

HAMILTON ECONOMIC INDICATOR REPORT

MARCH 2013

INTRODUCTION

This report presents the latest information about economic indicators monitored by Hamilton City Council (HCC) to get an understanding of the local economy and keep an eye on key trends.

This Economic Indicator Report is a key component to understanding Hamilton's economy and associated trends. It provides Council with a benchmark against which to measure future changes. Indicators for this report were selected on the basis of SMART criteria (Specific, Measurable, Available, Relevant and Timely).

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KEY FACTS

Population (as at 30 June 2012)	148,200
City Area	11,080 ha
Number of households (as at 30 June 2011)	53,287
Number of employees (as at February 2012)	74,970
Number of businesses (as at February 2012)	13,106

FURTHER INFORMATION

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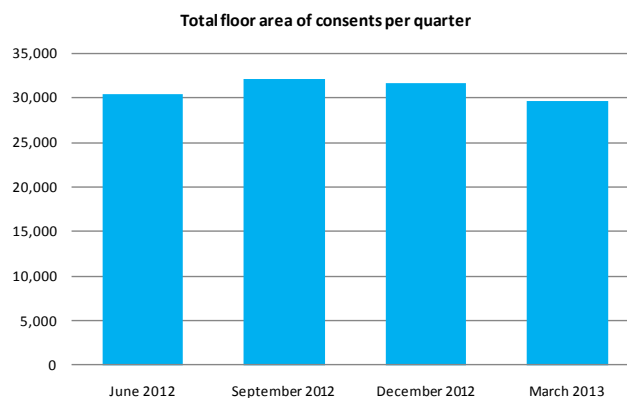
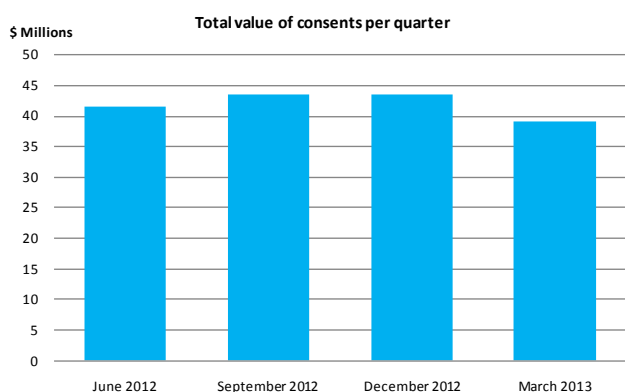
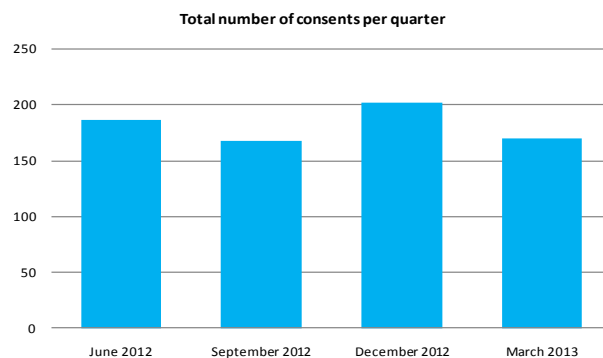
KEY FINDINGS

- Both the number and value of residential building consents increased on the previous 12 months (an increase of 3.1% in number and an increase of 5.2% in value).
- The number of non-residential building consents fluctuates from quarter to quarter, however the total number of consents over the past 12 months was similar to number of consents issued in the previous two years (65 new consents in the 12 months to March 2013, compared with 64 in the 12 months to March 2012).
- The number of both house and section sales in Hamilton has risen over the last four quarters, with a total of just over 3,000 sales for the quarter ended March 2013 alone, up 21% on the March 2012 quarter.
- Hamilton's estimated unemployment rate dropped to 6.8% in March 2013 from 8.7% in December 2012, however this is still above the national unemployment rate of 6.5%.
- Total unemployed fell by 1,600 over the period, despite a nominal fall in the number employed. The overall unemployment improvement is due to a reduction in the labour force due to demographics and migration.
- Gross Regional Product (GRP) projections show a variable but improving trend to an estimated \$5.4 billion for the year to December 2012.
- Construction Sector GRP has rebounded strongly since 2009, and Hamilton's key Health Sector continues to grow.
- The occupancy rate for Hamilton commercial accommodation in March 2013 was 54%, which is the same as the occupancy rate recorded during the March 2012 quarter, and up 3 percentage points on the December 2012 quarter.

