



# Monthly Insights Brief

## November 2023

On-the-pulse analysis delivered monthly, providing insight into the Christchurch & Canterbury economies.



# Population Estimates & Migration (2023)

## Population

- The size of Canterbury’s population increased 1.9 percent to 666,300 people over the year to June 2023. This was an increase of 12,900 people from the previous year.
- Within Greater Christchurch, Christchurch City’s population grew 1.5 percent (to a total of 396,200), Selwyn’s population grew 5.2 percent (to 81,300) and Waimakariri’s population grew 2.2 percent (to 69,000). This brought the number of people living within Greater Christchurch to 546,500, an increase of 2.2% or 11,200 people from the previous year.

## Migration

- The Canterbury region experienced a net migration gain of 11,000 people in the year to June 2023. International migration made up 8,000 people of this net gain, while 3,000 were people moving from elsewhere in New Zealand. Canterbury experienced the largest net gain from domestic migration of any New Zealand region (for the second year in a row), and the second largest gain from international migration behind Auckland.

| Net international migration<br>(year to June 2023) |          |
|--|----------|
| Region   | Net gain |
| Auckland   | 47,800   |
| Canterbury   | 8,000    |
| Waikato  | 6,700    |
| Wellington   | 5,700    |
| Otago  | 4,600    |
| Bay of Plenty                                      | 4,600    |
| Manawatu   | 2,600    |

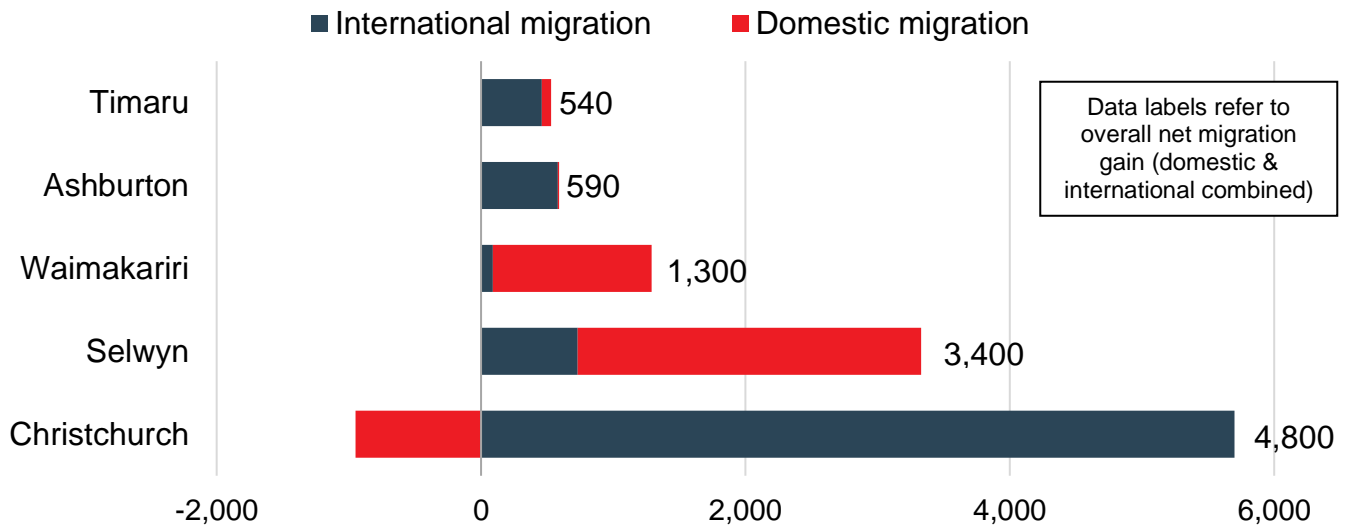
| Net domestic migration<br>(year to June 2023) |          |
|---|----------|
| Region  | Net gain |
| Canterbury                                    | 3,000    |
| Waikato                                       | 2,600    |
| Otago   | 1,800    |
| Northland                                     | 1,700    |
| Bay of Plenty                                 | 1,700    |
| Wellington                                    | - 490    |
| Auckland                                      | - 11,200 |

