Business and Development Quarterly Report

JULY TO SEPTEMBER 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 buildings. 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 opportunities within the market for expansion. 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.

Contents

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

Population

The population of Waimakariri District is recorded at 67,900[1]. It is one of New Zealand's fastest growing districts. By 2048, StatsNZ projects the population will reach 86,400, with a high projection of 98,900 residents.[2]

In 2022 the median age in Waimakariri District was 44.1 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[3].

[1] StatsNZ Subnational population estimates
[2] StatsNZ Subnational population projections
[3] StatsNZ 2018 Census Place Summaries

Housing

Waimakariri District has a range of housing and lifestyle typologies, with 37% of the District's population living in rural areas[4]. 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%[5].
- The median house price for the September quarter was $729,039. This is a 20.0% increase from the same quarter in 2021, from $602,588. The average house price for the September quarter in Waimakariri District grew at a much faster rate than for the whole of New Zealand (5.8%).
- While the average price grew by 5.2% from the June quarter this year, prices have begun a downward trend each month, with an average price for the September month of $719,862.

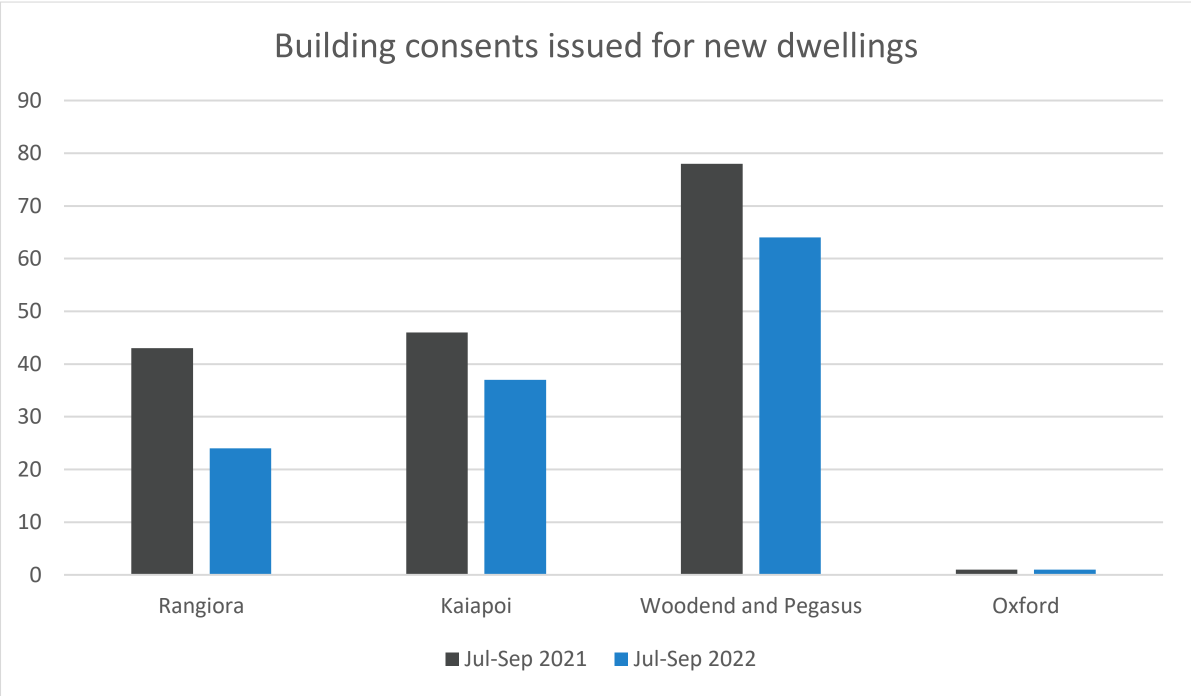
[4] MBIE Regional Economic Activity Web Tool
[5] StatsNZ 2018 Census Place Summaries

Building consents

Data on resource and building consents issued is reported quarterly within Development Activity Score Cards on our Local Economic Development web page.

Key points:

- There were 126 building consents issued for new dwellings in Waimakariri District in the September quarter of 2022.
- 64 building consents were issued for Woodend and Pegasus, with these towns consistently seeing the highest numbers of consents approved for new dwellings across the year.
- Building consent activity has slowed for the District since the same quarter in the previous year, when 168 consents were issued.



