

**QUARTERLY
ECONOMIC
MONITOR**



Waikato
Region

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Overview of Waikato Region

Spotlight



Economic challenges continue to mount, with Infometrics provisionally estimating a GDP decline of 0.1% in the Waikato Region over the year to June 2024, consistent with the national decline of 0.2%. Waikato's decline was driven by softer activity in construction, retail, wholesale, transport and manufacturing. Slowing economic activity has reduced hiring, with Waikato's employment growth slow to 1.9% over the year to June 2024. This would be a solid growth rate for most regions, but represents the Waikato's slowest growth since 2021.

With slower employment growth, and more people looking for work, Waikato's unemployment rate has risen strongly to 5.0% in the year to June 2024, from 3.8% a year ago. Fewer job opportunities have contributed to a 2,500 rise in Waikato Jobseeker Support recipients in the year to June 2024, for an annual increase of 11%. Young people are increasingly competing with more experienced workers, contributing to strong and consistent rises in the NEET rate over the past year, reaching at average of 14% in the year to June 2024.

High interest rates and cost of living pressures have discouraged investment in housing around the country. New dwelling consents in Waikato Region have fallen to their lowest quarterly level since 2015, with consents over

the year to June 2024 down 29%. Waikato's rental prices have risen at their fastest rate since 2015 this year, with 7.5% growth over the year to June 2024, causing a minor deterioration in rental affordability.

Nonetheless, applications for social housing on the Housing Register have fallen in the 2.7% over the year to June 2024, reflecting policy changes. The number of families in emergency housing has fallen sharply, down 36% decline in the year to June 2024, also reflecting policy changes.

Waikato's population growth, as indicated by health enrolments, has flattened out at a high level, with 2.6% growth over the year to June 2024. Waikato's crime rate of 269 criminal proceedings per 10,000 residents over the year to June 2024 is one of the region's lowest in the past decade, however, it is still 19% higher than the national average.

Economic indicators

Overview

Table 1. Overview of economic indicators

Indicator	Waikato Region	New Zealand
Gross domestic product (provisional)	-0.1% ▼	-0.2% ▼
Business counts	+1.9% ▲	+1.5% ▲
Consumer spending	+3.0% ▲	+1.9% ▲
Tourism expenditure	+4.1% ▲	+1.8% ▲
Guest nights	+2.6% ▲	+5.3% ▲
Non-residential consents	-35.4% ▼	-9.6% ▼
Electric vehicle registrations	-25.2% ▼	-26.0% ▼
Car registrations	-9.2% ▼	-11.7% ▼
Commercial vehicle registrations	-27.4% ▼	-21.5% ▼

All measures are annual average percentage changes.

Gross domestic product

Figure 1. Gross domestic product growth (provisional)
Annual average % change June 2023 - June 2024

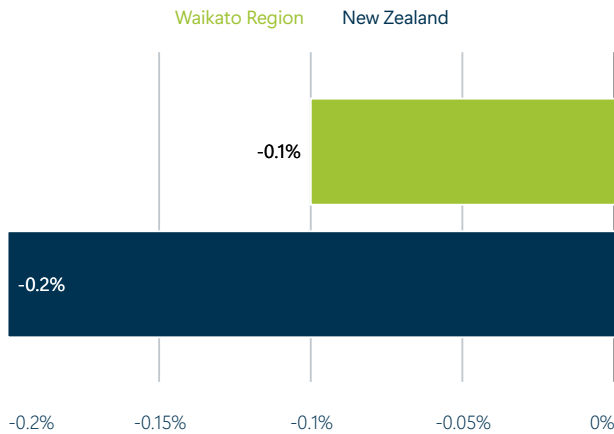
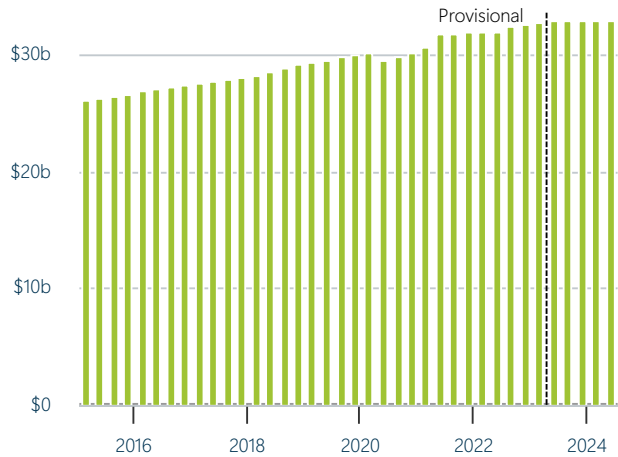


Figure 2. Gross domestic product
Annual level, Waikato Region



Highlights

- GDP in Waikato Region was provisionally down 0.1% for the year to June 2024, compared to a year earlier. The decline was not as low as in New Zealand (0.2%).
- Provisional GDP was \$32,909 million in Waikato Region for the year to June 2024 (2023 prices).
- Annual GDP growth in Waikato Region peaked at 8% in the year to June 2021.

National overview

The economy is clearly weaker, with households tightening their belts as job security deteriorates, unemployment rises, and businesses reporting lower sales and limiting further hiring. Provisional estimates from Infometrics show a fall in economic activity in the June 2024 quarter, with quarterly activity down 0.2%pa from a year ago, taking the year-end result to -0.2%pa as well. Economic sentiment remains poor, with private sector parts of the economy struggling, even as population-driven growth in public sector-related industries keeps headline numbers looking less downbeat than many are feeling. Retail trade activity, manufacturing, and the primary sector are all facing more challenging environments, as are the likes of construction and professional services. The housing market remains flat too, although the beginning of interest rate relief might well start to introduce some limited optimism for the year ahead.

Business counts

Figure 3. Growth in number of business units
Annual average % change June 2023 - June 2024

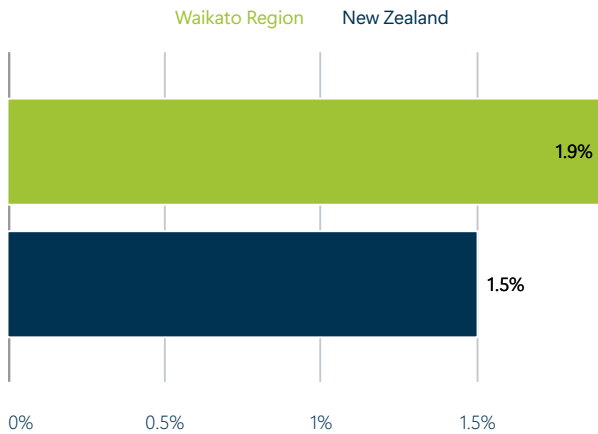
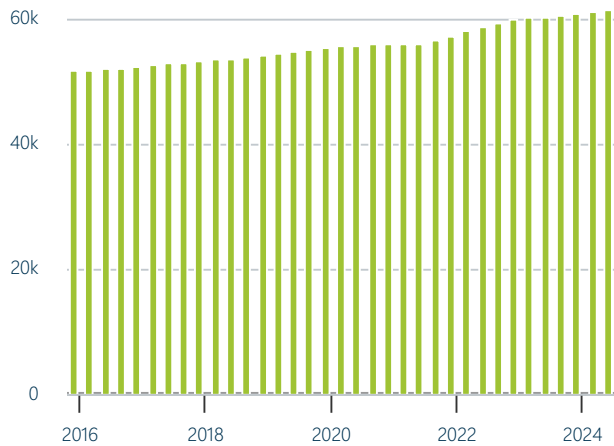


Figure 4. Business units
Annual level, Waikato Region



Highlights

- The number of business units in Waikato Region was up 1.9% for the year to June 2024, compared to a year earlier. Growth was higher than in New Zealand (1.5%).
- The number of business units in Waikato Region reached an annual average of 61,379 in the year to June 2024, up from 60,244 in the previous 12 months.
- Annual growth in the number of business units in Waikato Region peaked at 5.1% in the year to September 2022.

National overview

Business units have continued to rise, up 1.5% in the year to June 2024 despite the difficult economic environment for businesses. Growth bounced back, up 0.5 percentage points from the almost 3-year-low in March, although remaining lower than the strong growth in 2022. High borrowing rates, input costs and low consumer spending, combined with limited ability to pass these costs on through price increases, make for difficult conditions for new businesses. A weakening labour market will provide more uncertainty for potential business creators as we will likely see subdued spending as a result.

Consumer spending

Figure 5. Growth in consumer spending
Annual average % change June 2023 - June 2024

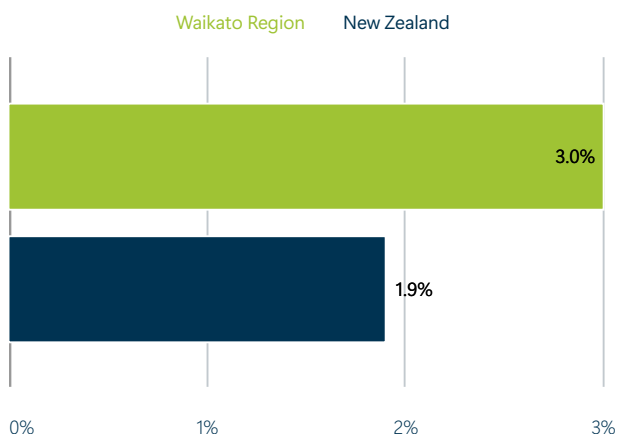
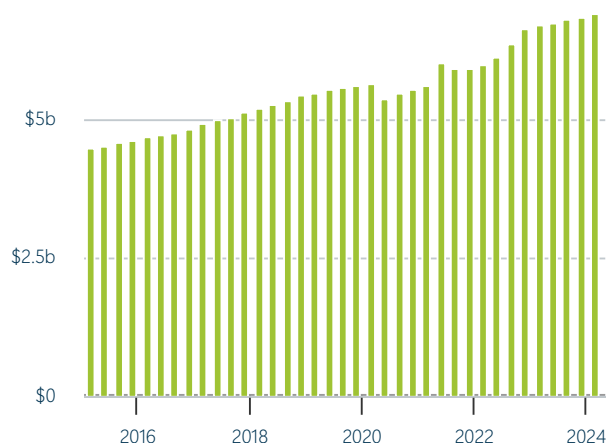


Figure 6. Consumer spending
Annual level, Waikato Region



Highlights

- Electronic card consumer spending in Waikato Region as measured by Marketview, increased by 3% over the year to June 2024, compared to a year earlier. This compares with an increase of 1.9% in New Zealand.

National overview

Marketview data indicates that consumer spending remained subdued, up just 1.9%pa over the year to June 2024. Spending growth was the slowest since the lockdown impacted September 2021 quarter at just 0.3% in June 2024 quarter compared to June 2023. Growth remains slower than inflation (3.3%pa over the same period), meaning consumers are paying more and getting less due to higher prices. Personal income tax cuts beginning from 31 July will provide households with some additional funds to ease the cost-of-living pressures but may not make a material difference for most. We expect the unemployment rate to push up to 5.0% towards the end of 2024, resulting in further concerns for households and further limiting consumer spending growth.

