This publication reports on a selection of key indicators that monitor trends in Hamilton and the wider Waikato Region. The update provides statistical information available as at March 2009 (i.e. it primarily focuses on data covering the period September to December 2008), plus some of the more recent happenings around Hamilton and the region.

December 2008 Quarter Summary

Nationally Business Confidence in the month of December 2008 was -35.0, which was an increase of 8 points from -43.0 in the month of November 2008, according to the National Bank. Consumer Confidence in the Waikato decreased in the December quarter to 96.0, compared with 106.7 in the September 2008 quarter, according to the Westpac-McDermott Miller Survey.

Hamilton’s unemployment rate was 4.9% in the December 2008 quarter, which was the same as the September 2008 quarter and was higher than the national unemployment rate of 4.3%.

There were 425 houses sold in Hamilton in the September 2008 quarter. According to National Bank’s ‘Property Focus’ nationally the median number of days to sell rose to 55 in March 2009, from 47 in the December 2008 quarter.

The number of residential building consents issued for Hamilton decreased from 53 in the September 2008 quarter to 29 in the December 2008 quarter. This was also down when compared to the 58 residential consents issued in the December 2007 quarter.

The Waikato Region’s year on year growth for December 2008 was -1.3%, which is the lowest level recorded in at least the last 20 years (refer figure opposite).

Sources:
- The National Bank of New Zealand (Economics Division)
- Statistics New Zealand
- Westpac
- Quotable Value

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The publication can also be downloaded from www.hamilton.co.nz/economicupdate
**Velocity Expands its Speedy Internet Service in the City**

Velocity Networks has added Dora’s Café, in Collingwood St, Hamilton, to its CafeNet ultra-fast WiFi service. Other locations include, Claudelands Event Centre, Garden place - Hamilton Central Library, Grey St outside Rocket, Hamilton Gardens, Hamilton Transport Centre, Seddon Park, Ward St outside Esquires and Waikato Stadium.

Velocity, which has laid more than 40 kilometres of fibre optic cable in the city centre, already offers 100MB per second network connections (compared to some of the other main providers whose speed averages 24MB per second).

Shane Hobson, business development manager at Velocity, said the independent local loop access provider has more than doubled its cabling in the last year and spent $3 million on infrastructure. “We are trying to create a corridor from Garden Place to London St,” Mr Hobson said.

Mr Hobson explained that CafeNet was aimed at workers from out of town who wanted internet access or Hamilton workers who wanted to get out of their office with their laptop. [www.waikatotimes.co.nz](http://www.waikatotimes.co.nz)

**Titanium Park Gets Green Light**

The Titanium Park development took a significant step forward in March 2009 when Waipa District Council granted final approval for a plan change. Close to 117 hectares of rural and aviation land adjoining Hamilton International Airport has been successfully rezoned for commercial and industrial purposes.

Titanium Park, a joint venture between Hamilton International Airport and McConnell property, will build on the existing aviation cluster and accommodate a balance of commercial, industrial and manufacturing businesses, complete with supporting retail operations.

An attraction for business is the site’s flexible noise control limits, which allow Titanium Park to support noise-generating activities around the clock, as well as the development offering fully serviced lots, with state of the art communications technology.

Site works for the new business development could begin as early as the middle of 2009. [www.hamiltonairport.co.nz](http://www.hamiltonairport.co.nz)

**Hamilton’s Housing Market**

Quotable Value statistics for the three months to the end of February 2009 showed a 10.1% decline in property values for Hamilton compared to the same three months the previous year. The average sale price for the city was $342,327 in February 2008 compared with $334,068 in February 2009 (a decrease of 2.4%).

Nationally property values declined 8.9% over the past year (when comparing the three months to the end of February 2009 to the three months to the end of February 2008).

As interest rates are likely to continue to fall, there is some anecdotal evidence to suggest that investors are starting to re-enter the market. However, sale volumes remain low. This lack of demand, coupled with a downturn in the economy and questions over job security means that the residential property market in Hamilton is likely to remain relatively stable for the rest of 2009. [www.qv.co.nz](http://www.qv.co.nz)

**Waikato Job Summit**

The Waikato Job Summit was held in late March 2009, with around 130 government, business and community leaders attending. The sole focus of the Summit was to develop solutions for getting the region’s employers and employees through the economic downturn.

