



REPORT

November 2018



**ChristchurchNZ™**

Christchurch and  
Canterbury Quarterly

# Economic Report



**ChristchurchNZ™**



# Christchurch Economy robust in September 2018

## Quarter

### Overview

In the September 2018 quarter the Christchurch and Canterbury economies continued to grow despite a widely reported decline in business confidence. Further slowing in the construction sector because of the wind down in rebuild activities was offset by a strong performance in the underlying economy. As a result, Gross Domestic Product (GDP) remains at a high level and continues to grow, albeit at a modest rate compared to recent highs. Over the September 2018 quarter, unemployment in Christchurch fell significantly in line with national trends. Christchurch's employment rate remains above national due to high levels of workforce participation. In line with expectations, the amount of building undertaken slowed due to slowing rebuild activity.

The visitor economy remains the growth market for the city and region, trending positively over the quarter, with guest nights and visitor spending well surpassing pre-earthquake levels.

House prices and rents in Christchurch and Canterbury remain stable in contrast to continued growth in national housing costs. Christchurch's strong economic fundamentals, available land for development and strong rebuild platform make it uniquely placed among New Zealand's urban centres to absorb significant growth without the additional costs and challenges facing other cities.

The rapid growth in central city hospitality and retail outlets in the lead up to winter has driven stronger retail sales growth in the central city and it is expected that the summer tourist season will lead to further growth in sales.

Despite transitional challenges for the city in the short term, the economic fundamentals of the city and regional economies remain strong.

Drivers include the strong visitor economy, healthy agricultural commodity prices strengthened further by a weakening of the New Zealand dollar, and steady expansion of manufacturing and services performance indexes.

**September Quarter Highlights:**

- Christchurch and Canterbury GDP grew by 1.6 and 2.3 percent respectively in the year to September 2018.
- Unemployment rates in Christchurch, Canterbury and nationally were 4.1, 3.5, and 3.8 percent respectively.
- Building activity fell by 6.0 percent from September 2017 despite a 4.0 percent increase in non-residential activity, however remains 132 percent higher than pre-quake levels.
- Housing remains steady within the city with rental rates and house prices growing by 2.1 and 1.0 percent respectively.
- In the September 2018 quarter 2,170 migrants arrived in Christchurch, while 1,084 departed the city.
- International visitor spending grew by 11.6 percent, outperforming the 1.4 percent growth of visitor arrivals.

**Within the Four Avenues**

- Central city business numbers have grown by 2.0 percent as of June 2018, compared to June 2017 while employment numbers have grown by 8.8 percent over the same period.
- Prime yields in the CBD have firmed 2 basis points, compared to a 3 basis points firming for Secondary CBD stock and a sharpening of 27 basis points for the suburban prime office market.
- Central city spending on food and beverage and apparel and personal has increased 23 percent and 43 percent respectively between 2017 and 2018 thanks to increased hospitality and retail offerings.



## ECONOMIC TRENDS

### Gross Domestic Product

Economic activity in the region remains at a high level, but growth rates continue to slow.

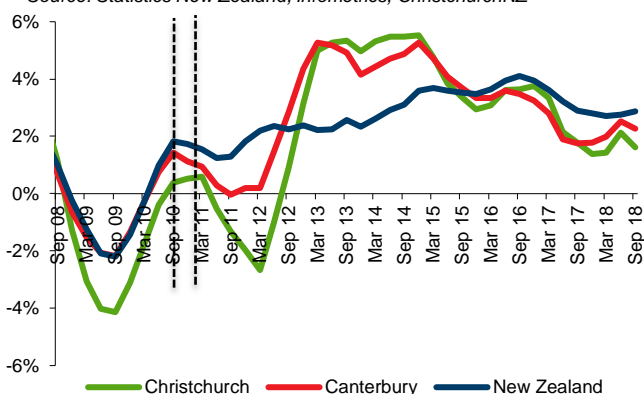
The value of economic output in Christchurch reached \$20.7 billion in the year to September 2018 (measured in 2010 prices – Infometrics estimates). This represents 8.5 percent of New Zealand GDP, remaining unchanged from the year to September 2017. Output from Canterbury overall reached \$30.5 billion in the year to September 2018. This equates to 12.4 percent of national output, slightly down from the year to September 2017.

With construction activity past its peak, the Christchurch economy looks to its underlying economy for growth, largely driven by manufacturing and tourism.

GDP growth in the year to September 2018 was 1.6 percent for Christchurch and 2.3 percent for Canterbury, below the New Zealand rate of 2.9 percent.

This deviation from national growth rates has continued a trend since June 2017, with the exception of last quarter, where the difference closed.

**Gross Domestic Product**  
**Annual Average Percent Change**  
Source: Statistics New Zealand, Infometrics, ChristchurchNZ

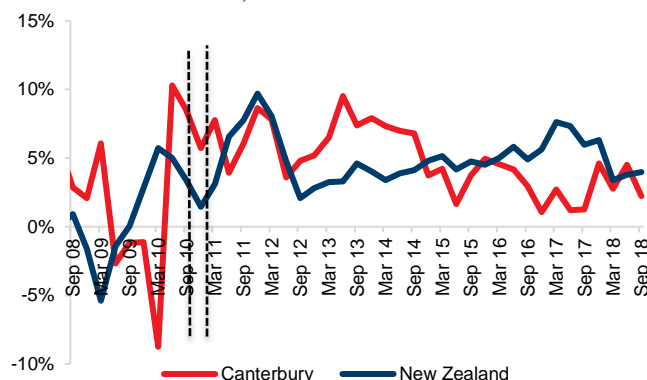


### Retail Trade

In the September 2018 quarter, retail spending in Canterbury increased by 2.5 percent on the September 2017 quarter, underperforming when compared to growth in New Zealand (4.0 percent).

Exceptional growth in retail spend following the Canterbury earthquakes could be attributed to spending on construction materials for earthquake repairs. Recent growth corresponds with the development and re-opening of retail outlets within the CBD during 2017, particularly the retail precinct and Oxford Terrace.

**Retail Trade**  
**Change in retail sales from same quarter a year ago**  
Source: Christchurch NZ, Statistics NZ

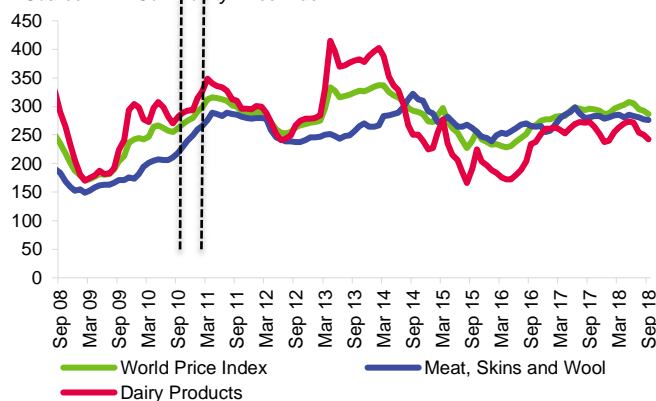


### Global Commodity Prices

Global Commodity Prices have fallen since September 2017. The ANZ Commodity Price Index tracks six of New Zealand's key export commodities – meat, skins and wool; dairy; horticultural; forestry; seafood; and aluminium. Five of the six commodities fell during September 2018, with seafood holding constant, while the world price index fell by 1.8 percent.

Over the past 12 months, forestry and horticultural products have increased the most (9.7 percent and 2.7 percent respectively). While dairy has decreased the most, falling 11.1 percent over the last 12 months.