1. RESIDENTIAL BUILDING CONSENTS

Number, value and floor area of new residential buildings per quarter – Hamilton

- In the year ended March 2013, a total of 727 new houses valued at \$167 million were authorised for construction within Hamilton (an increase of 3.1% in number and an increase of 5.2% in value from the previous year).
- Building consents issued for new houses resulted in a total floor area of 123,709 square meters during the year ended March 2013, a decrease of 2.2% from the previous year.

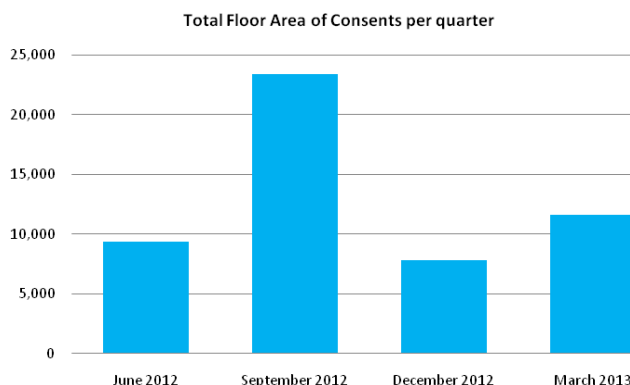
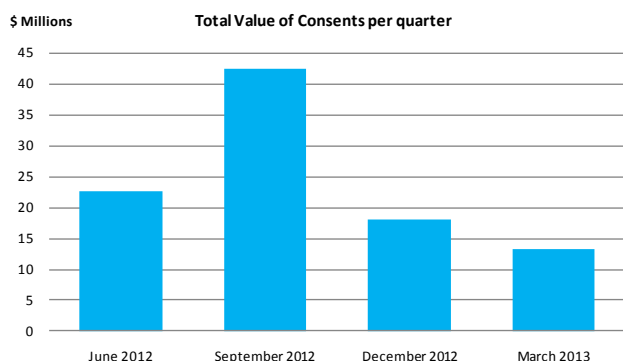
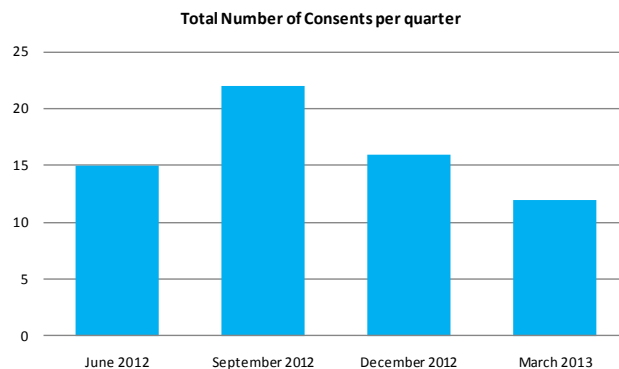


Source: Statistics New Zealand – Building Consents Issued

2. COMMERCIAL/INDUSTRIAL BUILDING CONSENTS

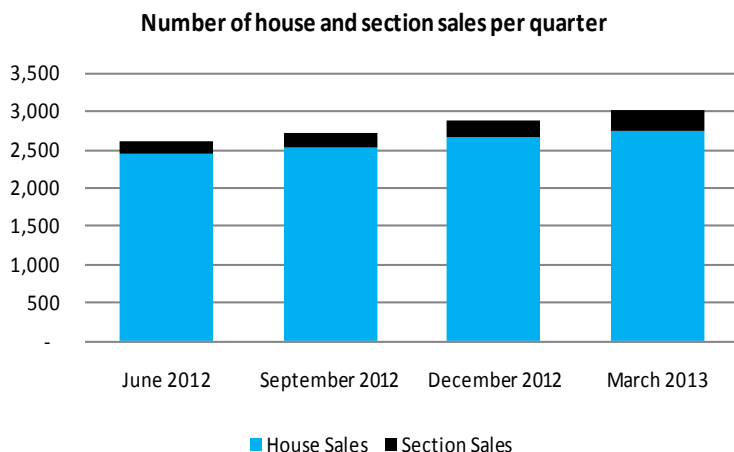
Number, value and floor area of new non-residential buildings per quarter – Hamilton

- The total number of non-residential building consents issues in the past four quarters (12 months) was 65. This is similar to the previous two years.
- The value of all non-residential consents issued in the past 12 months totals \$96 million with a total floor area of 52,200m².
- Both value and floor area were down on the previous 12 months.



