Business and Development Quarterly Report

APRIL TO JUNE 2022

WAIMAKARIRI
DISTRICT COUNCIL

Introduction

This report provides a summary of business and development growth within Waimakariri District, with a specific focus on the main centres of Rangiora, Kaiapoi, Woodend and Pegasus, and Oxford.

District growth is reported using a range of population and economic data. This includes growth in housing, income and employment, performance of the District’s largest industries, and availability of commercial floorspace. Note that some of this information may not be from the current quarter due to availability of data. Other economic data is provided on retail expenditure within the District, and expenditure from Waimakariri Residents when outside of the District.

These reports are intended to provide insight into current business strengths, and market opportunities. They are provided quarterly alongside data for the comparative period in the previous year so that growth and development can be tracked over time.

The current period may show some unanticipated discrepancies due to market disturbances from Covid-19 related trading and movement restrictions, and impacts from inflation.

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Waimakariri is one of New Zealand's fastest growing districts.

Population

The population of Waimakariri District is recorded at 66,300[1]. It is one of New Zealand's fastest growing districts. By 2048, StatsNZ projects the population will reach 83,000, with high end projections of 95,500 residents.

In 2021 the median age in Waimakariri District was 44 years. The District's population is ageing at a steady rate, with the median age having increased from 43.4 at the 2018 census, and from 42.6 in 2013.

Levels of education are improving over time, with the proportion of residents with bachelor's degrees and level 7 qualifications climbing from 6.4% to 9.4% from 2006 to 2018, and the proportion of individuals with no qualifications reducing from 29.6% to 21.8% within the same time frame.

[1] StatsNZ, Subnational population estimates, calculated yearly at 30 June. 2022 population estimate yet to be released.

Housing

Waimakariri District has a range of housing and lifestyle typologies, with 37% of the District's population living in rural areas[2]. The District has experienced strong growth in housing, particularly within greenfield development areas following the Canterbury earthquakes that began in 2010, with an upward trend occurring over the last two years following the Covid-19 pandemic. Overall, the District is a sought-after location to build or own homes.

Key points:

- 67.4% of households in Waimakariri District own their own home. This is slightly above the average rate for New Zealand, at 64.5%[3].
- The average house price in June 2022 was $730,898[4]. This is a 5.8% increase since the end of the previous quarter, and an increase of 28.9% since the same quarter in 2021.
- The increase in the cost of housing is relatively greater than for the whole of New Zealand, which saw a rise of 12.4% in house prices in the year to June 2022. This is likely caused by the sudden increase in demand in conjunction with the housing market having previously grown at a slower rate.

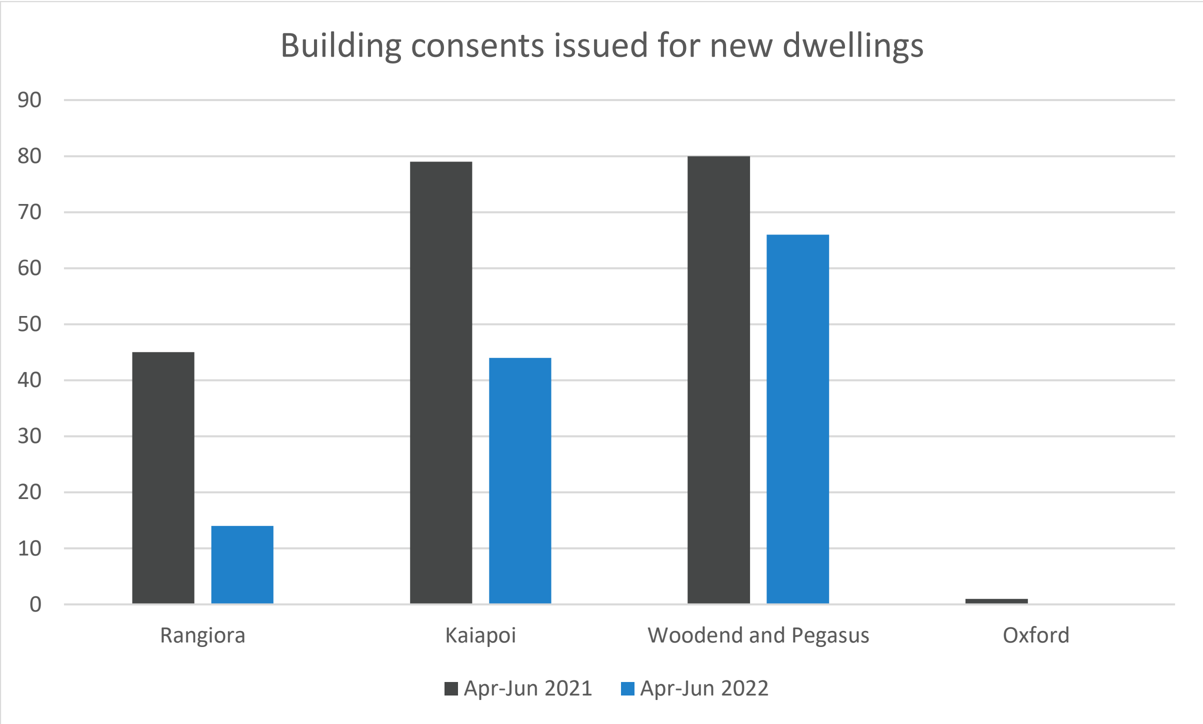
[2] MBIE, Regional Economic Activity Web Tool (2019 data)
[3] Census 2018
[4] CoreLogic, House Price Index

