



ASB Regional Scoreboard

Q4 2025 data

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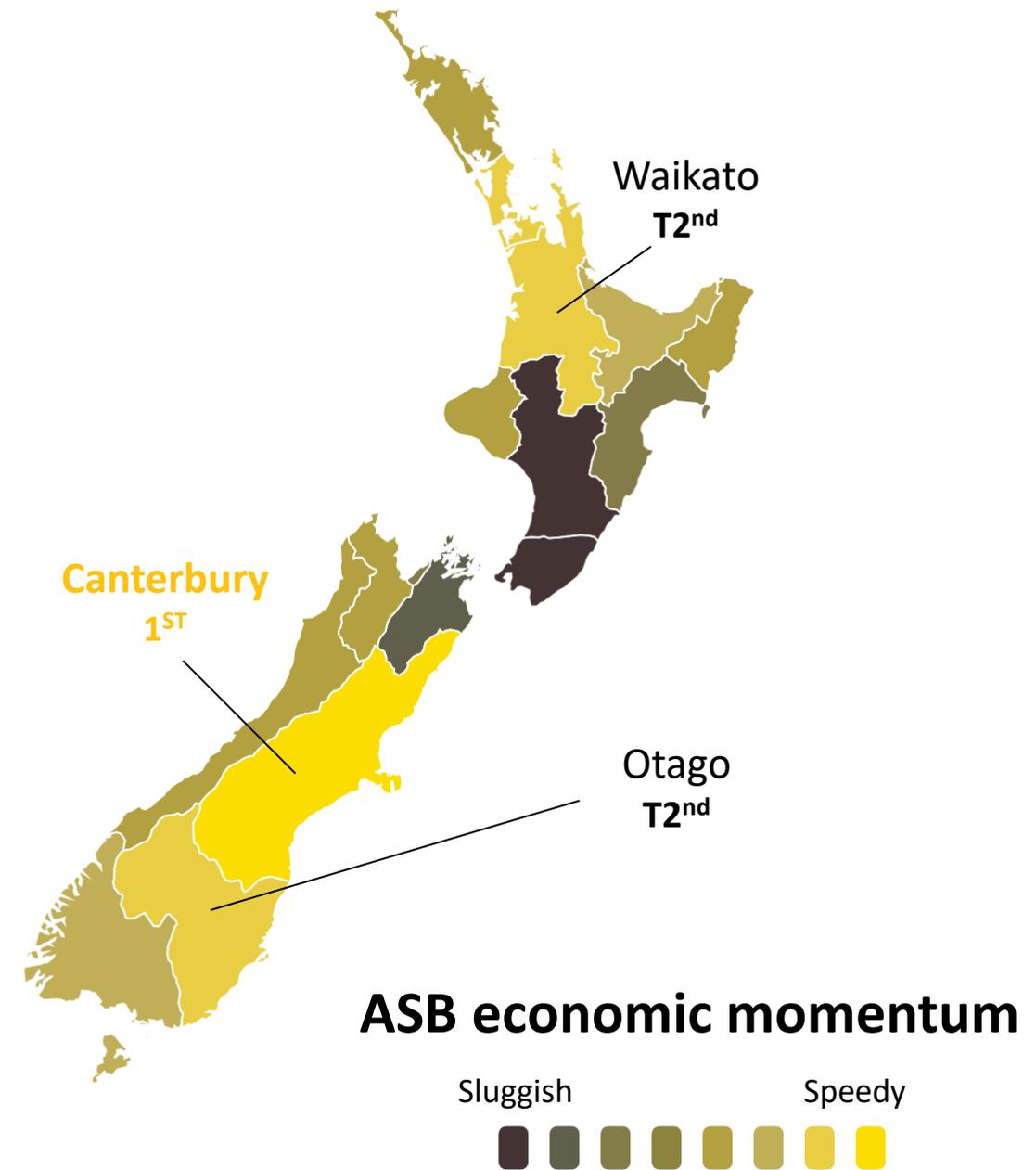
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› This quarter in a nutshell

 Back-to-back for Canterbury

 South Island stronghold

 Trouble lingers in the Capital



› Prosperity wears black and red – Canterbury ends 2025 on top again



Canterbury channelled some Drake and went ‘*Back to Back*’ in Q4 2025, notching up three wins in four quarters. The region outperformed the country in nearly every economic metric we track. Dairy continues to flourish and positive jobs growth has helped support the Cantabrian housing market, retail spending and consumer confidence.

With circa 95,000 in attendance for Electric Avenue last month – a potential four-peat may be on the cards as Waitaha looks as strong to start 2026 as it did to end 2025. The incoming opening of the Te Kaha stadium will also provide further tailwind. It looks as though economic prosperity wears black and red.

Waikato and Otago tied for second to end 2025. While Otago maintained its lead in retail spending, reflective of the tourism hub that Queenstown is, we couldn’t ignore the broad-based improvement in a variety of metrics for Waikato – including its robust primary sector. We expect the incoming [Fonterra capital return](#) to be a shot in the arm via more spending and investment.

The South Island is firmly in the fast lane of what we have observed to be a multi-speed recovery. Even so, seeing urban hubs like Auckland continue to improve provides further evidence that the upswing is broadening.

Alas, the Capital remains under pressure. Wellington finished last in our rankings and has lost the Homegrown festival to Hamilton to start 2026 – another loss for the city where policy is set. We hope the Windy City can navigate its storm soon.

The overall economy looked to be on the expansion path to the end of 2025. However, conflict in the Middle East has challenged energy security in a way that presents yet another headwind for a New Zealand economy that has only *just* started to shake off its post-COVID jitters. How long the conflict persists is uncertain, but it poses two-pronged risks to growth (downwards) and inflation (upwards). Higher energy costs hurt consumer wallets first, lowering discretionary demand by taxing our leftover income. Conversely higher fuel prices increase near-term inflation. The stickier and nastier situation is if firms begin pricing in higher costs – this creates a stagflationary situation for the RBNZ. Our central forecast is that this doesn’t eventuate, but if anything has been the case of late, it is to be vigilant to all possibilities. Our thoughts are with those affected by the conflict in the Middle East.

ASB Regional Scoreboard Rankings

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Auckland	5	9	14	11	10	5	7	4
Bay of Plenty	5	12	9	5	10	1	3	5
Canterbury	7	3	2	2	1	4	1	1
Gisborne	3	1	4	12	16	12	15	8
Hawke's Bay	14	6	6	13	14	12	11	11
Manawatu-Whanganui	15	7	7	7	7	11	9	15
Marlborough	3	14	11	10	4	9	10	13
Nelson	16	16	16	9	6	8	6	12
Northland	8	5	13	14	13	14	16	7
Otago	2	2	1	1	3	3	5	2
Southland	1	9	3	4	8	2	4	6
Taranaki	12	11	12	16	12	15	13	8
Tasman	11	8	7	3	8	10	13	14
Waikato	8	4	9	7	5	6	2	2
Wellington	10	14	15	15	15	16	12	16
West Coast	13	13	5	6	2	7	8	8

Key Results

- › Three wins in 2025 for Canterbury – clinical
- › Otago and Waikato split the difference on second
- › Auckland improved to fourth – the country’s economic Mecca shows life
- › Northland returned to the Top 7
- › The Capital sunk to last for the second time in 2025

Direction Key



Hotting Up: We expect the region or metric in question to accelerate or maintain the momentum in the next 6-12 months.



Cooling down: We expect the region or metric in question to decelerate or lose momentum in the next 6-12 months.

› The road to recovery has potholes

Inflation breached 3% threshold, risk it's slow to moderate

[Q4 CPI printed 0.6% q/q, with annual inflation at 3.1%](#). The Q4 CPI data confirmed the narrowing of domestically- and externally-driven inflation rates. Over Q4, tradables prices rose 0.7% q/q (2.6% y/y), while non-tradable prices rose 0.5% q/q (3.5% y/y). Headline inflation is expected to gradually decline over 2026, however, there is a risk it hovers ~3% over 2026 if Middle East tensions persist.

Retail roars ahead

[Q4 retail trade volumes increased 0.9% q/q, with annual growth surging to 4.4%](#). The lift was broad-based, spanning across regions and sectors. Continued strength in durables spending further demonstrates the support that lower interest rates has on the household sector despite a subdued housing market. We expect momentum in retail spending to carry over into 2026. Several headwinds are easing, which will continue to support retail spending, though lingering challenges remain.

Signs of stabilisation

[The Q4 unemployment rate ticked up to 5.4% - a 10-year high](#). However, other employment measures, including rising workforce participation and employment growth showed signs of stabilisation and improvement in the labour market. Annual private sector wage growth eased to 2.0% – a 4-year low. Looking ahead, we expect further growth in employment, while wage growth remains constrained.

