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Economic impacts of the Ōamaru Heritage Precinct



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Council (WDC)

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2. Executive summary

This report was commissioned by Waitaki District Council (WDC), at the request of the Ōamaru Whitestone Civic Trust (OWCT), to understand the economic impacts of the Ōamaru Heritage Precinct.

The Heritage Precinct includes a cluster of 16 heritage buildings on Harbour St and Tyne St, owned by the OWCT, as well as several other privately-owned buildings. This Historic Precinct, with buildings sitting on Ōamaru Harbour Board land now vested in the WDC has been described as one of the best remaining complete Victorian streetscapes in Australasia. Since the OWCT was established, other heritage buildings outside the Heritage Precinct have also been restored and repurposed by other parties, including in the nearby Thames Street and Harbour precincts, which have complemented the overall appeal of Ōamaru.

The Heritage Precinct is a key sightseeing drawcard within the Ōamaru visitor experience and is also a recreational and shopping destination for local residents. Major events centred on the Precinct, including the Ōamaru Victorian Heritage Celebrations, Steampunk NZ Festival, and Harbour Street Jazz and Blues, also attract people. Tenants in the Precinct include an array of businesses ranging from hospitality to arts, crafts, clothing and Steampunk retailing, through to bike hire and even fashion design and distribution.

This report seeks to understand not only the core economic impacts of activities concentrated directly in the Heritage Precinct, but also the wider context for economic activity that happens in surrounding areas, including those through the neighbouring Thames Street and Ōamaru Harbour precincts. Analysis has involved a range of data sources and methods. These have included summary data about individual tenants from the OWCT, supplemented by site visits, and interviews with key businesses. Individualised data has been complemented with other public and private datasets, including visitor surveys, card and retail spending data, building consents, economic, employment, and demographic estimates.

2.1. Key findings

- Heritage and arts tourism is the biggest attractor of visitors to Ōamaru and Waitaki.
- Of the 460,000 holidaymakers who overnighted in Waitaki in 2023, it is estimated that 138,000 visitors came to experience heritage and arts (likely to be primarily concentrated in Ōamaru).
- Ōamaru's Heritage Precinct is a key drawcard that attracts people to Ōamaru in the first place. These visitors also spend significant amounts of money in other parts of Ōamaru during the remainder of their stay.
- Activities by businesses in the Heritage Precinct collectively contribute a total of \$10.6 million of GDP to Ōamaru's economy annually and provide 182 jobs. The Heritage Precinct is directly responsible for 1.3% of all economic activity that occurs in Ōamaru's urban boundary and 0.5% of GDP across Waitaki District.
- Consumer spending directly within the Heritage Precinct is \$7.2 million per annum. Visitors represent 59% of this spend (\$4.3 million), while 41% is by Waitaki residents.
- On top of the \$4.3 million spent directly by visitors in the Heritage Precinct, another \$7.4 million was indirectly spent by overnight heritage and arts visitors in other parts of Ōamaru during 2023 (\$2.7 million in the Thames Street and Harbour precincts and \$4.7 million spread elsewhere).
- Employment in the Heritage Precinct is dominated by a high prevalence of parttime and casual employment. It is estimated that 56% (102 jobs) of jobs are parttime or casual.

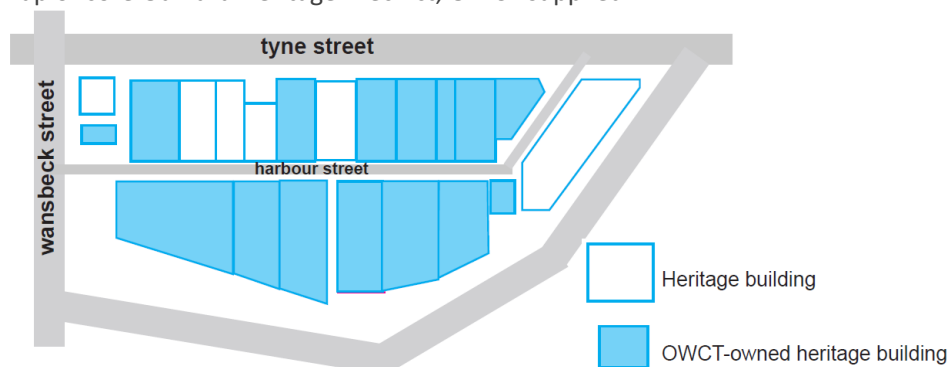
3. Background context to the Ōamaru Heritage Precinct

This section provides background context to the Heritage Precinct, including its location, history, and introduction to its present-day tenants and uses.

3.1. Location of the Heritage Precinct

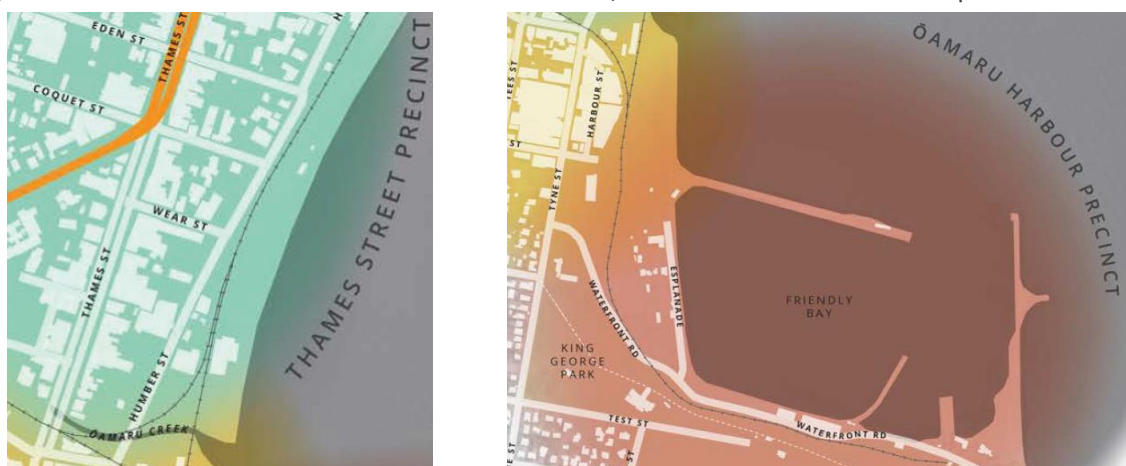
For the purposes of economic impact calculations in this report, the core Ōamaru Heritage Precinct is defined as the area in Figure 1. The Heritage Precinct consists of a cluster of 16 heritage buildings owned by the OWCT on Harbour Street and Tyne Street, as well as several other privately-owned buildings.

