



Competitive Cities: A Decade of Shifting Fortunes

Spotlight on Christchurch

Household change 2008 vs 2018

↑16%



Household income

–

↓19%



Mortgage payments

–

↑27%



Basic expenditure

=

\$6,435



Annual discretionary income

Resilience and expansion

Christchurch has achieved significant gains in discretionary income in the face of monumental challenges. In the wake of the 2010/11 earthquakes, facing an enormous rebuild, Christchurch experienced declines in business, employment and population. But the city bounced back strongly, becoming a global model of urban resilience. Since 2012, a combination of strong income growth from the rebuild and low housing costs has supported relatively strong population, employment and business growth (Figure 1).

Urban growth in Christchurch is more than a rebuild.

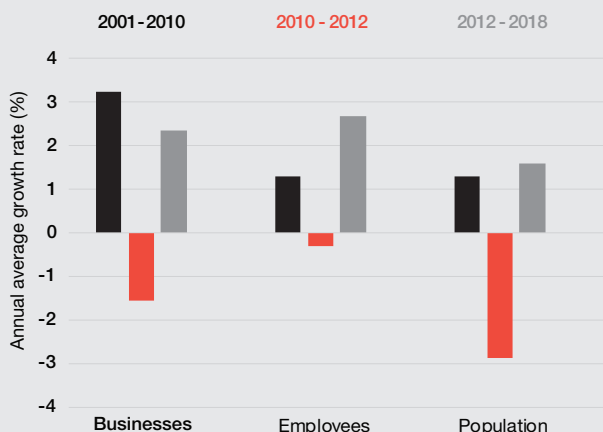
Christchurch incomes have been rising faster than most of New Zealand since the turn of the century. Real income growth has averaged 1.4 per cent since 2000, almost twice as high as Auckland. Median household income in Christchurch was just 87 per cent of Auckland in 2000, today the two cities are almost equal.

Christchurch has kept house prices low. The city is unique in this regard, resembling pricing patterns of Brisbane, Perth and Adelaide. Unlike these Australian cities however, transport costs have increased significantly.



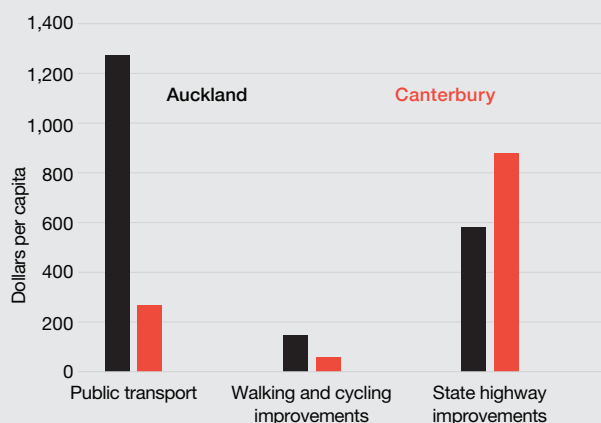
Urban growth in Christchurch is more than a rebuild - it's about persistently strong income growth and low housing costs.

Figure 1: Business, employment, and population growth rate in Christchurch



Source: Statistics New Zealand

Figure 2: Auckland and Canterbury transport investment program comparison, 2018-2021



Source: NLTP, New Zealand Transport Agency

Population patterns diffused following the earthquakes. Some of the fastest growing areas today are more than 30 minutes from the city centre, such as West Melton (21 per cent per year), Pegasus (15 per cent), Rolleston (10 per cent), Rangiora (3.5 per cent) and Kaiapoi (3 per cent). Together, the Supporting Growth Areas of Christchurch have grown at 5.7 per cent per year, almost three times that of New Zealand's growth cities.

Transport expenditure has risen significantly. In the three years before the earthquakes, transport expenditure actually declined. Since the earthquakes however, transport expenditure increased 57 percent. The median household now spends \$83 more per week on transport than in 2008, equal to approximately half of all real gains in income growth for Christchurch over the period.

The competitiveness challenge for Christchurch is maintaining strong income growth, while avoiding rising transport costs. Business growth forecasts are highest in the city centre, meaning that continued growth will create a significant transport challenge. There are a number of options to consider, including greater housing choices with proximity to employment hubs and amenities and a greater balance in investment on the outskirts of the city, between highway infrastructure, public transport and walking and cycling infrastructure (Figure 2).

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