Resource and building consents

Data on resource and building consents issued is reported quarterly within Development Activity Score Cards on our Local Economic Development web page. This data also includes numbers for LIMs and PIMs.

Key points:

- 183 building consents were issued across the District this quarter. This is a 30.9% reduction from the 265 approved in 2021. This is also a drop from the most recent quarter ending March 2022, where 224 consents were issued.
- All towns saw decreased numbers of approved building consents, with Rangiora seeing the largest decrease (excluding Oxford) of 68.9%, from 45 down to 14. Kaiapoi saw a decrease of 44.3%, of 79 to 44 for the current quarter.
- Despite this slowing down of building activity across the District, it still remains elevated above 2019 (130) and 2020 (139) figures.
- Woodend and Pegasus remain the town with the highest numbers of approved, with 66 for the current quarter.



- 115 resource consents were approved for land use, subdivision, and variation/other across the District. This is comparative to the 126 consents issued during the same quarter in 2021.

Nationally, the volume of residential building activity increased by 3.2% in the June quarter.[5]

[5] StatsNZ. Building activity rises in June – media release.

Waimakariri is a high performing District, and a competitive place for business.

Business

Waimakariri District is an attractive place to do business within the context of national trends. GDP is high, unemployment is trending to record lows, and there is room for commercial floorspace to expand. Its strengths lie in goods-production industries, and employment opportunities within retail trade.

Income

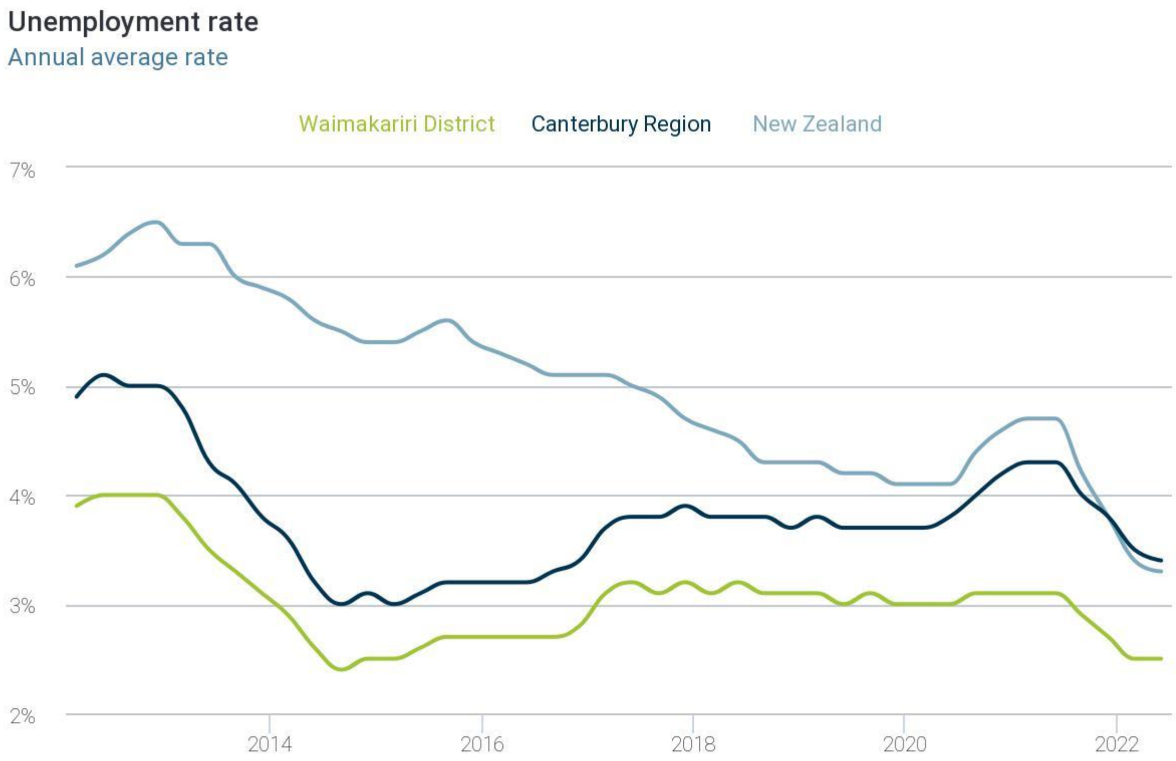
- In 2021, the mean annual earning was $53,800, an increase of 2.6% on the year prior. This figure is below the national mean of $65,910[6].
- Mean household income is recorded at $90,053 in 2022. This is an increase of 2.3% on the year prior.

