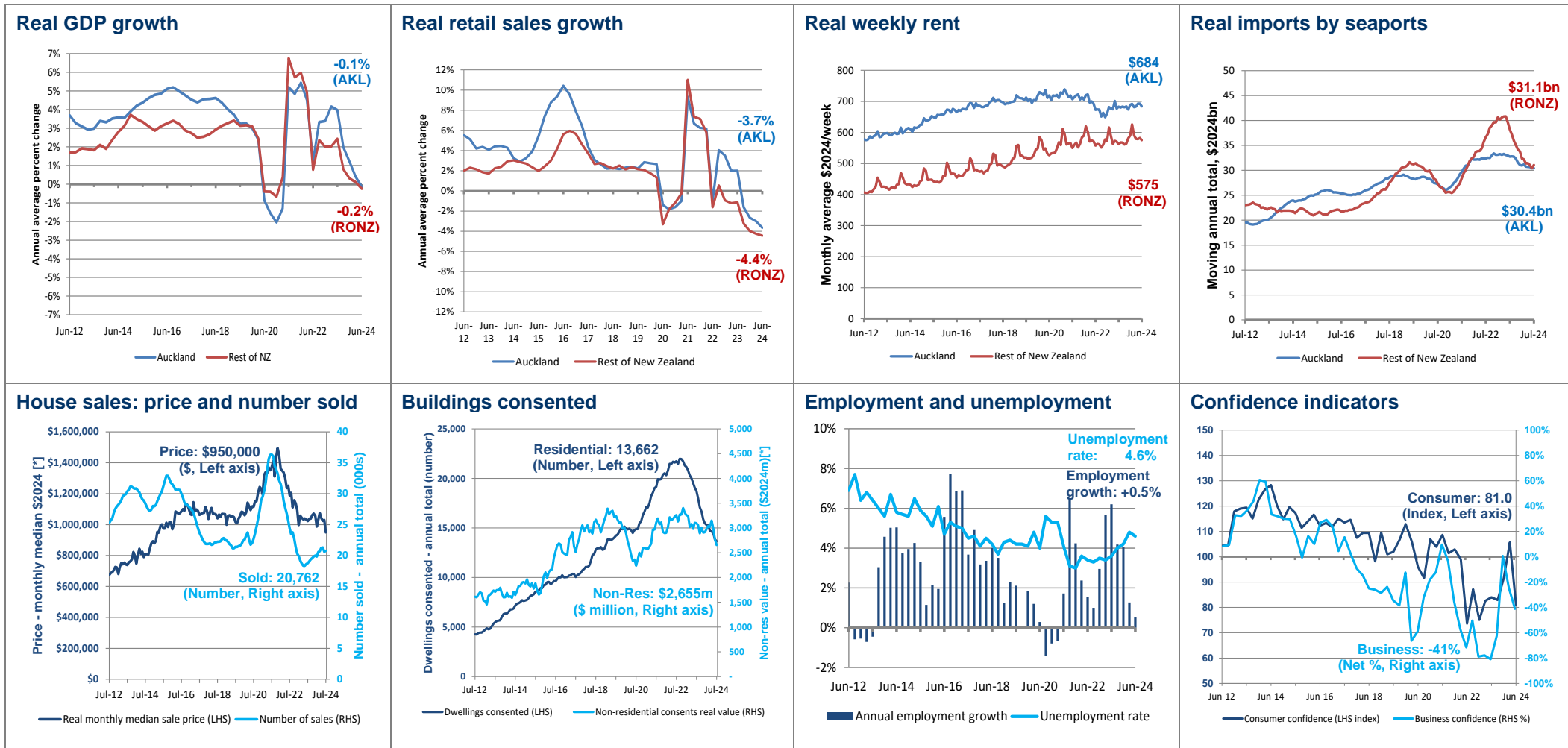


Auckland Economic Update – September 2024

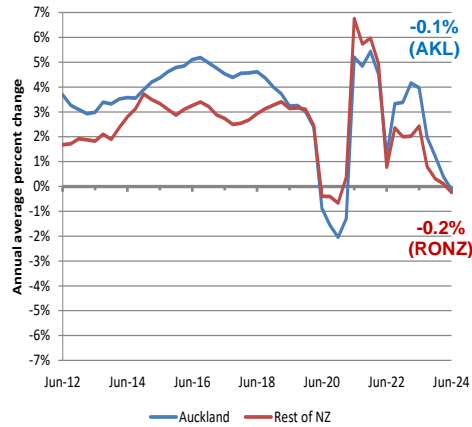


Note: Data is the latest available as at the start of the month, and is for the Auckland region, unless otherwise stated. This is a summary page only. All data sources and technical notes are provided on the next two pages.

