



 **BUSINESS UPDATE**

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CORDIS
HOTELS & RESORTS
AUCKLAND

MICHAEL BARNETT

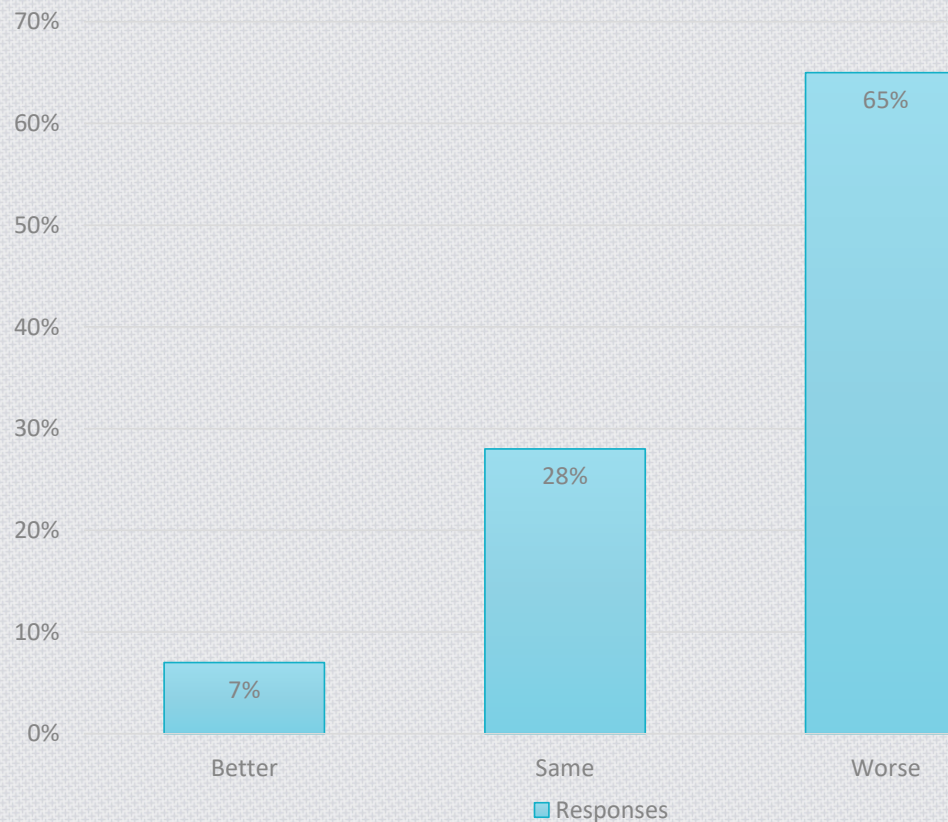
Auckland Business Chamber



■ How do you see the business environment in the next 6 months?

OVERALL

- **28%** SAME
- **7%** BETTER
- **65%** WORSE

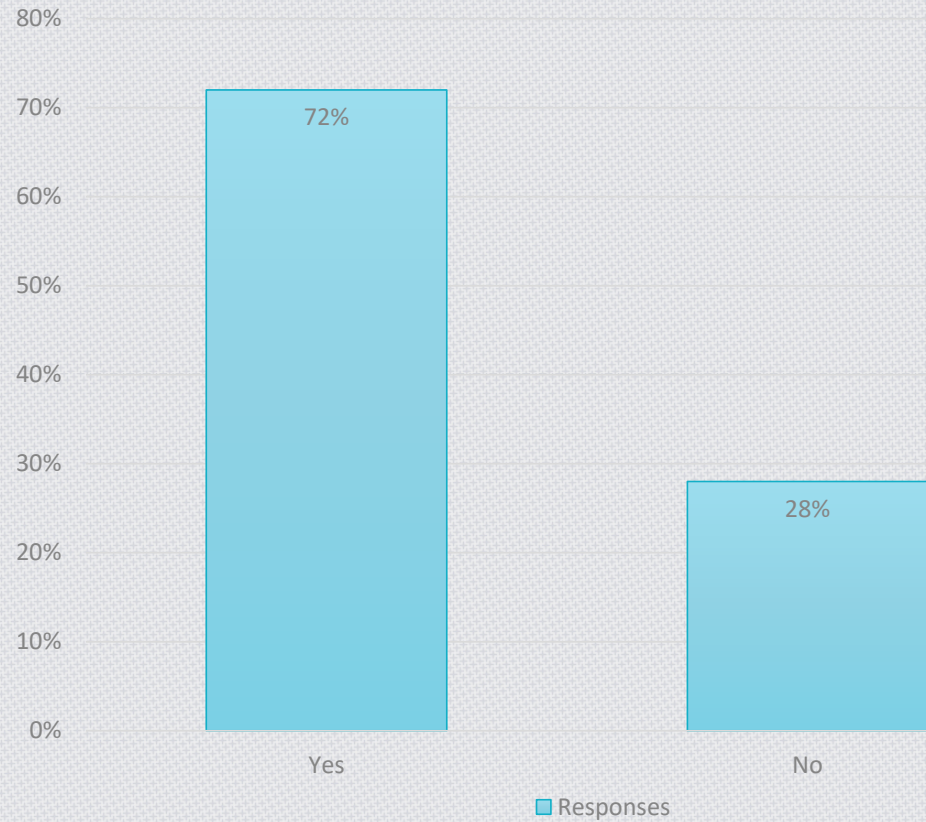


■ Are you experiencing staff or skill shortages?

OVERALL

■ **72%** YES

■ **28%** NO

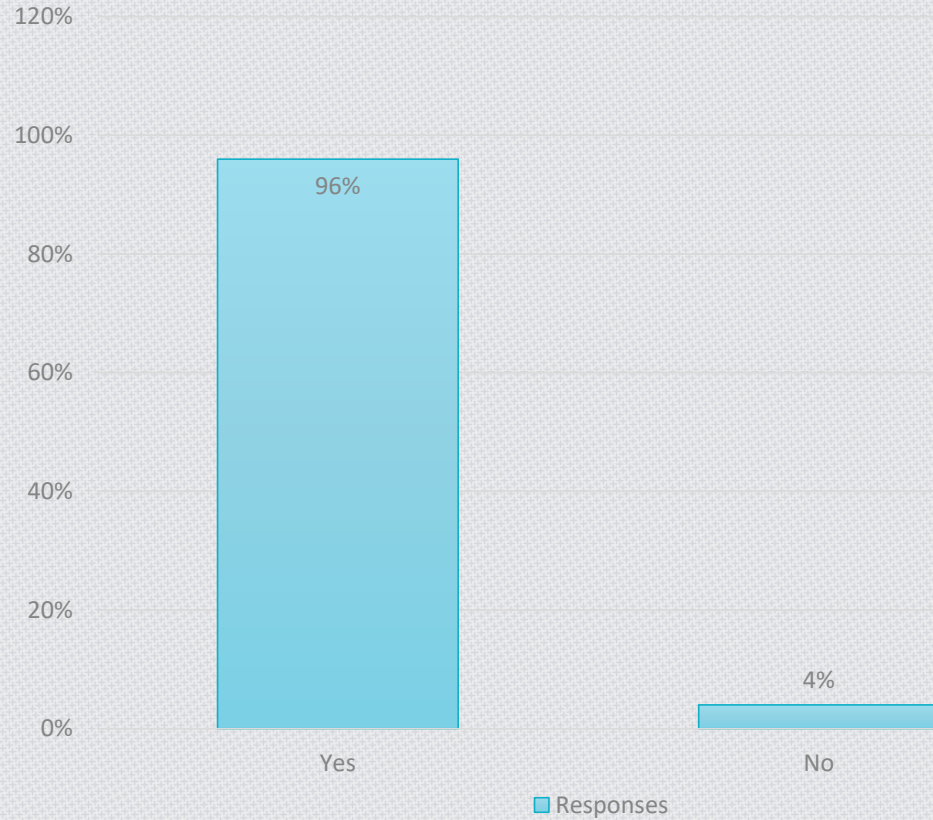


■ Have your overheads increased over the last 6 months?