[6] Infometrics, Regional Economic Profile (2021 data)

Employment

Key points:

- There were 20,375 filled jobs in Waimakariri District in 2021[7].
- 66.5% of the District's working population chooses to work within the District (note that education is included within this dataset)[8].
- Unemployment was 2.5% in the year to June 2022[9]. This is a strong decrease since 3.1% the previous year. Unemployment appears to have stabilised a little, having remained the same since March 2022.
- Unemployment in Waimakariri District remains lower than in New Zealand (3.3%) and Canterbury Region (3.4%).
- Unemployment across the country remains very low by historical standards.



Source: Infometrics

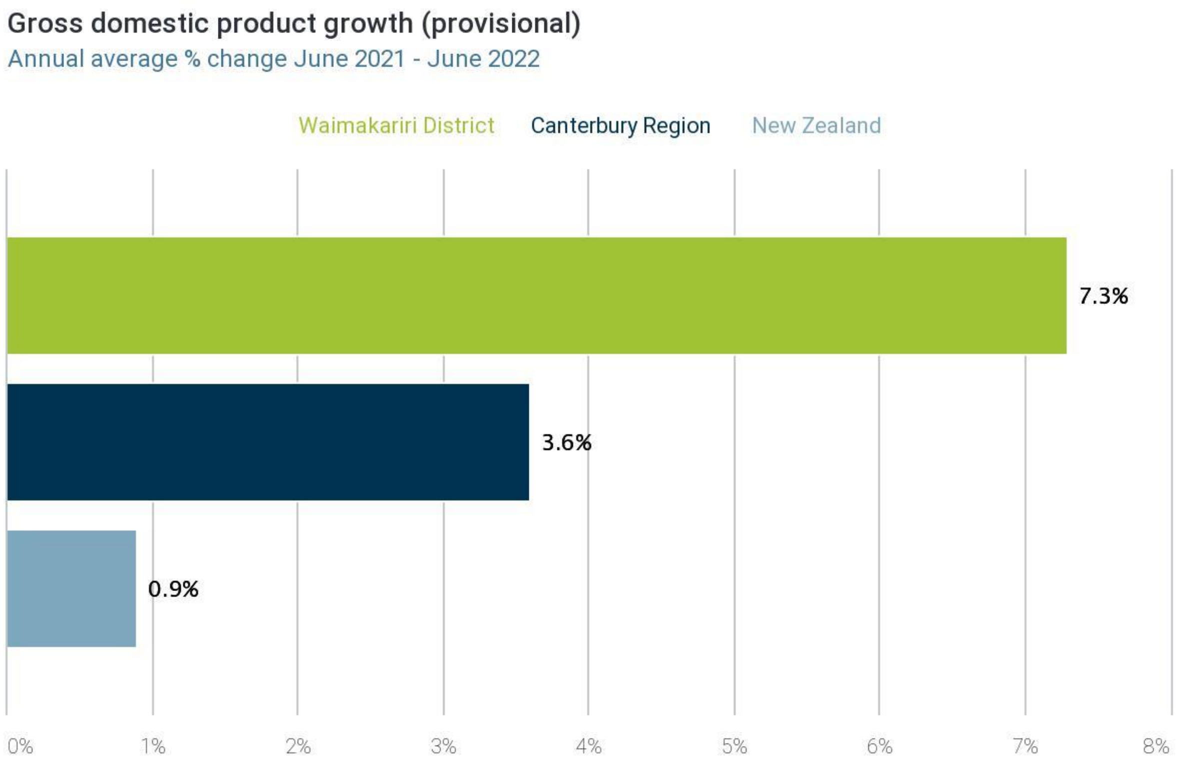
[7] Infometrics, Regional Economic Profile (2021 data)
[8] StatsNZ, Commuter Waka
[9] Infometrics, Quarterly Economic Monitor

Gross Domestic Product (GDP)

GDP is New Zealand's official measure of economic growth. It measures the value of goods and services produced and sold.