Tourism expenditure

Figure 7. Tourism expenditure
Annual average % change June 2023 - June 2024

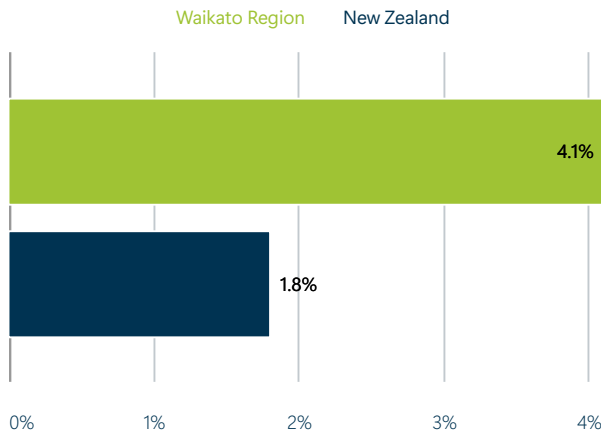
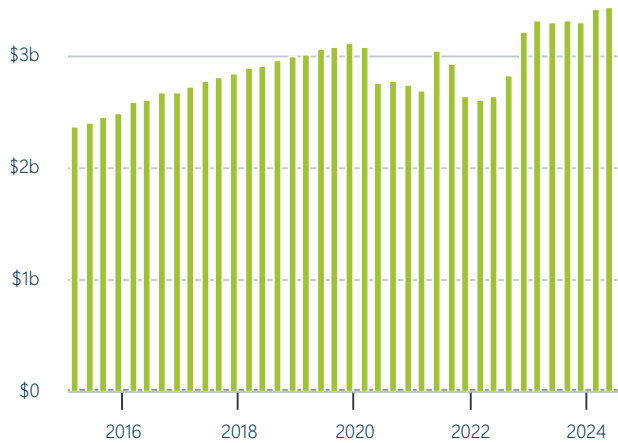


Figure 8. Tourism expenditure
Annual total, Waikato Region



Highlights

- Total tourism expenditure in Waikato Region increased by 4.1% in the year to June 2024, compared to a year earlier. This compares with an increase of 1.8% in New Zealand.
- Total tourism expenditure was approximately \$3,435 million in Waikato Region during the year to June 2024, which was up from \$3,300 million a year ago.

National overview

Tourism expenditure growth has slowed to just 1.8% in the year to June 2024, weighed down by easing domestic tourist spending and slowing international tourism recovery. Domestic tourist spending fell 4.1%, and international tourist spending rose 15.8% over the year to June 2024.

International visitor arrivals have stagnated at 80-85% of pre-pandemic levels over the past year, with weak global economic conditions constraining further growth in international travel. Weak economic conditions are constraining domestic travel too, as cost of living pressures make discretionary spending scarcer.

Guest nights

Figure 9. Guest nights
Annual average % change June 2023 - June 2024

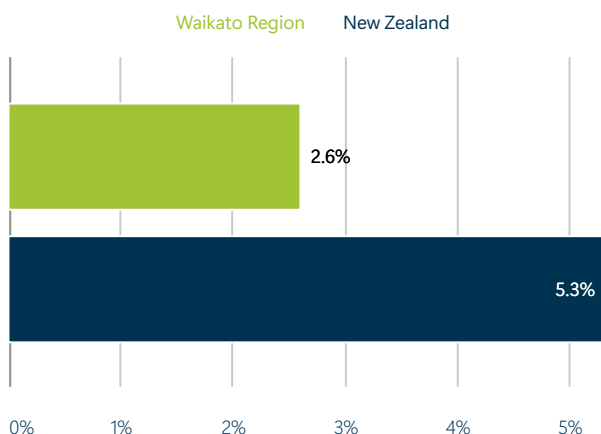
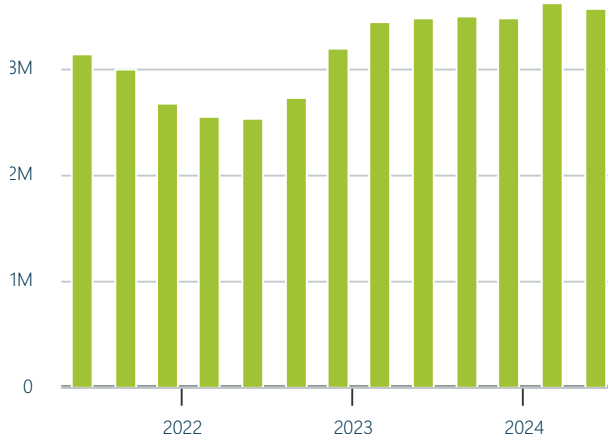


Figure 10. Guest nights
Annual number, Waikato Region



Highlights

- Total guest nights in Waikato Region increased by 2.6% in the year to June 2024, compared to a year earlier. This compares with an increase of 5.3% in New Zealand.
- Visitors stayed a total of 3,581,100 nights in Waikato Region during the year to June 2024, which was up from 3,491,400 a year ago.

National overview

Guest nights have plateaued as the recovery in international tourism stagnates and domestic tourism pulls back. Growth in guest nights slowed to 5.3% over the year to June 2024, driven by a 5.2%pa fall in the June 2024 quarter. International visitor guest nights rose just 2.7%pa in the June 2024 quarter, and domestic visitor guest nights fell 8.4%pa.

Non-residential consents

Figure 11. Growth in value of consents
Annual average % change June 2023 - June 2024

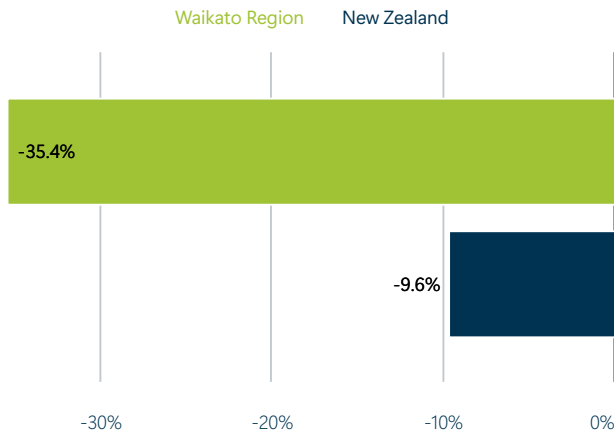
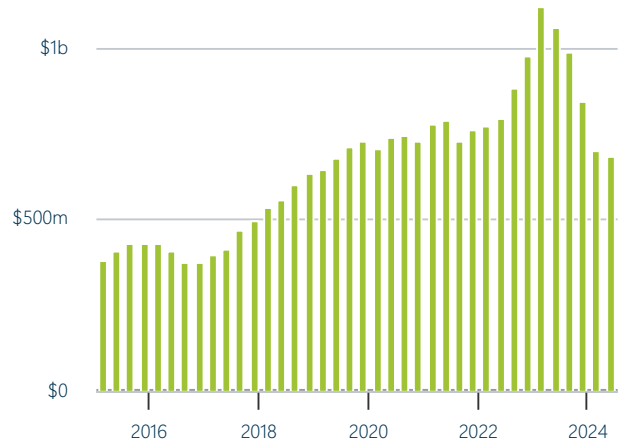


Figure 12. Non-residential consents, Waikato Region
Annual running total, Waikato Region



Highlights

- Non-residential building consents to the value of \$684.2 million were issued in Waikato Region during the year to June 2024. This compares with the ten year annual average of \$653.6 million.
- The value of consents in Waikato Region decreased by 35.4% over the year to June 2024, compared to a year earlier. In comparison, the value of consents decreased by 9.6% in New Zealand over the same period.

National overview

There was \$2.2b worth of non-residential consents issued throughout New Zealand in the June 2024 quarter, bringing the annual total to \$9.1b, down 9.6% compared to a year earlier. Non-residential consents continue to fall considerably, as difficult financing conditions remain. Private sector construction intentions continue to weaken with weak economic conditions resulting in lower sales for businesses limiting retail expansion. Public sector consents are muted with the central government’s focus on fiscal austerity to bring the books back in order. Despite some easing in the first half of the year, construction costs remain heightened, combined with falling property prices continue to deter new developments.

Dairy payout

Figure 13. Total dairy payout
May years

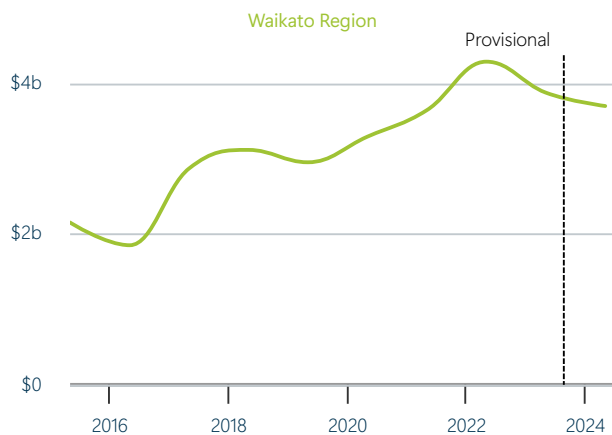
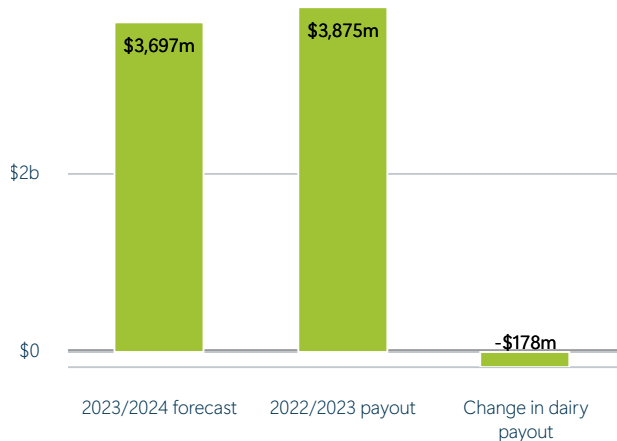


Figure 14. Total dairy payout
May years



Highlights

- Waikato Region total dairy payout for the 2022/2023 season is estimated to have been approximately \$3,875 million.
- Waikato Region's dairy payout for the 2023/2024 season is expected to be approximately \$3,697 million, \$178 million lower than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately \$15,396 million in the 2022/2023 season, and is expected to be \$707 million lower in the 2023/2024 season.

National overview

The new 2024/25 season starts with a stronger milk price than last year, with Fonterra's \$8.00/kgMS being the mid-point of a wide-ranging \$7.25-\$8.75 range. That price is set to deliver a total pay-out of \$15.1b, up \$373m from the previous season. There's some upside risk to that price, although it's tempered with caution. Infometrics anticipates that the milk price could reach \$8.40/kgMS this season, which would deliver an extra \$753m in total. The Global Dairy Trade index is currently up 4.7% in 2024, but has weakened slightly since our last Monitor, down 1.7%. That slightly weaker tone recently highlights the need for caution. Overall, input costs appear to be generally more under control, and other export prices are firming – encouraging signs for the primary sector.

Electric vehicle registrations

Figure 15. Growth in number of EV registrations
Annual average % change June 2023 - June 2024

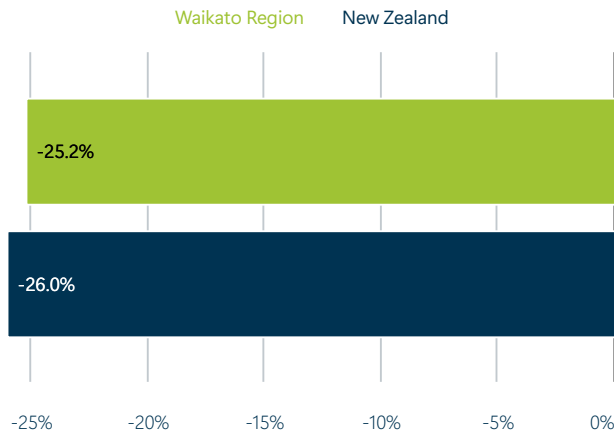
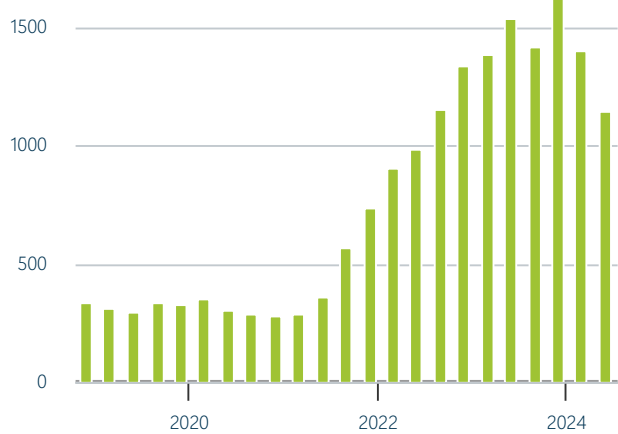


Figure 16. EV registrations
Annual level, Waikato Region



Highlights

- The number of EV registrations in Waikato Region decreased by 25.2% in the year to June 2024, compared to a year earlier. The decline was not as low as in New Zealand (26.0%).
- The number of EV registrations in Waikato Region reached an annual total of 1,149 in the year to June 2024, down from 1,536 in the year to June 2023 and 986 in the year to June 2022.

