EMBARGOED UNTIL 11:30AM 11 MARCH 2021

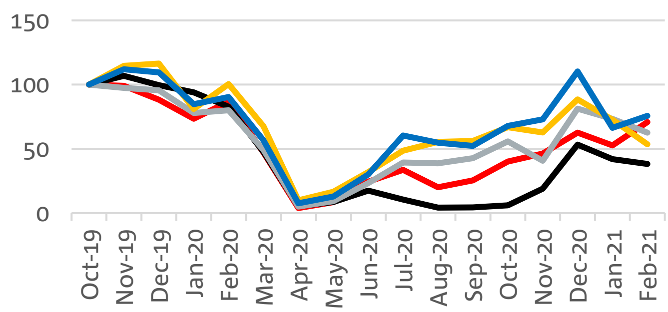
NAB ECONOMICS DATA INSIGHTS: CBD RECOVERIES
MARCH 2021

HIGHLIGHTS

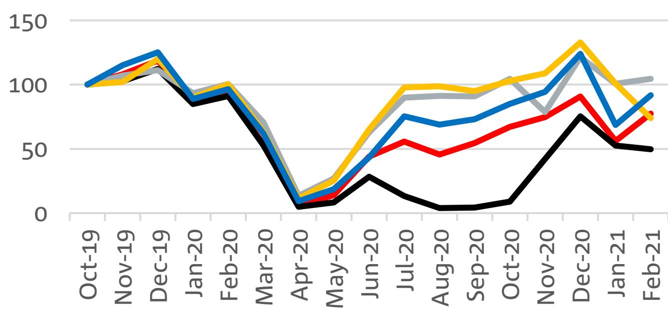
- With many CBD office workers still working from home (including the authors of this report), we have delved into NAB's transaction data to consider the impact of the pandemic on key CBD sectors, such as accommodation, cafes and restaurants, clothing retailing and pubs and bars. We have also considered the relative performance of these businesses in the suburbs.
- The results presented below show a monthly index of spending in the five largest capital city CBDs (as defined by postcode boundary) and the balance of metropolitan area (per ABS GCCSA boundaries).
- While it comes as no surprise that accommodation, cafes and restaurants and pubs and bars remained well below pre-pandemic levels in Melbourne in February (particularly given the five-day "circuit breaker" lockdown), we were somewhat surprised at the extent of weakness in other Australian CBDs. For example, pub and bar spending stood at 53% of October 2019 levels in Melbourne, but the other CBDs were likewise below pre-pandemic levels – even Perth%, which had been on a CBD drinking spree in the second half of 2020.
- Drinking and dining out in the suburbs tended to be more resilient, mirroring the authors' anecdotal experiences in Melbourne during the pandemic. Whether this continues revolves in part on the question of CBD office return. While governments have eased many restrictions on office use, it remains to be seen to what extent office workers will return to offices, especially in CBDs.
- While cafes, restaurants, pubs and bars remain weak in many CBDs, there are encouraging signs for goods retailing. Likewise, there are signs that cafes and restaurants have picked up faster than pubs. This suggests some optimism for CBD spending in coming months, especially if virus cases remain controlled.

CBD INDEX (OCTOBER 2019 = 100)

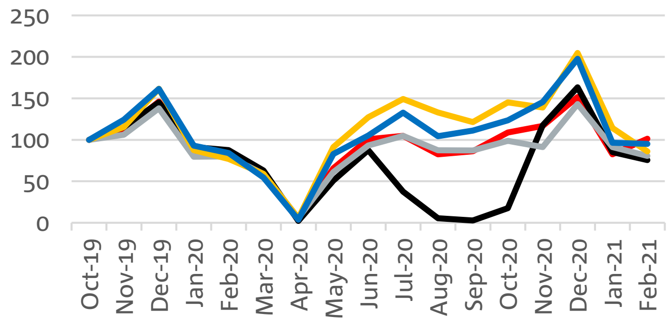
Accommodation



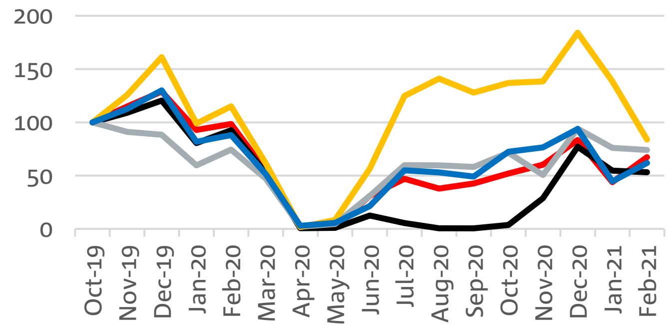
Cafes and restaurants



Clothing retailing



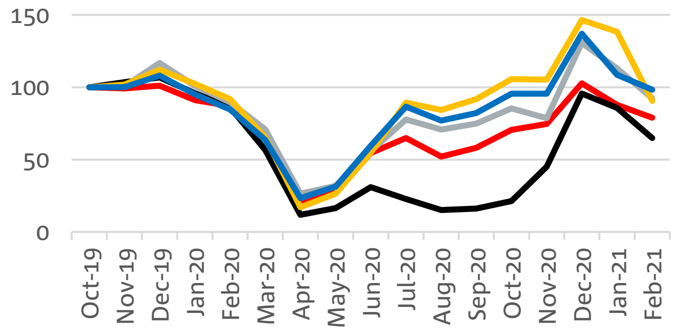
Pubs and bars



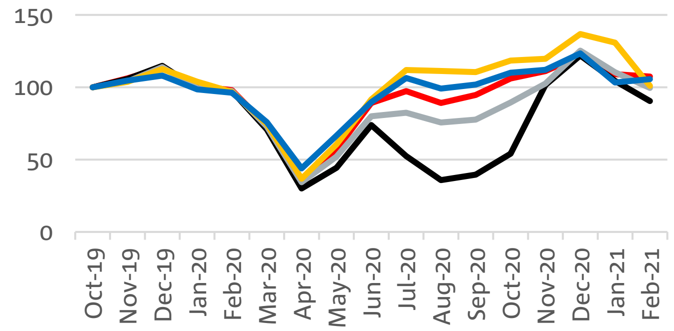
Sydney 2000 Melbourne 3000 Adelaide 5000 Perth 6000 Brisbane 4000

