Monthly Insights Brief

August 2026

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

ChristchurchNZ

christchurchnz.com

Key economic highlights from the past month’s data releases

1. **Canterbury’s labour market was among the strongest in the country,** contributing 30% of national employment growth in the year to June 2026, despite representing only 14% of national employment. Canterbury also recorded the equal-lowest unemployment rate across all regions and the strongest growth in jobs advertised online.
2. **Business conditions appeared to improve,** with business confidence recovering to pre-conflict levels and the number of business locations in Canterbury growing faster than any other region.
3. **Exports strengthened despite elevated global uncertainty,** with the value of goods exported through Canterbury ports reaching its highest monthly level in five years.
4. **The tourism sector remained strong**, as international visitor arrivals, accommodation activity, and international visitor in-store card spending all remained higher than a year earlier.
5. **Fuel prices continued to influence household spending**, although the impact appeared to be easing as fuel prices declined, with in-store card spending values increasing across most categories.
6. **Other economic indicators were mostly positive,** with building consent activity pointing to a sound construction pipeline and manufacturing conditions strengthening, while services activity remained weak.

Data released over the past month suggest that the Christchurch and Canterbury economies have remained relatively resilient. While pockets of weakness remain and uncertainty persists, the latest indicators suggest that far from disappearing, economic momentum may be building.

Momentum appears to be building in the labour market

Recent labour market indicators suggest momentum may be building, with local conditions ranking among the strongest in New Zealand.

Stats NZ data showed Canterbury's unadjusted unemployment rate fell from 4.9% in June 2025 to 3.6% in June 2026, its lowest level since December 2023. Over the year to June 2026, employment increased by 10,200 people. Employment growth outpaced the increase in the labour force, resulting in 5,500 fewer people unemployed than a year earlier. This points to a genuine improvement in labour market conditions, driven by more people moving into work.

Canterbury's contribution to national employment growth further highlights the strength of the regional labour market. As at June 2026, Canterbury accounted for 14% of total employment in New Zealand, yet contributed 30% of national unadjusted employment growth over the year.

Christchurch followed a similar pattern. The city's unadjusted unemployment rate declined from 5.8% in June 2025 to 4.3% in June 2026, also its lowest level since December 2023. Over the year to June 2026, employment increased by 5,800, outpacing the increase in the labour force and leaving 3,800 fewer people unemployed.

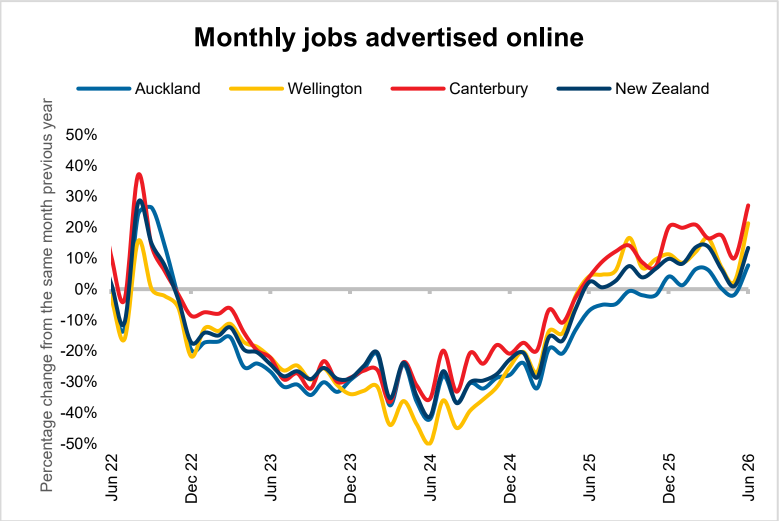
Christchurch and Canterbury were among the few parts of New Zealand where unemployment fell over the year. New Zealand's unadjusted unemployment rate rose from 5.1% in June 2025 to 5.4% in June 2026. Unlike Christchurch and Canterbury, employment growth nationally did not keep pace with labour force growth, resulting in an increase in unemployment.