Source: Statistics New Zealand – Building Consents Issued

3. HOUSE AND SECTION SALES

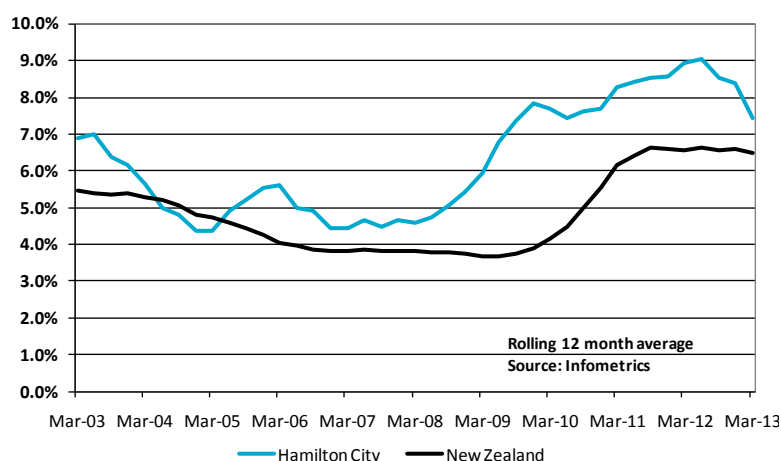
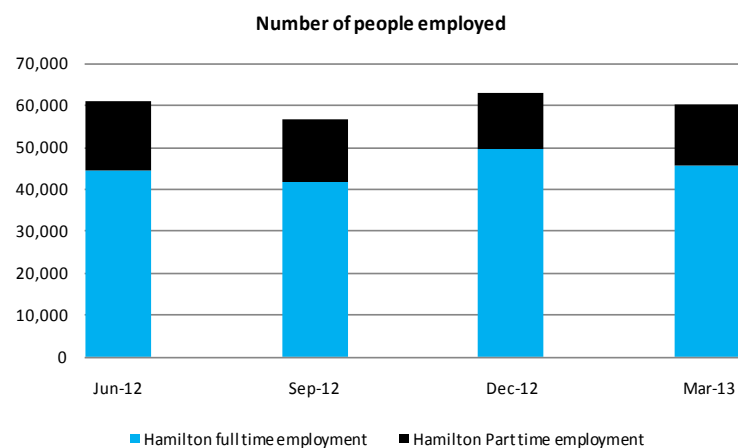


Source: REINZ – House and Section Sales

- The number of both house and section sales in Hamilton has risen over the last four quarters, with a total of just over 3,000 sales for the quarter ended March 2013 alone.
- There were 403 more house sales for the quarter ended March 2013 compared with the quarter ended March 2012, a 14.7% increase.
- There were 67.9% more sections sales for the quarter ended March 2013 compared with March 2012, which represents 110 more section sales.

4. EMPLOYMENT/UNEMPLOYMENT

Full and Part time employment and unemployment rate – Hamilton City 2003-2013



- Estimates* suggest that in the March 2013 quarter there were 4,400 people unemployed in Hamilton (compared with 7,700 people unemployed in March 2012) out of a total labour force of 64,500.
- Of the people employed in Hamilton 45,800 were in full-time employment, with a further 14,300 in part-time employment.
- Hamilton's estimated* unemployment rate dropped to 6.8% in March 2013 from 8.7% in December 2012, however this is still above the national unemployment rate of 6.5%.
- Total unemployed fell by 1,600 over the period, despite a nominal fall in the number employed. The overall unemployment improvement is due to a reduction in the labour force due to demographics and migration.

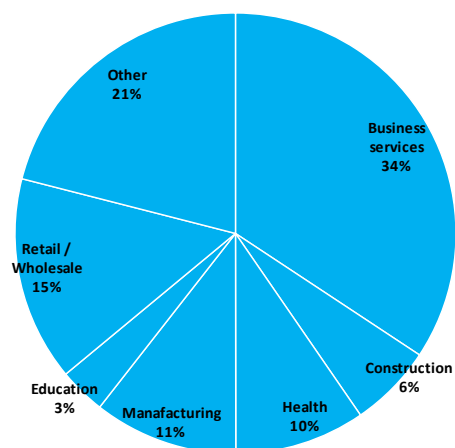
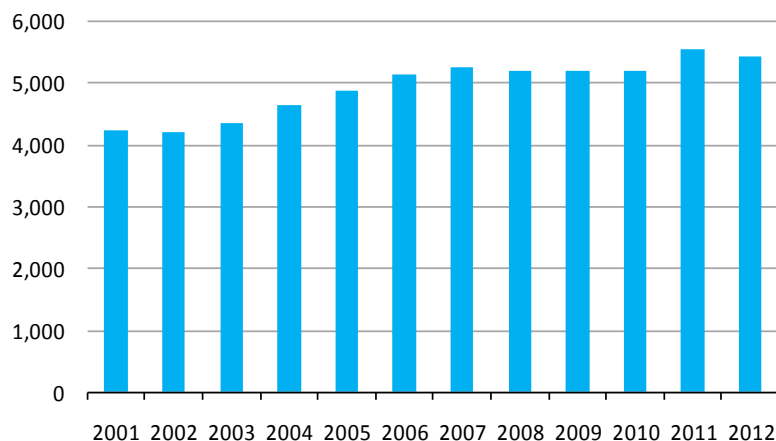
**These unemployment figures are derived from other indicators, should be treated as estimates. Note the separate sources used for current and long term analysis. All data is subject to material variation from quarter to quarter.*

