

Christchurch & Canterbury

Quarterly Economic Report
December 2024

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ChristchurchNZ

Economic indicators for the December quarter point to mixed economic performance during the last three months of 2024, in a continuation of the trend seen during the previous quarter. GDP growth for the year to December 2024 was flat at 0.0 percent in Christchurch (compared to the previous 12 months). This was similar to regional economic growth over the same period, with Canterbury recorded a 0.1 percent growth rate over the same period. This was above that of New Zealand as a whole, with national GDP growth contracting by -0.5 percent during the year to December 2024.

Positive trends

- **International visitors** injected \$118 million into Christchurch's retail sector via in-store card spending during the December quarter, a 36 percent increase from the same period in 2024. This boost in spending was supported by a lift in overseas visitor numbers during Q4, with international visitor arrivals at Christchurch Airport reaching their highest level recorded in the post-pandemic period during the month of December.
- **Consumer confidence** in Canterbury is sitting above the national average after lifting to net optimistic levels for the first time in three years. This is the second consecutive quarter in which consumer confidence has showed notable improvements in Canterbury. The consumer confidence score of 101.4 recorded in Canterbury during Q4 is a 13 percent lift on that of the same time in 2023.
- **Consumer price inflation** remained inside the Reserve Bank's 1-3 percent target band for the second quarter in a row during Q4, coming in at a rate of 2.2 percent. This was unchanged from the previous quarter.
- The **Performance of Services Index (PSI)** recorded an expansive quarterly score for the first time since early 2024 in Canterbury, due to a lift in service sector activity during the month of November.
- A reduction in the value of goods imported through Christchurch ports drove a notable increase in the size of **Christchurch's trade surplus** compared to the same time in 2023. An -8.7 percent reduction in the value of goods imports between Q4 2024 and Q4 2023 led to a 21 percent increase in the size of Christchurch's trade surplus, despite the value of exports remaining flat over the same period.

Challenges

- The **Performance of Manufacturing Index (PMI)** for Canterbury was in contraction for the seventh consecutive quarter during Q4, reflecting the impact of sluggish economic activity in recent years.
- **Employment** indicators continue to highlight weak demand in the labour market. Although the unemployment rate remained flat (compared to the previous quarter) in both Christchurch and Canterbury, unemployment is above the five-year pre-COVID average.
- **Jobseeker recipient numbers** also continued to climb during the December quarter. Over 15,000 people in Christchurch were receiving Jobseeker support during Q4, up 11.6 percent from the same time in 2023. This compares to a 12.4 percent national increase over the same period.
- The number of **jobs advertised online** dropped sharply during the December quarter. Online job ads in Q4 2024 were down -21 percent from the same quarter in 2023 in Canterbury, and -27 percent nationally.

The December quarter featured some key positive developments across the broader economic environment, paving the way for a sense of cautious optimism heading into 2025. Inflation has stabilized around the 2 percent mark, and interest rates have become less restrictive in response. This reduction in interest rates has corresponded with a lift in both business and consumer confidence, with activity expected to gradually follow suit. Despite growing uncertainty around the impact of rising geopolitical tensions on global markets, New Zealand is positioned to experience an improvement in economic conditions over the year ahead. This is particularly true for Christchurch and Canterbury. Although flat GDP growth over 2024 is nothing to write home about, New Zealand's negative GDP reading over the same period highlights that the local economy will be entering into the recovery phase from a more favorable starting point than New Zealand as a whole.

The lagged nature of the labour market

One part of the economy where recovery is expected to take a little longer is in the labour market. Economic indicators are often described as either leading or lagging. Leading indicators are metrics like consumer confidence or building consents that tend to change before the economy begins to move in a particular direction and can be used to predict future trends. Then there are lagging indicators, which tend to change after the economy has started moving in a particular direction. Lagging indicators tend to reflect what *has been* happening in the economy, rather than what is happening.

Unemployment statistics are an example of a lagging indicator. This is because businesses often make decisions about employment after they have started to experience changes in demand. Generally, businesses like to hold onto staff for as long as they can during downturns, while during recoveries they like to see sustained improvements in economic conditions before increasing staff numbers.

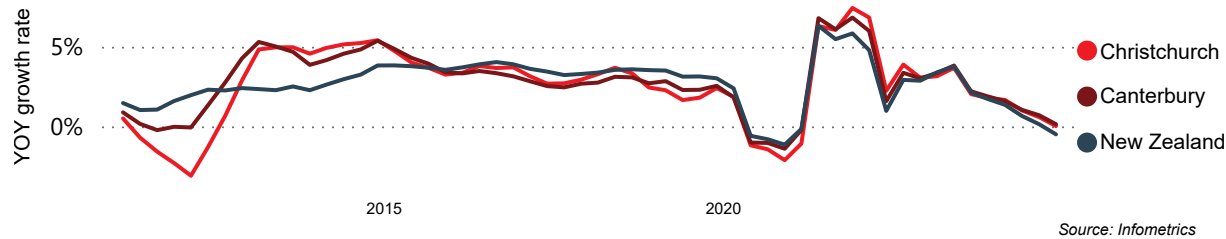
The impact of New Zealand's economic slowdown in recent years is now clearly showing up in unemployment figures. Canterbury's unemployment rate was sitting at 4.7 percent during both the September and December quarters, well above 'typical' levels for the last decade. While other economic indicators are showing signs of life, the Jobs Online index for the December quarter indicate that demand for labour remained subdued at the end of 2024. Online job ads in Canterbury were at levels only previously seen during the peak COVID lockdown period, while in Auckland and Wellington job ads have even fallen below those levels.

The lagged response of labour market indicators means that this ongoing downturn is no surprise, but that doesn't make the nature of the employment landscape any easier for jobseekers. Looking ahead, while the broader economic environment is showing promising signs of recovery, the labour market's inevitably delayed response highlight the challenges that remain.

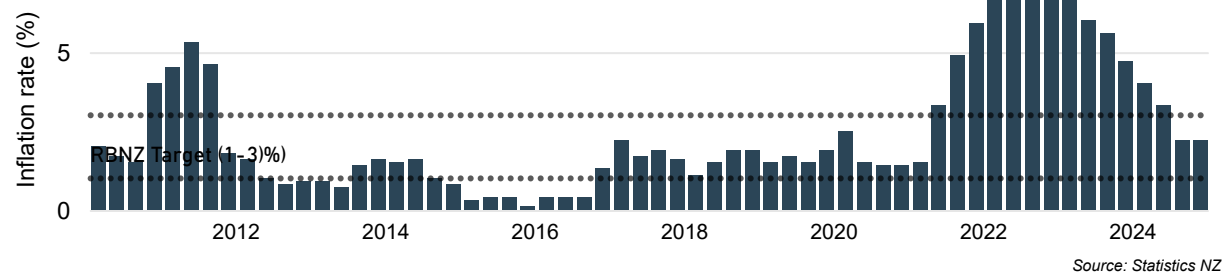
Economy

- Year-to-date **economic growth** for Christchurch was flat at 0.0 percent in the year to December 2024, down from 0.6 percent growth in the previous 12-month period (year to Sept. 2024). Canterbury recorded an average annual growth rate of 0.1 percent over the same period, while growth was negative at -0.5 percent across New Zealand.
- New Zealand's **Consumer Price Index (CPI)** annual inflation rate remained at 2.2 percent during the December quarter. This marks the second consecutive quarter in which annual inflation has been within the Reserve Bank's 1-3 percent target band. This has not occurred since early 2021.
- The value of goods **exports** from Christchurch ports during the December quarter were -1 percent lower than during the same time in 2023. The value of goods **imports** also decreased over the same period, falling by -8.7 percent. Christchurch's goods trade balance moved back into surplus during Q4, with the size of the trade surplus increasing by 21 percent from Q4 last year. Overall, exports from Christchurch ports made up 12.9 percent of national exports during the December quarter, and 8.3 percent of national imports.
- Residential **building consent** issuance in Christchurch declined by -10.1 percent in the December quarter from the same time last year, while increasing 8.7 percent nationally over the same period. Commercial consent issuance in Christchurch lifted from 41 in Q4 last year to 47 (a 15% increase), and decreased by -7.2% across New Zealand as a whole.

