The Hamilton Economic Update analyses a number of key economic indicators for Hamilton city. Information is primarily sourced from Statistics New Zealand, Infometrics and the Real Estate Institute of New Zealand.

### Hamilton at a Glance

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Hamilton Information*</th>
<th>Date updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>145,600 people</td>
<td>June 2011</td>
</tr>
<tr>
<td>Number employed</td>
<td>81,658 employees</td>
<td>December 2010</td>
</tr>
<tr>
<td>City Area</td>
<td>11,080 hectares</td>
<td>July 2011</td>
</tr>
<tr>
<td>Unemployment</td>
<td>7,917 unemployed</td>
<td>March 2011</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>8.1% unemployment</td>
<td>March 2011</td>
</tr>
<tr>
<td>Number of businesses</td>
<td>13,114 businesses</td>
<td>February 2011</td>
</tr>
<tr>
<td>Gross Domestic Product</td>
<td>$4.44 billion</td>
<td>March 2012</td>
</tr>
<tr>
<td>Number of houses</td>
<td>53,801 houses</td>
<td>January 2012</td>
</tr>
<tr>
<td>Value of land and buildings</td>
<td>$24.9 billion</td>
<td>April 2012</td>
</tr>
</tbody>
</table>

*Contains estimates in some cases – refer to body of document for further explanation.

### Updated Economic Indicators

<table>
<thead>
<tr>
<th>Key Hamilton Indicators</th>
<th>% change*</th>
<th>Longer term trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>+ 0.2%</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>+ 1.8%</td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>+ 0.6%</td>
<td></td>
</tr>
<tr>
<td>Employee Count</td>
<td>- 3.4%</td>
<td></td>
</tr>
<tr>
<td>Business Count</td>
<td>- 0.1%</td>
<td></td>
</tr>
<tr>
<td>Building consents for new houses– by year</td>
<td>+ 6.0%</td>
<td></td>
</tr>
<tr>
<td>Commercial building consents – new floor area</td>
<td>- 26.6%</td>
<td></td>
</tr>
<tr>
<td>Consumer confidence</td>
<td>- 2.2%</td>
<td></td>
</tr>
</tbody>
</table>

*from last reported period

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1. **GROSS DOMESTIC PRODUCT (GDP)**

(a) **NEW ZEALAND**

The Graphs Explained
- Gross Domestic Product (GDP) is an indicator of overall economic performance.
- It is the value of goods and services produced within a particular country, region or city.
- If goods are manufactured elsewhere, but sold within the city, only the retailer’s gross profit margin contributes to GDP. If goods are manufactured within the city but transported by a local company to be sold elsewhere, the wholesale and transport costs contribute to its GDP.
- GDP is shown for Hamilton and New Zealand between 2001 and 2011 (year ended December).

What do these Indicators Show?
(a) **New Zealand GDP (green)**
- New Zealand GDP has experienced a moderate recovery over the period 2009 – 2011 of 2.7% to $136.6 billion. This followed strong growth over the period from 2001-2007 (22.5%), before the financial crisis occurred.

(b) **Hamilton GDP (blue)**
- Although Hamilton’s GDP growth declined from 2008-2010, it has been relatively flat since 2010 at around $4.35 billion. Forecast GDP for the year to December 2012 is $4.44 billion.

Note – Statistical/forecast data: Regional (e.g. Hamilton) economic data is largely a forecast / estimate process, based on national indicators and regional data. As a result, data lags by about 12 months, and revisions occur – hence a material error margin exists.

(b) **HAMILTON**

2. **UNEMPLOYMENT RATE**

The Graph Explained
- The unemployment rate is the number of unemployed people expressed as a percentage of the total labour force.
- Data subsequent to March 2011 are provided by Infometrics as estimates (dotted lines) – a result of lag time and complexity involved with finalising unemployment data at a regional level.

What does this Indicator Show?
- The December 2011 quarter unemployment rate in Hamilton was estimated at 7,917 or 8.5% (compared to 7,417; and 8.3% unemployed for the December 2010 quarter).
- Hamilton’s unemployment is increasing at a slightly faster rate than national unemployment. Historically, Hamilton’s unemployment has tracked about 1-2% above the national average.
- The biggest sector employers by number are property and business (16%), retail (13%), and the health sector (14%) as estimated for the year ended December 2011.
Hamilton GDP ($m) by sector
Year end March 2011*
(total $4.39 billion)

Source: Infometrics (ANZSIC GDP by Sector)
* actual data (forecasts to December 2011 also available)

Snapshot
GDP in Key sectors (March year)

Property and Business Services ($m)

Construction ($m)

Health ($m)

Manufacturing ($m)
3. **BUILDING CONSENTS – HOUSES**

(c) **ANNUAL**

![Number of Building Consents for New Houses (Year to Dec 2001-2011)](image)

