

Monthly Insights Brief

February 2026

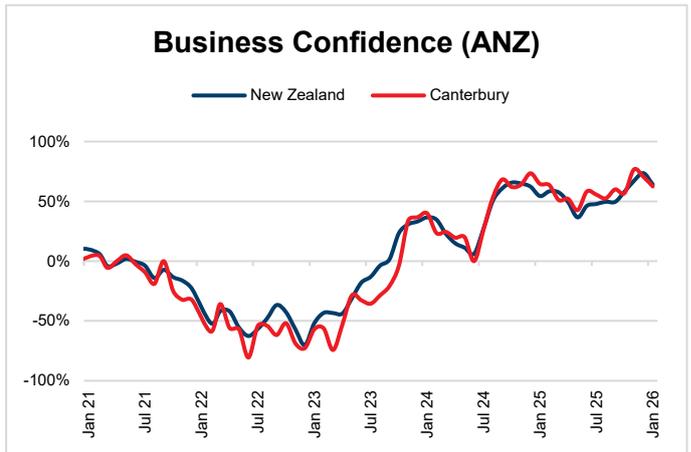
On-the-pulse analysis delivered monthly, providing insight into the Christchurch & Canterbury economies.



Business confidence has eased but remains strong

After reaching a more than 30-year high in November 2025, business confidence in Canterbury has softened in recent months according to the ANZ Business Outlook survey.

In November 2025, a net 77% of Canterbury’s businesses expected better business conditions ahead, the strongest result in decades. This confidence eased to 71% in December 2025 and declined further to 63% in January 2026.



National sentiment followed a similar pattern.

After reaching a 30-year high in December 2025, nationwide business confidence weakened in January 2026, with 64% of New Zealand businesses expecting better business conditions ahead. Expectations of businesses’ “own activity” also dipped, although a net 52% of New Zealand businesses still anticipated an improvement in their own activity. This indicates that overall sentiment remains historically high.

Although monthly movements can be volatile, Canterbury’s business confidence trended upward through the second half of 2025 and was above the national average for most of that period. However, recent results suggest confidence may have peaked. January was also the second consecutive month in which Canterbury’s business confidence sat below the national average. Even so, overall sentiment in Canterbury remains robust and is well above Canterbury’s 10-year average of a net -11% of businesses expecting better business conditions.

And Canterbury continues to lead the country in business growth

Despite the recent easing in sentiment, business growth in Canterbury has remained strong. One indicator of this growth is the number of geographic units, or business locations, operating in the region. In the year to December 2025, the number of units in Canterbury increased by 3.1% to reach over 81,000. This was nearly double the national growth rate and was the fastest regional increase in New Zealand.

Nationwide, the total number of business locations increased by 1.6%, or just over 10,000 locations, between December 2024 and December 2025. Canterbury accounted for 24% of this growth while representing only 13% of New Zealand’s total business locations. This highlights the region’s significant contribution to national business expansion.

Change in number of business geographic units by region, year to December 2025		
	Growth rate	Real change
Canterbury	3.1%	2,436
Otago	2.9%	945
Auckland	1.9%	4,155
Waikato	1.9%	1,164
Bay of Plenty	1.7%	690
New Zealand	1.6%	10,032
West Coast	1.5%	57
Tasman	1.5%	111
Manawatu-Whanganui	1.1%	300
Taranaki	1.1%	177
Nelson	0.9%	60
Hawke’s Bay	0.9%	183
Northland	0.8%	189
Southland	0.7%	99
Gisborne	-0.4%	-21
Marlborough	-0.6%	-42
Wellington	-0.7%	-447

Data Source: Statistics NZ



Consumer confidence inched forward but is below the national average

Consumer confidence in Canterbury rose slightly in December 2025, increasing by 1.0 percentage point to reach an index score of 93.1 in the Westpac-McDermott Millar Consumer Confidence survey. Because a score below 100 indicates that more households are pessimistic than optimistic, this result suggests that consumer confidence in the region remains subdued. Despite the small improvement from the previous quarter, the index stayed well below the December 2024 level of 101.4 and below Canterbury's 10-year average of 97.7.

Canterbury's consumer confidence also fell below the nationwide index score of 96.5 in December 2025, marking the first time since March 2024 that households in the region have been more pessimistic than the national average.

Local and domestic card spending remains subdued

Consistent with relatively more subdued consumer confidence, Marketview data show that total spending in Christchurch during the three months to December 2025 was 1.5% lower than in the same period a year earlier. This compares with a 0.9% decline across Canterbury and a 1.0% decline nationally.

The largest reductions in in-store card spending in Christchurch occurred in the Other Consumer category, down 11.3%, followed by Home, Hardware & Electrical (down 9.8%) and Department Stores & Leisure (down 3.4%). Groceries & Liquor and Fuel & Automotive were the only two categories that recorded increases. With most decreases concentrated on discretionary spending, households appear to be spending cautiously as cost-of-living pressures continue.

But international tourism continues to shine

International tourism has remained a standout performer. Statistics NZ data show that international visitor arrivals at Christchurch Airport were 21% higher in the three months to November 2025 than in the same period in 2024. This represents nearly 22,400 additional visitors. Nationally, arrivals grew by 9% over the same timeframe.