At 3.6%, Canterbury matched Otago for the lowest regional unemployment rate in New Zealand. This compared with 4.9% recorded in Wellington, 6.5% in Auckland, and 8.8% in Northland (the highest regional unemployment rate in the country).

Hiring activity in Canterbury was also strong in June 2026. MBIE data showed online job advertisements in Canterbury were 27% higher in June 2026 than a year earlier, marking the thirteenth consecutive month of annual growth.

After easing slightly in May, hiring momentum appeared to rebound in June, with annual growth rising from 10% in the year to May 2026 to 27% in the year to June 2026. Although this pattern was evident across several regions, Canterbury continued to record the strongest annual growth in online job advertisements of any region in New Zealand.

This rebound in hiring activity in June was consistent with the rise in business confidence as fuel prices eased during the month.



Data Source: MBIE

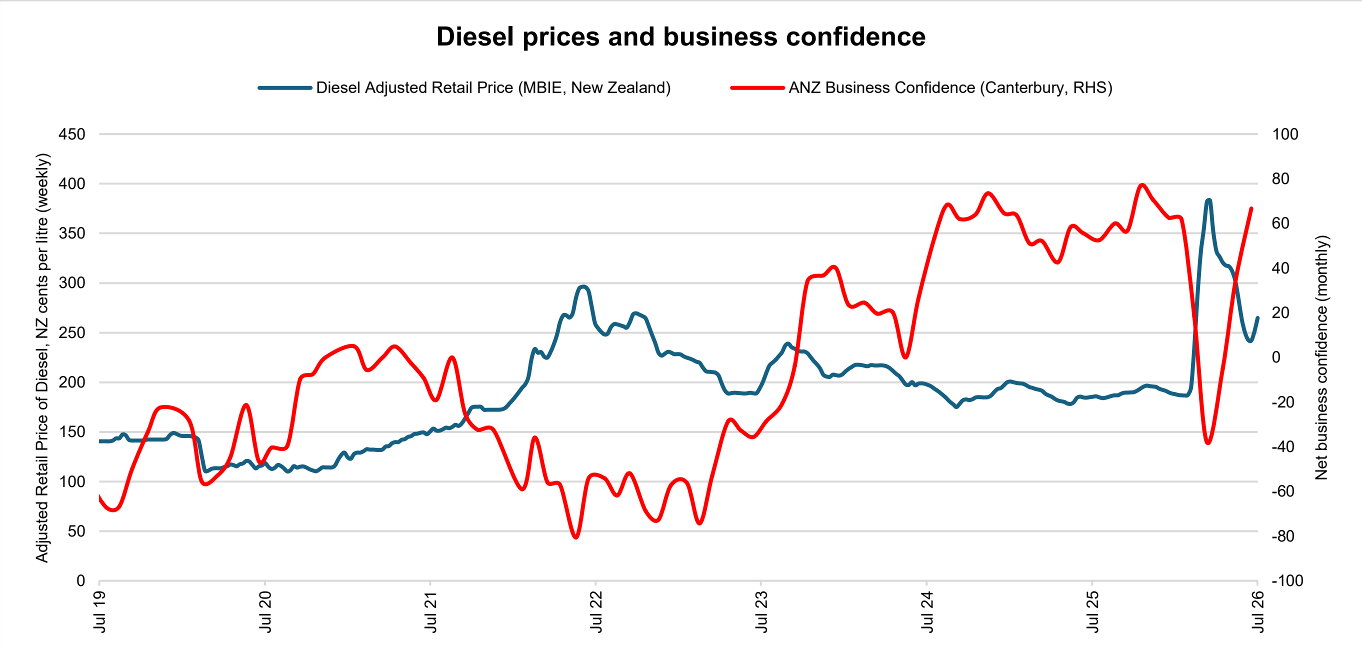
Together, these indicators suggest labour market momentum in Christchurch and Canterbury may be strengthening. Relatively strong employment growth and lower unemployment rates point to improving labour market conditions, while the rebound in online job advertisements suggests hiring momentum strengthened through June.

