

HAMILTON ECONOMIC INDICATOR REPORT

SEPTEMBER 2013

INTRODUCTION

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

This Economic Indicator Report provides 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 Estimate (as at June 2013)	150,200*
City Area	11,080 ha
Number of Dwellings (Census 2013)	53,700
Number of employees (as at February 2013)	76,300
Number of businesses (as at February 2013)	13,104

* This population estimate differs from the Census Usually Resident Population figure of 141,615 and does not include 2013 Census data. It is adjusted to include births and deaths from census day to 30 June, residents temporarily overseas on census night, and an estimate of the number of residents who for other reasons did not fill in a census form.

FURTHER INFORMATION

Hamilton City Council

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KEY FINDINGS

- Both the total number (836) and value (\$186m) of new residential building consents increased substantially on the previous 12 months by 26.3% in number 16.5% in value.
- The number of non-residential building consents fluctuates from quarter to quarter, however the total number of consents to the year ended September 2013 was up 3.1% on the September 2012 year (67 new consents in the 12 months to September 2013, compared with 65 in the 12 months to September 2012).
- Hamilton's estimated unemployment rate increased to 7.6% in September 2013 from 6.9% in June 2013. This is above the national unemployment rate of 6.2%.
- The total number unemployed increased by 600 people between June 2013 and September 2013.
- Gross Regional Product (GRP) projections show a variable but improving trend, up to an estimated \$5.6 billion for the year to June 2013.
- GRP for the construction and manufacturing sectors has rebounded since the 2009 crash, and Hamilton's key Health Sector continues to grow.
- The occupancy rate for Hamilton accommodation for the year ended September 2013 was 53%, which is the same as the occupancy rate recorded for the previous year to September 2012.

Notes:

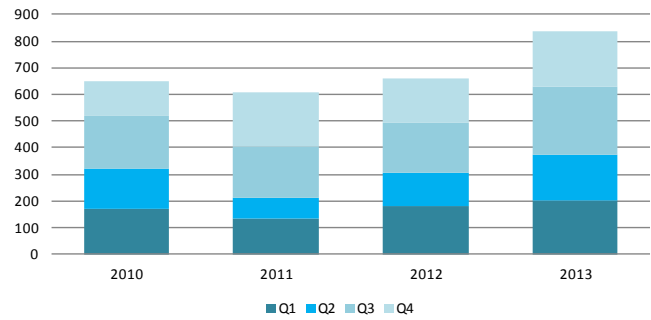
- (1) House and section sales data usually presented in this report sourced through REINZ is no longer publically available.
- (2) Updated GDP data was not available for the September quarter.

1. RESIDENTIAL BUILDING CONSENTS

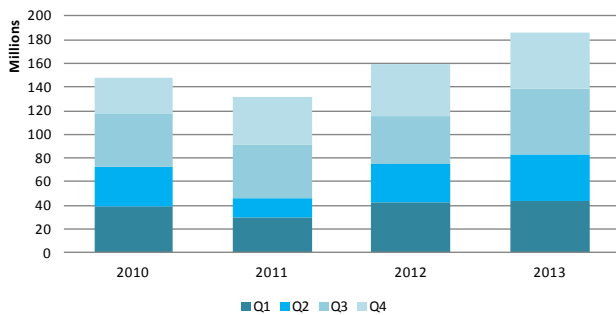
Number, value and floor area of new residential buildings – Hamilton

- In the year ended September 2013, a total of 836 new houses valued at \$186 million were authorised for construction within Hamilton (a substantial increase of 26.3% in number and an increase of 16.5% in value from the previous year).
- Building consents issued for new houses resulted in a total floor area of 135,745 m² during the year ended September 2013, an increase of 11.4% from the previous year.