Accommodation figures also reflect this growth. Based on data from the ADP, Christchurch recorded an average commercial accommodation occupancy rate of 71% in the three months to November 2025. This rate was well above the national average of 53% for the same period and higher than Christchurch's own 65% average recorded during the corresponding months in 2024.

The rise in international visitor numbers also translated into higher spending. Marketview data show that international visitor in-store card spending increased by 11% in the three months to December 2025 compared to the same period last year, adding an extra \$11 million to the local economy.



The local labour market appears to be warming up

Canterbury's labour market appears to have strengthened over the past year. According to Statistics NZ data, Canterbury's unadjusted unemployment rate fell from 4.7% in December 2024 to 3.7% in December 2025, the lowest rate in two years. Over this period, the number of people employed increased by 6,400. Employment growth outpaced the increase in the labour force, resulting in 3,900 fewer people being unemployed. This points to a genuine improvement in labour market conditions, driven by more people moving into work.

Christchurch also recorded a lower unemployment rate but for different reasons. The city's unadjusted unemployment rate declined from 5.4% in December 2024 to 4.5% in December 2025, also its lowest rate in two years. However, unlike the wider Canterbury region, the decline in Christchurch's unemployment rate was driven by a reduction in the size of the labour force rather than an increase in the number of people employed.

Over the past year, Christchurch's working age population increased by 1,800 people, yet the labour force declined by 4,400. Both the number of people employed and the number of people unemployed declined, as an additional 6,200 people were classified as "Not in the Labour Force". This shift may indicate more individuals choosing to pursue further education or training or possibly withdrawing due to feeling discouraged in a challenging labour market.

Both Canterbury and Christchurch recorded unemployment rates below the national average. New Zealand's unadjusted unemployment rate rose from 5.0% in December 2024 to 5.3% in December 2025, driven largely by the labour force growing more quickly than the number of people employed.

With online job ads suggesting momentum may continue

Hiring activity in Canterbury also appears to be strengthening. According to MBIE data, online job advertisements in Canterbury were 20% higher in December 2025 than in December 2024. This was the seventh consecutive month of annual growth in jobs ads, the longest period of sustained growth since 2022.

Other economic indicators remain mostly positive

Activity in Canterbury's manufacturing sector remained in expansion in December 2025, with the BNZ – BusinessNZ Performance of Manufacturing Index (PMI) recording an unadjusted score of 55.3. A PMI score above 50 indicates that the sector is expanding, while a score below 50 signals contraction. Although December's figure was slightly lower than November's reading of 56.1, it marked the fourth consecutive month of expansion.

The services sector has shown more mixed results. The Canterbury / Westland BNZ – BusinessNZ Performance of Services Index (PSI) recorded an unadjusted score of 49.6 in December 2025. This moved the sector into slight contraction after five consecutive months of expansion. Over the past three months, the region remained in expansion with an average score of 54.5, which was above the national quarterly average of 51.3.

Goods exported through Canterbury ports rose 11% in the three months to December 2025 compared to the same time last year according to Statistics NZ data. However, consistent with



easing dairy prices, momentum appears to be slowing, with the value of goods exported from Canterbury ports reducing 4% in the month of December 2025 compared to December 2024.

Construction activity has continued to increase. Statistics NZ data show that the number of total building consents (residential and commercial) issued in Christchurch rose 14% in the three months to December 2025 compared to the same period last year. This compares to a 27% increase in Canterbury and a 20% increase nationwide over the same period.

The housing market also strengthened. REINZ data show that the number of properties sold in Christchurch in December 2025 was 9% higher than in December 2024. This compares to a 12% increase in the numbers of properties sold nationwide during the same period. Christchurch's median house price was 6% higher in December 2025 than it was in December 2024 while nationally, the median house price rose 2%.

But monetary policy may tighten sooner than expected

Annual CPI inflation increased to 3.1% in the December 2025 quarter, moving above the Reserve Bank's 1-3% target band. This result was higher than expected and prompted speculation that the Reserve Bank may need to raise the Official Cash Rate earlier than previously anticipated to try to ensure inflation does not become entrenched.

Residential interest rates have already begun to rise in anticipation, although they remain lower than they were a year earlier. These relatively low interest rates are expected to support household and business spending and investment as fixed-rate loans reset.

We remain cautiously optimistic that the economic recovery will continue

Recent data presents a mixed picture. Several indicators point to improving momentum. Business confidence has eased from its record highs but remains strong. Business growth is robust, construction activity is rising, and the housing market remains resilient. Across the quarter, both the manufacturing and services sectors remained in expansion on average, and importantly the labour market is showing signs of improvement, which may help to support stronger household spending in the months ahead. These developments are complemented by steady growth in international tourism, which continues to contribute positively to the regional economy.

However, challenges remain. The recovery is emerging from a low base, and local and domestic visitor in-store card spending in Christchurch is weak. Cautious consumer behaviour, combined with the recent softening in the services sector and in the value of goods exported through Canterbury ports, suggests that some parts of the economy may be losing momentum.

Overall, the balance of indicators appears to be positive. We remain cautiously optimistic that the local economy will regain momentum and continue to build toward a more sustained recovery in 2026.



For queries related to ChristchurchNZ's economic insights, please contact:
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This report was based on data available as of 5 February 2026. Minor amendments were made to the report based on data available as of 3 March 2026. Any subsequent revisions or updates to the underlying data will not be reflected in this report.