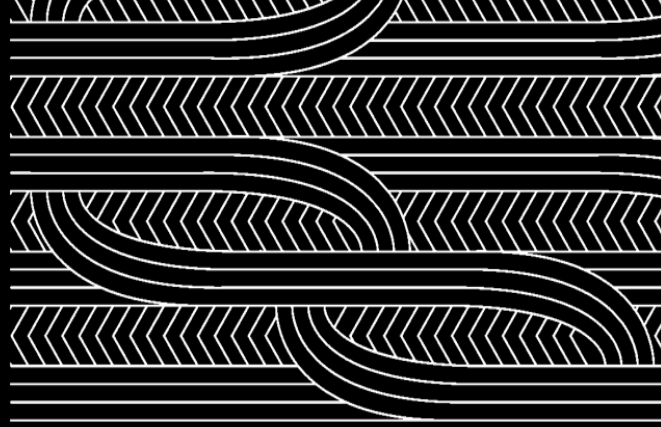




Monthly Insights Brief

October 2025

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



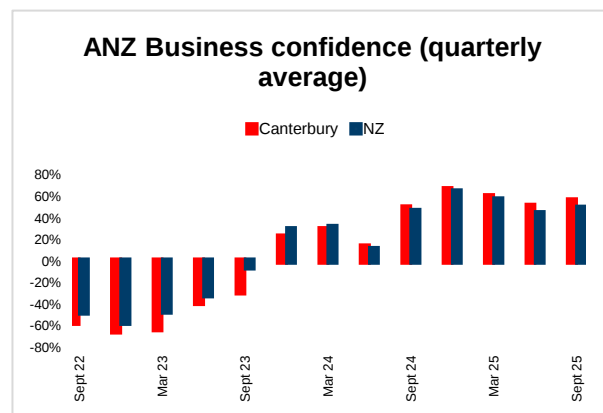


Despite the downbeat headlines, business confidence took a step forward

Average business confidence increased in the September 2025 quarter with the ANZ Business Confidence survey showing a net 56% of businesses in Canterbury expecting better business conditions. This marked the 8th consecutive quarter that business confidence in Canterbury has been positive.

This also marked the 6th consecutive quarter where average business confidence over a 3-month period was higher in Canterbury than the national average. The last time that happened was in 2013.

Business confidence picked up strongly in Canterbury in the month of September 2025 rising 7.5 points from August 2025 to a net 60% of businesses expecting better business conditions. This compares to the national average, which remained flat at 50%.



Source: ANZ Business Confidence Survey

Consistent with the ANZ Business Confidence Survey, insights from Business Canterbury's August Quarterly Survey (released in September 2025) point to growing confidence in the local economy. Overall, 64% of Canterbury businesses expect the Canterbury economy to be stronger in a year's time, and 64% expect their own financial performance to improve. Whilst still below their long-term averages, these figures show an improvement from the last survey where only 53% of those surveyed in May 2025 expected the Canterbury economy to be stronger and 51% expected their own financial performance to improve. In the latest survey, consumer confidence and demand were listed as the top concerns for Canterbury businesses across most industries.

Consistent with the relatively high levels of business confidence in Canterbury, local business growth figures have also been positive.

Business growth can be tracked through monthly data that measures the number of geographic units (or business locations) within a region

In the year to August 2025, the number of geographic units in Canterbury increased 2.4% to 80,352. This was more than double the rate of national business location growth and was the highest rate in the country.

The number of business locations across New Zealand increased by 1.1% or 6,906 businesses in August 2025 compared to August 2024. This means that business growth in Canterbury accounted for 27% of national growth in business locations over the last year, despite making up just 13% of business locations in New Zealand.