Key points:

- GDP in Waimakariri District was up by 7.3% over the last 12 months to June 2022[10]. This was higher than across New Zealand (0.9%) and the Canterbury Region (3.6%).
- Provisional GDP was $2,606 million for the District.
- National growth in GDP appears to have slowed slightly, though this is in part due to high growth in June 2021, and a combination of weak confidence, high inflation, higher interest rates, a tight labour market, and supply chain issues. Waimakariri District remains relatively cushioned from these impacts.



Source: Infometrics

[10] Infometrics, Quarterly Economic Monitor

Industry performance

The District's largest industries are primarily based in production; however, employment can be found across a range of industry sectors.

Key points:

- 25.5% of GDP is produced by goods-producing industries. This is higher than the rest of New Zealand, at 18.6%[11].
- The Construction industry produces the highest proportion of GDP within Waimakariri District, at 11.2%, totalling $263.7 million. It is also the largest employer, accounting for 17.7% of filled jobs.
- Agriculture, Forestry and Fishing is the second largest contributor to GDP at 10.9%, totalling $256.3 million.
- Manufacturing is the third largest contributor to GDP, at 8.7%, totalling $204.1 million.
- Retail Trade contributes only 6.8% of GDP, however it is the second largest employer, accounting for 11.1% of filled jobs.
- High-value services contribute 14.8% to GDP. The national figure is 25.9%, indicating an opportunity to increase employment of skilled workers within the District. This includes knowledge-intensive industries (25% of the workforce with degree qualifications, and 30% of the workforce employed in professional, managerial, and scientific and technical occupations).

Commercial floorspace

There is ample space for new businesses to establish in Waimakariri District, or for existing businesses to grow. 305.1 ha is zoned for commercial and industrial use under the Proposed District Plan; an increase of 12.6 ha from the Operative District Plan.

There is room for businesses of varying sizes, with the main towns offering a hierarchy of centres that include dense high street shopping, convenience activities, mixed use, and large format retail areas.

The number of vacant commercial (retail and office) units are counted annually[12] within Rangiora and Kaiapoi town centres. This includes buildings only in Business 1 and 2 Zones in the District Plan.

Location	Size	Number of units
Rangiora	Small (0 – 299 m2)	42
	Medium (300 – 1499 m2)	5
	Large (1500+ m2)	1
Kaiapoi	Small (0 – 299 m2)	19
	Medium (300 – 1499 m2)	1
	Large (1500+ m2)	1

[11] Infometrics, Regional Economic Profile (2021 data)
[12] Current dataset recorded October 2021

Expenditure

Retail expenditure

Expenditure within the District is calculated from Waimakariri residents, visitors from elsewhere in New Zealand and international origins.

Totals are calculated for the four main centres of Rangiora, Kaiapoi, Woodend and Pegasus, and Oxford, and data is also separated by spending categories.

Full data tables are in **Appendix A**. A breakdown of the types of businesses within each category is in **Appendix B**.

Key points:

- Total expenditure in the District increased by 8.6% over the year to June 2022. All towns saw spending increases, with Woodend and Pegasus again seeing a substantial rise in spending rise of 79.4% this quarter. This is linked to the opening of the New World supermarket in Ravenswood in August 2021.

