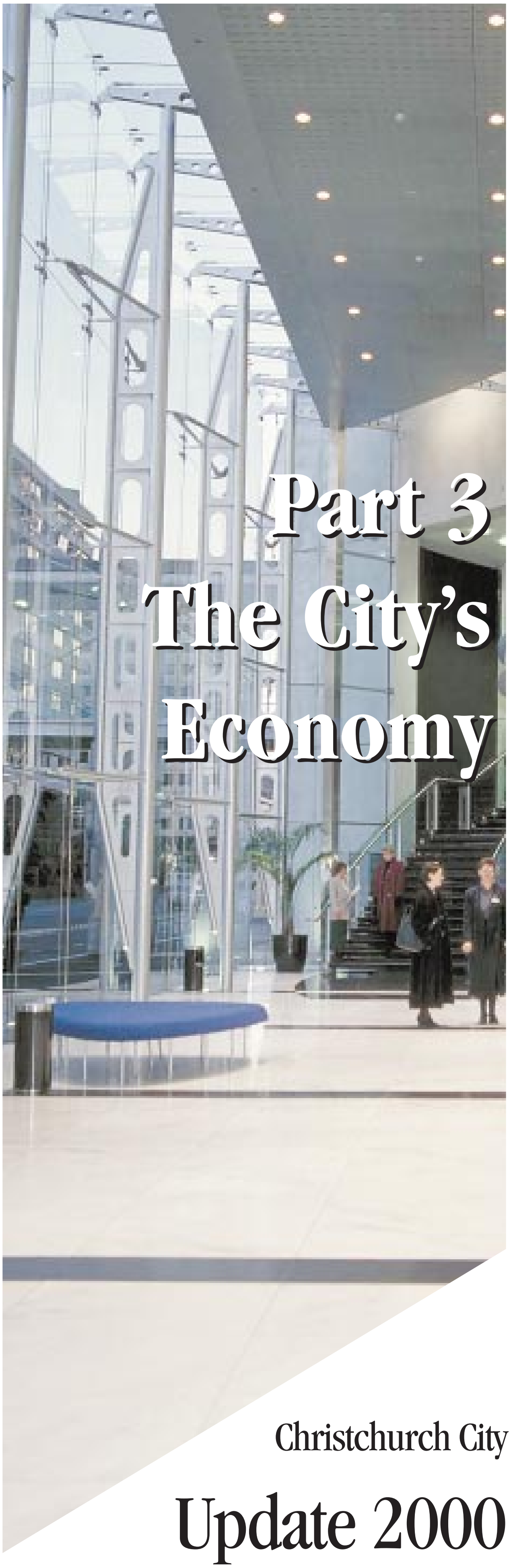



## Introduction

The strength of the Christchurch City's economy is built on its association with the large rural economy of Canterbury, its export-oriented manufacturing and substantial involvement in tourism. These factors combine to provide Christchurch with a robust commercial sector which is strongly influenced by international trading conditions. Consequently, the local economy appears to decline or recover ahead of many other parts of the country.

By the end of the decade Christchurch's economy appeared to be moving out of the short-term recession experienced during the late 1990s. This mirrored changes in the national economy which, after a few false starts, had finally swung into full recovery mode.

Positive signs that the local economy was growing included an increase in business activity in the Canterbury region, of which Christchurch forms a major part. During 1999, annual growth increased at a rate not seen since the mid-1990s and outpaced many other regions.

Increased business activity was accompanied by greater optimism among local business that trading conditions would improve during 1999/2000. However, growing confidence was somewhat dented towards the end of 1999 by uncertainty surrounding the general election.

The value of retail sales also picked up in 1999, reflecting strong consumer confidence and the number of house sales increased during the six months to June after a period of pronounced decline. However, recent rises in mortgage interest rates may foreshadow a fall in house sale volumes.

Despite annual fluctuations, the number of businesses in the City and the total work force have grown in recent years. In line with national trends this growth has been accompanied by shifts in the type of employment offered within the economy, with increases in part-time and self employment.

The third and final part of this report The City's Economy presents information relating to a range of key local economic indicators. It is divided in to six sections. The first two sections look at measures of business activity and confidence and business and employment growth. Subsequent sections focus on earnings and expenditure, residential and commercial property, the Central City and tourism.

Note: Information on trends in the Canterbury region has been used in this section when data has not been available for Christchurch City.

# Economic Activity and Business Confidence

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| National Bank Regional Economic Activity Index. | The composite index of economic activity is a series of figures that show how a selection of key regional economic data has changed over time. It is useful as a comparative measure of economic performance between regions. | ↑ Year-on-year economic growth in Canterbury for September 1999 was 4.2 per cent. This was the highest annual growth recorded since the mid-1990s. |
| National Bank Business Confidence Index. | Business confidence data generally reflect wider economic conditions. During periods of growing confidence businesses are more likely to increase investments and staffing levels. | ↑ The National Bank 's general business confidence index for Canterbury reached a five year high in March 1999. |
| Canterbury Manufacturers' Association (CMA) business confidence data. | This measures the confidence of manufacturing businesses in Canterbury, one of the region's key sectors. | ↑ According to the CMA Survey of Business Condtions, manufacturing businesses were more optimistic about future trading condtions during 1999 than 1998. |

**Other Related Sections:** Part 3: The City's Economy, Waste Management, Energy, The Built Environment, Transportation.

## Economic Activity

The National Bank of New Zealand produces a measure of regional economic activity. The composite index of economic activity summarises trends in a selection of regional economic data and can be used to measure comparative economic performance between regions[1].

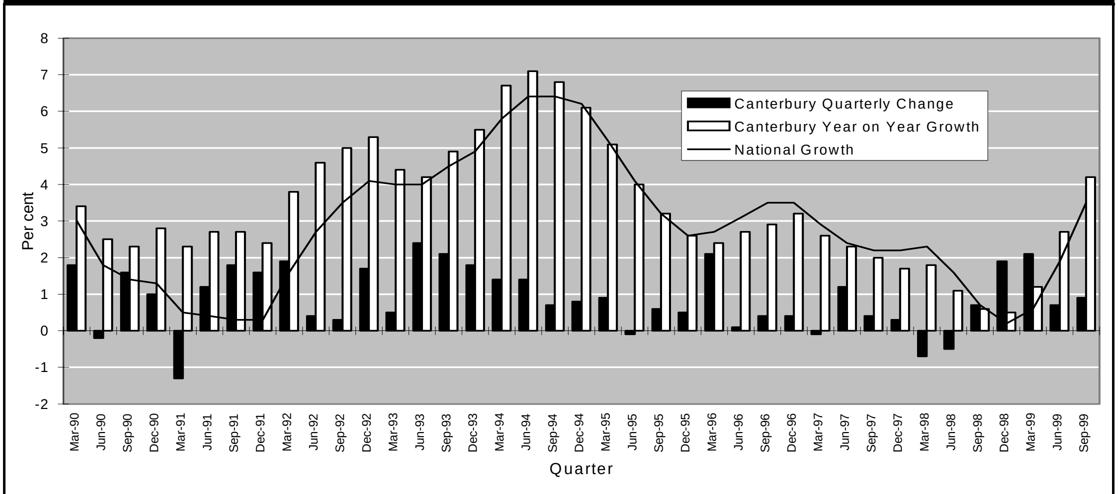
According to the National Bank, Canterbury recorded the fifth consecutive quarterly rise in economic activity in September 1999. The latest rise was fuelled by strong growth in employment and house sales (Figure 3.1).

For the year to September 1999 the index for Canterbury increased by 4.2 per cent. In terms of annual economic growth at this time, Canterbury was ranked first equal with Otago out of New Zealand's 14 regions. (Figure 3.1).

Latest figures show that Canterbury has steadily pulled out of the short-term economic trough experienced during 1998. In fact, annual growth to September 1999 was the strongest in the region since the mid-1990s. Year-on-year growth in economic activity also

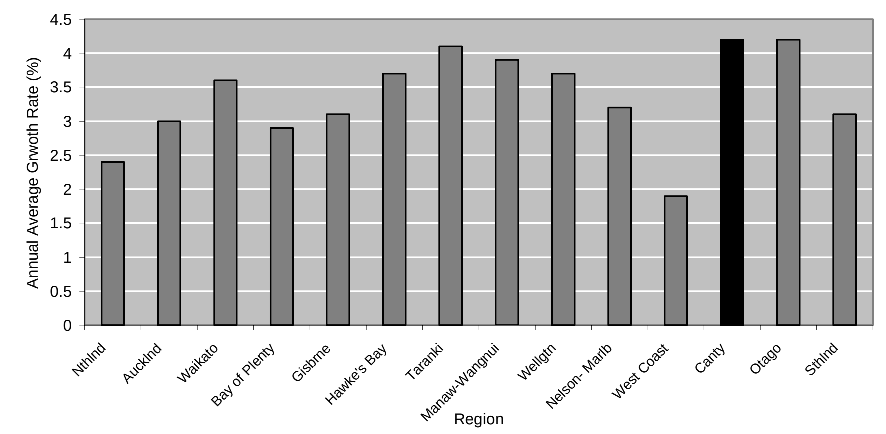
[1] The National Bank uses 34 series to calculate the composite indices of regional economic activity including: business confidence; consumer confidence; retail sales; new motor vehicle registrations; regional exports; registered unemployed; building permits approved; real estate turnover; household labour force data; overseas cargo statistics; electricity consumption; job placements; number of companies; job ads; accommodation survey data and newspaper circulations. Quarterly rates of change are calculated on seasonally and inflation-adjusted data (National Bank Regional trends see www.nationalbank.co.nz).

**Fig 3.1 Index of Regional Activity – Year-on -Year Growth and Quarterly Change**



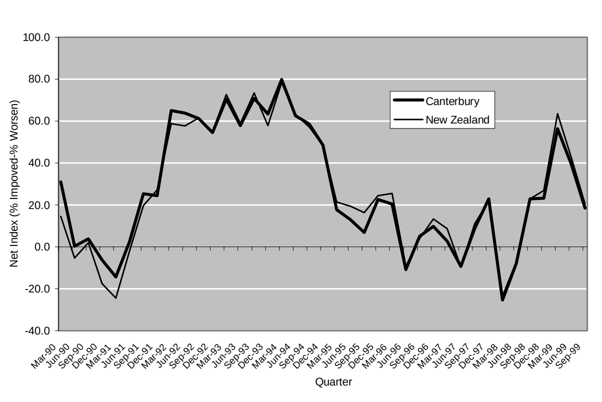

Source: National Bank of New Zealand.

