

Growth Dashboard

March 2021

Overview of Horowhenua District

Horowhenua's economy is slowly recovering after the hit it took from the COVID-19 lockdown in June 2020 quarter. The district showed mixed results in the December quarter after a strong September quarter.

Infometrics provisionally estimates that GDP grew 1.2% in the December 2020 quarter compared with the same quarter in 2019. However, this growth wasn't enough to make up for earlier falls, with year-end GDP down 1.5% compared with -2.6% nationally.

The recovery in consumer spending growth in Horowhenua stalled in the last quarter of the year. According to the Marketview data, consumer spending declined in December quarter by 2.3% compared with the same quarter in 2019. For the year to December 2020 spending was also in negative territory with a 0.9% decline. However, this was a better outcome than the national decline of 3.2%.

Horowhenua's labour market has held up relatively well. Jobseeker Support recipients increased by 16% over the year to December 2020 compared with 36% nationwide, making Horowhenua's rise among the lowest in the country. Filled jobs in Horowhenua continued to grow through 2020 at a faster rate than in the national economy.

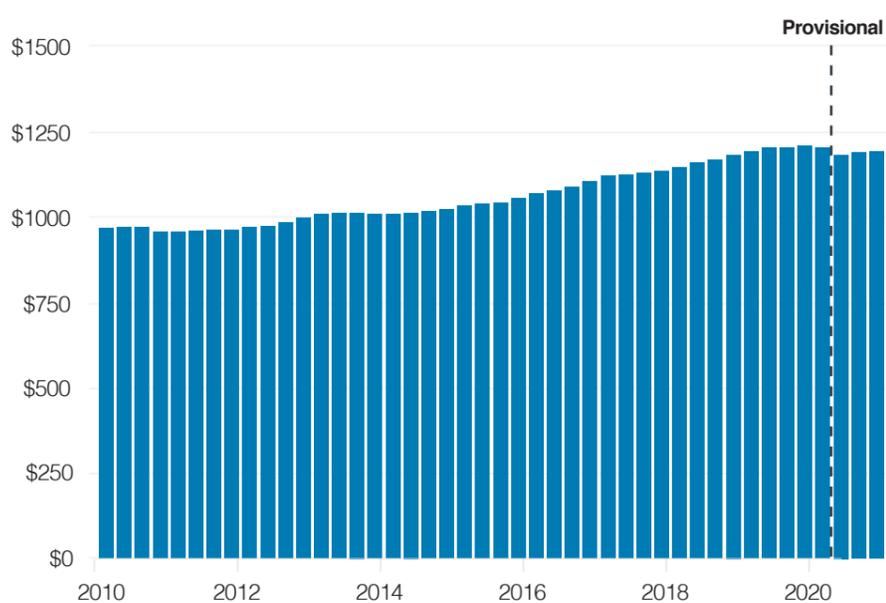
House values are rising steeply in Horowhenua with the average value reaching nearly \$492,000 in the December quarter, a rise of 19%. Nearly 800 houses were sold over the year to December 2020, up to 18% on the previous year.

Rapid growth in house values is encouraging new house growth. The number of residential consents in the December 2020 quarter reached 71, well above the 10-year quarterly average of 45. The value of non-residential consents is running at a level similar to the 10-year average.

Horowhenua's agriculture and food processing sectors are a key source of strength in the district. Higher milk prices are expected to lead to a pay-out to dairy farmers of nearly \$132m this season, up nearly \$2m compared to last season.

Gross Domestic Product

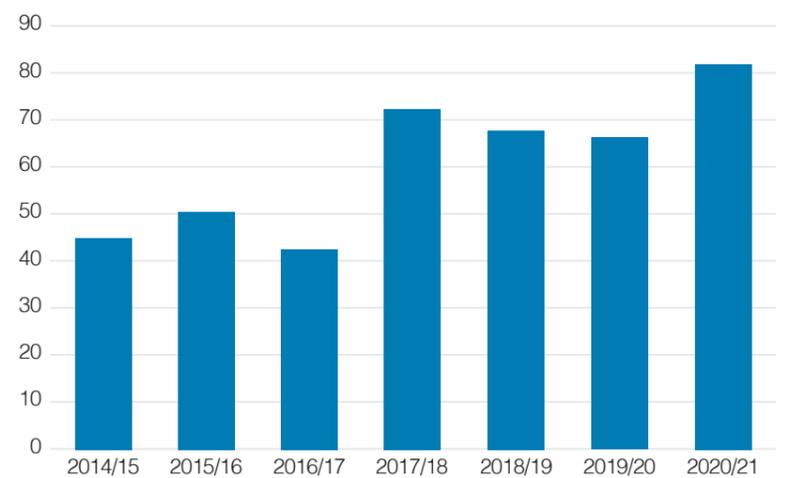
Annual level, Horowhenua District, \$m



GDP in Horowhenua District was provisionally down 1.5% for the year to December 2020 compared to a year earlier. Growth was higher than in New Zealand (-2.6%)

