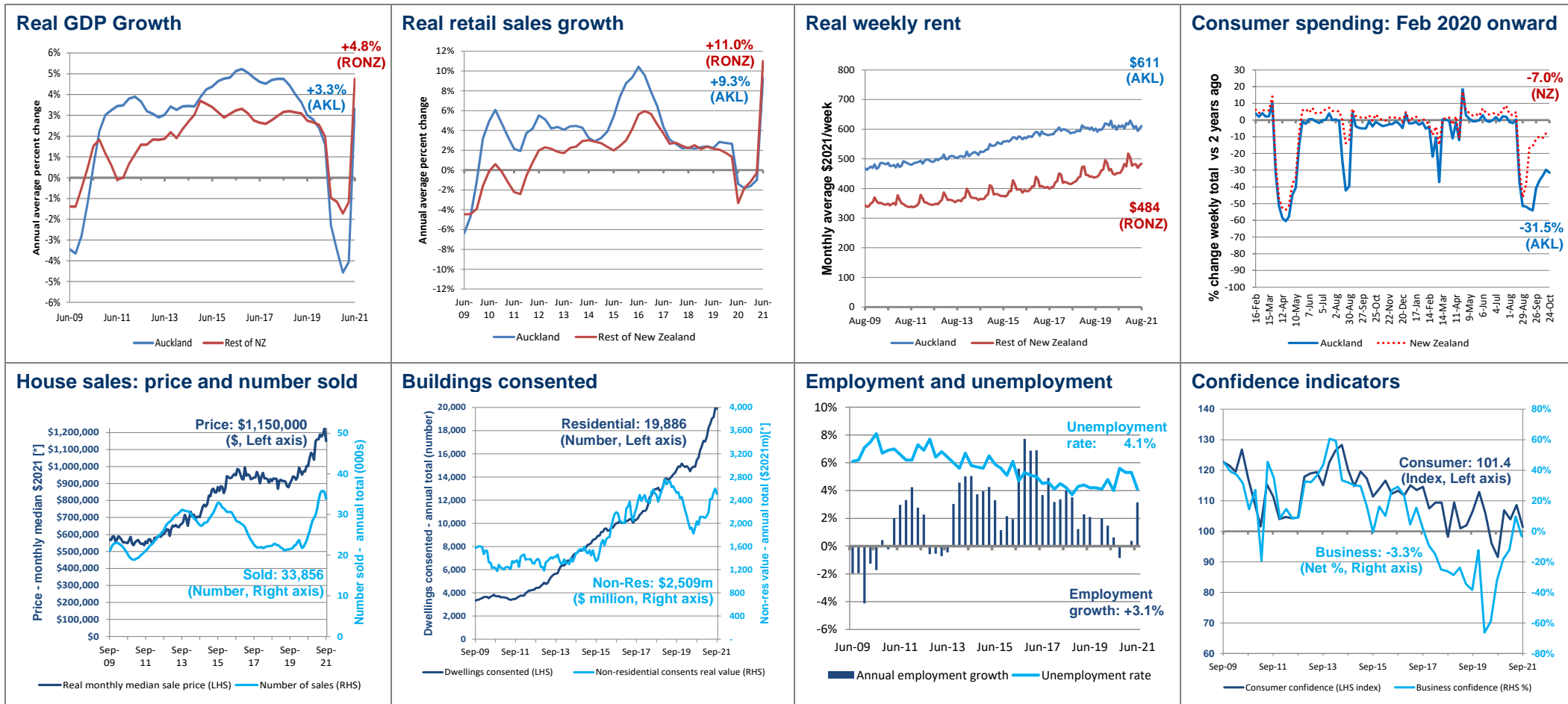


# Auckland Economic Update – November 2021

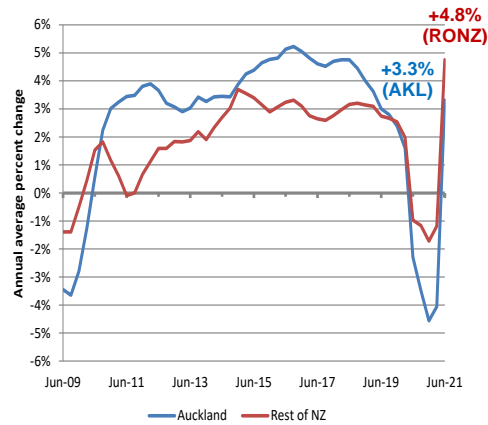


Note: Data is the latest available as at the start of the month, and for the Auckland region, unless otherwise stated. This is a summary page only. All data sources and technical notes are provided on the next two pages.