**World Price Index**  
**Base July 1986=100**  
Source: ANZ Commodity Price Index



### Commodity Exports and Imports

Despite their volatility, exports and imports can provide a good indication of how Christchurch, and wider Canterbury, interacts with the rest of the world. Exports and imports that traverse another New Zealand port will not be captured in the statistics for Christchurch (and similarly not all goods exported in Christchurch are produced in Christchurch or Canterbury).

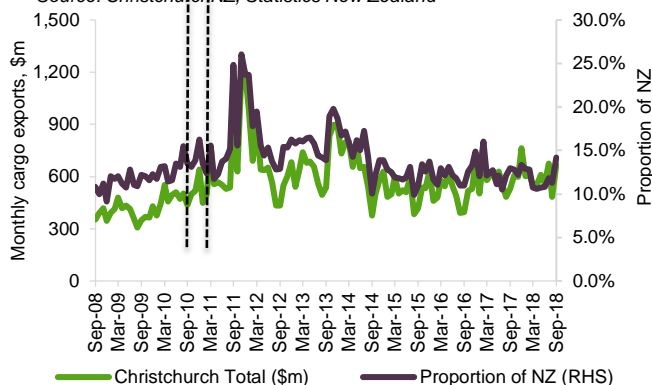
In the September quarter, the value of exports through Christchurch's air and sea ports was \$1,824 million, a 16.2 percent increase on the same period last year. Machinery and mechanical appliances, preparations of cereals, and dairy appreciated the most out of all commodities while preparations of vegetables suffered a significant loss of 17 percent.



The value of imports through Christchurch Airport and Lyttelton was \$2,017 million in the September 2018 quarter, up a staggering 43.6 percent from the same period last year. The import of a \$290m ship, boat or floating structure in August was the cause of this substantial increase, the effect is shown on the import graph below.

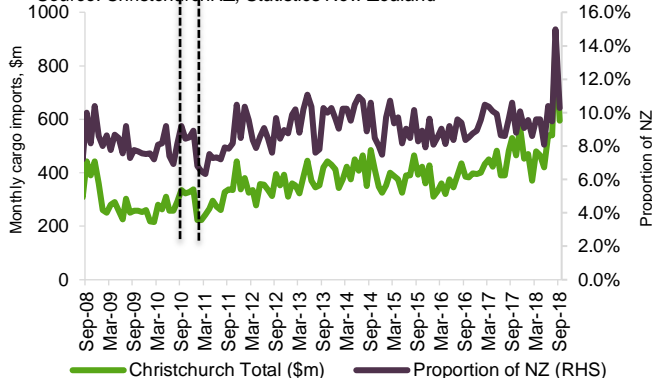
**Commodity Exports**  
Christchurch Airport and Lyttelton, fob NZ\$m and proportion of NZ

Source: ChristchurchNZ, Statistics New Zealand



**Commodity Imports**  
Christchurch Airport and Lyttelton, cif NZ\$m and proportion of NZ

Source: ChristchurchNZ, Statistics New Zealand



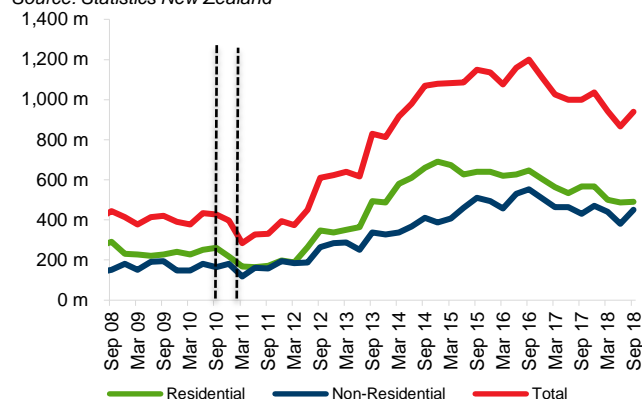
**Building Activity**

Building activity in the region remains well above pre-earthquake levels. However, it continues to decline through the September 2018 quarter with a 6.0 percent decrease on September 2017, despite a seasonal increase from the June quarter.

Activity continues to track back towards “normal” construction levels, although remains 132 percent higher than pre-earthquake, indicating the ongoing importance of the construction sector to the Christchurch economy. Residential activity fell by 13.6 percent from September 2017, while the non-residential market experienced a 4.0 percent increase from September 2017 levels.

**Value of Building Work in Canterbury**  
Quarterly value of work put in place, \$m

Source: Statistics New Zealand



**Building Consents**

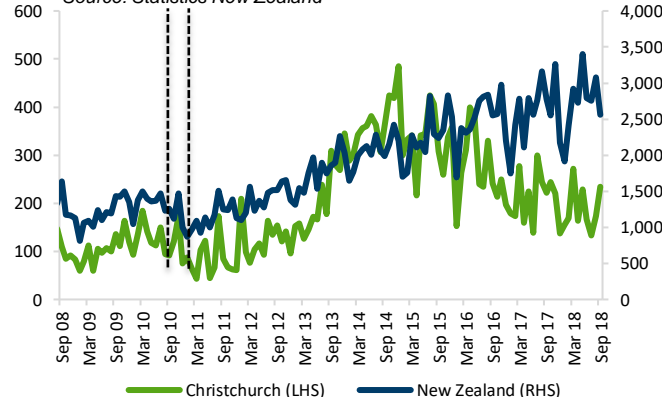
In the quarter ending September 2018 there were 540 new residential building consent approvals for Christchurch, down 29.5 percent from the previous year. Within Canterbury, 1,178 new residential buildings were consented in the September quarter, a fall of 22.0 percent from 2017.

While residential consents continue to decline following the highs during 2014, consents remain greater than pre-quake levels. This can be associated with the increase in one and two-bedroom apartments being built within the central city.

Non-residential consents fell in the September quarter, with consents falling 29.0 percent compared to 2017 within the city, this compares to a 5.5 percent decline nationally.

**Dwellings Consented**  
New Residential Building Consents

Source: Statistics New Zealand



**Residential Rent**

Rents in Christchurch continue to increase, albeit at a slower rate than national growth, after an increased supply of housing and comparatively steady demand led to easing rents in Christchurch and Canterbury in recent years. Private sector mean weekly rents in Christchurch were \$366 in September 2018, 2.1 percent higher than September 2017. Mean rents in Canterbury were \$363 in September 2018, up from \$357 in 2017.

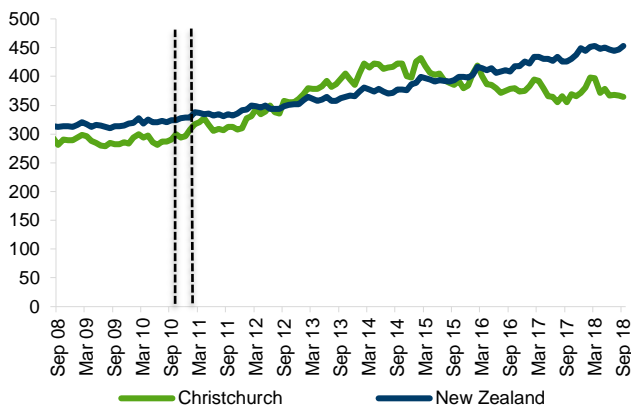


The growing gap between New Zealand and Christchurch rents continues with New Zealand rents growing 4.5 percent over the past year, averaging \$448 per week in September 2018.