Figure 1 – Map of core Ōamaru Heritage Precinct, OWCT supplied¹



The core Heritage Precinct is surrounded by the Thames Street Precinct to the west/north-west and the Harbour Precinct to the south. The Thames Street and Harbour Precincts have been subject to significant private and civic investment over the past 20 years. Where data availability permits, comparisons between what is happening within the Heritage Precinct is made against the surrounding areas in the combined Thames Street and Harbour Precincts, as well as against the rest of Ōamaru.

Figure 2 – Thames Street and Ōamaru Harbour Precincts, WDC Central Ōamaru Masterplan²



¹ When gathering data from providers, this area most closely corresponds to Census 2018 Meshblock 284200.

² The Thames Street Precinct and Ōamaru Harbour Precinct are consistent with focus areas in the Waitaki District Council Central Ōamaru Masterplan (2024). When gathering information from data providers for use in this report, the Thames Street Precinct is defined as consisting of Census 2018 Meshblocks 2841200, 2841300, 2841400, 2841500, 2841600, 2841700, and 2841800, which include areas west of the Heritage Precinct along Itchen Street to Wharf Street and then areas running north up Thames Street to Eden Street. The Harbour Precinct consists of Census Meshblocks 4011626, 2837600, and 2837800, which bound the Heritage Precinct from the southern side of Wansbeck Street down to Test Street and east to the end of Waterfront Road.

3.2. History to the Heritage Precinct and surrounding areas

In 1987 a small group of individuals worked with the former Ōamaru Borough Council to commission a feasibility study (now known as Arthur Young Feasibility Study) into the redevelopment of Ōamaru's Harbour and Tyne Streets, which unfortunately had seen time and 'progress' take their toll. This area which forms the Ōamaru Heritage Precinct (Figure 1), was the original commercial and business district of Ōamaru and was the focal point for trade through the port of Ōamaru. Buildings consisted of large grain and seed warehouses that served the Waitaki's prosperous agricultural sector in the late 19th century.

Following the recommendations of the Arthur Young Feasibility Study, the Ōamaru Whitestone Civic Trust (OWCT) was established. Eight buildings, including: the Loan and Mercantile Building, Neill's Store, Anderson's Store, Sumpter's Store, Meek's Store, Exchange Chambers, Sumpter's Exchange, and Criterion Hotel were purchased with a grant from the Alexander McMillan Trust. Over the next few years, the OWCT portfolio increased to 16 buildings, forming the core of Ōamaru's Historic Precinct.

These buildings were at that time mostly used for machinery and wool storage, and light industry. Over time, significant restoration work was undertaken, mainly with volunteer labour, grants, and loans. Exterior decorative features were restored, roofs were replaced, and floors and staircases were repaired or replaced, while earthquake strengthening also occurred, fire safety modifications were made, and wiring was replaced. But further restoration work and ongoing maintenance is still needed going forward.

As existing tenants using the spaces for light industrial, manufacturing and warehousing moved out, the building interiors were divided into smaller leasable spaces for predominantly public facing businesses – mainly shops, galleries and hospitality – with the ultimate goal of attracting more visitors and locals into this Heritage Precinct. This Heritage Precinct, with its concentration of heritage buildings held by the OWCT, is the core around which other commercial and civic developments nearby have grown.

The initial commitment by the OWCT to purchase the original cluster of eight buildings was followed by the refurbishment of council-owned buildings in Thames Street and Itchen Street, and the purchase of the Woolstore building at the entrance to Harbour Street by private owners for conversion to retail and hospitality use. Between 2000 and 2015, more private and civic investment in the area surrounding the Historic Precinct occurred, with the opening of the Ōamaru Farmers Market, Steampunk HQ in the Meek's Elevator building, and the Galley Café, Scott's Brewery and the 'Steampunk' playground.

Since 2015, there has been considerable further investor activity in areas around the Heritage Precinct. Heritage buildings on Wansbeck and Tees Streets have been restored for retail and service businesses. Boutique accommodation in heritage buildings in Tees Street and Poshtel in Thames Street have been developed, as well as the more modern Mariner Suites. Hospitality has also blossomed in this wider area, with award-winning restaurants and popular cafes and bars spread throughout this older part of Ōamaru.

Heightened investment in accommodation and hospitality across Ōamaru over the past decade is apparent in building consents data. Statistics New Zealand data shows that there was an average of \$6.8 million per annum of consents for new and renovated commercial and accommodation construction in Ōamaru over the 10 years to 2023, which was a 90% increase from the previous decade. By comparison, the annual average increase to such consents nationally was just 55% across the same period. Conversations with investors and Council have also highlighted that there is more to come, with a range of future development projects in the pipeline for areas immediately surrounding the Heritage Precinct.

In November 2024, Heritage New Zealand announced its intention to progress a proposal to recognise Ōamaru's historic town centre and port as a National Historic Landmark – the highest level of recognition

for places of outstanding national heritage value in Aotearoa. Achieving this status helps not only to promote Ōamaru's unique heritage, but also to enhance efforts to protect the site.

3.3. Present day use of the Precinct

The Ōamaru Heritage Precinct is a bustling hive of activity. The Precinct draw in large numbers of visitors, with endless photos and videos of their experiences of an authentic Victorian-era commercial streetscape shared on social media. Three of the biggest events that Ōamaru hosts (Ōamaru Victorian Heritage Celebrations, Steampunk NZ Festival, and Harbour Street Jazz and Blues) are centred on the Precinct, while the Victorian streetscapes are the backdrop for both television and movie filming.

Floor space in the Heritage Precinct is let to many tenants. There are currently 46 tenanted spaces across the OWCT-owned and privately-owned buildings (in Figure 1) in the Ōamaru Heritage Precinct. Table 1 provides details of the current tenant mix across. Of these 46 tenanted spaces, two tenancies are taken up by the OWCT office and workshops, two spaces are for clubs (musicians and railways), and two are used for storage only (Gillies and Oamaru Scaffolding).

The remaining tenancies within the Heritage Precinct are spread across 40 other businesses and collectives, who predominantly have a tourism, hospitality or retail focus (especially arts and crafts) to service locals and visitors to the Precinct and wider area. There are also several businesses involved in design, manufacturing, and sales through wholesale channels.

An example of a business, whose main activity doesn't involve servicing street level demand from visitors and locals passing through the Heritage Precinct is Moke Apparel. Moke is a women's fashion brand and its activities from the Heritage Precinct primarily relate to high value-add functions such as design, sales, and distribution of its apparel across Australasia from a large warehouse on the upper level of the Loan & Merc building. Cycle Journeys is another example of a business that services its customers in different ways. The majority of Cycle Journeys' Harbour Street site is currently focussed on providing a logistical base for visitors who have just completed the Alps 2 Ocean Cycle Trail from Aoraki/ Takapō, although in future there are hopes of also growing day rider hires to other visitors directly within the Precinct.