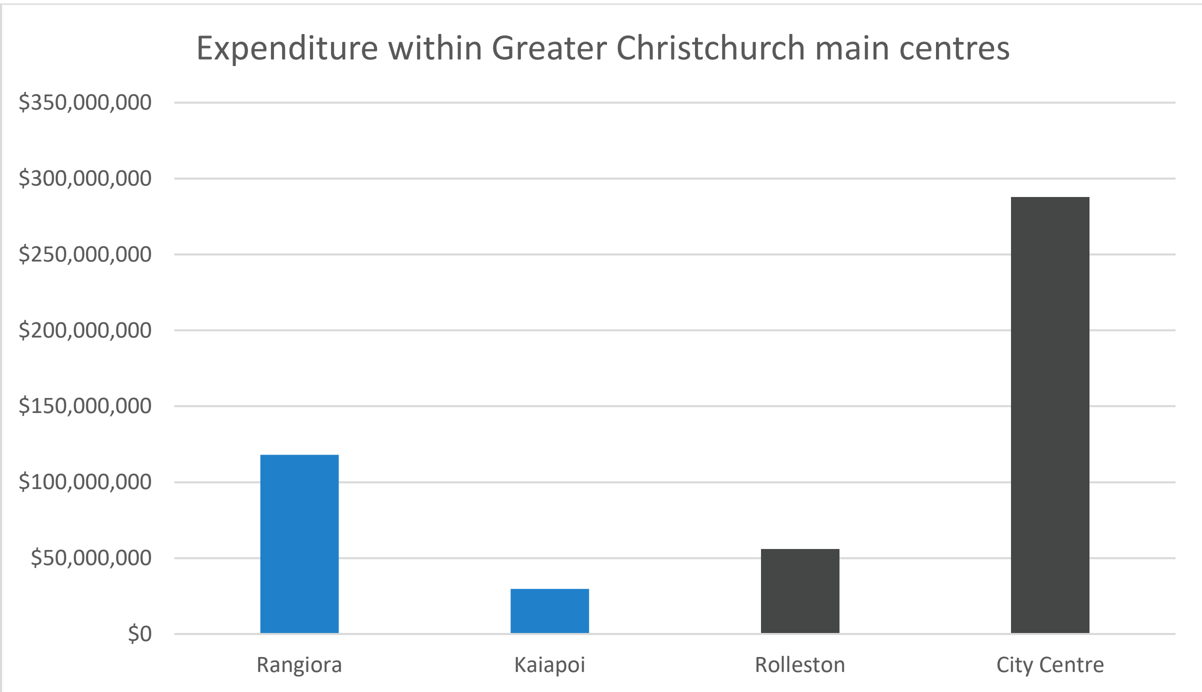
Market strengths

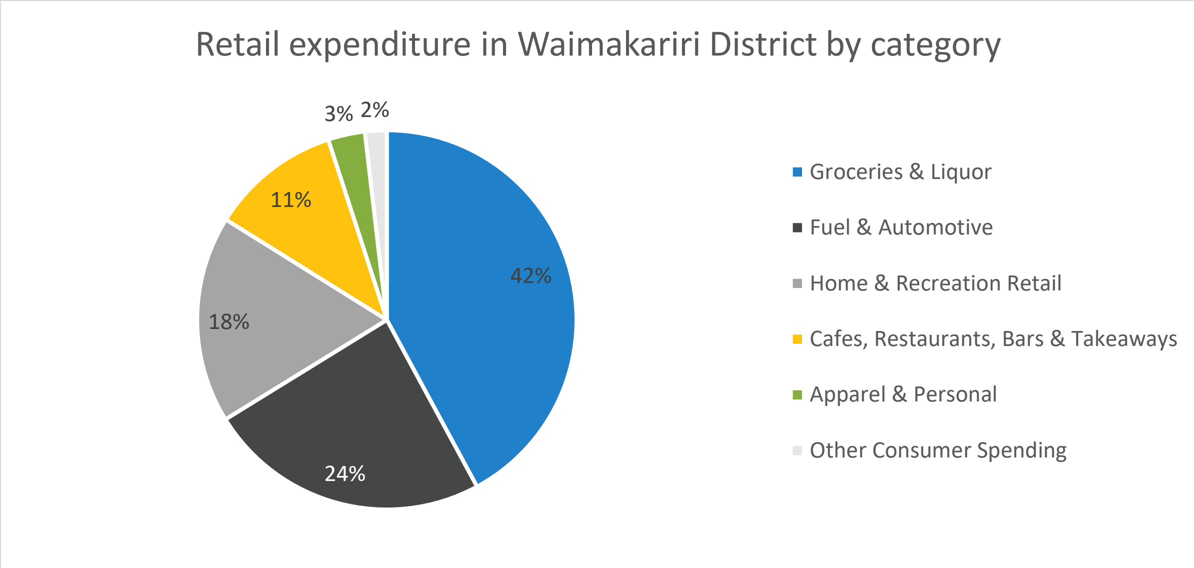
- Spending continues to increase in all towns within the District.
- Woodend and Pegasus becoming more self-sufficient.
- Waimakariri District relatively stable compared to regional and national markets.
- Increased visitor spending from international sources.
- Visitors contribute 23.1% of total spending within the District.