OVERALL

■ **96%** YES

■ **4%** NO

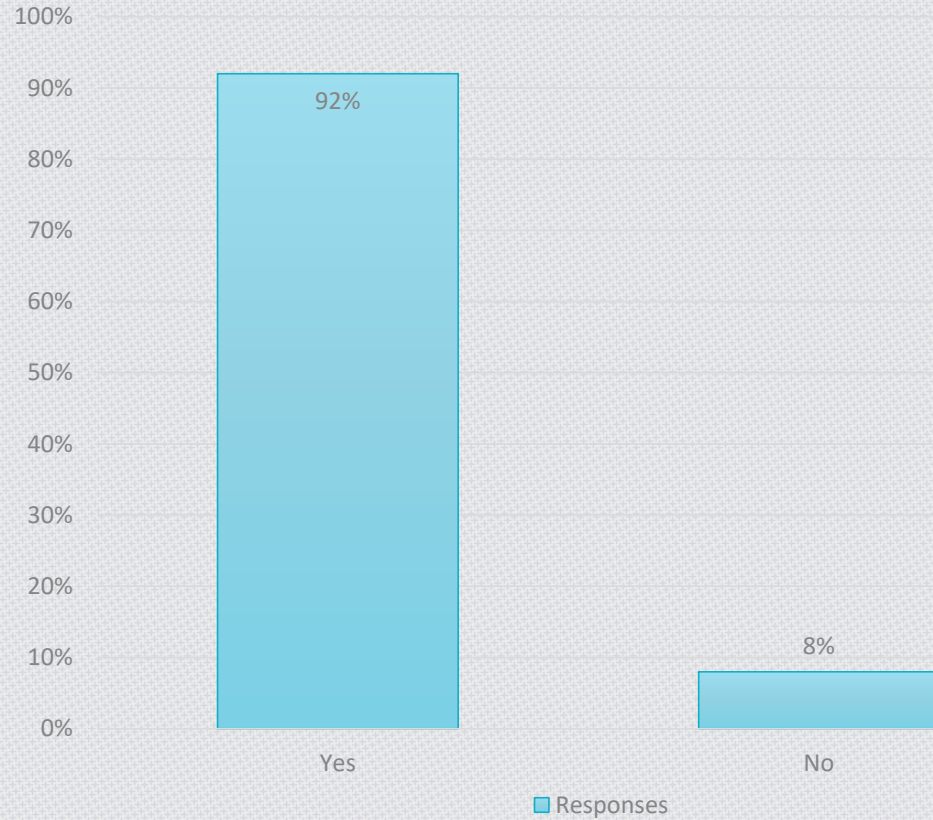


■ As a result of fuel, labour or supply chain price increases, will you need to increase your prices?

OVERALL

■ **92%** YES

■ **8%** NO

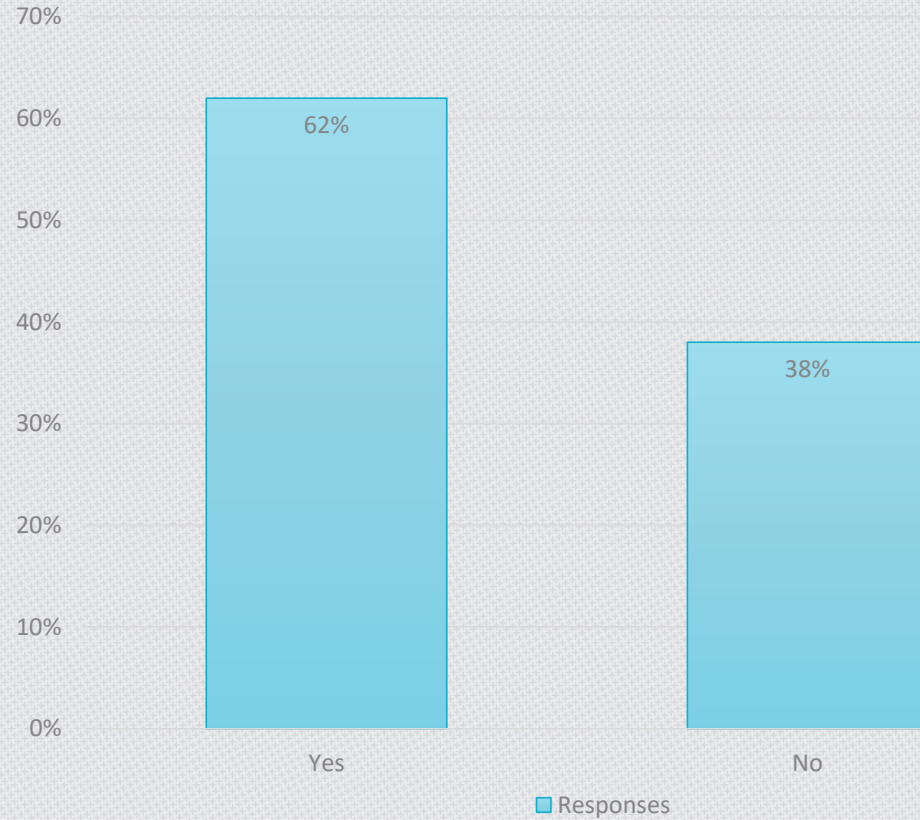


■ Have you had to address wage claims in the last 3 months?