Waimakariri is a great place to do 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.

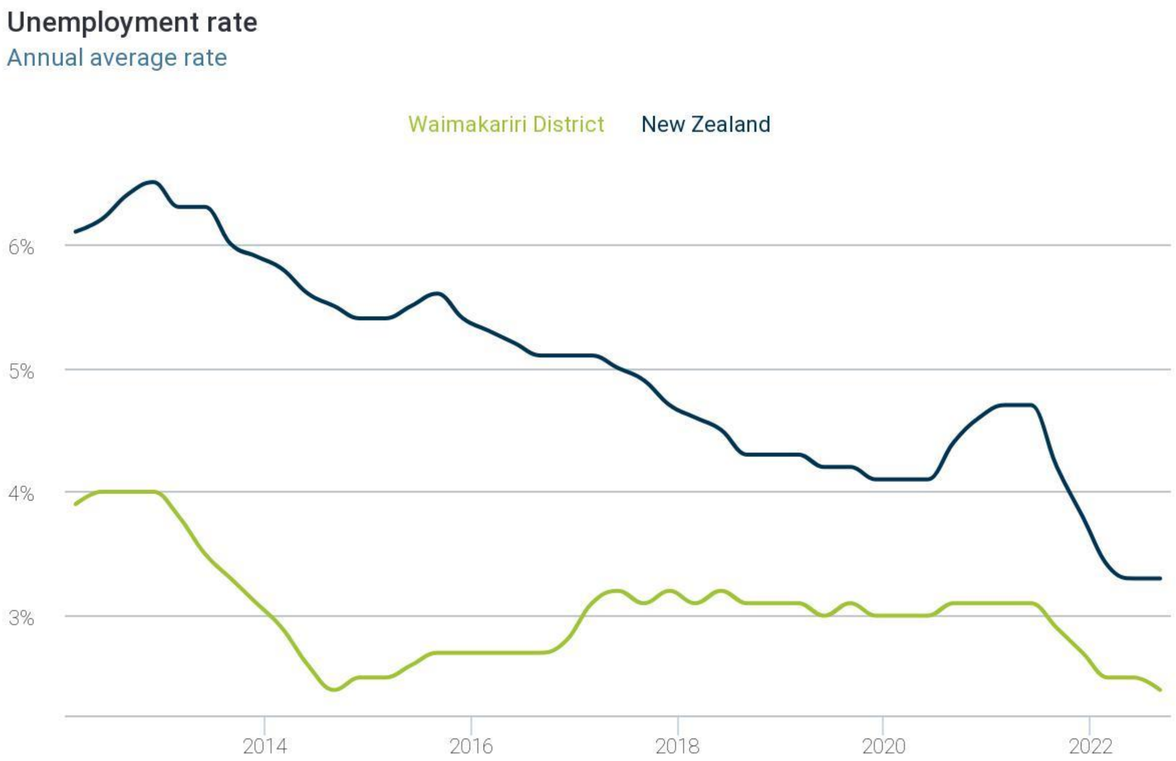
Income

- 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

- 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].
- The annual average unemployment rate in Waimakariri District was 2.4% to September 2022, down from 2.9% in the previous 12 months.
- Unemployment was slightly higher in New Zealand at 3.3%, however this remains historically low.
- The national underutilisation rate is also at a historical low of 9.0%; its lowest since 2006.



