

ADELAIDE RETAIL & INVESTMENT INSIGHTS 2018



Aerial view of Adelaide CBD

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Adelaide Oval. Image Credit Colin Page

letter from the LORD MAYOR

Adelaide is a city designed for life and I am pleased that your organisation recognises the opportunities that exist in this growing market.

As the world's only city in a park, Adelaide is renowned for its enviable lifestyle, bold arts and culture, gourmet food and wine, and a presence in the vanguard of innovation and entrepreneurship - all in an idyllic climate.

Following positive initial conversations, this report has been developed with additional data and insights to assist in the potential progression of the luxury brands project.

As a former retail business owner, the prospect of your brand entering the South Australian market and the success that can be achieved in our city is truly invigorating.

I look forward to continuing the development of luxury brands in the City of Adelaide by providing a prosperous and progressive location for your brand.



MARTIN HAESE
Lord Mayor of Adelaide

letter from the MINISTER

South Australia offers many unique advantages to businesses seeking Australian investment opportunities.

Known as the Festival State, our multicultural community breathes a vibrancy into the city that makes it diverse in character and atmosphere.

South Australia has many attributes; beautiful beaches, world-class wine regions, highly ranked universities and premium food produce showcased in some of the country's finest restaurants.

Adelaide's central, geographical location makes us the ideal gateway for international companies looking to access and supply important Australian and Asian markets.

Our commitment and dedication to building the State's infrastructure has allowed us to develop a bustling metropolis, attracting visitors and creating unforgettable experiences for them.

Luxury brands can feel assured that South Australia is the right choice for their expansion plans and I welcome the opportunity to collaborate further.



HON DAVID RIDGWAY MLC
Minister for Trade, Tourism and Investment

CITY SNAPSHOT

MAJOR DEVELOPMENTS

- PROPOSED
- UNDER CONSTRUCTION
- APPROVED

Image Credit: Aerometrex as of March 2018.



115,000
EMPLOYED IN
THE CBD



23,916
CITY RESIDENTS
(1.7% + YOY)



\$18.7b
CITY ECONOMY
(18% OF GSP)