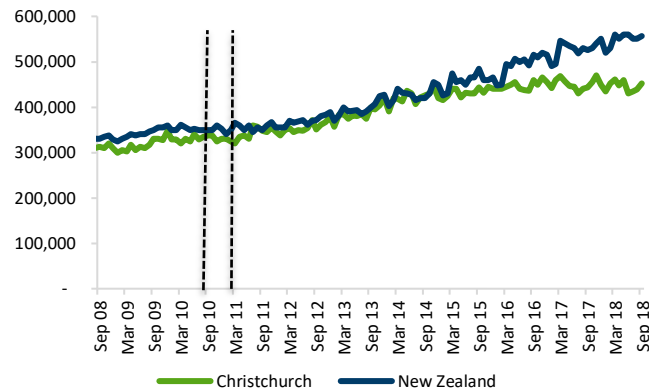
Nationally rental growth has fallen behind that of house prices, which suggests that residential property investors are focussed on capital gain rather than yield. However, the opposite is true within Christchurch, with rental growth more than twice that of house prices.

**Mean Residential Weekly Rent**

Source: *Min. Business, Innovation & Employment*



**Median Sale Price**  
**Monthly median sale price of dwellings**  
 Source: *Real Estate Institute of New Zealand*



**House Sales**

House price growth has remained relatively flat within the city/region, due to a strong supply of houses.

The number of houses sold during the September quarter 2018 in Christchurch has increased 4.2 percent when compared with September 2017.

House prices have also grown, although very slowly. The median house price for Christchurch was \$442,000 in September 2018, with the average for the quarter 1.0 percent greater than September 2017.

Much of New Zealand continues to experience growth in house prices despite the cooling of the housing market in Auckland. The median house price for New Zealand was \$552,000 in September 2018, up 5.3 percent on September 2017. The number of houses sold increased by 1.6 percent across the quarter compared to September 2017.

**ECONOMIC & BUSINESS CONFIDENCE**

**Regional Economic Confidence**

Regional economic confidence reflects the difference between the percentage of people that expect economic conditions in Canterbury to improve and those that expect conditions to worsen over the next 12 months.

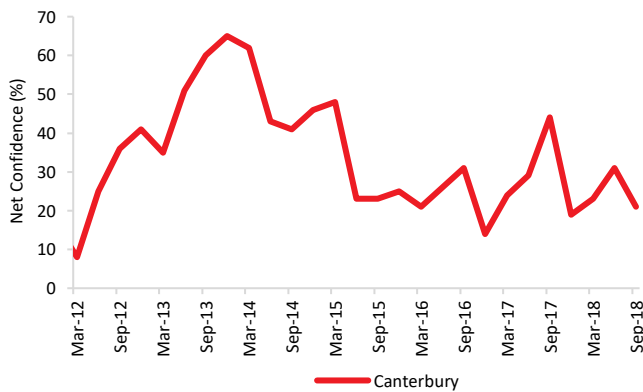
A net 21 percent of Canterbury households are optimistic regarding the economic prospects of the region for the September 2018 quarter. This is 10.0 percentage point decrease on the June 2018 figure. The drop in confidence reflects national trends, with rising fuel prices a contributing factor across the country, combined with continued uncertainty around government policy.

Despite this, the continued strength of the visitor sector in the region combined with a relatively strong performance from the agricultural sector of late is supporting confidence.

Consumer confidence is an indication of households' expectations about their own financial situation, their expectations for the New Zealand economy and their inclination to buy a large household item. This indicator increased by 1.4 percent for Canterbury in September, compared to June 2018, indicating slightly greater confidence. Nationally there was a 4.7 percent decrease.

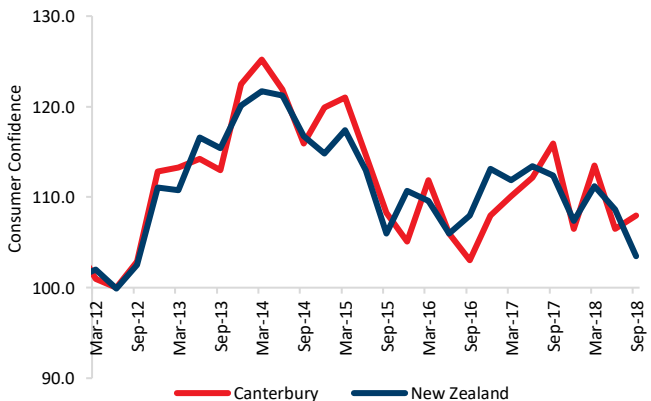
**Canterbury Regional Economic Confidence**  
**Net confidence (%)**

Source: Westpac McDermott Miller, ChristchurchNZ



**Consumer Confidence**

Source: Westpac McDermott Miller, ChristchurchNZ



**Performance of Manufacturing**

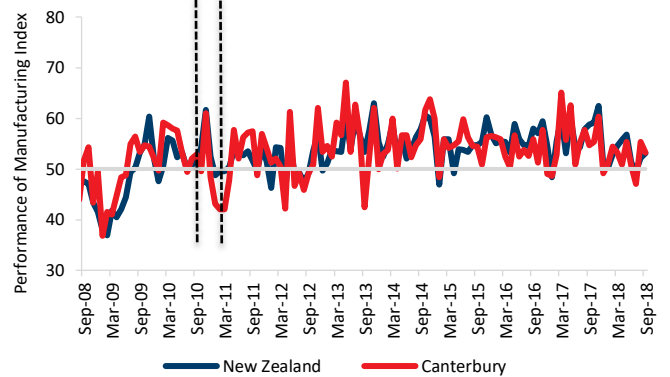
The BNZ-Business NZ Performance of Manufacturing Index for the September 2018 quarter suggests a continued expansion.

The non-seasonally adjusted index averaged 51.8 over the September quarter 2018, above the national average of 51.6. The quarterly index has been expanding since 2013. However, both indices have fallen from levels in September 2017, where New Zealand boasted a value of 57.0 while Canterbury was slightly behind with 55.9.

The manufacturing sector is a key driver of economic activity outside of the rebuild and employed over 36,000 people in the region in 2018.

**Performance of Manufacturing Index (non-seasonally adjusted)**  
**Value > 50 means expansion, < 50 contraction**

Source: Business NZ



**Performance of Services**

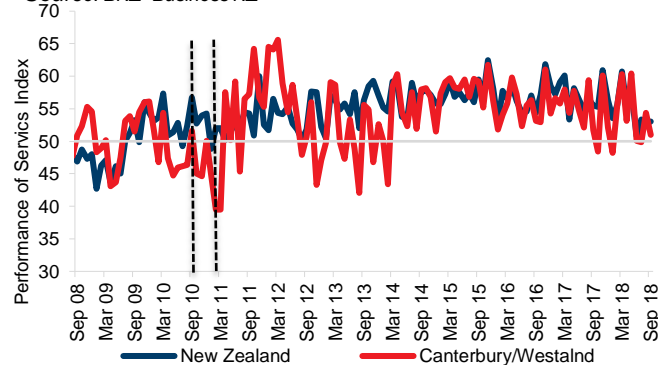
The BNZ-Business NZ Performance of Services survey (PSI) provides a gauge on the performance of the services sector.

The PSI indicator averaged 51.8 in the September 2018 quarter, down from 54.4 in September 2017. Values over 50 indicate the sector is expanding and the index has remained above this threshold since 2013. Nationally the PSI averaged 53.0 in September, a fall from 55.6 in the same quarter last year.