Business conditions appeared to improve

Business conditions appeared to improve through mid-2026, although developments in the Middle East continued to influence the business environment.

Following the escalation of tensions in the Middle East in late February 2026, fuel prices rose sharply, with the adjusted retail price of diesel in New Zealand more than doubling between late February and mid-April 2026. Against this backdrop, the ANZ Business Outlook Survey showed that business confidence in Canterbury fell by 56 points in April 2026, marking the largest single-month decline since March 2011 following the Christchurch earthquakes.

Business confidence improved in May and June, consistent with easing fuel prices following ceasefire agreements in the Middle East. By July 2026, a net 67% of Canterbury businesses were expecting business conditions to improve, ahead of the national reading of 56% and slightly above Canterbury's level at the start of 2026.

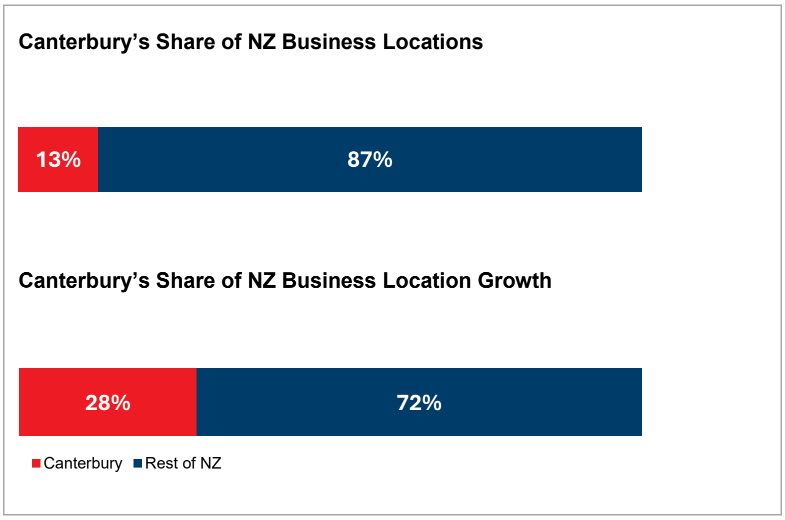


Data Sources: MBIE, ANZ Business Confidence Survey,

Recent weeks have seen a re-escalation of tensions in the Middle East and a renewed increase in fuel prices. These developments will not have been fully reflected in the July 2026 business confidence figures.

Despite fluctuations in business sentiment, business growth in Canterbury remained strong. One indicator of this growth is the number of geographic units, or business locations, operating in the region. In the year to June 2026, the number of units in Canterbury increased by 2.7% to reach over 82,300 units. This was more than double the national growth rate and was the fastest regional increase in New Zealand.

Nationwide, the total number of business locations increased by just over 7,500 units (+1.2%) between June 2025 and June 2026. Canterbury accounted for 28% of this growth despite representing only 13% of New Zealand's total business locations. This highlights the region's significant contribution to national business growth.



Data Source: Stats NZ

Together, these indicators suggest business conditions in Canterbury improved through mid-2026. Business confidence recovered from the sharp deterioration following the initial fuel price shock, while business locations data point to ongoing business activity despite recent uncertainty. However, the recent re-escalation of tensions in the Middle East and resulting increases in fuel prices could place renewed pressure on business conditions over coming months.

Despite elevated global uncertainty, export activity strengthened

Export activity strengthened in the June 2026 quarter, providing further indication that economic momentum may be building.

Stats NZ data showed the value of goods exported through Canterbury ports increased by 14% in the three months to June 2026 compared with the same period a year earlier. This was Canterbury's strongest quarterly export result since late 2025.

