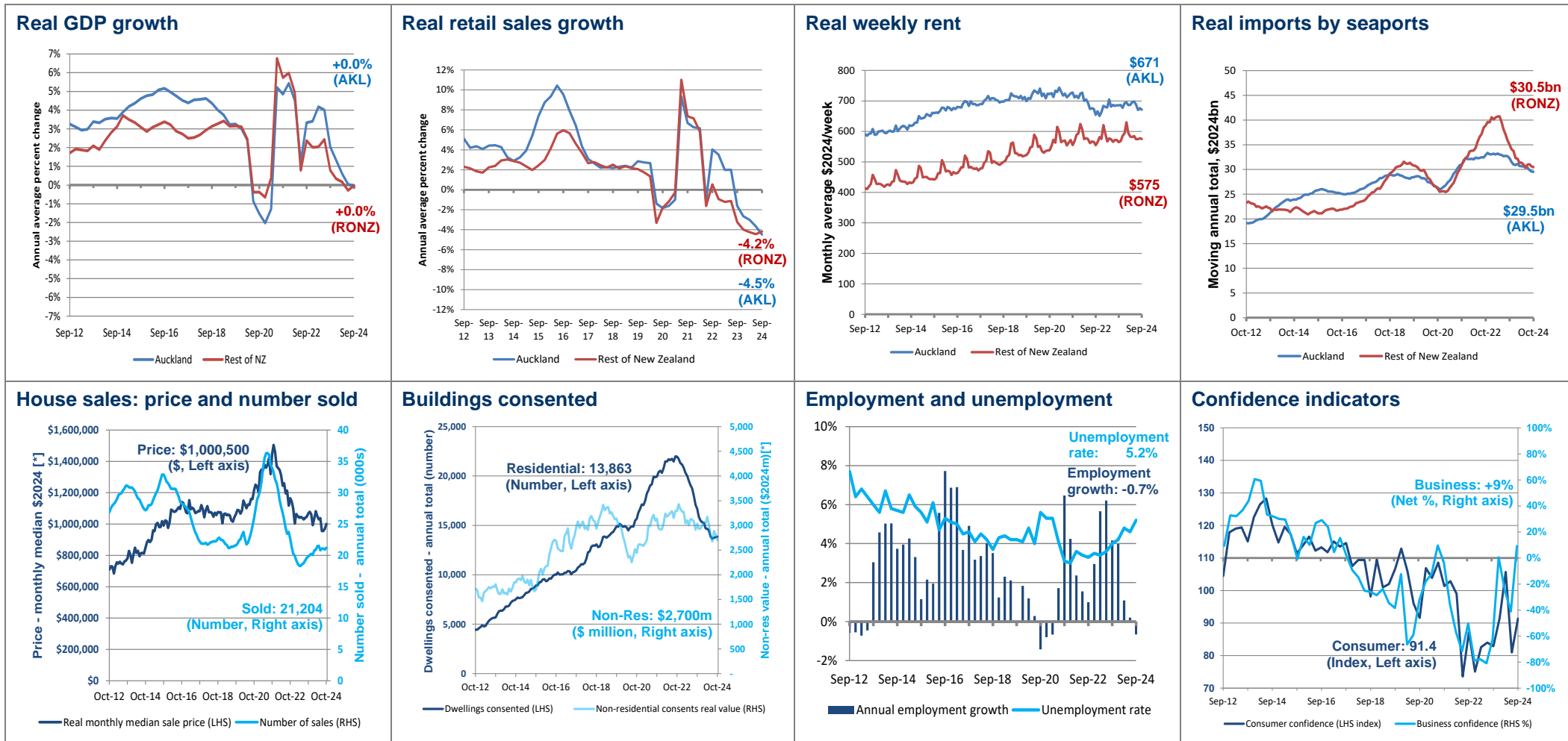


Auckland Economic Update – December 2024

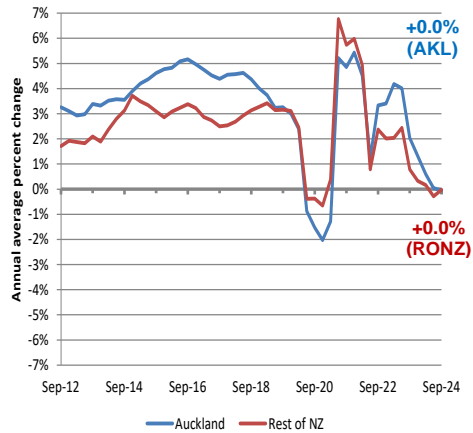


Note: Data is the latest available as at the start of the month, and is for the Auckland region, unless otherwise stated. This is a summary page only. All data sources and technical notes are provided on the next two pages.