National overview

Annual EV registrations declined dramatically over the year to June 2024, falling 26%pa to the lowest annual level since September 2022. EV purchases during the June 2023 quarter were heavily influenced by changes to the Clean Car Discount (CCD) which was rebates were reduced from 1 July 2023, spurring a rush to receive the full extent of the rebate. The complete removal of the CCD scheme on 31 December 2023 resulted in a rush of pre-purchasing which will likely result in continued subdued demand during the second half of 2024. Road user charges (RUC) were introduced on 1 April 2024, removing some of the financial incentives that drive demand for EV's.

Car registrations

Figure 17. Car registrations

Annual average % change June 2023 - June 2024

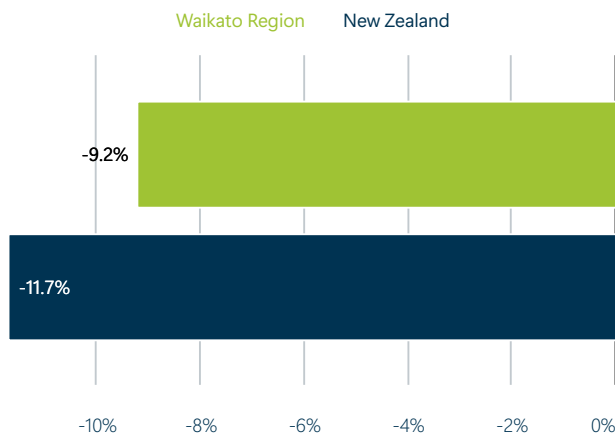
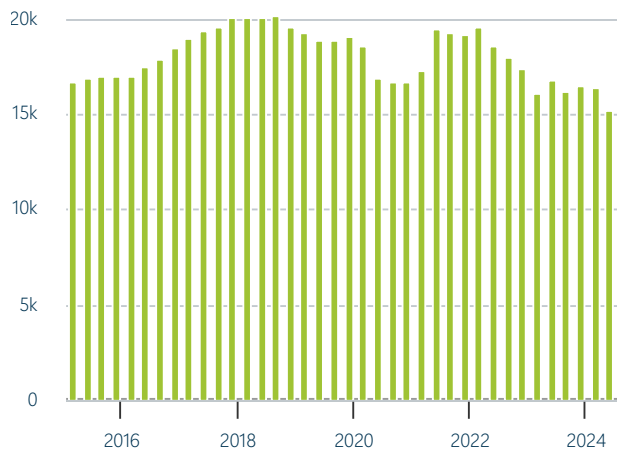


Figure 18. Car registrations

Annual number, Waikato Region



Highlights

- The number of cars registered in Waikato Region decreased by 9.2% in the year to June 2024, compared to a year earlier. The decline was not as low as in New Zealand (11.7%).
- A total of 15,264 cars were registered in Waikato Region in the year to June 2024. This compares with the ten year annual average of 17,988.

National overview

There were 44,570 total car registrations in the June 2024 quarter, down 36%pa from 2023. New car registrations fell 45%pa in the quarter, the largest decline on record (data back to 1976). Used car registrations also fell, down 26%pa, following four consecutive quarters of growth. These figures have been heavily influenced by changes to the Clean Car Discount (CCD) scheme from 1 July 2023, resulting in many consumers buying eligible vehicles during the June 2023 quarter. We expect continued volatility in annual growth rates of car registrations in the coming quarters due to the changes in the CCD scheme last year, making comparisons harder to decipher. Cost-of-living pressures will add additional downward pressure to registrations as consumers delay non-essential, big-ticket purchases due to household budget pressures.

Commercial vehicle registrations

Figure 19. Commercial vehicle registrations
Annual average % change June 2023 - June 2024

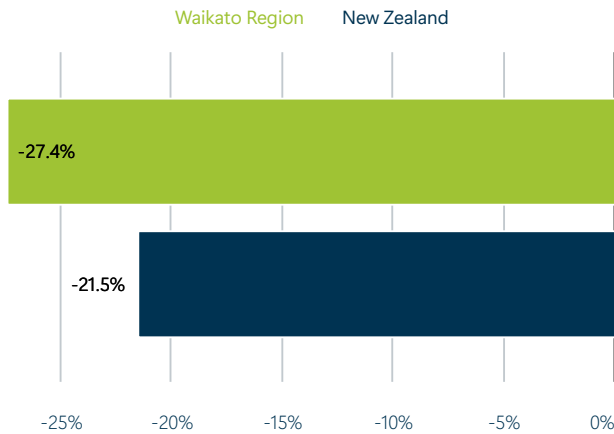
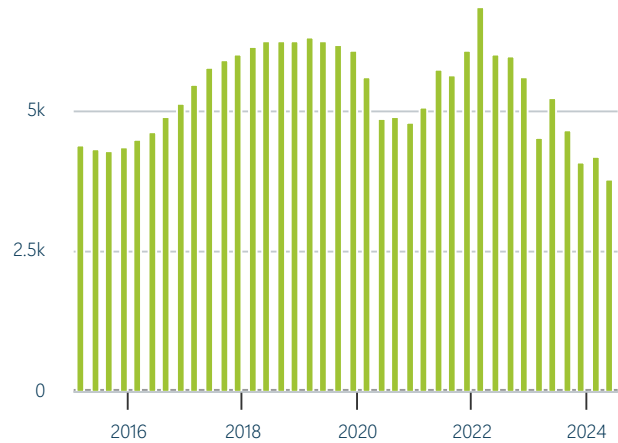


Figure 20. Commercial vehicle registrations
Annual number, Waikato Region



Highlights

- The number of commercial vehicles registered in Waikato Region decreased by 27.4% in the year to June 2024, compared to a year earlier. The decline was greater than in New Zealand (21.5%).
- A total of 3,807 commercial vehicles were registered in Waikato Region in the year to June 2024. This is lower than the ten year annual average of 5,299.

National overview

Annual commercial vehicle registrations fell 22% in the year to June 2024, compared to a year earlier. The reduction and consequential removal of the Clean Car Discount (CCD) should have provided some financial incentives for businesses to purchase light commercial vehicles, but were 26% lower than the June 2023 quarter. Medium and very-heavy vehicles also saw falls in registrations in the June 2024 quarter, compared to a year ago. Difficult economic conditions continue to weigh on business confidence, as a result businesses are reluctant to purchase new commercial vehicles with higher borrowing rates, as input costs and revenue uncertainty remain.

Labour market indicators

Overview

Table 2. Overview of labour market indicators

Indicator	Waikato Region	New Zealand
Employment (place of residence)	+1.9% ▲	+2.1% ▲
Jobseeker Support recipients	+10.7% ▲	+10.9% ▲
Unemployment rate ^	5.0% ▲	4.2% ▲
NEET rate ^	13.8% ▲	12.4% ▲

All measures are annual average percentage changes unless:

^ Levels

Employment (place of residence)

Figure 21. Employment (place of residence) growth
Annual average % change June 2023 - June 2024

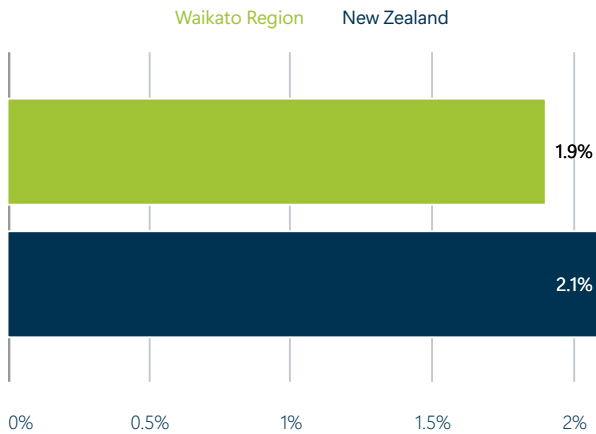
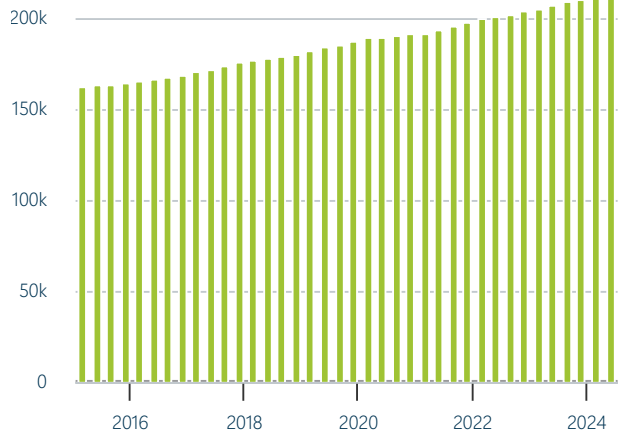


Figure 22. Employment (place of residence)
Annual level, Waikato Region



Highlights

- Employment for residents living in Waikato Region was up 1.9% for the year to June 2024, compared to a year earlier. Growth was lower than in New Zealand (2.1%).
- An average of 211,212 people living in Waikato Region were employed in the year to June 2024.
- Annual employment growth for Waikato Region residents peaked at 4% in the year to December 2019.

National overview

Employment growth has slowed to 0.5%pa, dragging down annual employment growth to 2.1% in the year to June 2024 after a year of broad-based expansion. Growth in employment was led by healthcare and public administration, and to a lesser extent transport, hospitality, and education.

The largest detractors from employment growth were in professional services and administration, and to a lesser extent agriculture and manufacturing.

Jobseeker Support recipients

Figure 23. Annual change in Jobseeker Support recipients

Annual average % change June 2023 - June 2024

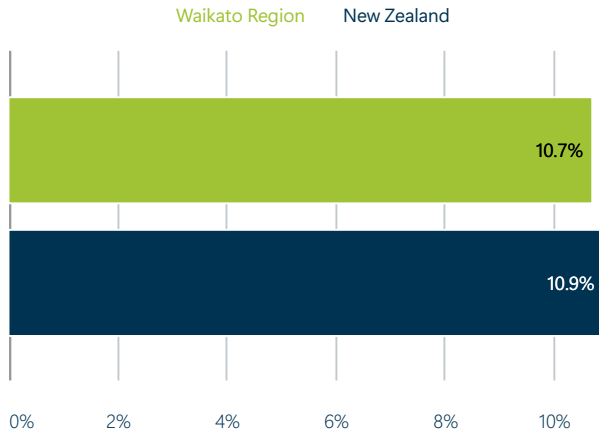
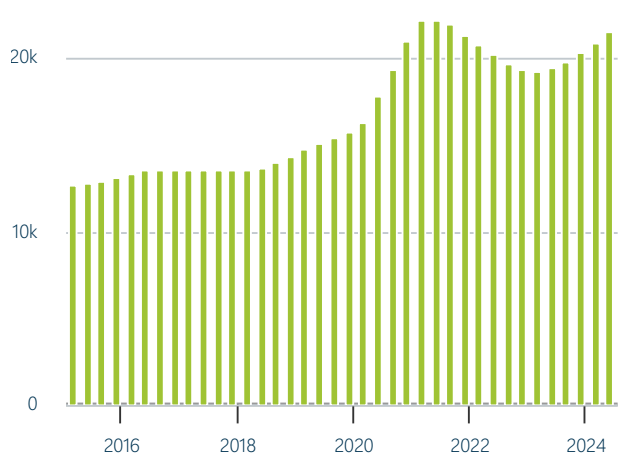


Figure 24. Jobseeker Support recipients

Annual average, Waikato Region



Highlights

- Jobseeker Support recipients in Waikato Region in the year to June 2024 increased by 10.7% compared to a year earlier. Growth was lower than in New Zealand (10.9%).
- An average of 21,535 people were receiving a Jobseeker Support benefit in Waikato Region in the 12 months ending June 2024. This compares with the ten year annual average of 16,988.