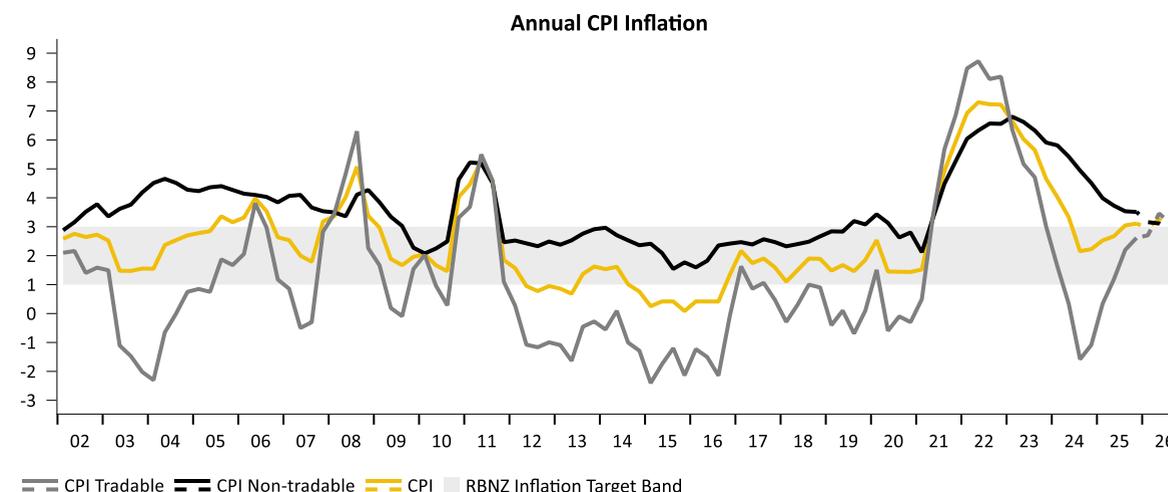
Resilient, but headwinds emerging

[Q4 goods export volumes declined by 3.2% q/q](#). Nevertheless, export values increased by 1.6%, driven by a 5.3% rise in export prices. The terms of trade strengthened to 3.7%, supported by robust commodity prices, particularly in dairy and meat products. Despite ongoing tariffs, New Zealand exports have demonstrated resilience. However, emerging risks related to Middle East tensions, especially affecting shipping, and continued uncertainty over US tariff policy remain concerns.

	Q4 2025	OUTLOOK
Inflation (y/y)	3.1%	Risks of slow moderation to 2%
Retail sales [volumes] (q/q)	0.9%	Tied to household cashflows for sustained growth
Unemployment rate	5.4%	Stabilising, gradual turnaround
Exports [volumes] (q/q)	-3.2%	Harder to look through heightened global volatility

Sources: Stats NZ, ASB

Inflation breached the RBNZ's 1-3% target at 3.1%



Source: Macrobond, ASB

› The road to recovery has potholes (continued)

Soft for a longer time

[The housing market softened further over Q4](#), with housing demand improving modestly while house prices continued to decline. The market continues to be characterised by weak demand, while supply remains at a decade high, and this trend is expected to persist for some time. With signs pointing to an improvement in the labour market over 2026, and interest rates remaining relatively low, the housing market is expected to recover, though only slowly, given lingering headwinds facing the sector.

Bouncing back but keep an eye on jet fuel prices

[Q4 tourism arrivals lifted 4.4%](#), with annual visitors topping 3.5 million persons, the highest since March 2020, but still 10% below pre-COVID peaks. While growth is led by Australians (1.5m), a weaker NZD should support spending volumes. Visitors from the Americas were broadly flat while arrivals from China and wider Asia edged up. Higher jet fuel prices and closed airspace can interfere with the tourism recovery, particularly given how price elastic demand for travel is.

Migration turnaround

[Net immigration inflows increased to 14k annually in December 2025](#). While lifting, new inflows remain below long-term averages. With the New Zealand economy showing signs of a pick-up from mid-2025 lulls, we look to be past the trough for net immigration. We expect to see a strengthening trajectory for net immigration over 2026, albeit from low levels.

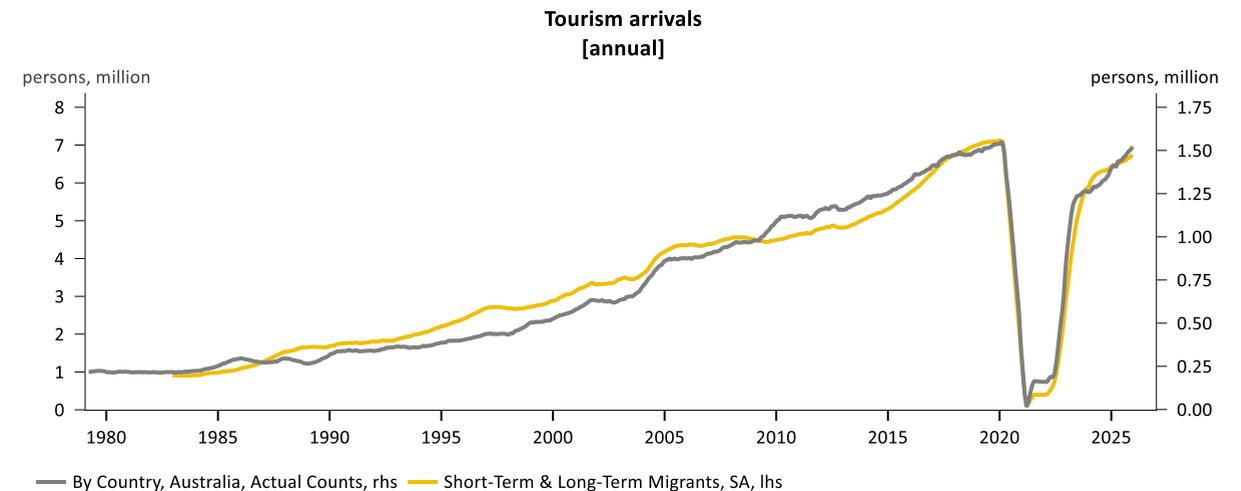
Bumpy road ahead

[Q4 building activity declined 3.1% q/q](#), reversing the lift in Q3, with residential activity down 1.1%. With new building consents rising to a 2-year high, we expect to see some recovery in residential construction throughout the year. However, low population growth and persistent headwinds facing the household sector are tempering the recovery of construction.

	Q4 2025	OUTLOOK
REINZ house prices (q/q)	-0.4%	Gradual improvement
Tourism [arrivals] (q/q)	+4.4%	Weak NZD helps at margin, global risks remain irksome
Annual net migration (levels)	14k	Improving but below trend (~40k) for a while
Construction [volumes] (q/q)	-3.1%	Lower OCR helps, tempered by low population growth

Sources: Stats NZ, ASB

Weaker NZD supporting tourism



Source: Macrobond, ASB

Runners & Riders

Northland

Northland made a big jump from the bottom spot to the first half of our Regional Scoreboard in the last quarter of 2025.

During Q4, Northland saw areas of recovery similar to other regions, although the pace of recovery was somewhat slower than the national average. Nevertheless, the construction and real estate sectors in the region performed slightly better than in other parts of the country.

Total building consents (new and alterations) rose by 16.9% y/y, compared to 11.2% nationwide. House prices increased modestly over the year, still outperforming the national average. Sales activity also picked up, driven by lower interest rates and improved employment. However, high supply and subdued demand, resulting from slow population growth, will continue to constrain the recovery of house prices in the region.

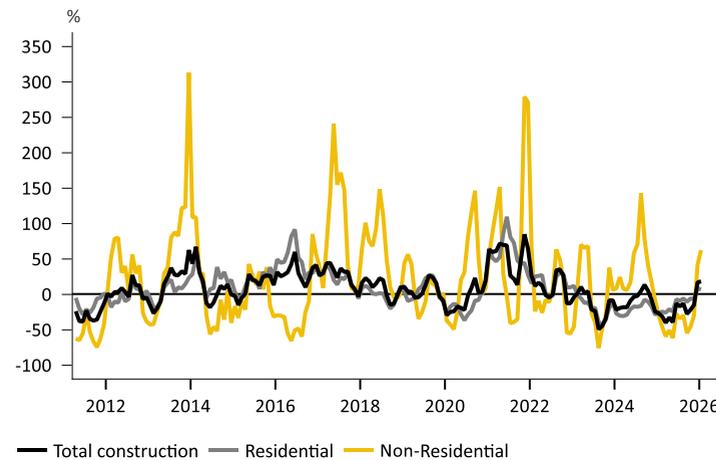
Looking ahead, Northland's economy is expected to recover, supported by low interest rates. The recent increase in investment interest may help offset losses from the closure of refining operations at Marsden Point in 2022. However, as the region is highly exposed to the weather, the threat of more severe weather events due to climate change poses ongoing challenges.

