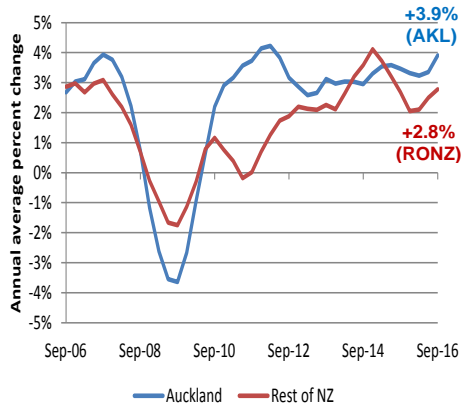


Auckland Economic Update – March 2017

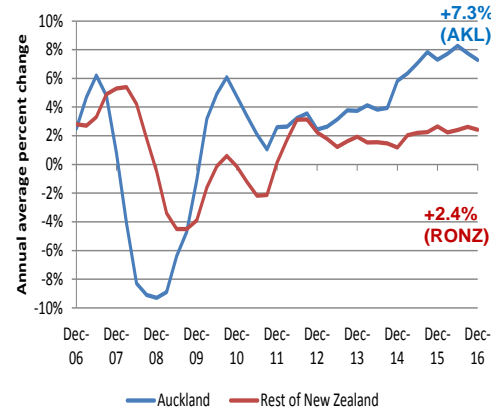
Data is the latest available as at the start of the month and is for the Auckland region unless otherwise stated