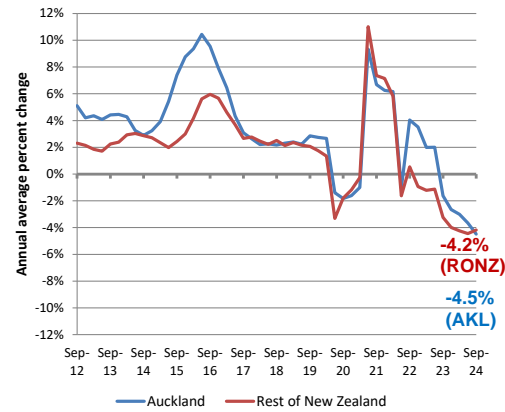
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All enquiries please contact the author Ross Wilson, Economic Analyst, Strategic Advice and Research Unit: Ross.wilson@aucklandcouncil.govt.nz

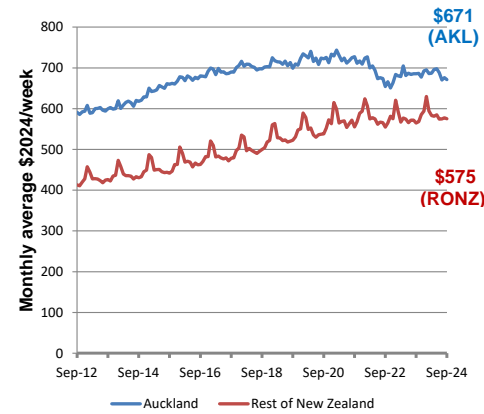
Real GDP growth



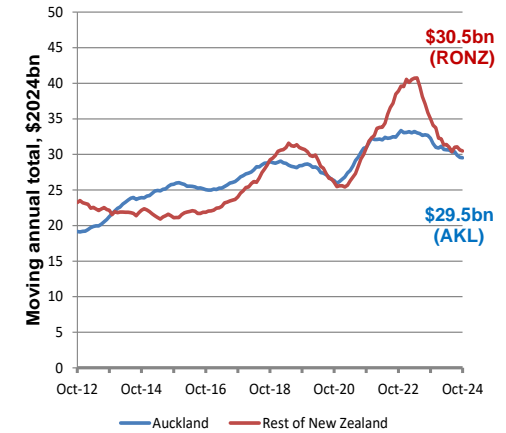
Real retail sales growth



Real weekly rent



Real imports by seaports



Auckland's real* Gross Domestic Product (GDP) for the **year** ended September 2024 was the **same** as for the year ended September 2023; in the rest of New Zealand, the annual change was also **no change** (see notes). Both growth rates were **below** most periods since 2010, and **falling** since mid-2023, and **lower** than recent population growth, but still **above** the Covid trough of 2020 (and **above** the GFC trough of 2009).

Real* retail sales for the **year** ended September 2024 were 4.5% **lower** than for the year ended September 2023; in the rest of New Zealand, the annual change was a 4.2% **fall**. Both growth rates were **the worst** (or near-worst) since 2009 (just after the Global Financial Crisis), even including the 2020 Covid lockdowns. Both growth rates have been **falling** since late 2022, although rest of New Zealand rate of fall has flattened in 2024.

The average (not median or geometric mean) real* weekly rent for the **month** (not year) of September 2024 was \$671 (2% **lower** than a year ago; **below** most of the last eight years). For the rest of New Zealand, the figure was \$575 (2% **higher** than a year ago, following over three years of **minimal growth**, but with strong seasonal variation). "Real rent" changes are relative to CPI inflation, so a **similar** "real" level means rents rose at a similar rate to inflation.

The real* value of imports by Auckland seaports for the **year** ended October 2024 was \$29.5 billion, which was 8% **lower** than the year ended October 2023, but 4% **higher** than 5 years ago. For the rest of New Zealand, the figure was \$30.5 billion (13% **lower** than a year ago, and 1% **lower** than 5 years ago). Auckland's robust post-Covid growth slipped after 2021; the rest of New Zealand kept rising then fell sharply, back to near Auckland's level now.

* Real GDP refers to GDP in constant 2022 dollars, to remove inflation.

Lockdowns due to Covid-19 affect results for 2020 onwards. Covid-19 lockdown level 3 began on 23 March 2020.

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

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

* 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.

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

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

* 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.

Note: Dwelling size and quality may vary over time. 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.

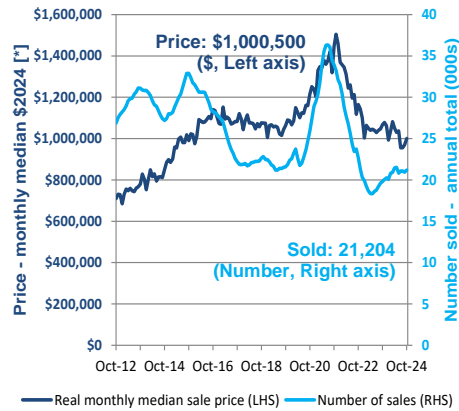
Source: Ministry of Business, Innovation and Employment, Regional Rental Prices (monthly); Stats NZ, CPI (quarterly); Auckland Council calculations.

