



**PAPAIOEA**  
PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA  
MINUTES ATTACHMENTS  
**ECONOMIC GROWTH  
COMMITTEE**

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9AM, WEDNESDAY 30 AUGUST 2023

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# ECONOMIC GROWTH COMMITTEE MEETING

30 August 2023

<b>7</b>	<b>Presentation - Manawatū Chamber of Commerce</b>	
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<b>9</b>	<b>Palmerston North Quarterly Economic Update - August 2023</b>	
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**Presentation to:  
Palmerston North City Council  
August 2023**

MANAWATŪ BUSINESS  
C H A M B E R

**DALMY**<sup>®</sup>

## **Introducing our Board:**

**Steve Davey – Chairman (ABC Business)**  
**Paul O'Brien – Acting Vice Chair and Life Member**  
**Rahui Corbett – Treasurer ( Morrison Creed)**

**Alex Boustridge – Legal Rep (CR Law)**  
**Angus Duncan – (Craigs IP)**  
**Chris Long – (Long Building Solutions)**  
**David Lanham – (Palmerston North Airport)**  
**Ed Teece – (NZP)**  
**Guy Dobson – (Dynamique)**  
**Nikki Maw – (Liminal Research)**

## **Vision:**

**To create a world class environment for business success  
in the Manawatū.**

*We are the Voice of Businesses within the Region*

## **Mission:**

**To Support and Encourage Business Growth that Creates Wealth and  
Employment within the Manawatū**

## **Core Deliverables:**

**Building Business Capability**

**Networking**

**Advocacy**

**Informed | Connected | Influential**

**Advocacy:**

**The Manawatū Report**

**Mighty Manawatū & Powerhouse Palmerston North**

**Informed | Connected | Influential**

**DALMY**<sup>®</sup>

# **Celebrating Business:**

**The Yorb Manawatū Business Awards 2022  
Plate of Origin – Made in Manawatū Dinner 2023**

**Informed | Connected | Influential**

# **Manawatū Business Chamber:**

**What we still have to do  
The Next Five Years**

**Informed | Connected | Influential**

Manawatū Business Chamber would like to acknowledge and thank the following businesses for their support.