Chart of the quarter

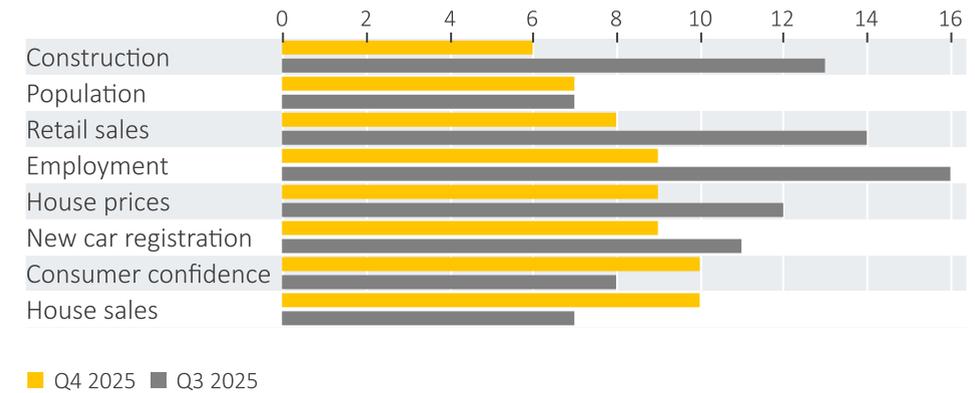
Northland has experienced increasing construction activity, particularly in non-residential sectors. Although the total value of these building consents is small compared to major cities, for Northland, they create more jobs and generate additional income for local residents.

Meanwhile, infrastructure projects such as the Ruakākā Solar Farm and the Marden Point Energy Precinct are underway, and are expected to generate more jobs, potentially lower energy prices for locals, and contribute to increased GDP for the region.

Northland building consents



Sector Rankings



	Q4 2025	Annual growth
Population (000s)*	201	0.3%
Employment (000s)	94	0.4%
Retail Sales (\$m)	858.8	3.6%
House Prices (Index)	3851	0.1%
House Sales (#)	205	5.9%
Construction (\$m)	204	16.9%
New Car Registration (#)	856	-5.9%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Auckland

Auckland has returned to the Top 4, showing solid improvements in several areas.

Consumer confidence has improved, rising to 106.9 in Q4, significantly higher than the national average of 96.5, making Aucklanders the most optimistic in the country. The increase in building consents, up 30% y/y for residential and 46.3% y/y for non-residential, placed the city in second place, just behind Marlborough.

With support from lower interest rates flowing through to the broader economy, retail sales advanced in Q4, while Aucklanders also appear to be purchasing more cars than some other regions.

Nonetheless, the labour market remained weak, with unemployment edging higher and more job losses recorded. Labour market conditions are expected to improve over 2026, but given the current challenges, it may be a long road ahead for Auckland.

These factors, coupled with slow population growth, are capping the recovery of Auckland's housing market, which continued to underperform in Q4.

Sector Rankings

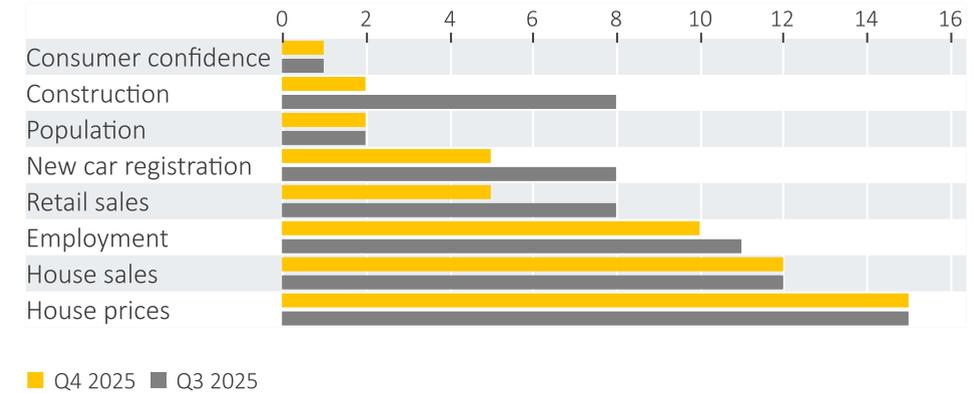
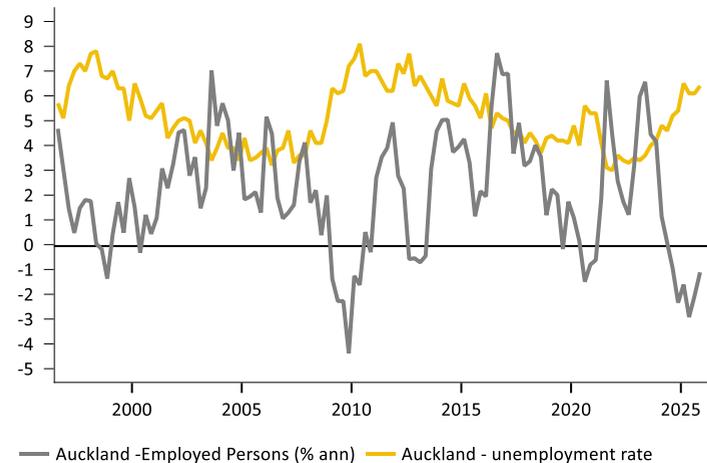


Chart of the quarter

The labour market remains challenging for the country's largest city. In Q4, employment continued to fall year-on-year, and the unemployment rate edged higher. As the largest economic hub, Auckland has been particularly affected by the headwinds facing New Zealand.

Looking ahead, we are still positive about the recovery prospects for NZ and Auckland, though concerns on the impact of the Middle East conflict will start to weigh on the confidence. The duration and economic impact of the war remains uncertain and are being closely monitored.

Auckland labour market



	Q4 2025	Annual growth
Population (000s)*	1816	1.0%
Employment (000s)	984	-1.1%
Retail Sales (\$m)	10594.8	4.5%
House Prices (Index)	3319	-1.5%
House Sales (#)	2268	4.2%
Construction (\$m)	3067	34.7%
New Car Registration (#)	25181	2.9%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Waikato

Waikato is keeping second place on the podium for another quarter.

Waikato maintained its economic recovery momentum with broad-based improvements over Q4. Employment growth, construction activity, and new car registrations supported activity during the quarter. Waikato has a strong primary sector, and resilient global demand for key exports has supported incomes, further bolstered by a weaker New Zealand dollar. Reversing the decline seen in the September quarter, employment improved in the last quarter, with annual employment growth at the second fastest rate in the country, pushing the unemployment rate lower. Consumer confidence in the region dropped over the quarter, reflecting greater caution about the prospects of recovery. Even so, retail spending in the region was solid, just slightly below the national average growth rate. Hopefully, the atmosphere of the Balloons over Waikato event in March will lift spirits in Waikato and attract more tourists to support the regional retail sector.

Sector Rankings

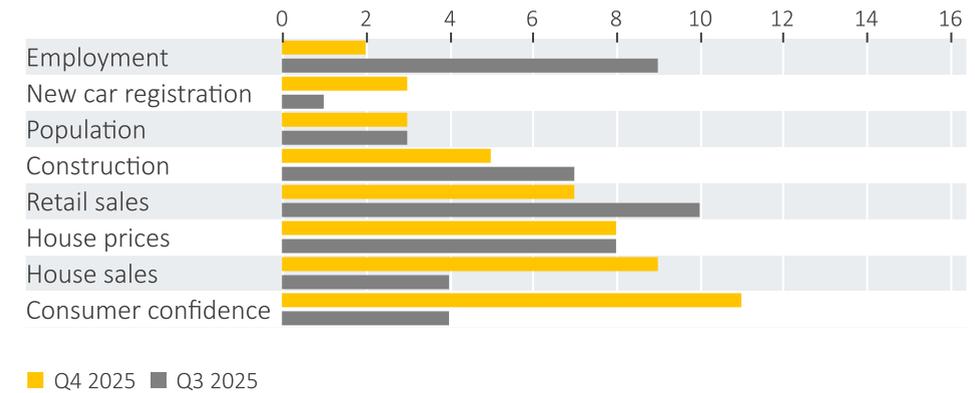


Chart of the quarter

Fonterra's milk price forecast for the 2026 season is slightly lower than the peak seen a year earlier, although it remains at the highest level in almost 20 years. It is expected to be another good season for dairy production in the Waikato region. Coupled with a solid milk price, export earnings are expected to remain robust. This source of income, along with Fonterra's capital return, will support farmers' reinvestment and underpin spending. However, shipping disruptions caused by the Middle East war have impacted New Zealand's exports to the Gulf states, including dairy. Any developments in the conflict need to be monitored closely.