Source: Infometrics

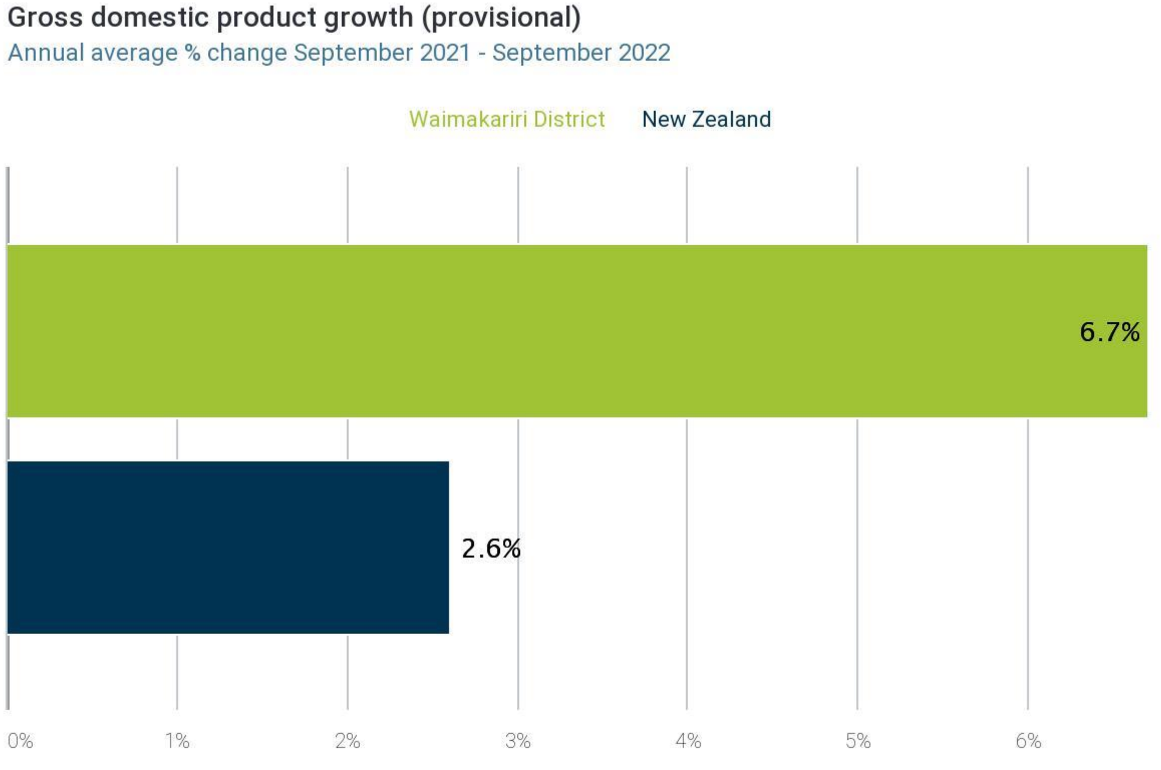
[7] Infometrics Regional Economic Profile
[8] StatsNZ Commuter Waka

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 was up 6.7% from September 2021. Provisional GDP was $2,626 million for the year to September 2022 (2021 prices).
- This was higher than the national rate of 2.6%, which has risen despite limitations on the labour market, higher inflation, and concerns for lower economic activity due to high interest rates. This may be bolstered by spending and the housing market remaining strong, coupled with Auckland activity being reduced in the 2021 quarter due to Covid-19.



Source: Infometrics

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%[9].
- 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[10] within Rangiora and Kaiapoi town centres. This includes buildings only in Business 1 and 2 Zones in the District Plan.

It is projected that by 2025 there will be demand for an additional 20,107m2 of commercial floorspace in Business 1 Zone, or an additional 3ha of land.

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

[9] Infometrics Regional Economic Profile
[10] 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:

- Expenditure within Waimakariri District increased by 14.2% since the same quarter in 2021, totalling $180,108,678.
- Woodend and Pegasus saw the largest increase in spending at 52.4%, which will be