313,187
DAILY VISITORS TO
THE CBD



86,000
STUDENTS AT CITY
SCHOOLS,
UNIVERSITIES AND
COLLEGES

RESIDENTIAL GROWTH

1.4m CURRENTLY LIVING IN
GREATER ADELAIDE WITH
37% GROWTH FORECAST BY 2045

1.7%
FORECAST HOUSE PRICE GROWTH IN 2019,
SIGNIFICANTLY AHEAD OF NATIONAL AVERAGE^A

HOUSING PRICE GROWTH UP
0.2% ON 1.5% GROWTH FORECAST
LAST YEAR

ADELAIDE **5000** IS THE SECOND HIGHEST
POSTCODE FOR GROWTH IN SOUTH AUSTRALIA

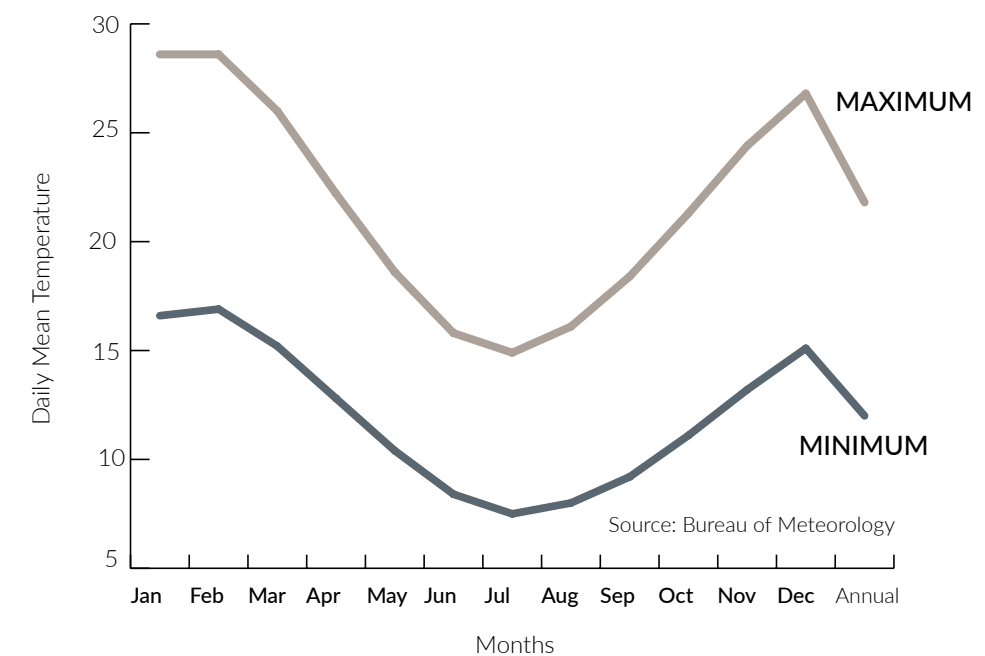
32 SUBURBS NOW RECORDING A MEDIAN
HOUSE PRICE OF AT LEAST \$1M, COMPARED
TO ONLY 9 SUBURBS IN 2015^B

14.4%
GROWTH IN APARTMENT SALES IN
INNER-ADELAIDE^C

60,000
CHINESE RESIDENTS LIVING IN ADELAIDE^D

CLIMATE

Adelaide enjoys a pleasant Mediterranean-like climate, with warm, dry summers and cool, wet winters. It averages highs of 25-35°C in summer and 15-16°C in winter, with the mercury rarely dropping below 10°C. Adelaide also has the lowest humidity of any city in Australia. The mild weather allows residents and visitors alike to embrace the diverse events program and what the city has to offer, all year round.





Rundle Mall. City of Adelaide

RETAIL OVERVIEW

RUNDLE MALL

ONE OF THE LARGEST AND BUSIEST PEDESTRIAN MALLS IN AUSTRALIA

24m

ANNUAL VISITORS (400,000 WEEKLY)

THE CITY OF ADELAIDE UPGRADES INCLUDE:

\$30m

RUNDLE MALL

\$40m

RUNDLE MALL PLAZA

700

FLAGSHIP BRANDS, FASHION LABELS AND SPECIALTY RETAILERS LOCATED IN THE MALL AND ADJACENT ARCADES INCLUDING;

H&M, DAVID JONES, MYER, APPLE, TED BAKER, TIFFANY & CO., JAMIE OLIVER

\$385m

RUNDLE PLACE

5000+

CAR PARK SPACES PROVIDED WITHIN 100 METRES OF RUNDLE MALL

GAWLER PLACE UPGRADE

With approximately 25,000 people moving between Grenfell Street and North Terrace every day, Gawler Place plays an important role as a link to the heart of the Rundle Mall precinct. The City of Adelaide has committed \$16.96 million to the upgrade of Gawler Place which will ensure Rundle Mall prospers as a key destination where people will shop, visit and spend time.

On completion, Gawler Place will be a vibrant and green link featuring new, high-quality footpaths and road surfaces, lighting, seating and spaces for socialising. Public art and green elements such as trees, understory planting and climbers will further enhance Gawler Place as an attractive and welcoming thoroughfare.

RETAIL SPENDING IN SOUTH AUSTRALIA[£]

RETAIL SALES UP

3.3%

VERSUS 2.6% NATIONALLY[£]

\$1.5b

CLOTHING, FOOTWEAR & PERSONAL ACCESSORIES[£]

\$10b

FOOD RETAILING[£]

\$22.5b

TOTAL RETAIL SPEND[£]

\$1.5b

CAFÉS, RESTAURANTS AND CATERING SERVICES[£]

NORTH TERRACE

North Terrace, which runs parallel to Rundle Mall, is the epicentre of Adelaide's major cultural, social and artistic institutions. It is home to iconic establishments including the South Australian Museum, State Library of South Australia and Art Gallery of South Australia as well as retailers Tiffany & Co. and David Jones.

