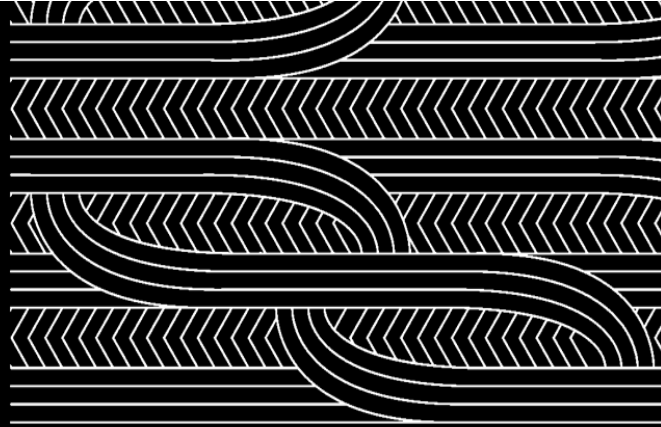




Monthly Insights Brief

September 2026

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





Key economic highlights from the past month's data releases

1. **The local economic recovery proved more resilient than may have been expected**, with annual average GDP growth reaching 2.6% in both Christchurch and Canterbury in the year to June 2026. This was the region's strongest growth in three years and well above the national growth rate of 1.7%.
2. **Canterbury recorded the fastest growth in filled jobs of any region**, while online job advertisements also increased compared with a year earlier, despite a slight decline nationally.
3. **Business confidence in Canterbury improved further**, with recent survey results pointing to strong business confidence alongside elevated investment and hiring intentions.
4. **Canterbury recorded the strongest growth in total building activity** among the regions surveyed, with continued growth in the number of building consents pointing to a solid pipeline for future construction activity.
5. **Household spending continued to be influenced by elevated fuel costs**, with spending growth outside Fuel & Automotive remaining comparatively subdued.
6. **Other economic indicators pointed to mostly sound conditions**, with strength in tourism, exports and manufacturing activity, although services activity remained weak.

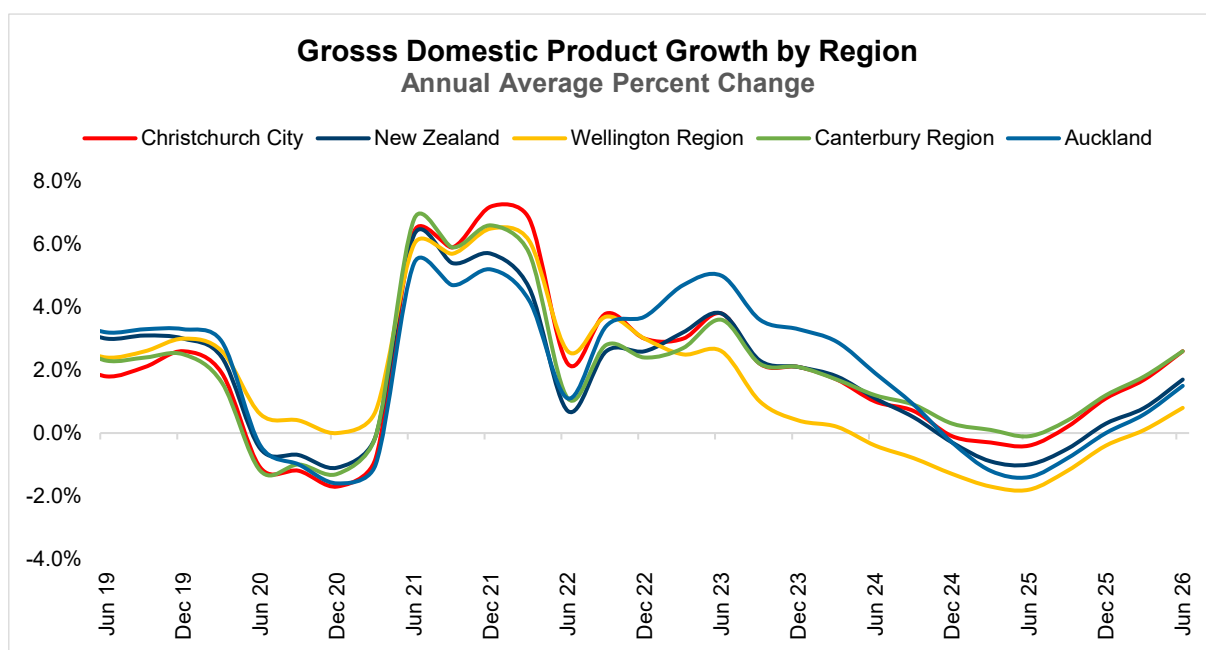
Data released over the past month suggest that the Christchurch and Canterbury economies are in a stronger position than may have appeared likely earlier this year. While risks and pockets of weakness remain, the resilience evident across much of the local economy provides a solid foundation for further growth.

