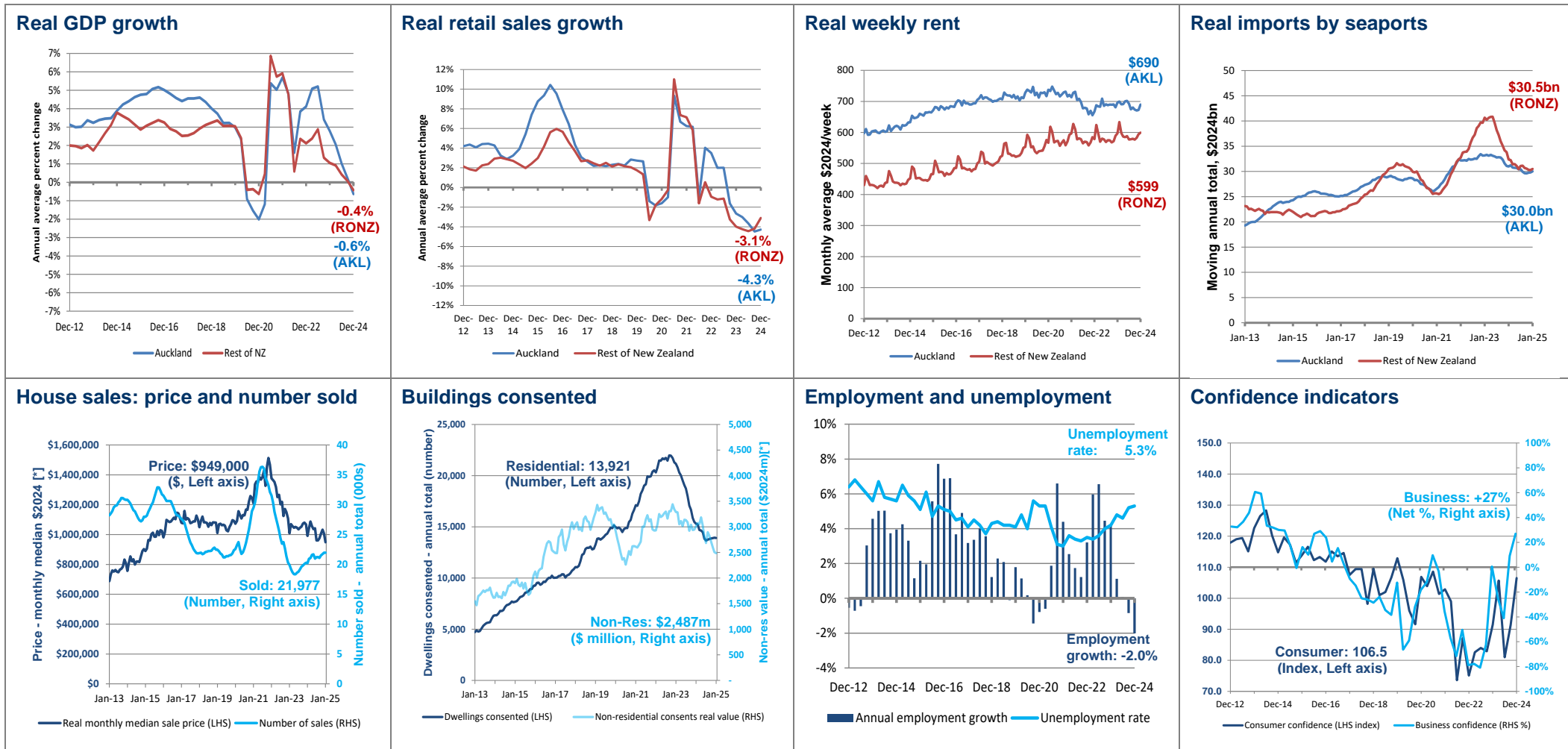


Auckland Economic Update – March 2025

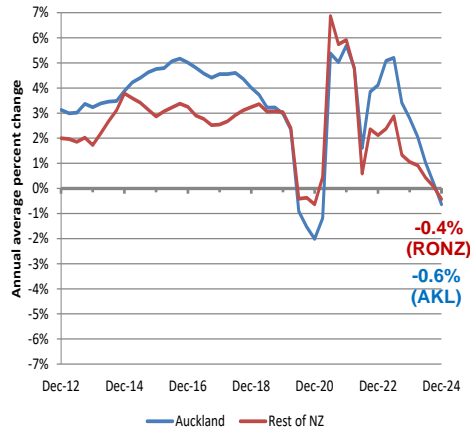


Note: Data is the latest available as at the start of the month, and is for the Auckland region, unless otherwise stated. This is a summary page only. All data sources and technical notes are provided on the next two pages.