Fonterra milk price forecast



Source: Macrobond, ASB

	Q4 2025	Annual growth
Population (000s)*	532	1.0%
Employment (000s)	275	2.0%
Retail Sales (\$m)	2252.9	3.9%
House Prices (Index)	4155	0.5%
House Sales (#)	737	7.7%
Construction (\$m)	660	22.8%
New Car Registration (#)	3525	6.2%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Bay of Plenty

The Bay of Plenty dropped out of the top three, finishing in fifth place on the Scoreboard.

Underperformance in retail sales, construction, and consumer confidence contributed to the Bay's decline in the December quarter. Total building consents in the December quarter were down 4.3% y/y, while improvement in retail spending was much lower than the pace of the national average. Consumer confidence also improved, but it remained slightly lower compared to other parts of New Zealand.

Despite the weaker performance in the retail sector, it appears that Bay residents are saving for big-ticket items, with new car registrations rising steadily by 5.1% y/y. Supported by further improvements in employment, compared to the national average, the Bay's housing market has held up reasonably well. This provides a solid foundation heading into 2026.

The primary sectors are expected to drive the region's growth, and we anticipate further improvements in other areas of the Bay's economy. Because it is highly exposed to the weather, the Bay is also facing increasingly severe weather events due to climate change, posing additional challenges for the region.

Sector Rankings

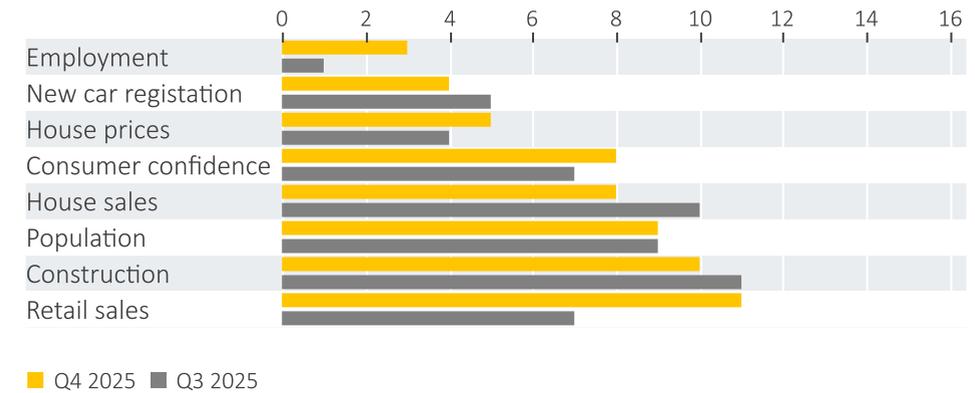


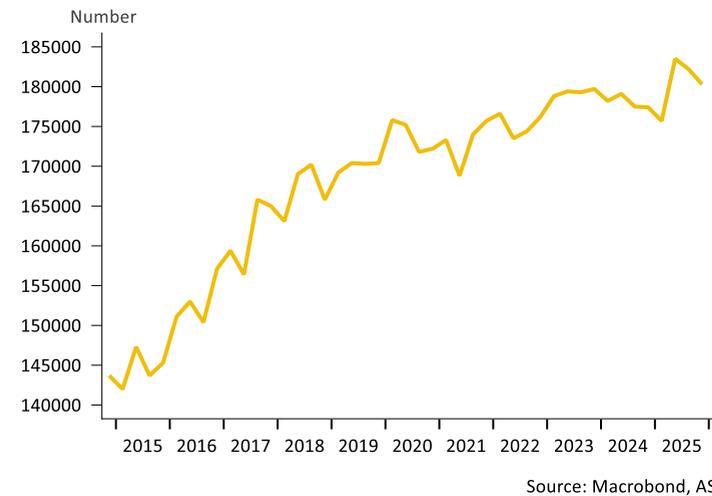
Chart of the quarter

Employment in the Bay continued to grow at a higher rate than the national average in Q4 2025.

With record crop forecasts for the 2025-2026 season, coupled with higher prices, strong earnings are expected for kiwifruit growers in the Bay. These favourable conditions should further support the Bay's labour market and boost retail spending.

Given that Europe, North America, and China are the major kiwifruit markets, exporters may not be overly concerned about shipping disruptions caused by the Middle East war. However, the risk of slowing demand could potentially weigh on export volumes.

Bay of Plenty Employment HLFS



	Q4 2025	Annual growth
Population (000s)*	352	0.3%
Employment (000s)	180	1.6%
Retail Sales (\$m)	1631.4	2.5%
House Prices (Index)	3882	1.9%
House Sales (#)	490	8.2%
Construction (\$m)	348	-4.3%
New Car Registration (#)	2133	5.1%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Gisborne

Gisborne rebounded to eighth place.

The strong growth in house sales and construction underpinned Gisborne's improvement over the quarter. The region led the country in house sales activity growth and ranked third for the increase in total consent values. Consumer sentiment in the region, combined with Hawke's Bay, also improved significantly and outperformed some parts of the country.

In other categories, Gisborne performed around the national average, such as in employment (combined with Hawke's Bay). House prices grew modestly, albeit slightly higher than elsewhere. However, Gisborne lagged behind other regions in retail spending and car registrations. Despite the rise in consumer sentiment, residents in Gisborne appeared cautious about spending, particularly on high-value items such as vehicles.

Wood exports improved slightly during the December quarter. However, for Gisborne, a major wood exporting region, soft demand in China's construction sector has hampered activity in the forestry and wood sector.

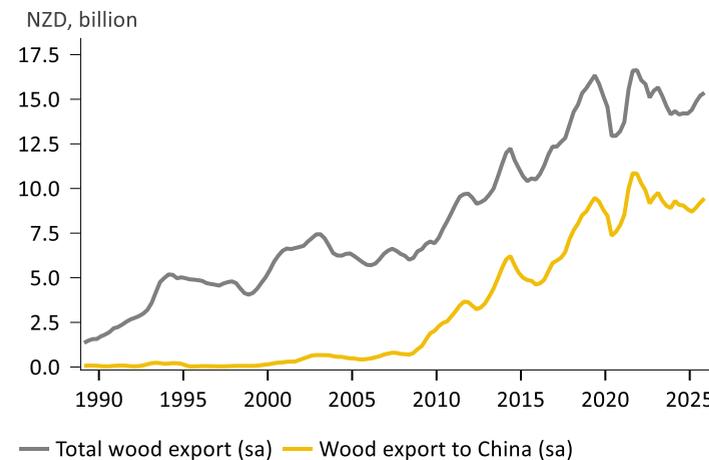
Chart of the quarter

We continue to highlight this chart for Gisborne this quarter, recognising the crucial role that wood exports play in the region's economy.

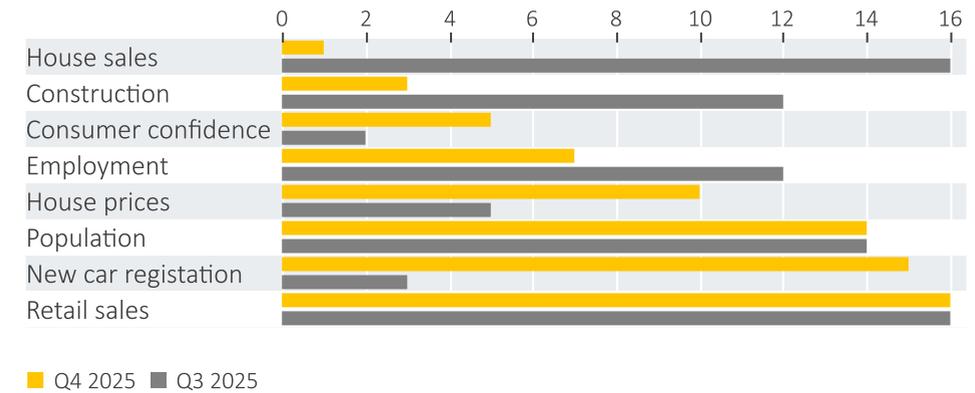
China remains the largest export destination, accounting for 61% of total exports during the quarter, and also saw growth compared to the previous quarter. However, [the ongoing slowdown and subdued medium-term outlook for the Chinese property market](#) remain cause for concern.

To ensure sustained growth in the sector, diversifying export markets rather than relying heavily on a single destination would be a good approach.

NZ wood exports



Sector Rankings



	Q4 2025	Annual growth
Population (000s)*	53	-0.2%
Employment (000s)	118	0.5%
Retail Sales (\$m)	208.9	-2.6%
House Prices (Index)	3935	0.1%
House Sales (#)	51	23.6%
Construction (\$m)	45	28.9%
New Car Registration (#)	211	-17.6%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Hawke's Bay

Hawke's Bay stayed steady at eleventh place.

The weak housing market and subdued construction activity are the main factors preventing Hawke's Bay from rising this quarter.