The local economic recovery appeared more resilient than initially feared in the June 2026 quarter

Provisional GDP figures from Infometrics suggest that the Christchurch and Canterbury economies continued to recover in the June 2026 quarter. GDP increased by 2.6% in Christchurch and Canterbury in the year to June 2026 compared with the year to June 2025, marking the fourth consecutive quarter in which annual average GDP growth was positive in both areas. While growth was moderate by historical standards, its persistence suggests that the local recovery was more resilient than may have been expected earlier in the year.

The June 2026 quarter also recorded the strongest annual average GDP growth rate for Christchurch and Canterbury in the past three years. This suggests that not only did the local recovery continue despite elevated uncertainty and volatile fuel prices following the escalation of tensions in the Middle East, but that local economic momentum may have strengthened.

This strengthening economic performance meant Christchurch and Canterbury compared favourably with the national economy and New Zealand's other major metropolitan areas. Over the year to June 2026, annual average GDP growth reached 2.6% in both Christchurch and Canterbury, compared with 1.7% nationally, 1.5% in Auckland and 0.8% in Wellington. This relative outperformance suggests that the local economic recovery appears to have retained a degree of momentum that was not evident everywhere in New Zealand.



Data Source: Infometrics

For further detail on Christchurch and Canterbury's economic performance in the June 2026 quarter, refer to [ChristchurchNZ's Quarterly Economic Dashboard and Report](#).

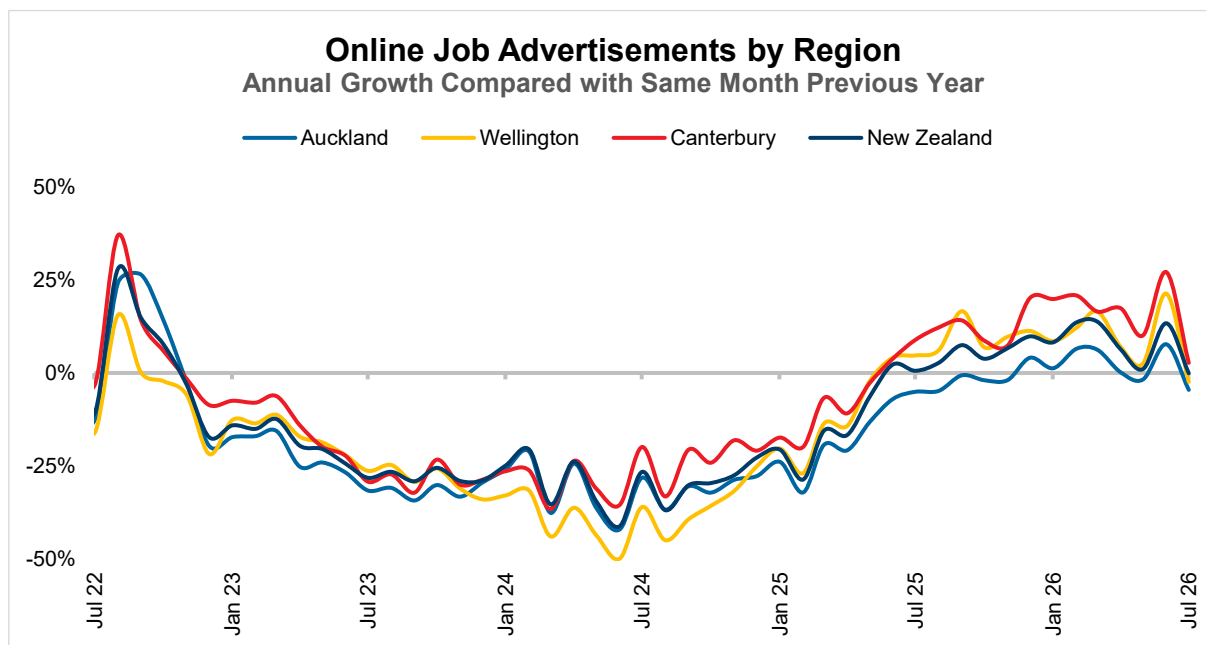
Labour market conditions remained among the strongest in New Zealand

Stats NZ data showed growth in unadjusted filled jobs in Canterbury remained strong through mid-2026. July 2026 marked the thirteenth consecutive month of annual growth in Canterbury, with filled jobs increasing by 2.2% over the year. This was the strongest growth rate of any region



in New Zealand and compared with growth of 0.8% nationally, 0.6% in Auckland and 0.1% in Wellington.