**Fig 3.2 Index of Regional Economic Activity, Year-on-Year Growth, Year Ended September 1999**




Source: National Bank of New Zealand

**Fig 3.3 Canterbury Business Confidence Index**




Source: National Bank of New Zealand.

occurred across all regions and at a national level, suggesting an ongoing improvement in New Zealand's economy (Figure 3.2).

## Business Confidence

Business confidence indices are considered valuable indicators of economic activity. They are particularly useful for identifying turning points in the cycle of business activity.

After a number of years in the doldrums, business confidence in Canterbury reached a five-year high in March 1999, according to the National Bank's Business Confidence Index. During that quarter 56 per cent of businesses expected an improvement in trading conditions during the following 12 months. Confidence then declined during the June and September quarters to 39 and 18 per cent respectively. This pattern was similar to that occurring at a national level and may have reflected the high level of uncertainty which surrounded the 1999 general election (Figure 3.3).

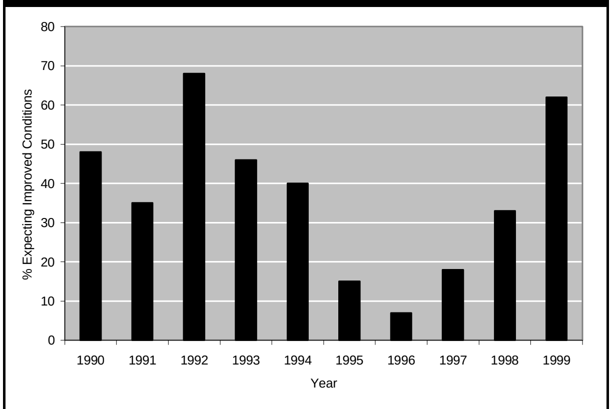
Canterbury's export-oriented manufacturing sector is a key component of the local economy and is particularly sensitive to changing economic conditions. The Canterbury Manufacturers' Association (CMA) Survey of Business Conditions reveals a similar pattern to the National Bank of strong growth in business confidence after a period of pronounced decline. Confidence plummeted to 7 per cent in June 1996 before rallying to 62 per cent in June 1999 (Figure 3.4).

Monthly CMA survey results and data from the Canterbury Employers' Chamber of Commerce Quarterly Business Opinion Survey also showed increased optimism during much of last year. However, a drop in confidence in August 1999 again revealed the unsettling effect of the general election on local businesses[2].

Business confidence data last year generally indicated that Canterbury was moving out of recession. They showed that the sluggish national economy, the drought of 1998/99 and the Asian crisis, which adversely affected confidence in the past few years, were becoming a distant memory for many local businesses.

[2] See also the Canterbury Manufacturers'Association web site at www.cma.org.nz and the Canterbury Employers Chamber of Commerce web site at www.cecc.org.nz

**Fig 3.4 CMA General Business Confidence Series**




Source: Canterbury Manufacturers' Association, Survey of Business Confidence.

# Businesses, Employment and Unemployment

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| Total number and type of businesses in Christchurch City. | This is a measure of economic diversity and can provide insight into employment opportunities within the local economy. | ↑ Overall, the total number of businesses in Christchurch increased by 3.6 per cent from 22,740 to 23,574 between 1997 and 1999. |
| Total employment in the City. | Employment numbers provide insight into a local economy's ability to retain and create jobs. | ↑ The City's work-force increased from 154,880 to 158,850 between 1997 and 1999. This was an increase of just under 2 per cent during this period. |
| Unemployment rate. | The unemployment rate is the number of unemployed expressed as a percentage of the labour force (employed and unemployed). This statistic is useful to determine labour market trends. It is a traditional measure of economic conditions and is often used as a indicator of a population's well-being. | ↓ According to the Household Labour Force Survey, unemployment in Canterbury declined between June 1998 and 1999 from 7.6 per cent to 7 per cent. |

**Other Related Sections:** Population Growth, Profile of Christchurch Residents, Part 3: The City's Economy, Education, Land Use, Air Quality, The Built Environment, Energy, Transportation, Waste Management.

## Businesses

Businesses are a key component of the City's economy and are vital for its continuing prosperity. In 1999, 19 of the 200 top ranking New Zealand companies (by annual turnover) were based in Christchurch. Together these made a significant contribution to the local and national economy (Table 3.1).

**Table 3.1 Top 200 Companies with Head Offices in Christchurch, 1999[3]**

| Rank | Company Name | Turnover $ |
|---|---|---|
| 19 | Foodstuffs (South Island) | 1,060,511 |
| 29 | Christchurch City Holdings (100% CCC) | 699,874 |
| 37 | Orion New Zealand (87% CCH) | 575,976 |
| 39 | South Island Dairy Co-operative | 565,725 |
| 68 | PDL Holdings (55% SF) | 320,916 |
| 78 | Ravensdown Corporation | 262,647 |
| 80 | Pyne Gould Corporation | 236,991 |
| 89 | Milburn New Zealand | 205,479 |
| 101 | LWR Industries (66% BIL) | 158,238 |
| 110 | Smiths City Group | 139,745 |
| 119 | Donaghys | 116,428 |
| 121 | New Zealand Wool Services International | 114,759 |
| 149 | G L Bowron and Co | 77,916 |
| 150 | Market Gardeners | 77,884 |
| 155 | Ebos Group | 72,314 |
| 180 | Aoraki Corporation (94% GSFI) | 59,094 |
| 183 | Lyttleton Port Company (66% CCH) | 55,274 |
| 190 | Christchurch International Airport (75% CCH) | 51,361 |
| 191 | Main Power New Zealand (100%MT) | 51,151 |

*Source: 1999 Top 2000 New Zealand Companies, Management Magazine and Deloitte Consulting, Management December 1999.*

Between February 1997 and 1999 the number of businesses in Christchurch increased by 834 (3.6 per cent) from 22,740 to 23,574[4]. The main contributors to this rise were *property and business services* and the *health and community services* industry groups which increased by 641 and 181 business units respectively. In contrast, a number of groups declined including *construction* (-61), *finance and insurance* (-47) and *transport and storage* (-32).

In 1999 *property and business services* was the largest industry group in the City comprising 6,606 business units. This group is made up of units predominantly engaged in renting and leasing assets, as well as those engaged in providing a wide variety of business services.

*Retail trade* (3,420) was the second largest group of businesses in the City in 1999. It was followed by *construction* (2,583) and *manufacturing* (2,172) (Table 3.2).

## Employment

Christchurch has a large and diverse work-force which includes people who live within the City and also workers from surrounding districts. In February 1999, 158,860 people were employed within Christchurch.

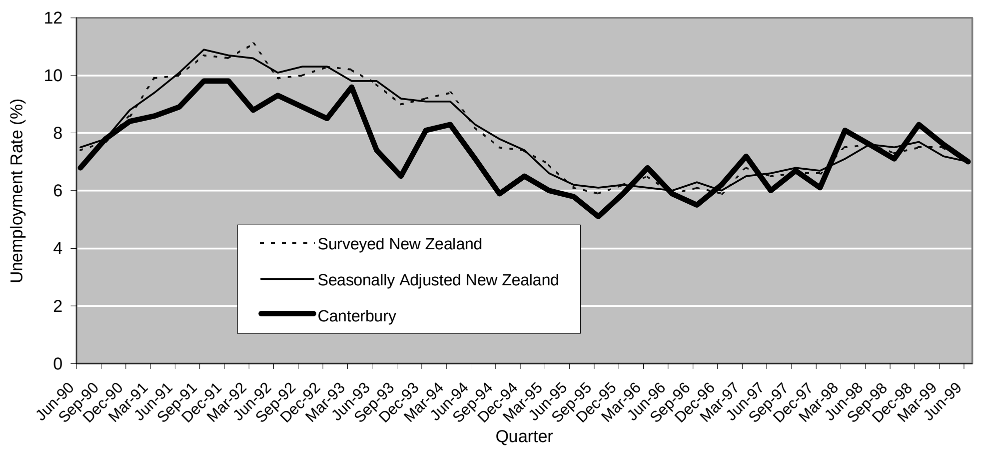
[3] Abbreviations**: CCC** Christchurch City Council, **CCH** Christ-curch City Holdings, **SF** Stewart Family, **BIL** Brierley Invest-ments, **GSFI** Gil Simpson & Family Interest, **MT** Main Power Trust.
[4] Long–term trend data has not been provided because of changes in the Business Frame coverage.
See Statistics New Zealand's Australian and New Zealand Standard Industrial Classification (New Zealand Version) for a breakdown of industrial groups.

| Table 3.2 Total Number of Businesses in Christchurch City | | | |
|---|---|---|---|
| Type of Business* | 1997 | 1998 | 1999 |
| Agriculture, Forestry and Fishing | 175 | 165 | 179 |
| Mining | 22 | 22 | 22 |
| Manufacturing | 2193 | 2,208 | 2,172 |
| Electricity, Gas and Water Supply | 22 | 21 | 20 |
| Construction | 2,644 | 2,675 | 2,583 |
| Wholesale Trade | 2,005 | 2,050 | 2,015 |
| Retail Trade | 3,416 | 3,527 | 3,420 |
| Accommodation, Cafes and Restaurants | 640 | 670 | 691 |
| Transport and Storage | 987 | 1,004 | 955 |
| Communication Services | 295 | 319 | 311 |
| Finance and Insurance | 911 | 899 | 864 |
| Property and Business Services | 5,965 | 6,572 | 6,606 |
| Government Administration and Defence | 133 | 137 | 133 |
| Education | 457 | 472 | 471 |
| Health and Community Services | 1,196 | 1,283 | 1,377 |
| Cultural and Recreation Services | 615 | 632 | 641 |
| Personal and Other Services | 1,064 | 1,109 | 1,114 |
| **Total all Industries** | **22,740** | **23,765** | **23,574** |

