



PALMERSTON NORTH CITY COUNCIL

AGENDA MINUTES ATTACHMENTS ECONOMIC GROWTH COMMITTEE

9AM, WEDNESDAY 30 AUGUST 2023

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

ECONOMIC GROWTH COMMITTEE MEETING

30 August 2023

7	Presentation - Manawatū Chamber of Commerce	
	1. Presentation - Manawatū Business Chamber	4
9	Palmerston North Quarterly Economic Update - August 2023	
	1. Palmerston North Quarterly Economic Update - August 2023	13

Presentation to: Palmerston North City Council August 2023

MANAWATŪ BUSINESS
C H A M B E R

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

PAALMY[®]

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

HIGGINS
Advice & Insurance

FMG
Advice & Insurance

Norwood

CR Law
Cooper Rapley Lawyers

UCOL
Te Pūkenga

FitzherbertRowe
LAWYERS

yorb

MASSEY UNIVERSITY
TE KUNenga KI PŌREHUROA
UNIVERSITY OF NEW ZEALAND

Silver Partners

nzp
AN ICE PHARMACY COMPANY

CRAIGS
INVESTMENT PARTNERS

ALLANMcNEILL
Chartered Accountants

TOTALLY VETS
ANIMAL CARE & EXPERTISE

Property Brokers

Beca

IPU
NEW ZEALAND
TERTIARY INSTITUTE

Programme Partners

MANAWATŪ WESTPAC SMARTS

Thank you

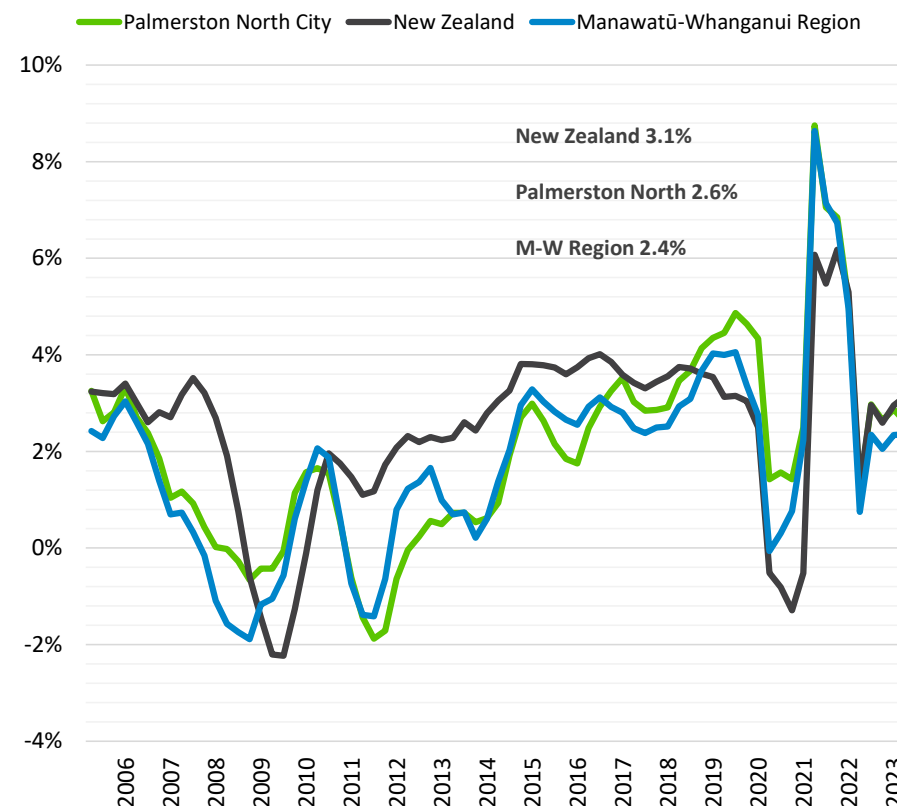
Palmerston North Quarterly Economic Update