Hiring activity in Canterbury also remained positive in July 2026. MBIE data showed online job advertisements in Canterbury were 2.7% higher in July 2026 than a year earlier. This marked the fourteenth consecutive month of annual growth in Canterbury, with local growth remaining stronger than the national result (-0.1%), Auckland (-4.6%) and Wellington (-2.4%).



Data Source: MBIE

While the July result points to some moderation in hiring activity in Canterbury, labour market conditions in the region remain comparatively strong. Growth in both filled jobs and online job advertisements were stronger than the corresponding national results, suggesting demand for labour in Canterbury remains relatively resilient. Given the strength of hiring activity earlier in 2026, the softer July result may reflect normal month-to-month volatility or timing effects rather than a material change in underlying labour market conditions. Whether this moderation in hiring activity persists and extends across other labour market indicators should become clearer in the coming months. For now, labour market indicators continue to point to relatively strong employment conditions across the region.

Business confidence improved further

ANZ's revised Business Outlook figures show business confidence in Canterbury increased by 0.4 points in August 2026 to a net 57% of Canterbury businesses expecting business conditions to improve. Although the increase was modest compared with recent months, Canterbury's business confidence result continued to move in a positive direction and compared favourably with national business confidence, which declined by 2.4 points to a net 54% of firms expecting business conditions to improve nationally.

Since the fuel price shock, movements in ANZ's business confidence measure have closely mirrored developments in fuel prices. With fuel prices comparatively stable through August, the most recent survey results may provide a clearer indication of broader business conditions.



Insights from Business Canterbury's August Quarterly Survey pointed to slightly stronger confidence in the local economy. Business Canterbury's survey found that 72% of Canterbury businesses expected the Canterbury economy to be stronger in 12 months' time and 72% expected their own financial performance to improve. These figures showed a marked improvement from the previous survey in May 2026, when only 52% of respondents expected the Canterbury economy to strengthen and 60% expected their own financial performance to improve.

Business Canterbury's August survey also highlighted strong investment and hiring intentions. 71% of businesses planned to invest in property, plant and equipment and 68% of respondents expected to hire additional staff over the coming year. Consumer confidence and demand, inflation and interest rates, and compliance costs were identified as key concerns. However, despite these concerns, the results suggest many Canterbury businesses are focused on future growth opportunities.

Overall, business confidence in Canterbury appears to have substantially recovered from the fuel price shock and points to generally positive local business conditions.

Construction activity strengthened and the pipeline remains solid

Stats NZ Building Activity Survey data showed the unadjusted value of total building activity in Canterbury reached \$1.4 billion in the June 2026 quarter. New construction accounted for 87% of total building activity in Canterbury during the June 2026 quarter, with alterations accounting for the remaining 13%.

Total building activity in Canterbury was 13.9% higher in the June 2026 quarter than a year earlier. This was the strongest growth recorded among the surveyed regions and compared with growth of 5.2% nationally, 3.7% in Auckland and a decline of 8.9% in Wellington.

Growth in total building activity in Canterbury in the June 2026 quarter was driven primarily by the residential sector. The unadjusted value of residential building activity (new and altered) in Canterbury increased by 23.0% in the June 2026 quarter compared with a year earlier, more than double the national increase of 10.8%. Non-residential building activity (new and altered) in Canterbury was also positive, increasing by 0.7% over the year, compared with a 3.4% decline nationally. While residential construction drove most of the increase in activity, Canterbury was one of the few regions to record growth in both residential and non-residential building activity (new and altered).

Forward-looking indicators also point to a solid pipeline of future construction activity. Stats NZ Building Consents data showed the number of total new building consents issued in Canterbury was 19.2% higher in the three months to July 2026 than a year earlier, in line with national growth. In Canterbury, the number of new residential consents issued was 18.4% higher, while the number of new non-residential consents increased by 27.9% over the same period.

The strength of current building activity is consistent with the rise in consenting activity seen over recent quarters. Continued growth in new building consents suggests the sector remains supported by a solid pipeline of future work, indicating construction is likely to remain an important contributor to regional economic activity over coming quarters.



And the tourism sector remained a source of economic strength

Tourism remained another source of economic strength, with Stats NZ data showing international visitor arrivals through Christchurch Airport were 20% higher in the three months to June 2026 compared with the same period a year earlier. This represents almost 17,800 additional international visitors. Nationally, international arrivals grew 8% over the same timeframe.