**Note: 1997 Business Frame coverage for 1997,1998 and 1999 years. Businesses refers to those which are economically significant ie*
- *greater than $30,000 annual GST expenses*
- *more than two full-time equivalents paid employees*
- *in a GST exempt industry except residential property leasing and rental*
- *part of a group of enterprises*
- *new GST registration that is compulsory, special or forced (this means that the business is expected to exceed the $30,000 boundary).*
- *registered for GST and is involved in agriculture or forestry.*

**Australia New Zealand Standard Industrial Classification.*

**Fig 3.5 Quarterly Unemployment Rate**




*Source: Statistics New Zealand, Household Labour Force Survey.*

**Table 3.3 Number of Employees in Christchurch City by Industry**

| Type of Business* | 1997 Full-time | 1997 Part-time | 1997 Total | 1998 Full-time | 1998 Part-time | 1998 Total | 1999 Full-time | 1999 Part-time | 1999 Total |
|---|---|---|---|---|---|---|---|---|---|
| Agriculture, Forestry and Fishing | 418 | 194 | 612 | 276 | 157 | 433 | 266 | 156 | 422 |
| Mining | 98 | 12 | 110 | 127 | 15 | 142 | 143 | 12 | 155 |
| Manufacturing | 26,335 | 3,187 | 29,522 | 25,410 | 3,310 | 28,720 | 25,355 | 3,363 | 28,718 |
| Electricity Gas and Water Supply | 816 | 60 | 876 | 528 | 65 | 593 | 401 | 47 | 448 |
| Construction | 8,290 | 1,140 | 9,430 | 8,510 | 1,190 | 9,700 | 8,020 | 1,100 | 9,120 |
| Wholesale Trade | 9,920 | 1,935 | 11,855 | 9,900 | 2,075 | 11,975 | 9,090 | 1,940 | 11,030 |
| Retail Trade | 12,270 | 8,990 | 21,260 | 12,040 | 9,210 | 21,250 | 12,240 | 9,130 | 21,370 |
| Accommodation, Cafes and Restaurants | 3,430 | 4,890 | 8,320 | 3,490 | 5,220 | 8,710 | 3,500 | 5,760 | 9,260 |
| Transport and Storage | 5,973 | 1,302 | 7,275 | 5,930 | 1,651 | 7,581 | 5,444 | 1,590 | 7,034 |
| Communication Services | 2,450 | 510 | 2,960 | 2,270 | 580 | 2,850 | 2,260 | 615 | 2,875 |
| Finance and Insurance | 3,326 | 1,041 | 4,367 | 3,301 | 1,106 | 4,407 | 3,266 | 968 | 4,234 |
| Property and Business Services | 10,950 | 6,670 | 17,620 | 11,550 | 7,040 | 18,590 | 12,290 | 7,450 | 19,740 |
| Government Administration and Defence | 3,510 | 545 | 4,055 | 3,800 | 755 | 4,555 | 4,000 | 395 | 4,395 |
| Education | 7,480 | 3,285 | 10,765 | 7,400 | 3,635 | 11,035 | 7,460 | 4,220 | 11,680 |
| Health and Community Services | 8,230 | 8,230 | 16,460 | 8,440 | 8,570 | 17,010 | 8,870 | 8,765 | 17,635 |
| Cultural and Recreation Services | 2,045 | 2,010 | 4,055 | 2,130 | 2,230 | 4,360 | 2,365 | 2,985 | 5,350 |
| Personal and Other Services | 3,906 | 1,355 | 5,261 | 3,898 | 1,365 | 5,263 | 3,864 | 1,465 | 5,329 |
| **Total all Industries** | **109,500** | **45,370** | **154,870** | **109,000** | **48,160** | **157,160** | **108,840** | **50,020** | **158,860** |

*See Note for Table 3.2*
**Australia New Zealand Standard Industrial Classification.*

The total work-force increased by 3,990 or 2.6 per cent between 1997 and 1999[4].

The p*roperty and business services* (2,120), c*ultural and recreation services* (1,295), and *health and community services* (1,175) groups accounted for most of the growth in the numbers employed. Offsetting these increases was a decline in those employed in groups including *wholesale trade* (-825), *manufacturing* (-804), and *electricity gas and water supply* (-428).

Total numbers employed varied across industry groups. In 1999 businesses involved in *manufacturing* (28,718), *retailing* (21,370) and *property and business services* (19,740) employed the greatest number of people.

In line with national trends, growth in the total work force has been accompanied by a progressive shift in the type of employment offered within the local economy. Between 1997 and 1999 full-time employment decreased by 660 workers or just under 1 per cent, while part-time employment increased by 4,650 or 10.2 per cent (Table 3.3). There has also been a slight increase in the level of self-employment within the economy during this period. Numbers grew from 23,370 to 23,720.

# Unemployment

### Unemployment in Canterbury

Statistics New Zealand's Quarterly Household Labour Force Survey (HLFS) is New Zealand's official measure of unemployment. It provides information on long-term unemployment trends at national level. Regional estimates are also produced, although these are affected by higher estimation errors. Territorial local authority unemployment data from the HLFS is available but is not provided in this report because of unacceptably high error rates [5,6].

The unemployment rate measures the total number of unemployed as a proportion of the overall labour force. The HLFS shows that Canterbury's unemployment rate was consistently lower than the national rate throughout the early to mid-1990s. Since then it has generally followed the national pattern (Figure 3.5).

Unemployment in Canterbury totalled 19,234 people at June 1999. The unemployment rate for the region was 7.0 per cent at the June quarter compared with 7.6 per cent 12 months earlier.

Canterbury had a lower unemployment rate than many other parts of New Zealand at June 1999. Compared with the other Household Labour Force Survey regions, Canterbury ranked in ninth position in terms of the percentage of the labour force unemployed (Table 3.4). The New Zealand unemployment rate was 7.0 per cent at the same time. (Note these figures have not been seasonally adjusted.)

**Table 3.4 Unemployment Rate by Region**

| Region | June 1998 | June 1999 |
|---|---|---|
| Northland | 10.8 | 13.1 |
| Auckland | 7.7 | 6.2 |
| Waikato | 7.8 | 8.1 |
| Bay of Plenty | 11.8 | 10.2 |
| Gisborne/Hawke's Bay | 8.6 | 6.9 |
| Taranaki | 7.9 | 5.9 |
| Manawatu-Wanganui | 6.7 | 5.6 |
| Wellington | 5.2 | 6.5 |
| Tasman/Nelson/Marlborough/West Coast | 3.9 | 3.9 |
| **Canterbury** | **7.6** | **7.0** |
| Otago | 6.7 | 6.8 |
| Southland | 6.1 | 6.1 |

*Source: Statistics New Zealand, Household Labour Force Survey.*

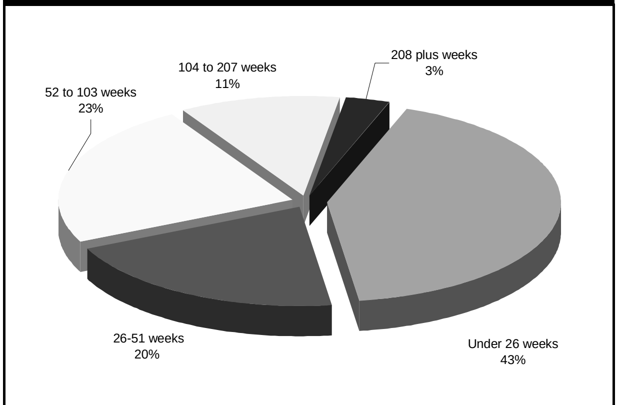
### Registered Unemployed in Christchurch City[7]

Registered unemployment data from Work and Income New Zealand (WINZ) is another source of unemployment data. Although it is not considered an 'official measure', it can provide some valuable insight into local conditions.
WINZ data show that at the end of June 1999, 18,876 unemployed people were registered at Christchurch WINZ service sites. At the same time 21,478 unemployed people were registered in Canterbury and 213,760 New Zealand-wide.

During the year to June the number of unemployed people in the City generally trended upwards increasing by 1,794. However, this pattern may not necessarily indicate greater numbers out of work. Rather, it may reflect the impact of WINZ administrative changes which resulted in a gradual expansion of the numbers of beneficiaries who are required to be work tested and therefore obliged to register as unemployed.

Of those registered unemployed in Christchurch at June 1999, 77.5 per cent were European. Maori comprised 12.8 per cent while Pacific Islanders and other ethnic groups comprised 3.4 and 6.3 per cent of unemployed respectively.

**Fig 3.6 Registered Unemployed in Christchurch Duration on Register, June 1999**




*Source: Work and Income New Zealand, Registered Unemployment Data.*

[5] The Household Labour Force Survey defines people as unemployed if they are without paid employment at the time of the survey but are available for and actively seeking paid employment. Those who have a job which they will start within four weeks are also counted as unemployed.
[6] Statistics New Zealand is currently trialing a new unemployment measure – Regional Market Estimates which is designed to provide more accurate data at regional and territorials local authority level.
[7] 'Registered unemployed' refers to those who are recorded as unemployed with WINZ Work. It include most community wage job seekers, plus those receiving other benefits such as the Domestic Purposes Benefit (DPB) who are work tested as well as job seekers who are not in receipt of any benefit .
[Note] For more information about unemployment measures see Statistics New Zealand's web site at www.stats.govt.nz and WINZ web site at www.winz.govt.nz.

# Earnings and Expenditure

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| Average earnings. | Earnings, like employment, are an important measure of local economic activity. Total earnings are one important component of personal income and the amount of wealth available for the purchase of goods and services. | ● At May 1999 Canterbury employees earned an average total weekly income of $650.39 or $16.96 per hour. |
| Household expenditure. | Provides insight into the average amount of money households spend each week . | ↑ Average weekly household expenditure in the City increased by just under $36.00 per week between 1997 and 1998 from $561.89 to $597.63. |
| Retail spending. | The value of retail sales is an indicator of consumer confidence. | ↑ The value of retail sales in the Christchurch urban area picked up strongly in 1999 after stalling during 1997 and 1998. |

**Other Related Sections:** Profile of Christchurch Residents, Businesses, Employment and Unemployment.

## Average Earnings

According to Statistics New Zealand's Quarterly Employment Survey (QES)[8], Canterbury employees worked an average of 38.35 hours per week in May 1999. They earned an average total weekly income of $650.39, which translates to $16.96 per hour (pre-tax) (Tables 3.5, 3.6 and 3.7).