Meanwhile, ongoing improvements in consumer confidence (combined with Gisborne), strong retail sales, and robust car registrations helped stop the region slide down the Scoreboard. Favourable conditions are also giving a boost to the region's apple industry as we progress into 2026. As long as there is continued demand for our apples and pears in China, export earnings are likely to remain strong. Additionally, it appears that Hawke's Bay enjoyed a good summer, with tourism providing valuable support to the retail sector.

Looking ahead, Hawke's Bay's economic outlook remains positive given strong fruit prices. The region would benefit from more events like the Art Deco festival to attract tourists, especially with additional support from a weaker NZD.

Sector Rankings

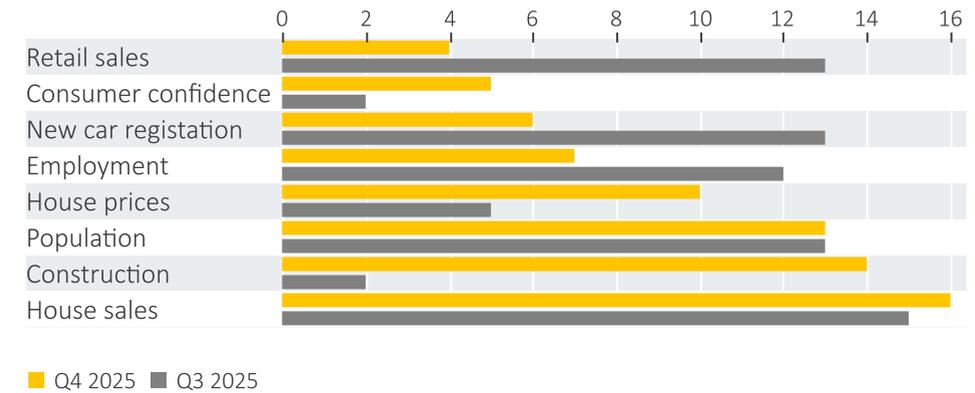


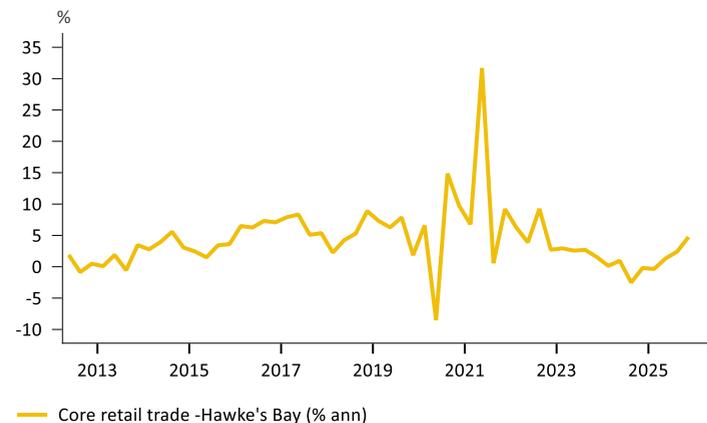
Chart of the quarter

Throughout 2025, retail spending across the region demonstrated a notable recovery. Strong export earnings have clearly supported the region's overall income.

Given the region's reliance on the horticulture sector, technology will need to play an increasingly important role in boosting productivity and reducing the impact of severe weather events.

Looking ahead to 2026, there is significant potential for growth in the Hawke's Bay tourism sector, supported by improved economic conditions in New Zealand and a weaker NZD.

Retail sales



Source: Macrobond, ASB

	Q4 2025	Annual growth
Population (000s)*	180	-0.1%
Employment (000s)	118	0.5%
Retail Sales (\$m)	842.4	4.8%
House Prices (Index)	3935	0.1%
House Sales (#)	227	-4.5%
Construction (\$m)	147	-28.7%
New Car Registration (#)	914	1.8%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Taranaki

Taranaki climbed up three spots to share eighth position with Gisborne.

New car registrations, the construction sector, and the housing market contributed to Taranaki's improvement in Q4 2025. For another quarter, Taranaki residents demonstrated strong demand for vehicles, with registrations up 8.7% y/y compared to the national average of 1.8%. However, spending on other core retail items increased only modestly. This, along with declining employment and reduced consumer confidence (combined with Manawatu-Whanganui), limited the region's further progress.

While the broader New Zealand labour market showed signs of recovery in hiring, Taranaki experienced a decrease in employment. The narrative remains unchanged from the previous quarter, as ongoing difficulties in the gas production and mining industries continue to impact the region's labour market.

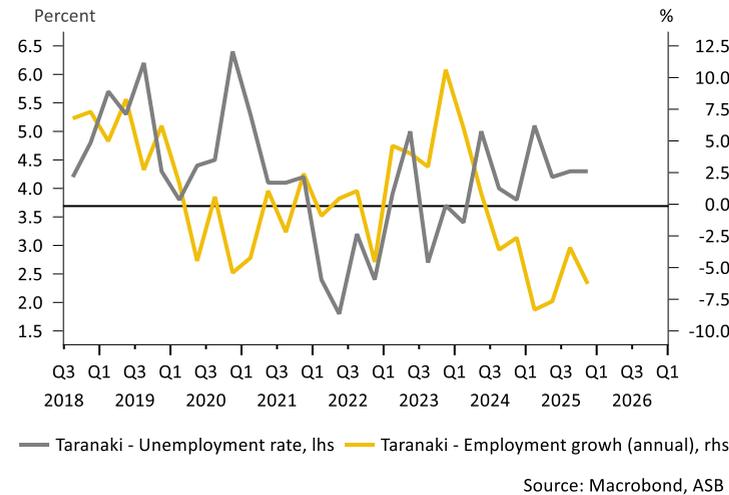
Looking ahead, strong export prices are expected to support Taranaki's dairy-focused primary sector. Additionally, the Fonterra capital return should further bolster regional incomes. Nevertheless, the industrial sector, particularly mining and metal product manufacturing, still faces significant challenges.

Chart of the quarter

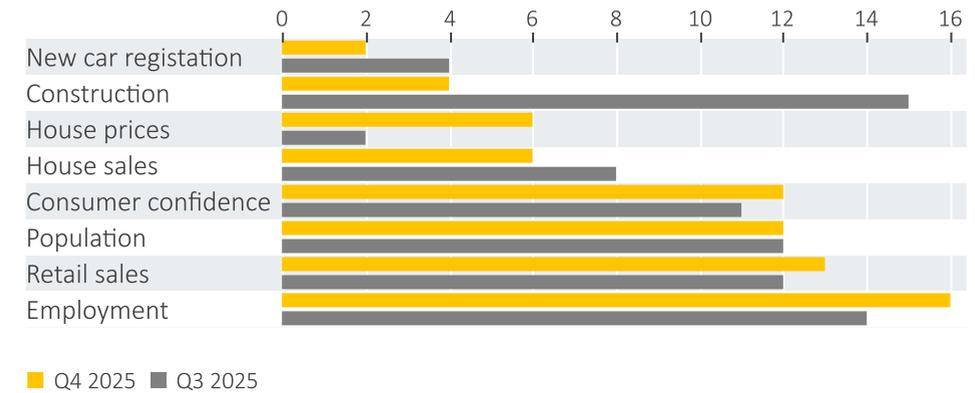
For another quarter, Taranaki experienced a decline in employment, even as other regions of the country showed signs of improvement. Ongoing challenges in the industrial sector are likely to further constrain hiring in the area.

However, as Taranaki has been selected as the location for the government's LNG import terminal, the construction phase is expected to generate jobs and, once operational, the facility should provide long-term skilled roles that could help support the region's labour market. Nevertheless, the positive impact will only become clear once the project commences.

Labour market



Sector Rankings



	Q4 2025	Annual growth
Population (000s)*	130	0.0%
Employment (000s)	66	-6.3%
Retail Sales (\$m)	522.8	1.7%
House Prices (Index)	4465	0.8%
House Sales (#)	166	12.1%
Construction (\$m)	108	28.7%
New Car Registration (#)	628	8.7%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Manawatū-Whanganui

Manawatū-Whanganui fell to the bottom two on the Scoreboard.

The region underperformed the national average in nearly all categories, with the exception of employment and house prices, which remained slightly above those in some other regions. Although meat exports remained robust throughout the final quarter of 2025, supporting regional incomes, residents appeared to channel spending towards essential retail items instead of high-value purchases like vehicles. New car registrations in the region dropped significantly by 14.3% y/y.

Total construction activity (new plus altered) declined overall. The sharpest contraction was seen in non-residential construction, which contributed most to the downturn, while ongoing strength in residential consenting prevented an even steeper fall in total consents.

Looking forward, the ongoing Middle East conflict may weigh on New Zealand’s meat exports to Gulf countries. However, we anticipate continued strong demand for NZ’s meat from the US and other key export partners, which should help partially offset any negative impacts from the conflict.