### Gold Partners



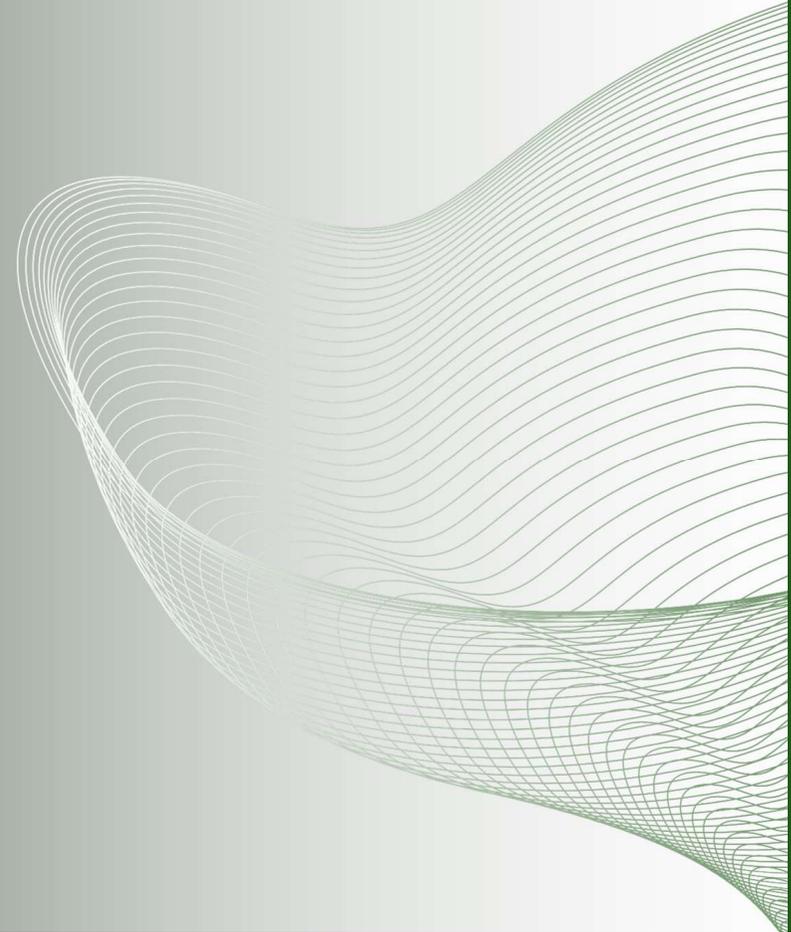
### Silver Partners



### Programme Partners



**Thank you**



**DALMY**<sup>®</sup>

**ITEM 7 - ATTACHMENT 1**



# Palmerston North Quarterly Economic Update

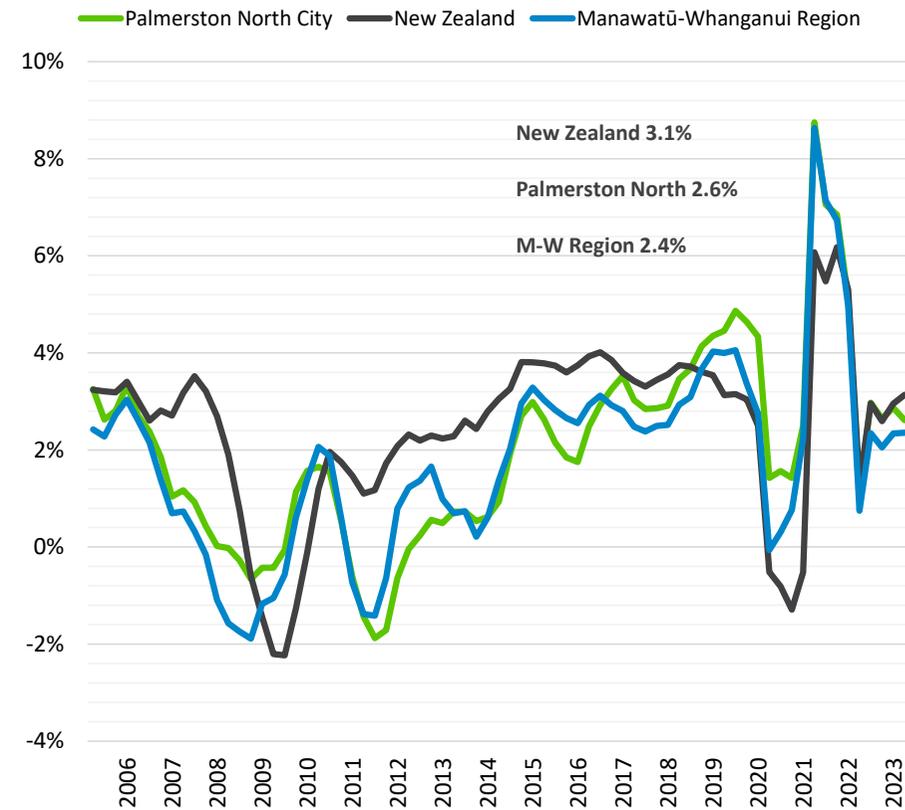
30 August 2023



# ECONOMIC HIGHLIGHTS

- Job numbers, earnings growth, tourism, core retail spending support city economy
- Resurgence in construction investment also drives economic activity
- City house prices stabilise with modest house price growth anticipated
- High employment and earnings growth ease pressure of rising living costs, but vulnerability remains
- Jobseeker numbers continue to reflect tight labour market conditions
- Formal rental properties and weekly rents increase
- The retail sector continues to be a big player in the city economy