The strength in export activity was particularly evident in June 2026. More than $1.2 billion of goods were exported through Canterbury ports during the month, 52% higher than in June 2025 and more than double the 22% increase recorded nationally. The June 2026 result was the highest monthly export value recorded through Canterbury ports since June 2021.

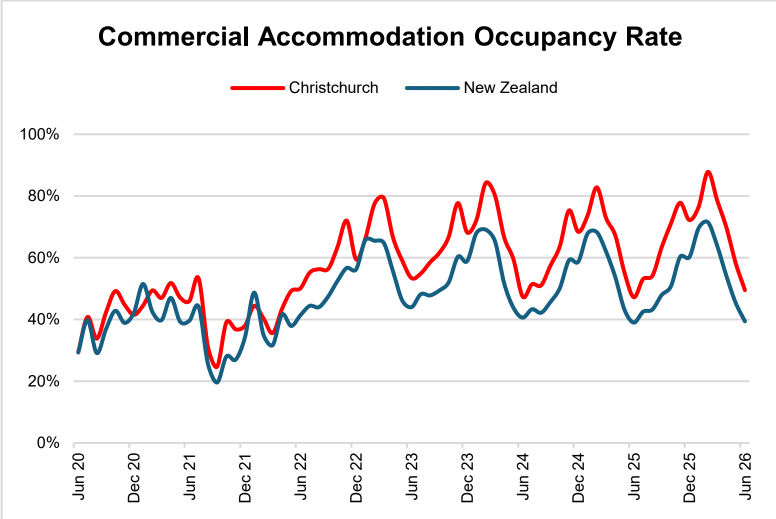
While monthly exports can be volatile and are subject to revision, the strength of the June 2026 result reinforces the improvement in export activity observed during the quarter. This suggests Canterbury's export sector is well positioned despite elevated global uncertainty.

And the tourism sector remained a source of economic strength

Recent tourism indicators pointed to continued strength in the sector.

Stats NZ data show international visitor arrivals through Christchurch Airport were 21% higher in the three months to May 2026 compared with the same period a year earlier. This represents more than 22,600 additional international visitors. Nationally, international arrivals grew 11% over the same timeframe.

Accommodation indicators also remained sound for the time of year. Based on data from ADP, Christchurch recorded an average commercial accommodation occupancy rate of 59% in the three months to June 2026. This rate was well above the national average of 46% for the same period and was higher than Christchurch's own 57% recorded a year earlier. This continues a trend evident over the past four years, where Christchurch's commercial occupancy rate has been consistently higher than the New Zealand average.



Data Source: ADP

The growth in international visitor arrivals translated into higher in-store card spending across the local economy. Marketview data indicated that international visitor in-store card spending in Christchurch increased by 19% in the three months to June 2026 compared with the same period in 2025, injecting an additional $13.2 million into the local economy. This supported activity across retail, hospitality, accommodation, and tourism-related sectors.

Taken together, these indicators suggest tourism remained an important source of economic activity in Christchurch and Canterbury. Despite global uncertainty and higher travel costs earlier in the year, tourism activity in the region appears to have remained resilient to date.

But fuel prices continued to shape household spending patterns

Recent spending indicators suggest fuel prices continued to influence household spending patterns.

Marketview data showed the value of in-store card spending in Christchurch increased by 3.2% in the three months to June 2026 compared with the same period a year earlier. This was stronger than the national increase of 2.7%, although it was below the 5.3% increase recorded across Canterbury.

Much of this growth in in-store card spending values continued to be driven primarily by the Fuel and Automotive sector. In the three months to June 2026, spending values in this category were 23.4% higher in Christchurch and 27.6% higher across Canterbury than a year earlier. However, the influence of this category appears to have moderated as fuel prices eased through May and June.

Beyond Fuel and Automotive, spending values were generally higher in the three months to June 2026 than a year earlier. In Christchurch, the only categories to record lower spending values were Apparel and Personal (-5.5%) and Cafes, Restaurants, Bars, and Takeaways (-5.9%). These were also the weakest-performing categories across Canterbury.