Market strengths

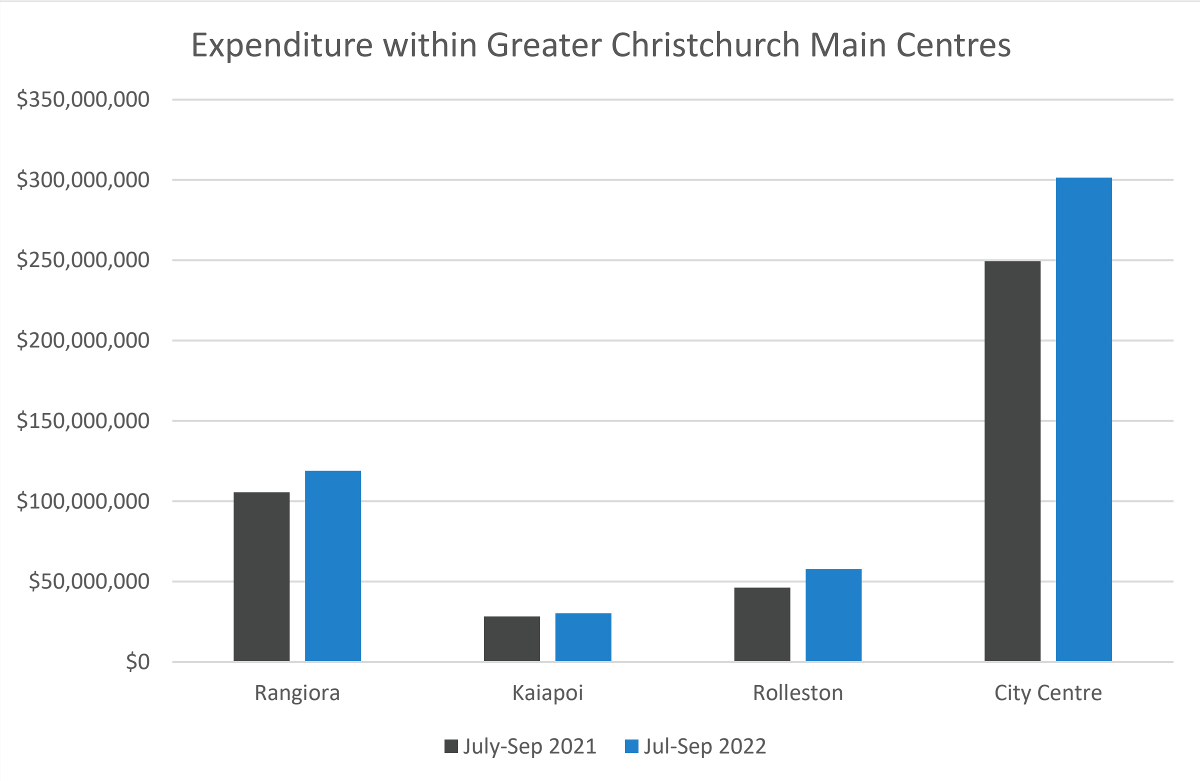
- Spending is up by 14.2% across the District
- Spending increases of more than 20% for most retail categories
- Leakage to other Districts remains stable
- International visitors are returning to the District

largely explained by the opening of the New World supermarket in Ravenswood in August 2021.

- Rangiora saw an increase in spending of 12.6%.
- Total spend within Rangiora remains more than double that of Rolleston. However, the pace of growth in Rolleston continues to outpace Rangiora, with an annual spending increase of 25.3%. Christchurch City Centre (bounded by the four avenues) also saw a spend increase of 20.9%. This in part may be explained by the return of international visitors.

Market opportunities

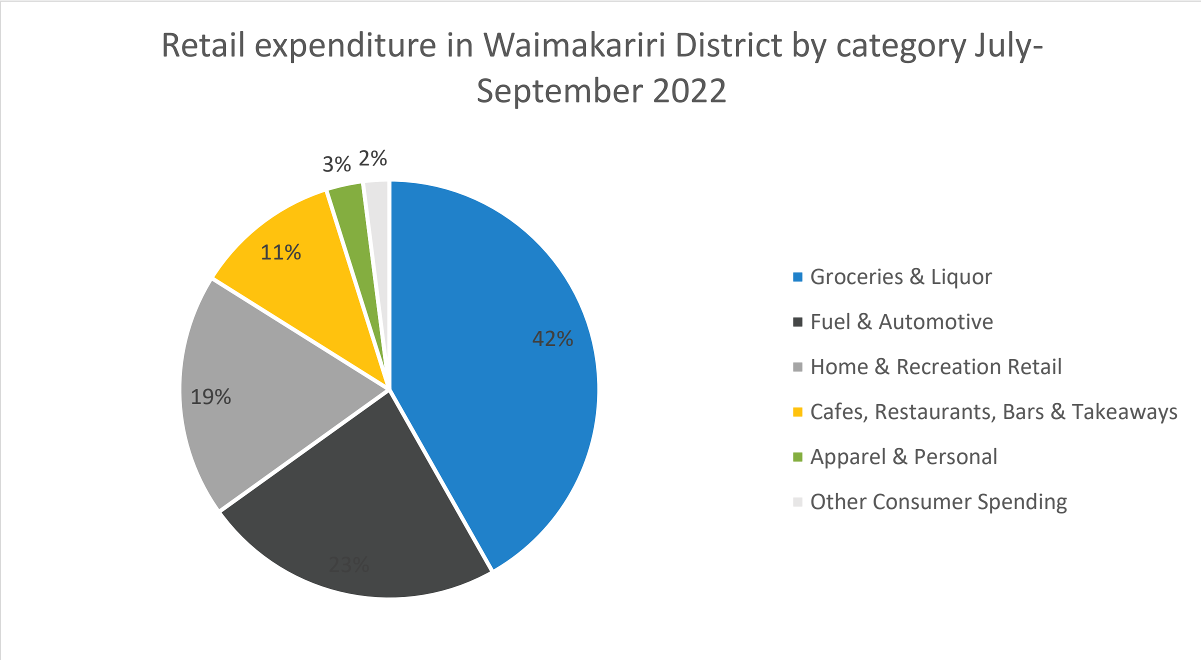
- Opportunity to fill gap in local provision of Other Consumer Retail, including entertainment.
- Rolleston growth outpacing that of Rangiora. Opportunity to strengthen existing offer.