Economic impact calculations across the 40 core tenants³ shows they form a backbone of economic activity generated from within the Heritage Precinct that also complements surrounding areas.

Activities by businesses in the Heritage Precinct collectively contribute \$10.6 million of GDP to Ōamaru's economy and provide 182 jobs (see Section 5). As well as these direct economic effects, the Heritage Precinct is a key drawcard that attracts people to Ōamaru in the first place, and these visitors also spend significant amounts of money in other parts of Ōamaru (see section 6.1.2).

³ The 40 core tenants used in economic impact calculations of activities in the Heritage Precinct are defined as all tenants in Table 1 except for the Penguin Club, Whitestone Model Rail Club, Gillies (storage only), Oamaru Scaffolding (storage only), and OWCT. OWCT directly plays a key enablement role in providing tenancies to businesses (some are third parties, while others are OWCT subsidiary services such as Visitor Information and Victorian Wardrobe), but the economic impacts of this enablement role are captured within the value added by each individual tenant anyway. Of the other tenancies not assessed, Gillies and Oamaru Scaffolding mainly utilise their tenancies for storage rather than their core business activities, while the Penguin and Rail clubs are primarily volunteer-led clubs focussed on social/cultural activities. Although there are other organisations with volunteers (e.g. Victorian Wardrobe), these organisations include more prominent tangible economic focuses (e.g. costume hire), alongside intangible social/cultural activity (e.g. celebrating Victorian heritage).

Table 1 – Overview of current tenants and uses of buildings within the Heritage Precinct, OWCT supplied

Overview of current tenants and uses of buildings within the Ōamaru Heritage Precinct <i>Tenant and building use information has been provided by OWCT as at November 2024</i>		
Business	Business type	Building
Businesses located within OWCT-owned buildings		
OWCT	OWCT office and board room	Harbour Board
Harbour Street Bakery	Bakery	Maude's Store
Luzette Art	Art classes and tattoos	Maude's Store
Inu Nutrition Bar	Juice bar	Maude's Store
Victorian Wardrobe	Costume hire (OWCT owned)	Maude's Store
Blue Butterfly	Art classes and gallery	Maude's Store
Cycle Journeys	Cycle tour company and hire	Meeks Store
Buggy Robot	Art gallery and workshop	Meeks Store
Collective Café	Café	Sumpters Store
Craftwork Brewery	Bar and beer brewery	Andersons
Penguin Club	Club - Musicians' club	Andersons
Whitestone City	Hands-on heritage centre	Neills Store
Ōamaru & Waitaki Visitor Info Centre	Visitor information centre	Neills Store
Silica	Art gallery	Neills Store
Loan & Merc	Function centre	Loan & Merc
HK Design	Interior design and fashion retail	Loan & Merc
Housekeepers Pantry	Takeaways (salads, lunches, deli)	Loan & Merc
Moke Apparel	Clothing - design, sales & warehousing	Loan & Merc
Hub and Sprocket	Bike shop, repairs and hire	Salvation Army
The Stables	Handcrafts retailing	McCarthy's Coal
OWCT workshop	Workshop for OWCT buildings	McCarthy's Coal
Oamaru Scaffolding	Industrial storage	Brown and Hassells
The Oamaru Textile Emporium (TOTE)	Textile collective workshop, gallery, retail	Sumpters Exchange
Whitestone Model Rail Group	Club - model railways	Sumpters Exchange
Studio Realm	Steampunk and vintage retail	Sumpters Exchange
Regalia's Time Pieces	Steampunk workshop, gallery, and retail	Sumpters Exchange
Slightly Foxed	Second-hand bookshop	Exchange Chambers
Movement Hub	Pilates, massage, physical therapy	Exchange Chambers
Grainstore Gallery	Art gallery and performance space	Smith's Grainstore
New Zealand Whisky Collection	Cellar door - whisky tasting and retail	Smith's Grainstore
Waitaki Whitestone Geopark	Office for Waitaki Whitestone Geopark	Smith's Grainstore
Boho Jo	Retail - beeswax candles & more	Union Building
Crafted	Art gallery collective	Union Building
Rose's General Store	Retail - old-fashioned goodies + more	Connell and Clowes
Presence on Harbour	Retail - gifts/souvenirs (NZ made mainly)	Connell and Clowes
The Criterion	Restaurant and bar	Criterion
Businesses located within buildings owned by other parties		
Casa Mia Café	Café	Woolstore
Harbourside Gifts & Souvenirs	Gift shop	Woolstore
Oamaru Auto Collection	Private museum	Woolstore
The Gadgetorium	Gallery - Steampunk influenced	Woolstore
Woolstore Retro & Vintage	Retail - retro and vintage gifts	Woolstore
Smithstone Sculpture	Retail - limestone carvings	Woolstore
North Otago Art Society Inc	Art gallery	Customs House
Gillies Metaltech	Industrial storage	Brown Store
Easy Made Marmalade	Marmalade production & wholesaling	Old Brewery
Ian Anderson Sculptor	Gallery & workshop - limestone carvings	15 Tyne St

4. Consumer spending in Ōamaru's Heritage Precinct

This section presents information regarding consumer spending on hospitality, retail and other services within Ōamaru's Heritage Precinct⁴. It helps to establish how much money is being spent directly within the precinct by consumers and how that compares to other parts of Ōamaru.

4.1.1. Consumer spending within the Heritage Precinct

A total of \$7.2 million of consumer spending occurred in the Ōamaru Heritage Precinct in 2023, which equated to 2.2% of all consumer spending within Ōamaru. Spending in the surrounding Thames Street and Harbour Precincts accounted for another 33% of spending in Ōamaru.

Table 2⁵

Consumer spending within the Ōamaru Heritage Precinct		
Total consumer spending, June 2023 year, author calculations from Marketview & Stats NZ data		
	Consumer spending (\$m)	Share of total Ōamaru
Ōamaru Heritage Precinct	\$7.2m	2.2%
Thames Street + Harbour Precincts	\$110.8m	33.0%
Rest of Ōamaru	\$217.6m	64.8%
Total consumer spending in Ōamaru	\$335.6m	100.0%

Consumer spending in the Ōamaru Heritage Precinct grew by 14% between 2018 and 2023. But this rate of spending growth was less than prices increased (inflation totalled 20% over the same period), indicating that the inflation-adjusted level of spend actually declined. Spending growth in the surrounding Thames Street and Harbour Precincts also lagged the rate of inflation, with spending in these surrounding areas rising by just 5.2% over the five-year period. Consumer spending fared better in other parts of Ōamaru, which include a higher concentration of big box and supermarket retailing, rising by 33%.