In May 1999 total weekly earnings in Canterbury were around $33.00 less than the national figure, $74.00 less than in Auckland and close to $94.00 less than in Wellington. Reasons for the differences between regions include the mix of industries and occupations, and variation in the cost of living throughout New Zealand.

There is a noticeable disparity between the incomes of men and women working in Canterbury. May 1999 QES figures show that average weekly earnings of men were $180.00, or 32.5 per cent more than women. This was similar to the difference in earnings nationally and may reflect the lower number of paid hours on average that women work, as well as women's frequent involvement in lower-paid occupations.

**Table 3.5 Average Hours Paid as at May 1999 (Ordinary Time + Overtime)**

| Location | Male | Female | Total |
|---|---|---|---|
| Canterbury | 40.19 | 36.18 | 38.35 |
| Auckland | 40.12 | 37.57 | 38.91 |
| Wellington | 39.30 | 36.93 | 38.16 |
| Rest of New Zealand | 40.37 | 36.20 | 38.43 |
| New Zealand | 40.11 | 36.79 | 38.55 |

*Source: Statistics New Zealand, Quarterly Employment Survey.*

**Table 3.6 Average Weekly Earnings as at May 1999 ($) (Ordinary Time + Overtime)**

| Location | Male | Female | Total |
|---|---|---|---|
| Canterbury | 732.72 | 552.81 | 650.39 |
| Auckland | 814.35 | 625.45 | 724.42 |
| Wellington | 834.97 | 645.69 | 744.06 |
| Rest of New Zealand | 709.55 | 543.36 | 632.18 |
| New Zealand | 766.69 | 588.64 | 682.97 |

*Source: Statistics New Zealand, Quarterly Employment Survey.*

**Table 3.7 Average Hourly Earnings as at May 1999 ($) (Ordinary Time + Overtime)**

| Location | Male | Female | Total |
|---|---|---|---|
| Canterbury | 18.23 | 15.28 | 16.96 |
| Auckland | 20.30 | 16.65 | 18.62 |
| Wellington | 21.25 | 17.48 | 19.50 |
| Rest of New Zealand | 17.58 | 15.01 | 16.45 |
| New Zealand | 19.12 | 16.00 | 17.72 |

*Source: Statistics New Zealand, Quarterly Employment Survey.*

[8] For more information about the Quarterly Employment Survey see Statistics New Zealand Web site at www.stats.govt.nz

## Household Expenditure[9]

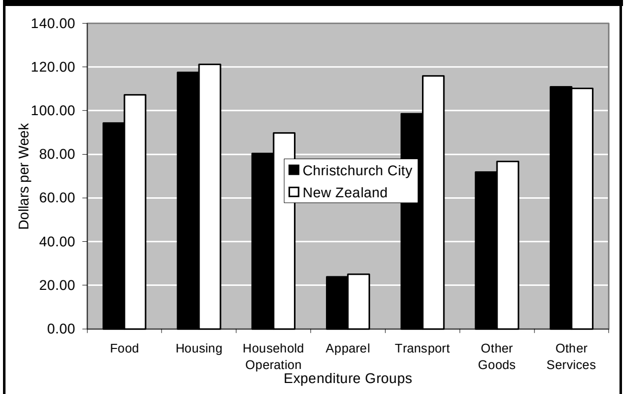
During the year ended March 1998 households in Christchurch City on average spent an estimated $597.63 per week. This was 7.5 per cent less than the national average of $646.24 per week. Average household expenditure in the City increased by nearly $36.00 between 1997 and 1998.

*Housing* was the greatest expense for householders in Christchurch in 1998. On average they spent an estimated $117.50 per week on housing compared with the national average of $121.21 per week. Expenditure on *other services,* including those associated with health, education, personal and leisure services, was the second biggest household cost, followed by *transport* (Figure 3.7).

With the exception of *other services*, Christchurch residents spent less on all expenditure groups than New Zealand as a whole. Expenditure on *transport* was considerably less than the national figure.

Figure 3.8 summarises average total weekly household expenditure by territorial local authority for the year ended March 1998. It shows that, overall, households in North Island cities and districts tended to spend more per week than those in most South Island areas.

**Fig 3.7 Weekly Household Expenditure, 1998**




*Source: Statistics New Zealand, Household Economic Survey.*

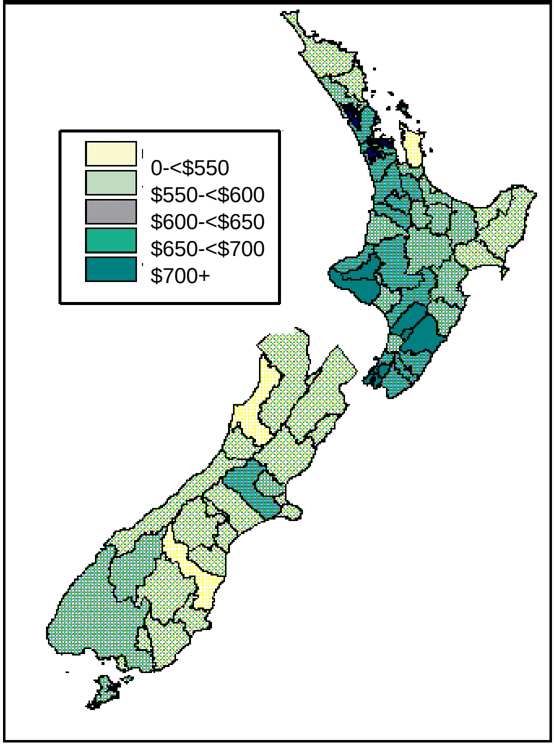
## Retail Sales[9]

Retail spending in the Christchurch urban area[10] grew strongly in 1999 after stalling during 1997 and 1998. Sales were likely to have been boosted by spending associated with four Neil Diamond concerts and numerous sporting events held in the City that year.

In real terms, retail spending in the Christchurch urban area increased by 6 per cent during the year to June 1999, indicating high consumer confidence. In that year retail sales in the City were valued at $4,020.90 million (March 1995 dollars). This accounted for over three quarters of total retail spending in Canterbury at that time (Table 3.8).

Canterbury's retail sales activity also increased significantly during the year to June 1999. Total sales reached $5,247.10 million, up nearly 6 per cent from 1998. This outpaced national retail sales growth, suggesting that the local economy was making a steady recovery and household consumption was continuing to rise.

**Fig 3.8 Average Total Weekly Household Expenditure ($) (Year Ended March 1998)**




*Source: Statistics New Zealand, Household Economic Survey.*

**Table 3.8 Total Retail Sales***

| Year Ended June | Christchurch Urban Area Total Sales ($M) | Annual % Change | Canterbury Total Sales ($M) | Annual % Change |
|---|---|---|---|---|
| 1991 | | | $3,774.50 | |
| 1992 | | | $3,962.50 | 5.0 |
| 1993 | | | $4,192.60 | 5.8 |
| 1994 | | | $4,600.40 | 9.7 |
| 1995 | | | $4,837.90 | 5.2 |
| 1996 | $3,683.20 | | $4,932.40 | 2.0 |
| 1997 | $3,709.90 | 0.72 | $4,907.80 | -0.5 |
| 1998 | $3,786.80 | 2.07 | $4,958.70 | 1.0 |
| 1999 | $4,020.90 | 6.18 | $5,247.10 | 5.8 |

**March 1995 dollars.*
*Source: Statistics New Zealand, Retail Trade Survey.*

[9] For more information about the Household Economic Survey and the Retail Trade Survey see Statistics New Zealand's web site at www.stats.govt.nz.
[10] The Christchurch Urban Area is a non administrative area defined by Statistics New Zealand and is larger than Christchurch TLA.

# Residential and Commercial Property

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| Total capital value of properties in Christchurch City. | This measures the value of Christchurch's land and buildings. | ↑ Between the 1995 and 1998 valuations the total capital value of residential properties in Christchurch City increased by around 10 per cent from $17.5 billion to $19.2 billion. |
| Value of building consents issued. | The construction sector reacts rapidly to economic change. A rise or fall in the value of building consents issued can be used as an indicator of change in the local and national economy. | ↓ During the year to June 1999 the Christchurch City Council processed a total of 9,270 building consents with a total declared value of $487,564,475. This compared with a total of 8,054 consents during the previous year which had a value of $504,042,026. |
| Number of residential house sales. | Real estate market activity reflects both consumer confidence and wider economic conditions. It is affected by factors such as national interest rates, levels of savings and investment, and population growth. | ↑ House sales were up 28 per cent in the six months to June 1999 after two years of decline. |
| Amount of new business floor space. | This is an indicator of economic vitality and confidence in the economy as investment in commercial property is more likely to occur when economic conditions are favourable. | ● New business floor space in the City peaked at 226,481m$^2$ in 1998. |

**Other Related Sections:** Population Growth, Land Use, The Built Environment, Amenity, Economic Activity and Business Confidence, Central City.

## Capital Value of Properties

The latest property valuation for Christchurch City was carried out in 1998 by Quotable Value New Zealand Ltd (formally Valuation New Zealand)[11]. At this time the City comprised a total of 131,535 properties, up 5 per cent from the previous revaluation in 1995. The total capital value of properties was $24,647,374,800. This is an increase of 10 per cent since 1995 (Table 3.9).

The total land value of Christchurch properties was $12,753,478,080 in 1998, a rise of 21 per cent since the previous valuation.

The majority (116,703 or 89 per cent) of properties in the City were residential. Between the 1995 and 1998 valuations the total capital value of residential properties increased by around 10 per cent from $17,509,793,350 to $19,211,004,500. The capital value of commercial properties increased by just over 6 per cent between valuations. Industrial property values grew by 13 per cent while, at 15 per cent, rural properties had the largest increase (Table 3.9 and Figure 3.9).

