

Monthly Insights Brief

October 2024

On-the-pulse analysis delivered monthly, providing insight into the Christchurch & Canterbury economies.





Key economic trends- data released in October

Migration update 2

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Business & employment update 4

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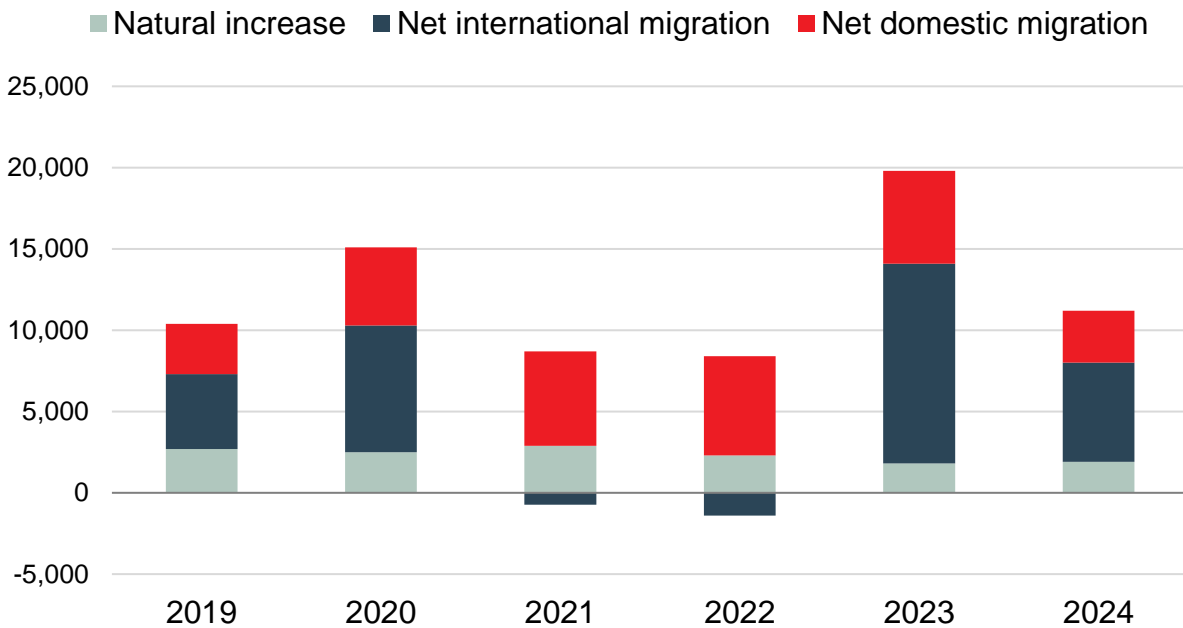
Migration update

The Canterbury Region has continued to record net gains from domestic and international migration in 2024, while revisions to 2023 figures put migration gains at significantly higher levels than previously estimated.

Migration figures come from population estimates carried out by Statistics NZ and are subject to later revision. The 2024 release includes revisions to 2023 data, which are explained in the relevant sections below.

Canterbury recorded a net gain of 9,300 people from migration over the year to June 2024. About two-thirds of this gain was due to international migration, while the remainder was from domestic migration (people relocating to the region from elsewhere in New Zealand). Migration gains have dropped back from the record highs of 2023, in line with trends across the rest of New Zealand.

Population change by component, Canterbury Region 2018-2024





International migration

Canterbury experienced a net gain of 6,100 people from international migration over the year to June 2024. All New Zealand regions recorded a net gain from international migration in 2024, with Canterbury's net gain the third highest behind Auckland (+41,400 people) and the Waikato (+6,600 people).

Most international migration to Canterbury took place in Christchurch, with the city recording a net international migration gain of 4,400 people. Smaller gains took place in Ashburton (+660 people) and Selwyn (+110 people), while Waimakariri recorded a small net loss to international migration (-110 people).