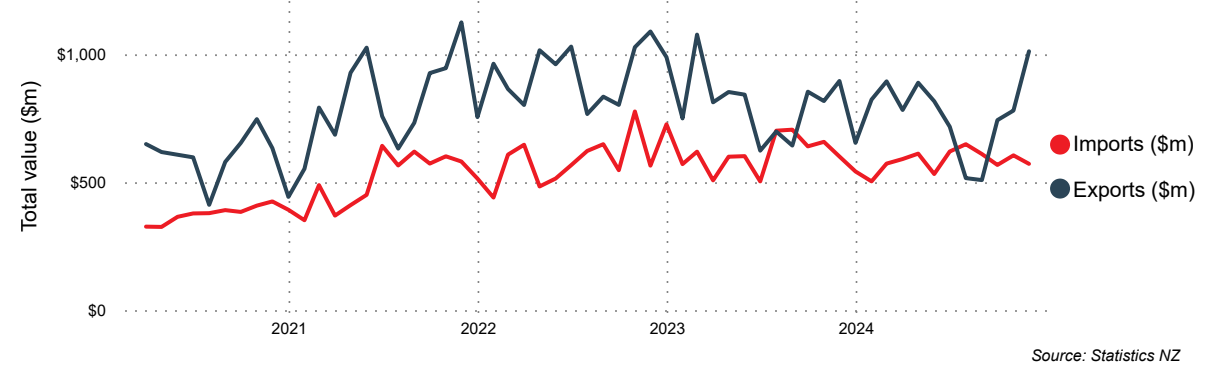
Economic Growth (year-to-date)



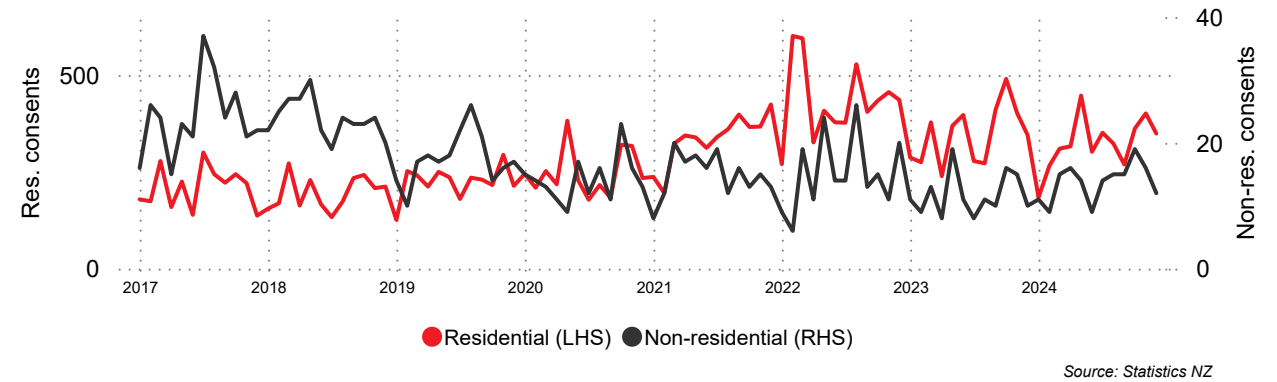
CPI Inflation Rate (%)



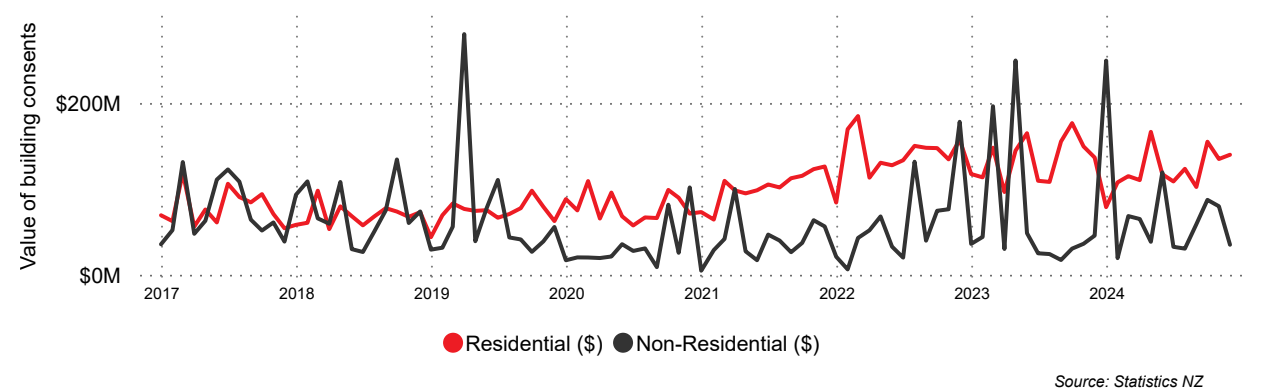
Christchurch Ports: Value of International Trade (goods, monthly)



Number of Building Consents Issued in Christchurch (monthly)



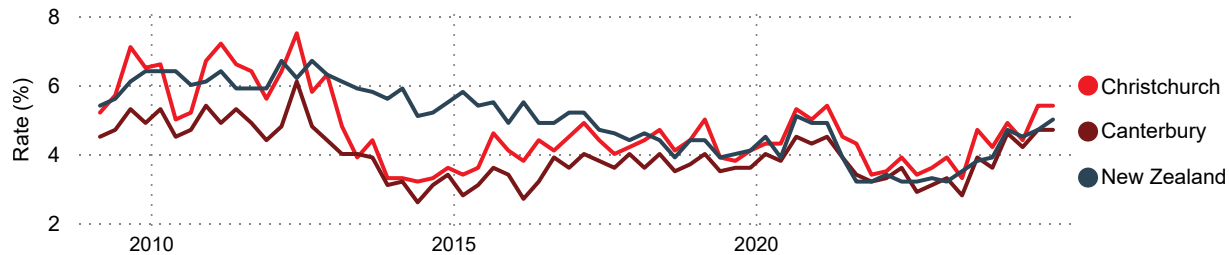
Value of Building Consents Issued in Christchurch (monthly)