Unemployment rate

Figure 25. Unemployment rate
Annual average rate to June 2024

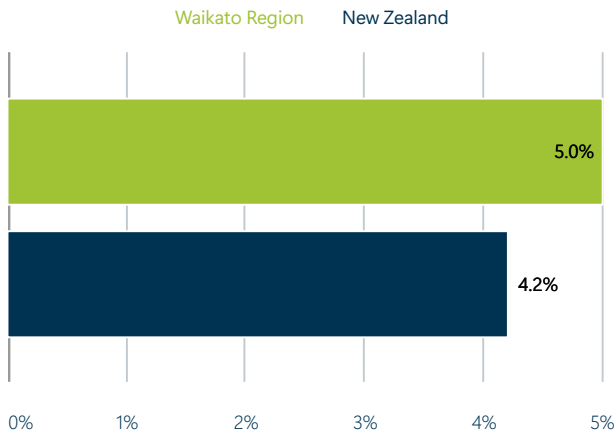
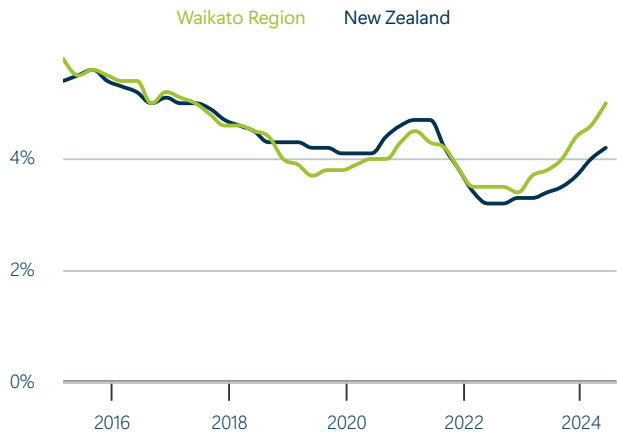


Figure 26. Unemployment rate
Annual average rate



Highlights

- The annual average unemployment rate in Waikato Region was 5.0% in the year to June 2024, up from 3.8% in the previous 12 months.
- In the year to June 2024, the annual average unemployment rate in Waikato Region was higher than in New Zealand (4.2%).
- Over the last ten years the annual average unemployment rate in Waikato Region reached a peak of 5.8% in March 2015.

National overview

The unemployment rate rose to 4.5 % in the June 2024 quarter, lifting the average unemployment rate over the year to June to 4.2%. Slowing employment growth means that the number of people joining the labour force has grown faster than employment opportunities. Growth in the labour force has been driven by strong net migration and increased participation, as households seek out more work to cope with cost-of-living pressures. Unemployment is expected to rise further throughout the rest of the year as the labour market continues to soften.

NEET rate

Figure 27. NEET rate

% of people aged 15-24 not in employment, education or training, annual average rate to June 2024

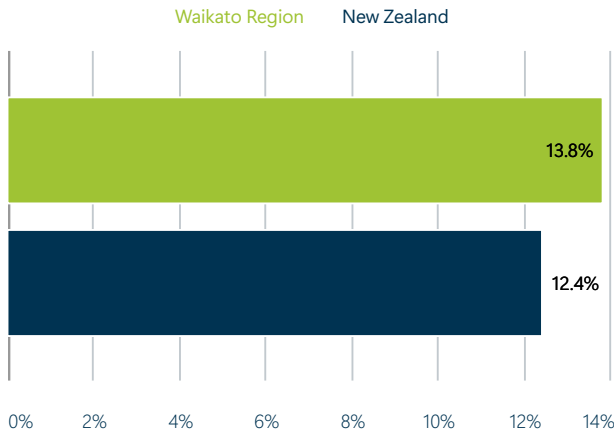
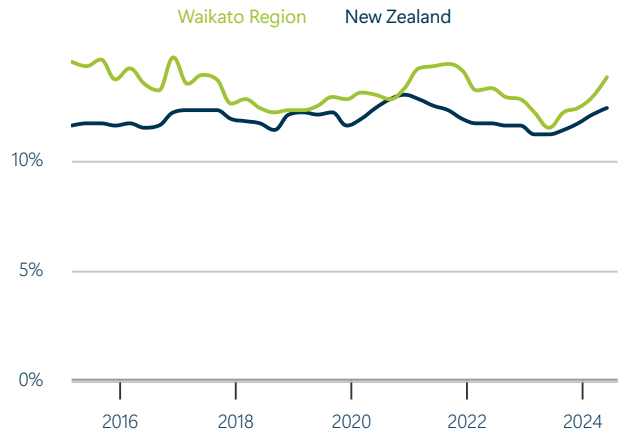


Figure 28. NEET rate

% of people aged 15-24 not in employment, education or training, annual average rate



Highlights

- The annual average NEET rate in Waikato Region was 13.8% in the year to June 2024, up from 11.5% in the previous 12 months.
- In the year to June 2024, the annual average NEET rate in Waikato Region was higher than in New Zealand (12.4%).
- Over the last ten years the annual average NEET rate in Waikato Region reached a peak of 14.7% in December 2016.

National overview

The NEET rate indicates the proportion of 15–24-year-olds residents who are Not engaged in Education, Employment, or Training.

The NEET rate rose to 12.4% in the year to June 2024, rising from a 10 year low of 11.2 % in June 2023. Industries which often provide entry-level opportunities for youth, such as hospitality, retail, and construction, face weak demand in the current economic climate. As a result, there are fewer job opportunities for youth and competition for jobs in these industries is heightened, with youth potentially having to compete with older, more experienced candidates.

Housing indicators

Overview

Table 3. Overview of housing indicators

Indicator	Waikato Region	New Zealand
Residential consents	-28.9% ▼	-24.5% ▼
House sales	+15.6% ▲	+12.1% ▲
Real estate listings	+9.6% ▲	+14.9% ▲
House values *	+0.4% ▲	+2.5% ▲
Housing affordability ^	6.9 ▼	6.9 ▼
First Home Grant purchases	+32.5% ▲	+5.4% ▲
Residential rents	+7.5% ▲	+6.8% ▲
Rental affordability ^	22.3% ▲	22.1% ▲
Emergency housing grants	-35.7% ▼	-23.2% ▼
Housing register applicants	-2.7% ▼	+2.3% ▲

All measures are annual average percentage changes unless:

* Annual percentage changes

^ Levels

Residential consents

Figure 29. Growth in number of new dwelling consents
Annual average % change June 2023 - June 2024

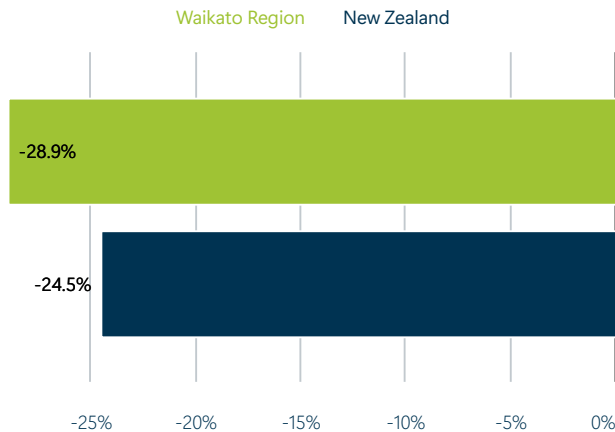
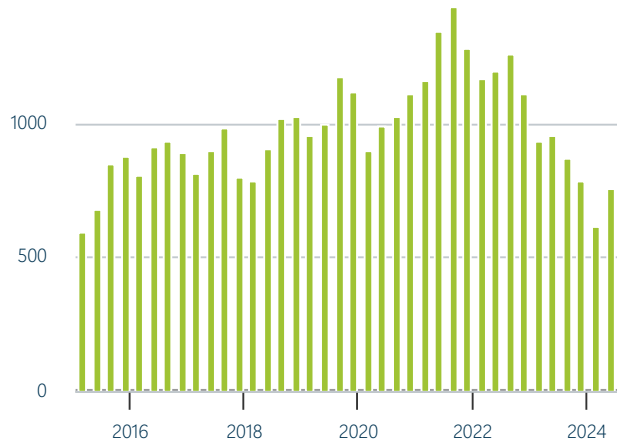


Figure 30. Residential consents
Quarterly number, Waikato Region



Highlights

- A total of 760 new residential building consents were issued in Waikato Region in the June 2024 quarter, compared with 955 in the same quarter last year.
- On an annual basis the number of consents in Waikato Region decreased by 28.9% compared with the same 12-month period a year before. This compares with a decrease of 24.5% in New Zealand over the same period.

National overview

There were 8,279 new dwellings consented across New Zealand in the June 2024 quarter, down 16%pa from the same period in 2023. The annual average decline remained at 25%. The annual decline in house consents stopped accelerating at the beginning of the year, and has started to stabilise at around 34,000 driven by buoyant standalone house consents. Attached dwellings fell sharply in the June quarter, reflecting tighter funding conditions and the weak housing market, although it is important to note this build type is falling from a high base. Interest rates continue to create uncertainty in the housing market, although expectations of interest rate relief at some stage are starting to introduce some limited optimism for the year ahead.

House sales

Figure 31. Annual change in house sales
Annual average % change June 2023 - June 2024

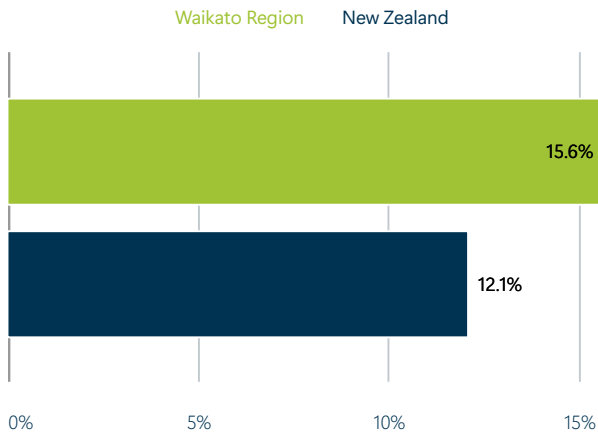


Figure 32. House sales
Annual number, Waikato Region



Highlights

- House sales in Waikato Region increased by 15.6% in the year to June 2024, compared to a year earlier. This compares with an increase of 12.1% in New Zealand.
- A total of 6,475 houses were sold in Waikato Region in the 12 months ending June 2024. This compares with the ten year annual average of 7,992.

National overview

House sales rose 12.1% over the year to June 2024, hitting their highest level (66,949pa) since the year to September 2022. Sales volumes remain at historically low levels, well below the ten-year average of 78,100, although have risen steadily since the low at the beginning of last year. High mortgage rates and economic uncertainty continue to suppress buyer numbers. We expect sales to remain steady or improve moderately at best over the second half of 2024. Although interest rates are expected to start easing, many potential buyers will remain on the sidelines as, weakness continues in the labour market, and investors unlikely to rush back into the market as house prices are still overinflated compared to rental incomes.

Real estate listings

Figure 33. Real estate listings
Annual average % change June 2023 - June 2024

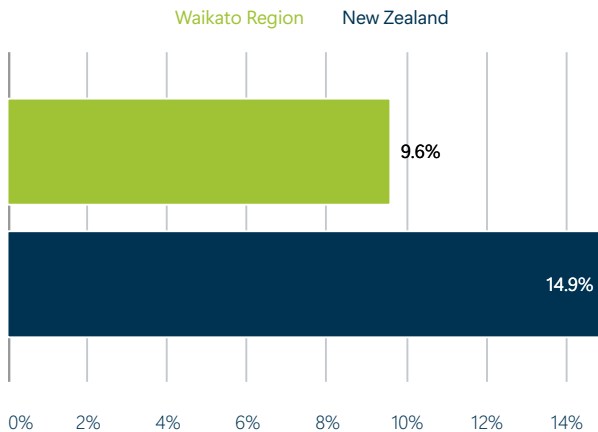
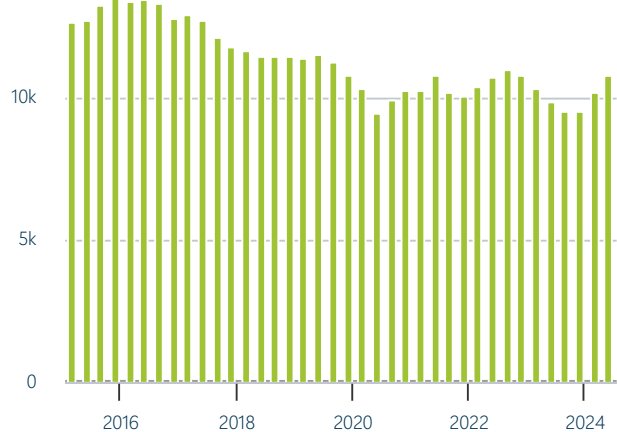


Figure 34. Real estate listings
Annual number, Waikato Region



Highlights

- The number of new real estate listings in Waikato Region increased by 9.6% in the year to June 2024, compared to a year earlier. Growth was lower than in New Zealand (14.9%).
- There were an average of 10,791 new real estate listings in Waikato Region in the 12 months ending June 2024. This compares with the ten year annual average of 11,375 new real estate listings.