Data source: Statistics NZ

- The type of migrant that moved to Canterbury varied across the region (see diagram on next page). In Christchurch, migration gains were driven by international migrants, with a net gain of 5,700 people from overseas. National immigration data suggests these are most likely to be people moving from China, India, Philippines, Australia, the UK and South Africa.
- Meanwhile, Selwyn & Waimakariri experienced strong domestic migration inflows (people relocating from elsewhere in New Zealand). Selwyn experienced the largest net gain from domestic migration of any NZ district for the fifth consecutive year, with a net gain of 2,600 people. A portion of domestic migration into Selwyn and Waimakariri is likely to be people moving around within Greater Christchurch (including outflows from Christchurch City to neighbouring districts, or between Selwyn and Waimakariri), but the majority of the net gain was due to relocation from outside of the region. As seen in previous years, net domestic migration across New Zealand was largely driven by flows of people moving out of Auckland. Auckland experienced a net loss of 11,000 people relocating to elsewhere in the country in the year to June. Aucklanders are therefore expected to have made up a significant share of the domestic migration gain in Selwyn and Waimakariri.



## Net migration by district (2022/2023)

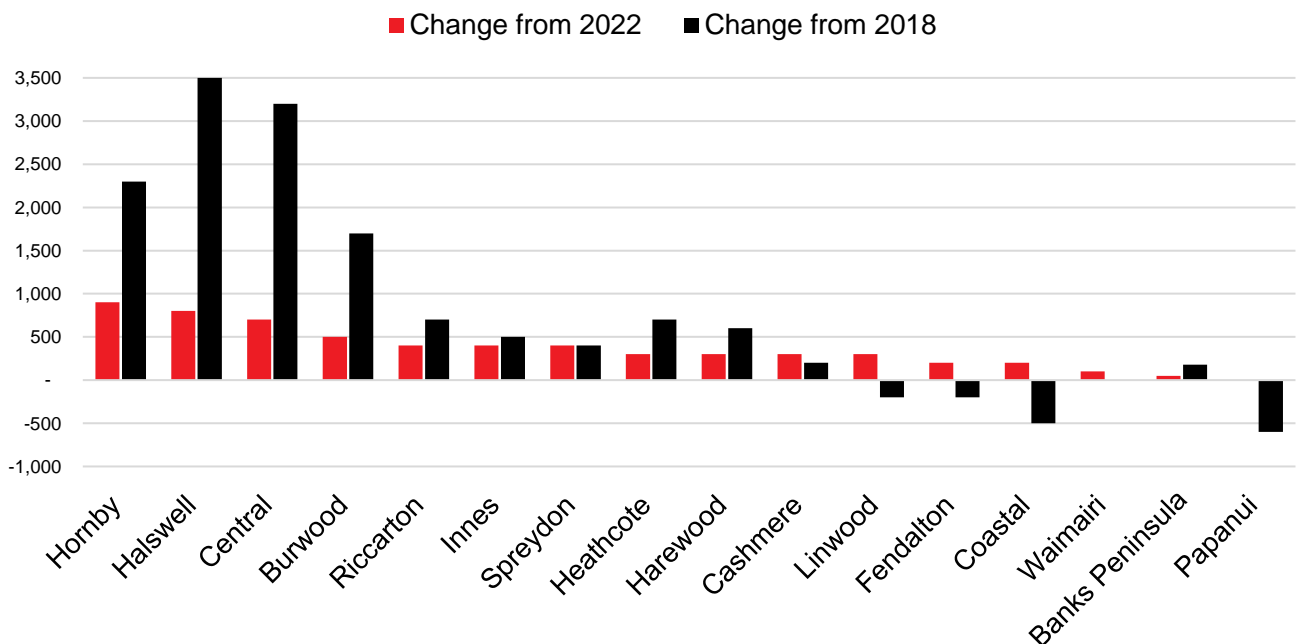


Data source: Statistics NZ

### Migration & population change by area

- Of Canterbury's total migration gain, 44% took place within Christchurch, 31% within Selwyn, and 12% with Waimakariri. The remaining 13% was spread across the rest of the region (Ashburton, Timaru, Mackenzie, etc).