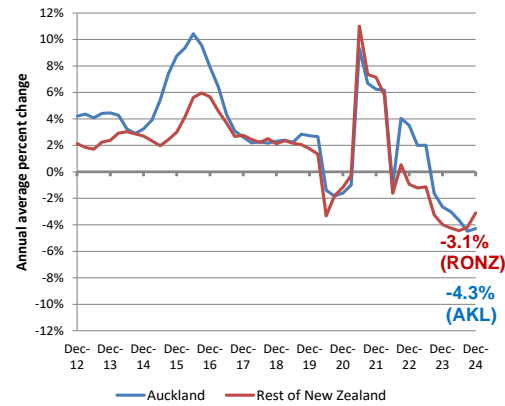
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All enquiries please contact the author Ross Wilson, Economic Analyst, Strategic Advice and Research Unit: Ross.wilson@aucklandcouncil.govt.nz

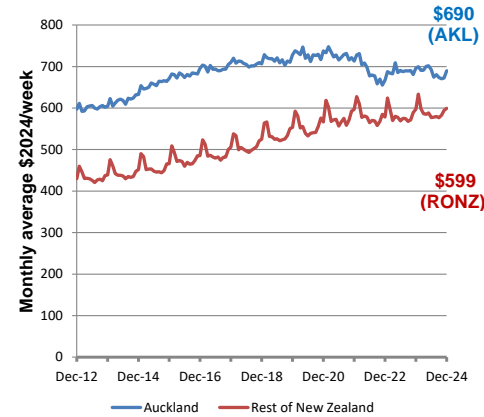
Real GDP growth



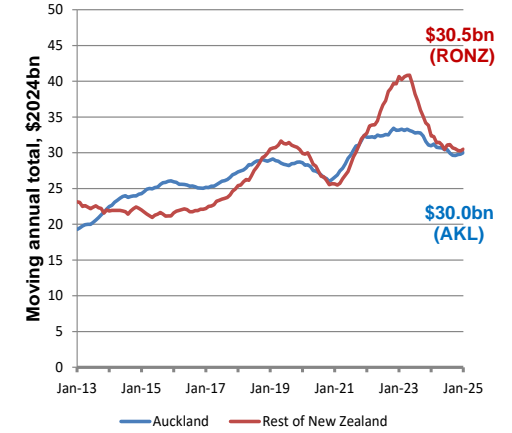
Real retail sales growth



Real weekly rent



Real imports by seaports



Auckland's real* Gross Domestic Product (GDP) for the year ended December 2024 was 0.6% lower than for the year ended December 2023; in the rest of New Zealand, the annual change was 0.4% fall (see notes). Both growth rates were: below most periods since 2010; falling since mid-2023; lower than recent population growth; nearly as low as the Covid-related trough of 2020; above the GFC-related trough of 2009.

Real* retail sales for the year ended December 2024 were 4.3% lower than for the year ended December 2023; in the rest of New Zealand, the annual change was a 3.1% fall. Both growth rates were among the lowest since 2009 (just after the Global Financial Crisis), even including the 2020 Covid lockdowns. Both growth rates have been falling since late 2022, although the rate for rest of New Zealand recovered slightly in late 2024.

The average weekly rent for the month of December 2024 was \$690 (in real* dollars: broadly similar to the last several months, e.g. 1% lower than a year ago; below most of the last eight years). For the rest of New Zealand, the figure was \$599: rising due to seasonality; similar to a year ago, following over three years of minimal increases. "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 January 2025 was \$30.0 billion, which was 3% lower than the year ended January 2024, but 15% higher than the 2020 Covid trough. For the rest of New Zealand, the figure was \$30.5 billion: 6% lower than a year ago, and 25% lower than the 2023 post-Covid rebound peak. For most of 2024, import values for Auckland and the rest of New Zealand were similar, and both showed a slight downtrend.

* 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.