National overview

Annual new real estate listing numbers in the June 2024 quarter rose to their highest level since September 2022. New listings rose, 40%pa in the June 2024 quarter. Listing numbers are rising as households make difficult decisions to downsize or exit the housing market altogether in the face of high mortgage interest rates and limited employment opportunities. We expect listing numbers to continue to rise as households continue to face an increasingly difficult labour market, high mortgage payments and other cost-of-living pressures.

House values

Figure 35. Annual change in house value
Annual % change in house value June 2023 - June 2024

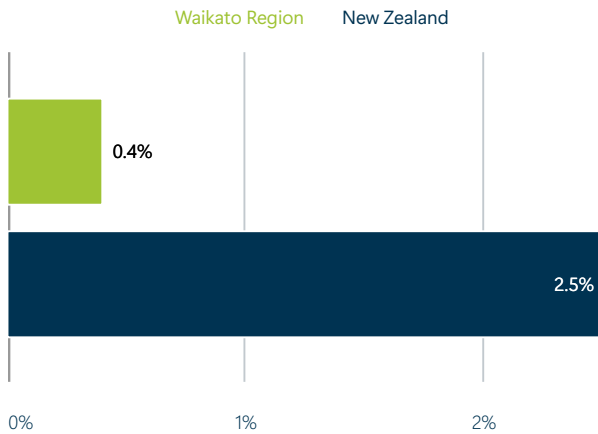
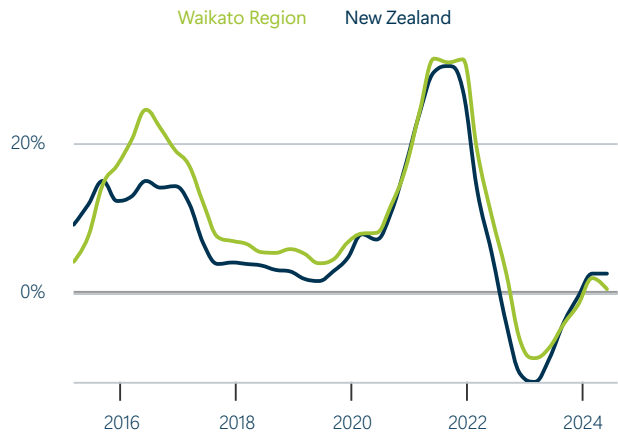


Figure 36. House value growth
Annual % change



Highlights

- The average current house value in Waikato Region was up 0.4% in June 2024, compared to a year earlier. Growth was lower than in New Zealand (2.5%).
- The average current house value was \$805,781 in Waikato Region in June 2024. This compares with \$923,899 in New Zealand.

National overview

The average house value in New Zealand edged up 2.5%pa to \$923,899 in the June 2024 quarter. High mortgage rates continue to be the driving factor of subdued demand, as households struggle to earn enough to service a mortgage at such high rates. Minor relief in mortgage rates has been seen from major banks with the 1-year fixed mortgage rate ticking down to 7.1%pa from 7.2%pa. Potential home buyers will be waiting for further relief as the Reserve Bank cuts interest rates sometime soon. Listing numbers continue to rise, however, with buyer numbers not going anywhere anytime soon, house price growth will likely continue to be constrained for the remainder of the year.

Housing affordability

Figure 37. Housing affordability

Ratio of house prices to household incomes, year to June 2024

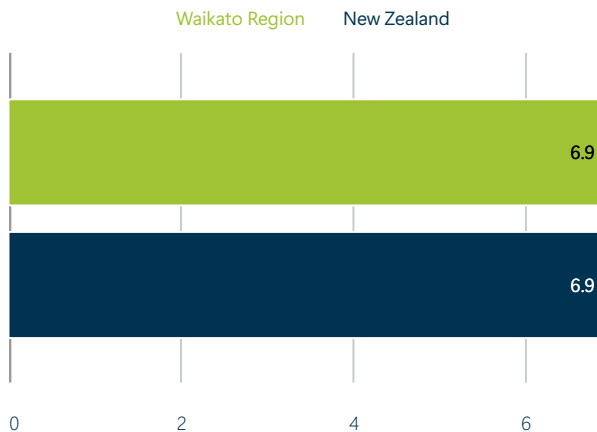
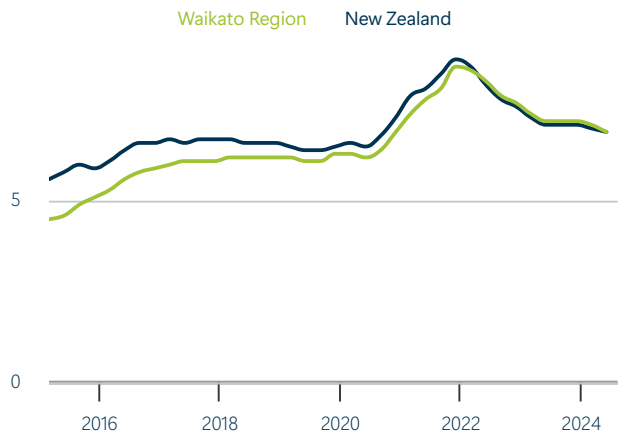


Figure 38. Housing affordability

Ratio of house prices to household incomes, annual average



Highlights

- Housing in Waikato Region (6.9) was as affordable as in New Zealand (6.9) in June 2024, based on the ratio between mean house values and mean household incomes.
- Housing affordability in Waikato Region improved on average between June 2023 and June 2024. Housing affordability has improved in New Zealand over the same period.
- During the last ten years, housing in Waikato Region was most affordable in March 2015, when the index reached a low of 4.5.

National overview

The housing affordability ratio improved narrowly, easing from 7.0 in the year to March 2024, to 6.9 in the year to June 2024. Affordable housing is important for people's well-being as high housing costs results in less income left-over to meet essential needs. The affordability metric measures the average house value to average household incomes. Subdued house price growth due to high interest rates along with steady household income growth resulted in an improvement in the affordability ratio. High interest rates and uncertainty over job security make for an uncertain environment for first home buyers.

First Home Grant purchases

Figure 39. Annual change in First Home Grant purchases
Annual average % change June 2023 - June 2024, First Home Grant purchases

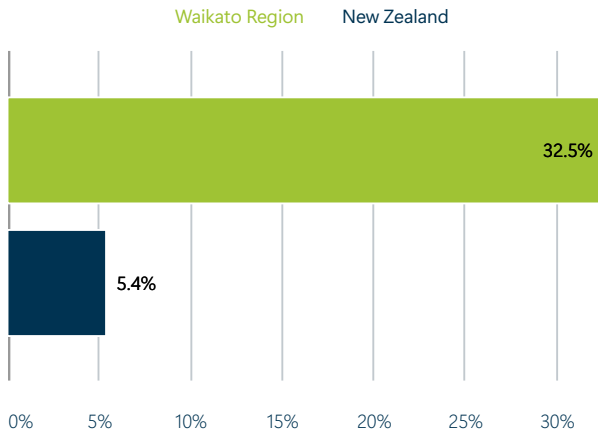
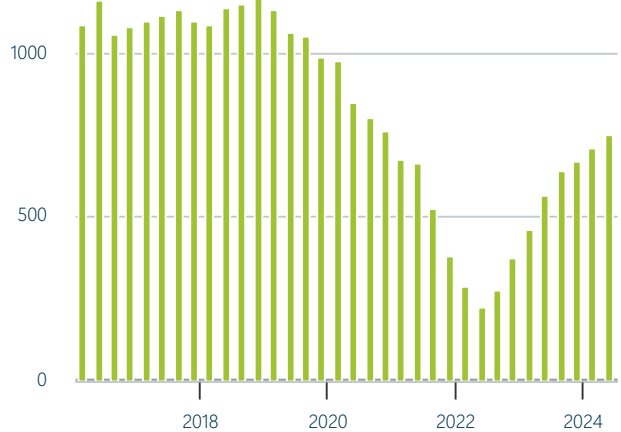


Figure 40. First Home Grant purchases
Annual number First Home Grant purchases, Waikato Region



Highlights

- First Home Grant purchases using the Kainga Ora First Home Grant in Waikato Region increased by 32.5% in the year to June 2024, compared to a year earlier. This compares with an increase of 5.4% in New Zealand.
- A total of 751 properties were purchased using the First Home Grant in Waikato Region in the 12 months ending June 2024. This compares with the nine year annual average of 837.

National overview

First home buyers are measured using data from Kāinga Ora on the number of properties bought using a First Home Grant. The First Home Grant offers eligible first-home buyers with a grant of up to \$5,000 to put towards the purchase of an existing/older home, or up to \$10,000 to put towards the purchase of a brand-new property. This does not capture all first home buyers, as some will be excluded by First Home Grant eligibility requirements including maximum annual income and regional house price caps.

First Home Grant purchases have picked up 5.4% in the year to June 2024, totalling 7,902. This the last full quarter of First Home Grant purchases as Kāinga Ora stopped taking new applications for the grants on 22 May 2024.

We will look to introduce a new measure of First Home Buyer activity in coming quarters.

Residential rents

Figure 41. Annual change in residential rents
Annual average % change June 2023 - June 2024

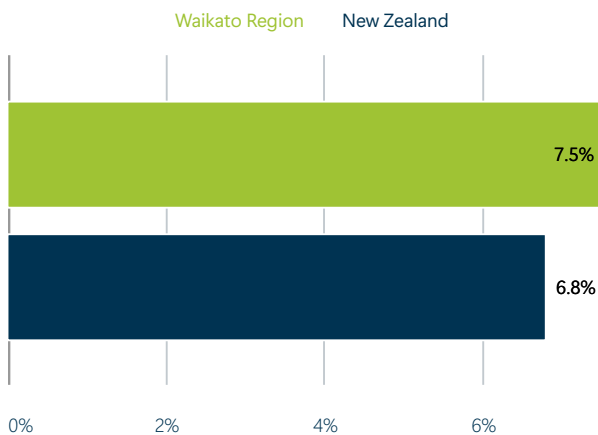
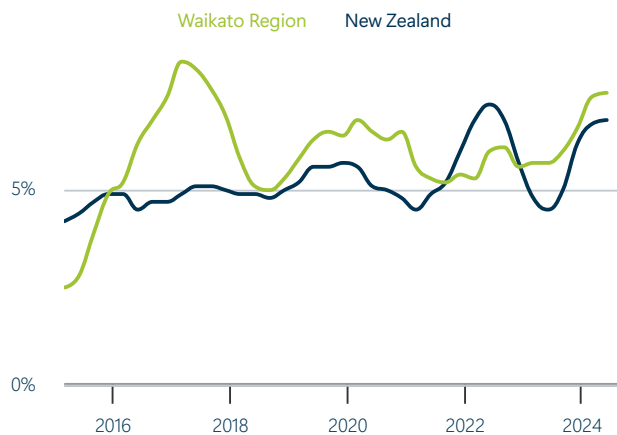


Figure 42. Residential rents growth
Annual average % change



Highlights

- The average residential rent in Waikato Region was up 7.5% in the year to June 2024, compared to a year earlier. Growth was higher than in New Zealand (6.8%).
- The average residential rent in Waikato Region was \$502 in the year to June 2024. This compares to \$568 in New Zealand.
- Annual growth of residential rents in Waikato Region peaked at 8.3% in the year to March 2017.

National overview

Rents reflect the accommodation cost for around a third of New Zealanders and are an important factor in assessing supply and demand in the broader housing market. Analysis from government agencies highlights that rents are not driven by interest rates or the running costs of a rental property, but more usually reflect ability to pay, income levels, and the supply and demand for rentals.