Accommodation indicators also remained sound for the time of year. Based on ADP data, Christchurch recorded an average commercial accommodation occupancy rate of 55% in the three months to July 2026. This rate was well above the national average of 43% for the same period and was higher than Christchurch’s own 52% recorded a year earlier.

International visitor in-store card spending also increased. Marketview data showed international visitor in-store card spending in Christchurch was 19% higher in the three months to July 2026 than a year earlier, contributing an additional \$11.9 million to the local economy.

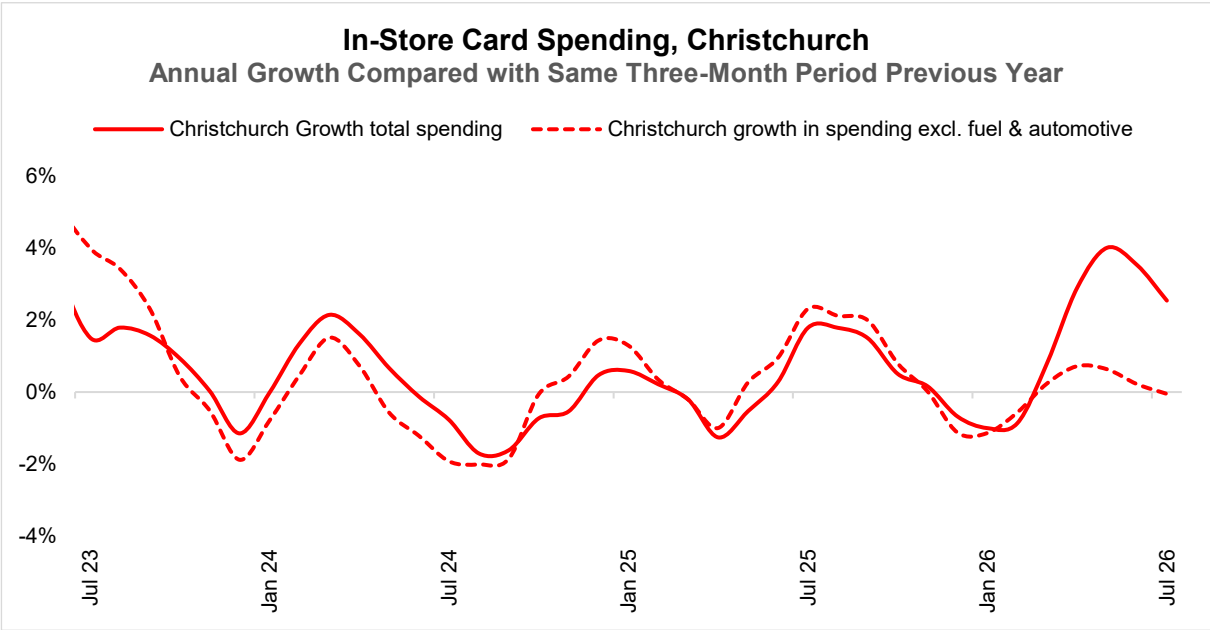
The combination of higher international visitor arrivals, stronger accommodation activity and increased international visitor in-store card spending suggests tourism continued to support economic activity across Christchurch and the wider Canterbury region.

But household spending may have been weaker than headline figures imply

Recent spending indicators suggest fuel prices continued to influence household spending patterns, with spending growth outside the Fuel & Automotive sector remaining comparatively subdued.

Marketview data showed the value of in-store card spending in Christchurch increased by 2.5% in the three months to July 2026 compared with the same period a year earlier. This was weaker than the national increase of 3.0% and below the 4.0% increase recorded across Canterbury.

Much of this growth in in-store card spending values was driven by the Fuel & Automotive sector. The chart below illustrates the impact of this growth.



Data Source: Marketview



Over the past three years, the annual growth rates in total in-store card spending and in-store card spending excluding Fuel & Automotive have tracked relatively closely. However, since March 2026, a noticeable gap has emerged. In the three months to July 2026, total in-store card spending in Christchurch was 2.5% higher than the same period a year earlier; however, excluding Fuel & Automotive, in-store card spending declined by 0.1%.

A similar pattern was evident across Canterbury. Total in-store card spending values in Canterbury were 4.0% higher in the three months to July 2026 than a year earlier. However, excluding Fuel & Automotive, spending values increased by a more modest 0.6%.

Excluding Fuel & Automotive, the largest nominal increases in in-store card spending values in Christchurch were recorded in Groceries & Liquor (+\$7.2 million or 1.2%) and Home, Hardware & Electrical (+\$7.1 million or 4.9%). The largest nominal reductions in spending were recorded in Cafes, Restaurants, Bars & Takeaways (-\$14.9 million or -6.1%) and Apparel & Personal (-\$4.3 million or -3.4%).