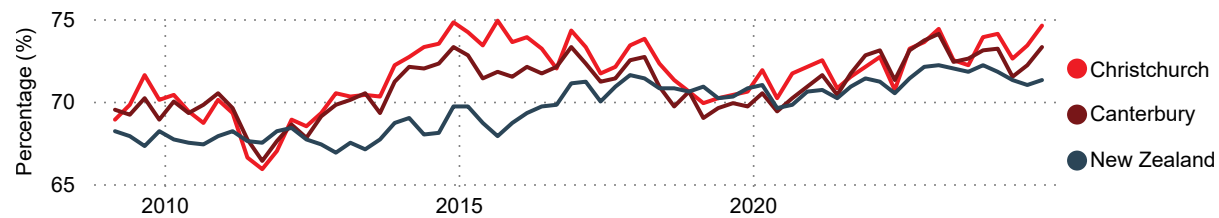
Employment

- Christchurch's unadjusted **unemployment rate** remained at 5.4 percent in Q4 2024, and at 4.7 percent across the Canterbury Region as a whole. At the national level, the unadjusted unemployment rate increased from 4.7 percent in Q3 to 5.0 percent during Q4.
- The labour force participation rate lifted to a nine-year high in Christchurch during Q4, rising from 73.4 percent in Q3 to 74.6 percent in Q4. This was above that of the Canterbury Region (73.3%) and New Zealand as a whole (71.3%). The size of Canterbury's labour force has increased by 3.3% over the last year, with an additional 13,300 people in the region who are working or wanting to work compared to December 2023. Meanwhile, the size of the national labour force has remained static over the same period.
- The number of **jobs advertised online** decreased again during the December quarter, both in Canterbury and across New Zealand. The jobs online index is now at its lowest level since COVID lockdowns in mid-2020. Compared to the same quarter in 2023, online job ads have fallen -21 percent in Canterbury and -27 percent across New Zealand as a whole. All sectors in Canterbury recorded an annual decline in job ads (compared to Q4 2023), with the smallest reductions taking place in education (-11%) and the largest taking place in health and IT (-34% and -30%, respectively).
- The number of people receiving **Jobseeker support** continued to increase over the December quarter, with local and national Jobseeker numbers at their highest levels since 2020/2021. The number of Jobseeker recipients has increased 11.6 percent from Q4 last year in Christchurch, and 12.4 percent nationally.

Unemployment Rate (% , unadjusted)

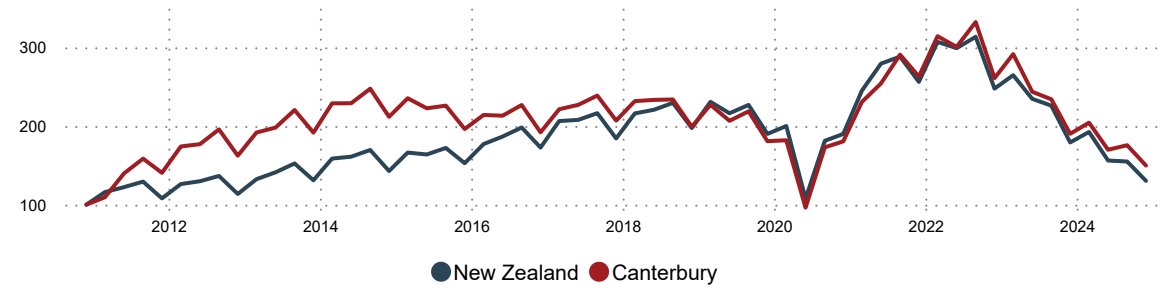


Labour Force Participation Rate (%)



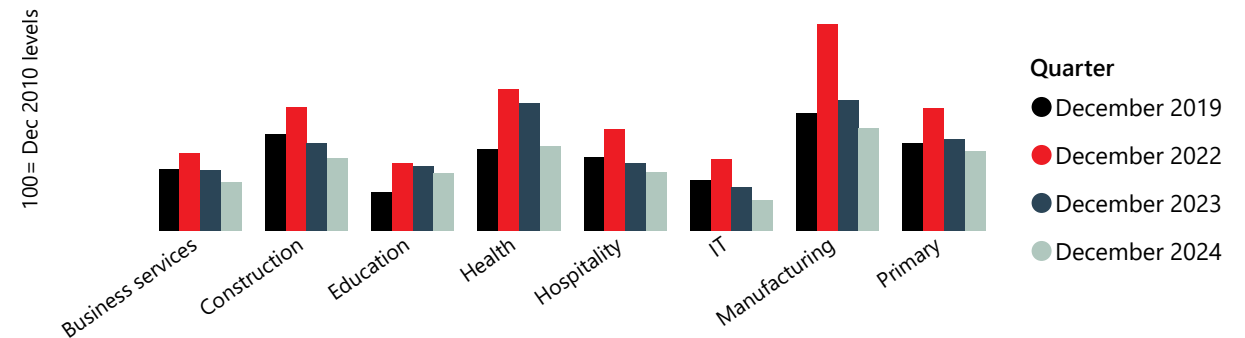
Source: Statistics NZ

Jobs Online (unadjusted, indexed to Dec. 2010)



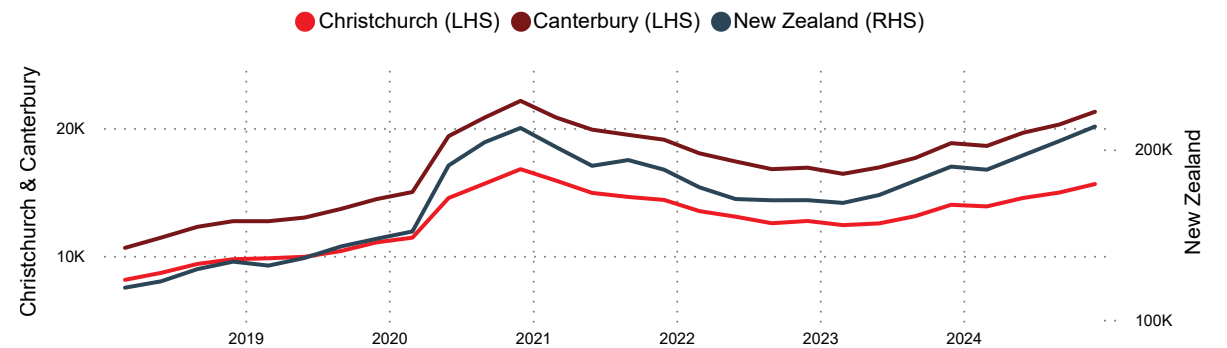
Source: MBIE

Jobs Online for Selected Industries, Canterbury (unadjusted, indexed to Dec. 2010)