REST OF METROPOLITAN AREA (EX CBD) INDEX (OCTOBER 2019 = 100)

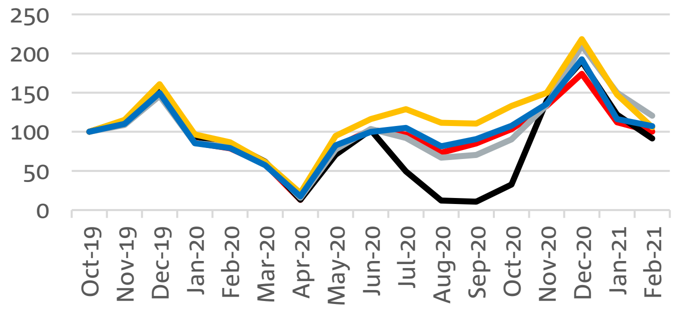
Accommodation



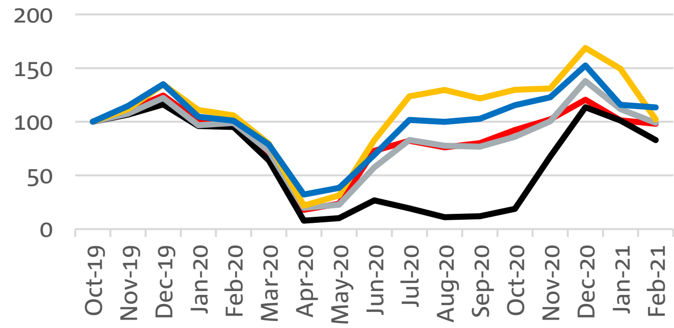
Cafes and restaurants



Clothing retailing



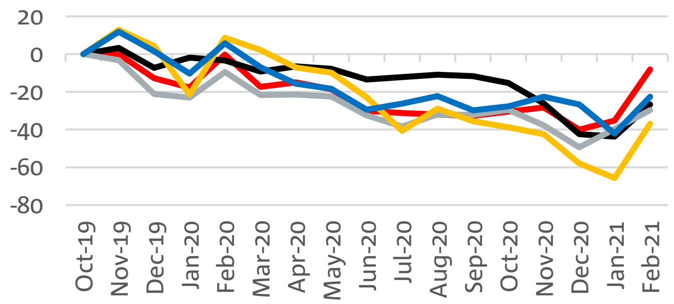
Pubs and bars



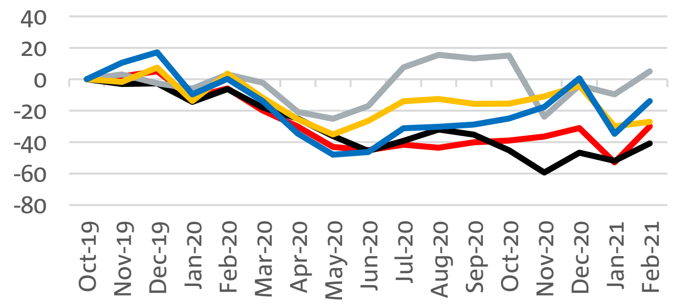
Sydney Melbourne Adelaide Perth Brisbane

SUBURBS TO CBD GAP (INDEX POINTS GAP BETWEEN METRO EX CBD AND CBD SPENDING)

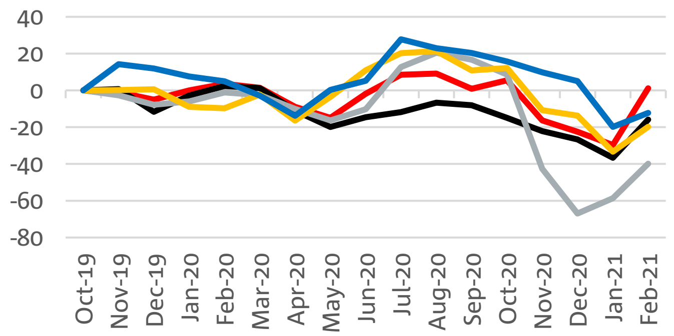
Accommodation



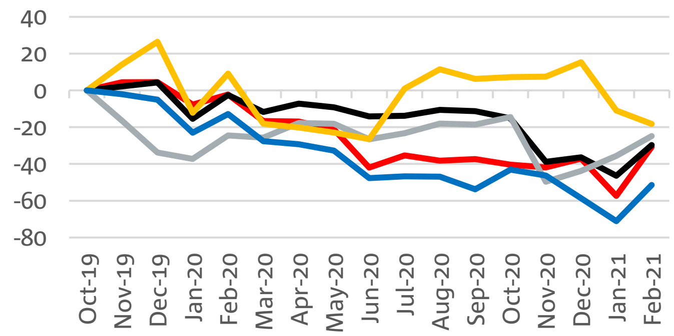
Cafes and restaurants



Clothing retailing



Pubs and bars



Sydney Melbourne Adelaide Perth Brisbane

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