- Within the districts, migration data cannot be separated out from movement of the existing population. However, the data does indicate which areas within a district experienced the strongest population gains. Within Christchurch, the areas that experienced the largest population gains over the year to June 2023 were Hornby, Halswell, Christchurch Central (i.e., the Four Aves and eastern city fringe) and Burwood. In Selwyn, population gains were largest in Rolleston, Lincoln, and Faringdon, while Ravenswood and Kaiapoi recorded the largest increases in population within Waimakariri.

### Population change in 2023 by Christchurch City 'subdivision area'

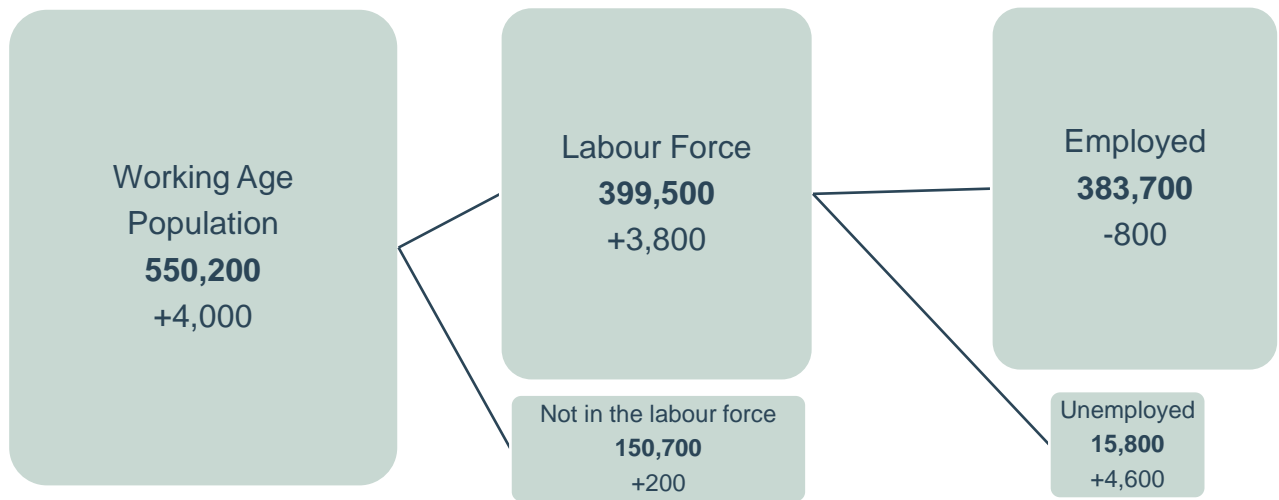


Data source: Statistics NZ, based on 2023 statistical subdivision boundaries. ('Banks Peninsula' combines Lyttelton, Mt Herbert, Wairewa & Akaroa)

## Labour Force (Q3 2023)

- Labour force data for the September quarter (Q3) indicates that the previously reported gap between local and national labour market dynamics has closed. In previous quarters, labour market tightness appeared to be persisting for longer in Christchurch & Canterbury than across New Zealand as a whole. Local and regional unemployment was continuing to fall to record lows despite increases in the national unemployment rate. This trend shifted in Q3.
- Christchurch's unadjusted unemployment rate increased to 4.8 percent in the September quarter, while Canterbury's unemployment rate increased to 3.9 percent. This was largely driven by an expansion in the size of the labour force that was not matched with a corresponding increase in employment. This indicates that there were more people entering the labour force than there were new jobs available. This trend is also observable at the national level. Growth in the size of the regional and national labour force is being driven by strong migration inflows, particularly from overseas.