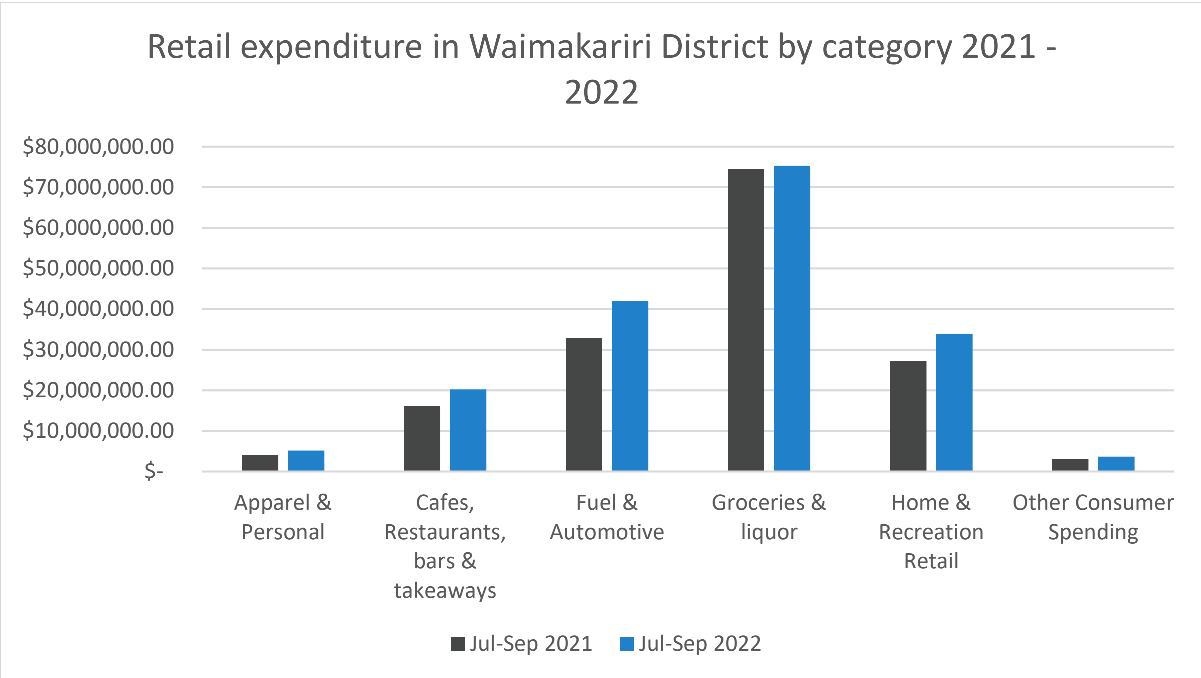


- In Waimakariri District, spending on Apparel and Personal retail grew by 27.2%, totalling $5,137,221. Spending on Cafes, Restaurants, Bars and Takeaways also saw a large increase (25.6%), as well as Home and Recreation retail (24.4%).
- Spend on groceries and liquor increased by just 1%, despite inflation.
- These figures were reflective of national trends:
  - National retail sales rose 4.9% compared with the same quarter in 2021, and Cafes, Restaurants, Bars and Takeaways saw an increase of 30%.[11]

[11] StatsNZ Retail sales lift in September quarter – Media release 25 November 2022

- Some of this increase can be explained due to Covid-19 restrictions which involved limiting purchases to only essential items in August 2021. However, inflation is also a large component, with prices received by producers of goods and services having increased 1.6%, and prices paid by producers increased by 0.8%[12]. Food prices rose 8.3% compared to September 2021 (this category including groceries and restaurants)[13].