The sector has been very robust at a national level, averaging 53.0 in the September 2018 quarter, continuing a positive run since 2011.

**Performance of Services Index (non-seasonally adjusted)**  
**Value > 50 means expansion, <50 contraction**

Source: BNZ- Business NZ





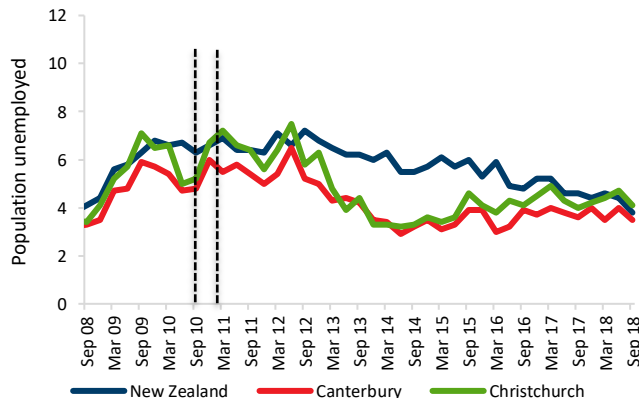
## LABOUR

### Unemployment

The unemployment rate fell in nine of the twelve regions within New Zealand in the September quarter leading to a drop in the national rate to 3.8 percent, the lowest value since the global financial crisis. Christchurch and Canterbury followed the national trend falling to 4.1 and 3.5 percent respectively. Christchurch continues to exceed the national average for the second quarter in a row, however the rate is the lowest within the city in the last 12 months.

Christchurch is expected to trend towards the national average, as the city continues to move away from the rebuild stimulus into the underlying economy.

**Unemployment Rate**  
Percentage of labour force unemployed  
Source: Statistics New Zealand

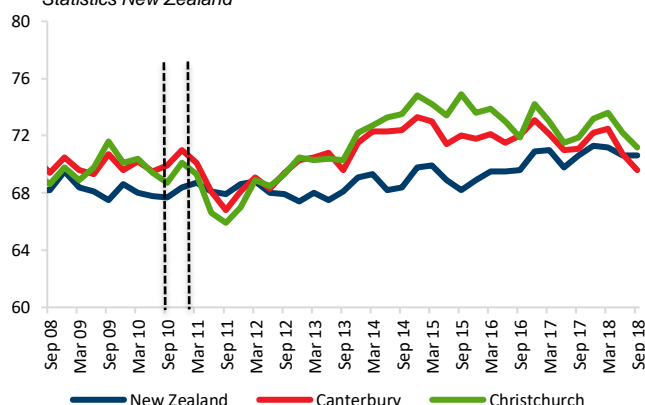


### Participation

Labour force participation rates decreased within Christchurch and Canterbury, reaching their lowest levels in five and six years respectively, with the national rate exceeding participation levels in Canterbury for the first time in over six years.

The labour force participation rate represents the proportion of the population aged 15 years or older that is either working or actively looking for work, with the figure for Christchurch in the September 2018 quarter dropping to 71.2 percent, while the Canterbury rate fell to 69.6 percent, with the national rate remaining at 70.6 percent. The Christchurch rate remains above the national rate.

**Labour Force Participation Rate**  
Percentage working age population in the labour force  
Statistics New Zealand

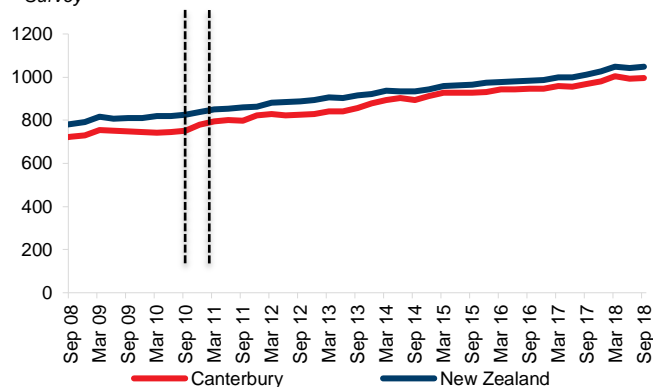


### Earnings

Canterbury earnings continue to trend below the national average. While the earnings differential has reached its highest point in five years, it remains smaller than the pre-quake differential.

Average earnings for employees (including overtime) grew by 2.8 percent in Canterbury over the past year, reaching \$995 per week for the September quarter. Across New Zealand, earnings grew by 3.7 percent, reaching \$1,048 in September 2018. Canterbury employees worked 32.4 hours on average in the September 2018 quarter, compared to 33.4 hours nationally.

**Average Weekly Earnings \$ - All Employees**  
Source: Statistics New Zealand Employment and Earnings Survey





## International Migration

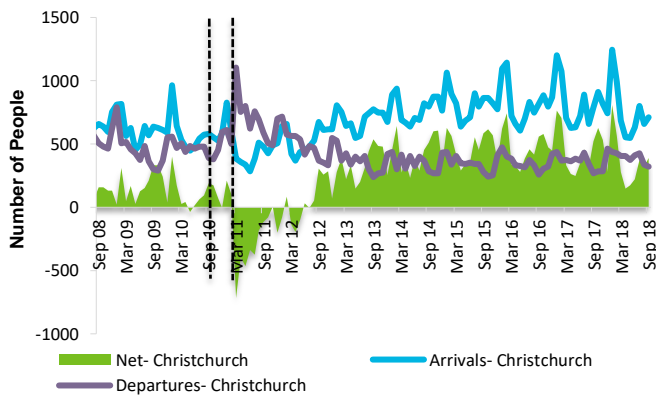
Net international migration into Christchurch and Canterbury remains positive. However annual net migration continues to fall from highs in 2016.

In the September 2018 quarter, 2,170 people arrived in Christchurch which, after accounting for those that departed, is a net gain of 1,086 people. For Canterbury, there were 2,932 arrivals, with a net gain of 1,406. Across New Zealand, 32,971 arrived for a net gain of 16,223.

Net international migration into Christchurch continued its downward trend, with levels down 16.2 percent on the September 2017 quarter, while national figures have fallen by 12.2 percent. These lows follow periods of record migration both domestically and nationally. Recent government's policies on reducing immigration is the contributing factor to this decline.

### Christchurch International Migration Permanent and Long Term Migration

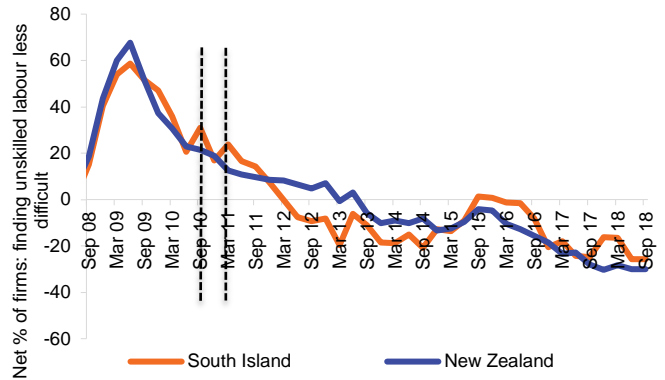
Source: Statistics New Zealand, ChristchurchNZ