Number of Building Consents

Lodged during the month of February, Horowhenua District

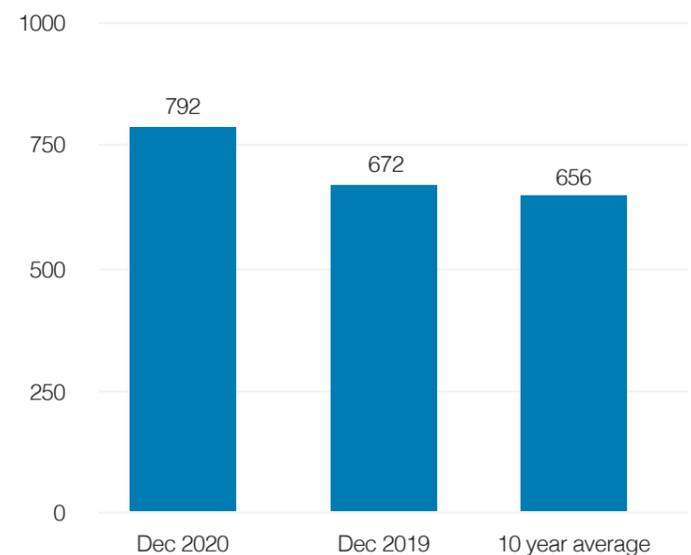


There were 81 building consents lodged in February, this is the highest number lodged in the month of February going back as far as our stats (2014/15). The previous February record was 73 consents lodged in 2017/18.

This is the highest for any single month going back to 2018.

House Sales

Annual Number, Horowhenua District

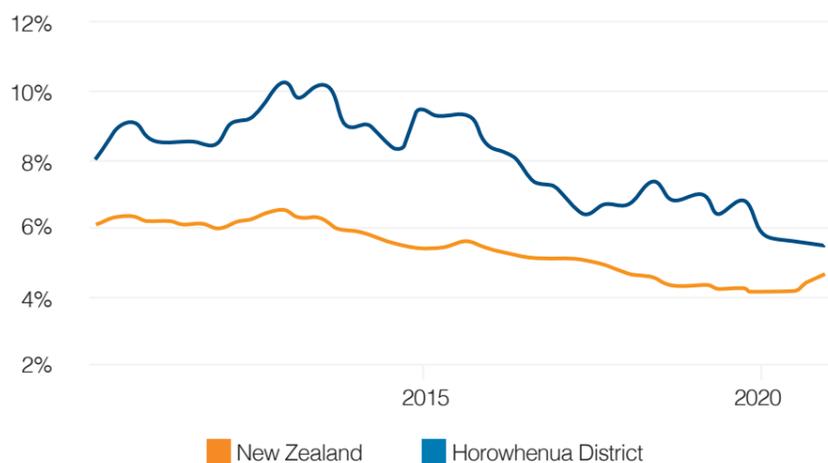


This massive growth has largely been driven by growth in the last few months, with a huge number of sales in the December quarter. Record low interest rates have helped lower the mortgage cost of housing. House price growth has encouraged buyers into the market on their fear of missing out, which has only added more demand and driven prices up.



Unemployment rate

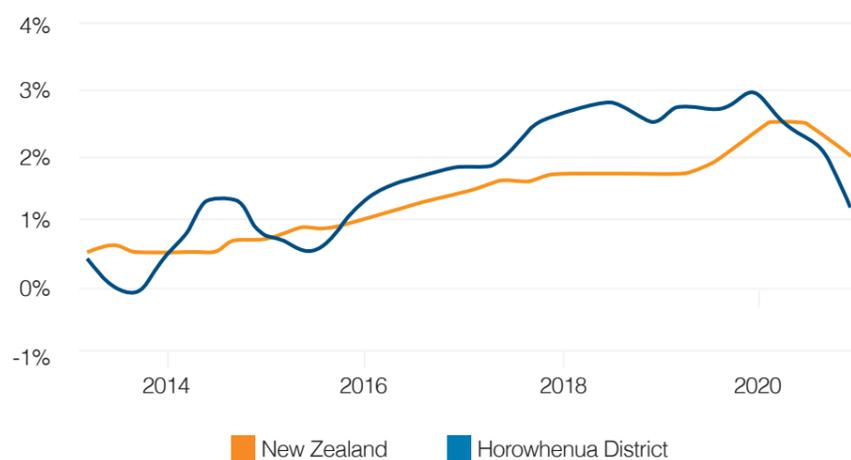
Annual Average rate



The annual average unemployment rate in Horowhenua District was 5.5% in December 2020, down from 6.4% 12 months earlier. Strengthening job ads, and solid activity in growing industries, sets the scene for a more optimistic pathway for the labour market moving ahead. Softer tourism activity saw lower employment in related industries, including accommodation and food services, however large increases in construction, health and the public sector roles outweighed these losses.

