

Business insights

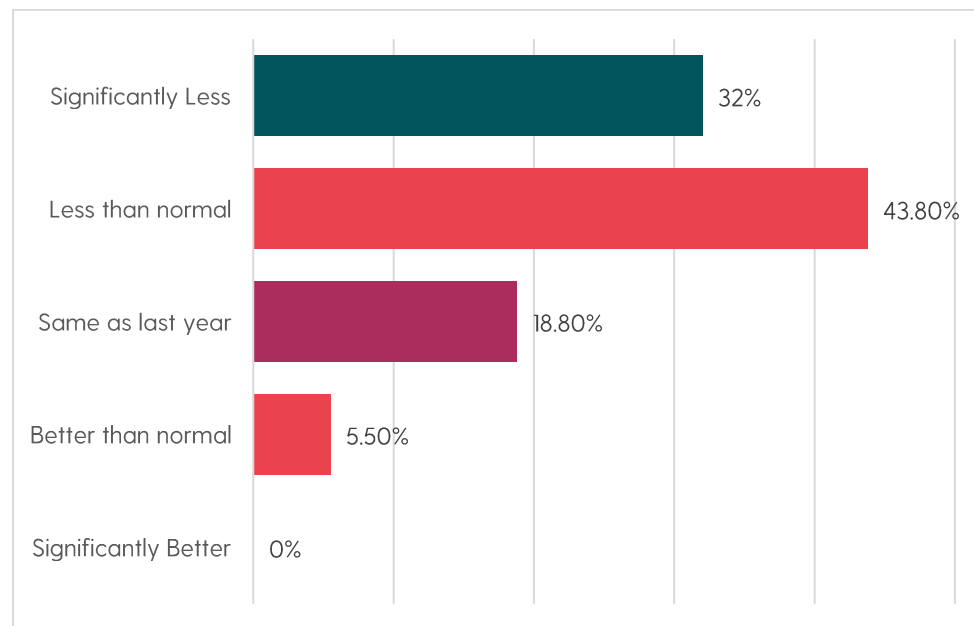
NATIONWIDE & AUCKLAND

JULY 2024

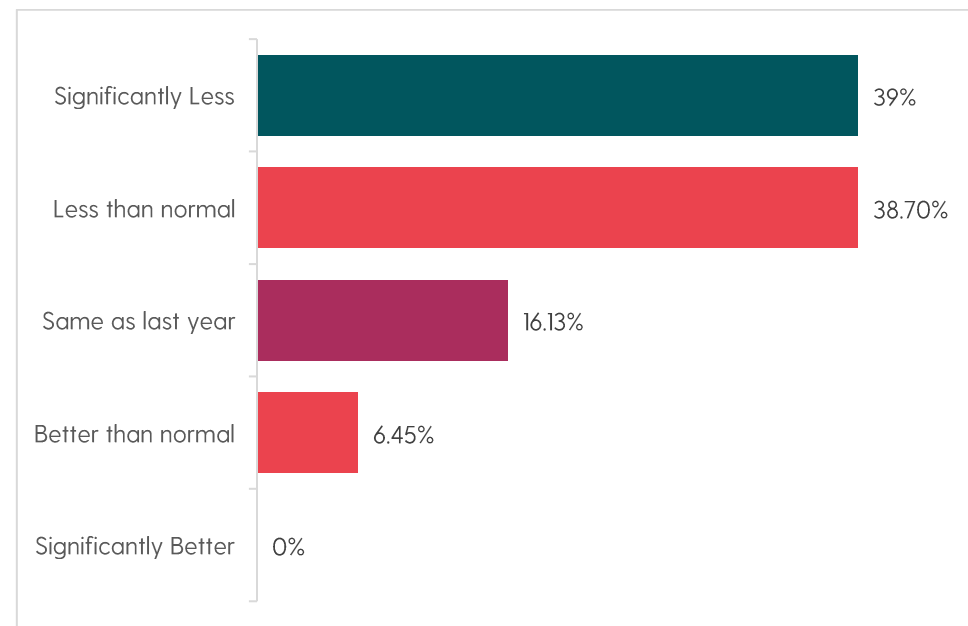
www.restaurantnz.co.nz

Q.1. Considering your revenue currently, how does this compare to last year?