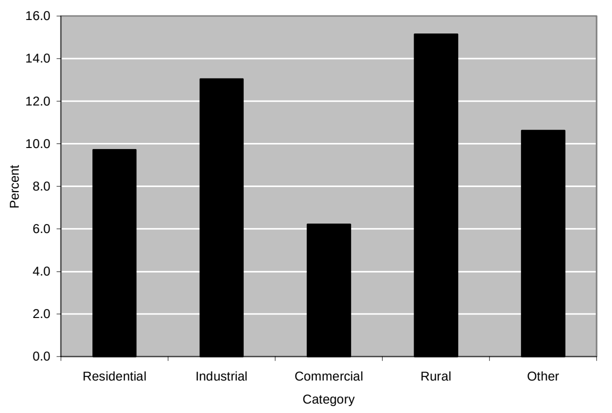
**Table 3.9 Gross Capital Value of Properties In Christchurch City**

| Category | Number of Properties 1998 | 1995 Capital Value | 1998 Capital Value | Numeric Change 1995-1998 | % Change 1995-1998 |
|---|---|---|---|---|---|
| Residential | 116,703 | $17,509,793,350 | $19,211,004,500 | $1,701,211,150 | 9.7 |
| Industrial | 4,640 | $1,720,749,900 | $1,945,025,305 | $224,275,405 | 13.0 |
| Commercial | 3,640 | $2,855,096,500 | $3,032,478,993 | $177,382,493 | 6.2 |
| Rural | 1,968 | $681,430,600 | $784,603,600 | $103,173,000 | 15.1 |
| Other | 4,584 | $1,880,304,450 | $2,079,891,925 | $199,587,475 | 10.6 |
| **Total** | **131,535** | **$24,647,374,800** | **$27,053,004,323** | **$2,405,629,523** | **9.8** |

*Source: Quotable Value New Zealand, Valuation Data.*

[11] The capital value of a property is the basis on which the Council's rates are levied. If a property's valuation has increased by less than the average for its property type (eg 10% in the case of residential at the 1998 revaluation) then its rate would not be affected by the revaluation. If the valuation change for a property is more than the city wide average its rates will increase.

**Fig 3.9 Gross Capital Value Per Cent Change between the 1995 and 1998 Valuations**




*Source: Quotable Value New Zealand, Valuation Data*

## Value of Construction[12]

During the year to June 1999 the Christchurch City Council processed a total of 9,270 building consents with a total declared value of $487,564,474. This exceeded the previous year's total of 8,054 consents which had a value of $504,042,025. The decline in value is due to the reduction in very large projects requiring consent during 1999.

In 1999 the total declared value of residential building consents issued for new dwellings in Christchurch was $215,363,755. This was down from $218,301,656 during the June 1998 year.

The value of commercial and industrial consents also declined in 1999. This coincided with a drop in new business floor space earmarked for construction in business zones during that year (Table 3.10).

**Table 3.10 Value of Building Consent for Christchurch City ($)**

| | 1997/98 | 1998/99 |
|---|---|---|
| New Dwellings | 218,301,656 | 215,363,755 |
| Commercial | 103,305,071 | 81,430,896 |
| Industrial | 35,467,453 | 41,317,543 |
| All Other | 146,967,845 | 149,452,280 |
| **Total** | **504,042,025** | **487,564,474** |

*Source: Christchurch City Council.*

## Residential Property Sale

### Residential Houses

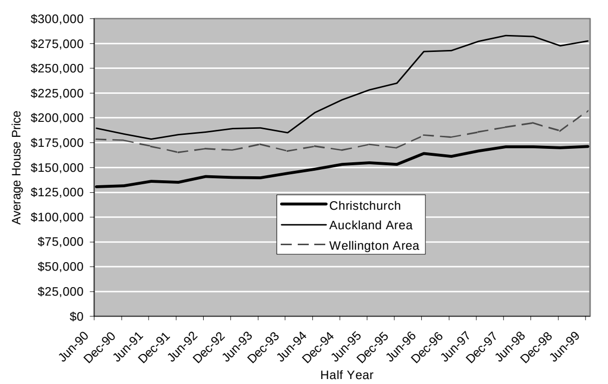
The average real price[13] of residential houses in Christchurch increased from $130,566 in June 1990 to $171,144 in June 1999 (June 1999 dollars). This represented a 31 per cent increase in the average price of houses in Christchurch during this period.

During the same period average house prices in the Auckland area increased by 46 per cent, from $189,635 to $277,642, while in Wellington prices rose by only 16 per cent from $178,451 to $207,569 (Figure 3.10) .

Between 1990 and 1999, 72,941 residential houses changed hands in Christchurch compared with 160,249 and 53,316 in the Auckland and Wellington areas respectively.

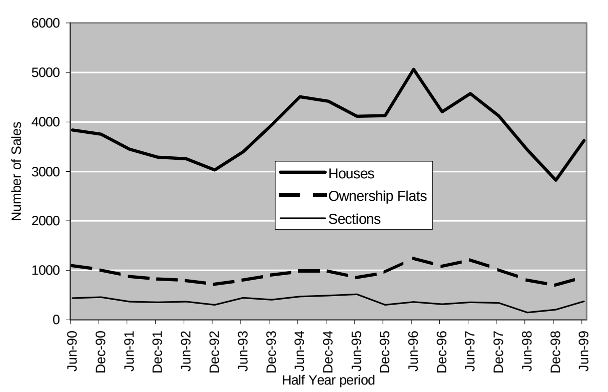
House sales volume in Christchurch peaked during 1996, reflecting the combined effect of an expanding population and a rapidly growing economy. The property market then slumped during 1997 and 1998. June 1999 figures show that the market recovered somewhat. Sales rose by 28.4 per cent over the six months to December 1998, with low mortgage interest rates encouraging buyers (Figure 3.11). However, this rise may be short-lived as recent and imminent interest rate rises are likely to dampen buyer enthusiasm.

**Table 3.10 Average Residential House Sale Price (Inflation Adjusted)**




*Source: Quotable Value New Zealand, Urban Property Sales Statistics. Inflation adjusted by CCC.*

**Fig 3.11 Number of Sales in Christchurch by Type**




*Source: Quotable Value New Zealand, Urban Property Sales Statistics.*

[12] Also see the Built Environment section in Part 2 of this report

[13] ie inflation adjusted. This enables comparison over time.

**Ownership Flats**

The average real price of an ownership flat in Christchurch increased from $105,519 in June 1990 to $134,630 in June 1999 (June 1999 dollars), a 28 per cent increase.

Average sale prices in Auckland increased by 37 per cent during the 1990s from $160,365 to $220,445. Wellington experienced considerably lower growth than Auckland and Christchurch with only a 17 per cent increase in the price of flats from $131,374 to $153,783 (Figure 3.12).

The volume of ownership flat sales in Christchurch last decade peaked in June 1996 then generally decreased through to December 1998. As with the residential housing market, sales picked up in June 1999 with a 27 per cent increase over the previous six-month period (Figure 3.11).

**Residential Sections**

Average section prices in Christchurch grew markedly in the 1990s. During the period June 1990 to June 1999, the average section price increased from $58,214 to $100,646 (June 1999 dollars) or 73 per cent in real terms (Figure 3.13). The growth in the average sale price in Christchurch was significantly higher than that recorded in both Auckland (45 per cent from $85,445 to $124,165) and Wellington (5 per cent from $64,188 to $67,187) at the same time. This

**Table 3.11a New Floor Space in Business Zones 1992-1994 (Year to June) (m²)**

| Zone | 1992 | 1993 | 1994 |
|---|---|---|---|
| Central Commercial + B1 | 5,343 | 4,685 | 13,305 |
| Central Industrial + B2 & B3 | 7,636 | 11,729 | 38,941 |
| Suburban Commercial | 12,628 | 8,696 | 41,729 |
| Suburban Industrial | 46,243 | 46,113 | 84,172 |
| **Total** | **71,850** | **71,223** | **178,147** |

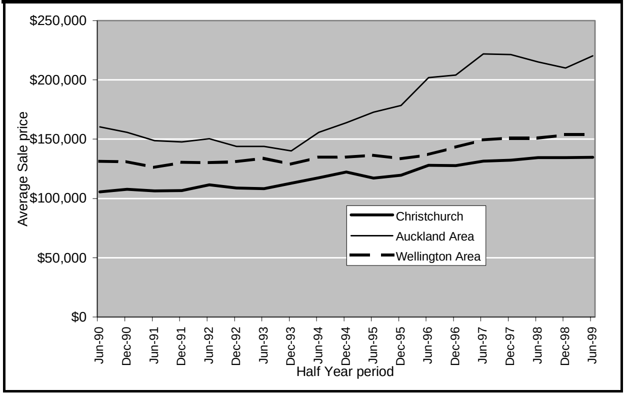
*Source: Christchurch City Council, Building Consent Database.*

**Table 3.11b New Floor Space in Business Zones 1995-1999 (Year to June) (m²)**

| Zone | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|
| Central | 6,299 | 30,015 | 14,247 | 75,891 | 9,343 |
| Central | 44,898 | 34,398 | 13,239 | 16,035 | 19,312 |
| Suburban | 7,800 | 30,349 | 1,842 | 18,828 | 9,738 |
| Suburban | 115,007 | 129,362 | 129,335 | 115,727 | 113,747 |
| **Total** | **174,004** | **224,124** | **158,663** | **226,481** | **152,140** |

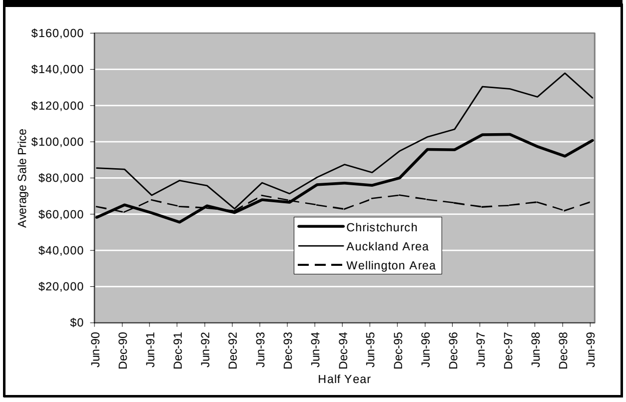
*Source: Christchurch City Council, Building Consent Database.*

**Table 3.12 Average Residential Ownership Flat Sale Price (Inflation Adjusted)**




**Source: Quotable Value New Zealand, Urban Property Sales Statistics. Inflation adjusted by CCC.*

**Table 3.13 Average Residential Section Sale Price (Inflation Adjusted)**




*Source: Quotable Value New Zealand, Urban Property Sales Statistics. Inflation adjusted by CCC.*

may reflect a variety of issues including the availability of land for building.