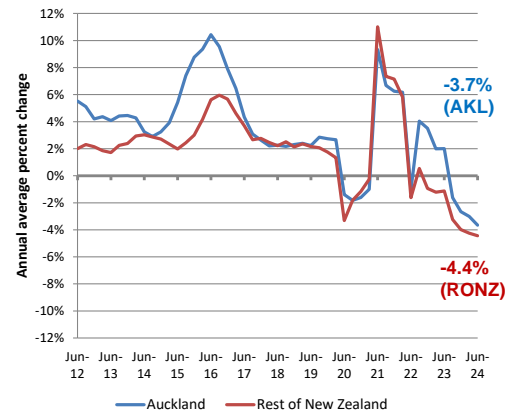
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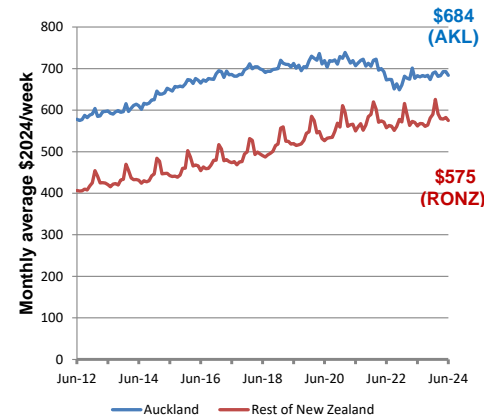
Real GDP growth



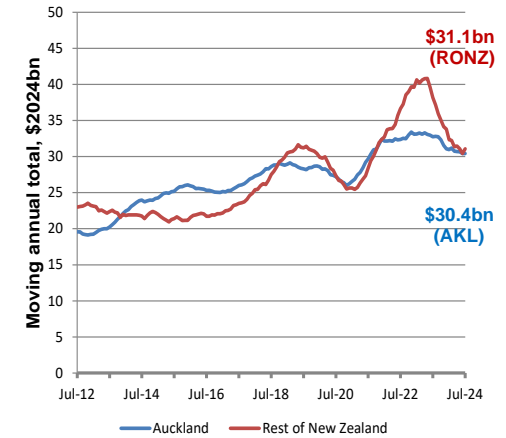
Real retail sales growth



Real weekly rent



Real imports by seaports



Auckland's real* Gross Domestic Product (GDP) for the **year** ended June 2024 was 0.1% **lower** than for the year ended June 2023; in the rest of New Zealand, the annual change was a 0.2% **fall** (see notes). Both growth rates were **below** most periods since 2010 and 2011 respectively, 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 June 2024 were 3.7% **lower** than for the year ended June 2023; in the rest of New Zealand, the annual change was a 4.4% **fall**. Both growth rates were **the worst** since 2009 (just after the Global Financial Crisis), even including the 2020 Covid lockdowns. Both growth rates have been **falling** since late 2022, and increasingly **negative** since late 2023 and late 2022 respectively.

The average (not median or geometric mean) real* weekly rent for the **month** (not year) of June 2024 was \$684 (the **same** as a year ago; **similar/below** 2017 to mid-2022). For the rest of New Zealand, the figure was \$575 (2.4% **above** June 2023, following three years of **minimal growth**, after January 2021). "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 July 2024 was \$30.4 billion, which was 7% **lower** than the year ended July 2023, but 8% **higher** than 5 years ago. For the rest of New Zealand, the figure was \$31.1 billion (19% **lower** than a year ago, and the **same** as 5 years ago). Auckland's robust post-Covid growth slipped after 2021; the rest of New Zealand kept rising then fell sharply, back to 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.