OVERALL

■ **62%** YES

■ **38%** NO



BERNARD HICKEY

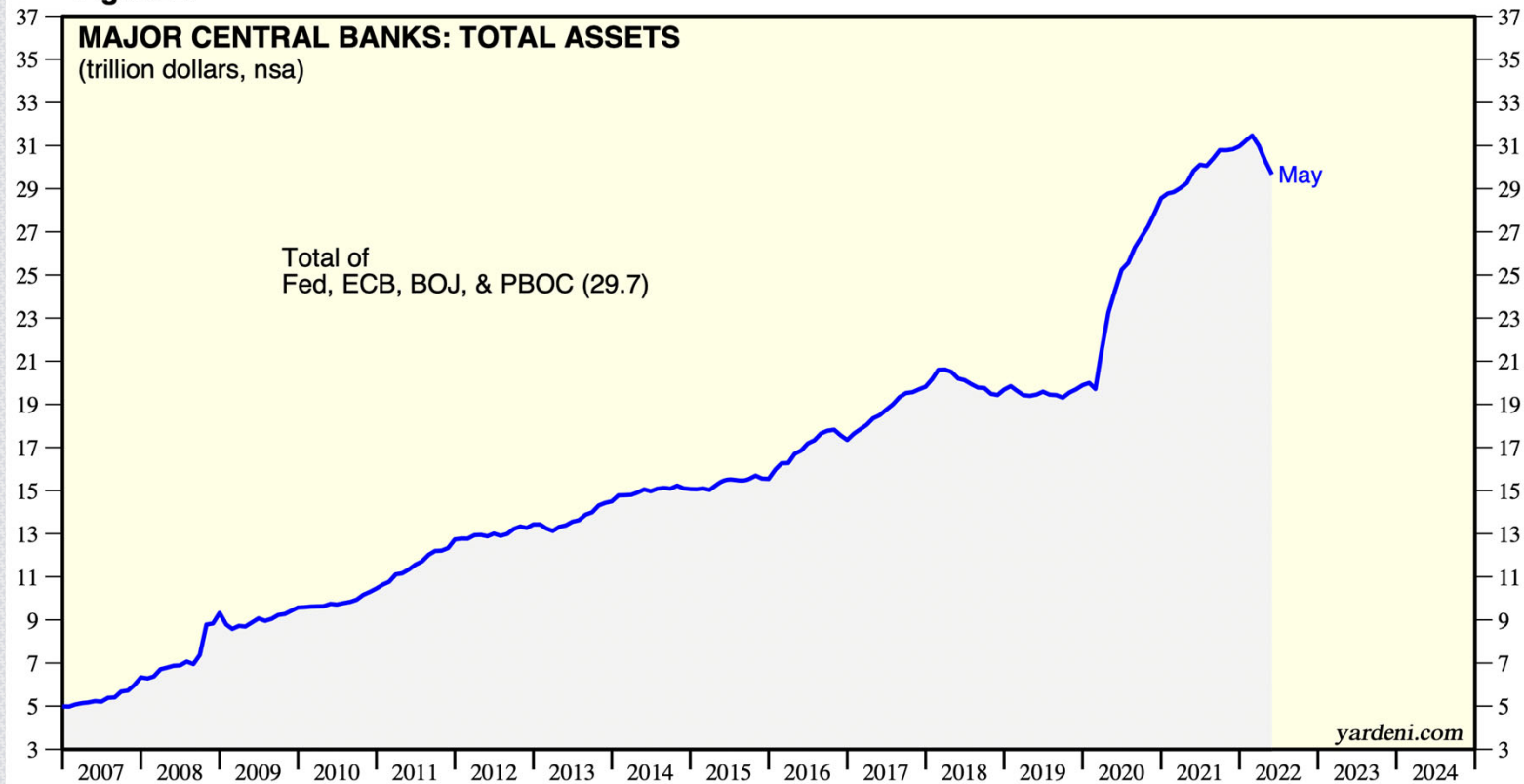
Economic Update

**the truth without money
printing?**



There's an awful lot to unwind

Figure 2.



Source: Haver Analytics.