Regional-level data doesn't show which countries made the largest contributions to international migration gains. However, national-level data indicates that net gains to New Zealand's population were driven by migration from India, Philippines, China, Fiji, Sri Lanka, and South Africa.

Net international migration (year to June 2024)	
Region	Net gain
Auckland	41,400
Waikato	6,600
Canterbury	6,100
Bay of Plenty	3,700
Wellington	3,500
Manawatu	2,700
Hawke's Bay	2,000

Domestic migration

Canterbury recorded a net gain of 3,200 people from domestic migration over the year to June 2024. Revisions made to past estimates means that the Canterbury Region has now recorded the highest net domestic migration gain for six years in a row.

Nine of New Zealand's sixteen regions recorded net inflows from domestic migration, with Canterbury's gain followed by the Waikato (+2,400 people) and Northland and Otago (with +1,200 people each). Auckland recorded the largest loss from internal migration, with an estimated net outflow of -8,200 people from the region. This was followed by the Wellington Region, with a net loss of -1,100 people.

Net domestic migration (year to June 2024)	
Region	Net gain
Canterbury	3,200
Waikato	2,400
Otago	1,200
Northland	1,200
Bay of Plenty	900
Wellington	- 1,100
Auckland	- 8,200

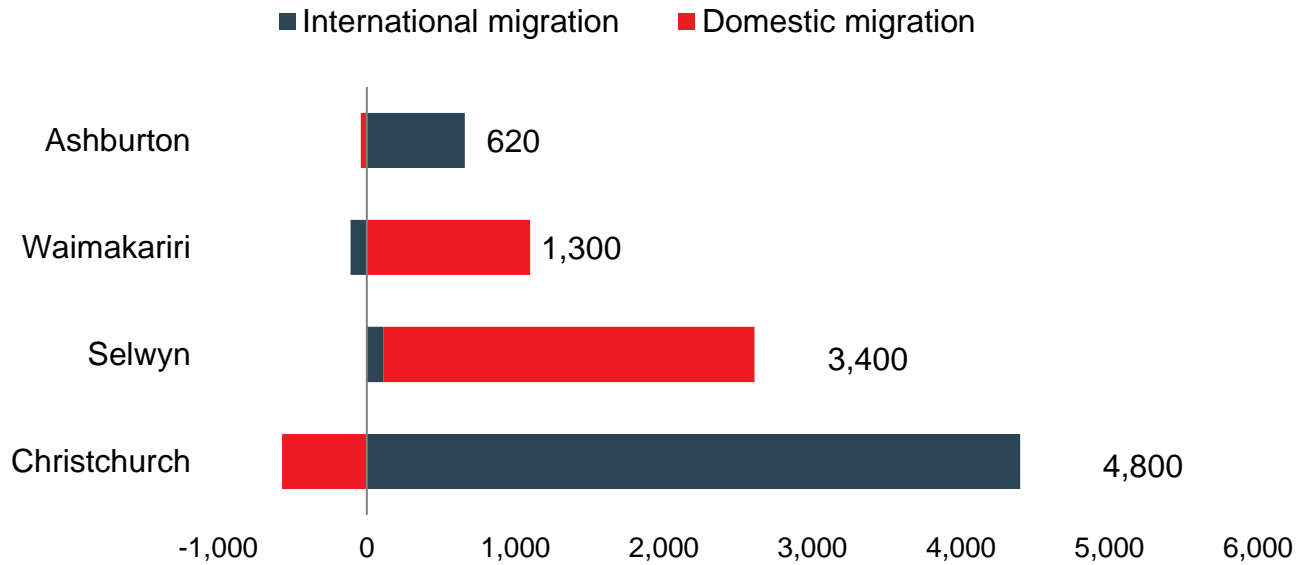
Domestic migration in Canterbury was driven by growth in Selwyn, which recorded a net gain of +2,500 people from internal migration. The rest was largely due to domestic migration into the Waimakariri District (+1,100 people). Christchurch City recorded a net loss to domestic migration of -570 people over the year to June 2024.