### Difficulty Finding Unskilled Labour

Net percent of firms reporting decreased difficulty finding unskilled labour

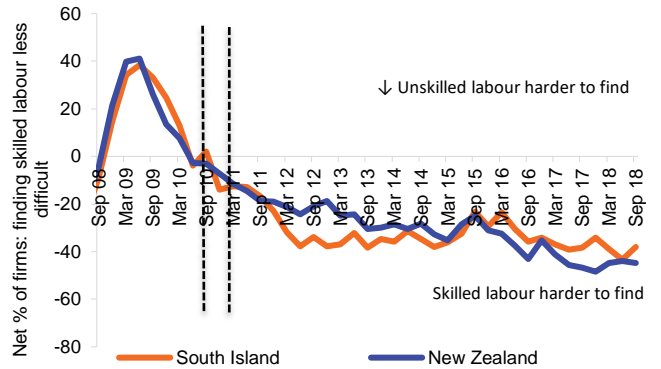
Source: NZIER Quarterly Survey of Business Opinion



### Difficulty Finding Skilled Labour

Net percent of firms reporting decreased difficulty finding skilled labour

Source: NZIER Quarterly Survey of Business Opinion



## Ease of Finding Labour

In the September quarter of 2018 a net 38.0 percent of South Island firms reported increased difficulty finding skilled labour. This is a 1.0 percent decrease (improvement) from September 2017 levels. Meanwhile a net 25.8 percent reported increased difficulty in finding unskilled labour, an increase of 3.7 percent from 2017. Both South Island indicators continue to follow the national trend, albeit at a slightly lower level.



## VISITOR ECONOMY

### Visitor Spending

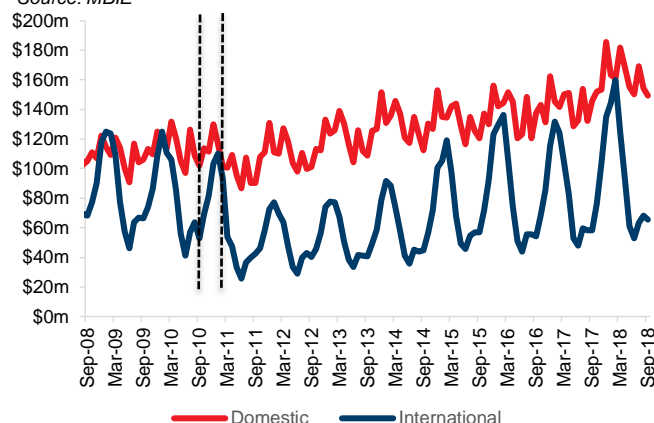
The region's visitor sector has outperformed national growth consistently over the last 18 months, with international visitors the main source of growth.

International visitor spending was \$252m in Christchurch for the 2018 September quarter, up 13.3 percent on September 2017. The visitor economy continues strong growth ahead of the summer months, with guest nights and arrivals also increasing. However, spending growth exceeds that of arrivals, implying spend per visitor is increasing.

Domestic spending experienced 10.3 percent growth for September 2018 on the same quarter last year, reaching a total spend of \$580m over the quarter.

#### Visitor Spending - Christchurch NZ\$m

Source: MBIE



### Guest Nights

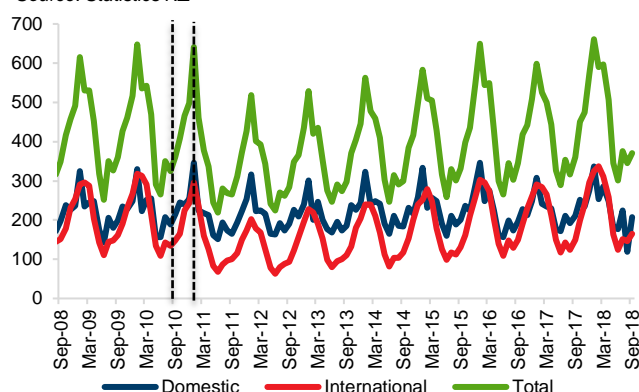
In contrast to visitor spending, domestic guest nights in Canterbury fell by 10.4 percent over the September 2018 quarter, compared to the same quarter the previous year.

International guest nights in Canterbury grew 10.8 percent comparing September 2017 to 2018. Nationally, international guest nights were down 0.5 percent over the quarter. Total guest nights in Canterbury grew by 5.8 percent over the September 2018 quarter, compared to a 2.5 percent increase nationally. In Christchurch specifically, guest nights have increased by 6.5 percent over the past year, making up 56.7 percent of total guest nights in Canterbury, compared to 56.4 percent during September 2017.

#### Guest Nights Canterbury (000s)

Domestic and International Guest Nights

Source: Statistics NZ

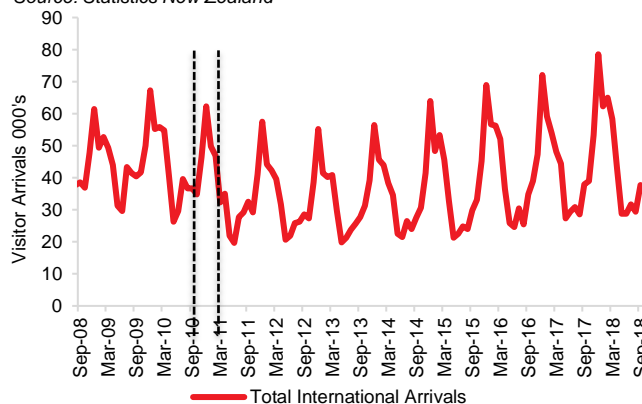


### International Arrivals

Christchurch visitor arrivals numbered 98,768 in the quarter of September 2018, a 1.4 percent increase from September 2017. The greatest growth by country of residence between September quarter 2017 and 2018 were USA, up 11.7 percent, and China, up 4.8 percent, while visitors from South Korea fell by 12.6 percent, as well as UK arrivals dropping for a second successive quarter, by 6.3 percent.

#### Christchurch International Visitor Arrivals

Source: Statistics New Zealand



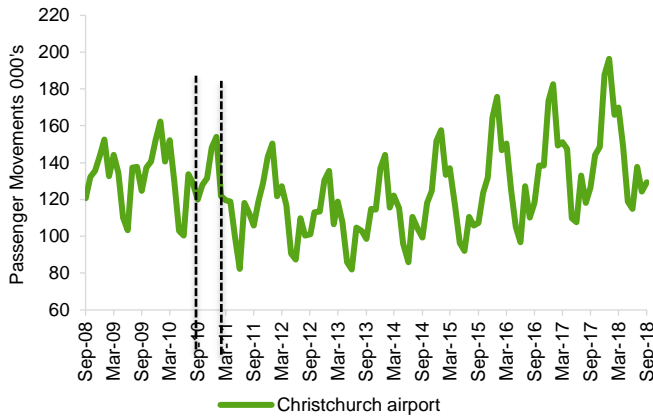


### Passenger Movements

Passenger movements at Christchurch airport continue to increase, with 391,656 movements for the September 2018 quarter, which is a 3.8 percent increase on the September 2017 quarter of 377,251. This is a 2.4 percent increase on pre- earthquake passenger movements.