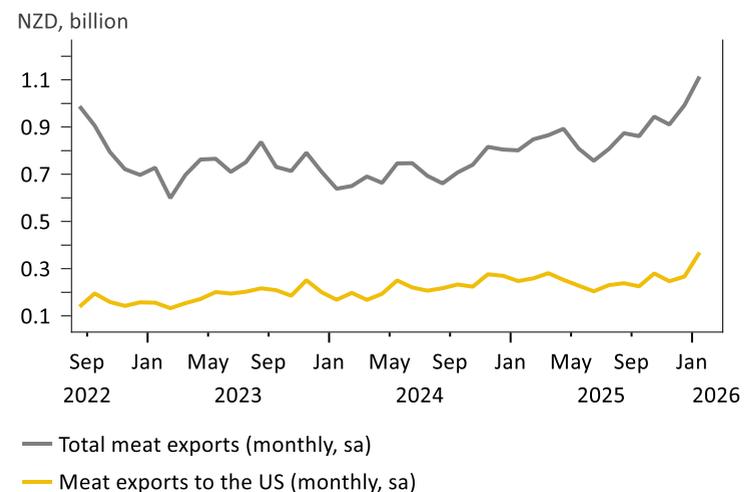
Chart of the quarter

The removal of the 15% US tariff on New Zealand beef since 25 November boosted meat exports to the US by 22% in Q4 2025, with the US accounting for 25% of total exports.

However, uncertainties persist regarding US trade policy, and new challenges have arisen due to the ongoing US-Israel and Iran conflict. [The closure of the Strait of Hormuz](#) is expected to affect NZ's exports to the Gulf states, as the majority of shipments to this region transit through this route.

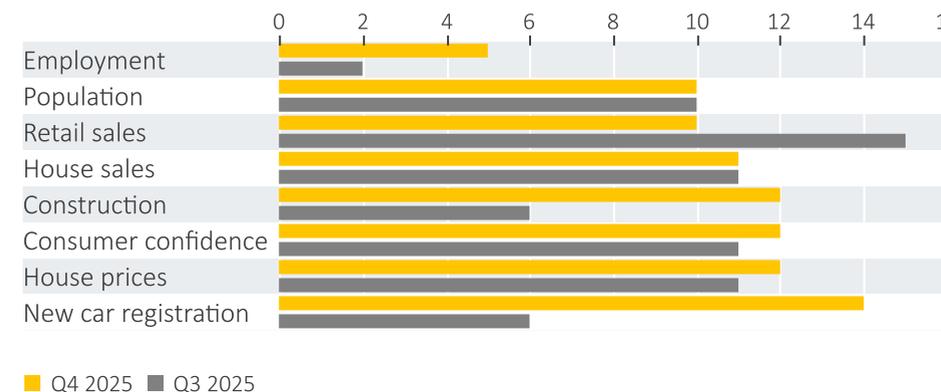
Nevertheless, robust demand from the US and other key trading partners are expected to offset some of the negative effects.

NZ meat exports



Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Sector Rankings



	Q4 2025	Annual growth
Population (000s)*	261	0.2%
Employment (000s)	138	1.0%
Retail Sales (\$m)	1025	3.0%
House Prices (Index)	4458	-0.1%
House Sales (#)	343	4.8%
Construction (\$m)	223	-14.2%
New Car Registration (#)	1264	-14.3%

*Population data recent to June 2025

Wellington

Wellington tumbled to the bottom, for the second time in 2025

Employment remains the standout performer in Wellington's rankings. The capital led the country with a 2.3% y/y increase in employment, likely rebounding from previously low levels. This improvement has helped underpin growth in retail spending, which rose by 3.1%, encouraging though still lagging behind the national average of 4.5% y/y. The capital residents remain cautious with their spending, prioritising essential items over discretionary purchases.

Wellington's housing market continued to underperform over the quarter, with both annual house prices and sales falling compared to the previous year. Total building consents also decreased, although residential construction consents saw a robust 23.8% y/y increase. This points to renewed investor confidence in the future of the city's housing market.

Looking ahead, Wellington's economy is forecast to recover, supported by low interest rates. Nevertheless, ongoing and emerging challenges may temper the pace of that recovery.

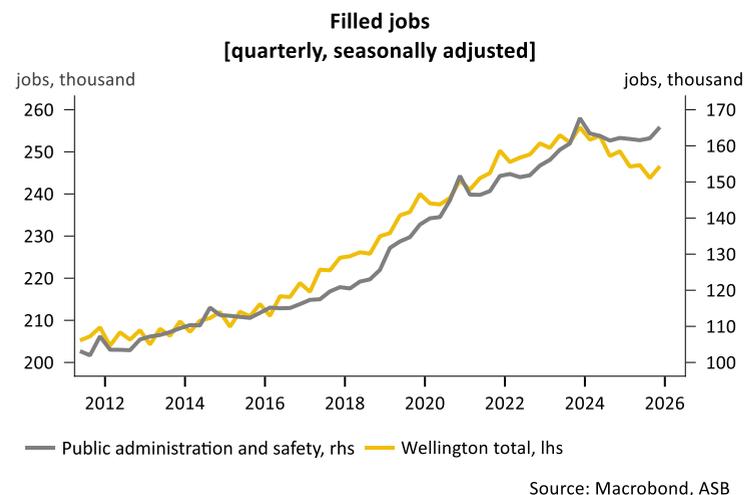
Chart of the quarter

Wellington jobs growth looks to be on the up.

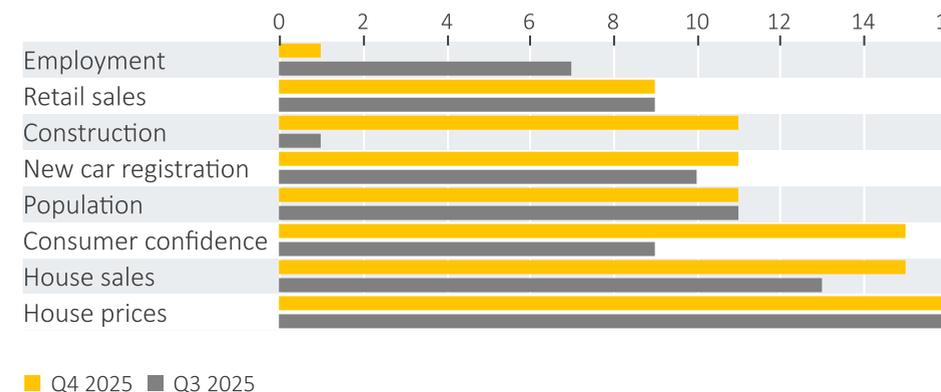
Public admin jobs grew 1.9% over Q4. This is welcome given how dependent the capital is on public services activity (though appears at odds with government spending restraint). Discounting for some of the noise caused by firm restructures, we do find this to be a silver lining in what has been a hard year for Wellington.

We expect jobs growth to broaden across sectors as the recovery matures, which can support Wellington's housing market and retail spending.

Employment growth



Sector Rankings



	Q4 2025	Annual growth
Population (000s)*	543	0.0%
Employment (000s)	326	2.3%
Retail Sales (\$m)	2493.4	3.1%
House Prices (Index)	3195	-3.3%
House Sales (#)	682	-3.7%
Construction (\$m)	491	-8.2%
New Car Registration (#)	3455	-8.2%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Tasman slipped further to fourteenth place in the latest rankings.

Tasman recorded only one category that surpassed the national average, which is house prices.

Total building consents increased, primarily due to gains in non-residential consents, despite a drop in residential approvals; however, Tasman continues to underperform compared to other regions.

The labour market in Tasman remained subdued, with employment growth declining over the year to December 2025 (combined with upper South Island regions). In line with these labour market challenges, retail spending was notably weaker than the national average, and new car registrations saw a significant drop.

Favourable weather conditions are expected to support a strong apple and pear season, an important boost for the region given that Tasman produces 23% of New Zealand’s apples. As autumn approaches, a lower NZD should provide additional support for the tourism sector. Nevertheless, persistent and emerging challenges warrant ongoing close monitoring.