A similar net loss figure was initially estimated for Christchurch in 2023, although the 2024 data release included a large upward revision to the 2023 figures. It's now estimated that Christchurch City actually received a net domestic migration gain of +1,500 people over the year to June 2023. Selwyn's domestic migration gain in 2023 was also revised up by about 500 people. Overall, these



revisions have pushed 2023 domestic migration estimates for the Canterbury Region up considerably, from a net gain of 3,000 people (as previously estimated) to 5,700 people in the year to June 2023. Upward revisions to international migration estimates mean that the total migration gain (international and domestic) for Canterbury in 2023 has been lifted to 18,000 people, rather than 11,000 as initially estimated by Statistics NZ.

Net migration by district (year to June 2024)



Business & employment update

The release of annual Business Demography statistics tracks where businesses and employees are located and how these have changed over the year to February 2024.

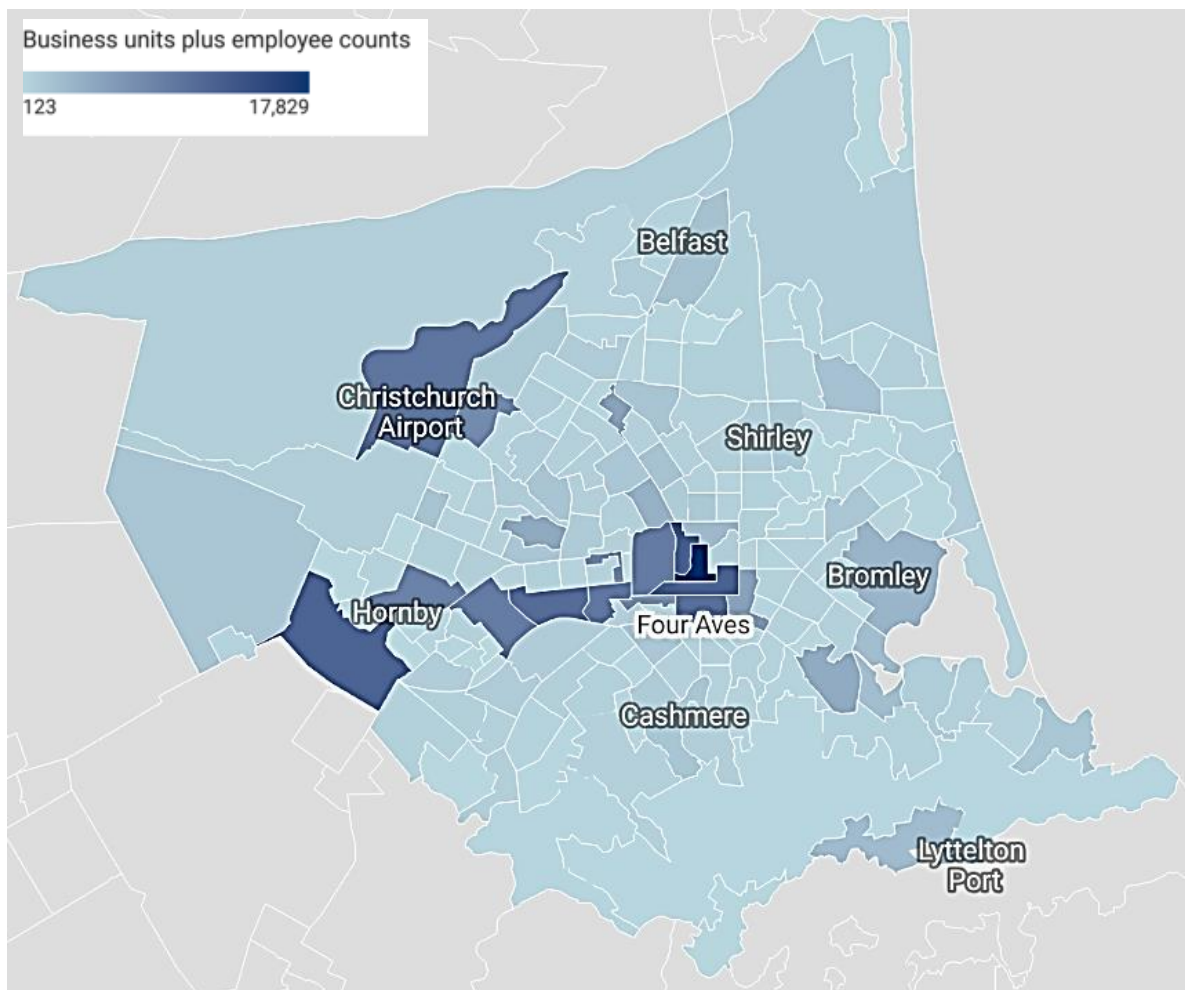
Workforce by location- Christchurch

Christchurch had 47,400 businesses with 241,000 employees as of February 2024. The largest share of businesses and employees is located within the Four Aves, with over 5,100 business units employing around 50,400 people in 2024. This is equivalent to 11 percent of businesses in Christchurch and 21 percent of employees. The Four Aves recorded an increase of 186 businesses and 3,300 employees from 2023 (3.8% and 6.9% growth, respectively).

There is also a strong concentration of business and employment along the southwestern corridor that spans from the Four Aves through Tower Junction, Middleton, and Sockburn out to Hornby. This corridor contains 3,700 businesses and 46,000 employees, equivalent to 8% of businesses in Christchurch and 19 percent of total employees.

Christchurch Airport and the adjacent western Burnside area is also a hotspot for employment in Christchurch, with just over 1,100 businesses and 16,300 employees.

The map below combines business and employee numbers to reflect a total workforce number (i.e., capturing each business unit as a self-employed person).





Business & employment growth- Canterbury Region