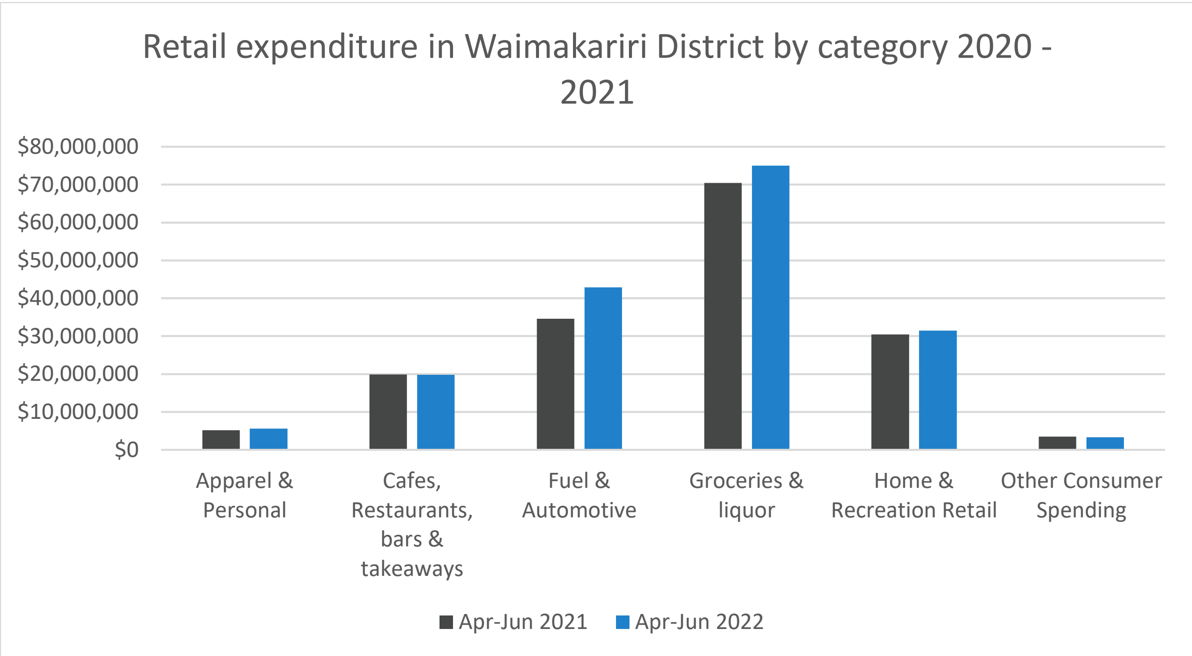
- Spending on Fuel and Automotive again grew substantially this quarter, by 24.1%, with similar rises occurring in the previous quarter this year. This continues the trend of inflation which has particularly impacted fuel prices across the country.
- Spending on Apparel and Personal grew by 8.8%. This retail category, however, makes up just 3.1% of total retail spending. This signals an opportunity to expand this type of retailing.
- Waimakariri District is well-insulated against the effects of significant economic changes. Over the year to June 2022, expenditure growth in Rangiora was steady at 4.3%, while Central Christchurch (within the four Avenues) decreased slightly by 0.2%.
- Rangiora also remains the strongest key activity centre in terms of retail expenditure within Greater Christchurch, despite significant growth in Rolleston in Selwyn District (18.1%).

Market opportunities

- Gap in the market for local Apparel and Personal provision.
- Spending on Cafes, Restaurants, Bars and Takeaways has stabilised.
- Opportunity to build on tourism sector.







Visitor expenditure

Inflow expenditure is calculated from all domestic and international visitors, excluding Waimakariri residents.

Key points:

- Total visitor expenditure within the District increased by 6.8% in the year to June 2022.
- Visitor expenditure makes up 23.1% of total expenditure within the District.
- Visitor growth was highest for those travelling from within the Canterbury Region, at 8.7%.
- Despite seasonal changes, there was a 34.9% increase of travellers from international sources when compared to the March 2022 quarter. This may be partially influenced by New Zealand allowing visitors from Australia to travel into New Zealand from mid-April.
- Visitor expenditure on Apparel and Personal retail grew by 13.6%, however spending on Cafes, Restaurants, Bars and Takeaways dropped slightly by 5.6%.