NATIONWIDE



AUCKLAND



selected comments:

We recently expanded, so should have higher turnover, but due to customer downturn our revenue is the same.

We're in Northland - which is seasonal - but with the general poor economy and the closure of SHlat the Brynderwyns business has been very slow.

Consummable prices, higher wages, less sales have all impacted us.

The drop off has been fast and extreme, work from home has skyrocketed last 2 months

Weekdays are highly inconsistent we rely heavily on function bookings to stay solvent

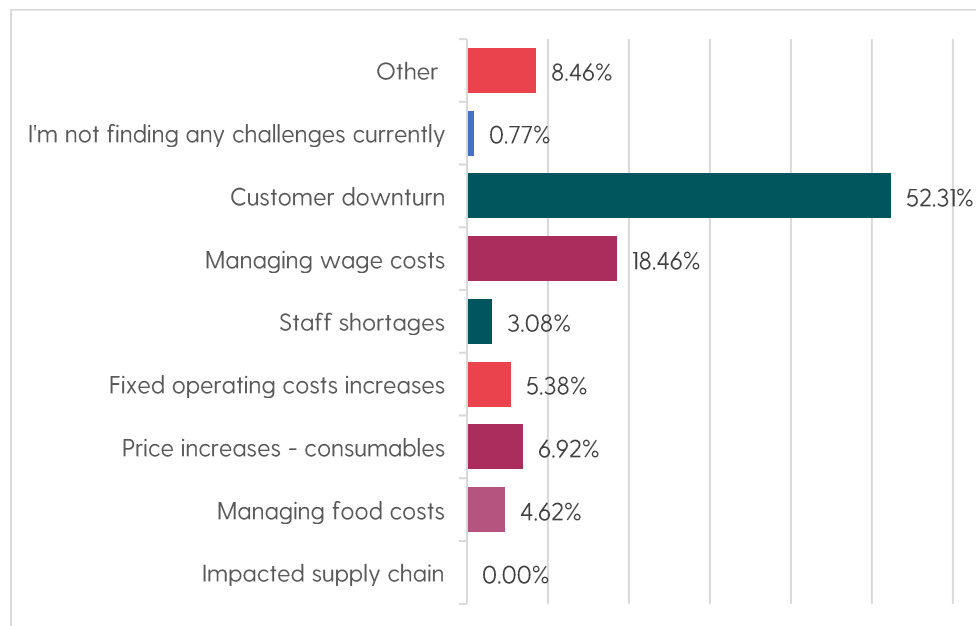
We reckon that people trying to save due to the cost of living is a lot higher than normal.

Economic downturn increasingly noticeable in customers

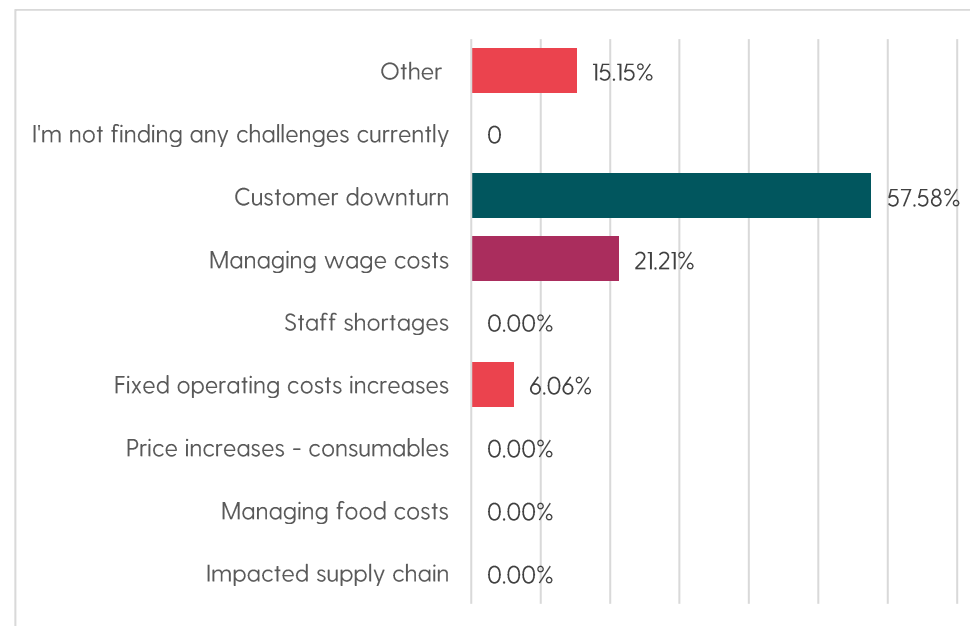
As an example: April down 35% from last year and May down 40%.Easter - good Friday wage cost 57% and revenue that same day down 50%!