Residential rents continue to gain momentum, rising 6.8% over the year to June 2024. Rents averaged \$568 per week nationally over the year to June 2024, or \$8 higher than they were in the year to March. Higher residential rents disproportionately impact lower-income households and can increase demand for public housing.

Rental affordability

Figure 43. Rental affordability
Rents as % of household income, year to June 2024

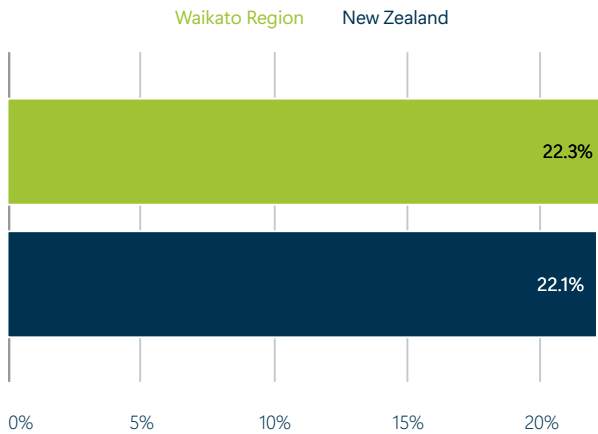
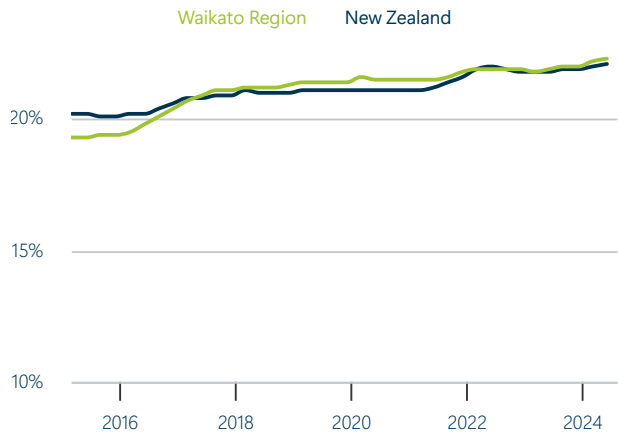


Figure 44. Rental affordability
Rents as % of household income, annual average



Highlights

- Renting in Waikato Region (22.3%) was less affordable than in New Zealand (22.1%) in the year to June 2024, based on the ratio of mean rents to mean household incomes.
- Rental affordability in Waikato Region deteriorated on average between June 2023 and June 2024. Rental affordability has deteriorated in New Zealand over the same period.
- During the last ten years, renting in Waikato Region was most affordable in June 2015, when the index reached a low of 19.3%.

National overview

Rental affordability deteriorated slightly in the year to June 2024, with average rents amounting to 22.1% of household incomes, up from 22.0% in the year to March 2024. Affordable rents are important for people’s well-being, the larger the proportion rents take up of household incomes, the less money that is left over to meet basic needs such as food, clothing, transport, healthcare and education. Average rents grew 6.8% in the year to June 2024, up 2.3 percentage points from growth a year earlier, outpacing mean household income growth of 5.4% over the same period.

Emergency housing grants

Figure 45. Households in emergency housing
Annual average % change June 2023 - June 2024

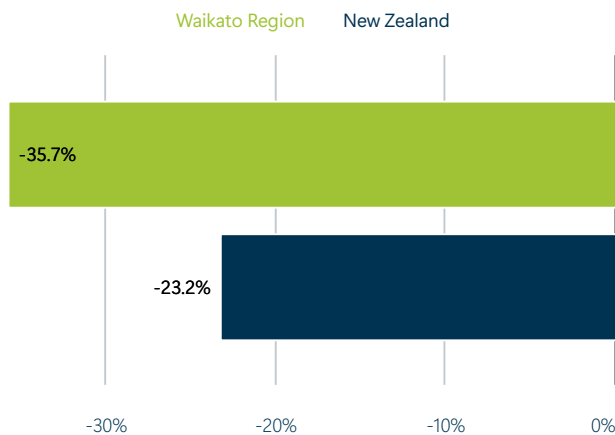
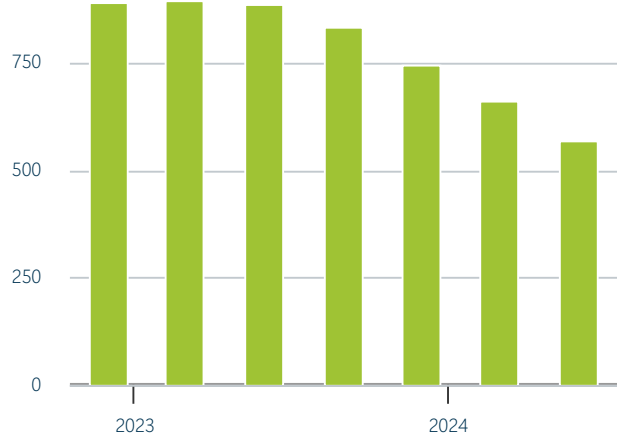


Figure 46. Households in emergency housing
Annual average, Waikato Region



Highlights

- The number of households in emergency housing in Waikato Region decreased by 35.7% in the year to June 2024, compared to a year earlier. This compares with a decrease of 23.2% in New Zealand.
- An average of 570 households were in emergency housing in Waikato Region in the 12 months ending June 2024. This compares with the three year annual average of 729.

National overview

Emergency housing grants measure the number of households staying in short-term accommodation such as motels if they are temporarily unable to access a contracted transitional housing place or private rental. Funding is provided by the Ministry of Social Development.

The number of households in emergency housing fell 23.2% in the year to June 2024, amounting to 800 fewer households.

This reduction comes as the coalition government emphasised tighter operational guidelines would be put in place when MSD considers emergency housing applications.

These measures include imposing a standdown period for those breaking emergency housing rules and pushing families who have been in emergency housing for over three months to the front of the social housing queue.

Housing register applicants

Figure 47. Annual change in housing register applicants
Annual average % change June 2023 - June 2024

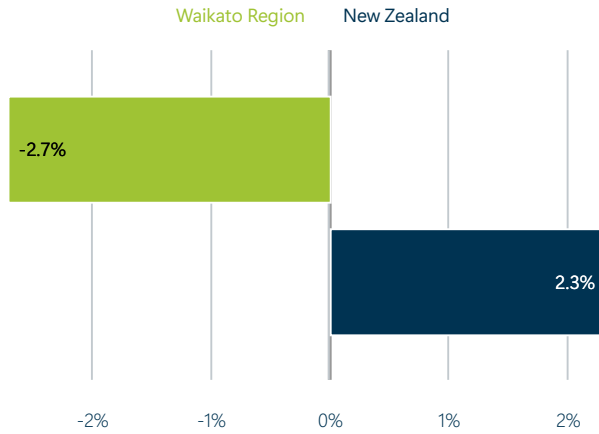
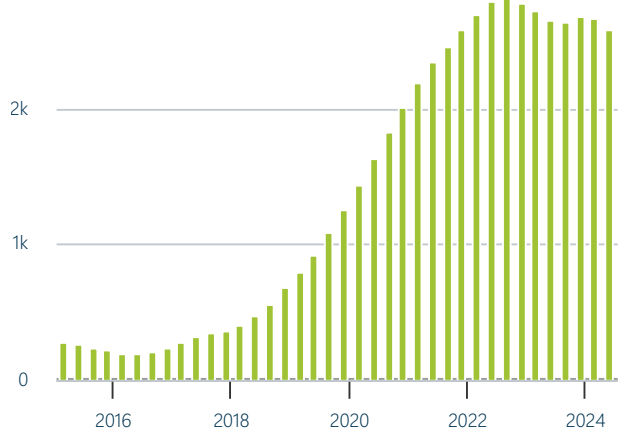


Figure 48. Housing register applicants
Annual average, Waikato Region



Highlights

- The number of applicants on the housing register in Waikato Region decreased by 2.7% in the year to June 2024, compared to a year earlier. This compares with an increase of 2.3% in New Zealand.
- An average of 2,588 applicants were on the housing register in Waikato Region in the 12 months ending June 2024. This compares with the ten year annual average of 1,421.

Public housing stock

Figure 49. Public housing stock
Annual average % change December 2022 - December 2023

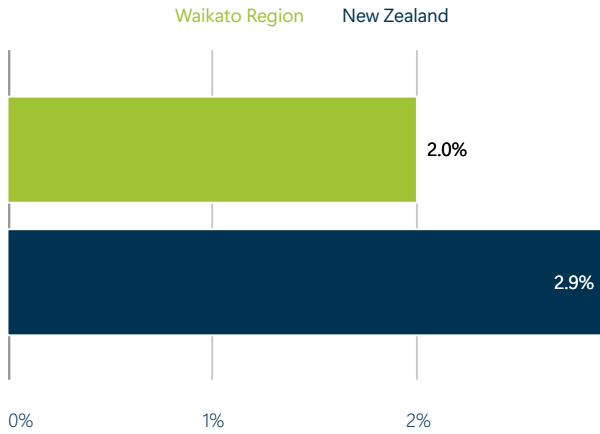
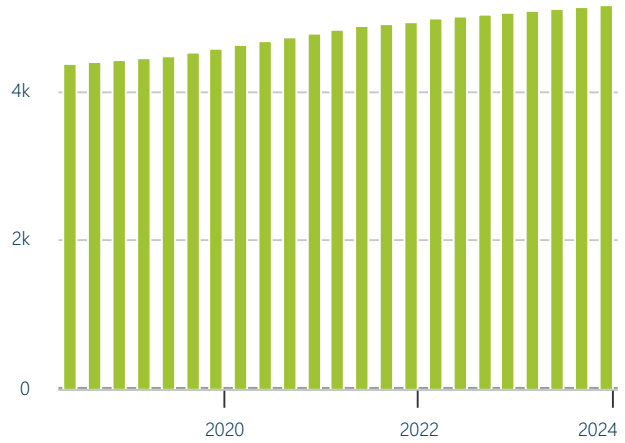


Figure 50. Public housing stock
Annual average, Waikato Region



Highlights

- The number of public houses in Waikato Region in the year to December 2023 increased by 2% compared to a year earlier. Growth was lower than in New Zealand (2.9%).
- There were an average of 5,164 public houses in Waikato Region in the 12 months ending December 2023. This compares with the six year annual average of 4,824.
- *Please note that public housing stock is not yet available for the year to June 2024. Data for the year to December 2023 is displayed instead.*

Social indicators

Overview

Table 4. Overview of social indicators

Indicator	Waikato Region	New Zealand
School attendance [^] [🕒]	49.1% [▲]	52.1% [▲]
Gaming machine profits [🕒]	-3.2% [▼]	-1.6% [▼]
Crime rate [^]	273 [▼]	230 [▼]
Health enrolments	+2.6% [▲]	+2.4% [▲]
Other benefit recipients	+3.1% [▲]	+3.0% [▲]

[🕒] Data up to the March 2024 quarter.