Source: MBIE

Jobseeker Support Recipients

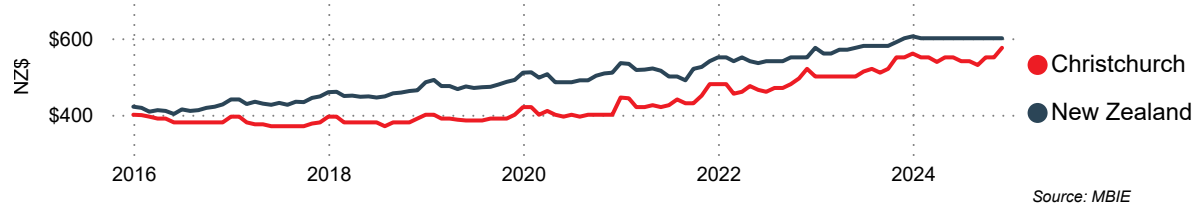


Source: MSD

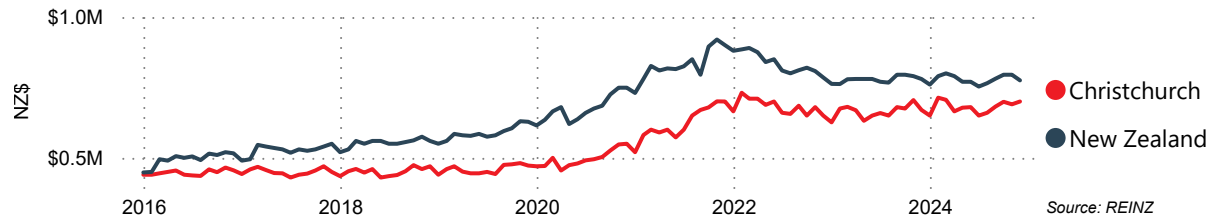
Housing & Confidence

- **Rental prices** in Christchurch grew 4 percent during the December quarter, with median weekly rent rising from \$537 in Q3 to \$558 in Q4. Median weekly rent across New Zealand as a whole remained unchanged at \$600 over the same period. Compared to the same quarter in 2023, median rents increased by 3.4 percent in Christchurch and 1.7 percent across New Zealand. Based on December 2024 average rental prices, yearly rental costs were equivalent to 22.6 percent of annual incomes in Christchurch.
- **Median house prices** in Christchurch increased by 4.9 percent during the December quarter, lifting to an average of \$696k. This was a 1.9 percent increase from the same period in 2023. New Zealand's median house price averaged at \$780k during Q4, up 5.1 percent from the previous quarter and down -1.0 percent from the same time in 2023. On average, house prices were equivalent to 6.2 times annual incomes in Christchurch during Q4, while the house price-to-income ratio across New Zealand as a whole sat at 6.7.
- There were 58,400 **residential mortgage loans** issued in New Zealand during Q4 2024. This was 20.5 percent higher than the number issued during the same quarter last year, although Q4 2023 numbers were below average levels making this a lower baseline for comparison. First-home buyers made up just over 14 percent of mortgages issued during the quarter, up from 11 percent pre-COVID (Q4 2019). Overall, there were -21 percent fewer mortgages issued across all borrower types than there were during the same quarter prior to COVID.
- **Consumer confidence** continued to improve during the December quarter, with confidence in Canterbury lifting to its highest level since September 2021. Consumer confidence in Canterbury has now moved back into net optimistic territory for the first time in over three years, and is also above the national average. Improvements in sentiment reflect growing optimism about the future, including expectations around household finances and the economic outlook more generally.

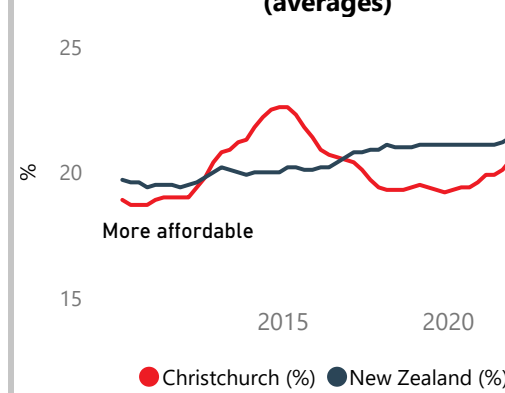
Median Residential Weekly Rent (monthly)



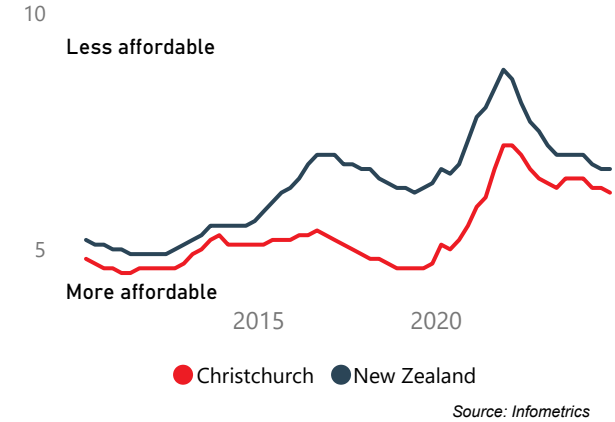
Median House Price (monthly)



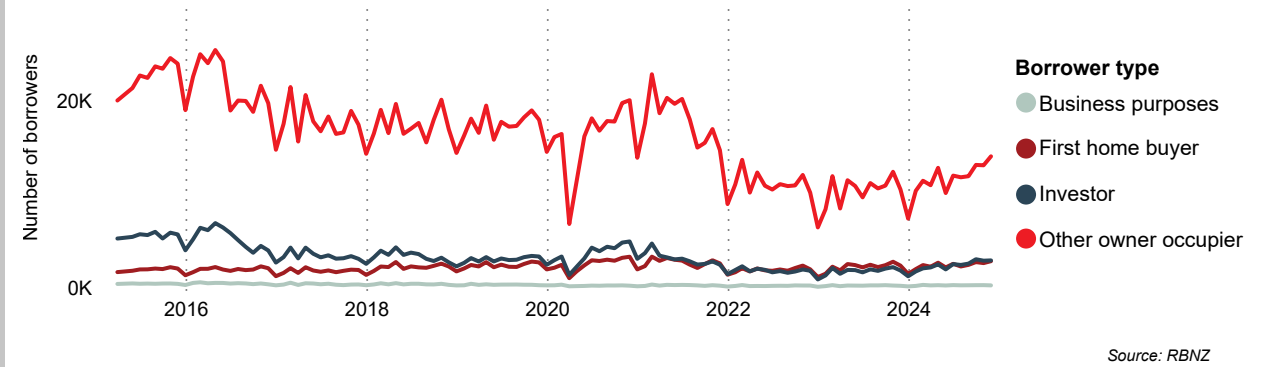
Annual Rent as Share of Household Incomes (averages)



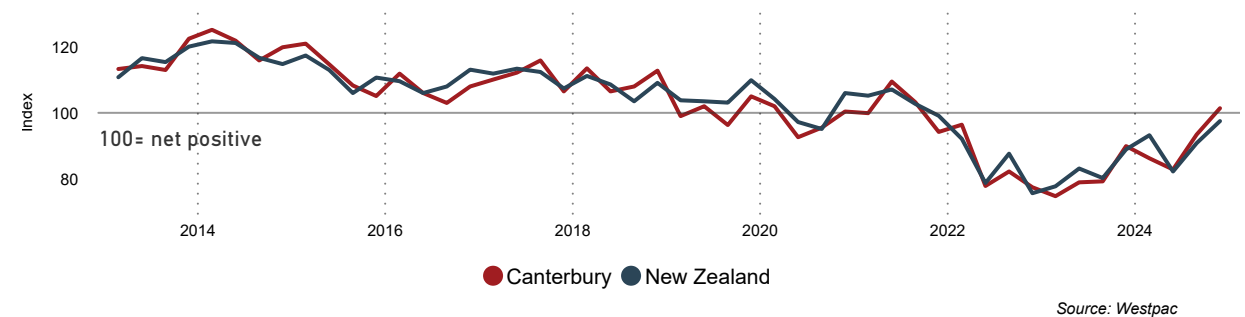
House Price to Income Ratio (averages)



