



Leading Economic  
Development for  
the Christchurch  
City Council

## ECONOMIC SNAPSHOT CHRISTCHURCH AND CANTERBURY KEY ECONOMIC INDICATORS

### December 2016

#### INTEREST RATES

The Official Cash Rate was lowered to 1.75% on 10 November 2016. Both domestic inflation and global growth are low. The next review is 9 February 2017.

The average 90 day bank bill rate in December was 2.03, down from 2.07 in November 2016.

Source: [Reserve Bank of New Zealand](#)<sup>1</sup>

#### EXCHANGE RATES

The average TWI<sup>2</sup> was 78.12 in December, up from 77.93 in November, an increase of 0.2% over the past month. The TWI is 6.7% higher than a year ago.

In December, the NZD depreciated against most currencies except for the AUD, Japanese Yen, the Euro, Korean Won, Malaysian Ringgit and Singapore Dollar. The biggest increase was against the Yen (5.6%).

Source: [Reserve Bank of New Zealand](#)

#### \*COMMODITY PRICES

The ANZ world price index appreciated to 274.2 in November, up by 2.7% from October 2016. This was driven by growth in dairy prices (up 4.8%) and aluminium (up 4.2%). None of the major commodity prices tracked saw a fall in prices over the month.

In NZ dollar terms, dairy prices were up 5.0% compared to October 2016.

Source: [ANZ Commodity Price Index](#)

#### \*GUEST NIGHTS

In September 2016 there were 345,000 guest nights in Canterbury, up 3.9% from September 2015. This was driven by international visitors, with international guest nights in the region up 13.7% over the period. Domestic guest nights fell by 2.5%.

Total guest nights in Christchurch increased by 2.9% between September 2015 and September 2016.

Canterbury's proportion of New Zealand's guests increased to 13.1% after a fall the previous month.

Source: [Statistics New Zealand Accommodation Survey](#)

#### \*CARGO EXPORTS

Christchurch overseas cargo exports were worth an estimated \$395 million in September 2016. (Note: exports can be a very volatile series). This was made up of exports from Lyttelton (\$291 million) and Christchurch Airport (\$104 million).

The most significant commodity export was dairy produce (and eggs and honey) at \$61 million, followed by machinery and mechanical appliances at \$54 million.

Christchurch's overseas cargo exports represented 10.9% of total national cargo exports in September 2016, down slightly from 11.0% in September 2015.

Source: [Statistics New Zealand: Exports and Imports](#)

#### \*BUILDING CONSENTS

There were 243 new buildings consented in Christchurch in October 2016, for a total value of \$180 million. In total, 3,771 new buildings were consented in Christchurch over the past 12 months, for a total value of \$2.15 billion.

Residential consents fell from 242 in September to 213 in October. Residential consent numbers are down by 17% in the 12 months to October 2016, compared to the previous 12 months.

There were 30 new non-residential buildings consented in Christchurch in October 2016, with a total value of \$101 million and total floor area of 41,622 sqm. In the last 12 months, 311 new non-residential buildings were consented for a total value of more than \$972 million.

Source: [Statistics New Zealand: Building Consents Issued](#)

#### \*EARNINGS

In the September 2016 quarter, Canterbury average weekly earnings (employees) were \$945.09, including overtime. This was \$36.73 below the New Zealand average (\$981.82). This is a small increase from the June quarter (\$943.25).

Hours worked fell slightly over the quarter, from 32.56 hours per week in Canterbury in the June 2016 quarter to an average of 32.47 in the September 2016 quarter. This is around half an hour less than the New Zealand average (32.9 hours).

Source: [Statistics New Zealand](#)

<sup>1</sup> Raw data sources listed. Further calculations throughout undertaken by CDC

<sup>2</sup> The trade-weighted index (TWI) is a measure of the value of the New Zealand dollar (NZD) relative to the currencies of New Zealand's major trading partners.

## JOBS ONLINE

The seasonally adjusted jobs online index was 188.8 in Canterbury in November 2016 (May 2007 = 100). This is a small decrease from previous months, however, it is still significantly above (2011) pre-earthquake levels.

The main contributors to the slight increase in vacancies across the country were technicians, trades workers, and machinery drivers.

Source: [MBIE Jobs Online](#)

## \*MIGRATION

In November 2016, Christchurch had 796 permanent and long term (PLT) arrivals and 321 departures, resulting in a net gain of 475 people. This has resulted in a net increase of 5,542 people in the last 12 months.

Canterbury had a net increase of 574 people in September. In the last 12 months Canterbury has gained a net 6,703 people, 9.5% of the New Zealand net inflow.

Source: [Statistics New Zealand International Travel and Migration](#)

## PERFORMANCE OF SERVICES

The BNZ Business-NZ Performance of Services Index showed that the services sector in Canterbury/Westland expanded further in November. Index values above 50 indicates expansion and Canterbury/Westland's latest figure was 61.0. Canterbury/Westland services sector has been on a continuous-expansion mode since late 2013.

With growing tourism and a strong underlying economy, we expect a strong services sector throughout 2017.

Source: [BNZ-BusinessNZ](#)

## PERFORMANCE OF MANUFACTURING

The BNZ Business-NZ Performance of Manufacturing Index showed that the manufacturing sector in Canterbury expanded further in November, reaching a figure of 57.7. This is an index value where lying above 50 indicates expansion. This continues the expansion seen in the region month-on-month since January 2015.

Source: [BNZ-BusinessNZ](#)

## REAL ESTATE PRICES AND SALES

The median house price for Christchurch was \$465,500 in November 2016, up by \$16,500 from October 2016. Annual average price growth has been 3.5% over the past 12 months. The number of houses sold in Christchurch compared to November 2015 fell by 6.9% to 620.

The Canterbury/Westland median sale price rose by \$15,000 to \$440,000 in November 2016, with annual average price growth of 3.5%.

The New Zealand median price was \$520,000 in November 2016, with annual average price growth of 7.6% and average annual volume growth of 1.1%.

Source: [REINZ Residential Market News](#)

## RESIDENTIAL RENTS

Rents in Christchurch decreased slightly to \$371 in November, from \$379 in October. This was however down 4.1% compared to November 2015. Rents across Canterbury are 2.7% lower than in November 2015. Housing pressures in Christchurch have eased considerably in the past two years as houses have been repaired and returned into service. Rents at the national level were \$417, slightly down \$418 the previous month, and 4.8% above the previous year.

Source: [Ministry of Business, Innovation and Employment](#)

## Where this all leaves us...

*The recent earthquake has affected Statistics NZ systems and caused delays in some information releases. Indicators marked with a \* have been delayed and are unchanged from the previous report.*

Christchurch and Canterbury economic indicators continue to show strength.

The world commodity price index has seen some appreciation over the month, with dairy prices in particular continuing their recovery.

International guest nights in the region have risen compared to the previous year, however domestic guest nights have fallen. Total guest nights in Christchurch city have increased.

The labour market continues to be strong, albeit a small decrease in jobs advertised online over the month, and a small increase seen in earnings.

The manufacturing and services sectors continue with their strong performance with both indices continuing to be in expansion mode. This trend has continued for several years now.

At the beginning of 2017, the strength of the city and region's underlying sectors will increasingly drive the economy, as the rebuild component, while still significant, is no longer in expansion mode.

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