Overall, 7,022 sections were sold in Christchurch between June 1990 to June 1999 (Figure 3.11). Average section prices in the City peaked at $103,997 in December 1997 and fluctuated slightly during 1998 and 1999 (Figure 3.13). This may indicate that average prices have now stabilised at around $100,000.

## New Business Floor Space

New business floor space in Christchurch generally occurs within central commercial and central industrial zones and suburban commercial and suburban industrial zones. Some commercial floor space is also built in other zones.

During the latter half of the 1990s there was considerable commercial building activity in Christchurch City. This included additions to existing premises and new construction. The amount of new business floor space peaked at 226,481m² in 1998. Building activity in the Central City commercial zone, particularly the construction of the new multi-storey Farmers building, was the main contributor to the comparatively high 1998 figure.

The majority (62 per cent) of new business floor space during the 1990s was built in suburban industrial zones, with warehouse type construction accounting for much of the total (Tables 3.11a and 3.11b).

City-wide, high profile developments during the 1990s included the Westpac Trust Centre, the Convention Centre and the Canterbury University expansion, plus a number of new shopping malls and mall refurbishments.

# Central City

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| Number of businesses. | This can be used to measure the vitality of the Central City as well as confidence in the local economy. | ↓ The number of businesses in the Central City decreased by just under 1 per cent between 1997 and 1999. |
| Total work-force. | This provides insight into the number of people who regularly work in the Central City. This group has a major impact on the Central City economy as well as resource use. | ↑ The total work-force in the Central City increased by 1.2 per cent between 1997 and 1999 from 30,780 to 31,170 . |
| Amount of retail street frontage. | Retailing is one of the Central City's major attractions. Information relating to the amount of retail shop frontage can provide insight into the level of street life or activity. | ● In January 2000 retailing accounted for 45 per cent of the 17.2 kilometres of shop frontages in the Central City. |
| Office rental vacancy level. | This can be a measure of economic growth or decline. | ↓ The rate of office rental vacancy decreased from a peak of 30.6 per cent in 1993 to 19.2 per cent in 1999. |
| Total business floor space. | This measures the total amount of floor space available for business activity in the Central City. | ● In the year to June 1999 the Central City commercial zone comprised approximately 1,643,000$m^2$ of commercial floor space. |

**Other Related Sections:** The Built Environment, Urban Amenity, Transportation, Economic Activity and Business Confidence, Businesses, Employment and Unemployment.

## Businesses and Employment[14]

Christchurch's Central City has one of the largest commercial areas in New Zealand. Containing a mixture of office, retail, service, entertainment and tourist activities, it has the highest concentration of businesses and employment in the City. As such it plays an important role within the local and national economy.

In 1999, 3,983 businesses operated in the Central City zone (see Appendix 2: Figure 1 for boundaries). They accounted for 17 per cent of total businesses City-wide at that time. *Property and business services* (1,722) was the largest industry group in the Central City followed by *retail trade* (540) and *finance and insurance* (374).

Overall, the number of businesses in the Central City decreased by 24 or 0.5 per cent between 1997 and 1999 (Table 3.12). City-wide, the total number of businesses increased by 3.6 per cent.

Workers are major supporters of the Central City, particularly in relation to daytime trade and after-work activity. In 1999 the Central City had a workforce of 31,170 people. This was 1.2 per cent higher than in 1997 and represented 20 per cent of the City's total work-force at the time.

Sixty eight per cent (21,140) of Central City workers worked full time in 1999, although this percentage had declined since 1997. The reduction in full-time employment was offset by an increase in part-time employment, reflecting City-wide trends.

In 1999 the greatest number of workers was employed in the *property and business service* group (7,600). This was followed by r*etail trade* (3,950) and *accommodation, cafes and restaurants* (3,100) (Table 3.13).

## Retailing in the Central City

While continuing suburban development has had an impact on retailing in the Central City, the latter is still the prime retail area in Christchurch. In 1999, 16 per cent of retail businesses (540 business units) were located in the Central City zone. At the same time 3,950 Central City workers were employed in the *retail trade*, a high proportion (40 per cent) of them working part-time (Tables 3.12 and 3.13).

Christchurch City Council's Survey of Central City Ground Floor Land Use showed that at January 2000, *retailing* accounted for 45 per cent or 7.7 kilometres of the 17.2 kilometres of shop frontages[15]. *Service* and *food/entertainment* each accounted for a further 22 per cent (3.8 kilometres). The remaining shop frontages comprised vacant premises which totalled 1.9 kilometres (11 per cent of the total) (Figure 3.14).

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[14] Long–term trend data has not been provided because of changes in the Business Frame coverage.

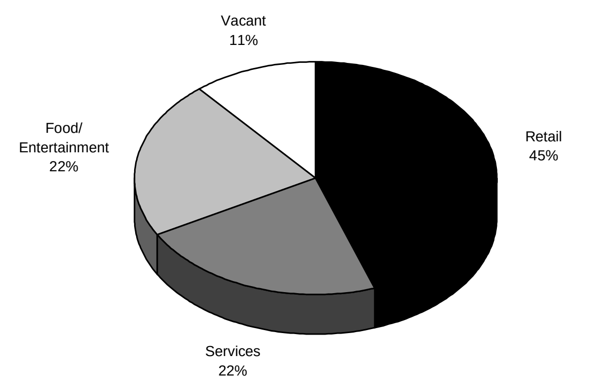
[15] For the purpose of this, survey shop frontage includes only Retail, Service, Entertainment/ Food and Vacant premises.

**Table 3.12 Total Number of Businesses in the Central City Zone**

| Type of Business* | 1997 | 1998 | 1999 |
|---|---|---|---|
| Agriculture, Forestry and Fishing | 16 | 16 | 14 |
| Mining | 4 | 5 | 6 |
| Manufacturing | 138 | 130 | 130 |
| Electricity, Gas and Water Supply | 5 | 6 | 8 |
| Construction | 36 | 35 | 32 |
| Wholesale Trade | 207 | 201 | 195 |
| Retail Trade | 586 | 576 | 540 |
| Accommodation, Cafes and Res- | 198 | 205 | 217 |
| Transport and Storage | 94 | 98 | 87 |
| Communication Services | 34 | 36 | 31 |
| Finance and Insurance | 418 | 407 | 374 |
| Property and Business | 1,637 | 1,713 | 1,722 |
| Government Administration and | 72 | 80 | 75 |
| Education | 50 | 60 | 67 |
| Health and Community | 186 | 190 | 196 |
| Cultural and Recreation | 92 | 87 | 82 |
| Personal and Other Services | 234 | 215 | 207 |
| Total all Industries | 4,007 | 4,060 | 3,983 |

**Australia New Zealand Standard Industrial Classification (ANSIC).*
*Note 1997 coverage for 1997, 1998 and 1999 years. See also note for Table 3.1.*
*Source: Statistics New Zealand, Annual Business Frame Update.*

**Fig 3.14 Shop Frontage in the Central City Zone by Land Use**




*Source: Christchurch City Council, Survey of Central City Ground Floor Land Use, 2000.*

The survey highlighted the different customer focus of key areas within the Central City. 'The Strip' on Oxford Terrace is notable for high numbers of restaurants, whereas Cashel Mall and Colombo Street south of the Square are predominantly retail. This reflects Christchurch City Council planning policies and initiatives to promote various parts of the Central City to different user groups. It may also reveal a tendency for similar businesses to cluster together in specific areas.

## Vacant Office Rental Floor Space

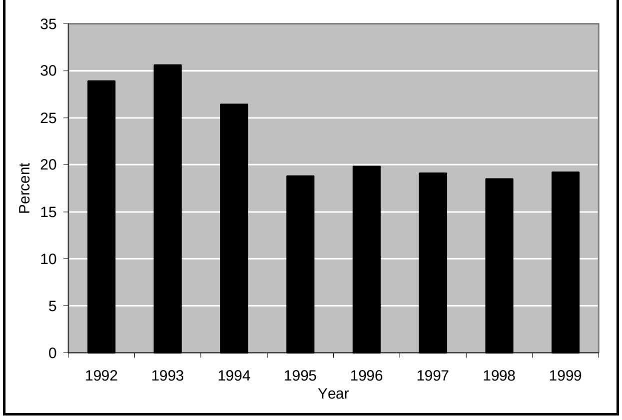
The level of office rental vacancies in Christchurch's central business district decreased considerably during the 1990s. Fright Aubrey's 1999 Inner City Office Rental Market Survey found that the overall office rental vacancy rate stood at 19.2 per cent or 77,778m$^2$. This was a substantial reduction from the peak of 30.6 per cent (136,500m$^2$) recorded in 1993. The 1999 survey results were similar to those recorded since 1995, indicating that the fall in vacancy rates had levelled off (Table 3.14 and Figure 3.15).

The reduction in vacant office floor space last decade was aided by conversion projects which saw office blocks transformed into hotels and, to a lesser extent, apartments. This also resulted in a drop in total office rental accommodation from a peak of 440,000m$^2$ in 1993 to 405,828m$^2$ in 1999 (Table 3.14).

Latest survey results in 1999 showed that office vacancies in 'A grade' or superior buildings continued to drop and accounted for 12.8 per cent of floor space in this category. This was an improvement on the 1998 figure of 14.1 per cent and well below the 1993 high of 45.6 per cent (Figure 3.16).

In 1999 the 'north-west' fringe of the CBD again recorded the lowest vacancy rate by a considerable margin (9.3 per cent of total vacancy within that area). This reflected the appeal of lower density development, ample car parking, ease of access and pleasant park and river views (Figure 3.17 and 3.18).