Q.2. What is the number one challenge affecting your business at the moment?

NATIONWIDE



AUCKLAND



selected comments for "other":

Nobody's goes out and if they go out they expend money less the they normally do.
Customer downturn is the key factor, but also staff still have too high wage expectations, so wages are out of whack, and also our landlords want to put rent up, despite us being surrounded by empty buildings
Need to be able to tick more than one here, downturn, food cost, wage cost, price increases.

I have had to go onto parental leave which has meant higher wage cost, coinciding with higher cost of goods, a race to the bottom in pricing to remain competitive and a lack of foot traffic early doors Friday trade early doors is practically non existent.

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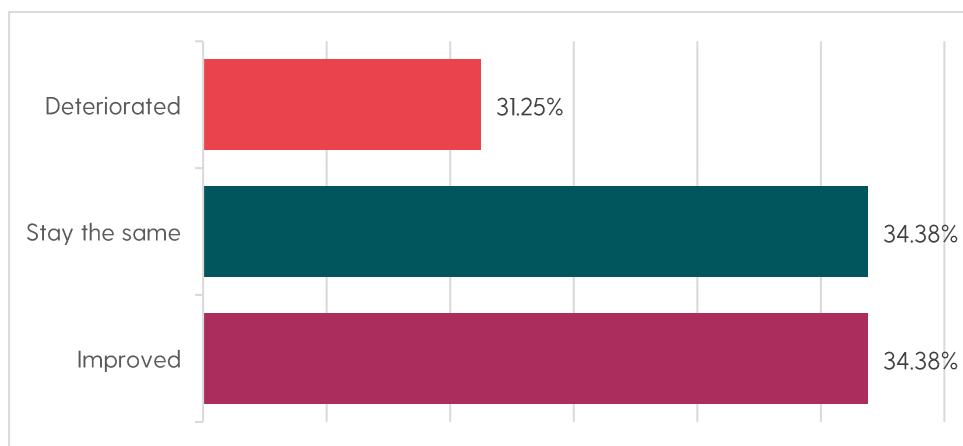
All of the above !

Customer downturn and high costs of borrowing.

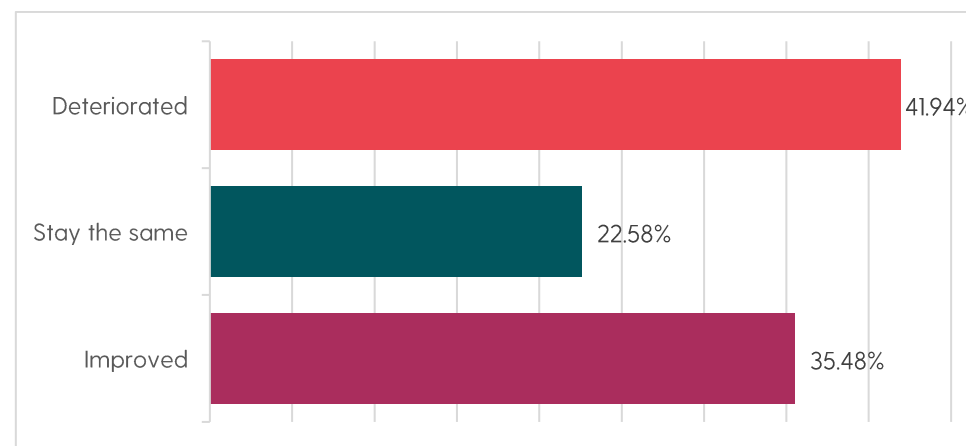
All of the above, excluding "Not finding any challenges".