GDP growth – Annual average percentage change



# JOBS, INCOME & SPENDING

Record employment alongside a rising unemployment rate

- Employed residents +1.3% to 36,423 YE June 2023
- Unemployment 3.7%

High earnings growth likely continues

- Earnings increased 8.5% over the year to March

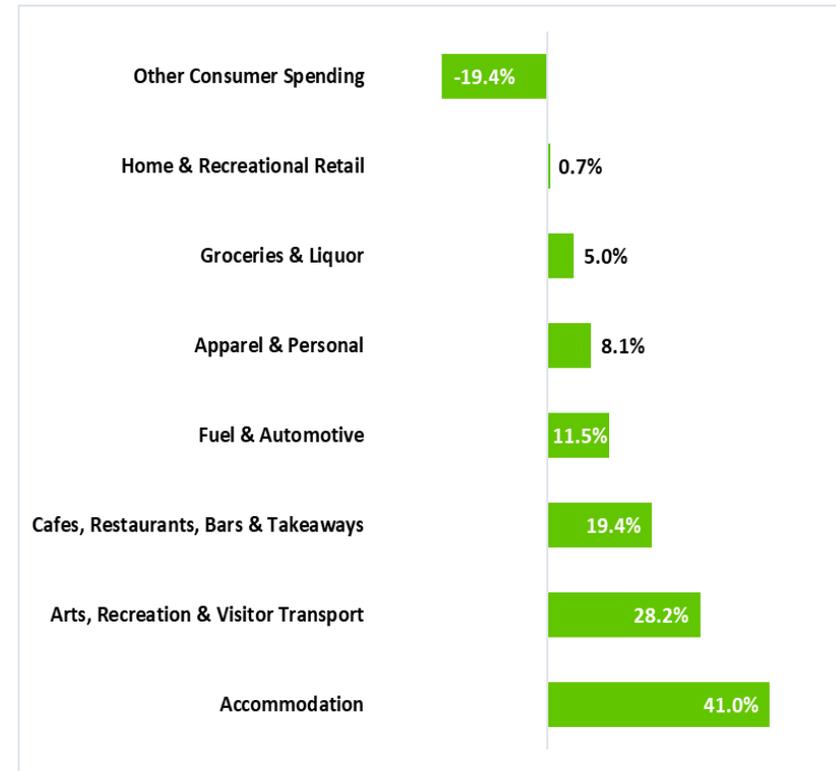
Earnings growth is supporting spending on core goods

- Retail spending +7.5% over the year to June 2023
- Spending on big ticket household items fall

Tourism is supporting spending to our businesses

- Tourism spending +12.6% YE June 2023

## Annual change in retail spending (YE June)

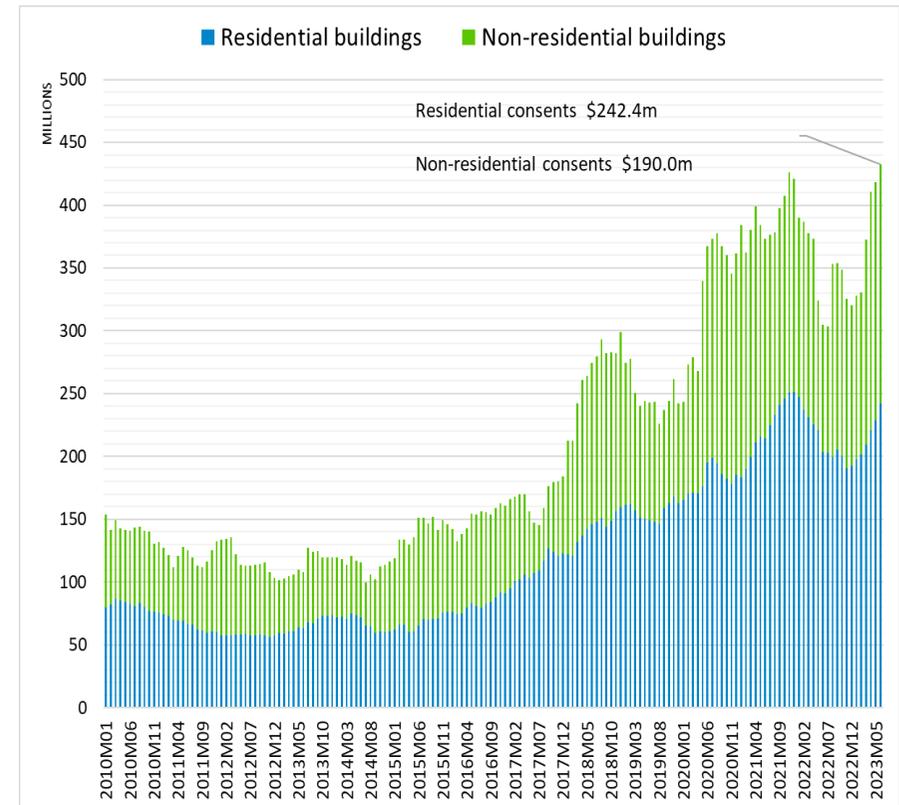


# CONSTRUCTION INVESTMENT

Construction investment defied national trend lifting 40.9% compared with a 0.1% fall nationally

- \$435.0m in building consents issued over the year to June 2023 (+\$126m)
- Both residential and non-residential construction values increased:
  - Residential construction +19.0% (\$242.4m)
  - Non-residential construction +87.6% to (\$190m)
- Investment in health facilities, residential care and apartments in the city
- New dwelling consent numbers +15.4% to 486