#### Passenger Movements Christchurch

Source: Statistics New Zealand



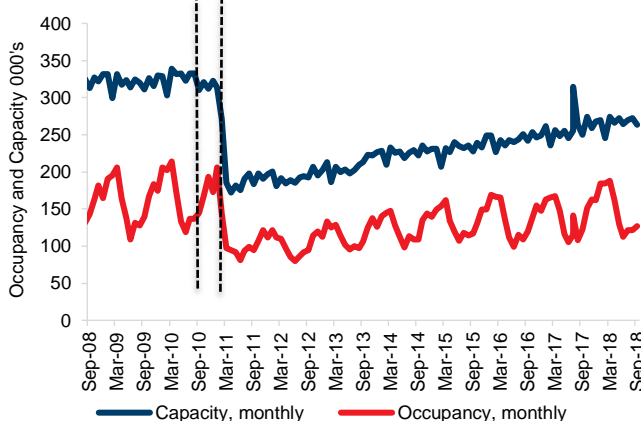
### Occupancy Rates and Room Capacity

The occupancy rate for Christchurch averaged 46.1 percent over the September quarter, an increase from 44.9 percent in September 2017. Looking at the September month, we can see occupancy has increases from 121,955 in 2017 to 126,952 in 2018.

Room capacity within Christchurch has increased from 250,230 in September 2017 to 263,010 in 2018.

#### Christchurch Monthly Occupancy and Capacity

Source: Statistics New Zealand



### International Education

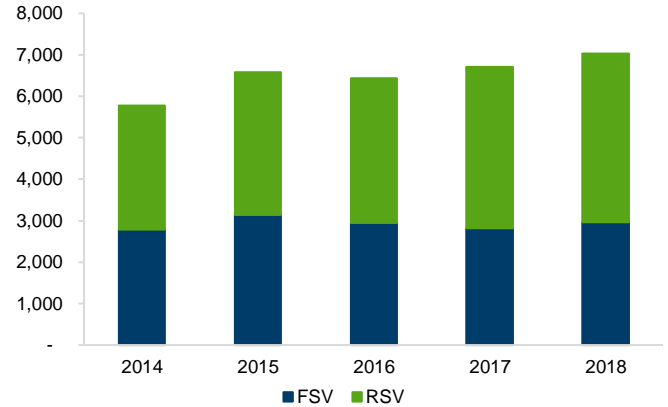
Student visas indicate the forward pipeline of international students, 2018 year to date figures show there have been 2,965 first-time student visas applications in Canterbury up 5.4 percent on the same period last year. A further 4,059 returning student visas were issued, a 3.9 percent increase on 2017. The highest number of first-time student visas came from China, India and Japan.

Total student visas issued for 2017 numbered 8,409, a 4.9 percent increase on 2016 (8,015).

International education, contributes \$242m to national GDP (Infometrics).

#### Canterbury First-time Student Visas and Returning Student Visas - Year to date (Jan-Sep)

Source: Education New Zealand





## WITHIN THE FOUR AVENUES

### Central City Business and Employment

June 2018 figures show total employment within the Four Avenues to equal 39,500 employees (18 percent of the Christchurch workforce), with 3,897 business units operating (9 percent of Christchurch businesses). This equates to 77 percent and 65 percent of pre-quake levels respectively.

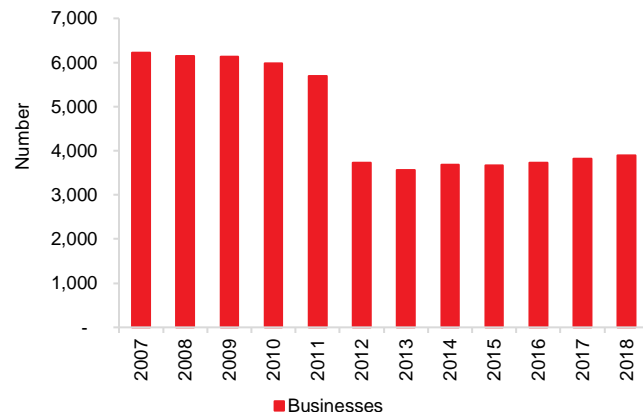
**Christchurch Four Avenues - Employee Count**

Source: StatisticsNZ



**Christchurch Four Avenues – Business Numbers**

Source: StatisticsNZ



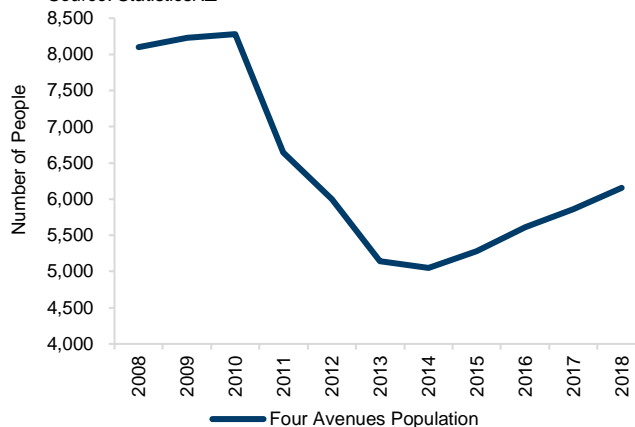
Since 2017, health care and social assistance has contributed to bringing the most employees back into the four avenues, followed by administrative and support services; and professional scientific and technical services. Financial and insurance services as well as retail trade were also significant contributors to employment growth.

### Central City Housing and Population

The central city population has increased to 6,160 as of June 2018 with an additional 300 people moving into the four avenues since June 2017. However, this is still only 74 percent of the pre-earthquake population of 8,280.

**Four Avenues Population estimate**

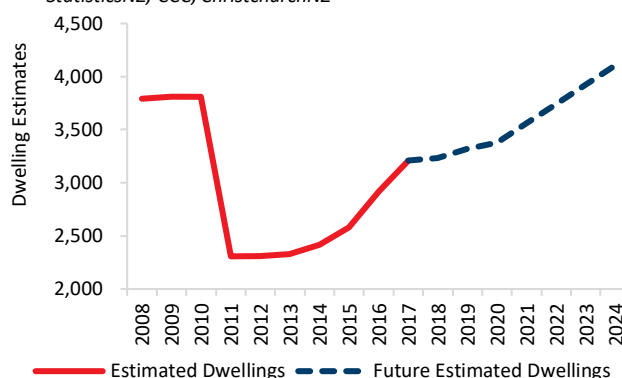
Source: StatisticsNZ



As of 2017, 3,210 dwellings are located within the four avenues, 84 percent of pre-quake dwellings. By 2024 there is expected to be 4,106 dwellings within the four avenues, following the completion of Fletcher Living's One Central housing development.

**Estimated Dwellings within the Four Avenues Projection**

StatisticsNZ, CCC, ChristchurchNZ



### Central City Visitors

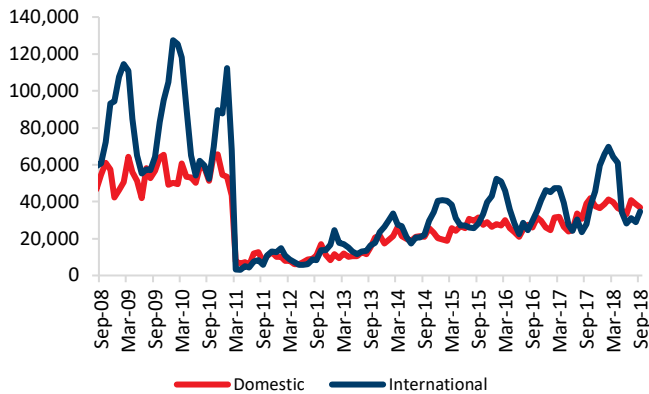
Central city guest nights have increased from 787,718 in 2017 to 1,018,260 in 2018 (YE September).

International guest nights make up 55.1 percent of guest nights within the four avenues, with domestic making up the remaining 44.9 percent. 2018 (YE September) domestic guest nights have grown by 29.4 percent, with international guest nights following close behind at 29.2 percent when compared to 2017.