### Canterbury's labour force composition- Q3 2023



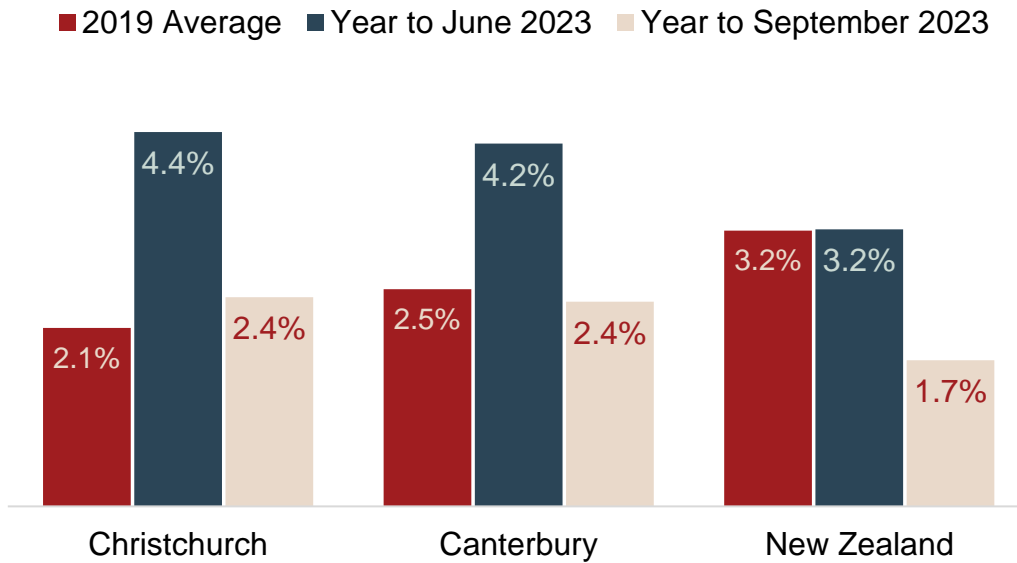
+ and – figures represent change in Q3 from Q2

## GDP (Q3 2023)

Data source: Statistics NZ

- Provisional GDP estimates from Infometrics indicate that the size of both the Christchurch and Canterbury economies expanded by 2.4 percent in the year to September 2023, compared to the previous twelve-month period.
- Local GDP growth outperformed New Zealand's GDP growth rate of 1.7 percent recorded over the same period. This is a continuation of a trend that has been observed since mid-2021, with the local and regional economy performing more strongly than the national economy over the post-pandemic period.
- Christchurch's GDP growth rate of 2.4 percent sat above its pre-COVID average of 2.1 percent in 2019. Canterbury's growth rate sat just below its pre-COVID average (2.4% vs 2.5% in 2019), while New Zealand's growth rate of 1.7 percent sat well below its 2019 average of 3.2 percent growth. GDP growth slowed from the previous period (year to June 2023) both locally and nationally, indicating that momentum is softening across the economy.