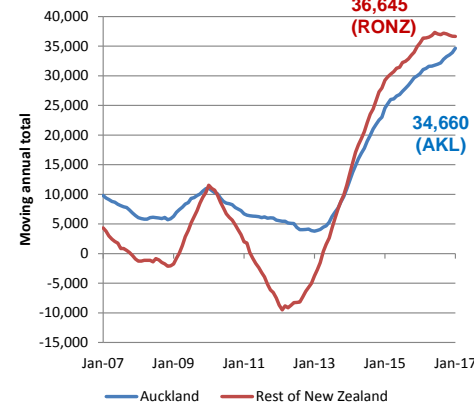
Real GDP Growth¹



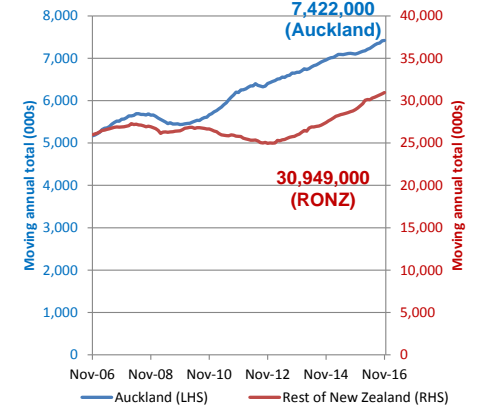
Real retail sales growth



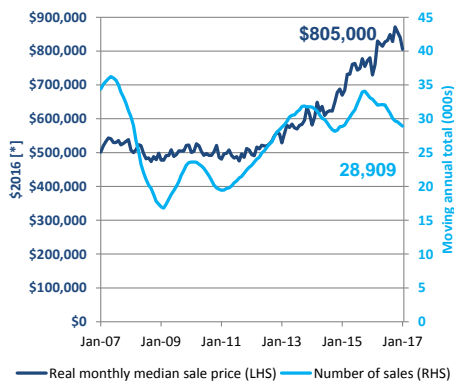
Net migration



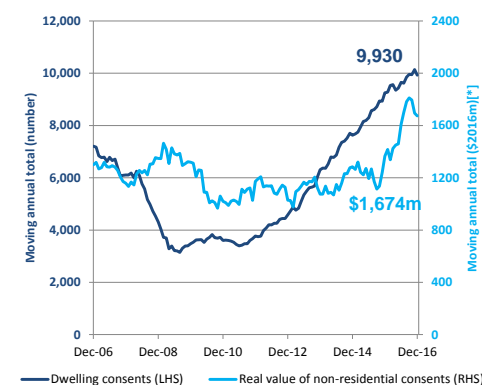
Tourism – Guest nights



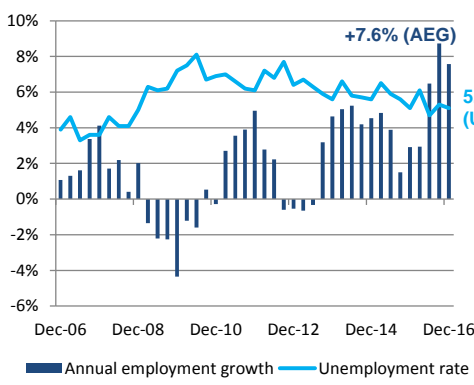
House sales and prices²



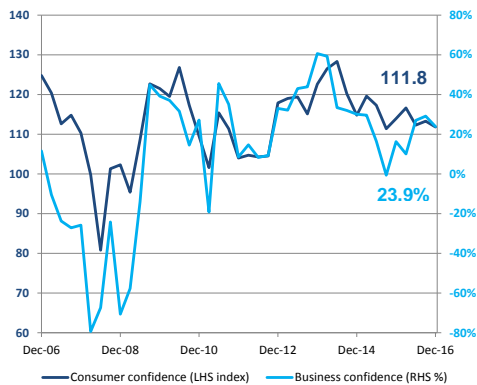
New building consents



Employment and unemployment [**]



Confidence indicators^{3, 4}



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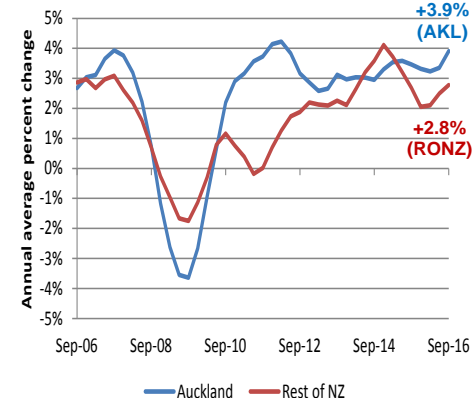
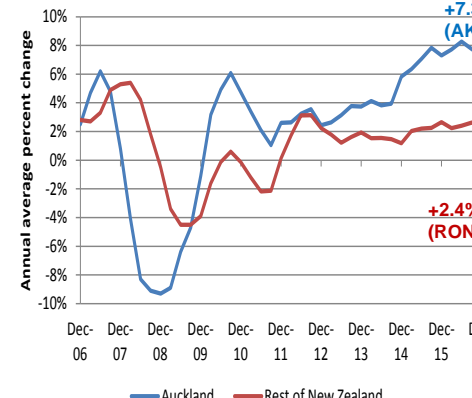
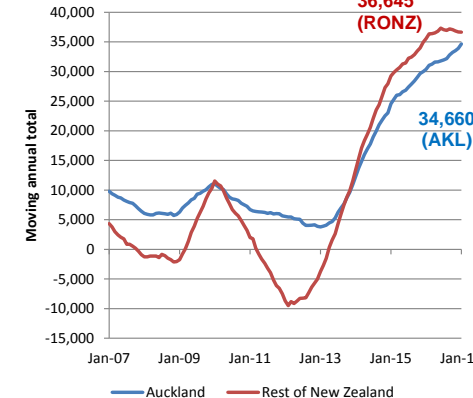
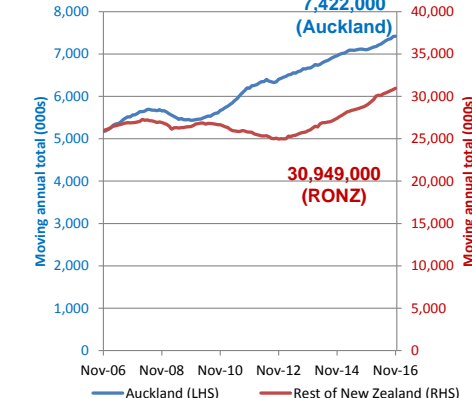
Sources:

All data is from Statistics New Zealand unless otherwise stated below:

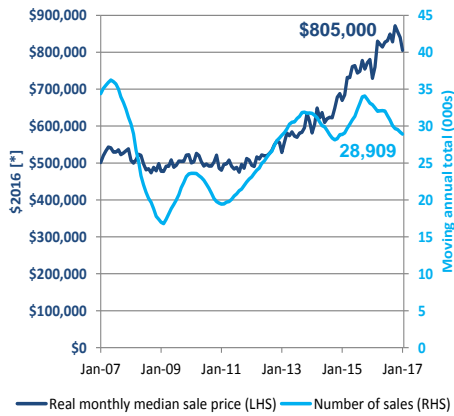
- (1) Infometrics, Quarterly Economic Monitor. Recent GDP estimates are subject to revisions.
- (2) Real Estate Institute of New Zealand.
- (3) Westpac McDermott Miller. Values over 100 indicate more optimists than pessimists.
- (4) New Zealand Institute of Economic Research, Quarterly Survey of Business Opinion. Measures the net percentage of firms that believe the general business situation will improve in the next six months.

[*] All historical \$ converted to latest quarter equivalent \$ using quarterly price index, so may differ from previous updates.

[**] Historical HLFS data to March 2016 rebased August 2016 by SNZ, but not fully compatible with June 2016 onwards.

<h3>Real GDP Growth¹</h3> 	<h3>Real retail sales growth</h3> 	<h3>Net migration</h3> 	<h3>Tourism – Guest nights</h3> 
<p>In Auckland, real GDP for the year ended September 2016 was 3.9% higher than for the year ended September 2015; in the rest of New Zealand, the annual growth was 2.8%.</p> <p>Real GDP refers to GDP in constant 2010 dollars, to remove inflation.</p> <p>[NOTE: Latest and historical real GDP figures are modelled estimates, and subject to revision by the supplier.]</p> <p>Source: Infometrics, Quarterly Economic Monitor (quarterly).</p>	<p>In Auckland, real retail sales for the year ended December 2016 were 7.3% higher than for the year ended December 2015; in the rest of New Zealand, the annual growth was 2.4%.</p> <p>Real retail sales have been calculated by converting previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI), to remove inflation.</p> <p>Source: Statistics NZ, Retail Sales (quarterly); Statistics NZ, CPI (quarterly); Auckland Council, calculations.</p>	<p>In Auckland, net migration for the year ended January 2017 was 34,660; in the rest of New Zealand, the figure was 36,645.</p> <p>Net migration is arrivals minus departures, and here refers to international migration only (not between regions within New Zealand), and by permanent and long-term (PLT) migrants only (people arriving or departing for 12 months or more). This data includes returning New Zealand citizens who have been away for more than 12 months. "Rest of NZ" here includes "NZ region not specified", which is a relatively large component; some of these will be migrating to/from Auckland, but have not here been included in the Auckland figures.</p> <p>Source: Statistics NZ, International Travel And Migration Data (monthly).</p>	<p>In Auckland, tourism guest nights for the year ended November 2016 totalled 7,422,000; in the rest of New Zealand, the figure was 30,949,000.</p> <p>[NOTE: The Auckland (left) axis is a different scale to the Rest of NZ (right) axis]</p> <p>Tourism guest nights here refers to both international and domestic tourists, but only when staying in short-term commercial accommodation covered by the Statistics NZ survey, such as hotels, motels, backpacker hostels, or holiday parks. It excludes private homes or parts thereof rented out typically via third party websites.</p> <p>Source: Statistics NZ, Accommodation Survey (monthly).</p>

House sales and prices ²

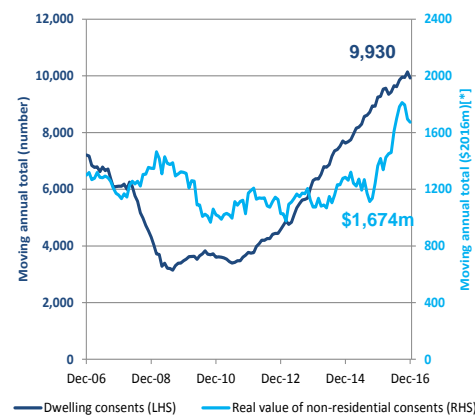


In Auckland, the total number of houses sold in the year ended January 2017 was 28,909. The median (not average) sale price of houses sold in Auckland in the month (not year) of January 2017 was \$805,000.