### Christchurch Four Avenues Guest Nights

Source: StatisticsNZ



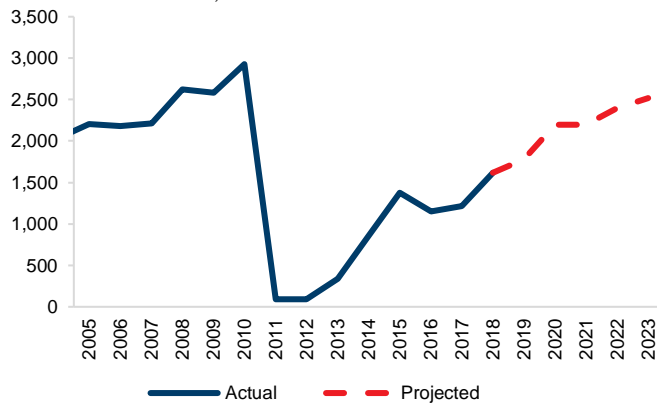
Over the last 12 months, average hotel room capacity has increased by 23 percent, while occupancy has closely followed increasing 21 percent, resulting in hotel occupancy averaging 74 percent over the 12 months to September, a fall from 75 percent in September 2017.

With the convention centre, Te Pae, reaching completion by 2020, more business-related events will occur in the city. This will draw more visitors into the city, further increasing guest nights at commercial accommodation as well as visitor spending within retail stores.

With several central city hotel developments remaining in the pipeline, the visitor economy has capacity for growth, with a further 900 hotel rooms expected by 2023.

### Christchurch Four Avenues Hotel room capacity Projection

Source: StatisticsNZ, ChristchurchNZ



## Commercial Property

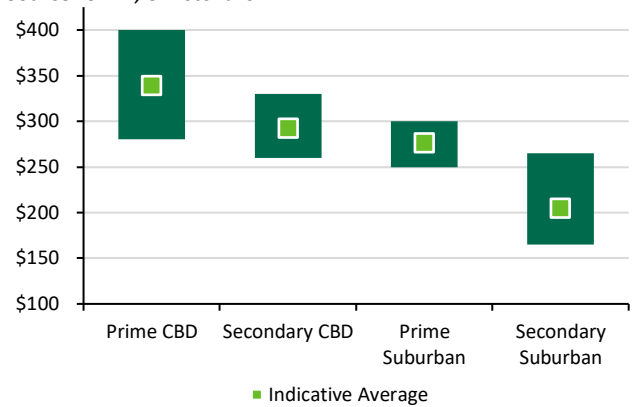
### Rental Rates

Many of the current office developments in the CBD are reaching completion, with only minimal increases to market stock expected in the remainder of 2018 and 2019. The conclusion of the development pipeline should provide some stability to market rental levels and with organic growth and tenant attraction driving CBD vacancies lower in the next 12 months.

Net effective office rents have seen a decline. The Prime suburban market was more greatly affected this quarter with a 1.6 percent decline, whilst the Prime CBD has experienced a minor 0.8 percent decline. The secondary stock throughout the city continues to experience larger declines as higher quality new build stock enters the market.

### Indicative Office Net Face Rents

Source: CBRE, ChristchurchNZ

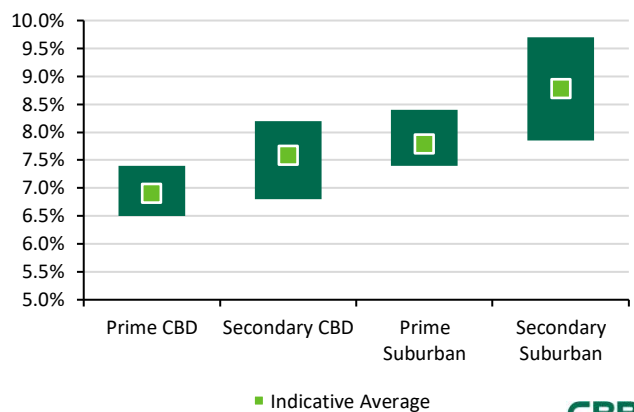


### Yield

Prime yields in the CBD have increased 2 basis points, whilst Secondary CBD stock has increased 3 basis points in the year to date. The suburban Prime office market has seen more positive movement, increasing by 27 basis points during 2018. This increase has been a result of strong and long lease covenants in Prime Suburban stock which is less exposed to vacancy risk.

### Indicative Office Yield Profile

Source: CBRE, ChristchurchNZ





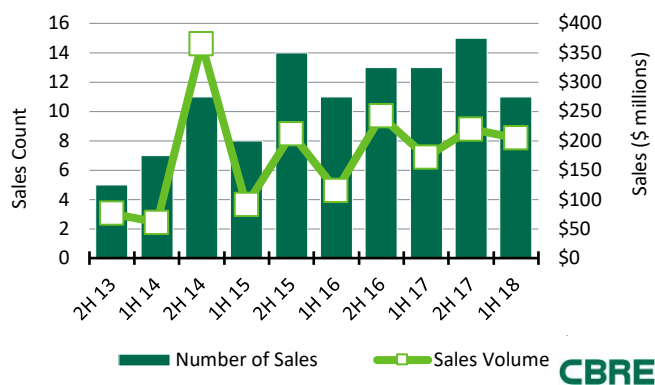
### Transaction Volume

In the \$5 million+ price bracket, \$204 million of transactions occurred in the first half of 2018 as a result of 11 properties changing ownership. The retail sector was particularly active with \$104 million, consisting of 51 percent of total volume. The second largest property type was industrial with \$62 million, or 30 percent. After a busy 2017, the office sector quietened down with only \$38 million in sales, or 19 percent.

In the first half of 2018, the largest sale transacted was the South City Shopping Centre at 551 Colombo Street which sold for \$46 million between local private investors.

### Six Monthly Christchurch Investment Transactions (\$5 Million+)

Source: CBRE, ChristchurchNZ



### MarketView Card Spending

#### Retail Spending

The Christchurch central city has seen many new retail and hospitality developments over the last year which has attracted many retailers back into the central city. However, the traditionally quieter winter period, along with rapid growth in supply and the altered shopping habits of residents in the post-quake period away from the central city present a short-term risk of supply exceeding demand.

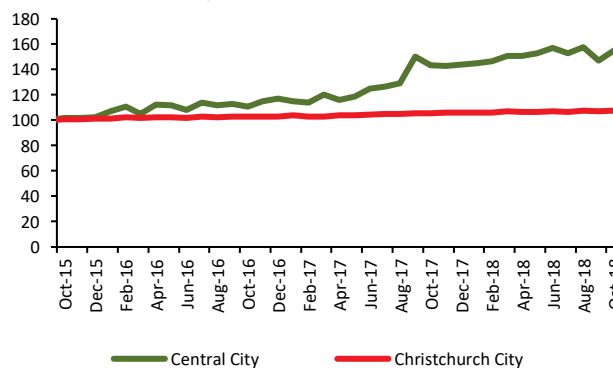
While the central city has some short-term challenges, its rapid redevelopment over the past year significantly enhances Christchurch’s offering as a city open for business and people.

This offering is clearly reflected in the significant growth the central city has experienced.