## Annual GDP Growth



Data source: Infometrics

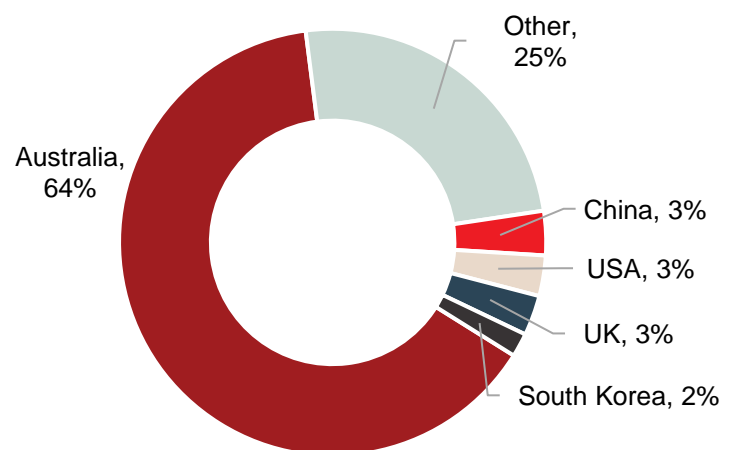
## International Visitation (September & October 2023)

### International visitor arrivals (September 2023)

- International visitor arrivals at Christchurch Airport increased to just under 27,500 people during September 2023. This was a 27 percent increase from the previous month of August, and a 51 percent lift from September last year.
- September arrivals were equivalent to 74 percent of pre-COVID levels (September 2019). Seat capacity on international flights into Christchurch was at 80 percent of pre-COVID levels over the same period (Source: CIAL).
- Arrivals data for September was characterised by a lift in holiday travellers from the previous month of August (+4,700 people) as well as a lift in visitors from most major markets. Visitor arrivals from China almost doubled, lifting from 470 in August to just over 900 in September. While this remains well below pre-COVID levels, Chinese arrivals are expected to continue to grow over summer following the resumption of direct flights from Guangzhou to Christchurch in November. Visitor arrivals from Australia recorded a 5,000-person lift over the same period, increasing to 17,800 visitors. This is the second highest month for visitation from Australia in the post-pandemic period, following 25,000 arrivals in December 2022.

### International visitor arrivals by country of residence

Christchurch Airport (September 2023)



Data source: Statistics NZ

## International Visitor Spending (October 2023)

- International visitor spending in Christchurch City continued to increase in October 2023, lifting to just over \$24.5 million.
- Visitors from the USA overtook Australians as the highest spending international visitor market in Christchurch during October, at \$7.1m or 29 percent of international spend. Spending among visitors from the USA has recorded strong growth in the post-pandemic period, with spending during October up 35 percent or \$3.9m from the same month in 2019.



Data source: Marketview

## Retail Spending (October 2023)

Retail spending figures are sourced from Marketview and refer to spending via in-store electronic card transactions.

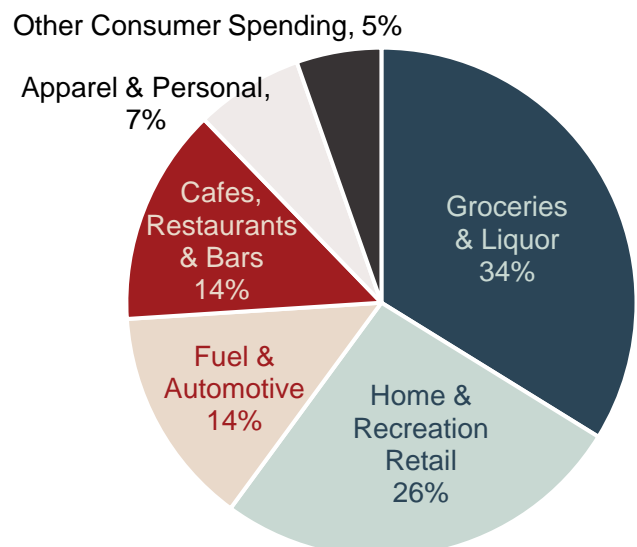
### Spending volumes

- 12.3 million retail transactions were carried out in Christchurch via in-store electronic card spending during October 2023. This was -0.2 below that of the same time in 2022 (around 21,200 fewer transactions).