TRAM LINE

The State Government has committed \$80 million in funding for the first stage of the AdeLINK tram network to the city's East End, a hub of boutique retailers and eclectic restaurants and bars.

The tram extension runs along North Terrace, from King William Street to East Terrace, and continues to the Adelaide Festival Plaza precinct. Four new stops service the high volume of foot traffic to the museum and library precinct and universities.

LOT FOURTEEN

Lot Fourteen, on the site of the former Royal Adelaide Hospital, is being transformed into Australia's first creative and innovation neighbourhood. It strives to galvanise the entrepreneurial ecosystem in the world's fastest growing industries such as artificial intelligence, cyber security, smart sensor networks, robotics, big data, defence, space technologies, media and creative industries.

23,500m² of the seven-hectare neighbourhood will be a dedicated hub for start-ups, mentors, corporations, researchers and investors with creatives to share spaces, experiences and talent. Lot Fourteen will also include contemporary art spaces, an International Centre for Tourism, Hospitality and Food Studies, an Australian National Art and Culture Gallery and contemporary art space. The first new sites are anticipated to be ready for development from 2020.

PUBLIC REALM UPGRADES

The City of Adelaide has allocated \$4.5 million to upgrade elements of the footpath on the southern side of North Terrace, from King William Street to Gawler Place and from Frome Street to East Terrace. The upgrade will involve high-quality paving, greening and increased numbers of trees, with construction activity commencing upon the completion of major tram works.



Art Gallery of South Australia. City of Adelaide

ECONOMIC UPDATE

Department of Defence. Collins Class Submarine

GSP - \$101.8b

AS OF 2016/2017

TOP 3 CONTRIBUTORS TO GSP

9.2%

HEALTHCARE AND SOCIAL ASSISTANCE

8.6%

OWNERSHIP OF DWELLINGS

7.5%

FINANCIAL AND INSURANCE SERVICES

62.6%

EMPLOYEE PARTICIPATION RATE
(ABOVE 20-YEAR AVERAGE)

5.4%

UNEMPLOYMENT
(DOWN TO LOWEST LEVEL SINCE 2012
AS OF JUNE 2018)

Adelaide's thriving economy and substantial growth in recent years is a product of the collaboration, creativity and innovation that is at the heart of Adelaide's unique DNA. Global services company KPMG has named Adelaide as Australia's most competitive city to do business^F, which is testament to the abundant opportunities stemming from stable and low-risk conditions in one of the world's most liveable cities. Adelaide's future-focused environment has led to the strong acceleration of investment across various sectors including defence, space and health science.

Existing and planned major infrastructure developments in the city, totalling \$3.6 billion, will further enhance Adelaide's global-reputation as a destination that drives business whilst also delivering exceptional leisure experiences.

CONSUMER CONFIDENCE 2018

Consumer confidence is currently at its highest in four years, increasing from 7.7 index points to 109.4 points between February and July 2018.^G The majority of the lift was attributed to white collar South Australian workers living in the city, with consumers aged between 25-34 representing the most confident in the State.

BUSINESS CONFIDENCE 2018

A Business SA survey in June revealed that business confidence has reached its highest point since the Global Financial Crisis in 2010. 2018 has also marked historic peaks in confidence across the property industry, state economic growth expectations and management of the economy. Business confidence lifted between February and July 2018 by 12.2 index points, from 107.0 to 119.2 points.

- Business confidence is highest in the construction, recreational (including hospitality), finance and manufacturing sectors.
- Higher intention by SMEs to create additional employment over next three months.
- South Australia's economic activity above national trend for more than a year while the Eastern States are decelerating.^H
- Business and trade activity rose in line with trend in the June 2018 quarter with South Australia also bucking the weaker housing trend demonstrated by the Eastern States.
- South Australian firms are more confident than those in any other state or territory, in part reflecting a very positive general outlook for the South Australian economy.^H

ADELAIDE RIVERBANK

The Adelaide Riverbank is home to the Adelaide Casino, with expansive views of the beautiful River Torrens. Key areas such as the Adelaide Festival Centre, Adelaide Festival Plaza and Adelaide Casino are undergoing significant redevelopment, combining the stunning heritage architecture with conscious design to deliver world-class visitor experiences and facilities.