**Fig 3.15 Level of Office Rental Vacancy in the CBD**




*Source: Fright Aubrey, Inner City Office Rental Market Suvey.*

**Table 3.13 Total Employed the Central City Zone**

| Type of Business* | 1997 Full-time | 1997 Part-time | 1997 Total Work-force | 1998 Full-time | 1998 Part-time | 1998 Total Work-force | 1999 Full-time | 1999 Part-time | 1999 Total Work-force |
|---|---|---|---|---|---|---|---|---|---|
| Agriculture, Forestry and Fishing | 9 | 9 | 18 | 18 | 12 | 30 | 6 | 12 | 18 |
| Mining | 12 | - | 12 | 25 | 0 | 25 | 30 | 0 | 30 |
| Manufacturing | 1,270 | 425 | 1,695 | 1,190 | 450 | 1,650 | 1,220 | 325 | 1,540 |
| Electricity, Gas and Water Supply | 373 | 35 | 408 | 263 | 50 | 310 | 233 | 30 | 270 |
| Construction | 230 | 15 | 245 | 365 | 12 | 380 | 185 | 12 | 200 |
| Wholesale Trade | 1,100 | 215 | 1,315 | 1,090 | 130 | 1,230 | 870 | 145 | 1,000 |
| Retail Trade | 2,610 | 1,700 | 4,310 | 2,480 | 1,680 | 4,160 | 2,350 | 1,590 | 3,950 |
| Accommodation, Cafes and Restaurants | 1,290 | 1,635 | 2,925 | 1,260 | 1,690 | 2,940 | 1,200 | 1,905 | 3,100 |
| Transport and Storage | 915 | 188 | 1,103 | 920 | 265 | 1,200 | 685 | 125 | 820 |
| Communication Services | 1,559 | 256 | 1,815 | 1,379 | 336 | 1,710 | 1,338 | 236 | 1,570 |
| Finance and Insurance | 1,970 | 395 | 2,365 | 2,030 | 460 | 2,490 | 2,030 | 440 | 2,470 |
| Property and Business Services | 4,630 | 2,070 | 6,700 | 4,990 | 1,960 | 6,950 | 5,180 | 2,420 | 7,600 |
| Government Administration and De- | 1,880 | 340 | 2,220 | 2,110 | 490 | 2,600 | 2,350 | 250 | 2,600 |
| Education | 285 | 166 | 451 | 325 | 216 | 540 | 345 | 196 | 550 |
| Health and Community Services | 1,170 | 915 | 2,085 | 890 | 805 | 1,690 | 930 | 775 | 1,700 |
| Cultural and Recreation Services | 980 | 538 | 1,518 | 1,060 | 622 | 1,680 | 1,095 | 1,172 | 2,260 |
| Personal and Other Services | 1,190 | 375 | 1,565 | 1,030 | 370 | 1,400 | 1,080 | 410 | 1,500 |
| **Total all Industries** | **21,500** | **9,280** | **30,780** | **21,420** | **9,570** | **30,990** | **21,140** | **10,030** | **31,170** |

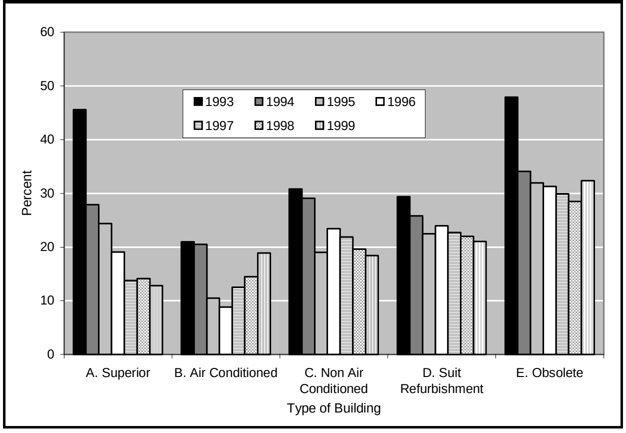
**Australia New Zealand Standard Industrial Classification (ANSIC).*
*Note 1997 Business Frame coverage for 1997, 1998 and 1999 years. Also see note for Table 3.2.*

**Table 3.14 Office Rental Floor Space and Office Floorspace Vacancy in the CBD**

| Year | Vacant Floorspace | % Vacant | Total Floorspace |
|---|---|---|---|
| 1992 | 127,160 | 28.9 | 440,000 |
| 1993 | 136,500 | 30.6 | 446,000 |
| 1994 | 115,500 | 26.4 | 437,673 |
| 1995 | 76,000 | 18.8 | 404,083 |
| 1996 | 78,916 | 19.7 | 400,591 |
| 1997 | 76,344 | 19.1 | 399,290 |
| 1998 | 74,414 | 18.5 | 401,561 |
| 1999 | 77,778 | 19.2 | 405,828 |

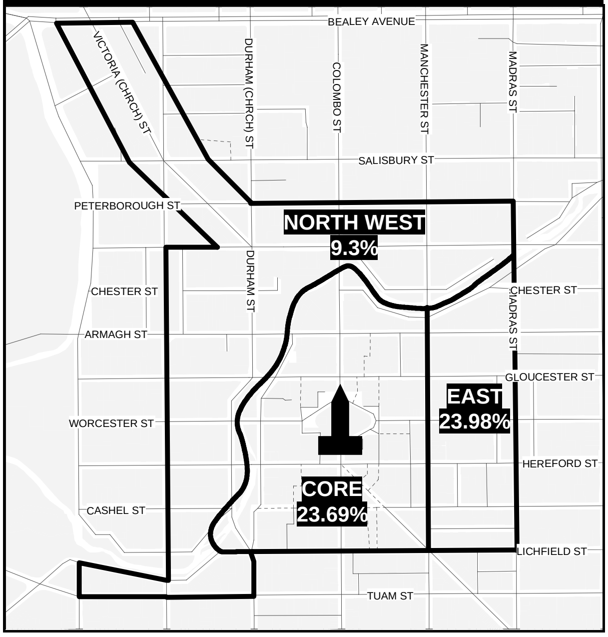
*Source: Fright Aubrey, Inner City Office Rental Market Survey.*

**Fig 3.16 Office Rental Vacancy by Type of Accommodation**



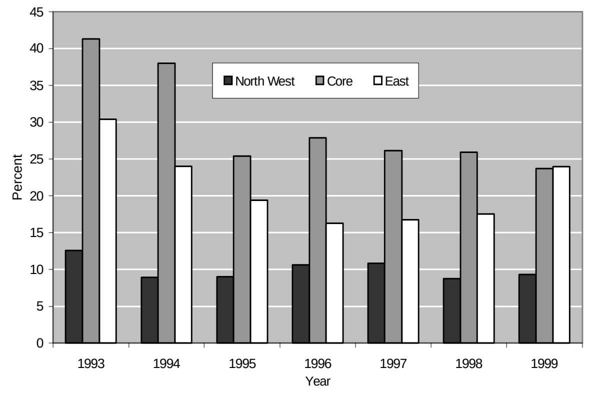

*Source: Fright Aubrey, Inner City Office Rental Market Survey*

**Fig 3.17 Office Rental Vacancy by Location, 1999**




*Source Fright Aubrey, Prepared by Christchurch City Council.*

**Fig 3.18 Office Rental Vacancy by Location**




*Source: Fright Aubrey, Inner City Office Rental Market Survey.*

## Central City Commercial Floor Space[16]

In June 1999 the Central City zone comprised approximately 1,643,000m$^2$ of commercial floor space. This was the largest concentration of business floor space in Christchurch and was greater than the combined floor area of all the City's major suburban shopping centres.

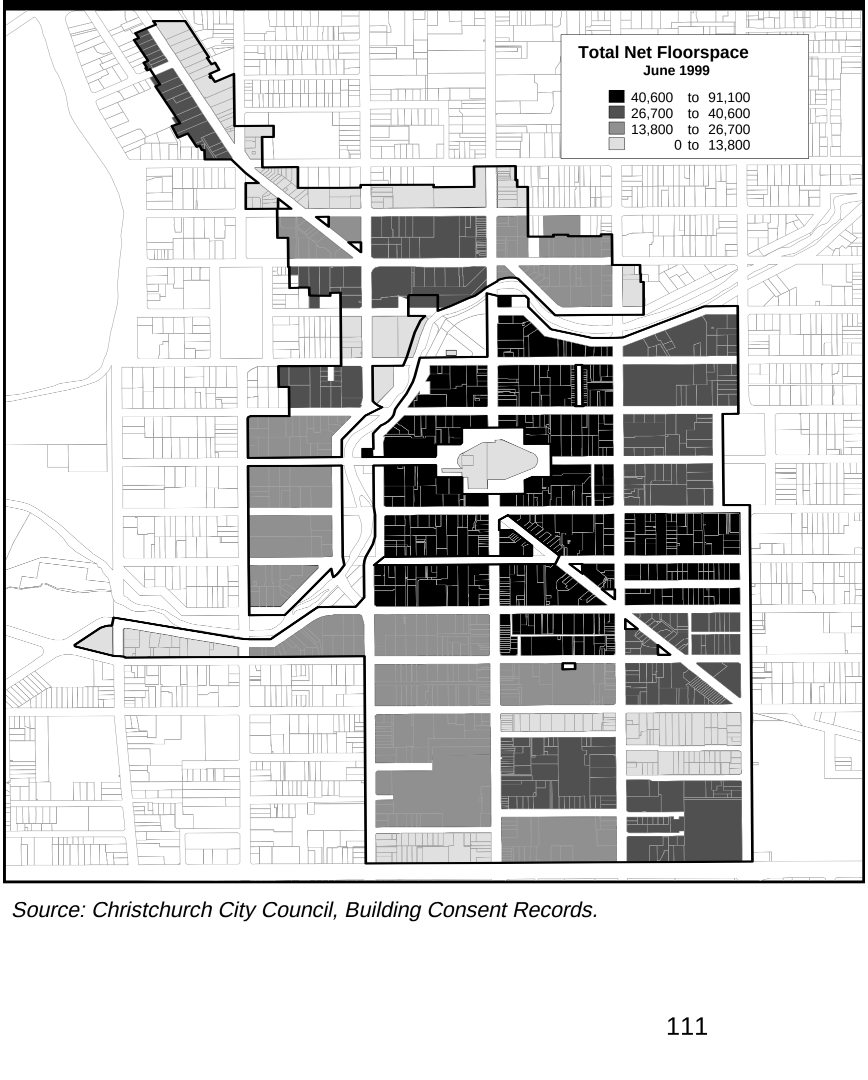
Business floor space was mainly concentrated in the area immediately surrounding Cathedral Square and in the blocks to the south. These comprise substantial retail areas at ground level and large amounts of multi-storey office accommodation (Figure 3.19).