Number of New Residential Mortgage Loans, New Zealand (monthly)



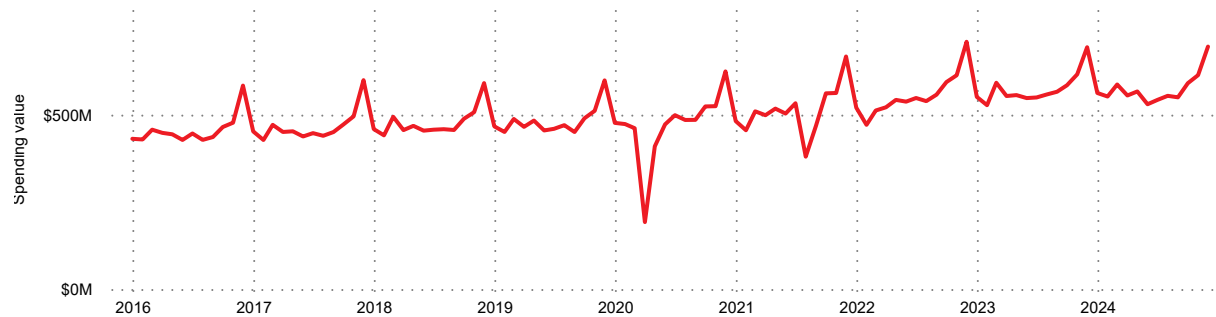
Consumer Confidence



- **Value of spending:** Annual growth in the value of retail spending* in Christchurch was flat during the December quarter, lifting 0.3 percent from the same period in 2023. This was equivalent to a \$5.5 million increase compared to Q4 2023. Spending recorded small year-on-year increases in value across most store categories, with the exception of 'other consumer spending' (which largely captures recreation and leisure spend) and fuel and auto repairs.
- **Volume of spending:** The number of electronic card transactions in Christchurch increased by 1.1 percent on annual basis, equivalent to an additional 409k transactions compared to Q4 2023. Transaction volumes showed small year-on-year increases across all store types except for 'other consumer spending' which recorded a -1.4 percent reduction.
- The unadjusted **Performance of Manufacturing Index (PMI)** for Canterbury remained in contraction during Q4 2024, with an average quarterly score of 46.5. New Zealand's manufacturing sector was also in contraction, with an average quarterly score of 48. The December quarter is the seventh consecutive quarter in which Canterbury has had a contractive average PMI, and the eighth consecutive quarter of contraction at the national level.
- The unadjusted **Performance of Services Index (PSI)** for Canterbury moved back in to (slight) expansion during Q4 2024, with an average PSI score of 50.5. Despite improving from the previous quarter, New Zealand's PSI remained in contraction during the December quarter with an average score of 49.7. Both the regional and national services sector recorded their strongest performance during the month of November. which supported an overall lift in their average PSI scores for the quarter.

* Via in-store, electronic card transactions

Retail spending via electronic card transactions, Christchurch (monthly)



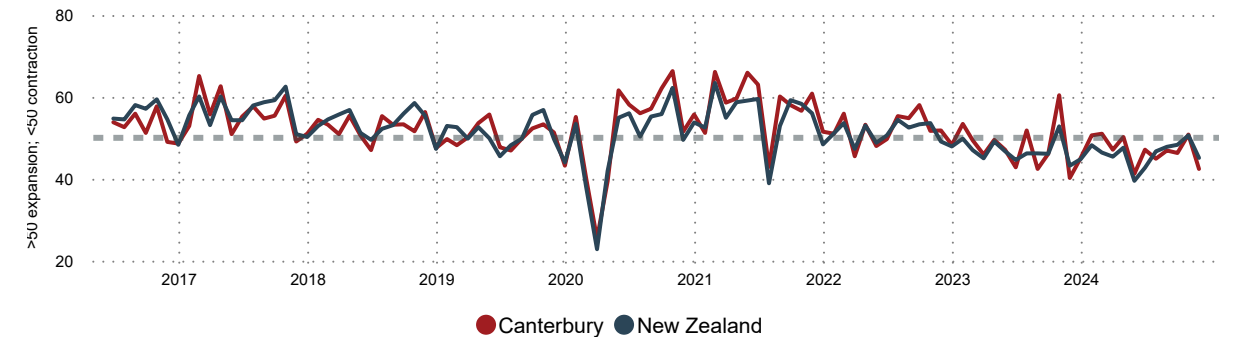
Source: MarketView

Annual retail spending growth, Christchurch (Q4 2024 vs Q4 2023)

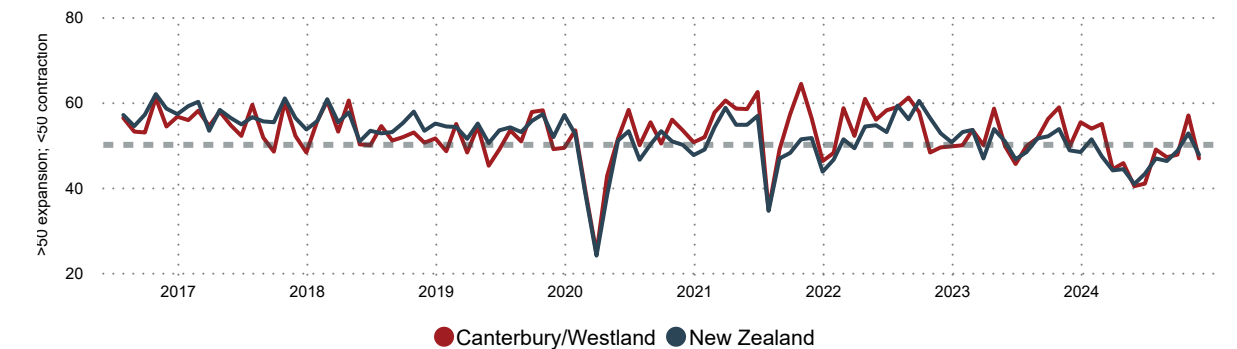
Spending growth	Apparel & Personal	Cafes, Restaurants & Bars	Dept. Stores & Leisure	Groceries & Liquor	Home, Hardware & Electrical	Other Consumer Spending	Fuel & Auto Repairs	Total
Value	2.0%	1.4%	0.5%	2.7%	0.1%	-5.0%	-5.8%	0.3%
Transactions	1.4%	0.3%	1.1%	1.6%	1.1%	-1.4%	1.7%	1.1%

Source: MarketView

Performance of Manufacturing Index (monthly)



Performance of Services Index (monthly)