It hasn't started brilliantly

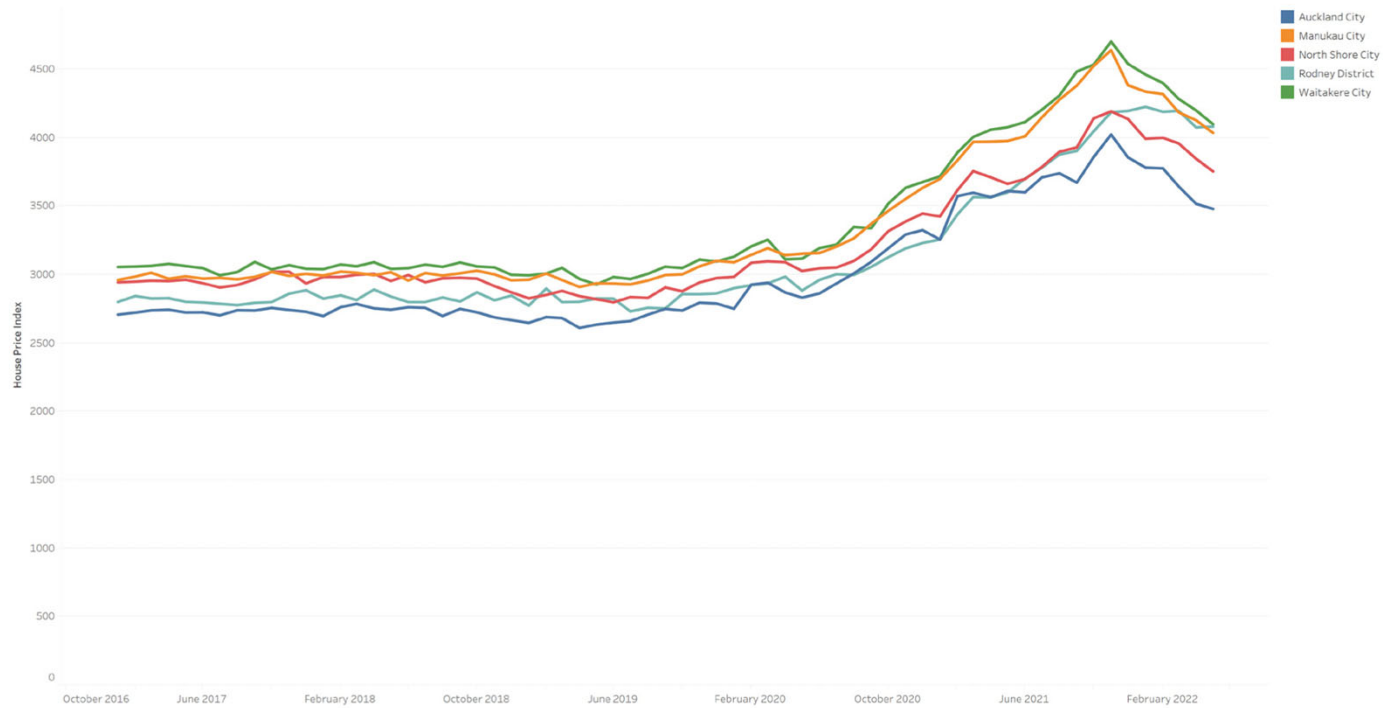


Both overseas and here

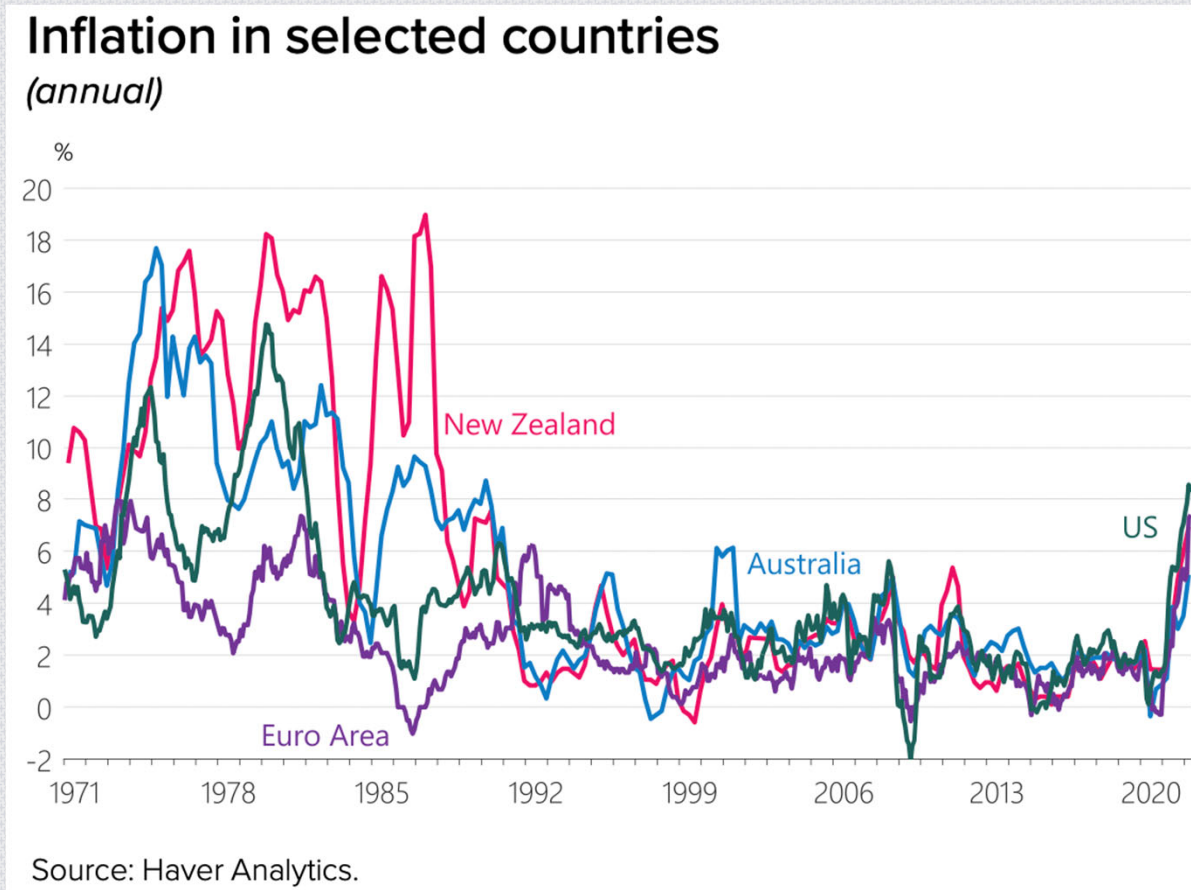


AUCKLAND

COUNCILS HOUSE PRICE INDICIES

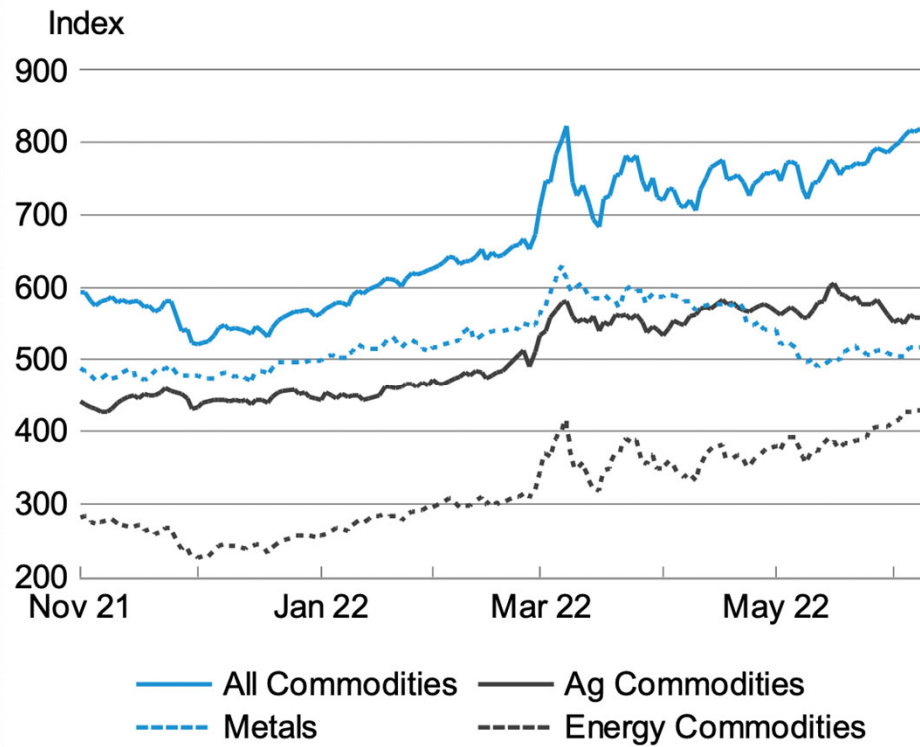


The inflation isn't helping



Energy and food up 50%

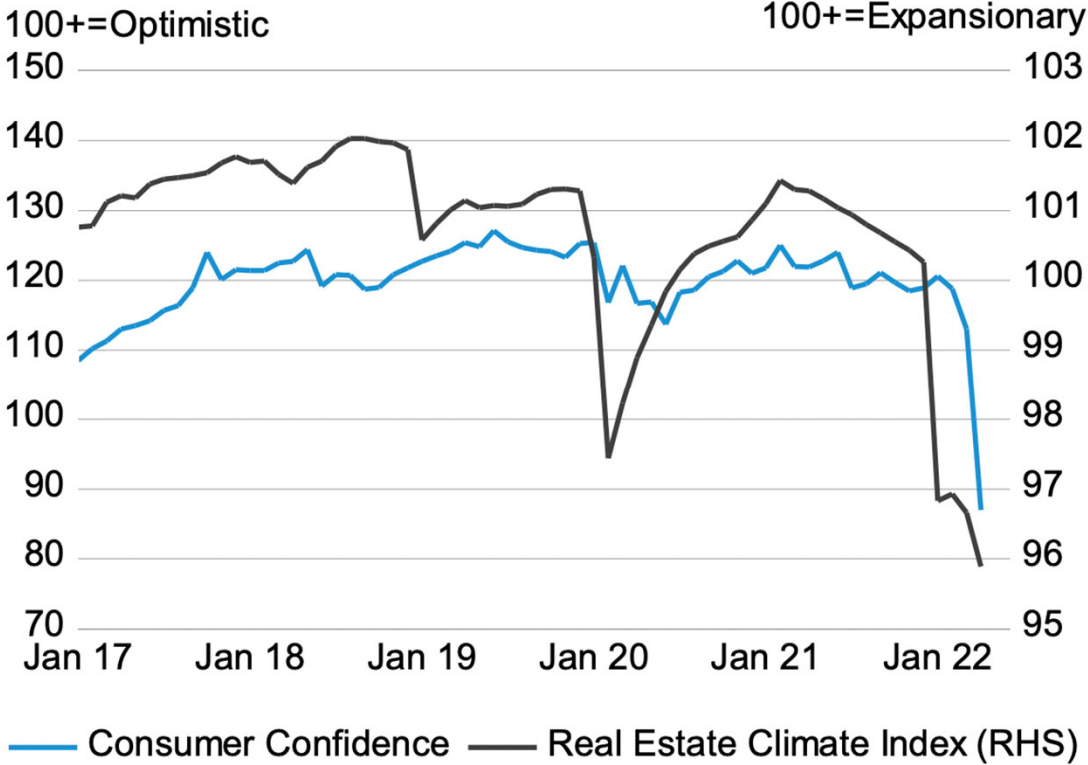
Figure 8: Commodity prices



Source: Haver/S&P GSCI

China's covid lockdowns

Figure 4: Economic sentiment in China

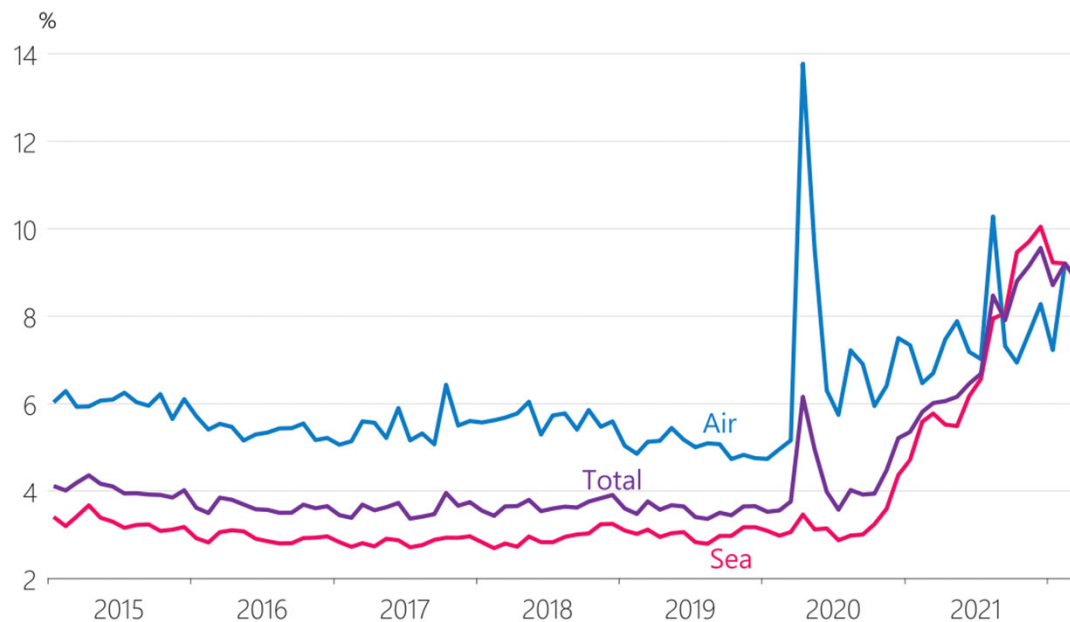