Business growth

The number of business locations in the Canterbury Region increased by just over 1,200 to a total of 80,970 in the year to February 2024. This represents a 1.5% annual increase in business numbers, compared to 0.9% growth nationally.

An increase in business locations can represent the introduction of a new business to the area, or an expansion in the number of sites operated by an existing business (e.g. a major retailer opening an additional store).

The Finance & Insurance Services industry recorded the largest real increase in business numbers, with an additional 270 locations compared to 2023 (5.2% growth).

This was followed by the Administration & Support Services industry, with business locations increasing by 186 or 7.2% from the previous year. This was driven by growth in the number of cleaning, pest control, and gardening services, as well as employment and travel agency services.

The hospitality sector also experienced strong business growth, with the number of Accommodation and Food & Beverage Service providers increasing by just under 180 businesses (5.2% growth) from 2023 levels. Growth in the hospitality sector appears to have now moved past the post-COVID recovery stage. Compared to 2019 levels, Canterbury has 78 additional accommodation providers and almost 250 additional food & beverage service providers.

Healthcare & Social Assistance also made a significant contribution to the increase in business numbers, lifting by just over 150 or 4.2%. This is likely to reflect the strength of population growth in Canterbury in recent years, with more demand for core services like healthcare.

Three of the 19 measured industries experienced a reduction in business numbers over the same period. The number of Agriculture, Forestry, & Fishing businesses fell by 60 or -0.6% in a continuation of an almost ten-year downward trend.

The Wholesale & Retail Trade industries also both recorded declines of almost 40 business each, which is likely a reflection of the slowdown in consumer demand that has been taking place since 2023.

Annual increase in business and employment numbers, Canterbury (Feb. 2024)

Business Growth

Finance & Insurance	+270
Admin. & Support Services	+190
Hospitality	+180
Healthcare & Social Assistance	+150