Table 3

Consumer spending within the Ōamaru Heritage Precinct - 2018 vs 2023			
Total consumer spending, June 2018 & 2023 years, calculations from Marketview & Stats NZ data			
	2018	2023	% change
Ōamaru Heritage Precinct	\$6.3m	\$7.2m	14.2%
Thames Street + Harbour Precincts	\$105.3m	\$110.8m	5.2%
Rest of Ōamaru	\$164.1m	\$217.6m	32.5%
Total consumer spending in Ōamaru	\$275.8m	\$335.6m	21.7%

⁴ Consumer spending insights have been estimated using data from Marketview and Statistics New Zealand. The Marketview dataset captures detailed information regarding the locations of card transactions, and includes both core retailing activities, as well as spending on services such as accommodation and hospitality. Demographic data on the origin of cardholders is also included to distinguish between local Waitaki residents and visitors from elsewhere. The Statistics New Zealand data from its Retail Trade Survey fills in gaps in understanding non-card transactions across Waitaki (e.g. cash and bank transfers) by drawing on tax returns. Non-card transactions are estimated to have been 24% of the total value of retail trade in the June 2023 year.

⁵ As a broader benchmark to what is in the table, total consumer spending across Waitaki District as a whole in the June 2023 year was reported in the Statistics NZ Retail Trade Survey to be \$453 million.

4.1.2. Which store type is the spending occurring in?

About two thirds (\$4.9m) of consumer spending in the Heritage Precinct is on hospitality, with the rest (\$2.3m) spread across other retail and services.

Table 4

Consumer spending within the Ōamaru Heritage Precinct by store type		
<i>Spending in the Ōamaru Heritage Precinct by store type, June 2023 year, Marketview & Stats NZ</i>		
Store type	Consumer spending (\$m)	Share of total
Hospitality and accommodation	\$4.9m	68.1%
Other retail and services	\$2.3m	31.9%
Total Ōamaru Heritage Precinct spend	\$7.2m	100.0%

Hospitality spending within the Heritage Precinct (\$4.9m) represents more than one in every five dollars of hospitality spending across Ōamaru (\$27.0m).

Table 5⁶

Consumer spending across Ōamaru by store type				
<i>Spending across Ōamaru by store type, June 2023 year, Marketview & Stats NZ</i>				
	Heritage Precinct	Thames St + Harbour	Rest of Ōamaru	Total Ōamaru town
Hospitality and accommodation	\$4.9m	\$9.6m	\$12.5m	\$27.0m
Other retail and services	\$2.3m	\$101.2m	\$205.0m	\$308.6m
Total consumer spending	\$7.2m	\$110.8m	\$217.6m	\$335.6m
Hospo. & accom. as % of total	68.1%	8.7%	5.8%	8.1%

4.1.3. Where do consumers come from?

This subsection presents information regarding where consumers come from who are spending within businesses in the Heritage Precinct.

Visitors account for 59% of spending (\$4.3 million) in the Ōamaru Heritage Precinct, while 41% of spending is by Waitaki residents.

The Heritage Precinct primarily benefits from domestic visitors rather than international travellers.

Around three quarters (74%) of visitor expenditure is by domestic visitors, who collectively spent \$3.2 million in 2023, with international visitors spending just \$1.1 million in Ōamaru's Heritage Precinct in 2023.

Section 6.1.2 explores in more detail how this visitor spending in the Heritage Precinct connects and contributes to the broader context of Ōamaru's visitor economy.

⁶ Note, estimates of hospitality and accommodation expenditure in the Thames Street and Harbour precincts are conservative because Scott's Brewing Co's primary activity is listed as retail (liquor retailing).

Table 6

Origin of consumers who spend within the Ōamaru Heritage Precinct		
<i>Spending in Ōamaru Heritage Precinct by origin of consumer, June 2023 year, Marketview & Stats NZ</i>		
Origin of cardholder	Consumer spending (\$m)	Share of total
Waitaki Residents	\$3.0m	40.9%
Domestic visitors	\$3.2m	43.9%
International visitors	\$1.1m	15.2%
Total Ōamaru Heritage Precinct spending	\$7.2m	100.0%

Consumer spending in the Heritage Precinct is much more heavily reliant on visitors than the rest of Ōamaru. Visitors account for 59% of consumer spending within the Heritage Precinct, while visitor spending represents closer to one quarter of consumer spending across other parts of Ōamaru.

Table 7

Origin of consumers who are spending within Ōamaru				
<i>Consumer spending by origin of consumer, June 2023 year, Marketview & Stats NZ</i>				
Origin of cardholder	Heritage Precinct	Thames St + Harbour	Rest of Ōamaru	Total Ōamaru town
Waitaki Residents	\$3.0m	\$79.6m	\$164.1m	\$246.7m
Domestic visitors	\$3.2m	\$27.7m	\$49.7m	\$80.6m
International visitors	\$1.1m	\$3.5m	\$3.7m	\$8.3m
Total consumer spending	\$7.2m	\$110.8m	\$217.6m	\$335.6m
<i>Visitors as % of total</i>	59.1%	28.2%	24.6%	26.5%

More detailed analysis later in this report will further explore the wider role of the Heritage Precinct within the Ōamaru visitor economy (See Section 6.1.2). That analysis will include how much visitor spending in other parts of Ōamaru outside of the Heritage Precinct can still be attributed to visitors attracted to Ōamaru for heritage tourism.

4.1.4. What season is busiest for spending in the Heritage Precinct?

Spending within the Heritage Precinct is highest from November to April, with a winter lull from July to September, and shoulder seasons in between.

The peak month for consumer spending in the Heritage Precinct is December in the lead into Christmas, while March is also equally busy as the Harbour Street Jazz and Blues festival coincides with the tail end of the summer season period.

Other major events also play a role in supporting spending within the Precinct, with the Ōamaru Victorian Heritage Celebrations each November helping to kick off the summer season, while the Steampunk NZ Festival in early June provides a welcome boost ahead of the winter lull.