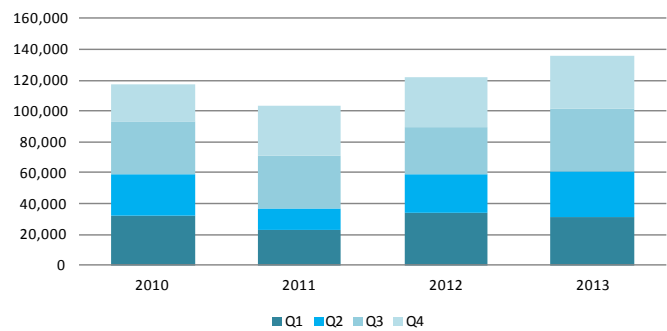
Number of building consents
Year ended September



Value of building consents
Year ended September



Floor area of building consents
Year ended September

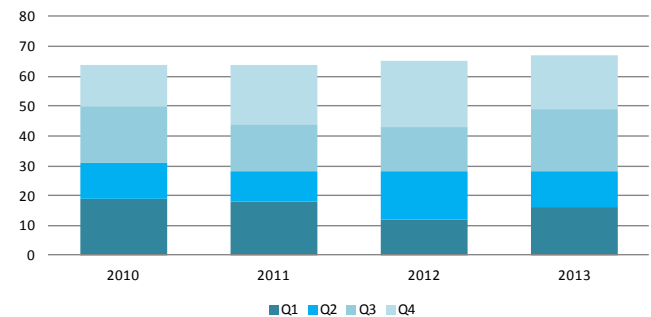


2. COMMERCIAL/INDUSTRIAL BUILDING CONSENTS

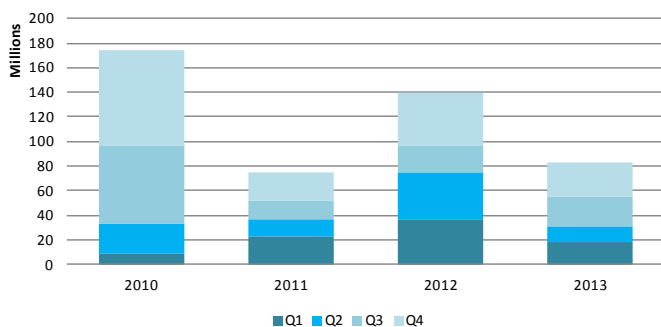
Number, value and floor area of new non-residential buildings – Hamilton

- The total number of non-residential building consents issued in the year ended September 2013 was 67 compared to 65 during the same period last year.
- The value of all non-residential consents issued in the past 12 months totalled \$83 million with a total floor area of 58,108 m².
- Floor area was down 10.6%, while value was down 40.1% when compared to the year ended September 2012.

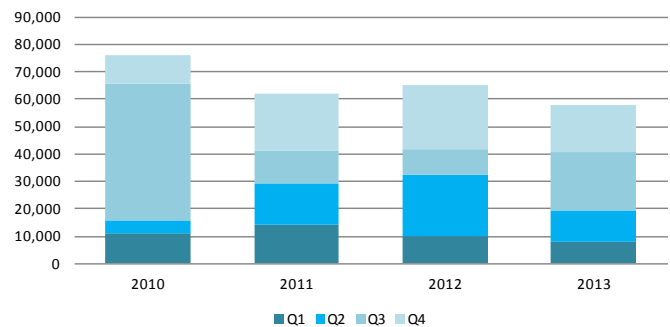
Number of building consents
Year Ended September