Employment Growth

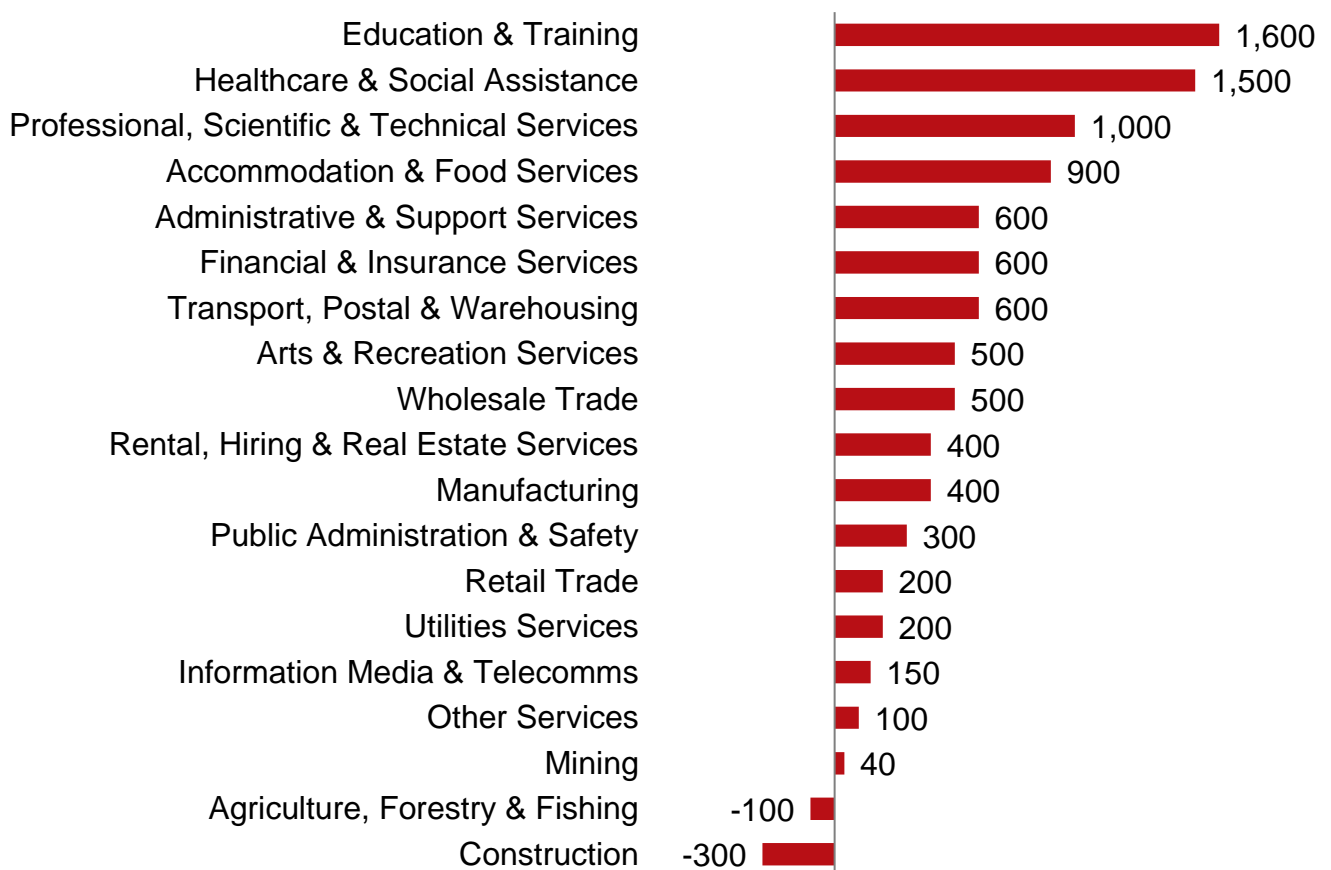
Education & Training	+1,600
Healthcare & Social Assistance	+1,500
Professional Services	+1,150
Hospitality	+900



Employment growth

- The number of people employed by businesses in the Canterbury Region increased by 9,200 people, or 2.8% in the year to February 2024. This was almost double the rate of national employment growth, which was 1.5% over the same period.
- Real increases in employee numbers were led by the Education & Training, and Healthcare & Social Assistance sectors, with employment increasing by 1,600 people (+6.3%) and 1,500 people (+3.9%) respectively.
- The Professional Services industry also expanded by 1,000 people (3.9%), driven by employment growth across areas like scientific research, engineering, consulting, and IT. The number of people working in hospitality also increased by 900. The uplift in employee numbers was even across the Accommodation and Food Services industries, with each recording a 450-person uplift. The number of people working in hospitality in Canterbury has now increased by 2000 people or 9.1% from 2019 levels.
- As with business counts, a small number of industries experienced a contraction in employee numbers. The number of people employed by Agriculture, Forestry, or Fishing businesses declined by 100, while the number of people employed by Construction firms fell by -300, compared to the same time in 2023.