Spending values increased despite a modest decline in transaction numbers. In Christchurch, the number of in-store card transactions was 0.9% lower in the three months to June 2026 than in the same period a year earlier. This compares with a decline of 0.7% across Canterbury and a decline of 2.0% nationally. Within Christchurch, the largest reductions in transaction numbers were recorded in Apparel and Personal (-6.8%) and Cafes, Restaurants, Bars, and Takeaways (-6.6%). Notably, these were the same two categories that recorded declines in spending values. Most other categories recorded increases in transaction numbers.

Overall, the in-store card spending data suggest higher fuel prices continued to influence household spending patterns, although the extent of this influence appears to be changing as fuel prices fluctuate. More broadly, both in-store card spending values and transaction numbers increased across most categories, suggesting household spending remained relatively resilient. However, the continued weakness in some discretionary sectors indicates spending conditions remain uneven across the local economy.

Other indicators have been mostly positive

A range of other economic indicators pointed to mostly positive or improving conditions across the local economy.

Stats NZ data showed that the total number of building consents issued in Christchurch was 35% higher in the three months to June 2026 than in the same period of 2025. While this was below Canterbury's increase of 38%, it was slightly ahead of the national increase of 31%. The increase in building consents points to a sound pipeline of future construction activity.

Manufacturing conditions strengthened further. The BNZ – BusinessNZ Performance of Manufacturing Index (PMI) data showed Canterbury's unadjusted index rose 10.0 points to 61.6 in June 2026, firmly in expansion (a score above 50 indicates expansion) and the region's highest monthly reading since February 2025. The national unadjusted PMI also improved in June 2026, rising 6.2 points to 57.5.

The services sector improved but remained in contraction. The unadjusted Canterbury / Westland BNZ – BusinessNZ Performance of Services Index (PSI) increased 4.9 points in June 2026 to 45.2, although it remained in contraction territory (a score below 50 indicates contraction). The national unadjusted PSI rose 3.4 points in June 2026 to 49.2.

Housing market conditions in Christchurch and Canterbury were mixed but compared favourably with the national market. REINZ data showed that residential property sales rose by 1.6% in June 2026 compared with a year earlier, and the median house price increased by 10.4% over the year. Across Canterbury, sales declined by 2.0% while the median house price rose by 5.2%. By contrast, national sales fell by 2.9%, while the median house price rose by just 0.7%.

Taken together, these indicators point to generally positive conditions across the local economy, although pockets of weakness remain.

The local economy appears to be relatively well placed

Data released over the past month suggest economic momentum may be rebuilding in Christchurch and Canterbury.

Several indicators pointed to improving conditions across the local economy. Labour market conditions strengthened, business confidence recovered, and export activity increased strongly. International tourism remained a source of strength, while business growth remained robust and both building consent activity and manufacturing indicators improved. Taken together, these indicators suggest the disruption to the local economy caused by the fuel price shock may have been, to date, less severe than initially feared.

At the same time, discretionary spending remained soft in some categories, and the services sector, while improving, continued to face challenging conditions. Although fuel prices eased from their April highs, reducing some of the pressure facing households and businesses, they remain elevated relative to pre-shock levels and continue to be volatile. Recent ceasefire agreements proved short-lived and considerable uncertainty remains about whether shipping activity through the Strait of Hormuz will fully normalise. Further developments will play an important role in shaping economic conditions over the months ahead.

Overall, the data suggest the Christchurch and Canterbury economies have remained relatively resilient despite recent headwinds. While some pockets of weakness remain and uncertainty persists, the latest indicators point to improving conditions across several parts of the economy.

At a time when parts of the national economy remain under pressure, Christchurch and Canterbury appear to have retained a degree of momentum that was not evident everywhere. Taken together, the latest data suggest that rather than disappearing, overall momentum in the local economy appears to be building.

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

This report was based on data available as of 11 August 2026. Any subsequent revisions or updates to the underlying data will not be reflected in this report.