Table 8

Seasonality of consumer spending within the Ōamaru Heritage Precinct <i>Spending in Ōamaru Heritage Precinct by month, June 2023 year, Marketview & Stats NZ</i>		
Month	Consumer spending (\$m)	As % of largest month
Jul-22	\$0.52m	72.9%
Aug-22	\$0.42m	59.0%
Sep-22	\$0.51m	71.6%
Oct-22	\$0.60m	84.3%
Nov-22	\$0.66m	92.3%
Dec-22	\$0.71m	100.0%
Jan-23	\$0.66m	92.4%
Feb-23	\$0.63m	88.5%
Mar-23	\$0.71m	99.5%
Apr-23	\$0.66m	92.8%
May-23	\$0.57m	79.7%
Jun-23	\$0.55m	77.4%
Annual total	\$7.22m	

Seasonal troughs in spending in the Heritage Precinct are more pronounced over the year than Ōamaru more broadly. The higher degree of seasonality in the Heritage Precinct is likely due to a greater reliance on spending by visitors.

Spending in the Heritage Precinct during the August lull equates to just over half (59%) of its December peak, while the lowest levels of spending across the Thames Street and Harbour Precincts occur in June, equating to two thirds (65%) of its December peak. Other parts of Ōamaru face spending troughs through each of the winter months of no less than about 79% of their December peaks and in February, because of fewer trading days, at 77% of its December peak.

Table 9

Seasonality of consumer spending within the Ōamaru Heritage Precinct <i>Spending in Ōamaru by month, % of largest month, June 2023 year, Marketview</i>				
	Monthly spend as % of largest month across year			
Month	Heritage Precinct	Thames St + Harbour	Rest of Ōamaru	Total Ōamaru town
Jul-22	72.9%	69.7%	79.2%	75.7%
Aug-22	59.0%	70.0%	79.0%	75.4%
Sep-22	71.6%	72.0%	81.5%	77.9%
Oct-22	84.3%	81.1%	88.1%	85.5%
Nov-22	92.3%	80.4%	86.4%	84.4%
Dec-22	100.0%	100.0%	100.0%	100.0%
Jan-23	92.4%	74.8%	83.9%	80.8%
Feb-23	88.5%	67.7%	77.1%	74.0%
Mar-23	99.5%	74.8%	83.7%	80.8%
Apr-23	92.8%	68.1%	81.1%	76.7%
May-23	79.7%	67.6%	79.3%	75.2%
Jun-23	77.4%	65.3%	78.7%	73.9%

5. Total economic activity in the Heritage Precinct

Consumer spending data in the previous section showed how much is directly spent in retail, hospitality, and service businesses by customers during a Heritage Precinct visit, but there is also economic activity generated by other industries (e.g. wholesaling) that isn't captured by consumer spend. To broadly assess activity across all industries, this section considers estimates of GDP and the employment it supports.

5.1. Total economic activity (GDP) in the Heritage Precinct

GDP (Gross Domestic Product) is a broad-based concept that can be used to capture total economic value added across all types of activities being undertaken by businesses operating from the Heritage Precinct⁷. GDP focusses on the bottom-line margin generated for the economy by all businesses and can be thought of as the economics equivalent of an accounting profit. It is important not to confuse GDP with top-line measures of revenue, such as consumer spending, which only capture the subset of revenue derived directly from sales to customers within the Precinct and do not factor in any input costs.

In addition to economic value-added activity that is derived from consumer spending directly within the Heritage Precinct, GDP also considers other forms of generating economic value-added activity, such as wholesaling to other businesses, or selling or distributing to customers across New Zealand and beyond. It is evident from the overview of tenants in Table 1 that while many businesses primarily sell goods and services directly to customers within the Heritage Precinct, there are also several key businesses (for example Moke and Cycle Journeys) who predominantly service their customer bases in other ways.

Economic value-added by about 40 businesses and organisations in the Heritage Precinct is estimated at \$10.6 million of GDP⁸.

The Heritage Precinct economy can also be put in perspective against the rest of Ōamaru.

GDP generated across the whole Ōamaru urban boundary was \$846 million in 2023. This means that economic activity in the Heritage Precinct (\$10.6 million) is estimated to be responsible for 1.3% of all economic activity that occurs across all industries within Ōamaru's urban boundary.

⁷ GDP is the economics equivalent of an accounting profit – from an economics perspective, “economic profit” holistically considers the returns to capital (i.e. what return the owner generates with business assets) and the returns to labour (i.e. what workers are paid). At an individual business level, GDP is equivalent to EBITDA (earnings before interest, taxation, depreciation, and amortisation) plus wages and salaries. GDP should not be confused with top-line measures of revenue (e.g. consumer spending) which only consider the amount of money spent in a business, and not the margin of value-added to the economy after the costs of inputs are considered.

⁸ Several techniques were used to form this Heritage Precinct GDP estimate. Initial understandings of activity were informed using a combination of detailed individual business data from the OWCT (including the type of business, staffing, and opening hours), as well as consumer spending data (Marketview and Statistics NZ). These activity levels were converted into GDP using benchmark industry revenue and value-added margins (Statistics NZ and Infometrics). The analysis was supplemented with site visits, market research (e.g. into clothing wholesaling and propensities of Alps 2 Ocean bikers to stay in Ōamaru after their ride to take in heritage), and detailed interviews with some businesses to learn more about their business model. Because of commercial sensitivities for larger businesses no further disaggregation of Heritage Precinct GDP into its subcomponents is provided.

Table 10⁹

GDP in Ōamaru Heritage Precinct in 2023		
<i>Total GDP, March 2023 year, Author estimates with Statistics NZ and Infometrics data</i>		
	GDP (\$m)	Share of total Ōamaru
Ōamaru Heritage Precinct	\$10.6m	1.3%
Rest of Ōamaru	\$835.8m	98.7%
Total GDP in Ōamaru urban boundary	\$846.4m	100.0%

As further context, Infometrics estimates that \$2,028.2 million (\$2.0 billion) of GDP was generated in total across the entire Waitaki economy in 2023, meaning that GDP in the Ōamaru Heritage Precinct accounts for about 0.5% of all GDP across Waitaki District.

5.2. Employment within Ōamaru's Heritage Precinct

While it is important to understand the dollars and cents of economic value-added activity, it is also useful to see how this economic activity translates into employment outcomes. After all, the wellbeing of people in a community is intrinsically linked to the ability of residents to be employed¹⁰.

Employment across Ōamaru's Heritage Precinct is currently estimated to be approximately 182 jobs on average¹¹. By comparison, there were an estimated 6,875 jobs in total across Ōamaru's urban boundary¹² in 2023, meaning that the Heritage Precinct accounts for about 2.7% of all employment in Ōamaru.