Adelaide Festival Plaza is the beating heart of the Riverbank, acting as a segue to the areas surrounding the Adelaide Festival Centre, Adelaide Railway Station, Adelaide Casino, Parliament House and Old Parliament House, and Station Road. The Plaza is undergoing redevelopment which will see 16,500m² of public space evolve into a unique, world-class hub for the arts, culture, tourism and entertainment. The careful curation of outdoor dining and retail activity, event spaces with capacity for thousands of attendees, art and leafy alcoves will ensure the area generates economic growth and becomes a compelling destination of choice for local, interstate and overseas visitors.

The upgrade of the public realm will be supplemented by the construction of a 24-storey office tower, retail space and a redeveloped 1560-space car park.

The State Government has committed \$180 million towards the project, supported by a \$430 million contribution from Walker Corporation. These commitments will be enhanced by the \$330 million expansion of the Adelaide Casino by SKYCITY Adelaide Pty Ltd which encompasses a luxury hotel, a portfolio of restaurants, bars and cafés and VIP gaming suites.



Adelaide Festival Centre

AIRPORT



Adelaide Airport is one of the nation's fastest growing international airports, with Qatar Airlines, China Southern Airlines and Fiji Airways recently adding flightpaths.

Adelaide Airport is currently undergoing a \$165 million main terminal expansion to significantly upgrade international arrivals and departures. The terminal footprint will increase by 16,500m² to deliver a globally-competitive retail and dining experience with completion expected by 2021.

It is a core component of Adelaide Airport's 30-year vision, which includes a light rail corridor, allowing for a potential future tram link to the city. It also complements plans to triple the number of domestic and international terminal aerobridges by 2044, accommodating new-generation aircrafts including the A380 and Dreamliner.

The seven-storey, 165-room Atura Hotel adjacent to the domestic and international terminal opened in September 2018. The hotel features a restaurant and bar, a business centre, flexible function and meeting spaces, and a port-cochère for guest drop-off and collection.

8.4m
TOTAL ANNUAL PASSENGERS

37%
INCREASE IN INTERNATIONAL SEATS
PER WEEK (2012-2018)

50%
INCREASE IN OVERALL PASSENGER
NUMBERS (2005-2018)

INTERNATIONAL PASSENGER NUMBERS
TRIPLED
(2005-2018)

1.3m
INTERNATIONAL PASSENGER
CAPACITY, UP 7.3%

50
INTERNATIONAL FLIGHTS ON
AVERAGE EACH WEEK

9
INTERNATIONAL AIRLINES
SERVICING ADELAIDE PROVIDING
LINKS TO ALL TARGET MARKETS

21
DOMESTIC AND REGIONAL
DESTINATIONS



Sofitel Hotel

HOTEL DEVELOPMENTS

Sustained growth in the tourism sector has invigorated significant investment in Adelaide's luxury accommodation market. Global brands such as Sofitel Hotel, Crowne Plaza and Marriott's Westin are entering the marketplace and capitalising on the optimal conditions alongside SkyCity Casino expansion plans to include a luxury hotel offering.

Hotel occupancy rates are sitting above 80% as Adelaide cements a solid reputation as a leading creative city with various marquee events including the Tour Down Under, Adelaide Fringe Festival, Adelaide 500 and Adelaide Fashion Festival.



SkyCity Hotel

PARK HOTEL ☆☆☆☆

Location: Pirie Street, Adelaide

Development value: \$175m

Proposed completion: 2020

Hotel rooms: 250

Apartments: 280

Features: 30-storey, constructed atop the old State Bank (retaining the heritage façade), restaurant, café and bar, pool, gym and sauna, open-air sky-deck and meeting rooms.