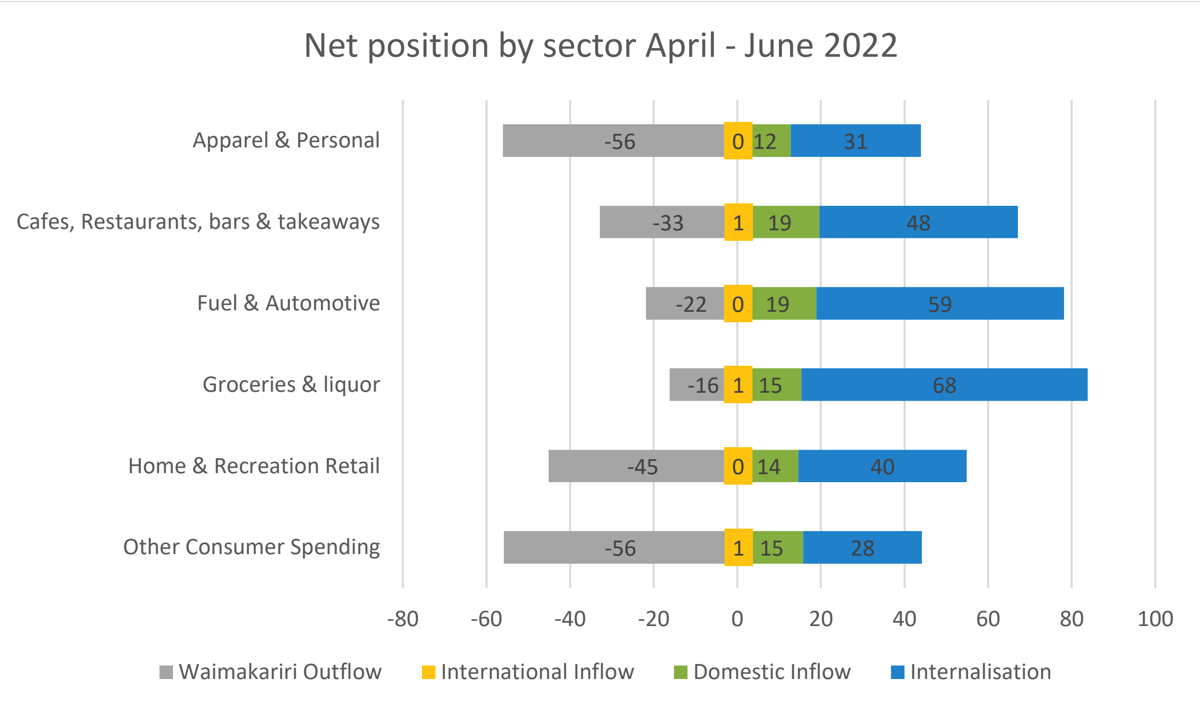
- Visitors to Waimakariri District contribute significantly to expenditure on retail, as well as all other industries. Across 2021, total visitor expenditure was $73.6 million[13].

Leakage

Leakage calculates outflow expenditure of Waimakariri Residents in nearby Districts. This is only calculated within Christchurch City and Selwyn Districts as these contribute to the Greater Christchurch area. Leakage data indicates where there may be gaps in provision within Waimakariri District.

Key points:

- Leakage to other Districts accounts for 31.4% of all spending by Waimakariri residents. This is a similar figure to the same time in 2021, indicating this proportion of spending remains static.
- Leakage to Selwyn District continues to increase at a rapid rate (12.5%) than to Christchurch (6.0%).
- By comparing expenditure within the District from visitors (Inflow) and from Waimakariri Residents (Internalisation), and the proportion lost to leakage (Waimakariri Outflow), proportionate leakage to nearby Districts is highest for Apparel and Personal retail. This is consistently highest each quarter.
- When compared to the comparative quarter in 2021, most retail categories have either remained static, or had slight decreases in the proportion of spend outside of Waimakariri District. Only Other Consumer Spending increased during this time from 50% to 56%. This category includes car retailing, tourism type activities, the arts, sport and fitness centres, and the casino, which are predominantly Christchurch-based.



[13] Infometrics Regional Economic Profile (2021 data)

Appendix A: Expenditure data

Total retail expenditure within the District (see **Appendix B** for a breakdown of retail categories):

Location	Second quarter 2021	Second quarter 2022	% change
Total District	**$164,028,480**	**$178,053,122**	**8.6**
Rangiora	$113,096,780	$117,982,712	**4.3**
Kaiapoi	$29,253,838	$29,696,945	**1.5**
Woodend and Pegasus	$9,058,863	$16,252,657	**79.4**
Oxford	$5,732,020	$6,216,207	**8.4**

Retail category	Second quarter 2021	Second quarter 2022	% change
Apparel & Personal	$5,142,547	$5,593,988	**8.8**
Cafes, Restaurants, Bars & Takeaways	$19,887,492	$19,815,869	**-0.4**
Fuel & Automotive	$34,587,377	$42,906,071	**24.1**
Groceries & Liquor	$70,481,978	$74,977,756	**6.4**
Home & Recreation Retail	$30,479,586	$31,455,077	**3.2**
Other Consumer Spending	$3,449,500	$3,304,361	**-4.2**

Total visitor retail expenditure within the District:

Customer origin	Second quarter 2021	Second quarter 2022	% change
Total visitor spend	**$38,527,033**	**$41,133,866**	**6.8**
Greater Chch, Rest of Canterbury (excluding Waimakariri)	$29,565,890	$32,151,227	**8.7**
Rest of New Zealand	$7,801,716	$7,776,196	**-0.3**
Australia, Rest of International	$1,159,427	$1,206,443	**4.1**

