Auckland Economic Update – August 2018

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

Real GDP Growth

Real retail sales growth

Net migration

Tourism – Guest nights

House sales: price [*] and number sold ²

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

Employment and unemployment [**]

Confidence indicators [**]

Sources:

All data is from Statistics New Zealand unless otherwise stated below:

(1) Infometrics, Regional Economic Profile; subject to revision. (2) Real Estate Institute of New Zealand; subject to revision. (3) Westpac McDermott Miller. Values over 100 indicate more optimists than pessimists. (4) 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.

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

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

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In Auckland, real GDP for the year ended March 2018 was 2.2% higher than for the year ended March 2017; in the rest of New Zealand, the annual growth was 3.1% (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 2018 were 2.2% higher than for the year ended March 2017; in the rest of New Zealand, the annual growth was 2.5%.

[NOTE: In November 2017 Statistics NZ changed the basis for retail sales to SAFC, and adjusted back-data from June 2011 to June 2017; the earlier data omits approximately 1% of sales.]

[^1] 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.

In Auckland, net migration for the year ended June 2018 was 33,169; in the rest of New Zealand, the figure was 31,826.

Net migration is arrivals minus departures, and here refers to international migration only (not between regions within New Zealand), and by permanent and long-term (PLT) migrants only (people arriving or departing for 12 months or more). This data includes returning New Zealand citizens who have been away for more than 12 months. “Rest of NZ” here includes “NZ region not specified”, which is a relatively large component; some of these will be migrating to/from Auckland, but have not here been included in the Auckland figures.

In Auckland, tourism guest nights for the year ended May 2018 totalled 7,319,000; in the rest of New Zealand, the figure was 32,616,000.

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.

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

Source: Statistics NZ, Retail Sales (quarterly); Statistics NZ, CPI (quarterly); Auckland Council (RIMU), calculations.

Source: Statistics NZ, International Travel And Migration Data (monthly).

Source: Statistics NZ, Accommodation Survey (monthly).

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In Auckland, the total number of houses sold in the year ended June 2018 was 21,956. The median (not average) sale price of houses sold in Auckland in the month (not year) of June 2018 was $850,000.

[NOTE: REINZ² 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 free-standing houses, but excludes sales of undeveloped land. "Price" here is actual sale price[i] (not just listed).

[i] 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, calculations.

In Auckland, the total number of new dwellings consented in the year ended June 2018 was 12,369. The real value[i] of new non-residential buildings consented in Auckland in the year ended June 2018 was $2,204 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.

[i] 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.

Source: Statistics NZ, Building Consents (monthly); Statistics NZ, CGPI (quarterly); Auckland Council, calculations.

In Auckland, the number of people employed in the quarter (not year) ended March 2018 was 3.8% higher than in the March 2017 quarter. The unemployment rate in Auckland in the quarter (not year) ended March 2018 was 4.5%.

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).


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