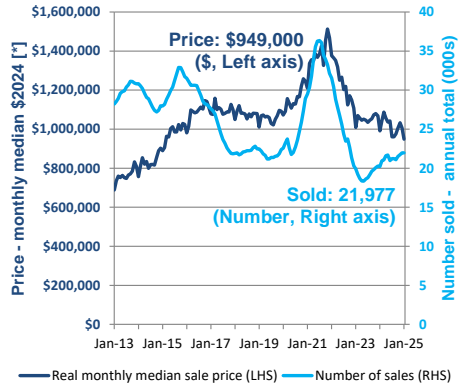
Source: Ministry of Business, Innovation and Employment, Regional Rental Prices (monthly); Stats NZ, CPI (quarterly); Auckland Council calculations.

* 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

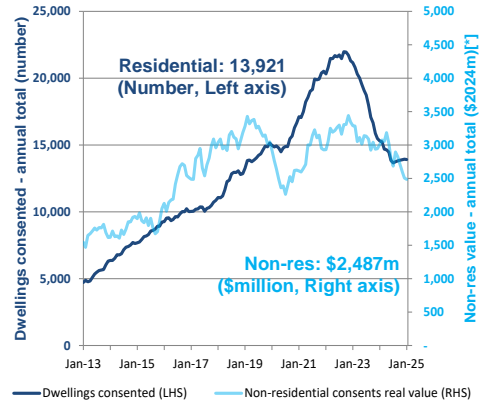
Note: Import values are cost including freight (CIF). Auckland seaports consist of Port of Auckland on the Waitemata Harbour near the CBD, and Port of Onehunga on the Manukau Harbour (domestic only, no imports); both are owned by Ports of Auckland Limited (POAL).

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

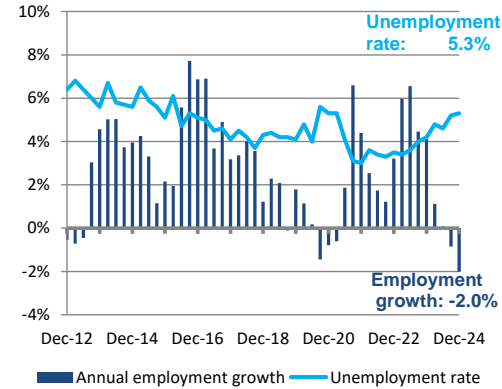
House sales: price and number sold



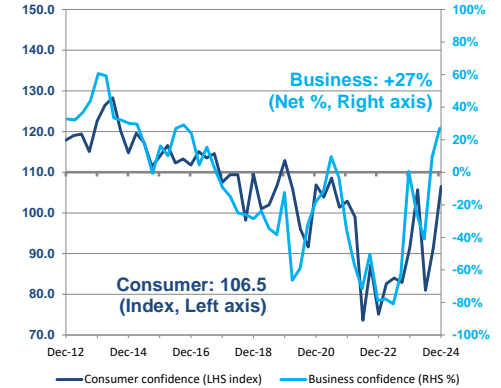
Buildings consented



Employment and unemployment



Confidence indicators



The median (not average) sale price of houses sold in Auckland in the month of January 2025 was \$949,000 (in real* dollars: similar to nine years ago (2015/2016); 4% lower than a year ago; 6% below December (\$1.01 million); 37% below the 2021 peak).

The total number of houses sold in Auckland in the year ended January 2025 was 21,977: 20% above the May 2023 trough, and rising continuously since September 2024, but still 40% below the July 2021 peak.

* '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.

The total number of new dwellings consented in Auckland in the year ended January 2025 was 13,921: 37% lower than the September 2022 peak; 7% below the 2019/2020 pre-Covid peak five years ago; rising slowly since July 2024.

The real* value of new non-residential buildings consented in Auckland in the year ended January 2025 was \$2,487 million: 17% below a year earlier; below nearly all of the last four years, and 28% below the November 2022 peak, but 10% 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.

The number of people employed in Auckland in the quarter ended December 2024 was 2.0% lower than in December 2023 quarter: the sixth quarter in a row of falling annual growth rates despite population growth.

The unemployment rate in Auckland in the quarter ended December 2024 was 5.3%: the highest-equal quarter since the 2020 Covid lockdowns, and above most of 2017 to 2024, but still lower than 2009 to 2015 and late 2020.

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).

In Auckland, the Westpac McDermott Miller Consumer Confidence Index (CCI) for the December 2024 quarter was 106.5: the highest-equal since 2021, but below 2013 to 2018.

The NZIER QSBO in Auckland for the December 2024 quarter showed a net 27% of businesses expecting the general business situation to improve over the next three months – the highest quarter since 2016, and the highest December since 2014.

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).