

Monthly Insights Brief

December 2025

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





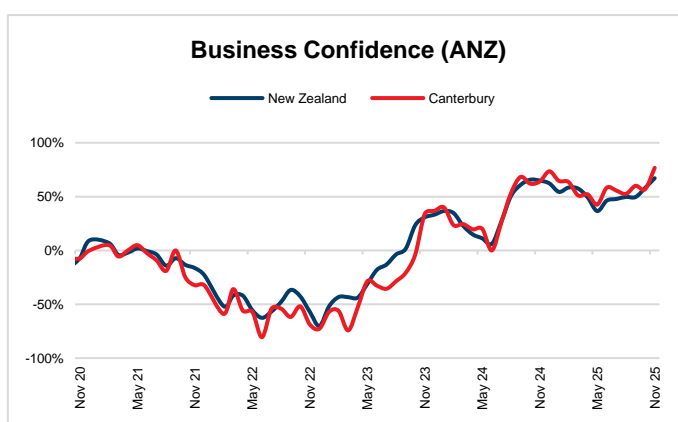
The recovery has started

Provisional GDP figures just released from Infometrics indicate that the local economic recovery has started. Christchurch recorded annual average GDP growth of 0.3% in the year to September 2025, while Canterbury grew by 0.4% over the same period. Although modest, these gains mark a clear turnaround after two consecutive quarters of decline on an annual average basis. In addition, both regions outperformed the national economy, which contracted by 0.5% in the year to September 2025. For a detailed analysis of Christchurch and Canterbury's economic performance in the previous quarter, refer to [ChristchurchNZ's September 2025 Quarterly Economic Report](#).

Business confidence has hit record levels

The ANZ Business Confidence survey saw a sharp rise in November, with a net 77% of businesses in Canterbury expecting better business conditions. This was the highest monthly level of business confidence recorded for Canterbury since March 1994.

National confidence also strengthened, with a net 67% of businesses across the country expecting better business conditions, marking the strongest national result since March 2014. The survey also showed businesses expected "own activity" rose to a net 53%, which was the highest level recorded in over a decade.



Data Source: ANZ

While monthly figures can be volatile, business confidence in Canterbury has been trending upwards in the second half of 2025 and across most months has been above the national average.

And spending by international visitors and Selwyn residents continues to shine

Figures from Statistics NZ indicate that Christchurch's international tourism sector continued its strong performance throughout the year. In the three months to October 2025, international visitor arrivals at Christchurch Airport were 20% higher than the same period in 2024, a real increase of almost 16,200 people. By comparison, international visitor arrivals across New Zealand grew by only 9% over the same period.

Consistent with the strong international visitor arrival numbers, Christchurch recorded an average commercial accommodation occupancy rate of 63% over the 3 months to October 2025. This rate was well above the national average of 47% for the same period and higher than Christchurch's own 57% average during the corresponding months in 2024.



The rise in international visitor numbers also translated into higher spending. Marketview data shows international in-store visitor card spending rose 21% in the 3 months to October 2025 compared to the same period last year, adding an extra \$13.1 million to the local economy.

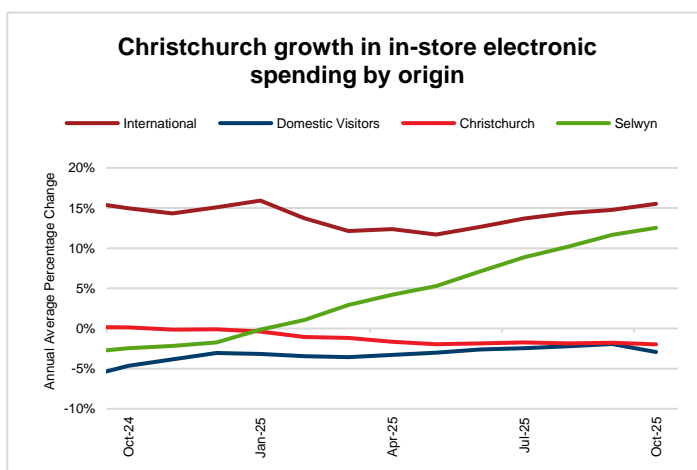
Selwyn residents also contributed to growth, increasing their spending in Christchurch by 13% (\$19.2 million) over the same 3-month period. In contrast, local spending remained subdued: Christchurch residents spent 2% less and domestic visitor card spending fell 4% over the same timeframe.