Source: Haver

Shipping costs still up

Shipping costs for consumer goods

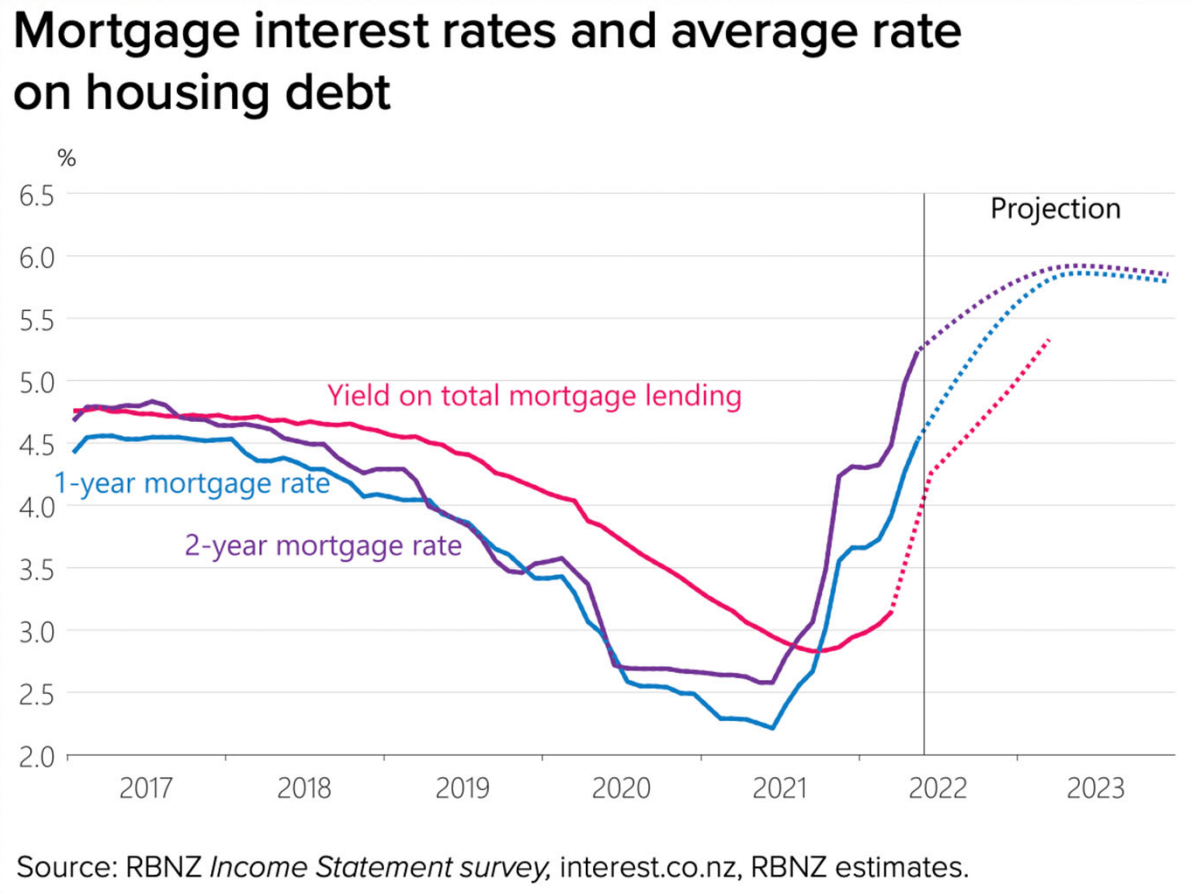
(share of import value for duty)



Source: Stats NZ, RBNZ estimates.

Note: These series are estimated by taking the value of consumer merchandise imports including freight and insurance costs (CIF) and subtracting the reported value for duty (VFD), which excludes these costs. It is expressed as a percentage of the VFD figure.