Q.3. Business confidence: Do you believe business conditions for your business in 12months time will have:

NATIONWIDE

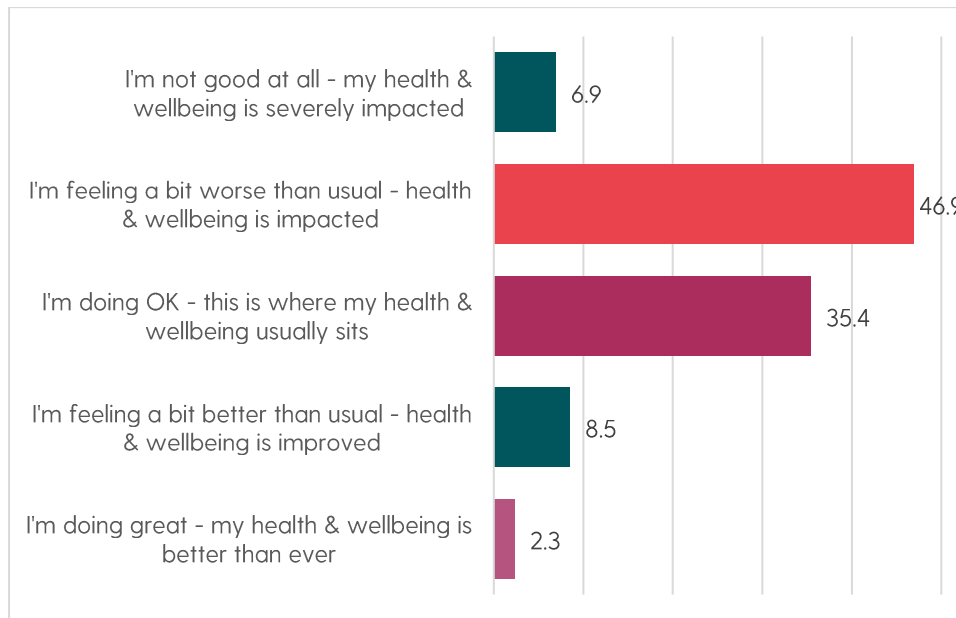


AUCKLAND

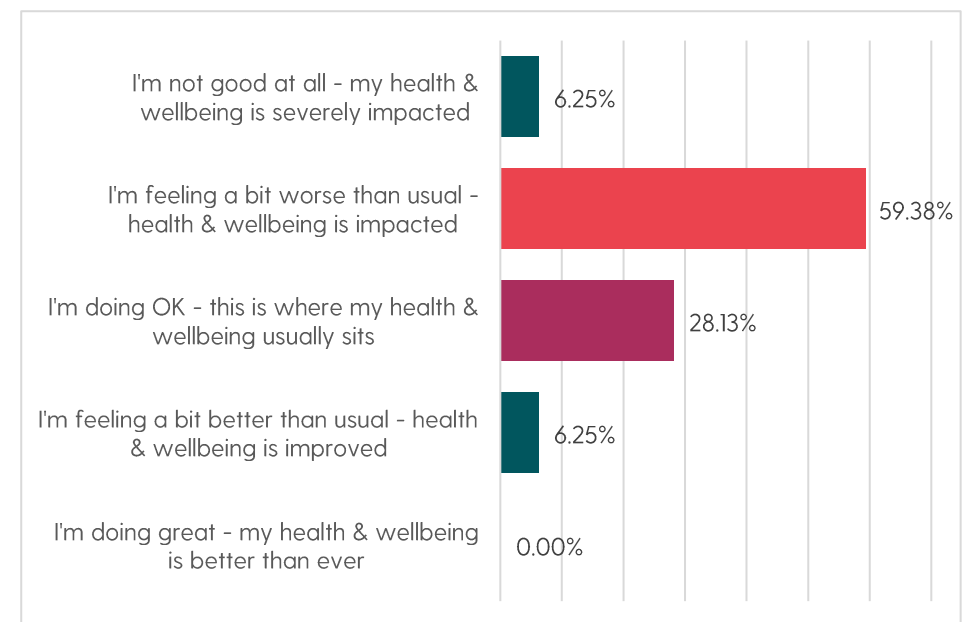


Q.4. Please rate your health and wellbeing currently.