All measures are annual average percentage changes unless:

[^] Levels

School attendance

Figure 51. School attendance

% of school students attending greater than 90% of classes, annual average to March 2024

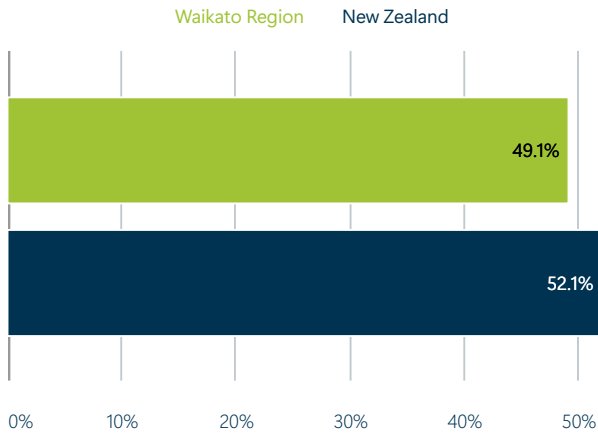
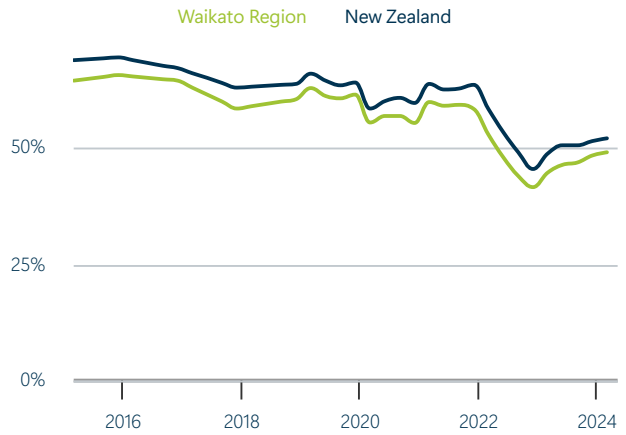


Figure 52. School attendance

% of school students attending greater than 90% of classes, annual average



Highlights

- The annual average school attendance rate in Waikato Region was 49.1% in the year to March 2024, up from 44.7% in the previous 12 months.
- In the year to March 2024, the annual average school attendance rate in Waikato Region was lower than in New Zealand (52.1%).
- Over the last ten years the annual average school attendance rate in Waikato Region reached a peak of 65.7% in December 2015.
- *Please note that school attendance is not yet available for the year to June 2024. Data for the year to March 2024 is displayed instead.*

Gaming machine profits

Figure 53. Gaming machine profits
Annual level, Waikato Region

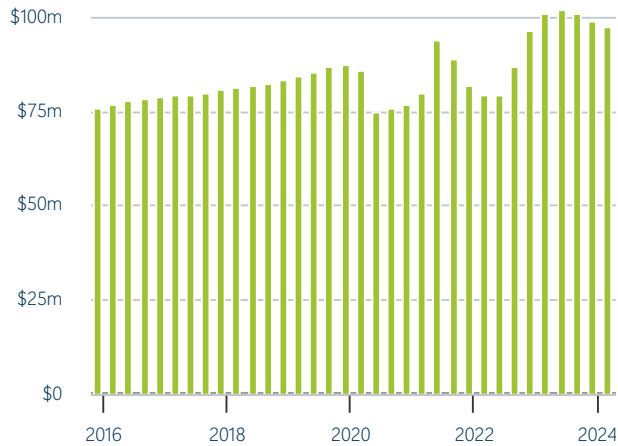
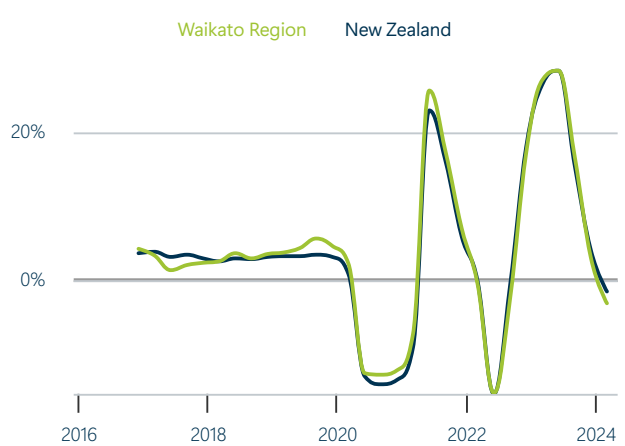


Figure 54. Gaming machine profits
Annual average % change



Highlights

- Gaming machine profits in Waikato Region decreased by 3.2% over the year to March 2024, compared to a year earlier. This compares with a decrease of 1.6% in New Zealand.
- Gaming machine profits in Waikato Region totalled \$97.56 million in the year to March 2024.
- Annual gaming machine profit growth in Waikato Region peaked at 28.4% in the year to June 2023.
- *Please note that gaming machine profits is not yet available for the year to June 2024. Data for the year to March 2024 is displayed instead.*

Crime rate

Figure 55. Crime rate

Criminal proceedings per 10,000 residents, annual average to June 2024

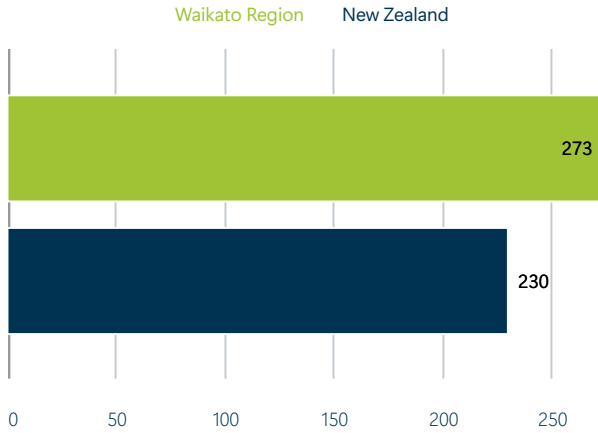
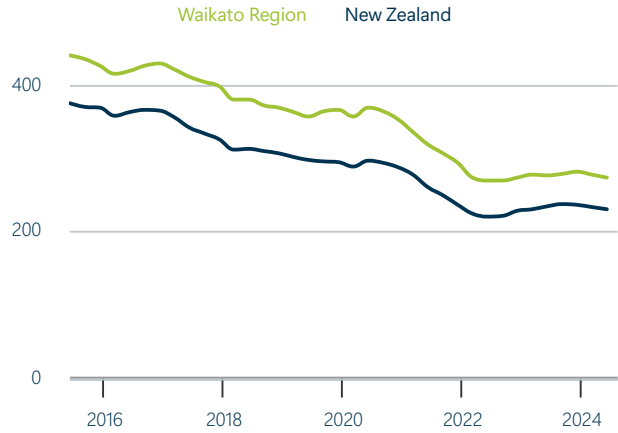


Figure 56. Crime rate

Criminal proceedings per 10,000 residents, annual average



Highlights

- The crime rate in Waikato Region was 273 (per 10,000 residents) in the year to June 2024, down from 276 in the previous 12 months.
- In the year to June 2024, the crime rate in Waikato Region was higher than in New Zealand (230).
- Over the last ten years the annual average crime rate in Waikato Region reached a peak of 439 in June 2015.

National overview

The crime rate has eased 1.7% over the year to June 2024, with 230 proceedings per 10,000 residents in the year to June 2024. The largest reductions in crime were across Kawerau, Gisborne, and Masterton Districts, while crime rose the highest in Taupō, Buller, and Kaikōura Districts. The largest contributor to total crimes is traffic related offenses though this has remained relatively stable.

Health enrolments

Figure 57. Annual change in health enrolments
Annual average % change June 2023 - June 2024

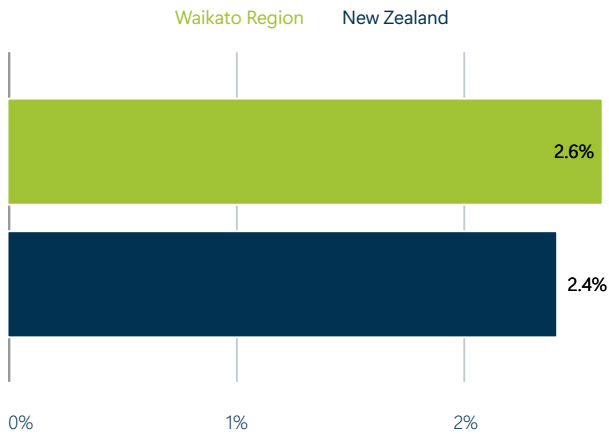
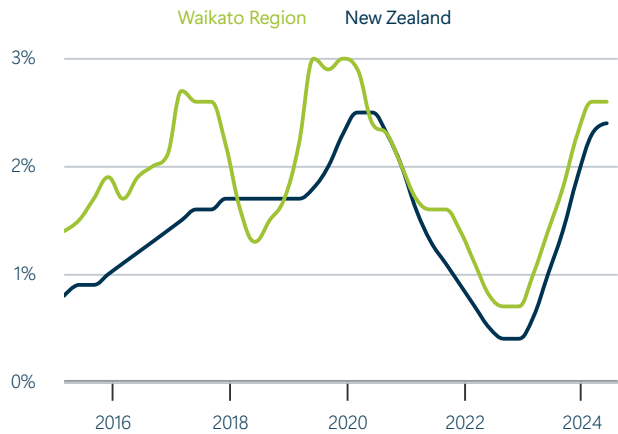


Figure 58. Health enrolments
Annual average % change



Highlights

- The number of people enrolled with a primary health organisation in Waikato Region in the year to June 2024 increased by 2.6% compared to a year earlier. Growth was higher than in New Zealand (2.4%).
- An average of 486,535 people were enrolled with primary healthcare providers in Waikato Region in the 12 months ending June 2024. This compares with the ten year annual average of 447,685.

National overview

Health enrolments rose 2.4% in the year to June 2024, up slightly from 2.3% in the year to March 2024. Health enrolments reflect growth in the resident population in territorial authority, serving as a timelier indicator for local population growth.

Stats NZ estimates that New Zealand’s population growth slowed from 2.7% in the year to March 2024, to 2.5% in the year to June 2024. The slowdown in population growth is driven by a drop in net migration, from a peak of 133,700 in the year to September 2023 to 73,200 in the year to June 2024.

Other benefit recipients

Figure 59. Annual change in other benefit recipients
Annual average % change June 2023 - June 2024

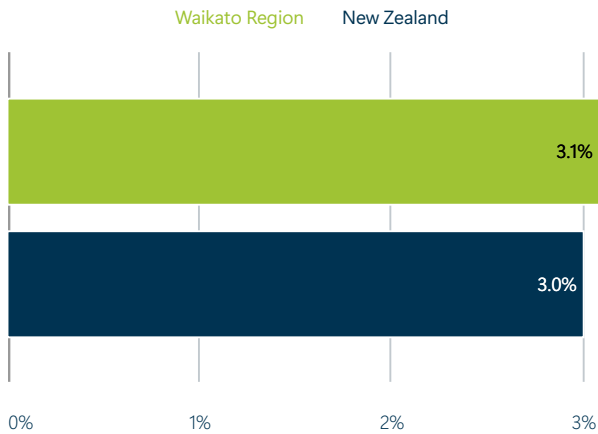
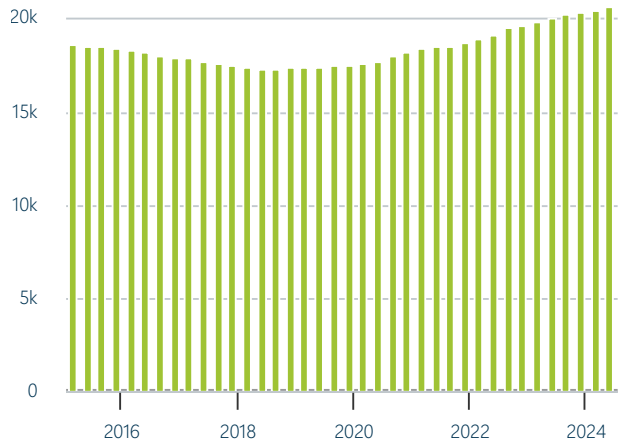


Figure 60. Other benefit recipients
Annual average, Waikato Region



Highlights

- Other benefits recipients (including Sole Parent Support and Supported Living Payment) in Waikato Region in the year to June 2024 increased by 3.1% compared to a year earlier. Growth was higher than in New Zealand (3.0%).
- An average of 20,650 people were receiving an other benefit (including Sole Parent Support and Supported Living Payment) in Waikato Region in the 12 months ending June 2024. This compares with the ten year annual average of 18,534.

National overview

Other benefit recipients include Sole Parent Support, Supported Living payment, and others, complementing our measure of Jobseeker Support recipients. Jobseeker Support is influenced by the labour market – it tends to go down when the labour market is tight and go up when jobs are scarcer. By contrast, other benefit recipients are less influenced by the labour market, exhibiting a different trend to Jobseekers.

Other benefit recipients have risen 3.0% in the year to June 2024, driven by modest growth in Sole Parent Support and Supported Living Payments, and to a lesser extent growth in smaller benefit categories.

Technical notes

Building consents

Building consents data is sourced from Stats NZ. The number of residential consents issued for new dwellings is the measure for residential consents. For non-residential consents, the measure is the value of both new buildings and alterations.