So our mortgage rates are rising



It's very tough for new buyers

Indicative mortgage payments for a new buyer

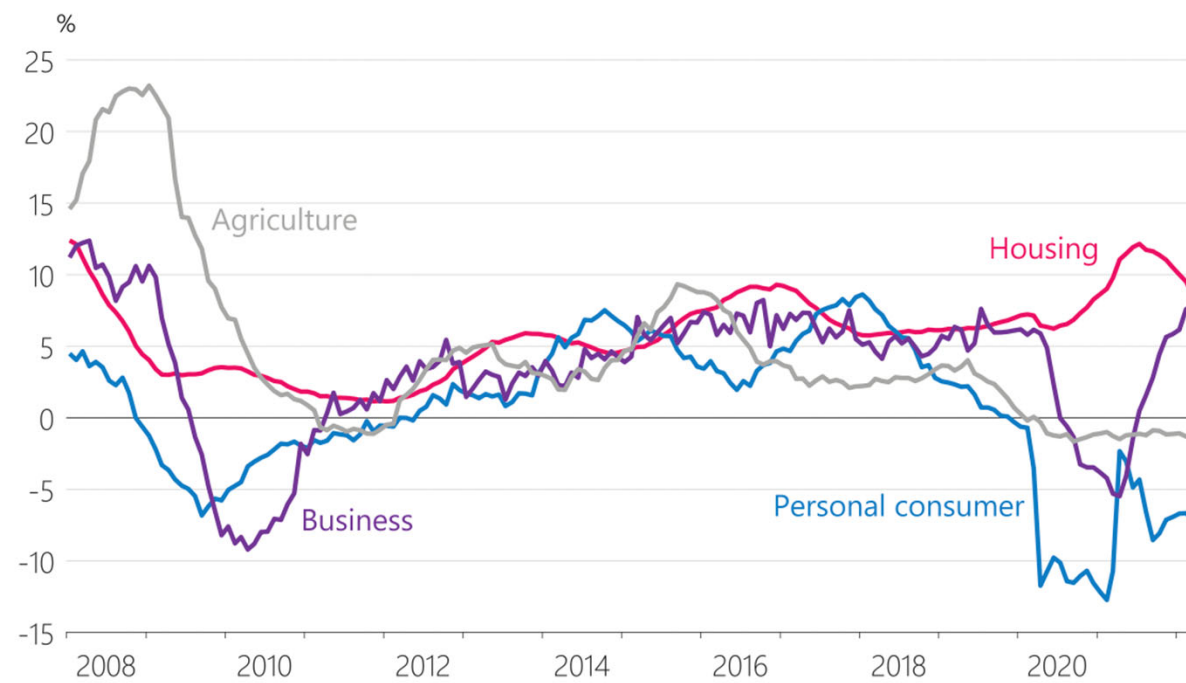
% of median
disposable income



Source: RBNZ estimates.

The credit impulse is waning

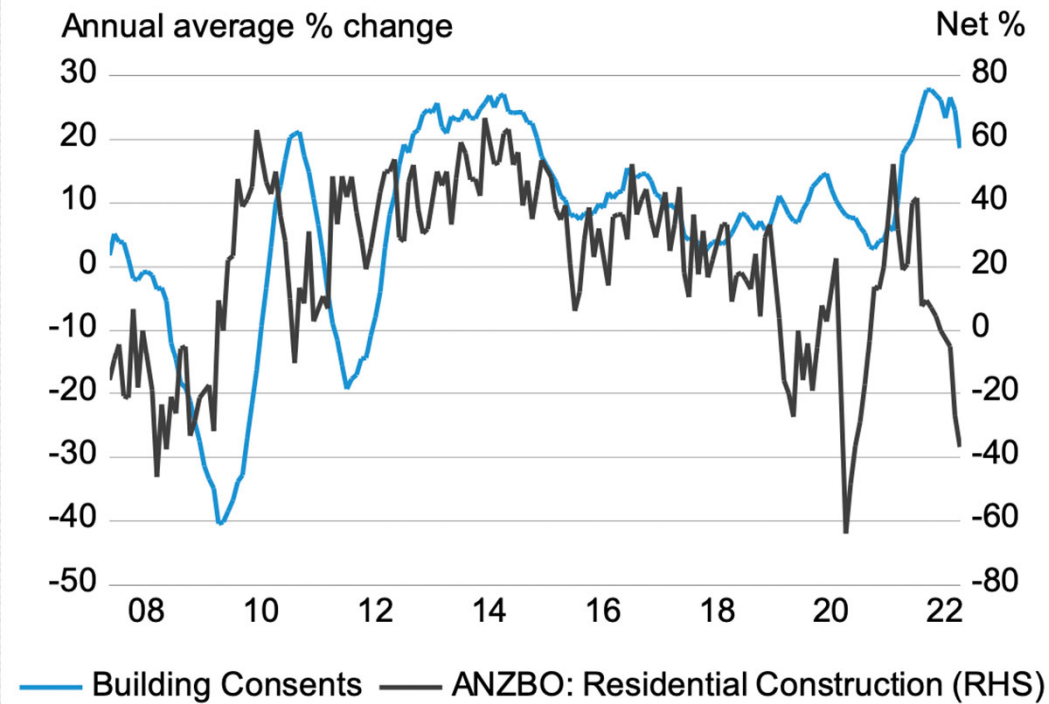
Sector lending growth
(annual)



Source: RBNZ Bank Balance Sheet survey.

slumping

Figure 1: Building consents and construction intentions

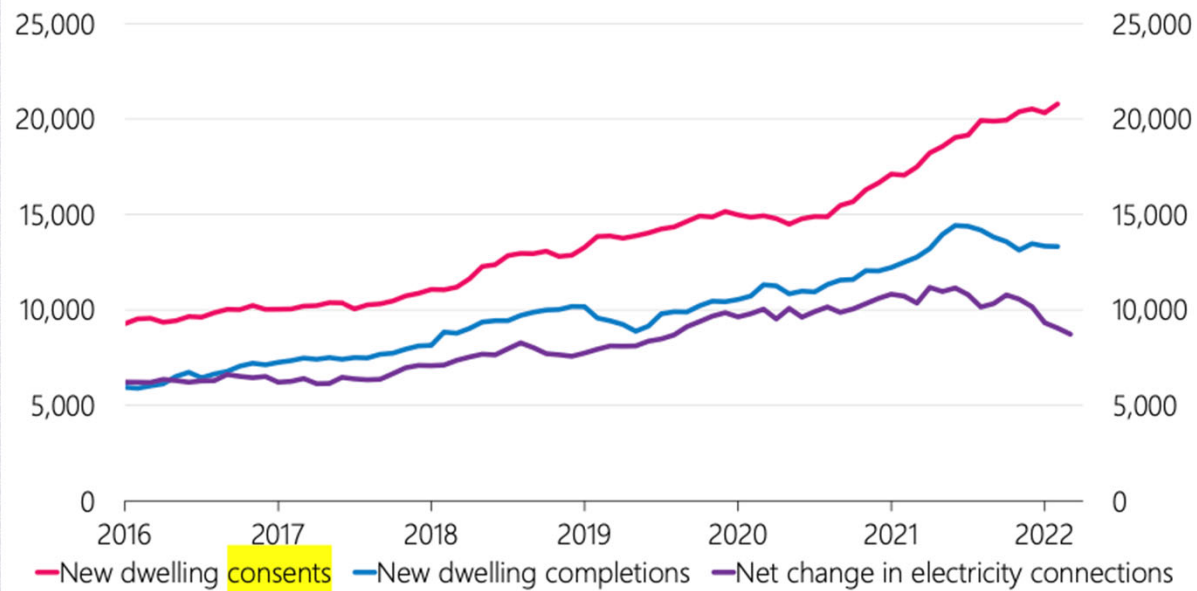


Source: Stats NZ, ANZ

The chart of the day #1

New housing supply in Auckland

(12-month rolling totals)