The Summit was organised by the Hamilton economic development agency, the Business Development Centre, and the Ministry of Social Development. Business Development Centre Chief Executive, Sandra Perry, said the Hamilton Skills Action Group will now take the lead to ensure action happens.

Hamilton Mayor Bob Simcock said “I was really appreciative for the number of people putting their hands up to lead employment initiatives”.

Mrs Perry said another working session will be held in the near future to keep businesses informed with progress following the first Summit. [www.businessdevelopmentcentre.co.nz](http://www.businessdevelopmentcentre.co.nz)

**Golden Triangle Ready to Shine**

Businesses in the Golden Triangle of Hamilton, Auckland and Tauranga are being advised to add value to primary products such as milk and meat, if the region is to achieve the predicted growth forecast, outlined in a New Zealand Council for Infrastructure Development study.

By 2025 the Waikato and Bay of Plenty will no longer be considered rural New Zealand, the study predicts, with the so-called Golden Triangle becoming a well-travelled route.

The New Zealand Council for Infrastructure Development also predicts that the triangle’s gross domestic product will leap six points, meaning it will account for more than half of New Zealand’s total economic activity and has predicted an extra 575,000 people living in the area.

ABN Amro Craigs investment advisor Stuart Anderson said, “I think the Bay of Plenty and Waikato in tandem have the most potential and migration statistics seem to back that up. Certainly the expressway development over the next 10 years is going to make it very easy for businesses”.

Richard Kinzett, of the Western Bay of Plenty regional economic development agency, Priority One, said road and transport infrastructure is the key. Billions are being spent to improve the links connecting Tauranga, Hamilton and Auckland. [www.waikatotimes.co.nz](http://www.waikatotimes.co.nz)

**Jetstar May Land at Hamilton Airport**

The Australian budget airline Jetstar said expansion of its domestic and trans-Tasman network to regional centres, including Hamilton, could start as soon as next year. The service would replace Air New Zealand’s trans-Tasman flights, which will be discontinued from April 2009.

Although it is not yet finalised, the news that Jetstar is considering Hamilton is a welcome boost for the airport, which needs another carrier to retain its international status. [www.waikatotimes.co.nz](http://www.waikatotimes.co.nz)
Unemployment Rate

Estimates suggest that in the December 2008 quarter there were 3,200 people unemployed in Hamilton out of a total labour force of 65,500, giving an estimated unemployment rate of 4.9% (compared with the national unemployment rate of 4.3% for the December 2008 quarter). Of the people employed in Hamilton, 49,400 were in full-time employment, with a further 12,900 in part-time employment.

Unemployment Rate - Hamilton and NZ

Source: Statistics New Zealand (Household Labour Force Survey)
Note: Unemployment statistics at a city level are below the design level of the survey and are subject to volatility. Estimates are indicative only.

Building Activity

In the year ended December 2008, a total of 528 new houses valued at $100.6 million were authorised for construction within Hamilton (a decrease of 54.8% in number and a decrease of 57% in value from the previous year). Building consents issued for new houses resulted in a total floor area of 84,579 square metres during the year ended December 2008, a decrease of 56.7% from the previous year. Nationally building consents issued for new houses resulted in a total floor area of 3.6 million square metres in the December 2008 quarter, down 27.6% from December 2007 quarter.

Number of New Houses in Hamilton Authorised by Council

Source: Statistics New Zealand

Accommodation

The total number of guest nights for Hamilton in the December 2008 quarter was 129,960 (compared with 121,860 for the same quarter in 2007), an increase of 6.6%. The occupancy rate for Hamilton’s accommodation in the December 2008 quarter was 49.5%, which was the same as the December 2007 quarter. The national occupancy rate during the December 2008 quarter was 36.7% (compared with 37.8% during the December 2007 quarter).

Hamilton is fortunate in that it is not affected to the same extent by seasonal variations as many other places are; therefore the occupancy rate remains relatively consistent throughout the year.