[12] StatsNZ Producer prices increase in the September 2022 quarter – Media release 17 November 2022
[13] StatsNZ Annual food price increase remains at a 13-year high of 8.3 percent – Media release 13 October 2022

Visitor expenditure

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

Key points:

- The number of visitors to Waimakariri District grew this quarter, with the largest increase stemming from visitors from international sources (75.9% increase).
- Visitor spend increased across all retail categories. Outside of Groceries and Liquor, and Fuel, visitors spent the highest proportion on Home and Recreation retail ($8,622,843). Spend at Cafes, Restaurants, Bars and Takeaways is also high ($5,740,555), having grown by 21.2% since the same quarter in the previous year.
- Nationally, there were 151,300 overseas visitors to New Zealand in September 2022, however this remains only 58% of the number of visitors received in September 2021, before the Covid-19 pandemic affected international travel[14].

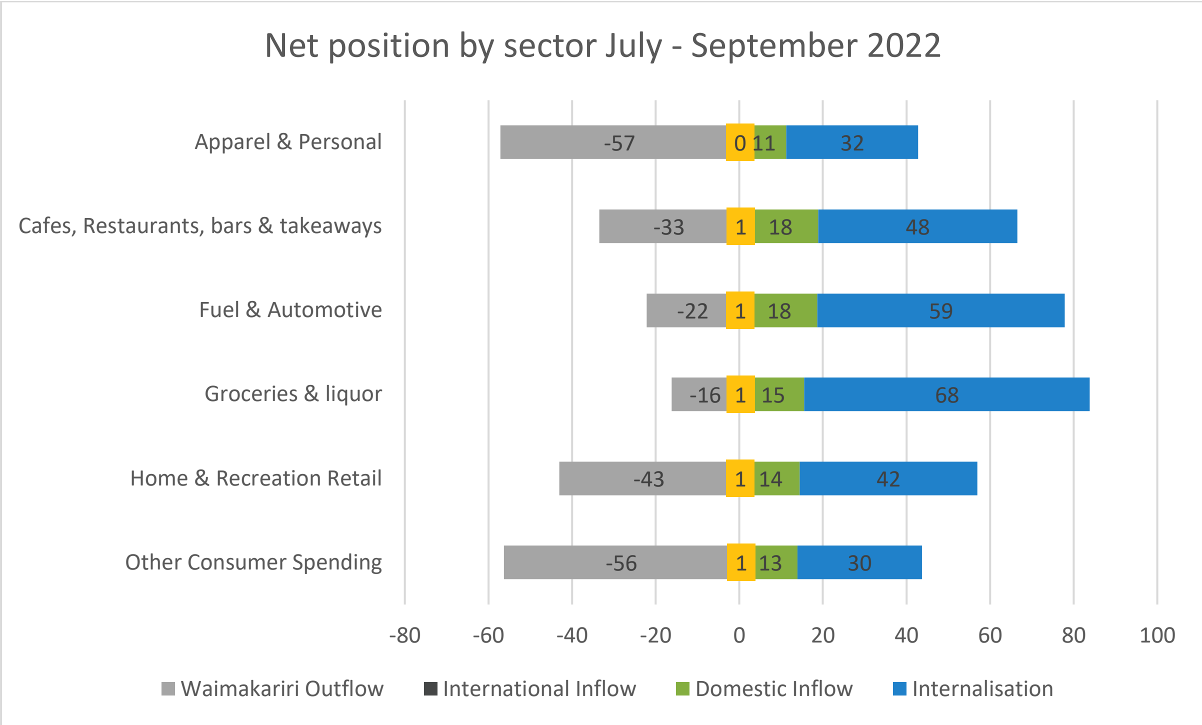
Leakage

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

Key points:

- Total leakage to nearby Districts increased by 25.6%, totalling $73,767,404. However, leakage remains 31.3% of total Waimakariri resident spending. The proportion of spend has not changed since the same time in 2021, indicating that while overall spending has increased, Waimakariri residents are not spending higher than usual amounts outside of the District.
- Leakage to Selwyn District (29.9%) grew at a slightly higher rate than to Christchurch City (25.5%).
- Other Consumer Spending increased at the highest rate of all retail categories. This may be indicative of the return of entertainment, including theatre and performance. This category also includes recreation opportunities, and car retailing.
- By comparing expenditure within the District from visitors (Inflow) and from Waimakariri Residents (Internalisation), and the proportion lost to leakage (Waimakariri Outflow), proportionate leakage remains highest for Apparel and Personal retail. Other Consumer Spending also sees high leakage. The leakage for Other Consumer Spending has increased since the September quarter of 2021, by 16.7%.

[14] StatsNZ Overseas visitors increase in September – Media release 15 November 2022



Net position by sector July - September 2022
Apparel & Personal
Cafes, Restaurants, bars & takeaways
Fuel & Automotive
Groceries & liquor
Home & Recreation Retail
Other Consumer Spending
-57
0
11
32
-33
1
18
48
-22
1
18
59
-16
1
15
68
-43
1
14
42
-56
1
13
30
-80
-60
-40
-20
0
20
40
60
80
100
Waimakariri Outflow
International Inflow
Domestic Inflow
Internalisation

Appendix A: Expenditure data

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

Location	Third quarter 2021	Third quarter 2022	% change
Total District	**$157,723,786**	**$180,108,678**	**14.2**
Rangiora	$105,642,157	$119,003,540	**12.6**
Kaiapoi	$28,433,163	$30,356,172	**6.8**
Woodend and Pegasus	$11,049,546	$16,837,002	**52.4**
Oxford	$6,152,710	$6,404,463	**4.1**

Retail category	Third quarter 2021	Third quarter 2022	% change
Apparel & Personal	$4,038,314	$5,137,221	**27.2**
Cafes, Restaurants, Bars & Takeaways	$16,084,725	$20,197,181	**25.6**
Fuel & Automotive	$32,789,189	$41,943,429	**27.9**
Groceries & Liquor	$74,553,261	$75,287,329	**1.0**
Home & Recreation Retail	$27,261,414	$33,914,693	**24.4**
Other Consumer Spending	$2,996,882	$3,628,825	**21.1**

Total visitor retail expenditure within the District:

Customer origin	Third quarter 2021	Third quarter 2022	% change
Greater Chch, Rest of Canterbury (excluding Waimakariri residents)	$28,305,577	$32,206,476	**13.8**
Rest of New Zealand	$6,610,798	$7,178,209	**8.6**
Australia, Rest of International	$856,708	$1,507,002	**75.9**

Retail category	Third quarter 2021	Third quarter 2022	% change
Apparel & Personal	$1,131,962	$1,351,842	**19.4**
Cafes, Restaurants, Bars & Takeaways	$4,734,909	$5,740,555	**21.2**
Fuel & Automotive	$7,950,506	$10,051,760	**26.4**
Groceries & Liquor	$13,482,976	$13,969,056	**3.6**
Home & Recreation Retail	$7,410,251	$8,622,843	**16.4**
Other Consumer Spending	$1,062,478	$1,155,631	**8.8**

Leakage expenditure of Waimakariri Residents in nearby Districts:

Merchant location	Third quarter 2021	Third quarter 2022	% change
Total leakage	**$58,732,172**	**$73,767,404**	**25.6**
Christchurch City	$57,277,458	$71,877,890	**25.5**
Selwyn District	$1,454,714	$1,889,514	**29.9**

Retail category	Third quarter 2021	Third quarter 2022	% change
Apparel & Personal	$5,071,537	$6,859,063	**35.2**
Cafes, Restaurants, Bars & Takeaways	$7,926,980	$10,171,150	**28.3**
Fuel & Automotive	$8,815,617	$11,908,635	**35.1**
Groceries & Liquor	$13,273,344	$14,497,909	**9.2**
Home & Recreation Retail	$20,876,967	$25,651,938	**22.9**
Other Consumer Spending	$2,767,727	$4,678,710	**69.0**

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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