- **Hamilton Building Consents for New Houses**
  - **Number of Building Consents for New Houses**
    - **Year to Dec 2001-2011**
    - **New Zealand**
    - **Hamilton**
    - **NZ**
    - **Source: Statistics New Zealand**

(d) **MONTHLY**

![Hamilton Building Consents for New Houses (Year to February 2012)](image)

- **Monthly Building Consents for New Houses**
  - **Hamilton Building Consents for New Houses**
  - **Year to February 2012**
  - **12 Month Total 668**
  - **Source: Statistics New Zealand**

(e) **VALUE AND FLOOR AREA**

![Value and Floor Area of New Houses in Hamilton (Year to Dec 2001-2011)](image)

- **Value and Floor Area of New Houses in Hamilton**
  - **Floor Area (’000 m²)**
  - **Value (Millions)**
  - **Source: Statistics New Zealand**

The Graphs Explained

(c) **Building consents – new houses (annual)**
- Shows the total number of building consents issued for new houses in Hamilton and New Zealand between 2001 and 2011 (year ended December).
- There were 651 building consents issued for new houses for the year ended December 2011, up 37 (6%) on the year ended December 2010 (614).
- New house building consents have grown at a slow but consistent rate since the collapse of the credit markets in 2007 – when consents fell from 1,168 in 2007 to 528 in 2008.

(d) **Building consents – new houses (last 12 months)**
- Shows the total number of building consents issued for new houses in Hamilton by month for the 12 months to February 2012.
- This indicator shows recent building activity by month, and highlights any seasonality.

(e) **Building consents - new houses (value & area)**
- Shows the $ value of new houses consented, and total floor area created, by year for the period December 2001-2011.
- There is a strong correlation between value and new floor area.
- The total value of new houses increased to $144.8 million in the year ended December 2011 (from $137.5 million in 2010 - a 5.3% increase).
- The total floor area for new houses increased to 115,010m² for the December year ended 2011 (from 108,014m² in 2010 - a 6.5% increase).
- The graph also illustrates the impact of tightening credit and the Global Financial Crisis (GFC) that commenced in 2007.
4. COMMERCIAL AND INDUSTRIAL DEVELOPMENTS

(f) NUMBER AND VALUE

The graph shows the number and value of building consents issued for new commercial and industrial buildings in Hamilton between 2001 and 2011 (year ended December).

What does the Graph Show?
- The total number of consents issued for new commercial/industrial buildings decreased slightly from 63 in 2010 to 58 in 2011.
- The total value of consents for new commercial/industrial buildings for the year ended December 2011 was $89.3 million, a decrease of 52.6% from the $188.7 million recorded for 2010 - considerably influenced by Waikato Hospital development works (table 6A).
- The total number of consents issued for alterations to commercial/industrial buildings decreased by 14.5% from 337 in 2010 to 288 in 2011.
- The total value of consents for alterations to commercial/industrial buildings in 2011 was $52.7 million, a 1.7% increase over the $51.8 million recorded for 2010.

(g) NEW FLOOR AREA

The graph shows the total area (square metres) of new floor space from consents issued for new commercial and industrial developments over the period 2001 to 2011 (year ended December).

What does the Graph Show?
- There was 58,042m² of new commercial and industrial floor area in Hamilton for the year ended December 2011, a 26.6% decrease from the 79,108m² recorded in 2010.
- Overall, new floor area has been steadily decreasing since it peaked at 158,229m² in 2004.
### RECENT COMMERCIAL AND INDUSTRIAL DEVELOPMENTS

Recently completed, in progress, or proposed commercial and industrial developments in Hamilton include:

<table>
<thead>
<tr>
<th>Development</th>
<th>Description</th>
<th>Floor Area (m²)</th>
<th>Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Waikato Hospital</strong></td>
<td>$430 million programme to upgrade hospital facilities that commenced in 2005 is scheduled for completion in 2014. Renal Services Unit (relocation and upgrade). Older Persons and Rehabilitation Hub (new construction). Multi level carpark completed on 12 April 2012.</td>
<td><strong>337 m²</strong></td>
<td><strong>$4,200,000</strong></td>
</tr>
<tr>
<td><strong>Citygate</strong></td>
<td>High-end 5 story office, retail, and carpark CBD development, cnr Anglesea and Ward St's Stage 1 – Basement excavation and ground floor construction.</td>
<td><strong>5,300 m²</strong> (Estimated total final development)</td>
<td><strong>$3,290,000</strong></td>
</tr>
<tr>
<td><strong>Sealed Air Factory</strong></td>
<td>Factory additions / extensions – Te Rapa.</td>
<td><strong>8,344 m²</strong></td>
<td><strong>$9,600,000</strong></td>
</tr>
<tr>
<td><strong>Countdown Supermarket</strong></td>
<td>New Construction – Bridge Street.</td>
<td><strong>4,200 m²</strong></td>
<td><strong>$8,000,000</strong></td>
</tr>
<tr>
<td><strong>Ministry of Education, RD1 (dairy farm supplies), Gym</strong></td>
<td>New Construction – Te Rapa (2 buildings on the one site).</td>
<td><strong>5,020 m²</strong></td>
<td><strong>$7,000,000</strong></td>
</tr>
<tr>
<td><strong>Braemar Hospital</strong></td>
<td>Stage 2 of development.</td>
<td><strong>1,901 m²</strong></td>
<td><strong>$5,500,000</strong></td>
</tr>
<tr>
<td><strong>University of Waikato</strong></td>
<td>Upgrade of Blocks C and D (Science and Engineering Faculty).</td>
<td></td>
<td><strong>$5,300,000</strong></td>
</tr>
<tr>
<td><strong>Datacom</strong></td>
<td>Part of a $30 million data centre planned for Te Rapa Industrial Park. Scheduled to open in 2013. New construction.</td>
<td><strong>2,500 m²</strong></td>
<td><strong>$30,000,000</strong></td>
</tr>
<tr>
<td><strong>Apartment Complex</strong></td>
<td>20 new apartment units on Richmond Street.</td>
<td><strong>2,040 m²</strong></td>
<td><strong>$3,270,000</strong></td>
</tr>
<tr>
<td><strong>Waikato Diocesan School</strong></td>
<td>New accommodation block for senior students.</td>
<td><strong>1,140 m²</strong></td>
<td><strong>$3,000,000</strong></td>
</tr>
<tr>
<td><strong>Hamilton Girls High School</strong></td>
<td>Performance and creativity centre / theatre.</td>
<td><strong>1,898 m²</strong></td>
<td><strong>$4,500,000</strong></td>
</tr>
<tr>
<td><strong>Waikato Innovation Park</strong></td>
<td>Dairy processing building – Stage 2.</td>
<td><strong>950 m²</strong></td>
<td><strong>$3,300,000</strong></td>
</tr>
<tr>
<td><strong>Summerset Retirement Village</strong></td>
<td>Retirement village, Dixon Rd, Peacockes, which will house 350 residents. $11m invested in Stage 1. Completed within 5-7 years.</td>
<td></td>
<td><strong>$80,000,000</strong></td>
</tr>
<tr>
<td><strong>Quest Hamilton – Safari Group</strong></td>
<td>38 apartment complex. Cnr London / Victoria St’s.</td>
<td></td>
<td><strong>$10,000,000</strong></td>
</tr>
<tr>
<td><strong>The Base – Tainui</strong></td>
<td>Staged major development – office / hotel / medical. The existing development is the largest retail complex in NZ.</td>
<td></td>
<td><strong>$200,000,000</strong></td>
</tr>
<tr>
<td><strong>Centre Place</strong></td>
<td>$39.9 million redevelopment of Centre Place CBD retail complex. Includes a 7,000m² new Farmers department store in Downtown Plaza</td>
<td></td>
<td><strong>$39,900,000</strong></td>
</tr>
<tr>
<td><strong>Cheese Factory / Powder Station</strong></td>
<td>NZ Co-op / Anchor development on Te Rapa Access Rd.</td>
<td></td>
<td><strong>$4,300,000</strong></td>
</tr>
</tbody>
</table>

Source: [Hamilton City Council](#)
5. **NUMBER OF EMPLOYEES AND BUSINESSES**

### (h) EMPLOYEES

![Hamilton Total Employees](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>12,818</td>
<td>14,739</td>
<td>16,397</td>
<td>17,183</td>
<td>17,958</td>
<td>18,406</td>
<td>15,126</td>
<td>14,571</td>
<td>11,521</td>
<td>8,736</td>
<td>7,858</td>
<td>9,097</td>
</tr>
</tbody>
</table>

**The Graphs Explained**

### (h) Hamilton Employee numbers
- The graph shows the total number of people employed in Hamilton by year at each December quarter end between 2001 and 2011, using data from Infometrics.
- Hamilton had an estimated 81,987 people employed for the year ended December 2011.
- Between 2009 and 2010 (year ended December) Hamilton employee numbers increase marginally by 239 jobs to 81,658.