### Spending value

- The value of retail spending in Christchurch during October 2023 came to \$582m, a decrease of -1.5 percent or -\$9.1m from October 2022. This is the first month in just over two years that the value of retail spending in Christchurch has recorded a negative year-on-year growth rate. The last negative growth rate was recorded in September 2021, when retail spending contracted due to the impact of COVID-19 lockdowns.
- The largest declines in the value of retail spending took place in the other consumer spending and apparel & personal categories, with each contracting by -12 percent. Together these store categories accounted for approximately 12 percent of

### Value of retail spend by store type October 2023



Data source: Marketview

total retail spending in Christchurch during October 2023. Spending at home & recreation retail stores and cafes, restaurants & bars also declined from October 2022, (by -7.0% and -2.4%, respectively).

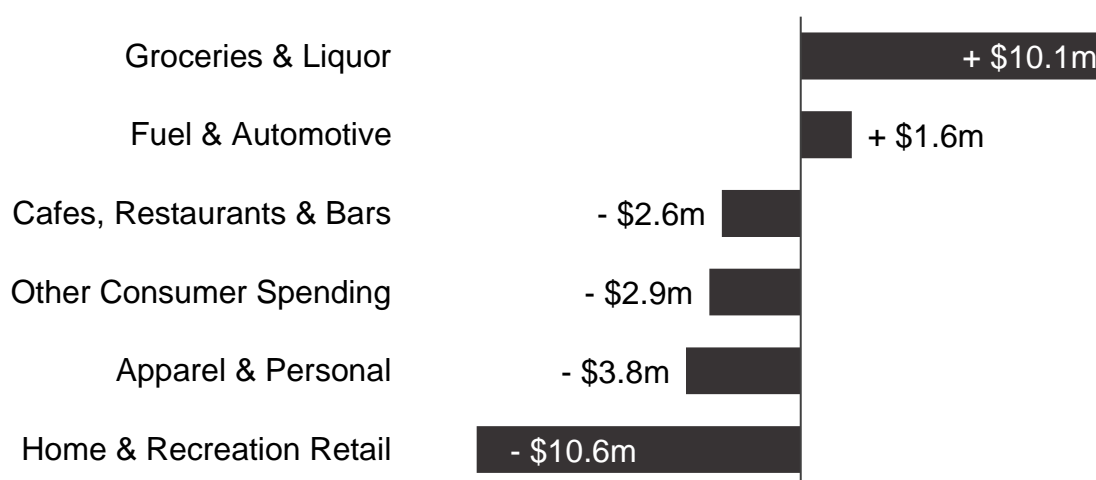
- The value of spending on fuel & automotive, and groceries & liquor increased over the same period, by 2.3 percent and 6.6 percent, respectively. Together these two store types accounted for 48 percent of retail spending in Christchurch in October.

| Change in value of ECT retail spending in Christchurch, October 2023 vs October 2022 |                           |                   |                    |                          |                         |       |
|--|---------------------------|-------------------|--------------------|--------------------------|-------------------------|-------|
| Apparel & Personal   | Cafes, Restaurants & Bars | Fuel & Automotive | Groceries & Liquor | Home & Recreation Retail | Other Consumer Spending | Total |
| -11.7%   | -2.4%                     | 2.3%              | 6.6%               | -7.0%                    | -12.0%                  | -1.5% |

Data source: Marketview

- Retail spending data continues to indicate a pull-back in spending among Greater Christchurch locals and domestic visitors. The impact of this is being partially offset by an increase in international visitor spending, compared to the same time last year. Spending by locals and domestic visitors combined fell -\$16.1m from October 2022, while spending by international visitors increased by \$7.1m.
- Spending by residents of Greater Christchurch made up 85 percent of retail spend in Christchurch during October. The value of retail spending carried out by locals fell by -1.6 percent or -\$8.3m from the same time in 2022. This decline in local spending was largely driven by a reduction in spending on home & recreation retail. This category captures various store types including home & garden, electronics and hardware, books, toys, and department stores.

### Real change in value of spending by Greater Christchurch locals in Christchurch, October 2023 vs October 2022



Data source: Marketview

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