THE WESTIN HOTEL ☆☆☆☆☆

Location: King William Street, Adelaide

Development value: \$200m

Proposed completion: 2022

Hotel rooms: 285

Features: 15-storey, reworking of the historic Adelaide GPO building, alongside a new \$250 million office tower that will host BHP, panoramic views of the city, all-day dining restaurant, tearoom and specialty bar, fitness studio, resort-style outdoor swimming pool and spa, meeting and event spaces, 24-hour business centre.

LANGHAM HOTEL ☆☆☆☆☆

Location: Adelphi Terrace, Glenelg North

Development value: \$110m

Proposed completion: 2021

Hotel rooms: 150

Features: 12-storey, panoramic views across the ocean or the Adelaide Hills, pool, boutique retail offerings, 200-person all-glass ballroom.

CROWNE PLAZA IHG HOTEL ☆☆☆☆☆

Location: Frome Street, Adelaide

Development value: \$150m

Proposed completion: 2020

Hotel rooms: 326

Apartments: 83 Residential apartments

Features: 10th floor lobby and reception with panoramic views, infinity pool, gym, restaurant and bar, ground-floor retail, 600 square metres of meeting and conference space, car park facilities.

SOFITEL HOTEL ☆☆☆☆☆

Location: Currie Street, Adelaide

Development value: \$140m

Proposed completion: 2020

Hotel rooms: 250

Apartments: 80

Features: 32-storey, restaurant and four bars, pool, health and fitness centre, ballroom, meeting rooms.

SKYCITY HOTEL ☆☆☆☆☆

Location: North Terrace, Adelaide

Development value: \$330m

Proposed completion: 2020

Hotel rooms: 123

Features: 12-storey, new restaurants, cafés and bars including a rooftop bar, wellness centre, day spa, pool and gym, four VIP gaming suites, function spaces for up to 500 people.