Hamilton	Total Employed	Total Unemployed	Total Labour Force	Working Age Population	Unemployment Rate (%)
December 2012	63,000	6,000	69,000	102,800	8.7
March 2013	60,100	4,400	64,500	97,200	6.8
Difference	-2,900	-1,600	-4,500	-5,600	-1.9

Source: Statistics New Zealand – Household Labour Force Survey.

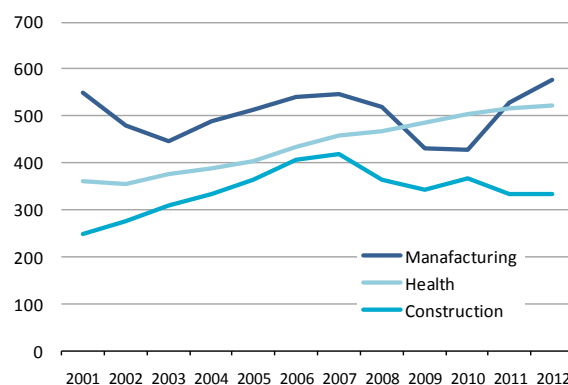
5. GROSS REGIONAL PRODUCT

Gross Regional Product (\$m), Hamilton City, 2001-2012 (December Year)



- Hamilton's economy grew strongly through the early-mid 2000s and then suffered a recession during 2008-2010. Since 2009 an improvement is evident, albeit non-uniform.
- Hamilton's estimated Gross Regional Product (GRP) was approximately \$5.5 billion in the year to December 2011, and estimated at \$5.4 billion for the year to December 2012.

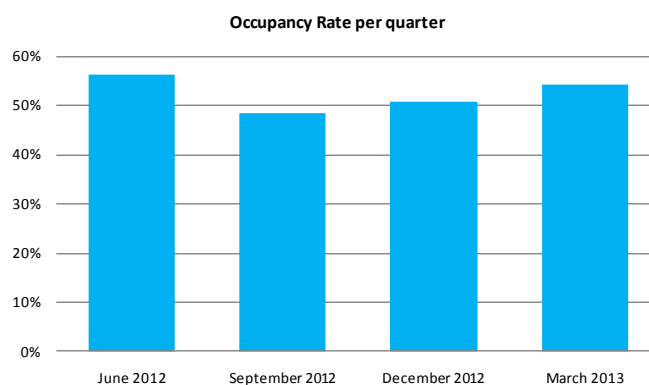
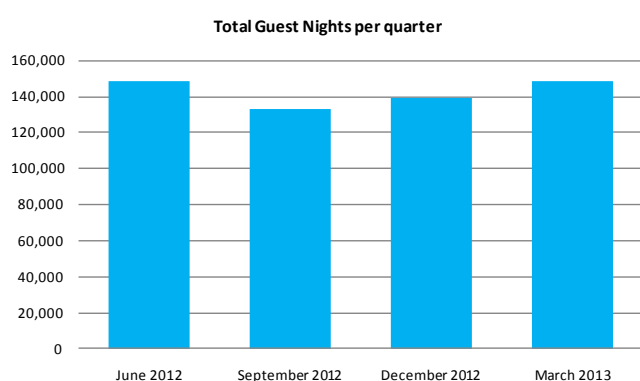
Note: 2012 figures are projections, and actual figures are derived from more macro indicators. The compilation of data underlying this indicator has changed since last publication and should not be directly compared.



Source: Infometrics Ltd

6. COMMERCIAL ACCOMMODATION

Guest Nights and Occupancy Rate – Hamilton



Source: Statistics New Zealand – Household Labour Force Survey.

- The total number of guest nights for Hamilton in the March 2013 quarter was 148,567 (compared with 146,053 for the same quarter in 2012) an increase of 2%.
- The occupancy rate for Hamilton accommodation in March 2013 was 54%, which is the same as the occupancy rate recorded during the March 2012 quarter, and up 3 percentage points on the December 2012 quarter.
- Hamilton is fortunate in that it is not affected to the same extent by seasonal variations as many other places are; therefore occupancy rate remains relatively consistent throughout the year.