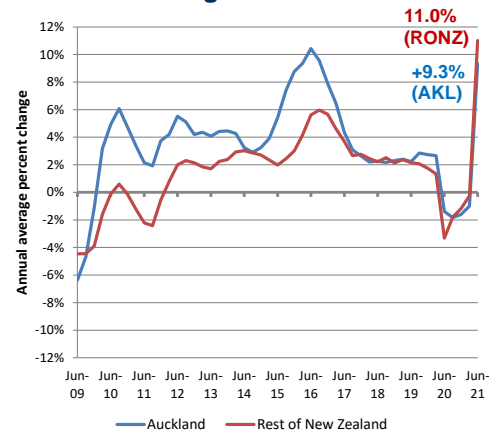
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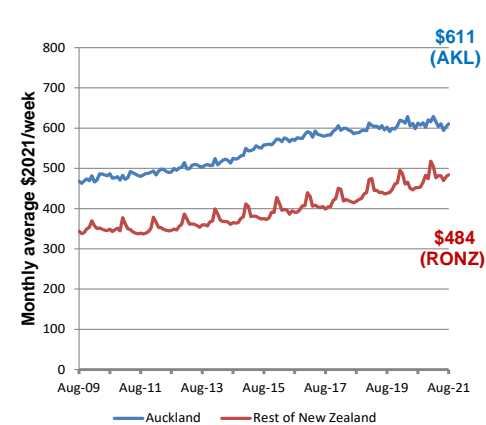
### Real GDP growth



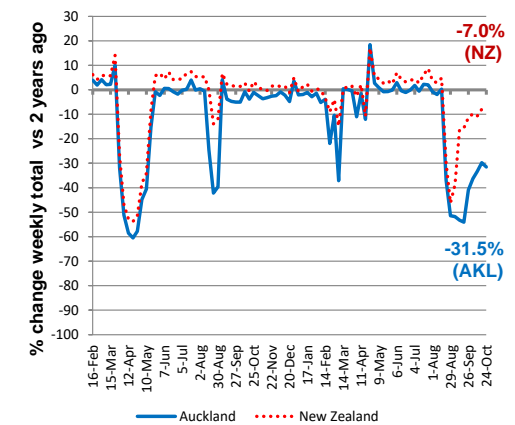
### Real retail sales growth



### Real weekly rent



### Consumer spending: Feb 2020 onward



Auckland's real Gross Domestic Product (GDP) for the year ended June 2021 was 3.3% **higher** than for the year ended June 2020; in the rest of New Zealand, the annual change was a 4.8% **rise** (see note).

Note that there were Covid lockdowns affecting both the 2021 and 2020 years being compared.

Real retail sales\* for the year ended June 2021 were 9.3% **higher** than for the year ended June 2020; in the rest of New Zealand, the annual change was an 11.0% **rise**.

Note that there were Covid lockdowns affecting both the 2021 and 2020 years being compared.

The average (not median or geometric mean) real weekly rent\* for the month (not year) of August 2021 was \$611 (0.6% higher than August 2020); in the rest of New Zealand, the figure was \$484 (and 6.7% higher than August 2020).

In Auckland, consumer spending using Paymark EFTPOS for the week ended 24 October 2021 was 31.5% **lower** than two years prior (not one year prior, when Covid 19 was already affecting spending). The equivalent figure for New Zealand (including Auckland) was a **fall** of 7.0%.

Note: Covid-19 lockdown level 3 began on 23<sup>rd</sup> March 2020.

Latest and historical real GDP figures are modelled estimates, and subject to revision.

Real GDP refers to GDP in constant 2019 dollars, to remove inflation.

Source: Infometrics, *Regional Economic Profile/Quarterly Economic Monitor*.

Note: These figures exclude non-retail activity captured elsewhere in the retail sales survey.

\* 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.

Source: Stats NZ, *Retail Sales (quarterly)*; Stats NZ, *CPI (quarterly)*; Auckland Council (RIMU), *calculations*.

Note: Rent is for new rental bonds lodged each month with Ministry of Business, Innovation and Employment, for housing tenancies with private sector landlords (so excludes state housing).

Data covers only new bonds, so excludes existing leases from earlier periods whose rent has not changed, or has changed but with no revision to the bond. It also excludes new leases where no bond is lodged. Data is subject to minor revisions.

\* Real rents 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.

Source: Ministry of Business, Innovation and Employment, *Regional Rental Prices (monthly)*; Stats NZ, *CPI (quarterly)*; Auckland Council (RIMU), *calculations*.

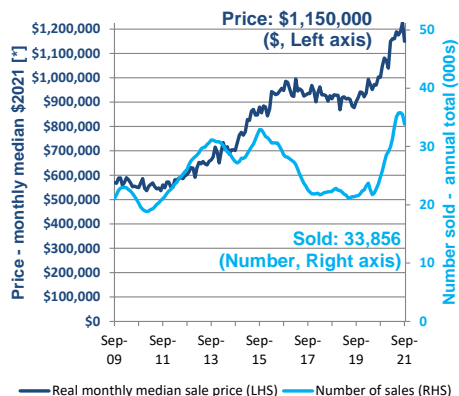
Note: Consumer spending here refers to both residents and domestic and international visitors, but only when purchasing at merchants using Paymark EFTPOS systems. It covers more than 70% of the EFTPOS transactions around the country. (This 70% is not evenly distributed across regions in New Zealand)

It excludes direct online purchases, cash purchases and payments via alternative payment networks, such as Verifone (which processes some major businesses such as Countdown).