Weather disruptions further impacted activity in October. On Thursday, 23 October 2025, a red weather warning coincided with a 18% drop in in-store electronic card spending in Christchurch compared to the equivalent Thursday in 2024 (24 October).

Overall, total spending in Christchurch for the 3 months to October 2025 was 0.2% lower than the same period last year, slightly better than the national decline of 0.4%.

While monthly and quarterly spending figures can be volatile, rolling annual average growth rates highlight a clear trend: international visitors and Selwyn residents are driving growth, while spending by Christchurch residents and domestic visitors continue to decline.

Selwyn residents are not just spending more in Christchurch, but they are also spending more locally and nationally. In the year to October 2025, Selwyn residents' spending in Christchurch grew at an annual average rate of 12.5%, while their total spending across New Zealand rose 11.4%.



Data Source: Marketview

By contrast, Christchurch residents reduced their spending locally and nationally. Over the year to October 2025, spending by Christchurch residents in Christchurch fell by an annual average rate of 2.0% while their total spending across New Zealand fell by 1.7%.

The reasons behind the divergence in spending patterns between Selwyn and Christchurch residents are not fully understood. Several factors *may* have contributed to Selwyn's stronger growth in spending, including:

- **Population growth:** based on Statistics NZ data, Selwyn has been New Zealand's fastest-growing territorial authority, with population growth of 4.4% in the year to June 2024 and 2.4% in the year to June 2025.
- **Higher incomes:** according to the 2023 Census, Selwyn adults had a median personal income of \$51,900, compared to \$40,400 in Christchurch.
- **Greater home ownership:** based on the 2023 Census, 80.5% of households in Selwyn owned their home or held it in a family trust, compared to 64.8% in Christchurch. This higher ownership rate means relatively more Selwyn residents are likely benefiting from lower interest rates following the Reserve Bank's easing of monetary policy, reducing debt

servicing costs and increasing disposable incomes. Conversely, Christchurch's higher proportion of renters means few households are likely to benefit from these changes.

- **Return-to-office trends:** The CBRE New Zealand Office Occupier Survey shows Christchurch-based workers spend an average of 3.8 days per week in the office, compared to the national average of 3.3 days. Office attendance appears to be gradually increasing, largely driven by leadership and HR setting clear expectations. As many Selwyn residents commute to Christchurch for work, this return-to-office trend is likely contributing to greater retail and hospitality spending in the city.

Selwyn's rapid population growth, relatively higher incomes, and rates of home ownership create a strong foundation for increased spending. Lower interest rates may amplify this effect by boosting disposable income, while the return-to-office trend encourages more in-person shopping and dining in Christchurch City. Together, these factors may help to explain why Selwyn residents are spending relatively more, both locally and nationally, while Christchurch residents' spending remains subdued.

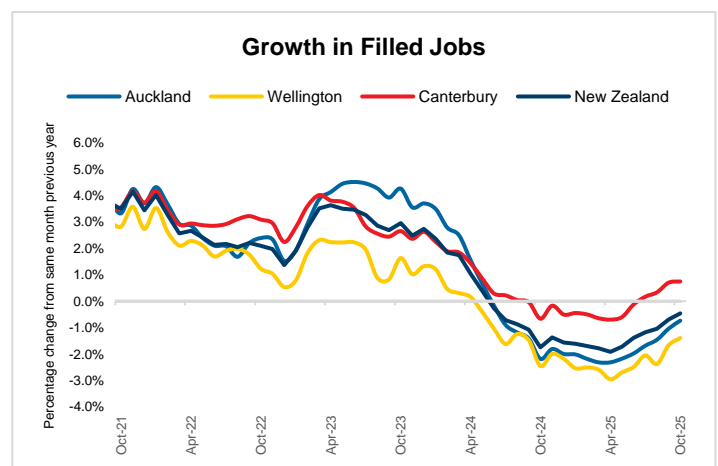
The local labour market has moved further ahead of other major regions

Recent trends in employment indicators continue to point towards a recovery in the local market.