Overall, the in-store card spending data suggest higher fuel prices continued to influence household spending patterns. While spending values remained higher than a year earlier, the divergence between total spending values and spending values excluding Fuel & Automotive suggests underlying household demand may have been weaker than headline spending figures imply.

Other indicators point to mostly sound conditions

External trade indicators were positive. Stats NZ data showed the value of goods exported through Canterbury ports was 14% higher in the three months to July 2026 than in the same period a year earlier. This occurred alongside a 5% increase in the weight of goods exported through Canterbury ports. Nationally, the value of goods exported through New Zealand ports was 16% higher in the three months to July 2026 compared with a year earlier.

Manufacturing conditions were sound. The BNZ – BusinessNZ Performance of Manufacturing Index (PMI) data showed Canterbury's unadjusted index fell 1.5 points in July 2026. However, with a score of 60.1, Canterbury's manufacturing sector remained firmly in expansion (a score above 50 indicates expansion). In comparison, the national unadjusted PMI fell 4.6 points in July 2026 to 52.9.

The services sector improved but remained in contraction. The unadjusted Canterbury / Westland BNZ – BusinessNZ Performance of Services Index (PSI) increased 3.5 points in July 2026 to 48.7, although it remained in contraction territory (a score below 50 indicates contraction). The national unadjusted PSI fell 1.1 points in July 2026 to 48.1.

Housing market conditions in Christchurch and Canterbury were mixed but compared favourably with the national market. REINZ data showed that in Christchurch residential property sales fell by 12.6% in July 2026 compared with a year earlier, but the median house price increased by 0.1% over the year. Across Canterbury, sales declined by 10.2% while the median house price rose by 1.2%. By comparison, national sales fell by 10.0%, while the median house price fell by 0.7%.



CPI inflation accelerated to 4.1% in the June 2026 quarter, driven largely by higher fuel prices following the escalation in tensions in the Middle East. This was the third consecutive quarter in which annual inflation was above the Reserve Bank's 1-3% target range. In response, the Reserve Bank has begun gradually removing monetary stimulus, increasing the Official Cash Rate by 25 basis points in both July and September 2026 to reach 2.75%. While inflation pressures have eased somewhat as fuel prices retreated from their earlier peaks, the Monetary Policy Committee indicated that some further removal of monetary stimulus may be required if inflation pressures prove more persistent than expected. The extent and timing of further increases will depend on incoming economic data, but as the Reserve Bank's Chief Economist, Paul Conway noted in a recent speech, "after a prolonged period of above-target inflation, anchored inflation expectations cannot be taken for granted."

Taken together, these indicators point to mostly sound conditions across the local economy, although pockets of weakness and pressures remain.

The balance of evidence is encouraging

Data released over the past month suggest the Christchurch and Canterbury economies were more resilient than may have been expected earlier in the year.

The latest GDP data indicated that the local economic recovery strengthened through the June 2026 quarter, supported by relatively strong labour market conditions, construction activity, international tourism activity, and export growth. Taken together, these indicators suggest that Christchurch and Canterbury entered the second half of 2026 from a position of strength, with economic momentum appearing to be building.

More timely indicators released for July and August generally reinforced this picture. International tourism activity remained strong, export activity strengthened, business confidence improved, and labour market conditions compared favourably with most other parts of New Zealand.

At the same time, some indicators suggest the pace of improvement may have moderated, while other indicators suggest pockets of weakness remain. Hiring activity remained sound but growth eased from recent highs while business confidence in the ANZ Business Outlook Survey recorded only a modest increase in August. Household spending patterns continued to reflect the influence of elevated fuel costs, and the services sector, while improving, remained in contraction.

Fuel prices have eased from their April highs, reducing some pressure facing households and businesses. However, fuel prices remain elevated relative to pre-shock levels and are vulnerable to global developments. Inflation also remains above target, and the Reserve Bank has begun gradually removing monetary stimulus. While some pressures may have eased, households and businesses continue to face a range of challenges, including uncertainty, subdued household demand, elevated costs and rising interest rates.

Overall, we remain cautiously optimistic about the outlook for Christchurch and Canterbury. While risks and pockets of weakness remain, the balance of evidence suggests the local economy is in a stronger position than may have appeared likely earlier this year. The resilience evident across much of the local economy provides a solid foundation for further growth over the remainder of 2026.



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This report was based on data available as of 9 September 2026. Any subsequent revisions or updates to the underlying data will not be reflected in this report.