* Real import values have been calculated by converting previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI) for tradables, to remove inflation

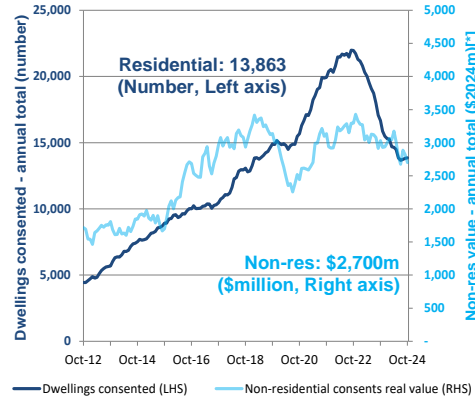
Note: Import values are cost including freight (CIF). Auckland seaports consist of Port of Auckland on the Waitemata Harbour near the CBD, and Port of Onehunga on the Manukau Harbour (domestic only, no imports); both are owned by Ports of Auckland Limited (POAL).

Source: Stats NZ, Overseas Cargo Statistics-imports-value \$ CIF (monthly); Stats NZ, CPI Tradables (quarterly); Auckland Council calculations.

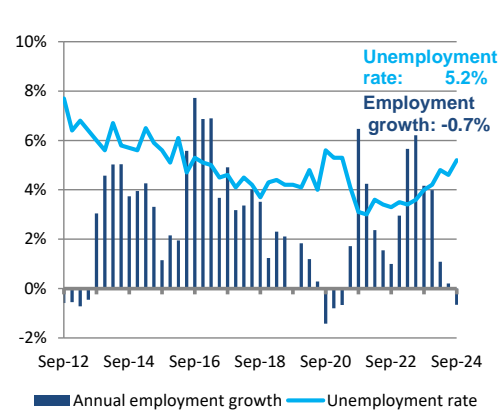
House sales: price and number sold



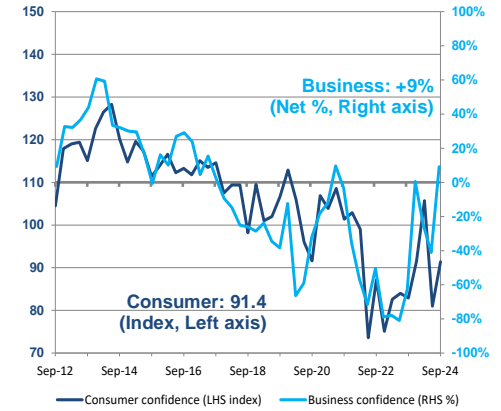
Buildings consented



Employment and unemployment



Confidence indicators



The median (not average) sale price of houses sold in Auckland in the **month** of October 2024 was \$1,000,500 (**similar** to nine years ago (2015) in real* dollars; 6% **lower** than a year ago; **similar** to the last two months; 34% **below** the 2021 peak).

The total number of houses sold in Auckland in the **year** ended October 2024 was 21,204 (**similar** to the last eleven months; 16% **above** May 2023's trough; 42% **below** July 2021 peak; **below** all of 2012-2022).

The total number of new dwellings consented in Auckland in the **year** ended October 2024 was 13,863 (37% **lower** than the September 2022 peak; 0.3% **higher** than for September 2024, and the third consecutive **rise** since the July 2024 trough; **similar** to five years ago).

The real* value of new non-residential buildings consented in Auckland in the **year** ended October 2024 was \$2,700 million (11% **below** a year earlier; **below** nearly all of the last three years, and 21% **below** the November 2022 peak, but 20% **above** the 2020 trough).

The number of people employed in Auckland in the **quarter** (not year) ended September 2024 was 0.7% **lower** than in September 2023 quarter, with higher unemployment and lower labour force participation rate offsetting population growth.

The unemployment rate in Auckland in the **quarter** ended September 2024 was 5.2%, the **highest** quarter since March 2021, and **above** most of 2017 to 2024, but still **lower** than 2009 to 2015 and late 2020.

In Auckland, the Westpac McDermott Miller Consumer Confidence Index (CCI) for the September 2024 **quarter** was 91.4: **between** post-2020 extremes, **below** 2009 to 2021.

The NZIER QSBO in Auckland for the September 2024 **quarter** showed a net 9% of businesses expecting the general business situation to **improve** over the next three months – the **highest**-equal quarter (and one of only two positives) since 2017, but **below** most of 2012 -2017 (all positives except one).

* '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).

Notes: The data for 'houses' covers actual sales during the period. Size and quality may vary over time. '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 recent data each month for numbers sold (usually slightly upwards) and prices.

Source: Real Estate Institute of New Zealand (REINZ), Monthly Property Report (monthly – from website); Stats NZ, CPI (quarterly); Auckland Council calculations.

* '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

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.

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

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

Employment data is rebased by Stats NZ each quarter 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).

Note: Left axis is for CCI (consumers: index). For the CCI, a score of greater than 100 shows more optimism than pessimism. Re-scaled 18/9/2024.

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).