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

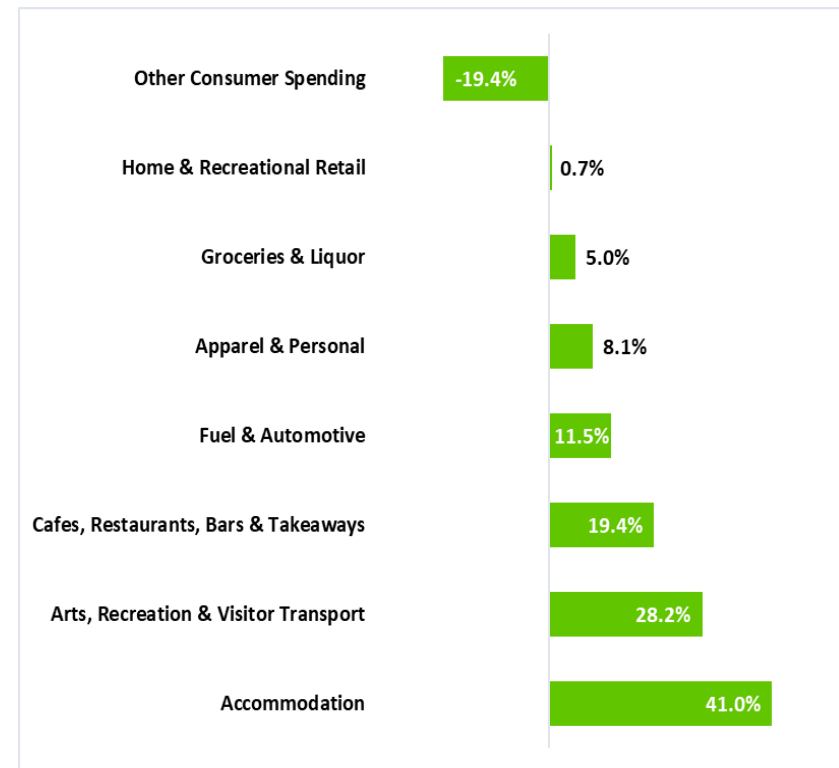
Earnings growth is supporting spending on core goods

- 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)