Auckland region here includes Thames-Coromandel, which is 4% of the region's house sales. The data here covers only "houses" that actually sold during the period. "Houses" here includes all dwelling types (eg apartments and flats), not just free-standing houses, but excludes sales of undeveloped land. "Price" here is actual sale price (not just listed). Prior months' "real" prices are here calculated by inflating previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI).

Source: Real Estate Institute of New Zealand (REINZ), Housing Facts (monthly – by subscription); Statistics NZ, CPI (quarterly); Auckland Council, calculations.

New building consents

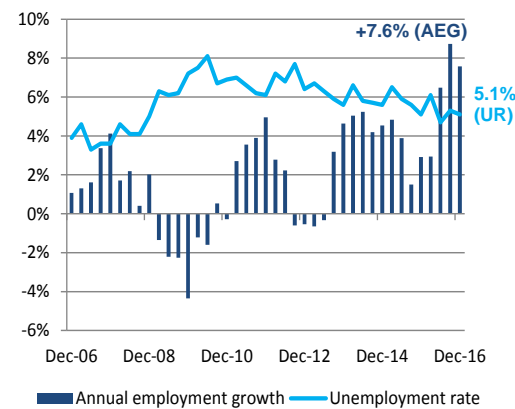


In Auckland, the total number of new dwellings consented in the year ended December 2016 was 9,930. The real value of new non-residential buildings consented in Auckland in the year ended December 2016 was \$1,674 million.

Projects consented are not necessarily commenced or completed. Consents here are for new projects only, (excludes alterations and additions), and the data takes no account of whether a previous building had been demolished there. Prior months' "real" values are here calculated by inflating previous quarters' dollars to the latest quarter's equivalent dollars using the capital goods price index (CGPI) for non-residential buildings.

Source: Statistics NZ, Building Consents (monthly); Statistics NZ, CGPI (quarterly); Auckland Council, calculations.

Employment and unemployment [**]

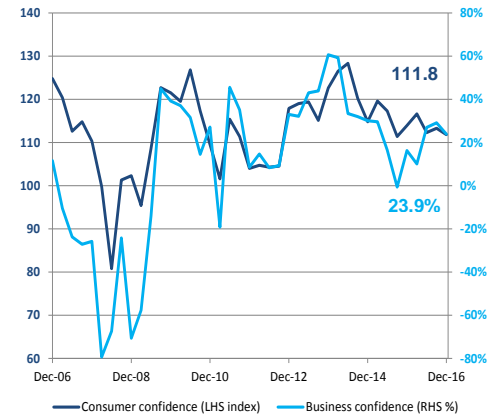


In Auckland, the number of people employed in the quarter (not year) ended December 2016 was 7.6% higher than in the December 2015 quarter. The unemployment rate in Auckland in the quarter (not year) ended December 2016 was 5.1%.

Both datasets are from a survey (HLFS) so are subject to error margins. Respondents define their own employment status. The survey covers all people aged 15+, so includes school pupils 15+ and people over 65, who might have - or be actively seeking - a job. Historical HLFS data to March 2016 was rebased in August 2016 by Statistics NZ, but is still not fully compatible with data from June 2016 onwards.

Source: Statistics NZ, Household Labour Force Survey (HLFS) (quarterly).

Confidence indicators ^{3,4}



In Auckland, the Westpac McDermott Miller Consumer Confidence Index (CCI) for the December 2016 quarter (not year) was 111.8. The NZIER QSBO in Auckland for the December 2016 quarter (not year) showed a net 23.9% of businesses expecting an improvement of the general business situation over the next three months.

For the CCI, a score of greater than 100 shows more optimism than pessimism. The QSBO calculates a net figure as (% of businesses expecting an improvement) minus (% expecting a worsening). QSBO data used here is not the seasonally adjusted version.

Source: Westpac McDermott Miller, Regional Consumer Confidence Index (CCI) (quarterly – published, but proprietary); New Zealand Institute of Economic Research (NZIER), Quarterly Survey of Business Opinion (QSBO) (quarterly – by subscription).