Table 11

Employment in Ōamaru Heritage Precinct		
<i>Employment (filled jobs), Author estimate from OWCT, Stats NZ & Infometrics data (March 2023 year)</i>		
	Filled jobs	Share of total Ōamaru
Ōamaru Heritage Precinct	182	2.7%
Rest of Ōamaru	6,692	97.3%
Total jobs within Ōamaru urban boundary	6,875	100.0%

As further context, Infometrics estimates that there were 12,139 jobs across the entire Waitaki economy in 2023, meaning that employment in the Ōamaru Heritage Precinct accounts for about 1.5% of all employment across Waitaki District.

⁹ GDP for the rest of Ōamaru have been formed by apportioning Infometrics GDP estimates for Waitaki into Ōamaru's urban boundary using Ōamaru's employment shares in Statistics NZ's Business Demography dataset.

¹⁰ For example, see "Job satisfaction and wellbeing" by Statistics New Zealand:

<https://www.stats.govt.nz/reports/job-satisfaction-and-wellbeing>.

¹¹ This estimate was formed from data about individual businesses and organisations provided by OWCT about their staffing levels and opening hours, coupled with observations and discussions from business site visits. These employment estimates capture paid roles only – including waged/salaried, self-employed, and people receiving commission (e.g. artists within a collective). This definition is used to ensure consistency with other estimates of employment in other parts of Ōamaru that drew on Statistics New Zealand and Infometrics data. It is acknowledged that non-paid, volunteer labour is an important enabler of activity for some organisations (e.g. Victorian Wardrobe's activities are run by 7 casual volunteers).

¹² Employment statistics for the rest of Ōamaru have been formed by taking Ōamaru's employment share of total Waitaki employment in Statistics NZ's Business Demography dataset and apportioning that to Infometrics' employment estimate for Waitaki.

Employment in the Heritage Precinct is dominated by a high prevalence of parttime and casual employment. It is estimated that 56% (102 jobs) of jobs in the Precinct are filled by parttime or casual employment, with the remaining 44% being fulltime staff or the owners.

By comparison, Census 2023 showed parttime employment represents only 23% of employment across Waitaki District as a whole. The higher prevalence of parttime or casual employment in the Heritage Precinct is not a surprise given that 25% of businesses only open for part of the week or with short hours.

5.3. Productivity in Ōamaru's Heritage Precinct

Productivity is a measure of how efficiently economic activity is generated. There are many ways to measure productivity – but due to data availability the most common measures of productivity usually centre around comparing how much Gross Domestic Product (GDP) an economy generates for each labour resource (e.g. per filled job). Measuring productivity this way essentially tells us how effective an area is at turning the work of its people into income. If we have higher productivity, then there are opportunities for higher-paying employment. Put simply, productivity is about making people 'work smarter' rather than having them 'work harder'. Productivity emphasises using processes, skills, technology, machinery, and natural resources more effectively.

Productivity (GDP per job) within the Heritage Precinct is estimated to be about \$58,000 each year, which is over 50% below the Ōamaru average of \$123,000 of GDP per job.

Part of the reason for the lower average productivity across the Heritage Precinct is a high prevalence of retail and hospitality businesses, which typically have lower productivity than other business types. The Infometrics Regional Economic Profile 2023 highlights that retail and hospitality businesses across Waitaki average less than half the productivity of other business types¹³. There are also several other reasons for lower productivity in the Heritage Precinct, including:

- About 25% of businesses operate for only part of the week or with short opening hours. In some cases, this is due to lifestyles of business owners (or collective members), while in other cases it is in response to low demand for what they are selling. The high share of parttime and casual employment further pulls down the economic contribution which each filled job contributes.
- Although many businesses are well-presented, some have interior fitouts in poor condition and unusual stock layout, while others have limited signage or online presences. These factors can reduce the likelihood of a customer transacting or entering the store in the first place.
- Several businesses offer product ranges that are quite similar to each other, and some of these product types are likely to only appeal to niche markets within a relatively small subset of visitors to the Heritage Precinct.

But despite these observations regarding low average productivity across the Heritage Precinct, it is worth noting that there are still some cases of individual businesses achieving high productivity outcomes within the Precinct. It is estimated that the highest productivity businesses in the Heritage Precinct generate hundreds of thousands of dollars of GDP per job each year, while the lowest productivity businesses generate GDP per job at less than 10% of these levels¹⁴.

¹³ Available here: <https://rep.infometrics.co.nz/waitaki-district/productivity/industry-productivity>

¹⁴ More detailed breakdowns of the estimated productivities of individual businesses have been withheld due to commercial sensitivities.

6. Broader linkages of the Heritage Precinct

Alongside the direct economic impacts of activity occurring within the Heritage Precinct, there are also broader linkages of the Precinct to the rest of Ōamaru. These broader linkages include:

- The role of the Heritage Precinct within the **wider Ōamaru visitor economy**.
- Heritage Precinct as a contributor to the **day-to-day lives of locals and investment**.

6.1. Heritage Precinct's role in Ōamaru's wider visitor market

Visitors are a key component of demand in Ōamaru's Heritage Precinct, with spending data presented in Section 4.1.3 showing that visitors accounted for 59% of spending (\$4.3 million) in the Ōamaru Heritage Precinct in 2023. But beyond this direct spend within the Precinct, there is a broader spillover that occurs from heritage visitors into other parts in Ōamaru. This subsection highlights that a large share of visitors to Waitaki (and in particular Ōamaru) are motivated by heritage and arts tourism. It also shows that these heritage visitors support a significant amount of spending in other parts of Ōamaru during the remainder of their stay irrespective of what visitors choose to spend directly within the Heritage Precinct.

6.1.1. Heritage and arts as motivations to visit

There were an estimated 1.91 million visitors passing through Waitaki in 2023¹⁵, but the majority of these were day-trippers (1.45 million) passing through on route to elsewhere in the South Island. An estimated 460,000 people overnighed in Waitaki, with 380,000 of these overnight holidaymakers coming from around New Zealand and 80,000 coming from overseas¹⁶.

Heritage and arts tourism are key parts of these holidaymakers' experiences. Data points that highlight the pivotal role of heritage and arts within the overall visitor experience include:

- 31% of New Zealanders interested in visiting Waitaki are also interested in heritage and arts¹⁷
- At least 23% of international holidaymakers experience heritage or arts in the Waitaki¹⁸.

These survey measures are from across the Waitaki regional tourism area, which includes Ōamaru, as well as inland areas. But the highest concentration of heritage buildings and Waitaki's arts and culture scene is concentrated in Ōamaru so heritage tourism is likely to be predominantly driven by Ōamaru.