Occupancy and Guest Nights for December Quarters

Source: Statistics New Zealand (Visitor Accommodation Survey)

Retail Trade

Retail sales in Hamilton for the year ended December 2008 were down 2.5% on the year ended December 2007, compared to a national decrease of 1.5% for the same period. Retail sales in Hamilton totalled $670 million in the December 2008 quarter, representing 3.8% of New Zealand’s total retail sales for this period. Nationally, retail sales stood at $17.5 billion for the December 2008 quarter alone.

Retail Trade (Year Ended Dec Quarter)

Source: Statistics New Zealand (Retail Trade Survey)
Both of the Westpac-McDermott Miller Confidence Indices declined again in the December 2008 quarter. For both the consumer and employment confidence an index above 100 indicates there are more optimists than pessimists, while a number below 100 indicates that pessimists outnumber optimists.

The Employment Confidence index for New Zealand declined to a survey low of 104.0 in the December 2008 quarter. The Waikato employment confidence was lower than the New Zealand Index at 101.5 for the December 2008 quarter, compared to an index of 127.2 in the December 2007 quarter.

The new low in employment confidence is the result of a major shift in employees’ views of the labour market.

Most respondents now believe jobs are hard to come by. Fewer respondents think that their jobs are secure, or that their earnings will increase over 2009.

Although the Consumer Confidence Index for New Zealand declined to 101.3 in the December 2008 quarter, this was still up from the March and June quarters of 2008 which were 96.5 and 81.7 respectively.

The Westpac-McDermott Miller Survey of Consumer Confidence is made up of several questions, including whether people feel financially better or worse off, whether the economy will experience good economic times over the next year, and whether now is a good time to buy a major household item.

Nearly half (45%) of respondents said they expected economic conditions to deteriorate over the next 12 months. Westpac commentators also noted that it seems, in the eyes of the consumer, not even lower fuel prices, falling interest rates, or the new government can rescue the New Zealand economy from the fallout of the global economic downturn.

The population of the Hamilton Urban Area (at 30 June 2008) was estimated to be 197,300. The Hamilton Urban Area comprises the Hamilton Zone (the City and environs) with 166,100, Cambridge Zone with 15,950 and the Te Awamutu Zone with 15,200 residents. Hamilton had an estimated population increase of 24% between June 2001 to June 2008, well above the national increase of 10%.

### Consumer and Employment Confidence

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(1) Source: Statistics New Zealand Population Estimates. The estimated resident population is based on the census usually resident population count, with adjustments for residents missed or counted more than once by the census, and for residents temporarily overseas on census night.

(2) Source: University of Waikato and Hamilton City Council. Population Projections (2007-2022) have been developed for Hamilton City Council by the University of Waikato Population Studies Centre using 2006 Census data. Projections include additional migration due to significant local / regional economic development initiatives.

Source: Westpac Bank (Economics Division)
### Key Facts About Hamilton and the Waikato Region

#### Geography and People
- The land area of Hamilton at 1 July 2007 was 98.6 square kilometres (km²).
- The Hamilton Urban Area covers 1.101 km².
- Hamilton is the business, service, and educational centre of the Waikato Region.
- 1.9 million people reside within 160 km of Hamilton i.e., around 46% of New Zealand’s population.
- Hamilton accounts for 3.2% of New Zealand’s usually resident population count. (Source: Census 2006).
- Hamilton has a youthful population, with a median age of 31.3 years (compared with the national median age of 35.9 years). (Source: Statistics New Zealand 2006).
- Hamilton's location close to two main sea ports (Auckland and Tauranga), four State Highways, a strategic railway junction, the Auckland International Airport (just over an hour away by road), the South Auckland industrial base and the Hamilton International Airport provides significant logistics and distribution opportunities for export and import businesses (an example being the establishment of Fonterra’s inland port adjacent to the main trunk railway in Te Rapa in 2005).
- Hamilton International Airport offers a wide range of domestic travel as well as flights to Sydney, Brisbane, and the Gold Coast. The $15.5 million airport terminal upgrade was completed in December 2007.