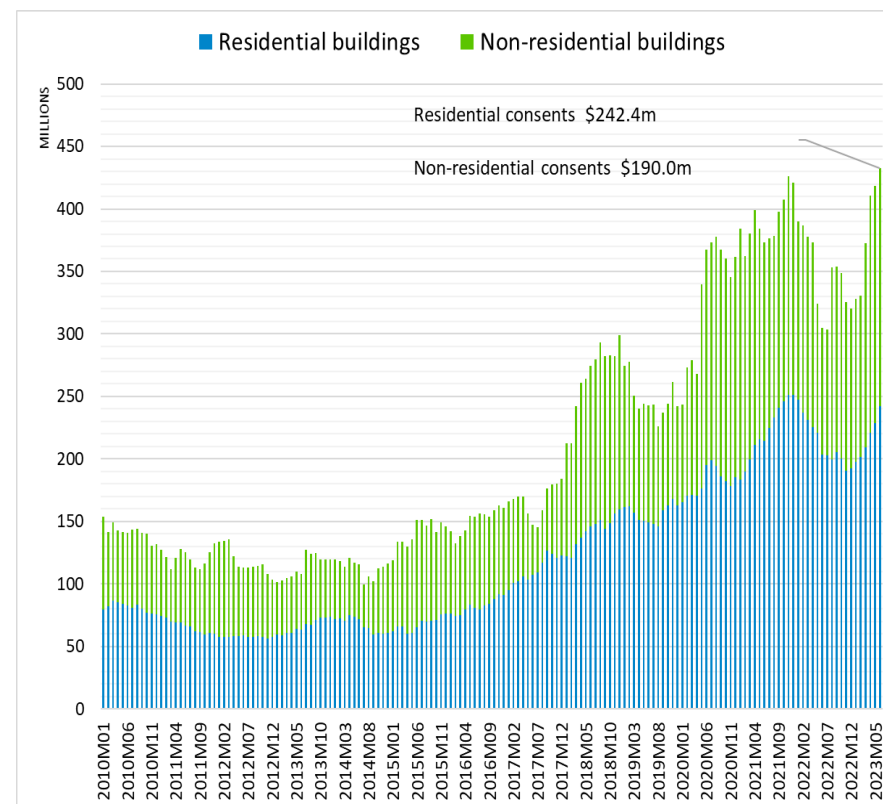


CONSTRUCTION INVESTMENT

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

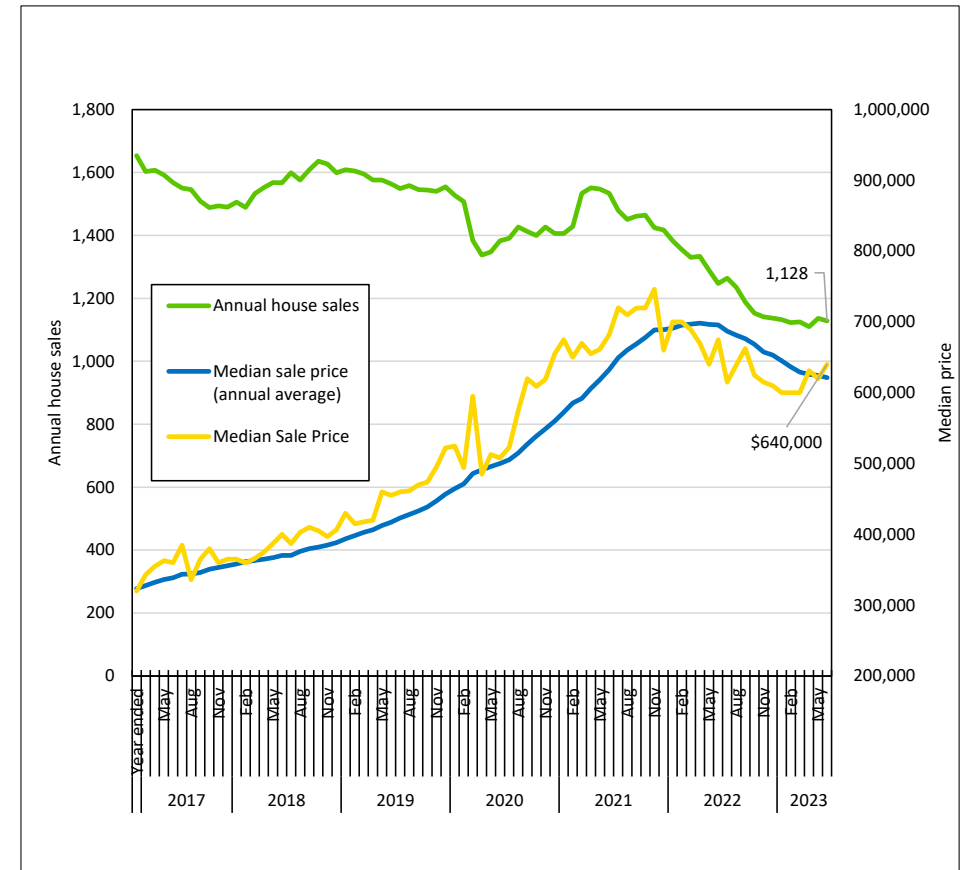


HOUSING MARKET

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

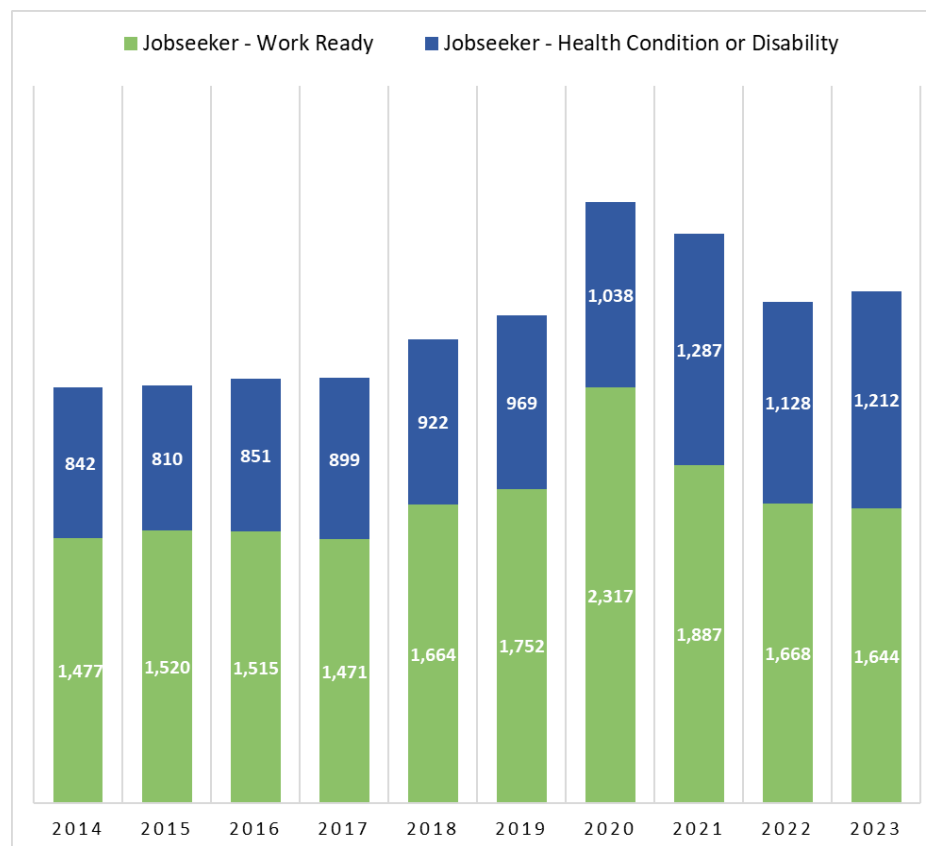


ECONOMIC WELLBEING

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 RETAIL SECTOR

PAPAIOEA
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 ?