Health enrolments

Annual Average % change

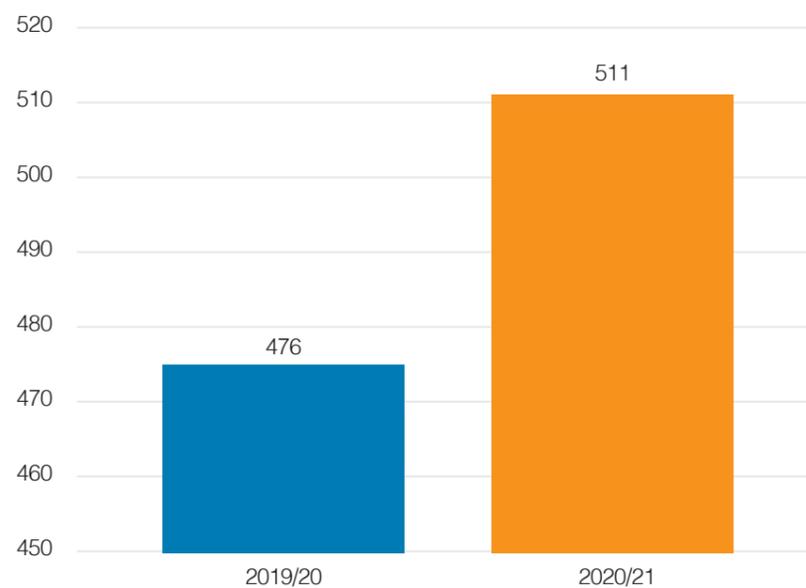


The number of people enrolled with a primary health organisation in Horowhenua District in the year to December 2020 increased by 414 people (1.2%) compared with the previous year.

This usually relates to people moving to the district.

Building Consents Lodged YTD

February 2021, Horowhenua District

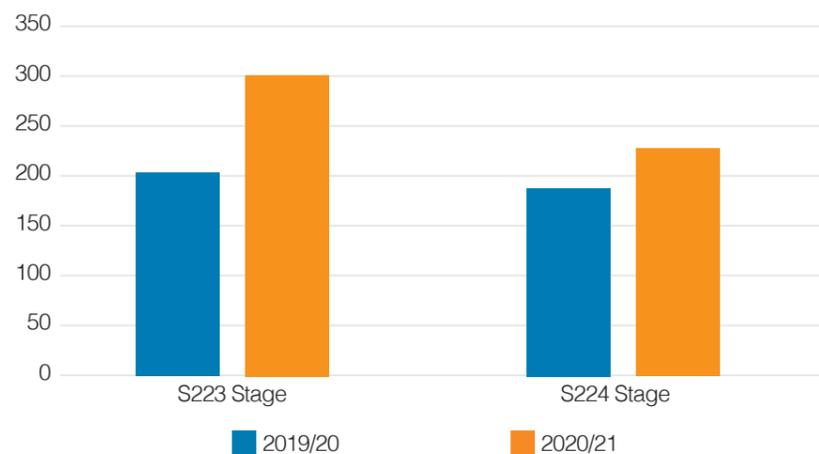


While the number of building consents issued is still down compared to the same period last year with 437 building consents issued YTD compared to 467 in the same period last year. The number of consents issued in 2020/21 is likely to exceed 2019/20 by the end of the financial year due to the record number of consents lodged in December, January and February 2020/21.

A total of 511 building consents have been lodged YTD – this is up 7% from the same period last year, which saw 476 consents lodged.

New Lots Created at s223 & s224 stage

As at February 2021, Horowhenua District



The number of new lots created at 223 and 224 stage YTD is higher than the number of lots created during the previous financial year. Between 1 July 2020 and 28 February 2021, s223 certificates were issued approving 309 lots, compared to 203 new lots for the full 2019/2020 financial year.

Chart	Data Source	Timeframe
Annual change in house sales	infometrics - http://www.infometrics.co.nz/	Dec 19 - Dec 20
House Sales	infometrics - http://www.infometrics.co.nz/	Dec 19 - Dec 20
Consumer Spending	infometrics - http://www.infometrics.co.nz/	Dec 19 - Dec 20
Unemployment rate	infometrics - http://www.infometrics.co.nz/	Dec 19 - Dec 20
GDP	infometrics - http://www.infometrics.co.nz/	Dec 19 - Dec 20
Building Consents Issued	HDC Reporting	Feb 14 - Feb 21
Building Consents Lodged	HDC Reporting	Feb 2019 - Feb 21
New Lots 223 & 224	HDC Reporting	Feb 2019 - Feb 22