#### Advantages for Business
- Hamilton is the major commercial and industrial centre of one of the richest agricultural and pastoral areas in the world.
- The Waikato is New Zealand’s highest export region, accounting for almost 20% of the country’s total exports.
- The surrounding dairy industry strengthens Hamilton’s economy and its wide business base. The Agricultural Production Survey (June 2007) showed that the Waikato accounted for 31.7% of the country’s dairy cattle - 1.7 million of 5.3 million nation-wide.
- Ruakura Research Centre complex is the leading agriculture and life sciences research centre in New Zealand. This centre comprises Agresearch (including MIRNZ - the Meat Industry Research Institute of New Zealand), HortResearch, Landcare Research and DairyNZ.
- The education sector is a key economic driver for the city, with 9,708 full-time equivalent students enrolled at the University of Waikato, 6,151 full-time equivalents enrolled at Waikato Institute of Technology (WINTEC) and 1,010 full-time equivalents enrolled at Te Wanaga o Aotearoa (Hamilton Campus) in 2007.
- Hamilton is central to a number of key attractions and events e.g., The National Agricultural Fieldays, which is the largest exhibition of its type in the Southern Hemisphere with almost 1,000 exhibitors, had 131,629 attendees across four days in June 2008.
- Hamilton hosts New Zealand’s largest annual event - the Hamilton 400 V8 Supercars Streetrace. It also hosts hallmark events such as The Great Race, Fuel Festivals, and the World Rally Championship.
- Hamilton’s location close to two main sea ports (Auckland and Tauranga), four State Highways, a strategic railway junction, the Auckland International Airport (just over an hour away by road), the South Auckland industrial base and the Hamilton International Airport provides significant logistics and distribution opportunities for export and import businesses (an example being the establishment of Fonterra’s inland port adjacent to the main trunk railway in Te Rapa in 2005).
- Hamilton International Airport offers a wide range of domestic travel as well as flights to Sydney, Brisbane, and the Gold Coast. The $15.5 million airport terminal upgrade was completed in December 2007.

#### Lifestyle
- Hamilton has a mild climate, with moderate annual rainfall in both summer and winter, which ensures good growing conditions all year round. Mean temperatures are 18.3º Celsius in January and 8.7º Celsius in July.
- With its extensive tree planting, good air quality, and clean rivers and lakes, Hamilton can rightfully be called a ‘clean and green’ city. Hamilton City Council was the first local authority in New Zealand to produce an Environmental Policy.
- Hamilton provides an extensive range of high quality health services, ranging from primary through to highly specialised tertiary hospital services. The Waikato District Health Board’s provider of hospital and health services, Health Waikato, is one of New Zealand’s largest in terms of revenue and the types and numbers of services provided. Waikato hospital (which is part of the Waikato District Health Board) is a 600 bed regional base hospital located in Hamilton and is one of the largest in New Zealand. The Waikato District Health Board employs over 5,200 people and provides tertiary and trauma services to a catchment of over 800,000 people in the central North Island.
- There are considerable recreational opportunities within Hamilton and its immediate surrounds. The Waikato River flows through Hamilton and is used for various recreational pursuits, including rowing, canoeing, waka ama (outrigger canoe), water-skiing and rafting.
- Raglan Harbour and beaches on the west coast are within a 40-minute drive from Hamilton, providing a world-class surfing venue and excellent fishing, swimming and other water-based opportunities.
- The natural resources of the immediate region - including its forests, lakes, rivers, and mountains - provide opportunities for tramping, bush-walking, and other types of outdoor recreation.
- As the centre of the thoroughbred industry, Hamilton has an excellent racing venue at Te Rapa. A national trotting track is 15 minutes drive from Hamilton in Cambridge.
- Hamilton has a 25,800 capacity stadium (Waikato Stadium) which hosts both national and international events. The city also provides numerous parks and high quality venues for sports such as rugby, league, soccer, cycling, badminton, cricket, shooting, tennis, ten-pin bowling, and many others.
- Hamilton hosted the New Zealand round of the prestigious V8 Super-car Championship in the city. The inaugural race in April 2008 attracted 172,000 attendees plus 6,000 people associated with the running of the event. The event generated $28.3 million of new money into the local economy in the first year and is estimated to generate $156 million over the seven years that the event will run for.

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