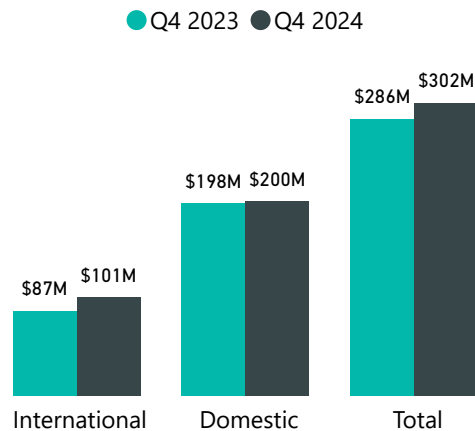


Source: BNZ Business NZ

Visitors & International Migration

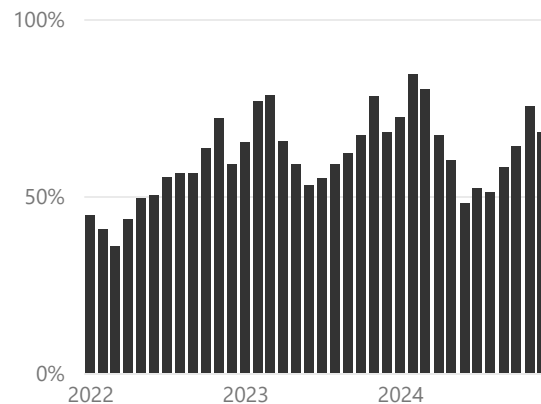
- **Visitor spending** in Christchurch came to \$302 million during the December quarter, a 5.6 percent or \$16 million increase from Q4 in 2023. This was largely driven by a \$14 million increase in international visitor spending, alongside a small uplift in domestic visitor spend (compared to the same quarter last year). Christchurch's market share of international visitor spend was slightly higher than during the same time pre-COVID. Christchurch attracted 8.6 percent of international visitor spending in New Zealand during Q4 2024, compared to 8.4 percent during Q4 2019.
- **Accommodation occupancy** in Christchurch averaged at 69 percent during the December quarter, above the national average of 56 percent.
- Approximately 143,000 **international visitor arrivals** landed at Christchurch Airport during Q4 2024, nearly double that of the previous quarter. This was 21 percent higher than during the same quarter in 2023. Arrival numbers during Q4 2024 were equivalent to 85 percent of pre-COVID levels. Monthly arrivals were highest during December with over 66,000 overseas visitors landing in Christchurch. This is the highest number of monthly arrivals recorded in the post-pandemic period and is equivalent to 89% of pre-COVID levels.
- International **migration inflows** in Canterbury remained steady during Q4 2024, with a total of 3,100 people moving to the region from overseas. This was lower than the record highs of the previous year (falling -12% from Q4 2023), but remained 21% above pre-COVID levels. Migration inflows across New Zealand as a whole were -21% below that of Q4 last year, although still 11% higher than during the same time in 2019. Migration to Canterbury made up 9.8 percent of migrant arrivals in New Zealand during the December quarter

Quarterly visitor spend, Christchurch (Q4)



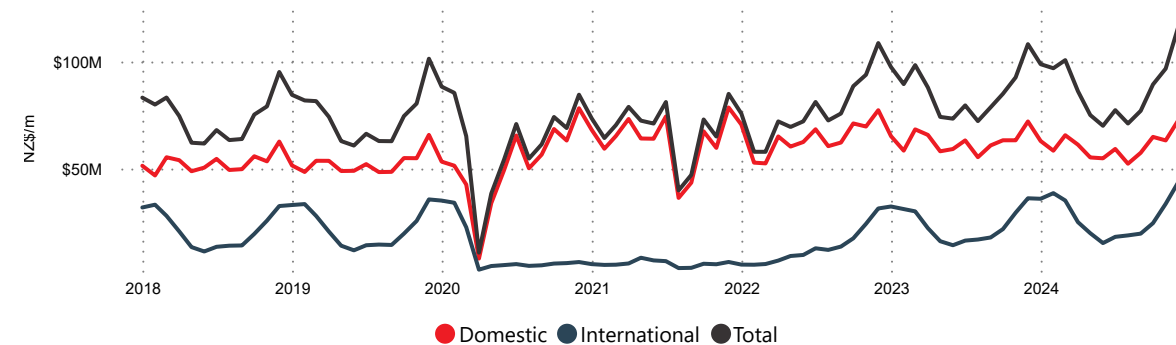
Source: MarketView (Electronic Card Transactions)

Accommodation occupancy, Christchurch (monthly)



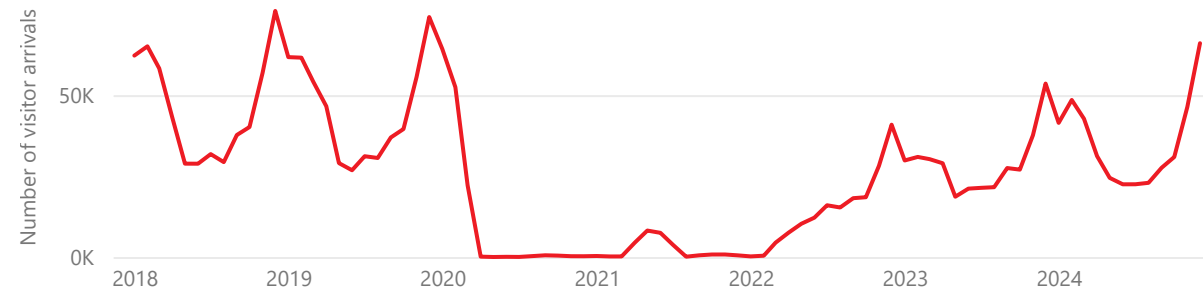
Source: Accommodation Data Programme

Visitor Spending in Christchurch (monthly)



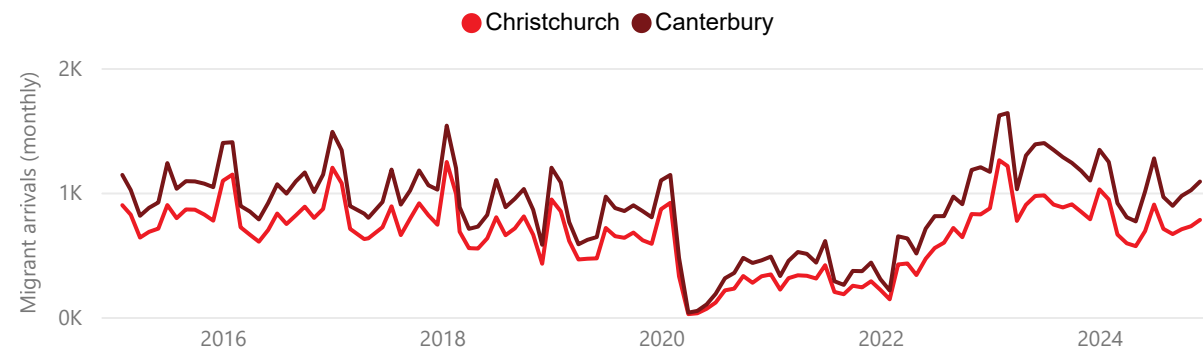
Source: MarketView (Electronic Card Transactions)

International Visitor Arrivals, Christchurch Airport (monthly)