¹⁵ Unique visitors passing through Waitaki is for the June 2023 year and taken from data provided by MBIE based on mobile phone monitoring. More recent data is not available as MBIE has discontinued the dataset.

¹⁶ The split of visitors between international and domestic was also informed by MBIE's unique visitor numbers dataset. The propensity for these domestic and international visitors to overnight, as opposed to pass through on day trips was informed by historical survey evidence in Statistics NZ's Regional Tourism estimates. The typical overnight visitor stayed for 1.8 nights in the June 2023 year (MBIE's Accommodation Data Programme).

¹⁷ Calculations from Tourism NZ's Domestic Growth Insight Tool (DGIT), available here: <https://www.dgit.nz/>

¹⁸ The Ministry of Business, Innovation and Employment's (MBIE) International Visitor Survey (IVS) for the 24 months to June 2024 shows 69% of international holidaymakers, who stay in Waitaki, experience heritage and arts during their New Zealand trip (versus 46% of international tourists who don't stay in Waitaki). If all holidaymakers are just as likely to experience heritage and arts in other parts of New Zealand, then this suggests the extra 23% (69% minus 46%) propensity to seek out heritage and arts is due to participation in such activities during the Waitaki component of their trip.

Of the 460,000 holidaymakers who overnighted in Waitaki in 2023, it is estimated that 138,000 visitors came to experience heritage and arts (likely to be primarily concentrated in Ōamaru) – 119,000 of these people were domestic visitors and 19,000 were international¹⁹.

This estimate of visitors coming to Waitaki to experience heritage and arts is conservative. On top of these 138,000 overnighting holidaymakers interested in heritage and arts features, such as the Ōamaru Heritage Precinct, there will also be daytrippers who stop to view the Heritage Precinct and other features on the way through. The number of daytrippers making this stop can't easily be estimated, but their economic benefits are captured within the visitor spending estimates provided in section 4.1.3.

The allure of heritage attractions for visitors should be put in perspective against other key touristic attractions in Ōamaru and other parts of Waitaki:

- **The nearby Ōamaru Blue Penguin Colony** recorded ticket sales of 70,751 over the 12 months to June 2024, with 67,706 being visitors²⁰ – this is about half the estimated number of visitors who stayed overnight in Ōamaru to experience heritage. Of these visitors to the Colony, 9,461 were domestic travellers and 58,245 were international travellers. Chinese visitors, many of whom only stop for the day as part of coach tours²¹, were reported by the Colony to have contributed to 31,660 of the visitors. Day visitors' economic impacts are likely to primarily be limited to what they spend directly at the Penguin Colony (and potentially a small amount of retail or hospitality spend close by), due to them having only very small windows of time in Ōamaru.
- **The Alps 2 Ocean Cycle Trail**, which runs from Aoraki Mt Cook (or Takapō) to end in Ōamaru, attracts a similar number of people to Ōamaru as the Blue Penguin Colony. In the June 2023 year, there were 85,903 riders along the trail. A Lincoln University survey²² previously showed that around three quarters (76%) of riders finish in Ōamaru, which suggests that about 65,000 riders ended in Ōamaru. The Lincoln research highlighted the benefits that these people can bring to the town after their ride has finished, with a third of these riders (34%) staying for two nights or more in Ōamaru after their ride ends. There are opportunities for businesses across Ōamaru to tap into demand at the intersection between cycle and heritage/arts tourism to encourage more riders to extend their stays, especially since Cycle Journeys has recently opened a base in Harbour Street to service thousands of its clients directly within the Heritage Precinct at the end of their journey. Interest in attractions adjacent to the Heritage Precinct among riders is already high, with the Lincoln University Survey of Alps 2 Ocean riders highlighting that Steampunk HQ was the most popular Ōamaru-based activity by riders, closely followed by the Penguin Colony.

Heritage and arts tourism is the biggest attractor of visitors to Ōamaru and Waitaki more generally (138,000 overnight visitors), with twice the estimated visitation compared to the Ōamaru Blue Penguin Colony (67,706 visitors) and the Alps 2 Ocean Cycle Trail (78,224 riders of which 60,000 finish in Ōamaru).

¹⁹ These estimates are formed using the participation rates in heritage and arts tourism identified above.

²⁰ Visitors include a mix of visitors who overnight in Ōamaru as well as people passing through for the day.

²¹ The view that many Chinese visitors are daytrippers has been informed by conversations with local business owners. This viewpoint that few Chinese stay overnight is reinforced by analysis of detailed spending data from MBIE that showed Chinese accounted for only 8% of accommodation and hospitality spending by international visitors anywhere in Waitaki (including Ōamaru) in the June 2024 year.

²² Alps 2 Ocean Cycle Trail Visitor Survey 2020, Lincoln University.

6.1.2. Heritage visitor spend elsewhere in Ōamaru outside the Precinct

Overnighting holidaymakers interested in heritage and arts contributed a significant amount of spending to other parts of the Ōamaru visitor economy outside of the Heritage Precinct during other elements of their stay. The typical overnight visitor stays for 1.8 nights, meaning that a visit to the Heritage Precinct takes up a small portion of each visitor's overall stay, irrespective of how long that person spends visiting stores and cafes within the Precinct or how many memories they capture in photos.

We already established that visitors spent \$4.3 million directly within the Heritage Precinct in 2023, but on top of this Table 12 below demonstrates that a significant amount of other spending within Ōamaru's visitor economy can be indirectly attributed to heritage and arts visitors. The reality is that after having visited the Heritage Precinct, other spending by heritage and arts visitors in Ōamaru gets captured on broader services in surrounding areas and beyond – such as bedding down somewhere for the night, and wining and dining.

Table 12²³

Heritage and arts visitors spending within Ōamaru compared to total visitor spending <i>Spending by heritage/arts visitors vs all visitors, June 2023 year, author estimates</i>				
Type of visitor	Heritage Precinct	Thames St + Harbour	Rest of Ōamaru	Total Ōamaru town
Heritage & arts visitor spending	\$4.3m	\$2.7m	\$4.7m	\$11.7m
Other visitor spending	\$0.0m	\$28.6m	\$48.7m	\$77.3m
Total visitor spending	\$4.3m	\$31.3m	\$53.4m	\$88.9m

It is estimated that on top of the \$4.3 million spent directly by visitors within the Heritage Precinct that there was also \$7.4 million of indirect spend by overnight heritage and arts visitors in other parts of Ōamaru in 2023. Of this additional heritage and arts visitor spending, \$2.7 million was in the Thames Street and Harbour precincts, while \$4.7 million was spread elsewhere.