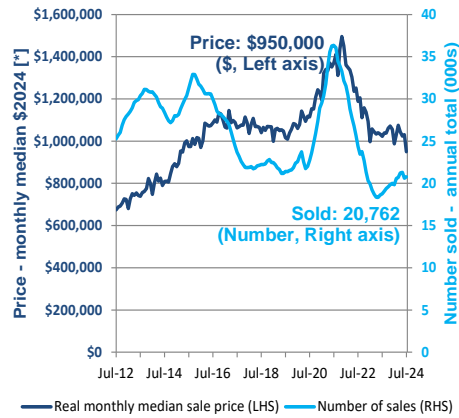
Source: Ministry of Business, Innovation and Employment, Regional Rental Prices (monthly); Stats NZ, CPI (quarterly); Auckland Council calculations.

* 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



The median (not average) sale price of houses sold in Auckland in the **month** of July 2024 was \$950,000 (2% **below** nine years ago (2015) in real* dollars, and 7% **lower** than a year ago; **slightly below** most of the last 18 months; 36% **below** the 2021 peak).

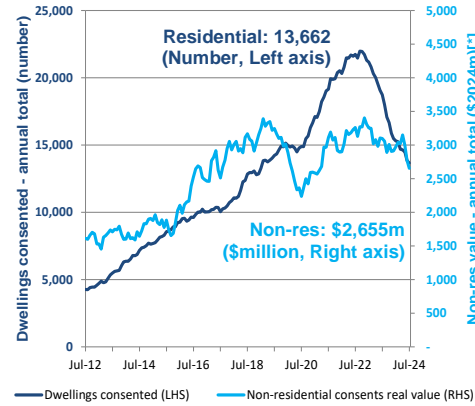
The total number of houses sold in Auckland in the **year** ended July 2024 was 20,762 (13% **above** May 2023's trough; 43% **below** July 2021 peak; **below** all of 2012-2022).

* '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.

Buildings consented



The total number of new dwellings consented in Auckland in the **year** ended July 2024 was 13,662 (38% **lower** than the September 2022 peak; **falling** continuously since then; **below** 2019 onwards; **higher** than all of pre-2019).

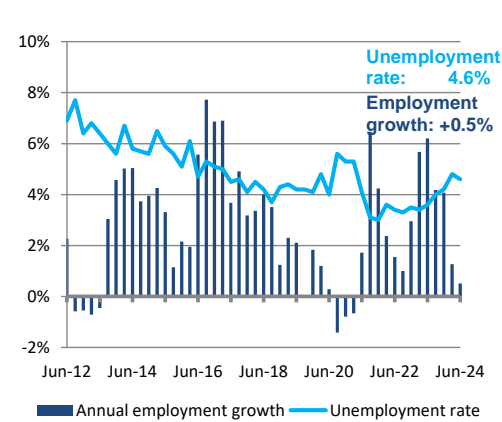
The real* value of new non-residential buildings consented in Auckland in the **year** ended July 2024 was \$2,655 million (**below** the last three years, and 22% **below** the November 2022 peak, but 19% **above** the 2020 trough).

* '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.

Employment and unemployment



The number of people employed in Auckland in the **quarter** (not year) ended June 2024 was 0.5% **higher** than in June 2023 quarter, with population growth offsetting lower labour force participation rate and higher unemployment.

The unemployment rate in Auckland in the **quarter** ended June 2024 was 4.6%, the second-**highest** quarter since March 2021, but still **lower** than 2009 to 2016 plus 2020, and **similar** or **slightly above** 2017 to 2019.

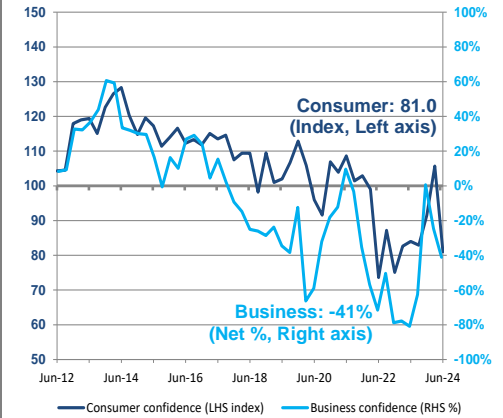
Note: Covid-19 lockdown level 3 began on 23 March 2020, plus wage subsidies, which both affect official unemployment.

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 June 2024 **quarter** was 81.0 – **similar** to mid 2022 to mid 2023, and **below** 2009 to 2021.

The NZIER QSBO in Auckland for the June 2024 **quarter** showed a net 41% of businesses expecting the general business situation to **worsen** over the next three months – **better** than 2022 and 2023, and early 2020, but **below** 2019 and earlier.

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).