Value of building consents
Year Ended September



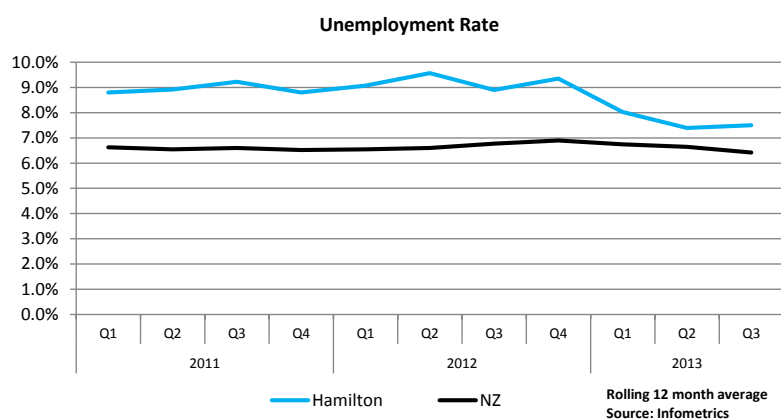
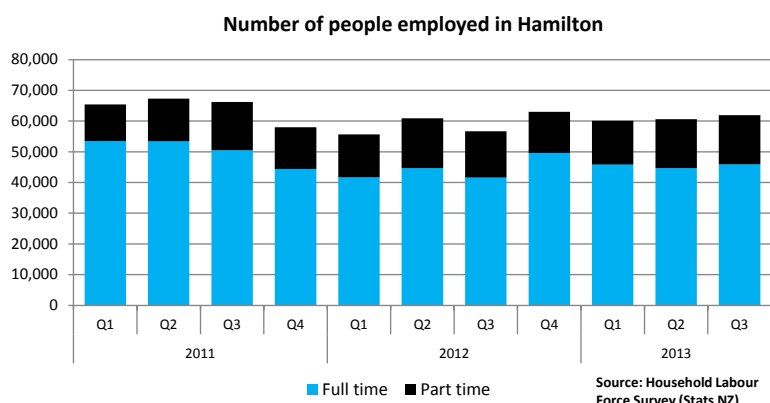
Floor area of building consents
Year Ended September



Source: Statistics New Zealand – Building Consents Issued

3. EMPLOYMENT/UNEMPLOYMENT

Full and Part time employment and unemployment rate – Hamilton City 2011-2013



- Hamilton’s estimated* unemployment rate increased slightly to 7.6% in September 2013 from 6.9% in June 2013, above the national unemployment rate of 6.2%.
- The line-graph to the left illustrates the trend on a rolling 12-month basis to smooth out volatility of data from quarter to quarter.
- Estimates suggest that in the September 2013 quarter there were 5,100 people unemployed in Hamilton (compared with 4,500 people unemployed in June 2013) out of a total labour force of 67,000.
- Of the people employed in Hamilton 45,900 were in full-time employment, and 16,000 in part-time employment.
- The total number of people employed and unemployed both increased over the period June 2013 - September 2013 by 1,300 and 600 respectively, however an increase in the total labour force due to demographic changes resulted in net increase (+0.7%) in unemployment.

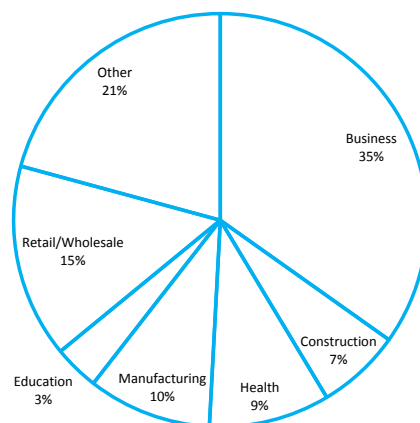
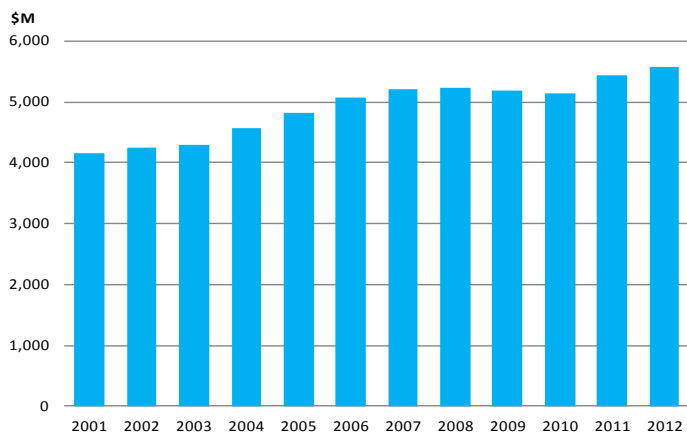
**These unemployment datasets are only estimates. All data is subject to material variation from quarter to quarter and is frequently revised by providers.*

Hamilton	Total Employed	Total Unemployed	Total Labour Force	Working Age Population	Unemployment Rate (%)
June 2013	60,600	4,500	65,100	97,100	6.9
September 2013	61,900	5,100	67,000	99,900	7.6
Increase/(decrease)	1,300	600	1,900	2,800	0.7

Source: Statistics New Zealand – Household Labour Force Survey.