Retail category	Second quarter 2021	Second quarter 2022	% change
Apparel & Personal	$1,428,723	$1,622,526	**13.6**
Cafes, Restaurants, Bars & Takeaways	$6,138,704	$5,793,226	**-5.6**
Fuel & Automotive	$8,976,858	$10,386,733	**15.7**
Groceries & Liquor	$12,401,328	$13,764,863	**11.0**
Home & Recreation Retail	$8,222,121	$8,388,141	**2.0**
Other Consumer Spending	$1,359,299	$1,178,378	**-13.3**

Leakage expenditure of Waimakariri Residents in nearby Districts:

Merchant location	Second quarter 2021	Second quarter 2022	% change
Total leakage	**$69,074,733**	**$73,324,686**	**6.2**
Christchurch City	$67,515,493	$71,570,462	**6.0**
Selwyn District	$1,559,240	$1,754,224	**12.5**

Retail category	Second quarter 2021	Second quarter 2022	% change
Apparel & Personal	$6,658,621	$7,131,307	**7.1**
Cafes, Restaurants, Bars & Takeaways	$10,184,340	$9,690,558	**-4.8**
Fuel & Automotive	$9,673,314	$12,007,099	**24.1**
Groceries & Liquor	$13,977,008	$14,470,521	**3.5**
Home & Recreation Retail	$25,111,307	$25,853,192	**3.0**
Other Consumer Spending	$3,470,142	$4,172,010	**20.2**

Appendix B: Business category groupings

Marketview groups the following business categories together, based on ANZSIC codes:

Business category	Description
Apparel & Personal	Clothing Retailing
	Footwear Retailing
	Watch and Jewellery Retailing
	Other Personal Accessory Retailing
	Hairdressing and Beauty Services
Cafes, Restaurants, Bars & Takeaways	Cafes and Restaurants
	Takeaway Food Services
	Catering Services
	Pubs, Taverns and Bars
	Clubs (Hospitality)
Home & Recreation Retail	Sport and Camping Equipment Retailing
	Entertainment Media Retailing
	Toy and Game Retailing
	Newspaper and Book Retailing
	Marine Equipment Retailing
	Department stores
	Pharmaceutical, Cosmetic and Toiletry Goods Retailing
	Stationery Goods Retailing
	Antique and Used Goods Retailing
	Flower Retailing
	Other Store-Based Retailing n.e.c.
	Furniture Retailing
	Floor Coverings Retailing
	Houseware Retailing
	Manchester and Other Textile Goods Retailing
	Electrical, Electronic and Gas Appliance Retailing
	Computer and Computer Peripheral Retailing
	Other Electrical and Electronic Goods Retailing
	Hardware and Building Supplies Retailing
	Garden Supplies Retailing
Fuel & Automotive	Motor Vehicle Parts Retailing
	Tyre Retailing
	Fuel Retailing
	Other Automotive Repair and Maintenance
Groceries & Liquor	Supermarket and Grocery Stores
	Fresh Meat, Fish and Poultry Retailing
	Fruit and Vegetable Retailing
	Liquor Retailing
	Other Specialised Food Retailing
Other Consumer Spending	Car Retailing
	Motor Cycle Retailing
	Trailer and Other Motor Vehicle Retailing
	Retail Commission Based Buying and Selling
	Interurban and Rural Bus Transport
	Urban Bus Transport (Including Tramway)
	Taxi and Other Road Transport
	Rail Passenger Transport

	Water Passenger Transport
	Air and Space Transport
	Scenic and Sightseeing Transport
	Passenger Car Rental and Hiring
	Other Motor Vehicle and Transport Equipment Rental and Hiring
	Travel Agency and Tour Arrangement Services
	Museum Operation
	Zoological and Botanical Gardens Operation
	Nature Reserves and Conservation Parks Operation
	Performing Arts Operation
	Creative Artists, Musicians, Writers and Performers
	Performing Arts Venue Operation
	Health and Fitness Centres and Gymnasia Operation
	Sport and Physical Recreation Clubs and Sports Professionals
	Sports and Physical Recreation Venues, Grounds and Facilities Operations
	Sport and Physical Recreation Administration and Track Operation
	Horse and Dog Racing Administration and Track Operation
	Other Horse and Dog Racing Activities
	Amusement Parks and Centres Operation
	Amusement and Other Recreation Activities n.e.c
	Casino Operation
	Lottery Operation
	Other Gambling Activities
	Accommodation

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