#### Total Spend Indexed

(Excluding Fuel), in Christchurch and Central City

Source: MarketView, Christchurch

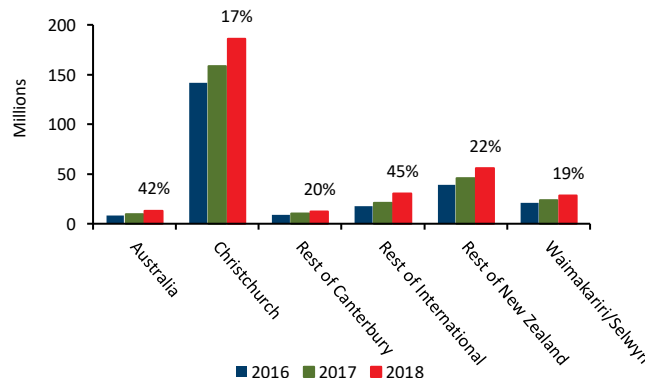


The period following August 2017 saw a significant spike in spending in the central city of 21 percent. This can be attributed to the opening of many new central city retail and hospitality outlets during this month. Card spending in Christchurch has, however, tracked along at a stable and consistent rate.

#### Total Spend in the Central City (YE Oct)

By Customer Origin, (Excluding Fuel)

Source: MarketView, ChristchurchNZ



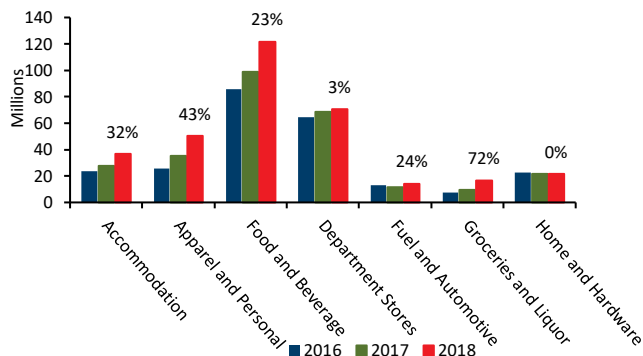
While part of this growth has been driven by the international market, 45 percent for the rest of international and 42 percent for Australia compared to 20 percent for rest of Canterbury and 17 percent for Christchurch, the local market has driven the volume of spend as clearly demonstrated on the above graph.



The volume and significant growth seen in local card spending suggests that new offerings have succeeded in attracting residents back into the central city.

**Total Spend in the Central City (YE Oct)**

By Category  
Source: MarketView, ChristchurchNZ



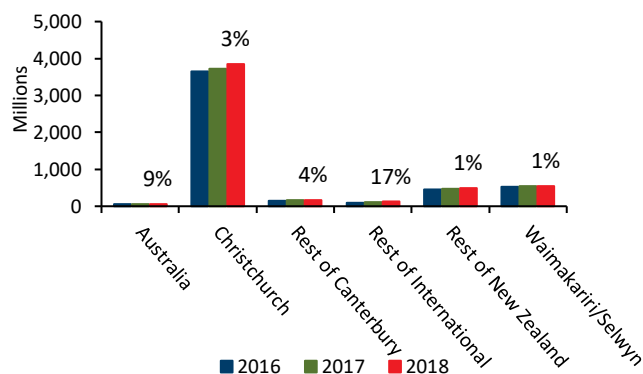
These offerings include the retail precinct, The Crossing on Oxford Terrace, Turanga (Central Library) and the HOYTS cinema, which have attracted many people and, as a result, generated significant growth in card spending.

This is clearly demonstrated by the increase in spend seen in apparel and personal as well as cafés, restaurants and bars. The strong growth seen in groceries and liquor is likely due to the opening of Fresh Choice in the retail precinct.

While still strong, spending figures for Christchurch haven't demonstrated the same level of growth seen in the central city.

**Total Spend in Christchurch (YE Oct)**

By Customer Origin (Excluding Fuel)  
Source: MarketView, ChristchurchNZ

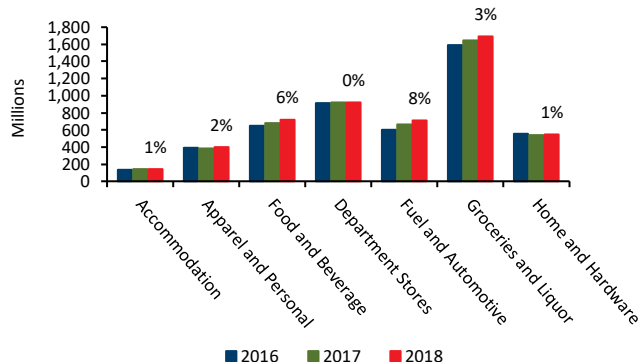


When considering the origin of customer spending those in the categories Rest of International and Australia saw the greatest growth, with 17 percent and 9 percent respectively, which reinforces the notion that Christchurch has a strong visitor experience offering.

Much like the demographic of central city spending, while the greatest growth is seen in the international sector, it is the local population that provide the greatest volume in spend signalling the continuing importance of this market.

**Total Spend in Christchurch (YE Oct)**

By Spend Category  
Source: MarketView, ChristchurchNZ



Annual card spending in Christchurch has been increasing steadily since 2016 with the greatest growth being experienced in fuel and automotive, reflecting higher fuel prices; cafes, restaurants, bars and takeaways.

**Spending in Christchurch by Customer Origin**

The year ending in October 2018 compared with the same period of the previous year

Source: MarketView, Statistics New Zealand

	Christchurch	Waimakariri / Selwyn	Rest of Canterbury	Rest of New Zealand	Australia	Rest of International
Apparel and Personal	2%	0%	-1%	5%	14%	30%
Cafes, Restaurants, Bars and Takeaways	6%	4%	7%	3%	20%	28%
Department Stores and Leisure	-1%	-5%	5%	5%	1%	17%
Fuel and Automotive	8%	9%	1%	2%	1%	14%
Groceries and Liquor	4%	1%	-1%	-7%	15%	23%
Home, Hardware and Electrical	1%	2%	8%	-3%	-1%	12%

The above table further reinforces that notion that the visitor economy is driving growth in card spending in the city. Moreover, it shows that likely, as a result of increased retail and hospitality offerings, spending in these sectors across almost all customer origins has increased.



## Data sources

ANZ: <http://www.anz.co.nz/commercial-institutional/economic-markets-research/>

BNZ Business NZ: <http://www.businessnz.org.nz/surveys/501>

BusinessNZ: <http://www.businessnz.org.nz>

Christchurch City Council: <https://www.ccc.govt.nz/culture-and-community/christchurch/statistics-and-facts/facts-stats-and-figures/central-city-indicators/>

CBRE Christchurch Marketview: <https://www.cbre.co.nz/research-reports/Christchurch-Marketview-Q1-2018>

Education New Zealand: <https://intellilab.enz.govt.nz/>

Immigration New Zealand: <https://www.immigration.govt.nz/about-us/research-and-statistics/statistics>

Infometrics Ltd: <http://www.infometrics.co.nz/>

Marketview: <https://marketview.co.nz/>

Ministry of Business, Innovation and Employment: <http://www.mbie.govt.nz/>

New Zealand Institute of Economic Research Inc (NZIER): <http://nzier.co.nz/>

Real Estate Institute New Zealand: <https://www.reinz.co.nz/>

Statistics New Zealand: <http://www.stats.govt.nz/>

*This work is based on/includes Statistics New Zealand's data which are licensed by Statistics New Zealand for re-use under the Creative Commons Attribution 3.0 New Zealand licence.*

Westpac: <https://www.westpac.co.nz/>

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