4. GROSS REGIONAL PRODUCT

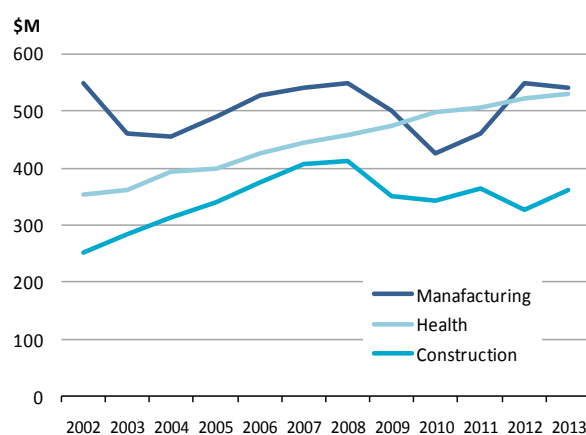
Gross Regional Product (\$m), Hamilton City, 2002-2013 (June Year*)



- Hamilton's economy grew strongly through the early to mid-2000s and then, as experienced nationally and internationally, widespread recession set in following the Global Financial Crisis of 2009. Since 2010 an improvement is evident, albeit non-uniform.
- Hamilton's estimated Gross Regional Product (GRP) was approximately \$5.63 billion for the year to September 2013, up from \$5.56 billion in the year to September 2012, or an increase of 1.3%**.

* No updated data is available for this September report. The last Economic Indicator contained an error relating to the pie graph above and has been corrected here.

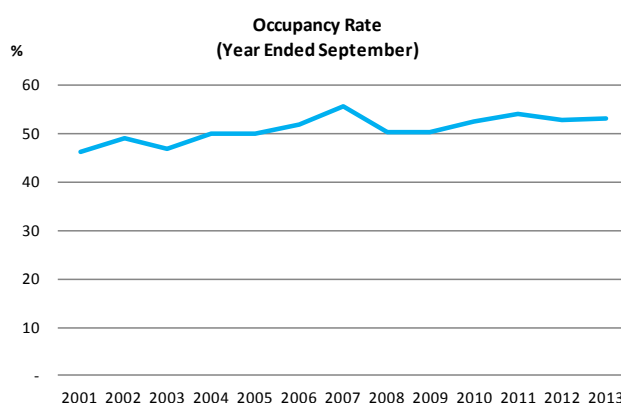
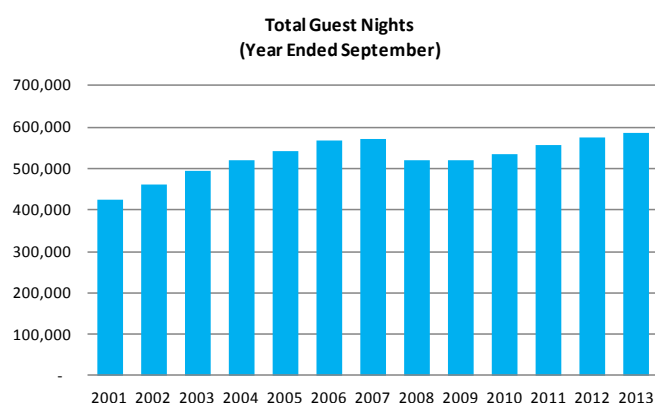
**2013 figures are projections, and figures are derived from other indicators such as employment estimates.



Source: Infometrics Ltd

5. COMMERCIAL ACCOMMODATION

Guest Nights and Occupancy Rate – Hamilton



Source: Statistics New Zealand – Accommodation Survey.

- The total number of guest nights for Hamilton in the year ended September 2013 was 585,017 (compared with 575,880 for the year ended September 2012) an increase of 1.6%.
- The occupancy rate for Hamilton accommodation for the year ended September 2013 was 53%, which is the same as the occupancy rate recorded for the year to September 2012.
- Hamilton is fortunate in that it is not affected to the same extent by seasonal variations as many other places are and therefore occupancy rate remains relatively consistent throughout the year.