A considerable amount of new business floor space was built in the Central City commercial zone during the 1990s. This included additions to existing premises and new developments. Activity peaked in 1998 with consents issued for nearly 76,000m$^2$. Much of the floorspace at that time was attributable to the multi-storey Farmers building located north of the Square.

During 1999 Christchurch City Council issued building consents for 9,343m$^2$ of new floor space within the Central City commercial zone. The majority of this was built south of the Square and mainly comprised additions to existing retail premises and new retail developments such as the former Arthur Barnetts Department Store now called The Crossing (Table 3.11b).

[16] Floorspace in the central and suburban commercial zones is collected from building consent information listing additions or demolitions of floorspace in the zones. The data is then summarised to provide annual figures.

**Fig 3.19 Central City Zone Business Floor Space**




*Source: Christchurch City Council, Building Consent Records.*

# Tourism

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| Number of international passenger movements through Christchurch International Airport per year. | The number of international passenger movements indicates the size of the international traveller market for Christchurch Airport. This has major flow-on effects for the City's economy. | ● During the year to June 1999, there were 971,000 international passenger movements at Christchurch international Airport. |
| Largest short-term international visitors group through Christchurch Airport. | Tourism is a main market for New Zealand. An awareness of how the market changes over time helps the tourism industry to effectively promote the City, both nationally and internationally. | ● Australians are Christchurch's largest visitor group arriving via the Airport. Although their market share has declined overall numbers have increased during the last ten years. |
| Most common reason for visiting New Zealand | Identifies visitor needs and intentions. | ● In 1999, 70 per cent of short-term international visitors travelled to New Zealand primarily for a holiday. |
| Number of accommodation establishments available in the City. | Identifies the size of the accommodation industry currently operating in the City. | ↑ The number of accommodation establishments in the City increased from 163 to 171 between 1997 and 1999. |
| Total guest nights. | Measures the amount of time visitors spend in the City. This can have major implications for the local economy. | ↑ Total guest nights numbered 2,195,297 in the year to June 1999. |
| Accommodation capacity. | Provides an indication of the demand for accommodation in the City. | ● The occupancy rate for all accommodation establishments in Christchurch averaged 50 per cent in 1999. |

**Other Related Sections:** Part 3: The City's Economy, Built Environment, Urban Amenity, Transportation.

### International Visitors

Christchurch has a well-established reputation as a domestic and international tourist destination. The City serves not only those who come to participate in its attractions and festivals but also those who use it as a gateway to Canterbury and the South Island. Christchurch International Airport is the main arrival/departure point for many of these short-term visitors. In the year to June 1999, there were approximately 971,000 international passenger movements through the airport (including New Zealanders travelling overseas).

Increasing numbers of travellers are also visiting on cruise ships berthing at the Port of Lyttelton. During the 1997/98 season a record 26 ships visited the port. According to a survey released by McDermott Fairgray on the economic contribution of the cruise industry, cruise-ship visits to Canterbury during 1997/98 were valued at $6 million, double the amount in the previous year.

### Visitor Origin and Purpose

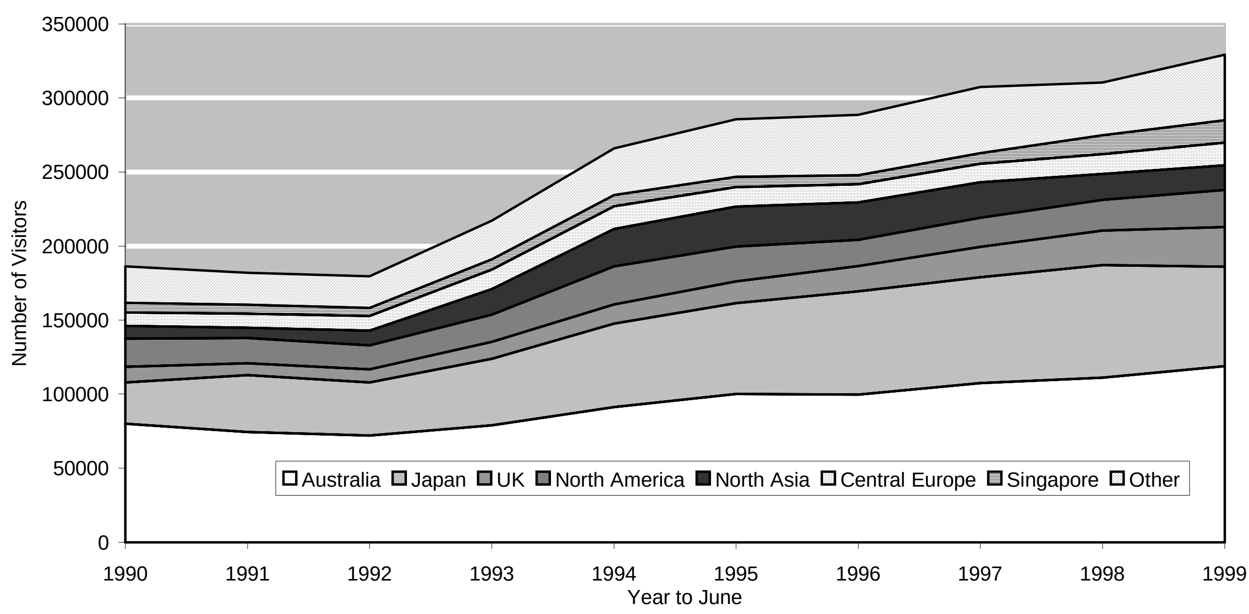
All international travellers are required to complete arrival/departure cards when entering or leaving the country. The card asks for basic information such as country of permanent residence and reason for visiting. A sample of results is then taken to analyse broad visitor trends. Airports are the main gateways for tourists to enter a sea-bound country like New Zealand so information from arrival/departure cards can be a good indicator of regional markets and visitor purpose.

Australians have been the largest visitor group travelling through Christchurch International Airport over the past ten years. In 1990 they contributed 79,989 people (43 per cent) of all international visitors. While their share of the market has declined (36 per cent in 1999), the total number of Australian travellers increased to 118,957 in 1999. The majority (57 per cent) travel to New Zealand for a holiday or vacation, with a further 26 per cent visiting friends and relatives.

Japan is another expanding market, experiencing rapid growth since 1990, with visitor numbers rising from 27,897 to 67,029 in 1999. This has seen its market share increase from 15 per cent to 20 per cent over the ten year period (Figure 3.20).

In 1999 a holiday or vacation was the main reason for 70 per cent of short-term international visitors coming to New Zealand. Other purposes for visiting included visiting friends and relatives (17 per cent), and private or official business (6 per cent) (Figure 3.21).

**Table 3.20 Number of Short Term International Visitors through Christchurch Airport by Region**




*Source: Statistics New Zealand, International Visitor Movements.*

**Growth markets**

Since 1997 there has been a decline in visitors from many Asian countries as a result of the downturn in the Asian economies. Singapore has been the exception. From 1997 to 1998 the number of Singaporean visitors doubled to over 13,000 and continued to rise in 1999. This level of growth may make Singapore a significant market in the future.

Despite depressed conditions in Asia, a low New Zealand dollar combined with relatively buoyant Western economies has meant tourist numbers from Australia, North America and the United Kingdom have remained steady.

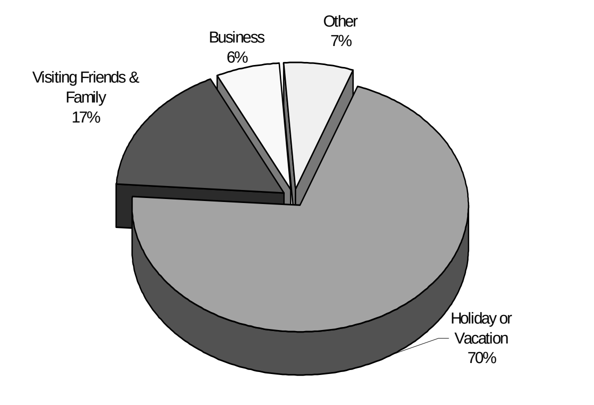
**Visitor Accommodation**

According to Statistics New Zealand's Accommodation Survey in June 1999, there was a range of accommodation types available in the City including 31 hotels, 93 motels, 16 backpackers, 24 hosted and 8 caravan parks. Numbers for all types of accommodation have remained fairly stable since June 1997, with motels experiencing the most growth over the period (Table 3.15).

Total guest nights in the City for both domestic and international visitors numbered 2,195,297 in the year to June 1999. This was 83,736 more nights than the previous year.

Accommodation capacity can often be a useful indicator of levels of supply and demand. For the year to June 99 occupancy rates for all establishments averaged 50 per cent. Hotels had the highest occupancy rates during the year with an average of 58 per cent, while caravan parks had the lowest with 25 per cent.

**Fig 3.21 Main Reason for Short-term Visits to New Zealand, 1999**




*Source: Statistics New Zealand, International Visitor Movements.*

**Table 3.15 Number of Accommodation Establishments**

| | 1997 | 1998 | 1999 |
|---|---|---|---|
| Hotels | 31 | 32 | 31 |
| Motels | 85 | 88 | 93 |
| Backpackers | 15 | 17 | 16 |
| Hosted | 23 | 22 | 24 |
| Caravan Parks | 9 | 8 | 8 |
| **Total** | **163** | **167** | **171** |

*Source: Statistics New Zealand, Accommodation Survey.*