



Leading Economic
Development for
the Christchurch
City Council

ECONOMIC SNAPSHOT CHRISTCHURCH AND CANTERBURY KEY ECONOMIC INDICATORS

MARCH 2017

INTEREST RATES

The Official Cash Rate was held at 1.75% on 9 February 2017. The global economic outlook has improved. The next review is 23 March 2017.

The average 90 day bank bill rate in February was 2.02, up from 1.98 in January 2017.

Source: [Reserve Bank of New Zealand](#)¹

EXCHANGE RATES

The average TWI was 78.78 in February, up from 78.55 in January, an increase of 0.3% over the past month. The TWI is 8.9% higher than a year ago.

In February, the New Zealand dollar depreciated against the Australian dollar (down 1.2%) and the Japanese yen (down 0.2%). The biggest increases were against the USD and Euro (both up 1.3%).

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

COMMODITY PRICES

The ANZ world price index appreciated to 282.3 in February, up by 2.0% from January. There were notable rises in the price of meat, skins and wool (4.4%) and Aluminium (4.2%). Dairy prices increased by 1.2% over the month.

In NZ dollar terms, dairy prices were up 0.6% compared to January 2017, with the stronger New Zealand dollar.

Source: [ANZ Commodity Price Index](#)

*GUEST NIGHTS

In November 2016 there were 442,000 guest nights in Canterbury, up 1.4% from November 2015. This was driven by international visitors, with international guest nights in the region up 9.5% over the period. Domestic guest nights fell by 5.8%.

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

Canterbury's proportion of New Zealand's guests fell slightly to 13.5% from 13.9% in October 2016.

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

Notes:

Raw data sources listed. Further calculations throughout undertaken by CDC

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.

CARGO EXPORTS

Christchurch overseas cargo exports were worth an estimated \$504 million in January 2017. (Note: exports can be a very volatile series). This was made up of exports from Lyttelton (\$396 million) and Christchurch Airport (\$108 million).

Christchurch's overseas cargo exports represented 12.1% of total national cargo exports in January 2017, up from 11.6% in January 2016.

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

BUILDING CONSENTS

There were 195 new buildings consented in Christchurch in January 2017, for a total value of \$104 million. In total, 3,540 new buildings were consented in Christchurch over the past 12 months, for a total value of \$2.06 billion.

Residential consents fell from 197 in December to 179 in January. Residential consent numbers are down by 15% in the 12 months to January 2017, compared to the previous 12 months.

There were 16 new non-residential buildings consented in Christchurch in January 2017, with a total value of \$35 million and total floor area of 9,789 sqm. In the last 12 months, 303 new non-residential buildings were consented for a total value of more than \$939 million.

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

EARNINGS

In the December 2016 quarter, Canterbury average weekly earnings (employees) were \$947.70, including overtime. This is a small increase from the September quarter (\$945.09). This was \$39.26 below the New Zealand average (\$986.96).

Hours worked fell slightly over the quarter, from 32.47 hours per week in Canterbury in the September 2016 quarter to an average of 32.24 in the December 2016 quarter. This is nearly an hour less than the New Zealand average (33.12 hours).

Source: [Statistics New Zealand](#)

JOBS ONLINE

The seasonally adjusted jobs online index was 191.4 in Canterbury in December 2016 (May 2007 = 100). This is a small increase from December and is significantly above (2011) pre-earthquake levels.

The main contributors to the slight increase in vacancies across the country were labourers and the construction and engineering industry.

Source: [MBIE Jobs Online](#)

MIGRATION

In January 2017, Christchurch had 1,199 permanent and long term (PLT) arrivals and 436 departures, resulting in a net gain of 763 people. This has resulted in a net increase of 5,767 people in the last 12 months.

Canterbury had a net increase of 897 people in January. In the last 12 months Canterbury has gained a net 6,907 people, 9.7% 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 January. Index values above 50 indicates expansion and Canterbury/Westland's latest figure was 56.6. 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 retracted slightly again in January, with a figure of 48.6. This is an index value where lying above 50 indicates expansion, and below 50 contraction. This follows a small retraction in December 2016 after a long period of expansion.

Source: [BNZ-BusinessNZ](#)

REAL ESTATE PRICES AND SALES

The median house price for Christchurch was \$459,000 in February 2017, up by \$16,500 from January 2017. Annual average price growth has been 3.0% over the past 12 months. The number of houses sold in Christchurch compared to February 2016 fell by 17.8% to 530.

The Canterbury/Westland median sale price increased by \$7,000 to \$425,000 in February 2017, with annual average price growth of 2.5%.

The New Zealand median price was \$495,000 in February 2017, with annual average price growth of 9.0% and average annual volume growth of -2.6%.

Source: [REINZ Residential Market News](#)

RESIDENTIAL RENTS

Rents (mean rents based on bonds lodged) in Christchurch increased to \$392 in February, up from \$379 in January 2017. This was down 5.8% compared to February 2016. Rents across Canterbury are 4.5% lower than in February 2016. 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 \$432, up from \$421 the previous month, and up 3.8% 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 may be unchanged from the previous report.*

Christchurch and Canterbury indicators continue to show that the economy is in a transitional phase.

Commodity prices have seen an increase, including dairy prices. However, a higher New Zealand dollar will offset some of these benefits once export receipts are changed into New Zealand dollars.

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, with a small increase in both jobs online and earnings.

The services sector continues with its strong performance. The manufacturing sector, however, has seen a small retraction for the second month in a row after a long period of expansion.

Housing pressures have eased somewhat in the city with residential rents lower than a year ago and house prices increases behind national growth levels.

As the rebuild is no longer in expansion mode, it is no longer pushing economic growth, and underlying sectors continue to drive the economy

Feedback and suggestions:
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