Building consent values – YE June 2023

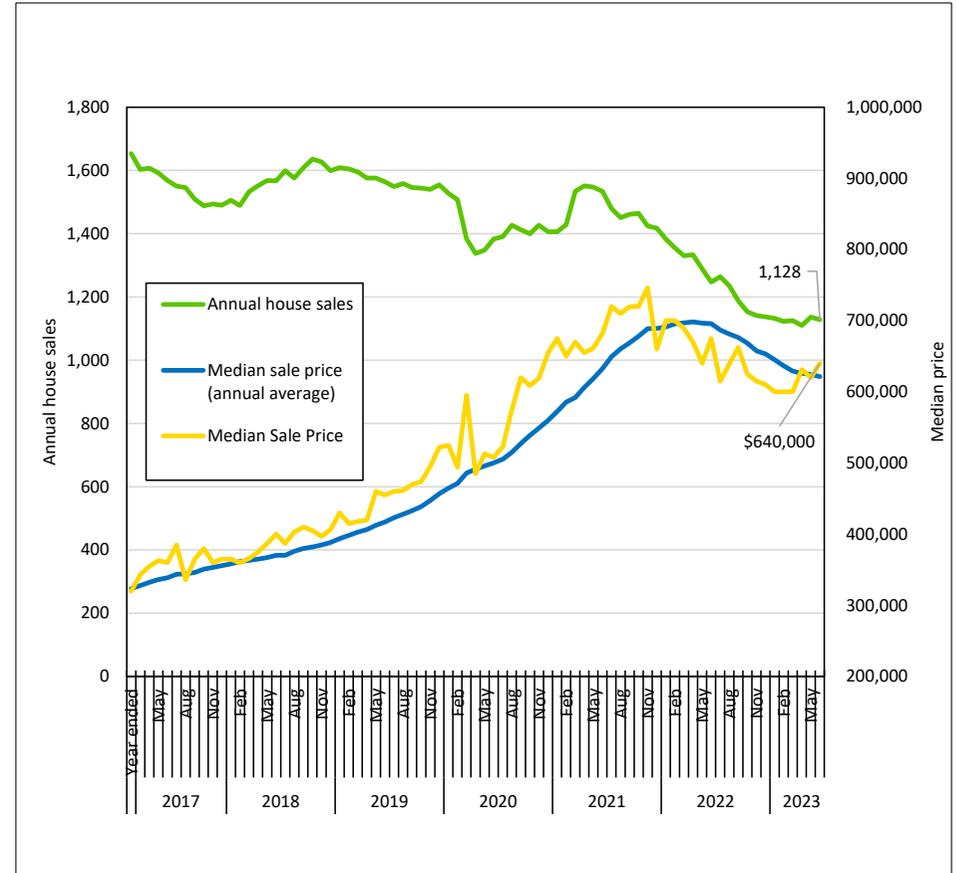


# HOUSING MARKET

Palmerston North house prices have stabilised with modest house price growth now anticipated

- Median house price rebounded to \$640k in July, down 5.2% over the year vs 3.7% NZ
- Sales volumes fell 9.5% over the year compared with a sharper 17.3% fall NZ
- Average house prices stable at \$638,036, down 11.4% over the year vs 10.1% NZ
- 62 days to sell in July (annual average 53 days)
- Seasonal lift, migration, employment, stabilising interest rates expected to support sales and pricing