Business counts

This data is from Business Count Indicators (BCI) from Statistics New Zealand. It is a series based on a monthly count of geographic units as at the end of each month, mostly sourced from administrative data. Geographic units represent a business location engaged in one, or predominantly one, kind of economic activity at a single physical site or base (eg a factory, a farm, a shop, an office, etc).

The business counts data is different from the annually published Business Demography Statistics.

This series is limited to economically significant enterprises. It can be an individual, private-sector and public-sector enterprises that are engaged in the production of goods and services in New Zealand. These enterprises are maintained on the Statistics NZ Business Register, which generally includes all employing units and those enterprises with GST turnover greater than \$30,000 per year.

Calculating changes

We use several different calculations to calculate change in the indicators used in the Quarterly Economic Monitor.

- Annual average percentage change: Annual average percentage change compares average values over the past year with those in the prior year. For example, the change from the year ending March last year to the year ending March this year.
- Annual percentage change: Annual percentage change compares the value this quarter to the value in the same quarter last year. For example, the change from March quarter last year to March quarter this year.
- Levels: In the case of levels, such as unemployment rate, we do not calculate the change in level – we simply show the latest level value.

Consumer spending

The consumer spending data is sourced from Marketview. It measures total electronic card spending at 'bricks + mortar' retailers using a combination of spending through the Paymark network and modelled estimates at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

Crime

The crude crime rate is calculated as the number of crimes committed and recorded (offender proceedings) in an area per 10,000 residents. Crime counts are sourced from the New Zealand Police. Population data is sourced from Stats NZ and Infometrics own population projections (for the most recent quarters).

The data available at a detailed level only included reported crime and does not provide a dimension of how safe people feel. However, higher crime is an obvious proxy for unreported crime (more reported crime would seem to imply a higher overall crime burden), and more crime would logically see people feel less safe.

Dairy

Dairy data has been sourced from the *New Zealand Dairy Statistics*, a publication jointly produced by DairyNZ and LIC, as well as calculations made by Infometrics. The data accords to dairy seasons, which run from June to May. Total dairy payouts in each territorial authority have been calculated by Infometrics by utilising milk solids production in conjunction with Fonterra's farmgate milk price (excluding dividends) from the dairy season in question. For the current season, Infometrics calculates a payout forecast using our own expectation of the farmgate milk price and the assumption that milk solids production continues running at the same level as the last 12 months.

Emergency housing

Emergency housing measures the number of households living in emergency housing at the end of each quarter. This is recorded based on data from the Ministry of Social Development (MSD) on the number of emergency housing special needs grants (EH SNG) issued for individuals and families staying in short-term accommodation such as motels if they are temporarily unable to access a contracted transitional housing place or private rental.

Please note that some publications, such as the Ministry of Housing and Urban Development's Public housing regional factsheets, report the number of emergency housing grants issued. This number is generally much higher than the number of households living in emergency housing, as the grants have to be renewed every few weeks. For example, a household living in emergency housing continuously through a quarter would receive several grants during that time. We present the number of households as this better reflects the ongoing use of emergency housing.

Employment (place of residence)

Employment data is based off a range of Stats NZ employment datasets, and represents the number of filled jobs, based on the area of residential address for the employee (rather than workplace address). This place of residence location means that the employment series reflects trends in employment of an area's residents, which may be different to trends in employment at businesses in an area, particularly when there are strong commuting flows. The most recent quarter is based off the average of Monthly Employment Indicator (MEI) filled jobs from Stats NZ for the past three months, with previous quarters being backcasted using the percentage change in the quarterly Business Data Collection dataset published by Stats NZ.

First Home Grant purchases

First Home Grant purchases are measured using data from Kainga Ora on the number of properties bought using a First Home Grant. The First Home Grant offers eligible first-home buyers with a grant of up to \$5,000 to put towards the purchase of an existing/older home, or up to \$10,000 to put towards the purchase of a brand new property. This does not capture all first home buyers, as some will be excluded by First Home Grant eligibility requirements including maximum annual income and regional house price caps.

Gaming machine profits

Gambling activity is estimated using gaming machine profits (GMP) data published by the Department of Internal Affairs. This GMP data is based on Class 4 gambling which represents electronic gaming machines, commonly known as 'pokies', located in venues such as pubs and clubs. This excludes all sports betting and casino-based gaming. GMP represents money spent by gamblers which is not returned to gamblers in the form of winnings. A minimum of 40% of GMP are required by law to go back to the community in the form of grants.

Gross domestic product

Gross Domestic Product is estimated by Infometrics. A top-down approach breaks national industrial production (sourced from production-based GDP measures published by Stats NZ) to TA level by applying TA shares to the national total. Each TA's share of industry output is based on labour market data from LEED. GDP growth in recent quarters is based on a model which uses residence-based employment from Monthly Employment Indicators that have been mapped to place of work. Estimates of GDP for these recent quarters are provisional until Infometrics updates its annual GDP series in the Regional Economic Profile at the beginning of each year. Gross domestic product is measured in 2023 prices.

Guest nights

The number of guest nights is sourced from the Accommodation Data Programme, which is funded by the Ministry of Business, Innovation and Employment (MBIE) and managed by Fresh Info. A guest night is equivalent to one guest spending one night at an establishment. For example, a motel with 15 guests spending two nights would report that they had provided 30 guest nights

Health enrolments

Health enrolments are sourced from the Ministry of Health. They record the number of people in each area who are enrolled with a Primary Health Organisation (PHO). Enrolment is voluntary, but most New Zealanders enrol at a general practice for health reasons and for the benefits of enrolment, such as cheaper doctors' visits and reduced costs of prescription medicines. Health enrolments are attributed to territorial authorities based on the residential address of patients, regardless of where their general practice is located.

The Ministry of Health changed how health enrolments were coded to areas in 2023, which caused a break in the series between the June 2023 and September 2023 quarter. We have undertaken modelling to combine the series over this period.

House sales

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

House values

House values (dollar value) are sourced from CoreLogic. The levels quoted in the report are average values for the quarter.

Household income

In 2024 we revised our methodology for estimating household incomes to incorporate new data sources. Previously we relied heavily on Stats NZ's LEED-Annual for historical income estimates, however, we have since uncovered a number of issues with how regional incomes are distributed to territorial authorities within some regions.

Previously, we eschewed Census data, due to its tendency to under-report incomes, due to challenge of accurately recollecting incomes when filling out a Census form. Stats NZ have started producing the Administrative Population Census (APC) which draws upon tax data to more completely record incomes, partially overcoming the problem of Census data. In light of the issues with LEED-Annual at a territorial authority level, we now use APC data to indicate each territorial authority's share of regional income. The APC still underestimates incomes, but is a reliable indicator of relative incomes.

These changes have resulted in historical revisions of our household income and housing affordability estimates for many areas, however, we expect future revisions to be minimal. We always recommend that you download a complete time series if looking to compare changes over time.

Housing affordability

Housing affordability is measured by comparing average current house values from CoreLogic with Infometrics' estimate of annual average household income. Household incomes are a better measure for housing affordability than individual incomes as it reflects the true ability of a household to afford housing. We present a ratio of average house values to average household incomes. A higher ratio, therefore, suggests that average houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

Housing register applicants

The housing register counts applicants who are not currently in public housing, who have been assessed as eligible for public housing and who are ready to be matched to a suitable property. This is often referred to as the public housing waiting list. Public housing was previously referred to as social housing.

Data is sourced from the Ministry of Social Development (MSD) and are shown as the average number of applicants. One applicant could represent a single person, couple or family looking for housing. Applicants could be living in emergency housing, unaffordable private rentals, or other insecure arrangements such as couch-surfing or rough-sleeping.

Jobseeker Support recipients

In July 2013 the New Zealand's welfare system changed to better recognise and support people's work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can't work at the moment, for example, because they have a health condition, injury or disability.

Data presented for the September 2013 quarter onwards is provided by the Ministry of Social Development (MSD). Data prior to September 2013 are Infometrics estimates based on re-grouping pre-July 2013 benefit categories to be consistent with the post-July 2013 benefit categories. The pre-July 2013 benefit categories used to estimate the number of Jobseekers Support recipients are: Unemployment Benefit and Unemployment Benefit Hardship; Unemployment Benefit Training and Unemployment Benefit Hardship Training; Sickness Benefit and Sickness Benefit Hardship; Domestic Purposes Benefit - Sole Parent (if youngest child is 14 or over); Women Alone and Widow's Benefit (without children or with children 14 or over)

NEET

NEET rates measure the proportion of young people aged 15-24 that are not in education, employment or training.

Infometrics estimates NEET rates by territorial authority. The following datasets are used in to estimate territorial authority NEET rates: Stats NZ's Household Labour Force Survey (HLFS), Census data, Jobseeker Support recipients by age, and transient secondary school student numbers.

Territorial authority estimates are benchmarked on annual average regional NEET rates from the HLFS, which at this level of disaggregation can be volatile from year to year. Large year-to-year changes are likely to be partially caused by sampling errors in the HLFS, rather than actual fundamental shifts in NEET rates. As the HLFS is the official measure of youth NEET in NZ, we benchmark our data to align with published NEET rates.

Other benefits

Other benefits include Sole Parent Support, Supported Living and other residual main benefits (excluding Jobseeker Support). Data is sourced from the Ministry of Social Development (MSD) and are shown as the average number of beneficiaries in each benefit category across each quarter for the current year. Further details of the benefit categories can be found on MSD's website.

Public housing stock

Public housing includes properties that are owned or leased by Kāinga Ora and other registered Community Housing Providers (CHPs) that can be tenanted by people who are eligible for public housing. The totals presented include both occupied and vacant houses. Public housing was previously referred to as social housing. This data is sourced from the Ministry of Housing and Urban Development.

Real estate listings

Real estate listings measure the number of new listings for residential dwellings on realestate.co.nz. It is based on the number of listings added each quarter or year.

Rental affordability

Rental affordability is measured by comparing average annualised rents from CoreLogic with Infometrics' estimate of annual average household income. Household incomes are a better measure for housing affordability than individual incomes as it reflects the true ability of a household to afford housing. We present a ratio of an annual ratio of average rent to average household incomes. A higher ratio, therefore, suggests that average rents cost a greater multiple of typical incomes, which indicates lower rental affordability.

Residential rents

Residential rents (\$ per week) are sourced from monthly data provided by MBIE and averaged across each quarter or year using weighted geometric means. Rental data pertains to averages from data collected when bonds are lodged and does not control for specifications of the home (eg. size, number of bedrooms, age of home, etc).

School attendance

School attendance is presented as the percentage of school students who attend greater than 90% of their classes. This includes students at primary, intermediate and secondary schools. Some individual students have legitimate absences which bring their attendance to below 90%, but are still counted in this measure as the aim is to reflect overall trends in school attendance. This should not be taken as a proxy for truancy however.

The Ministry of Education provides attendance data on a school term basis. We have apportioned Terms 1, 2, 3 and 4 to the March, June, September and December quarters respectively.

Tourism expenditure

Tourism Expenditure is based on MBIE's monthly regional tourism estimates (MRTEs).

MBIE published the MRTEs for 2019-2023, and previously published a different MRTE series for 2009-2018. We present a combination of both series in the QEM for a consistent timeseries from 2009 to the current quarter. The MRTEs are based on electronic card transaction data, calibrated to be consistent with national tourism expenditure data shown in Stats NZ's Tourism Satellite Account. This calibration takes into consideration the International Visitor Survey, so that differences in propensities to use cards versus cash for visitors from various countries of origin are accounted for.

MBIE paused the MRTE series again after the September 2023 quarter, however, we have retained this series as the base for our tourism expenditure estimates. From the December 2023 quarter onwards, we use the MBIE's Tourism Electronic Card Transactions (TECTs) to indicate the growth in spending.

Traffic flow

Due to data supply issues we do not have data for recent quarters.

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

Unemployment rate

Regional level unemployment rates are sourced from Stats NZ's Household Labour Force Survey. Trends in the number of Jobseekers are used to break down regional unemployment rates to TA levels. The TA level unemployment rates are benchmarked on census following the release of each census. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

Vehicle sales

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas. Electric vehicle registrations are based on new sales of battery electric cars (excluding hybrid, plug-in hybrid or fuel cell cars).