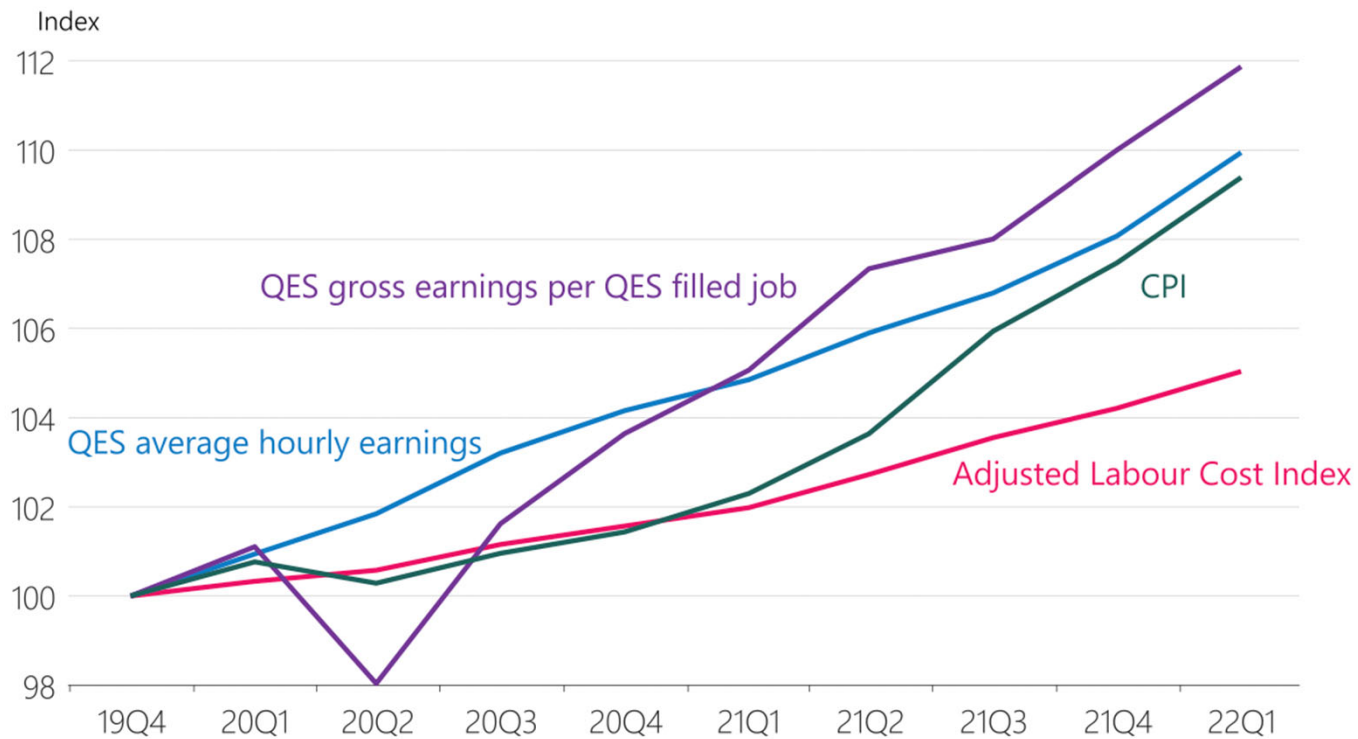
Source: Stats NZ, Auckland Council, Electricity Authority, RBNZ estimates.

Note: New dwelling completions measures the number of new dwellings with Code Compliance Certificates issued. Net change in electricity connections is an estimate of the net change in active residential electricity connections (Installation Control Points).

The chart of the day #2

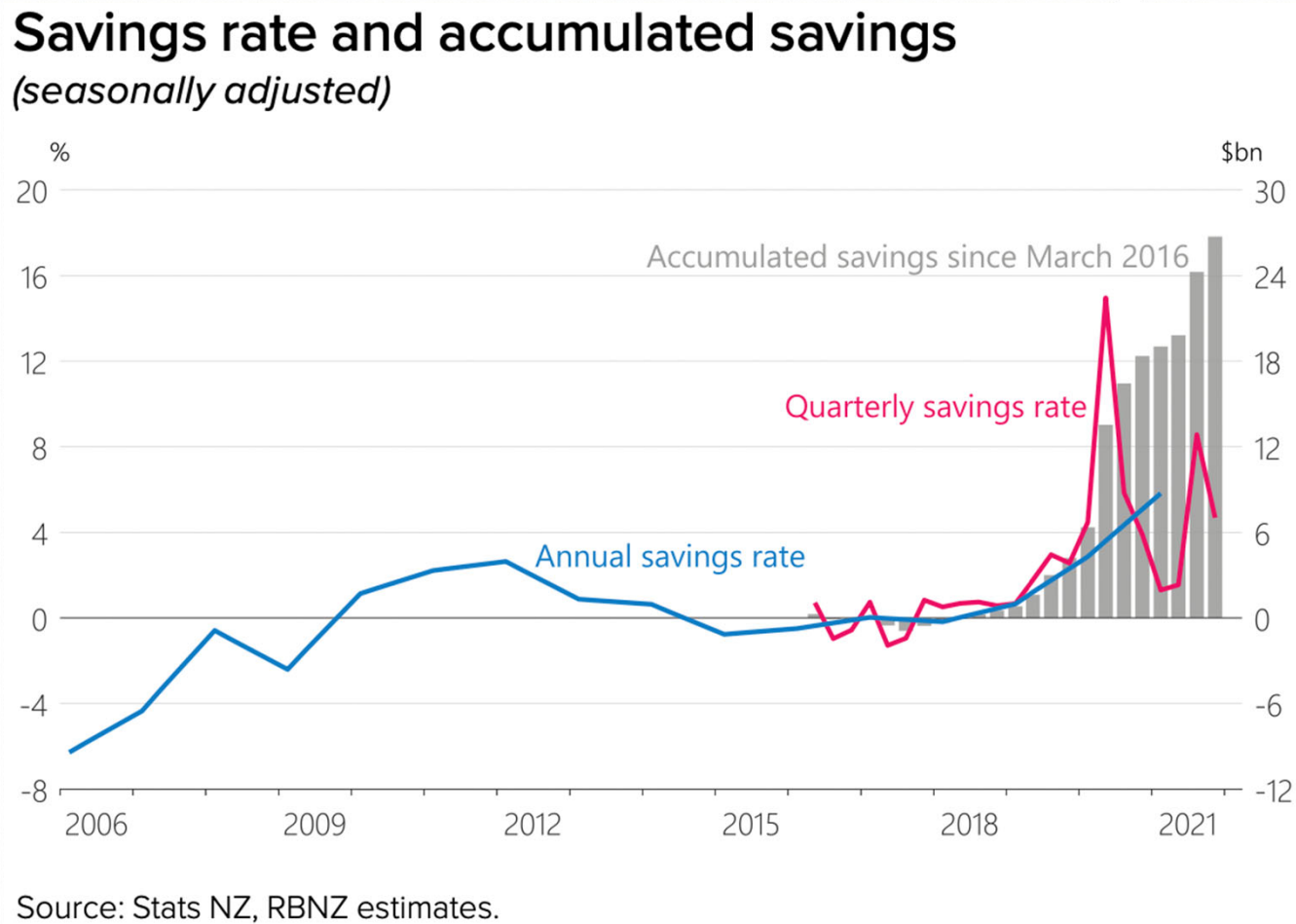
Wage and labour income compared to CPI

(index=100 in 2019Q4)