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AUCKLAND



selected final comments:

We are fortunate to be in an area where we have regular customers; and local and international visitors. Also have been in business many years, so have relatively good resources to cover quieter times.

Average turnover for a full on recession...

Corporates cut their Hospo budgets in March, Domestic started cutting back their Hospo spend in May/June for us. Lots of customer comments around disposable income down dramatically with job uncertainty, mortgage rates, general economic malaise.

We had to make our single full time role redundant as the costs keep rising and customers are spending less.

It is clear that Hospo is in even worse shape than this time last year. I am stressed tired and burnt out. I wish I had liquidated during covid it would have been easier than this slow death.

Things have significantly improved now that there are more people applying for jobs. Being short staffed was extremely stressful.

Would be quite happy to sell. Has been extremely difficult for too long.

Times are tough for everyone.

Wellington has month on month, year on year more people working from home. Wellington has a huge percentage of its workforce in the public sector and yet the government hasn't asked them to go back to work even though the economy is in a dire state. On top of this with the job losses Wellington's economy is the worst I have ever seen and hardly anyone in the city at work

All of 'business' costs have increased dramatically but customers have decreased dramatically due to work from home and job losses. It sounds like Wellington has been hit the hardest. If the government asked staff to work at work again it would be a very simple fix to the economy and businesses.

Fix the economy and tourism industry as we are way back behind most other countries which are now very busy specially in the hospitality sector.

I'm still optimistic things will improve, but it's exhausting at the moment.

Been in the industry 44 years and it's never been so tough.

Sales are down 30% since Easter - which is on a par with other operators from what I gather from informal discussions. We don't have that kind of margin. I'm watching my bank account deteriorate like during Covid and I'm starting to think I might need to shut down.

As both a restaurant and a supplier (brewery) we are seeing the toughest conditions in the 25 years of conducting business! I would forecast a large number of business failures/closures in the next 6 months!

Times seem tough. I find solace in hearing others talk about their similar experiences. It would be good to know that we're all banding together and riding out this tough period.

Get up, keep going.

Hospo has been smashed for the past 4 years. It feels like the forgotten whipping boy for the government.

April and May had a few weeks that were awful and I was worried that was what was to come, but June was bigger than June last year and has made up for it. So I'm feeling positive.

It is really stressful running a business at the moment. Trying to keep investors and staff happy with minimal sales is hard.

My mental health is better than this time last year because my mum passed away and I was suffering burnout, being able to take parental leave while horrifically expensive means a mental reset and a plan to expand business by employing fresh talent.

I had hoped this new government would be small business-friendly; how sadly disappointed I am. They are only making it harder. There are no New Zealanders in our region looking for work.

Stressed about recruitment coupled with a drop in turnover. Not a good situation feeling like we can't deliver.

No one is out and spending. The economy has really nosedived. Our whole town is feeling it. We are a tourist town.

We've traded through Covid, high inflation and cost increases, cyclones, weather fear, roading issues and now an extended economic downturn. It feels tougher than ever and never ending. Trading conditions seem to continue to worsen making the industry very tough to be profitable in. We are at a juncture now and considering whether we want to do this any longer.

Recession squeeze is obvious in the restaurant sector. Average spend in down and weekday trading is well down even though the weather is dryer then last year. Business is erratic you never know what the day is going to bring people are worried about job security and ever increasing costs.

Wish we had more support either from the govt, IRD or from Landlord. Their expectations are to pay the whole amounts, in some cases they are willing to give a %discount but will claim the balance at a later time. It's becoming difficult to survive.

Incredibly tough trading conditions. Landlords don't help, the CPI condition on leases is frustrating, it's just very difficult.

We are in the process of selling off parts of the business and winding up the rest. It's our only viable way out of mounting debt.

20 plus years in the industry and this is the worst its ever been.

Cost increases everywhere and we can't increase costs.

We need the govt to realise that the market is very soft at the moment and trading is significantly down on last year.