Auckland Economic Update – July 2019

Data is the latest available as at the start of the month, and is for the Auckland region unless otherwise stated.

Real GDP Growth ¹

Real retail sales growth

Real weekly rent ² [*]

Tourism – Guest nights

House sales: price [*] and number sold ³

Buildings consented: res. and non-res. [*]

Employment and unemployment [**]

Confidence indicators ⁴, ⁵

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Sources:
All data is from Statistics New Zealand unless otherwise stated below:
(1) Infometrics, Regional Economic Profile; subject to revision. (2) Ministry of Business, Innovation and Employment (MBIE), Regional Rental Prices. (3) Real Estate Institute of New Zealand; subject to revision. (4) Westpac McDermott Miller. Values over 100 indicate more optimists than pessimists. (5) New Zealand Institute of Economic Research, Quarterly Survey of Business Opinion. Measures the net percentage of firms that believe the general business situation will improve in the next six months.

[*] All historical $ converted to latest quarter equivalent $ using quarterly price index, so may differ from previous updates.

[**] Historical HLFS data to March 2016 rebased August 2016 by SNZ, but not fully compatible with June 2016 onwards.

Disclaimer – The information in this document is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.
In Auckland, real GDP for the year ended March 2019 was 2.8% higher than for the year ended March 2018; in the rest of New Zealand, the annual growth was 2.2% (see note).

[NOTE: Latest and historical real GDP figures are modelled estimates, and subject to revision.]

Real GDP refers to GDP in constant 2010 dollars, to remove inflation.

In Auckland, real retail sales[^1] for the year ended March 2019 were 2.4% higher than for the year ended March 2018; in the rest of New Zealand, the annual growth was 2.4%.

[NOTE: These figures exclude non-retail activity captured elsewhere in the retail sales survey.]

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.

[^1] Source: Infometrics, Regional Economic Profile/Quarterly Economic Monitor

In Auckland, the average (not median or geometric mean) real weekly rent[^2] for the month (not year) of May 2019 was $563.46; in the rest of New Zealand, the figure was $413.87.

Rent here is for new rental bonds lodged each month with Ministry of Business, Innovation and Employment, for housing tenancies with private sector landlords.

Data here 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.

[^2] 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.

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

In Auckland, tourism guest nights for the year ended April 2019 totalled 7,460,000; in the rest of New Zealand, the figure was 32,896,000.

Tourism guest nights here refers to both international and domestic tourists, but only when staying in short-term commercial accommodation covered by the Statistics NZ survey, such as hotels, motels, backpacker hostels, or holiday parks. It excludes private homes or parts thereof rented out typically via third party websites.

Tourism – Guest nights

[^1] Source: Statistics NZ, CPI (quarterly)


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In Auckland, the total number of houses sold in the year ended May 2019 was 20,861. The median (not average) sale price of houses sold in Auckland in the month (not year) of May 2019 was $860,000.

[NOTE: REINZ\(^2\) revises backdata each month for prices and numbers sold.]

The data here covers only "houses" that actually sold during the period. "Houses" here includes all dwelling types (eg apartments and flats), not just freestanding houses, but excludes sales of undeveloped land. "Price" here is real actual sale price\(^3\) (not just listed).

\(^{[1]}\) Prior months' "real" prices are here calculated by inflating previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI).

\(^{[2]}\) Source: Real Estate Institute of New Zealand (REINZ), Monthly Property Report (monthly – from website); Statistics NZ, CPI (quarterly); Auckland Council (RIMU), calculations.

In Auckland, the total number of new dwellings consented in the year ended May 2019 was 13,881. The real value\(^4\) of new non-residential buildings consented in Auckland in the year ended May 2019 was $2,475 million.

Projects consented are not necessarily commenced or completed. "New" here refers to new buildings (i.e. excludes alterations and additions). (Also, the data takes no account of whether a previous building had been demolished there.) Residential number here 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.

\(^{[3]}\) Prior months' "real" values are here calculated by inflating previous quarters' dollars to the latest quarter's equivalent dollars using the capital goods price index (CGPI) for non-residential buildings.

\(^{[4]}\) Source: Statistics NZ, Building Consents (monthly); Statistics NZ, CGPI (quarterly); Auckland Council (RIMU), calculations.

In Auckland, the number of people employed in the quarter (not year) ended March 2019 was 2.9% higher than in the March 2018 quarter. The unemployment rate in Auckland in the quarter (not year) ended March 2019 was 4.4%.

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 have - or be actively seeking - a job.

Historical HLFS data to March 2016 was rebased by Statistics NZ, but is still not fully compatible with data for June 2016 onwards. Consequently, annual employment growth rates for the quarters June 2016 to March 2017 are overstated (but not for June 2017 onwards).


In Auckland, the Westpac McDermott Miller Consumer Confidence Index (CCI) for the March 2019 quarter (not year) was 101.0. The NZIER QSBO in Auckland for the March 2019 quarter (not year) showed a net 23.8% of businesses expecting a worsening of the general business situation over the next three months.

For the CCI, a score of greater than 100 shows more optimism than pessimism. 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.

(LHS) = Left hand side axis (consumers: index)

(RHS) = Right hand side axis (businesses: net %)

\(^{[3,4]}\) 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).