Sector Rankings

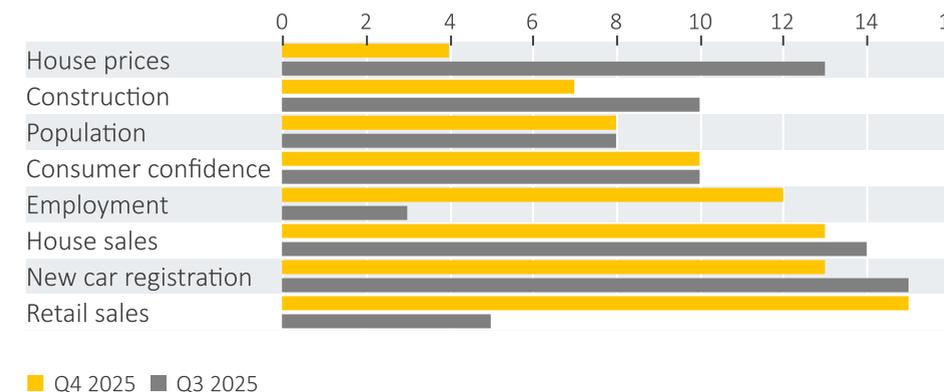
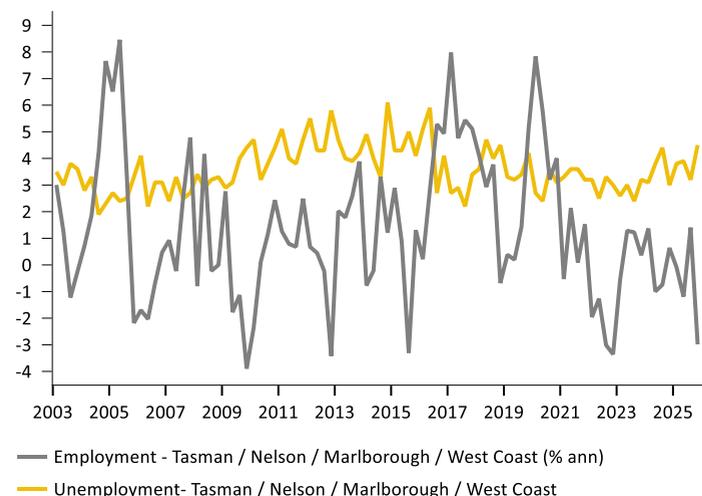


Chart of the quarter

The Upper South Island’s labour market, including the Tasman region, remained weak throughout the December 2025 quarter. Employment declined significantly, while the unemployment rate increased. The closure of the Eves Valley sawmill in late November led to the loss of 142 jobs within the local community.

Looking ahead, we anticipate that improvements in the primary sector in Tasman will generate greater income for the region, help support the community as a whole, and offset some of the challenges currently faced by the manufacturing sector.

Labour market



	Q4 2025	Annual growth
Population (000s)*	60	0.3%
Employment (000s)	107	-3.0%
Retail Sales (\$m)	269.8	0.4%
House Prices (Index)	2994	1.9%
House Sales (#)	76	2.3%
Construction (\$m)	102	8.4%
New Car Registration (#)	278	-10.9%

*Population data recent to June 2025



Nelson dropped into the lower half of the rankings for the first time in 2025.

The region outperformed the national averages in two areas: consumer confidence and house sales. Data combining Nelson, Marlborough, and the West Coast showed that residents were the second most optimistic in the country, just behind Auckland.

In contrast, employment levels (aggregated with the upper South Island regions) declined by 3% y/y, which may contribute to greater caution in discretionary spending. Reflecting this, new car registrations fell by 9.2% y/y. Core retail sales grew by 4.2% y/y, although this was still below the national average, indicating people prioritised more essential items.

Non-residential building consents saw a significant drop of 79.5% y/y, with values totalling only \$8 million NZD, while residential consents remained relatively flat.

Looking ahead, Nelson's outlook appears mixed. The region is likely to be supported by low interest rates and a recovering tourism sector, while persistent and newly emerging challenges could temper recovery.

Sector Rankings

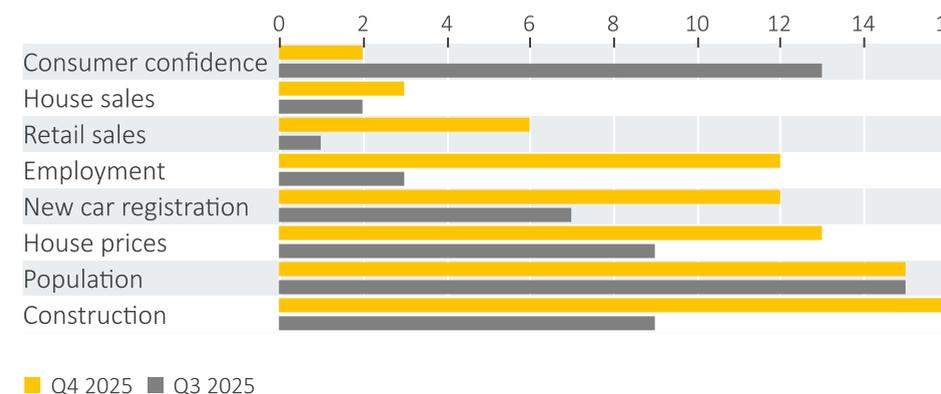
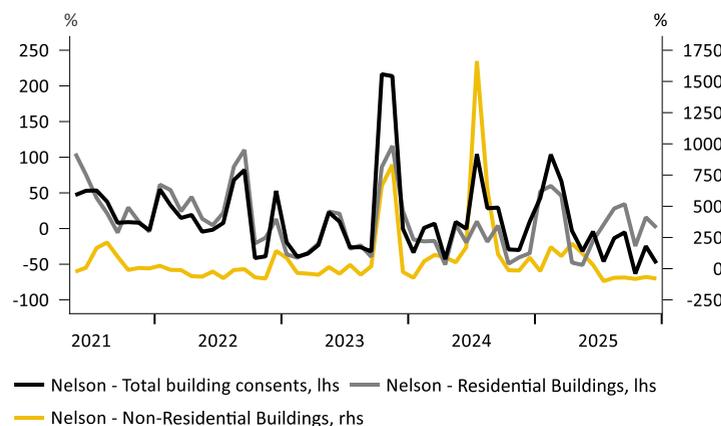


Chart of the quarter

With a population of 54,300, the area has a relatively small property market, making it highly sensitive to even minor fluctuations. In the last quarter, only \$8 million in non-residential building consents were issued, representing a decline of approximately 80%.

This significant drop is a key factor in the region's lower ranking. The decrease in non-residential building consents over the past year points to subdued construction activity over 2026.

Building consents



Source: Macrobond, ASB

	Q4 2025	Annual growth
Population (000s)*	54	-0.4%
Employment (000s)	107	-3.0%
Retail Sales (\$m)	304.6	4.2%
House Prices (Index)	2864	-0.5%
House Sales (#)	89	19.3%
Construction (\$m)	34	-48.6%
New Car Registration (#)	314	-9.2%

*Population data recent to June 2025

Marlborough

Marlborough slipped further approaching the bottom of the rankings.

Marlborough exceeded the national average in both construction and consumer confidence. While residential building consents were largely unchanged over the year, the value of non-residential consents surged, increasing nearly six-fold and earning Marlborough the top spot nationwide. Additionally, consumer sentiment, when combined with the upper South Island regions, rose noticeably, positioning residents as the second most optimistic in the country.

On the other hand, Marlborough's housing sector remained subdued, with annual declines in both house sales and prices. Employment, again in conjunction with the upper South Island, also saw a pronounced drop over the year. This contributed to tepid core retail sales growth and a decrease in new car registrations.

During the December quarter, seafood and wine exports improved, resulting in solid export earnings for Marlborough. We expect this continues to be the trend, however, the Middle East war might temper exports.

Sector Rankings

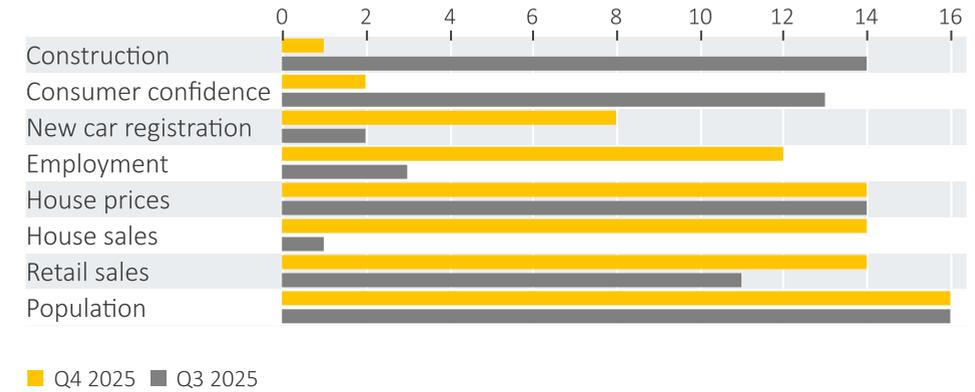
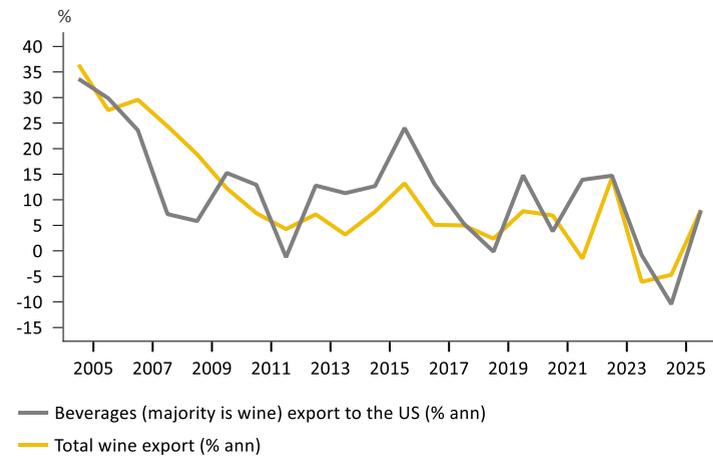


Chart of the quarter

NZ's total wine exports grew towards the end of 2025. Despite the 15% of US tariff on NZ wine, we saw a rebound in wine exports to the US in the December quarter, after declining in the September quarter.