As broader context, Infometrics estimates total visitor spend in Waitaki was \$191.3 million in 2023 – so direct and indirect spend by heritage and arts visitors was 6.1% of Waitaki visitor economy spending.

6.2. Role of Heritage Precinct for residents and investment

Local residents are a key driver of demand within the Heritage Precinct. It was shown in Section 4.1.3 that 41% of spending (\$3.0 million) directly within the Heritage Precinct in 2023 was from local residents.

The \$3.0 million of spending within the Heritage Precinct by local residents in 2023 is the equivalent of over \$200 for each of Ōamaru's 14,350 residents²⁴.

²³ For heritage and arts related visitor spending in other parts of Ōamaru outside of the Heritage Precinct, the share of visitor days by overnight visitors with an interest in heritage and arts (from evidence presented in section 6.1.1) has been used to apportion total visitor spending into that which is likely to be attributable to heritage and arts visitors, compared to that attributable to all other visitor types. This implicitly assumes that overnight heritage and arts visitors have the same daily spending levels as other visitor types. Estimates exclude spending by daytripping heritage and arts visitors outside of the Heritage Precinct, but due to the relatively short nature of their stop in Ōamaru, opportunities for daytrippers to spend more broadly outside of their Heritage Precinct stop will be minimal.

²⁴ Statistics New Zealand Subnational Population Estimate (2024).

This important role of the Heritage Precinct for local residents was further highlighted in a OWCT survey of Harbour Street visitors in April 2024. Of 133 participants in the survey, 89 (67%) were locals. A workshop²⁵ with local residents during the development of the Waitaki Destination Management Plan highlighted that a “well preserved Ōamaru harbour, Victorian precinct, and the district’s architectural heritage” was the top heritage and culture priority for Waitaki.

Further insights into the draw of the Heritage Precinct for local residents can also be seen from major events data for the three major events which the Heritage Precinct place host. Local attendance at these events include²⁶:

- **Harbour Street Jazz and Blues:** 66% of attendees were from Waitaki
- **Ōamaru Victorian Heritage Celebrations:** 37% of attendees were from Waitaki.
- **Steampunk NZ Festival:** 10% of attendees were from Waitaki.

Locals also enjoy spending on hospitality in the areas surrounding the Heritage Precinct, which has seen significant investment over recent years. In 2023, it is estimated that locals spent \$4.7 million on hospitality across the Thames Street and Harbour precincts, out of a total of \$9.6 million of hospitality and accommodation spending in these areas.

Although it is difficult to claim any level of causal link between investment that has happened to rejuvenate the Historical Precinct and surrounding areas, with population growth into Ōamaru, it is worth noting that population growth rates into Ōamaru have picked up significantly over recent years.

Over the past 20 years, Ōamaru’s population has risen from a low of 12,250 in 2005 to reach 14,350 in 2024. Population growth from 2004 to 2014 averaged 0.3%pa, while population growth averaged 1.2%pa from 2014 to 2024.

Section 3.2 highlighted that higher population growth over the past decade since 2014 has coincided with a period of time where there has been considerable further investor activity in the area around the Heritage Precinct.

Since 2015, heritage buildings on Wansbeck and Tees Streets have been restored for retail and service businesses. Boutique accommodation in heritage buildings in Tees Street and Poshtel in Thames Street have been developed, as well as the more modern Mariner Suites. Hospitality has also blossomed in this wider area, with award-winning restaurants and popular cafes and bars spread throughout this older part of Ōamaru.

These investments have improved the lifestyle appeal of Ōamaru as a place to live and data from around New Zealand shows that liveability is a key factor in attracting residents to live in a region²⁷.

It is also important to note that conversations with investors and Council have highlighted that there is likely to be significant further investment to come, with a range of future development projects in the pipeline for areas immediately surrounding the Heritage Precinct. Although many projects have not yet been committed to publicly and consented, others are already beginning to be built (e.g. redevelopment of the Ōamaru Farmers Market site).

²⁵ Waitaki Destination Management – Heritage & Culture Focus Group – 23/06/21.

²⁶ These insights are drawn from surveys of attendees at each of the three events in 2023.

²⁷ For example, see: <https://www.benjepatterson.co.nz/population-growth-in-65-of-67-territorial-authorities/>

7. Concluding remarks

This report has highlighted the role which the Ōamaru Heritage Precinct plays within the Ōamaru economy. This role includes both direct effects from economic activity that happens within the Heritage Precinct, as well as the broader spillover benefits of the Precinct into other parts of the local economy.

Activities by businesses within the Heritage Precinct collectively contribute \$10.6 million of GDP to Ōamaru's economy annually, which is equivalent to about 1.3% of Ōamaru's total GDP. There are also 182 jobs supported within the Precinct. Although many of these jobs directly within the Precinct are in relatively low productivity businesses compared to the rest of Ōamaru, there are still some cases of individual businesses achieving high productivity outcomes.

In 2023, it was estimated that \$7.2 million of consumer spending occurred directly in the Heritage Precinct, with 59% of this coming from visitors and 41% from local residents.

The visitors coming to see the Heritage Precinct play a pivotal role within Ōamaru's visitor economy. Heritage and arts tourism is the biggest attractor of visitors to Ōamaru and Waitaki more generally (138,000 overnight visitors), with twice the estimated visitation compared to the Ōamaru Blue Penguin Colony (67,706 visitors) and the Alps 2 Ocean Cycle Trail (78,224 riders of which 60,000 finish in Ōamaru).

The reality is that after having visited the Heritage Precinct, the majority of other spending by heritage and arts visitors in Ōamaru gets captured on broader services in surrounding areas and beyond – such as bedding down somewhere for the night, and wining and dining. It is estimated that on top of the \$4.3 million spent directly by visitors within the Heritage Precinct that a further \$7.4 million was spent by overnight heritage and arts visitors in other parts of Ōamaru during 2023. Of this additional heritage and arts visitor spending, \$2.7 million was in the Thames Street and Harbour precincts, while \$4.7 million was spread elsewhere.

Although it is difficult to claim any level of causal link between investment that has happened to rejuvenate the Historical Precinct and surrounding areas, with population growth into Ōamaru, it is worth noting that population growth rates into Ōamaru have picked up significantly over recent years. We also know that the Heritage Precinct is enjoyed by many local residents. For example, the \$3.0 million of spending within the Heritage Precinct by local residents in 2023 is the equivalent of over \$200 for each of Ōamaru's 14,350 residents, while major events data shows that local attendees form a large proportion of attendance at major events centred in the Precinct, especially for Harbour Street Jazz and Blues and the Ōamaru Victorian Heritage Celebrations. Liveability and culture are key intangible factors that can help support attraction of residents.



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