These figures are from nominal dollars not "real", so include the effects of inflation.

Source: Marketview-Paymark, cited in Ministry of Business, Innovation and Employment, *COVID19 Response – card spend - regional*.

### House sales: price and number sold



The median (not average) sale price of houses sold in Auckland in the month of September 2021 was \$1,150,000 (“only” 15% higher than a year prior, after removing inflation effects).

The total number of houses sold in Auckland in the year ended September 2021 was 33,856 (and the month of September 2021 was the lowest September since the crash of 2008).

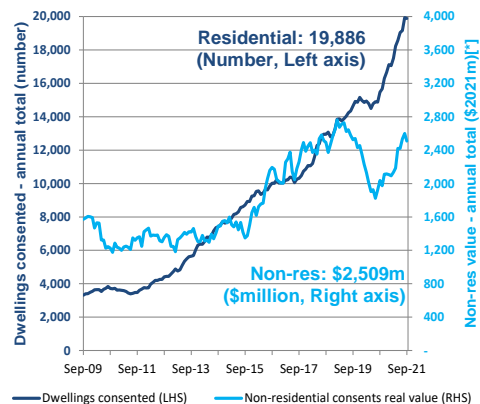
Notes: The data for ‘houses’ covers actual sales during the period. ‘Houses’ includes all dwelling types (eg apartments and flats), not just free-standing houses, but excludes sales of undeveloped land. ‘Price’ is real actual sale price\* (not just listed).

REINZ revises data each month for prices and numbers sold.

\* ‘Real’ prices for previous months are 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), Monthly Property Report (monthly – from website); Stats NZ, CPI (quarterly); Auckland Council (RIMU), calculations.

### Buildings consented



The total number of new dwellings consented in Auckland in the year ended September 2021 was 19,886 (the second highest since before 1993; previous peak was 12,987 in year ended June 2004).

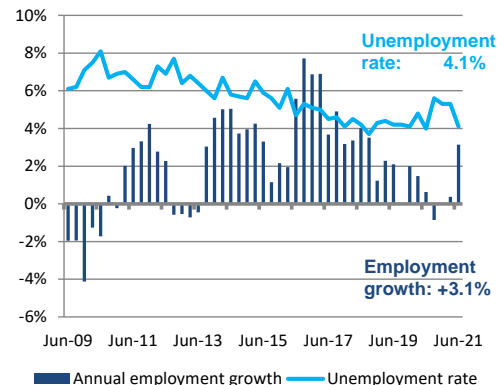
The real value\* of new non-residential buildings consented in Auckland in the year ended September 2021 was \$2,509 million (year ended September 2020 was \$2,037m).

Note: Projects consented are not necessarily commenced or completed. “New” refers to new buildings (i.e. excludes alterations and additions). Residential number is new dwellings consented, which will exceed new residential buildings as some buildings have multiple dwellings; similarly, it will differ from new residential building consents issued, as some consents are for multiple buildings.

\* ‘Real’ values for previous months have been 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: Stats NZ, Building Consents (monthly); Stats NZ, CGPI (quarterly); Auckland Council (RIMU), calculations.

### Employment and unemployment



The number of people employed in Auckland in the quarter (not year) ended June 2021 was 3.1% **higher** than the June 2020 quarter.

The unemployment rate in Auckland in the quarter ended June 2021 was 4.1% (June 2020 rate was 4.0%).

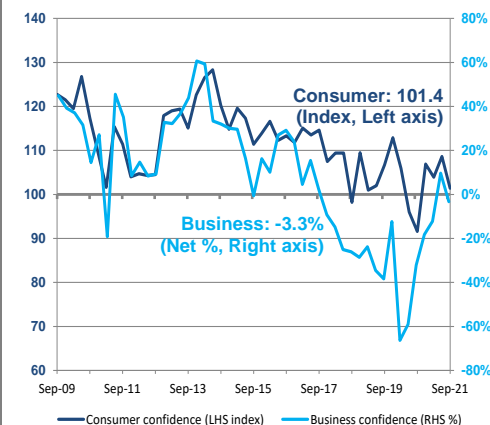
Note: Covid-19 lockdown level 3 began on 23 March 2020, plus wage subsidies, which both affect official unemployment.

Historical data for 2013 to 2020 was re-based by Stats NZ in October 2020 to match latest revisions of historic population estimates.

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 or might not have - or be actively seeking - a job.

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

### Confidence indicators



In Auckland, the Westpac McDermott Miller Consumer Confidence Index (CCI) for the September 2021 quarter was 101.4 (June 2021 was 108.6).

The NZIER QSBO in Auckland for the September 2021 quarter showed a net 3.3% of businesses expecting a **worsening** in the general business situation over the next three months (June 2021: net 9.7% **improving**).

Note: Left axis is for CCI (consumers: index). For the CCI, a score of greater than 100 shows more optimism than pessimism.

Right axis is for QSBO (businesses: net %). 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).