INDIGO HOTEL

Location: Market Street, Adelaide

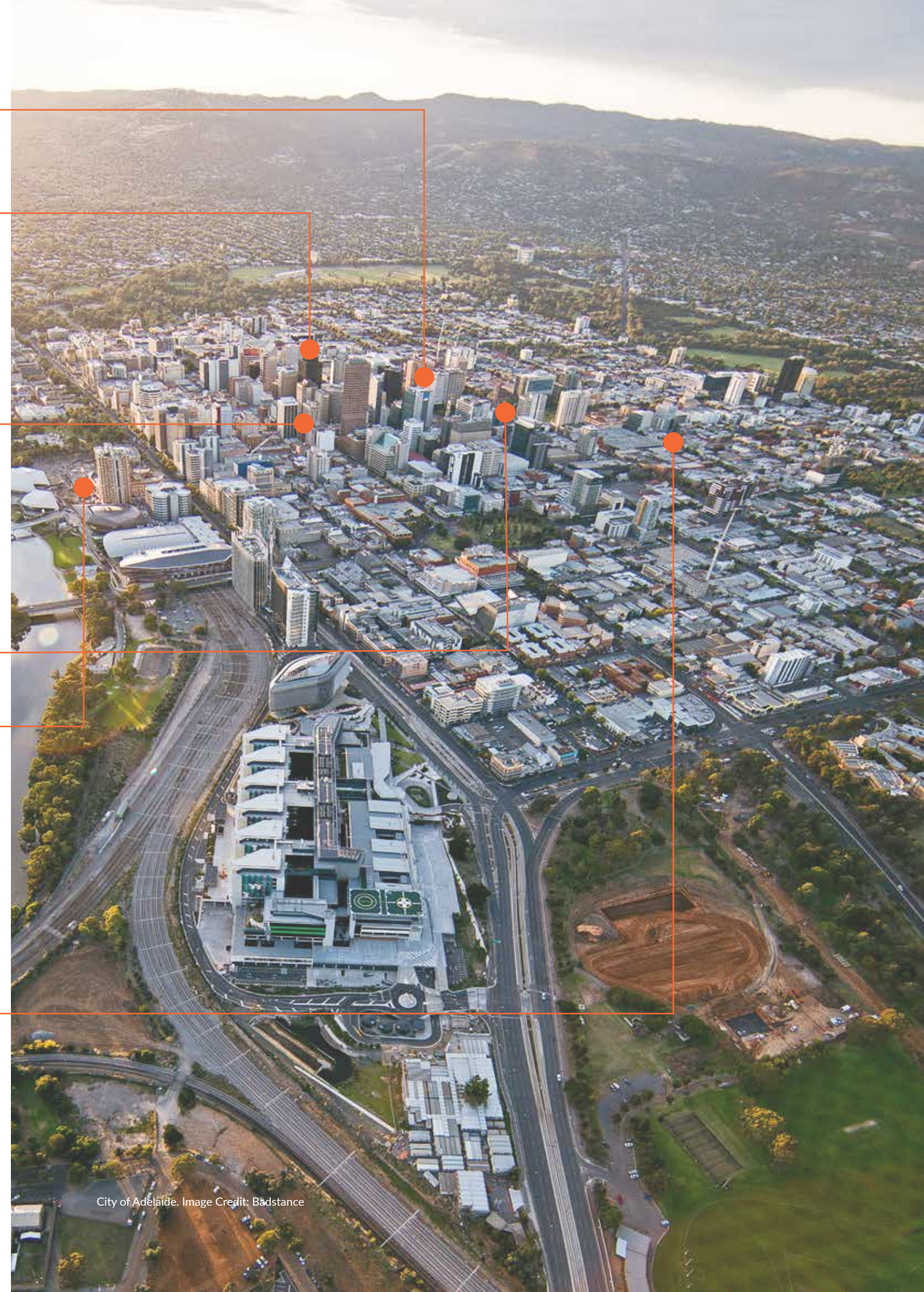
Boutique hotel

Development value: \$60m

Proposed completion: 2020

Hotel rooms: 137

Features: 16-storey, located within metres of the Adelaide Central Market, distinctive architectural and interior design, rooftop bar and café, pool with sun deck, gym and meeting spaces.





Browns Beach, Kangaroo Island. Image credit: South Australian Tourism Commission

TOURISM & EVENTS

Adelaide's reputation as a must-visit destination has been firmly cemented with international accolades from travel trendsetters like Vogue Australia declaring Adelaide as one of their top 10 places to travel in summer and Lonely Planet ranking South Australia amongst the world's top five must-see destinations. The allure of Adelaide's unique experiences, picturesque Park Lands, world-renowned events and festivals calendar, and a dynamic food and wine culture has led to continued year-on-year growth in the tourism sector.

MARCH 2018

\$6.7b

(+5%) TOTAL EXPENDITURE

6.8m

(+5%) TOTAL VISITORS

475,000

(+9%) INTERNATIONAL VISITORS

\$1.2b

(+10%) INTERNATIONAL SPEND

TOP 5 MARKETS

REGION	VISITS	TOTAL EXPENDITURE
CHINA	57,000 + 14%	\$415m + 32%
USA	64,000 + 24%	\$87m +6%
UK	73,000 + 12%	\$93m +1%
GERMANY	30,000 - 9%	\$46m +55%
NEW ZEALAND	43,000 + 16%	\$54m + 9%

159%+

CHINESE VISITOR GROWTH SINCE 2011

274%+

CHINESE VISITOR EXPENDITURE GROWTH SINCE 2011

33%

OF SOUTH AUSTRALIAN TOURISM COMMISSION INTERNATIONAL MARKETING BUDGET ALLOCATED TO CHINA

\$396m

UP 12% (DEC 2017)