Palmerston North - house sales and median prices

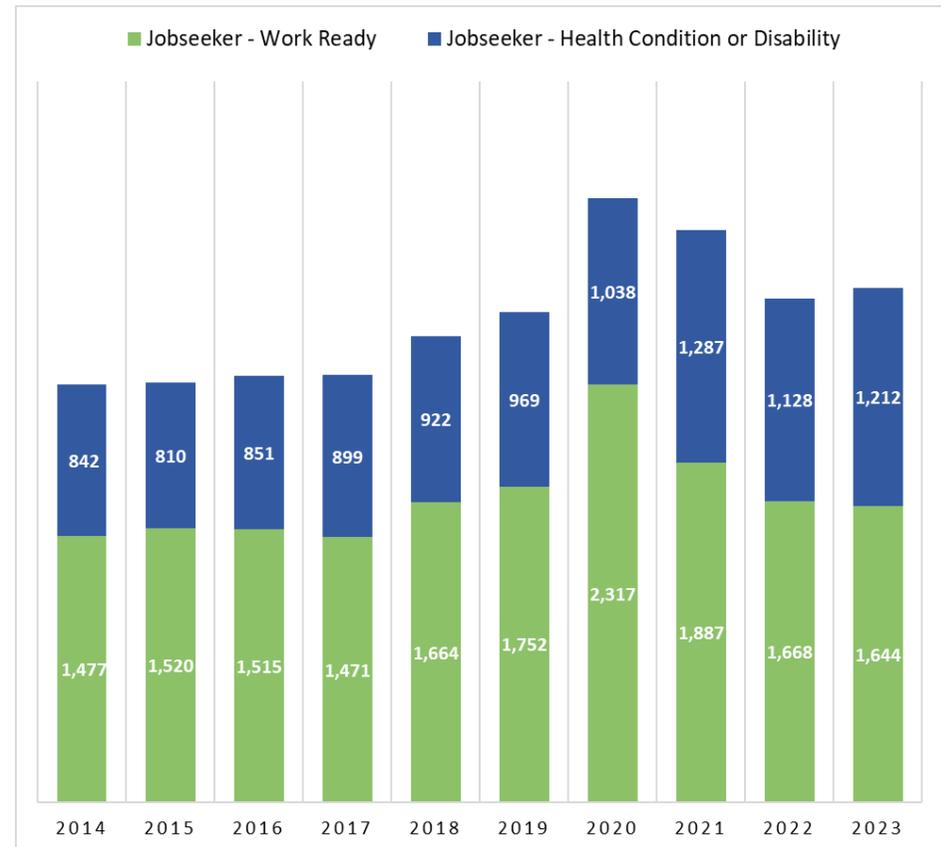


# ECONOMIC WELLBEING

Rising costs for core household goods are continuing to put pressure on vulnerable households

- Average household costs +7.2% YE June
- Food prices increased 12.5% with prices for fruit and vegetables up 22.0%
- Average weekly rents in the city increased 6.3% to \$459 per week compared with \$549 NZ
- Total of 627 families on the public housing register, down 17.7% from June 2022. Numbers fell 7.3% NZ
- Work ready job seekers continue to fall amidst an increase in recipients for illness and disability (+7.4%)

Palmerston North Jobseekers (June years)

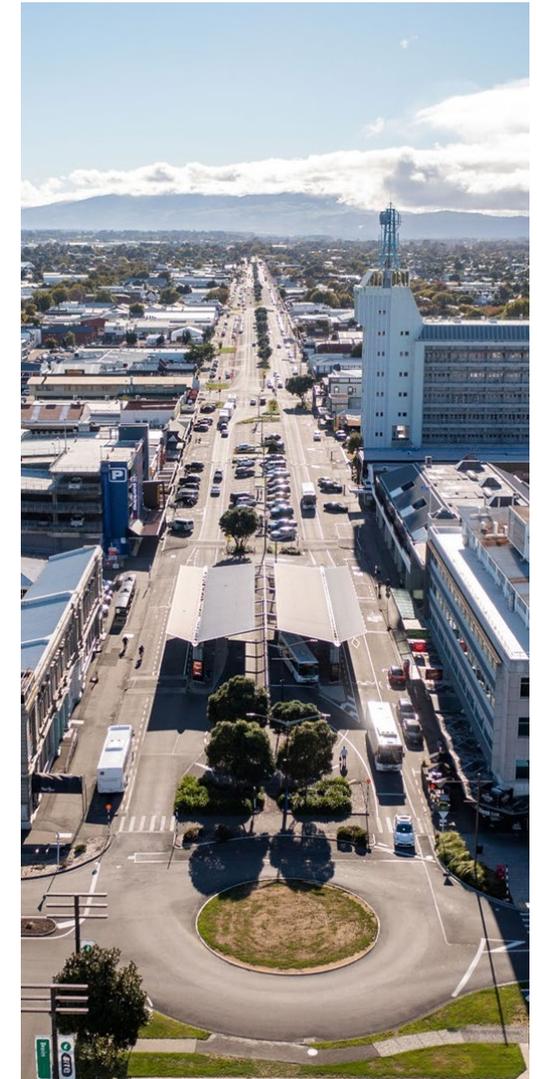


# PALMY<sup>®</sup> RETAIL SECTOR

PAPAIŌEA  
PALMERSTON  
NORTH  
CITY



- 1,068 business supplying the city, central to lower North Island
- Retail sector GDP +23.8% vs 21.3% NZ (5-yrs)
- Retail sector employment +6.4% vs 7.0% NZ (5-yrs)
- \$0.66 in GDP for every \$1 of GDP (YE Mar 2022)
- 1 additional job for every 3.5 people employed (YE Mar 2022)



# Questions ?