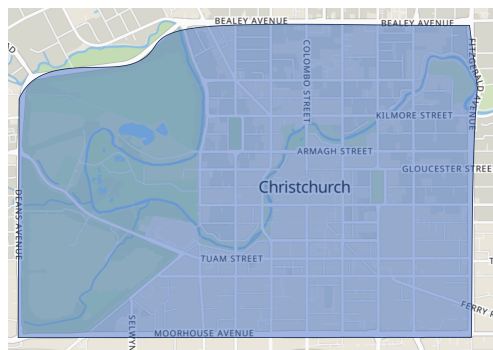
Source: Statistics NZ

Permanent & Long-Term International Migration (monthly)



Source: Statistics NZ

Four Aves



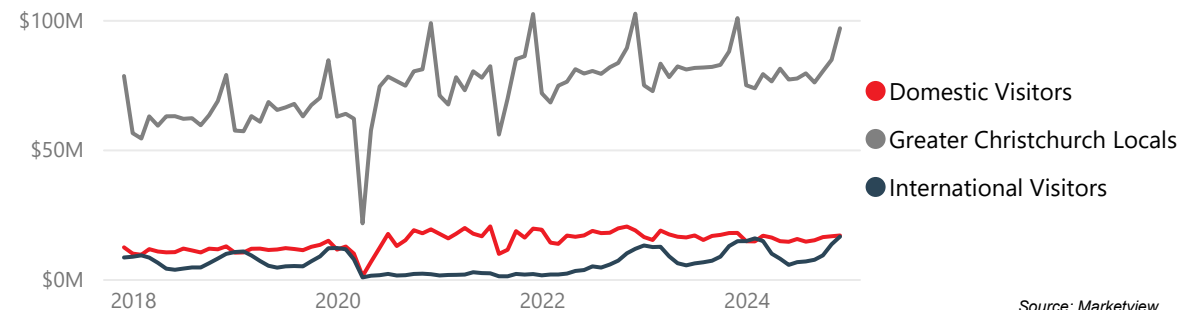
- The Four Aves refers to the area captured on the above map and aligns with Christchurch's central city.
- The **value of retail spending** in Christchurch's Four Aves fell -2.7 percent in the December quarter compared to the same time in 2023. The **volume of spending** in the Four Aves (number of transactions) fell -0.7 percent over the same period.
- The contraction in spending was largely driven by a reduction in spending by locals compared to the same time in 2023. Spending by residents of Greater Christchurch fell by \$9.6 million (-3.5%) compared to Q4 2023, while domestic visitor spending also fell by \$3.1 million over the same period (-5.9%). The impact of this was partially offset by a \$2.9 million lift in international visitor spending within the Four Aves (+8.3%).
- The release of 2024 population data shows that the number of people **living in the Four Avenues** continued to increase over the year to June 2024, to 8,350 people. This represents a 1.6 percent increase in the inner-city population, compared to 1.2 percent growth across Christchurch City as a whole. There were around 60 more people living in the Four Aves in 2024 than there were pre-earthquake.
- The number of **employees in the Four Avenues** increased by just under 3,300 people in the year to February 2024, to a total of 50,390. This reflects a 6.9 percent increase from the previous year, compared to 2.8 percent employment growth across Christchurch as a whole.
- Healthcare & Social Assistance recorded the largest real increase in employment numbers over the year to February 2024 (+620 people), followed by Professional Services (+525 people) and Finance & Insurance (+480 people). Employment in the Four Aves accounts for 20.9 percent of employment in Christchurch overall.
- Meanwhile, the number of business locations in the Four Aves increased by 3.8 percent from the previous year, to a total of 5,150.

Retail spending growth, Four Aves (Q4 2024 vs Q4 2023)

Spending growth	Apparel & Personal	Cafes, Restaurants & Bars	Department Stores & Leisure	Groceries & Liquor	Home, Hardware & Electrical	Other Consumer Spending	Total
Value	4.8%	-1.8%	-1.6%	1.0%	-3.5%	-8.0%	-2.7%
Transactions	3.2%	-2.6%	1.6%	2.3%	-2.2%	11.5%	-0.7%

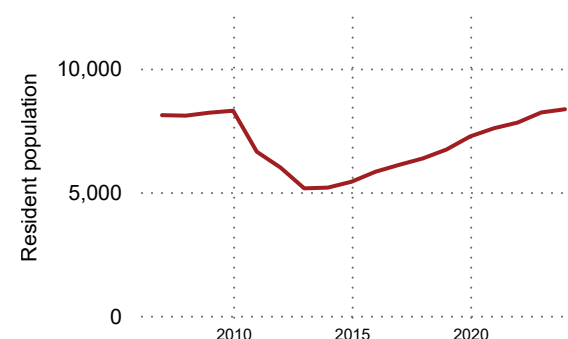
Source: Marketview

Monthly retail spending by customer type, Four Aves

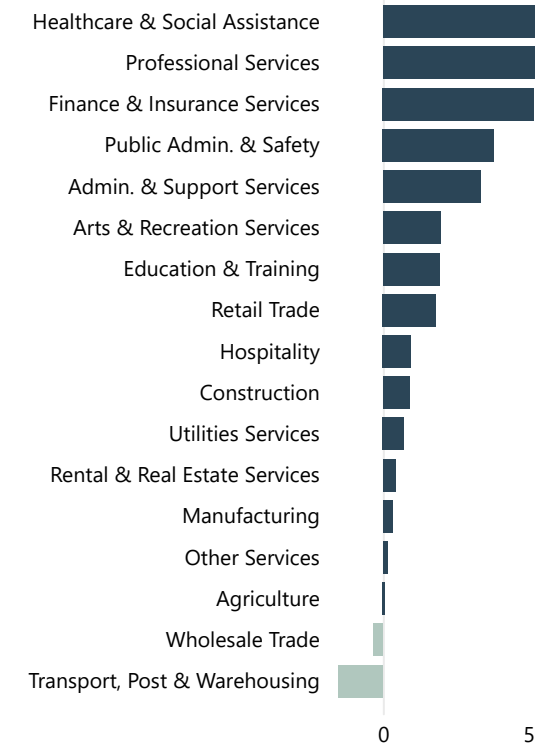


Source: Marketview

Residents Living within Four Avenues (as at June)

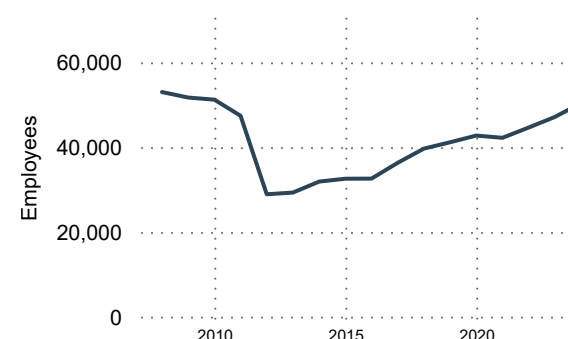


Real change in employment within Four Aves (year to Feb 2024)