Statistics NZ data indicates that growth in unadjusted filled jobs relative to the same month previous year in Canterbury was at its lowest point in April 2025 at -0.7%. Since then, the trend has improved steadily, with October 2025 marking the fourth consecutive month of positive job growth in Canterbury.

The slowdown in job growth was more pronounced outside Canterbury. Nationally, growth in unadjusted filled jobs reached its lowest point of the current cycle in April 2025 at -1.9%. While the decline has moderated since then, growth remained negative in October 2025 at -0.5%.

Among other regions, Auckland recorded a 0.7% decline in unadjusted filled jobs in October 2025 compared to the same month in 2024, while Wellington saw a sharper fall of 1.4%.



Data Source: Statistics NZ

And online job ads signal growing momentum

Hiring activity continues to strengthen, with monthly jobs advertised online in Canterbury trending upwards. MBIE data shows that in October 2025, there were 9% more jobs advertised online in Canterbury than there were in October 2024. This marked the fifth consecutive month that Canterbury experienced growth in jobs advertised online relative to the same period the previous year. The last time this happened was in 2022.



Other economic indicators are also positive

The BNZ – BusinessNZ Performance of Services Index (PSI) measures activity levels across the service industry, signaling whether the sector is expanding (score above 50) or contracting (score below 50) each month. In October 2025, Canterbury / Westland's posted an unadjusted PSI score of 59.3, signaling solid expansion and outperforming the national unadjusted average of 51.2. Canterbury / Westland's October 2025's score increased 6.9 points from September 2025 and marked the fourth consecutive month of expansion.

Activity in the manufacturing sector in Canterbury also remained in expansion mode according to the BNZ – BusinessNZ Performance of Manufacturing Index (PMI) with an unadjusted score of 50.7. Whilst reducing from September's score of 54.5, the October 2025 score represented the second month in a row where Canterbury's manufacturing sector was in expansionary territory.

Construction activity continues to gain momentum. The number of total building consents (residential and commercial) issued in Christchurch rose 23% in the 3 months to October 2025 compared to the same period last year. This compares to a 19% increase in Canterbury and an 18% increase nationwide over the same period.

The property market is also improving. REINZ data shows that the number of properties sold in Christchurch in October 2025 was 15% higher than in October 2024. This compares to only a 6% increase in the numbers of properties sold nationwide during the same period. Christchurch's median house price was 2% higher in October 2025 than it was in October 2024 while nationally, the median house price fell 1%.

And accommodative monetary policy is expected to continue to support the economy

At the final meeting for 2025, the Reserve Bank reduced the Official Cash Rate (OCR) by 25 basis points to 2.25% in what might potentially be the last cut of the easing cycle. The OCR has fallen from 5.50% in July 2024, a total reduction of 325 basis points to date. While the full impacts of these reductions are yet to materialise, lower interest rates are expected to support household and business spending and investment as fixed rate loans are reset.

We remain cautiously optimistic that the economic recovery will continue to broaden and build momentum

The data released over the past month indicate that the recovery has started, and momentum is building.

Both the Christchurch and Canterbury economies recorded positive GDP growth in the year to September 2025 compared to last year, and business confidence is at its highest level in over three decades. Card spending in Christchurch by Selwyn residents and international visitors continues to rise, while the manufacturing and services sectors remain in expansion. Building consent numbers point to a recovery in the construction sector, and monthly indicators suggest



improvement in the local labour market. Looking ahead, stimulatory monetary policy conditions are expected to provide further support.

However, challenges remain. Monthly data can be volatile, the recovery is starting from a low base, and local and domestic visitor spending in Christchurch remains weak.

Overall, we remain cautiously optimistic that momentum in the local economy will continue to build for what we hope will be a sustained recovery in 2026.

For queries related to ChristchurchNZ's economic insights, please contact:
Charlotte Lascelles (Economist): enquiries@christchurchnz.com

This report is based on data available as of 10 December 2025. Any subsequent revisions or updates to the underlying data will not be reflected in this report.