EXPENDITURE BY DOMESTIC AND INTERNATIONAL VISITORS IN SOUTH AUSTRALIA WHO ATTEND LEISURE EVENTS

TOUR DOWN UNDER

810,000

SPECTATORS

\$63.7m

ECONOMIC IMPACT

ISPS HANDA AUSTRALIAN GOLF TOURNAMENT

31,000

SPECTATORS

\$3.7m

ECONOMIC IMPACT

\$4.4m

COVERAGE ACROSS ACROSS USA, CHINA, KOREA, JAPAN, UK

65

CRUISE SHIP VISITS TO SA PORTS 2017/2018

100

100 CRUISE SHIPS PROJECTED BY 2020, ADDING \$200M INTO LOCAL ECONOMY

\$98m

EXPENDITURE IN 2016/17 WITH 49 SHIP VISITS

14

MORE SHIPS TO SOUTH AUSTRALIAN PORTS IN 2017

CONVENTION CENTRE BID FUND

74

CONVENTIONS

92,000

DELEGATIONS

469,000

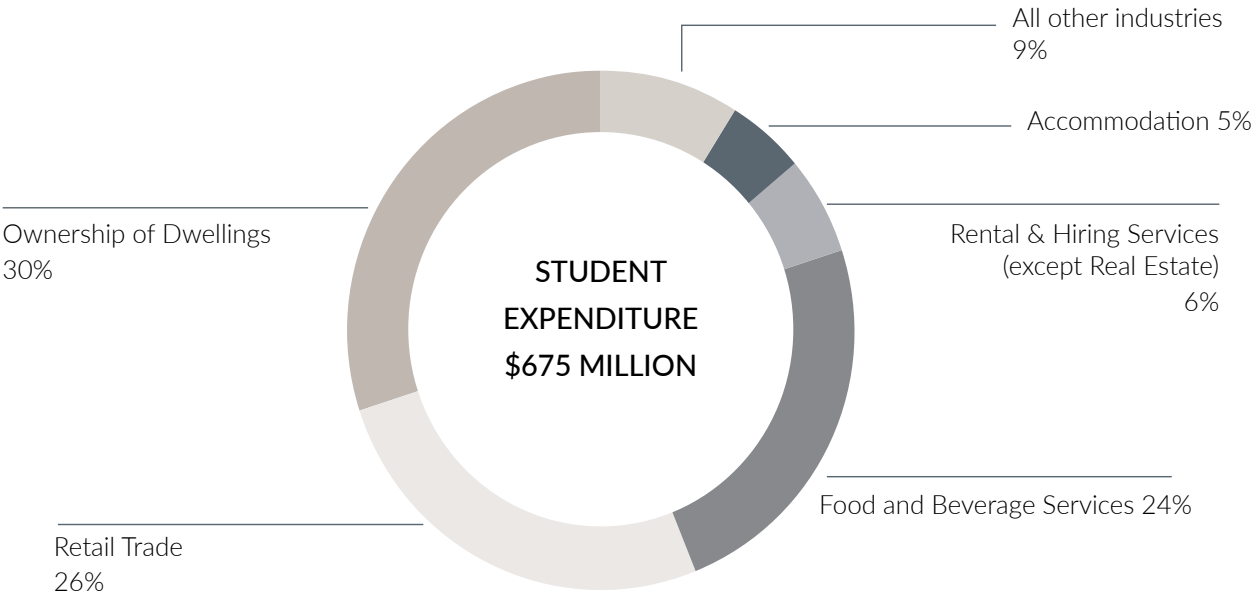
ROOM NIGHTS

\$449m

ECONOMIC BENEFIT

INTERNATIONAL STUDENTS

Chinese students equate to **43%** of total international student enrolments in South Australia, significantly higher than the national average of 29%.¹



Source: Australian Bureau of Statistics 2017

¹ Federal Department of Education and Training



35,700 INTERNATIONAL STUDENTS (2017)
15,365 CHINESE STUDENTS, UP 10% (2016-2017)
\$1.54b SOUTH AUSTRALIAN INTERNATIONAL EDUCATION EXPENDITURE¹

CONTACT US

The City of Adelaide, with the full support of the Government of South Australia, is committed to fostering new business.

The expertise of our investment team is available at any stage of the investment cycle.

We look forward to welcoming you to Adelaide.

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Photo Credit: Womadelaide