Source: Statistics NZ

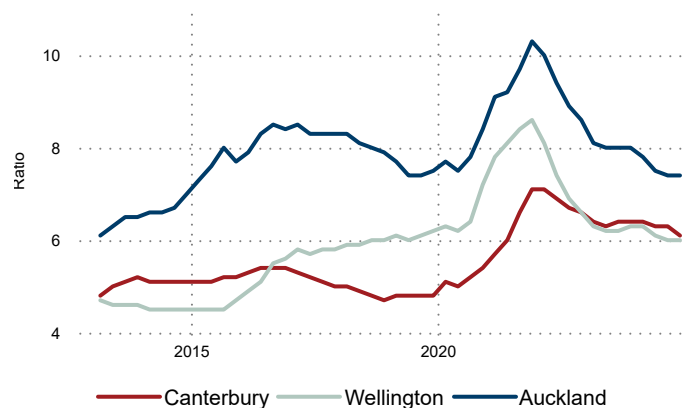
Employees within Four Avenues (as at February)



Canterbury in context: regional comparison

The below graphs detail the performance of New Zealand's major metropolitan areas (Auckland, Canterbury and Wellington) over a range of housing and employment indicators. The region's diverse employment offering and housing costs continue to contribute to Christchurch's growing reputation as an attractive city to live and work in, a key drawcard for attracting skilled workers to the region.

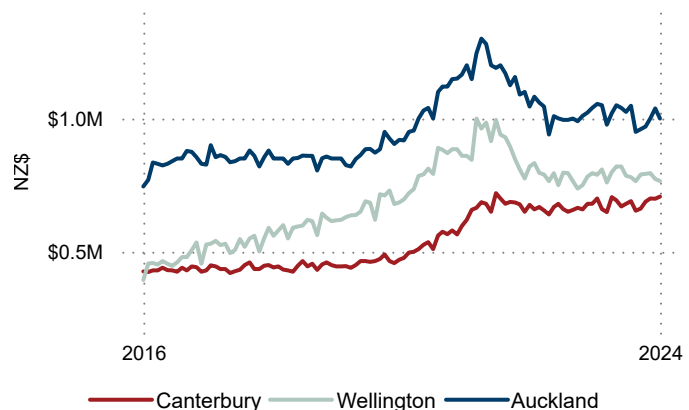
Housing Affordability by Region



- **Housing affordability** in the Canterbury region improved marginally during Q4, with an average house price to income ratio of 6.2.
- In comparison, average house prices were equivalent to 6 times average annual incomes in the Wellington region, and 7.4 times average annual incomes in the Auckland region.
- *Housing affordability compares average house prices with average annual employment earnings from filled jobs. A higher score indicates lower housing affordability.*

Source: Infometrics

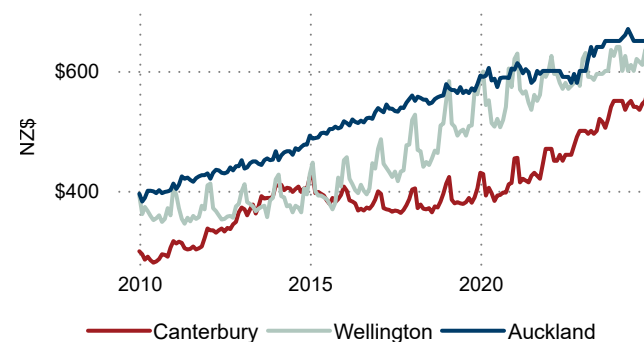
Median House Price by Region (monthly)



- **The median house price** in the Canterbury region averaged at \$702k during Q4 2024, a 5.1% lift from the previous quarter. Auckland's median house price was \$996k (up 5.5% from Q3), while in Wellington the median house price fell -0.6 percent from the previous quarter to \$763k.
- On an annual basis, house prices fell by -2.5 percent from Q4 last year in Wellington, and -3.4% in Auckland. Median house prices increased in Canterbury over the same period, lifting 3.2% from Q4 2023.
- The median house price in Canterbury was -31 percent lower than in Auckland and -10 percent lower than in Wellington during Q4 2024.

Source: REINZ

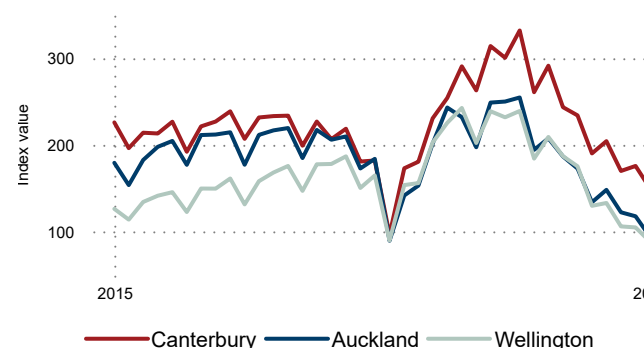
Median Weekly Rent by Region (monthly)



- **Rental prices** in Canterbury increased by 3.1% during the December quarter to an average of \$555 per week. This was a 3.4% increase from Q4 2023.
- Median weekly rent sat at \$623 in Wellington during Q4, which was a 1.9% increase from Q3 and a 0.5% increase from the same time in 2023.
- Meanwhile in Auckland, median rental prices remained flat at \$650 per week, which was unchanged from both the previous quarter and from Q4 2024.

Source: MBIE

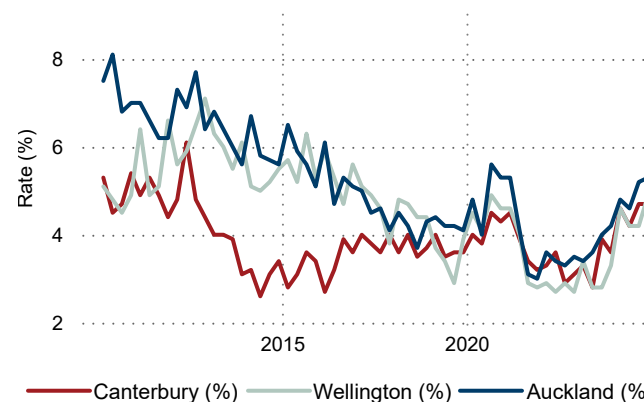
Jobs Online by Region (indexed to Dec. 2010)



- The number of **job vacancies** advertised online continued to decline in all three of the major regions during Q4 2024.
- Compared to the same time in the previous year, job vacancies were down -24 percent in Canterbury, -30 percent in Auckland, and -32 percent in Wellington.
- Online job ads remain -17 percent below pre-COVID levels in Canterbury. The decline has been sharper in Auckland and Wellington, with job ads falling to -46 percent and -41 percent below pre-COVID levels, respectively.

Source: MBIE

Unemployment Rate by Region (unadjusted)



- The unadjusted **unemployment rate** in Canterbury remained flat at 4.7 percent in the December quarter, which was unchanged from September.
- The unadjusted unemployment rate increased marginally in Auckland over the same period (from 5.2% in Q3 to 5.3% in Q4). Meanwhile, the unemployment rate in the Wellington region increased from 4.2 percent in the September quarter, to 4.9 percent in the December quarter.

Source: Statistics NZ

Data sources

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

Fresh Info: <https://freshinfo.shinyapps.io/ADPRreporting/>

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

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

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

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

Reserve Bank of New Zealand: <https://www.rbnz.govt.nz/statistics>

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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