
| April |  $ 7.67  |  $ 9.18  |
| May |  $ 7.54  |  $ 7.58  |
| June |  $ 7.34  |  $ 8.09  |
| July |  $ 7.15  |  $ 8.52  |
| August |  $ 8.03  |  $ 7.58  |
| September |  $ 7.30  |  $ 8.37  |
| October |  $ 7.59  |  $ 8.33  |
| November |  $ 8.22  |  $ 8.29  |
| December |  $ 8.23  |  $ 9.85  |

### Nightly average pedestrian activity for each month: Active sensors, 2019 and 2022

|  |  |  |
| --- | --- | --- |
| **Active sensors** | **2019** | **2022** |
| January | 149,061  | 84,436  |
| February | 152,074  | 101,868  |
| March | 174,299  | 124,629  |
| April | 165,283  | 135,503  |
| May | 136,764  | 105,756  |
| June | 140,418  | 113,090  |
| July | 137,146  | 120,968  |
| August | 159,471  | 106,965  |
| September | 142,506  | 119,246  |
| October | 155,902  | 120,080  |
| November | 159,994  | 134,569  |
| December | 177,881  | 176,207  |

### Nightly average pedestrian activity and adjusted spend for December 2022: change from 2019

|  |  |
| --- | --- |
|  | **% of 2019 levels** |
| December Night-time adjusted spending | 120% |
| December night-time pedestrian activity | 99% |

## Spend in December was over $1 billion, a record high

Spending soared in December, with $1.1 billion spend across the city (unadjusted). The surge in spending was driven by retail, followed by a boost to spending on entertainment, with stronger mont-on-month growth then 2019. In 2022, Boxing Day pedestrian activity was 52% higher than the December average, and 15% lower than Boxing Day in 2019.

### Daily average adjusted spend by expenditure category, for each month: Melbourne municipality, 2022, in $millions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Expenditure Category** | **Commercial** | **Dining and Entertainment** | **Retail** | **Tourism** |
| January |  $2.29  |  $6.65  |  $6.96  |  $1.29  |
| February |  $3.08  |  $8.66  |  $8.59  |  $1.31  |
| March |  $3.17  |  $10.62  |  $9.76  |  $1.70  |
| April |  $2.87  |  $11.96  |  $10.95  |  $2.42  |
| May |  $3.19  |  $10.16  |  $10.31  |  $1.79  |
| June |  $3.09  |  $10.47  |  $10.68  |  $2.16  |
| July |  $2.97  |  $10.94  |  $10.40  |  $2.53  |
| August |  $3.25  |  $9.89  |  $9.61  |  $1.92  |
| September |  $3.15  |  $10.88  |  $10.12  |  $2.25  |
| October |  $3.17  |  $10.63  |  $10.27  |  $2.29  |
| November |  $3.39  |  $10.50  |  $10.85  |  $2.06  |
| December |  $3.29  |  $11.90  |  $13.53  |  $2.52  |

### Boxing Day hourly pedestrian activity: Bourke St Mall, 2019, 2020, 2021, and 2022

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Bourke St Mall** | **Boxing Day 2019** | **Boxing Day 2020** | **Boxing Day 2021** | **Boxing Day 2022** |
| Midnight |  359  |  238  |  127  |  330  |
| 1AM |  170  |  80  |  78  |  156  |
| 2AM |  109  |  56  |  33  |  66  |
| 3AM |  115  |  27  |  29  |  59  |
| 4AM |  201  |  54  |  42  |  40  |
| 5AM |  357  |  189  |  141  |  150  |
| 6AM |  754  |  351  |  228  |  239  |
| 7AM |  1,482  |  639  |  491  |  627  |
| 8AM |  2,293  |  1,230  |  1,038  |  1,240  |
| 9AM |  4,066  |  2,328  |  1,741  |  2,477  |
| 10AM |  5,625  |  3,599  |  2,807  |  4,297  |
| 11AM |  7,079  |  5,000  |  3,567  |  6,252  |
| Noon |  8,853  |  5,883  |  4,361  |  7,623  |
| 1PM |  9,301  |  6,637  |  4,732  |  8,611  |
| 2PM |  8,658  |  7,113  |  5,169  |  9,192  |
| 3PM |  8,556  |  6,707  |  4,963  |  8,927  |
| 4PM |  8,202  |  6,146  |  5,012  |  8,407  |
| 5PM |  7,851  |  5,336  |  4,143  |  7,000  |
| 6PM |  7,155  |  4,440  |  3,436  |  5,804  |
| 7PM |  6,415  |  4,173  |  2,996  |  4,844  |
| 8PM |  5,275  |  3,307  |  2,281  |  3,830  |
| 9PM |  3,821  |  2,992  |  1,612  |  2,718  |
| 10PM |  2,522  |  1,538  |  1,101  |  1,593  |
| 11PM |  862  |  691  |  460  |  749  |

## Spending is recovering at different rates across the city

The CBD-East, which is generally east of Elizabeth Street and south of Lonsdale Street, led spending in December 2022, which was significantly higher than 2019, with strong growth in both retail, and dining and entertainment. Retail has also rebounded in Docklands, Southbank, and South Yarra, while dining and entertainment spend is also above 2019 levels in Southbank-East (containing the Melbourne Arts Precinct), Kensington, and North Melbourne.

### Monthly adjusted spend by SA2 (ABS Statistical Area 2): Melbourne municipality, December 2022 change from December 2019

|  |  |  |
| --- | --- | --- |
| **SA2** | **Retail Growth** | **Dining and Entertainment Growth** |
| Melbourne CBD-East | 31% | 60% |
| Southbank (West) – South Wharf | 7% | -39% |
| Melbourne CBD - West | -30% | -11% |
| Docklands | 13% | 1% |
| Melbourne CBD - North | -29% | -21% |
| East Melbourne | 2% | -42% |
| Carlton | -6% | -1% |
| North Melbourne | 3% | 24% |
| Southbank – East | 151% | 184% |
| South Yarra – West | 94% | -10% |
| Parkville | Insufficient data | -19% |
| West Melbourne - Residential | -28% | Insufficient data |
| Port Melbourne Industrial | -24% | Insufficient data |
| Kensington (Vic.) | Insufficient data | 39% |
| Flemington Racecourse | -5% | Insufficient data |
| West Melbourne - Industrial | Insufficient data | Insufficient data |
| Carlton North – Princes Hill | Insufficient data | Insufficient data |
| Royal Botanic Gardens Victoria | Insufficient data | Insufficient data |

# Appendix 1: Data sources

Pedestrian activity data current as of 01/01/2023. Source: City of Melbourne Pedestrian Counting System. Night-time data for 31 December 2022 not yet available.

Spend data current as of 18/01/2023. Data source: Spendmapp by Geografia (2023). All dollar figures have been adjusted for inflation to June 2019 prices.

Office occupancy data source: Property Council of Australia.