### (i) BUSINESSES

![Hamilton Business Count](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>10,026</td>
<td>10,026</td>
<td>10,108</td>
<td>10,588</td>
<td>11,514</td>
<td>12,132</td>
<td>12,630</td>
<td>12,997</td>
<td>11,208</td>
<td>11,315</td>
<td>11,142</td>
<td>13,114</td>
</tr>
</tbody>
</table>

**The Graphs Explained**

### (i) Hamilton Business count
- The graph shows the number of businesses in Hamilton at February each year between 2000 and 2011 and is based on information from Statistics New Zealand Annual Business Frame Update Survey.
- At February 2011 Hamilton had a total of 13,114 businesses.
- The number of businesses in Hamilton has remained mostly constant between 2007 and 2011 – with a 0.1% decrease between February 2010 (13,132) and February 2011 (13,114).
- A period of strong growth between 2002 and 2008 (over 30%) reflects the credit boom and expansion leading up to the Global Financial Crisis (GFC) of 2007. Business growth since the GFC has stalled and even reduced.

6. **HOUSE AND SECTION SALES**

### (j) HOUSE SALES

![House Sales: Hamilton and New Zealand](image)

**The Graphs Explained**

### (j) House Sales
- Both graphs show the rolling annual average (sum of the 4 previous quarters) for section and house sales in Hamilton and New Zealand between 2006 and 2012.
- The two lines allow trend analysis, but not direct analysis by number of sales.
- The volatile trend over the period shown (2006-2012) largely a result of volatile global credit conditions following the financial crisis, and the resulting uncertainties in the development market that follows.
- There was an increase in house sales in 3 subsequent quarters up to the most recent December 2011 quarter.
- Some attention has been given regarding upswing in the Hamilton property market, however economic growth is projected to continue to be slow, and credit conditions constrained, constricting true growth in the housing market.
(k) Section sales

- Section sales from the rolling 12-month average to December 2011 have fallen to 162 (from a 212 for the comparable period to December 2010).
- Hamilton experienced high growth in section sales over the 2009/2010 period, when compared to a comparative national rate. This has slowed in the last 18 months due to conditions described above.

7. Population

The Graph Explained

- The most recent Census data available is 2006, with the 2010 Census postponed until 2013 due to the Christchurch earthquake, creating significant error margins on estimates.
- Population projections – blue bars are HCC projections based on Infometrics and economic data (approximately a 1% increase per year).

What does this Indicator Show?

- The Statistics New Zealand’s population estimate for Hamilton is 145,600 at June 2011, an increase of 2,200 (or 1.8%) on the previous year’s figure of 143,000.
- Between September 2010 and September 2011 Hamilton recorded a natural population increase (births minus deaths) of 1,545 and a total net international migration decrease of 441. As shown below in section 8, net total migration for the year to June 2011 was estimated at 1,588.

8. Migration

The graph explained

- Net migration the difference between the number of people who have moved to the Waikato, and the number that have departed from the Waikato. It includes both international migration and internal migration.
- Net outflow for the year ended June 2011 was estimated at 1,588, comparing to the previous comparable period’s (uncommon) net inflow.
- The clear trend is increasing net migration outflow. The positive migration numbers from 2002-2004 are due largely to a large international student influx, not expected to return to such consistent high levels in the foreseeable future.
- The main factors driving the net outflow are thought to be ‘northward drift’ and job scarcity.
9. BANKRUPTCY AND LIQUIDATION

The Graph Explained
- The graph shows the number of successful bankruptcy applications and the number of liquidations in Hamilton between 2004 and 2011 (year ended June).

What does this Indicator Show?
- The indicator shows a decreasing trend in Hamilton of bankruptcies and liquidations.
- The number of bankruptcies in Hamilton typically represents less than 5% of the national total.
- Changing approaches by Courts and the small comparative number of Hamilton bankruptcies and liquidations mean this data should be considered from an anecdotal perspective.

10. ACCOMMODATION GUEST NIGHTS AND OCCUPANCY RATE

The Graph Explained
- The graph shows the total number of guest nights in Hamilton’s commercial accommodation sector (blue bars) between 2005 and 2012 (year ended March).

What does this Indicator Show?
- 576,391 guest nights were spent in Hamilton’s commercial accommodation for the year ended March 2012, up 6.6% on the previous year’s figure of 540,831. This increase was due in part to the fixtures held in Hamilton for the Rugby World Cup.
- Occupancy rates have improved to just below 54% matching peak levels around the 2006-2008 period before the financial crisis.

11. CONSUMER CONFIDENCE – WAIKATO

The Graph Explained
- This is an indicator of how the market perceives the economic climate and how confident consumers are about the next 12 months.
- Data is shown for the Waikato between December 2001 and December 2011.
- Labels ‘optimistic’ and ‘pessimistic’ are a simplification. The complete definition is that an index score over 100 indicates that there are more optimists than pessimists, while a score under 100 indicates that pessimists outnumber optimists.

What does this Indicator Show?
- That consumer confidence steadily decreased from the mid 2000’s and bottomed out in 2009. There was an increase in the 18 months to December 2010 with a slight decrease again over the 12 months to December 2011.