Change in number of business geographic units by region, year to August 2025		
	Growth rate	Real change
Canterbury	2.4%	1,896
Otago	2.3%	753
Auckland	1.5%	3,351
Waikato	1.5%	939
Bay of Plenty	1.2%	504
New Zealand	1.1%	6,906
Taranaki	0.8%	132
Tasman	0.8%	63
West Coast	0.7%	27
Northland	0.7%	159
Manawatu-Whanganui	0.6%	162
Southland	0.5%	66
Hawke's Bay	0.3%	72
Gisborne	0.1%	6
Nelson	-0.2%	-12
Marlborough	-1.0%	-75
Wellington	-1.9%	-1,125

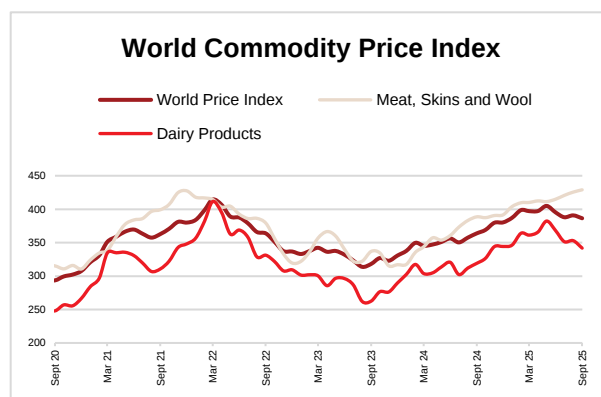
Data Source: Statistics NZ



Sound commodity prices and a record dairy pay-out is helping the Agriculture sector

Whilst reducing from the heights reached earlier this year, the ANZ World Price Index shows commodity prices remained sound in September 2025, being 6.2% higher than the same time last year.

In the latest cycle, the ANZ World Price Index appears to have peaked in May 2025 and has since been trending downwards driven in large by lower prices for dairy products. Meat, skins, and wool prices have bucked the trend and have continued their steady rise.



Data Source: ANZ

Consistent with elevated dairy prices over the past year, Fonterra reported one of its strongest years on record and delivered a total of \$16.2bn in cash returns to shareholders (up 31% on the previous year). In addition, with the potential sale of Fonterra's retail business, dairy farmers may receive an additional payout of c. \$3.2bn.

Higher commodity prices are also evident in export data, with the value of monthly goods exports from Canterbury ports lifting 16% in the quarter to August 2025 compared to the same period last year.

International visitors and Selwyn residents continue to prop up the local market

While international visitor data for August 2025 was yet to be released at the time of writing, July 2025 figures from Statistics NZ point to further growth in 2025 for international tourism in Christchurch. The number of international visitor arrivals at Christchurch Airport in the 3 months to July 2025 was 11% higher than the same period in 2024, a real increase of over 7,300 people. This compares to only 5% growth in international visitor arrivals to New Zealand over the same period.

Consistent with the increase in international visitor numbers, Marketview data shows international in-store visitor card spending in the 3 months to August 2025 in Christchurch City was 26% higher than the same time last year. This equated to an additional \$13.1m of in-store card spend relative to the 3 months to August 2024.

Selwyn residents also increased their spending in Christchurch City, with spending by Selwyn residents in the 3 months to August 2025 up 18% or \$25.4m on the same period last year.

However, locally, retail card spending continued to remain soft with Christchurch City residents spending -1% less in Christchurch City in the 3 months to August 2025 relative to the same period last year. In addition, domestic visitor card spending remained -2% down in the same period.



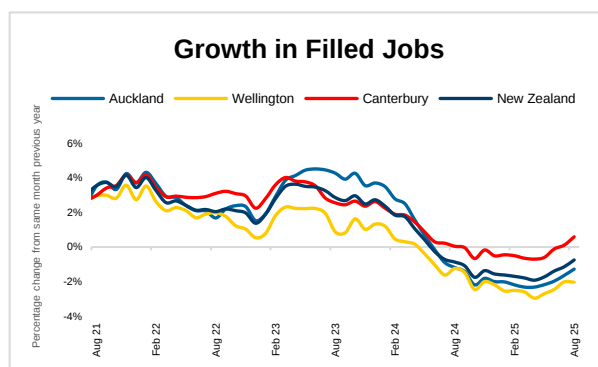
Overall, the higher spending by Selwyn residents and international visitors offset lower spending by Christchurch City residents and domestic visitors resulting in a 1% overall increase in the value of retail card spending in Christchurch City in the 3 months to August 2025 relative to the same period last year.