Real change in employee numbers, Canterbury (year to Feb. 2024)



Change in number of employees



Quarterly Employment

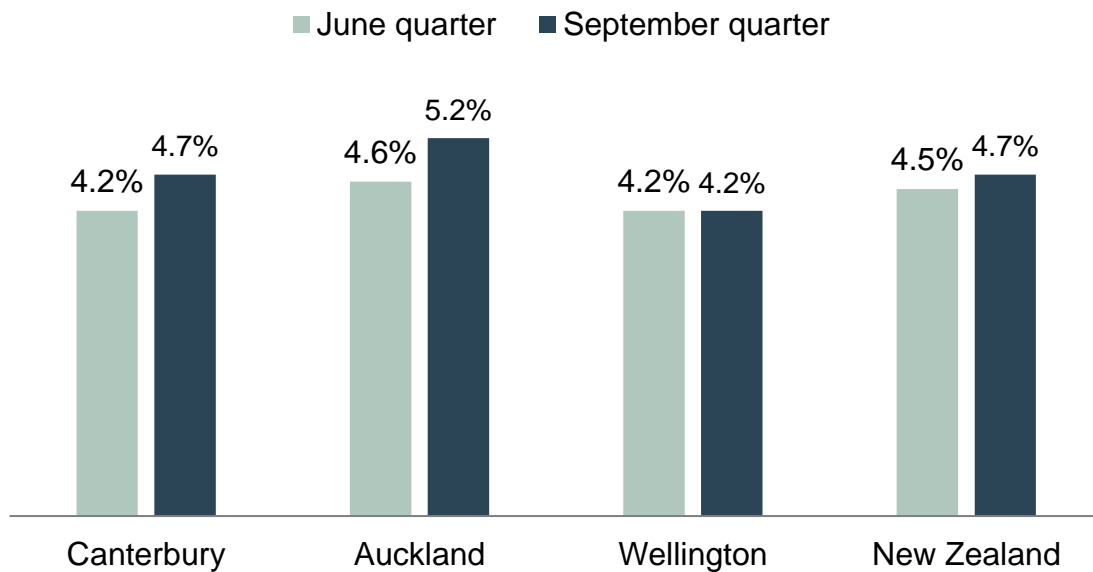
These annual figures point to longer-term changes in industry-level employment numbers. More recent labour force data shows that headline employment growth has been slowing in recent quarters in response to weaker economic conditions throughout 2024.

Canterbury's unadjusted unemployment rate increased from 4.2% in the June quarter to 4.7% in the September quarter, to align with national trends.

This increase in the unemployment rate was due to the size of the labour force growing faster than new jobs were added to the economy. Canterbury's labour force expanded by an estimated 3,600 people compared to the June quarter, while the number of people employed in the region only increased by 1,000. This expansion in the size of the labour force was driven by people who were previously in the region but not in the labour force (i.e. not looking for work in Q2) moving into the labour force during Q3.

Over the same period, the unemployment rate in Auckland increased to 5.2%, while in Wellington the unemployment rate remained unchanged from the previous quarter at 4.2%. This was despite overall employment numbers falling by 3,400 people in Wellington. Wellington's unemployment rate hasn't risen yet because people have been exiting the labour force- for example, there were 3,700 fewer people in the labour force in September than there were in June. This may reflect people moving out of the region, or people previously looking for work who have become discouraged.

Unadjusted unemployment rate by region, 2024



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