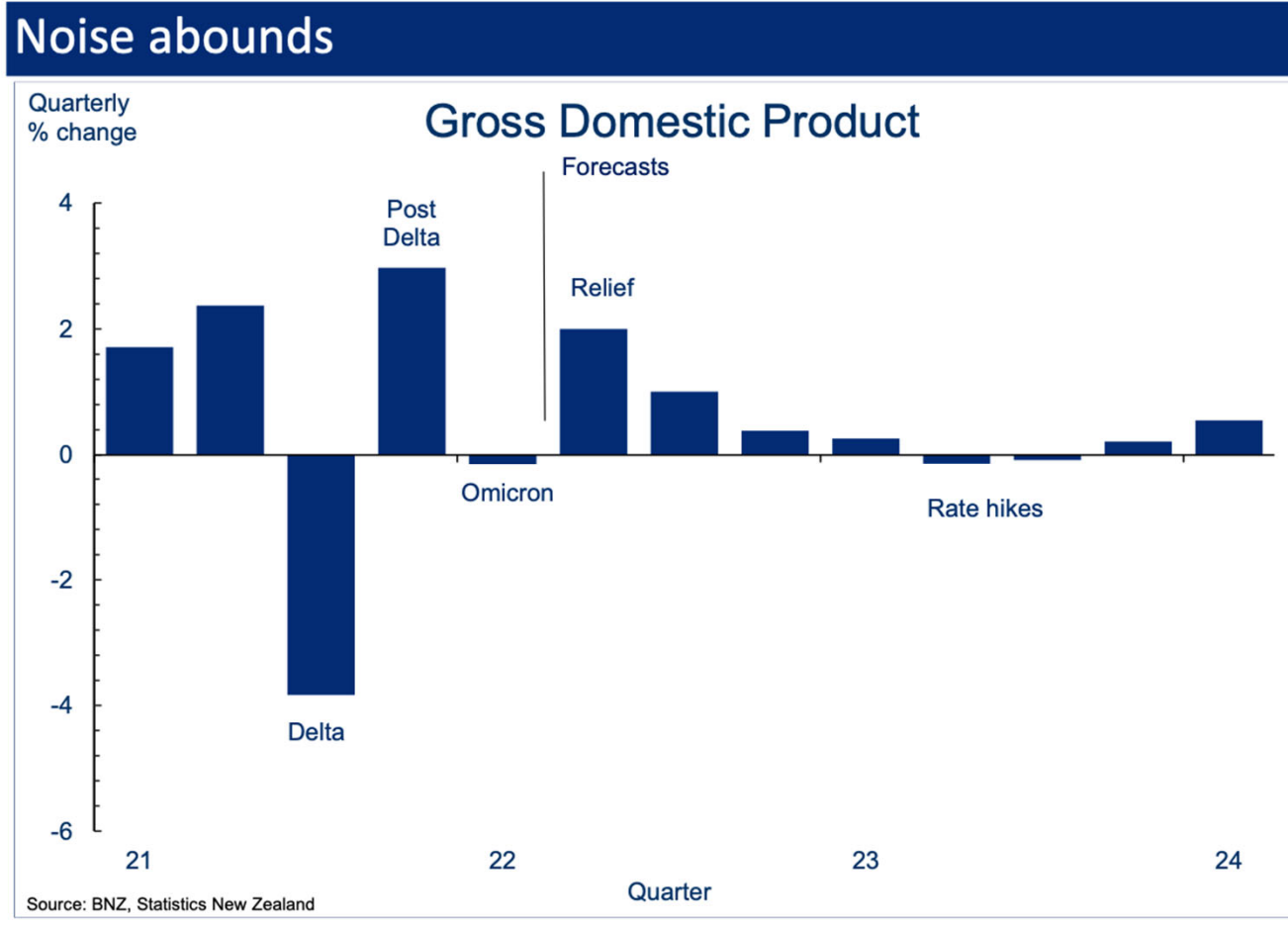


Source: Stats NZ.

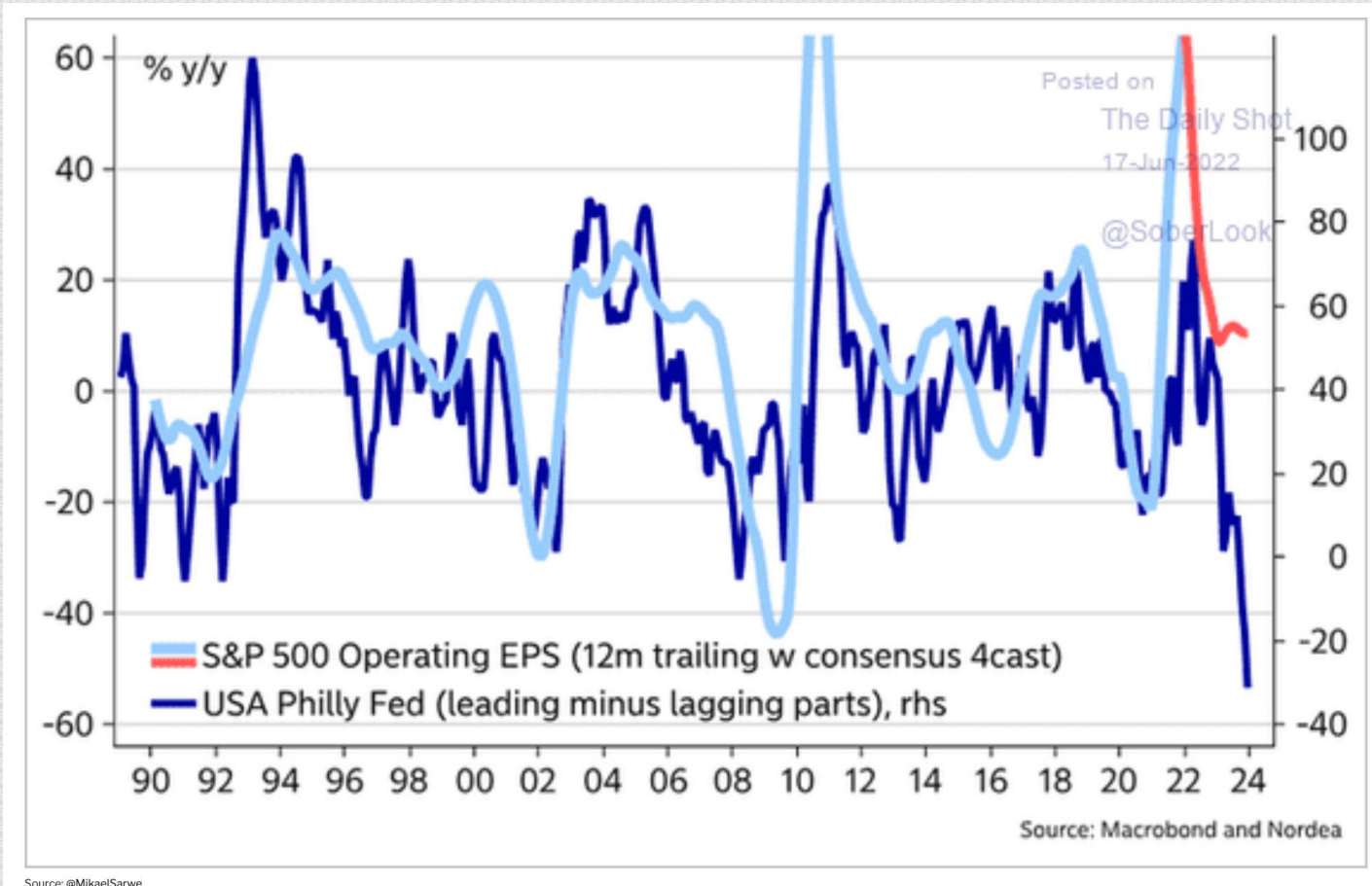
The chart of the day #3



Is a recession coming? Not yet.



2023



Source: @MikaelSarwa

So what next? Watch these guys