The continued modest growth in retail card spending in Christchurch can be viewed as a relatively strong local performance in the context of national performance where retail card spending across New Zealand declined -0.1% in the 3 months to August 2025 relative to the same period last year.

The local labour market continues to show signs of life as it pulls further ahead of other major regions

The trends highlighted last month for filled jobs appear to be continuing. Based on Statistics NZ data, growth in unadjusted filled jobs across New Zealand relative to the same month last year continues to be negative; but is trending upwards.

Growth in filled jobs in Canterbury is also trending upwards, and August 2025 represented the second month in a row where there has been positive job growth in Canterbury.



Data Source: Statistics NZ

Filled jobs in Canterbury grew 0.6% in August 2025 compared to the same period last year. This compares with the national market where unadjusted filled jobs across New Zealand fell -0.7% in August 2025 compared to the same time last year.

There also appears to be more momentum in the economy with monthly jobs advertised online in Canterbury continuing to tick upwards. Based on data from MBIE, in August 2025, there were 12% more jobs advertised online in Canterbury than there were in August 2024. This was the third consecutive month Canterbury experienced growth in jobs advertised online relative to the same period the previous year. The last time this happened was October 2022.

Other economic indicators also suggest that the local economy is moving in the right direction

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. Canterbury / Westland's PSI score remained in expansionary territory in August 2025 with a score of 50.3. Whilst reducing slightly from July's score of 50.7, the August score represented the second month in a row where Canterbury / Westland was in expansionary territory. Canterbury / Westland continued to be the only region to be in expansionary territory while the rest of the country remained in contraction with an unadjusted national average of 47.8.

Based on REINZ data, the number of properties sold in Christchurch in August 2025 was 7% higher than in August 2024. This compares to the -4% reduction in the numbers of properties sold nationwide during the same period. The median house price in Christchurch in August 2025 was 5% higher than it was in August 2024 while nationally, the median house price was -0.5% lower.



But Canterbury's PMI score took a step backwards

Activity in the manufacturing sector in Canterbury took a step backwards in August 2025 according to the BNZ – BusinessNZ Performance of Manufacturing Index (PMI). After rising briefly into expansionary territory in July 2025, Canterbury's PMI took a large step backwards into contractionary territory in August 2025. With an August 2025 score of 45.9, Canterbury's PMI was down -5.3 points from the previous month, although was 1.0 point higher than August 2024. Canterbury's PMI score was also below the national unadjusted average of 50.2. This was the second consecutive month where Canterbury's score was below the national average.

And Consumer Confidence remains fragile

In line with the soft labour market, high living costs, and a subdued housing market; the Westpac McDermott Miller consumer confidence index across New Zealand reduced -0.3 points in the September 2025 quarter to 90.9 (noting a level below 100 indicates that there are more households who are pessimistic about the outlook than those who are confident).

In Canterbury, the Westpac McDermott Miller consumer confidence index rose 0.8 points to 92.1 points. This rise is consistent with the recent economic indicators that show signs of a relatively sound agriculture sector, a local labour market that might be improving; and a housing market that appears relatively more resilient than the rest of the country.

It is hoped that the additional support from lower interest rates will help bolster household and business confidence in Canterbury in the coming months.

We remain optimistic that the local economy is heading in the right direction, but the recovery may be a case of two steps forward, one step back

The data released over the past month indicate that the local economy appears to be heading in the right direction.

Business confidence remains positive, consumer confidence is inching upwards, the labour market continues to show tentative signs of improvement, overall card spending appears to be increasing, and the services sector has remained in expansionary territory. In addition, future growth is expected to be supported by further reductions in interest rates, and the dairy sector is expected to benefit from a record season.

However, we are starting from a low base, particularly with the labour market, consumer confidence, and spending. Monthly data can be volatile, and headwinds remain.

Overall, we remain cautiously optimistic that momentum in the local economy will continue to improve; however, it might be a case of two steps forward, one step back...

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