The data shows resilience in US demand for our premium wine, which is likely purchased by higher-income consumers for whom price might not be a concern. If this trend continues, it will help Marlborough during a challenging time, given that wine exports are a major driver of growth for the region. However, the Middle East war might temper exports in the near term.

Wine exports grew



Source: Macrobond, ASB

	Q4 2025	Annual growth
Population (000s)*	51	-0.4%
Employment (000s)	107	-3.0%
Retail Sales (\$m)	250.4	1.3%
House Prices (Index)	3280	-0.8%
House Sales (#)	75	-3.4%
Construction (\$m)	68	102.3%
New Car Registration (#)	227	-5.4%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

West Coast

The West Coast stayed steady in the middle of the rankings.

While the region's ranking remained unchanged, the West Coast saw some improvements in the last quarter of 2025. Housing demand was strong, with house sales up 20.6% y/y, ranking second in the category, and house prices edged up modestly. Consumer confidence, combined with the upper South Island, rose above the national average.

Employment declined in the region (combined with the upper South Island), and likely weighed on retail sales, which grew at half the national pace. New car registrations dropped sharply. Construction activity, both residential and non-residential, remained weak.

Looking ahead, strong dairy and meat prices continue to support the West Coast's agriculture sector, and recovering tourism should boost regional income. However, the Middle East conflict may offset some of these supports.

Sector Rankings

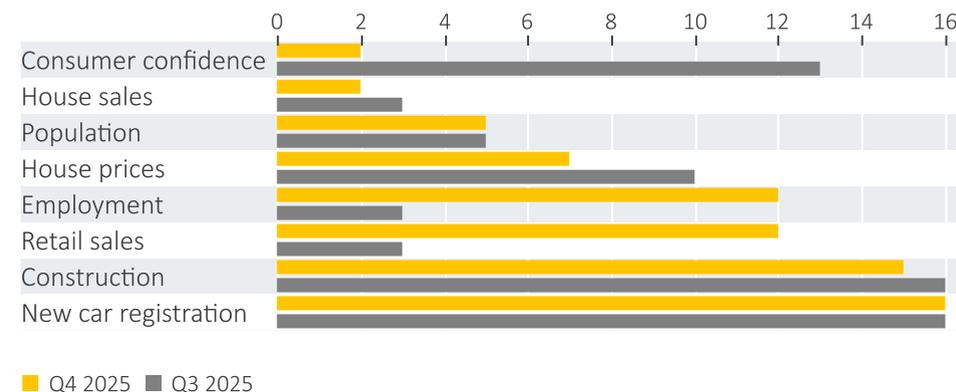


Chart of the quarter

The West Coast, home to 34,700 residents, has a small housing market. As a result, even minor shifts can have a significant impact on market dynamics.

Over the past quarter, house sales in the region increased robustly in relative terms, outpacing the national average. This growth has likely been bolstered by lower mortgage rates, strong export earnings, and a recovery in the tourism sector, all of which have supported local demand for housing.

Looking forward, further improvement in the region's housing market is anticipated, although it will be a gradual recovery from a low base.

Housing market



Source: Macrobond, ASB

	Q4 2025	Annual growth
Population (000s)*	35	0.6%
Employment (000s)	107	-3.0%
Retail Sales (\$m)	177.6	2.3%
House Prices (Index)	3153	0.7%
House Sales (#)	43	20.6%
Construction (\$m)	25	-32.3%
New Car Registration (#)	142	-25.3%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB



Canterbury maintained the trophy for the second consecutive quarter and third time in 2025.

2025 was an excellent year for Canterbury. In the last quarter, it led the country across most categories, ranking first in new car registrations and population growth. The housing market remained resilient, with solid retail spending and positive employment growth. Hosting sporting events and music concerts further boosted Canterbury’s tourism income. Retail spending should have received a boost in Q1 2026 following Ed Sheeran’s January shows (and concert T-shirts aren’t cheap).

Canterbury’s economic outlook is brighter than any other region. Strong dairy prices and Fonterra’s capital return should significantly boost regional income. The new Christchurch stadium, opening this April with a capacity of 30k for sports and 37k for concerts, will enhance the region’s ability to host large events. This will further strengthen Christchurch’s position as a tourism hub for both domestic and international visitors. However, ongoing conflict in the Middle East has increased uncertainty for the global and New Zealand economies, due to oil price spikes and disruptions to shipping and air travel. We will need to wait and see.

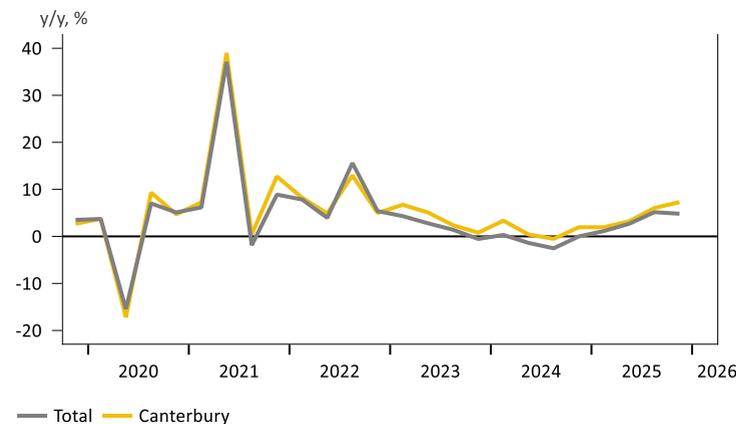
Chart of the quarter

The chart shows that retail spending in Canterbury has outperformed the national average since 2023. Over the past year, strong population growth has undoubtedly underpinned this trend. With its economy’s strengths spanning primary industries, services, and construction, Canterbury has received multiple supports. Lower mortgage rates have also buttressed the resilience of the region’s housing market, providing another key support for retail spending.

The prospect of further improvement is positive, though challenges stemming from the Middle East war need to be watched closely.

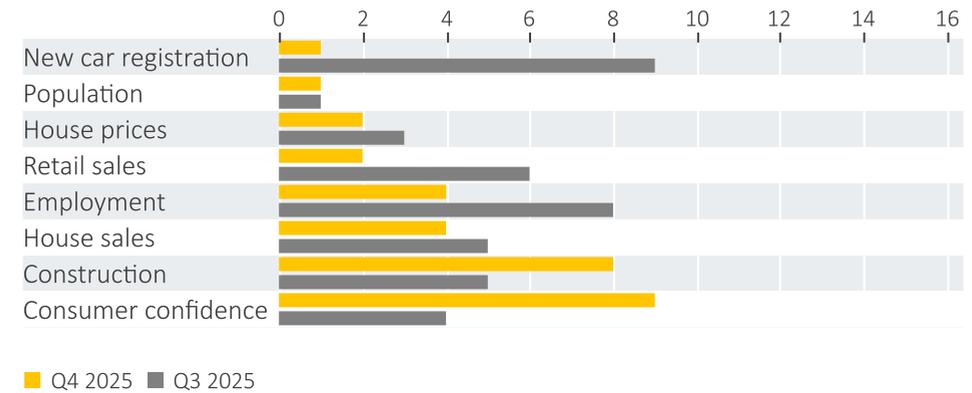
Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Retail spending, annual



Source: Macrobond, ASB

Sector Rankings



	Q4 2025	Annual growth
Population (000s)*	698	1.1%
Employment (000s)	401	1.6%
Retail Sales (\$m)	3693.3	6.7%
House Prices (Index)	3846	2.4%
House Sales (#)	1309	12.6%
Construction (\$m)	1296	8.3%
New Car Registration (#)	6712	10.4%

*Population data recent to June 2025

Otago made it way back to a spot on the podium.

Otago maintained its lead in retail sales, largely driven by a robust recovery in the tourism sector. Retail sales rose by an impressive 9.1% y/y, twice the pace of the national average. The weak NZD over the past year has undoubtedly boosted both tourist arrivals and their spending. The housing market also remained resilient, with both house prices and sales increasing over the year. Employment growth and consumer confidence in Otago were also slightly above national averages.

Nonetheless, a decline in building consents and new car registrations prevented Otago from clinching the top spot overall this quarter. Perhaps people are ditching cars in anticipation of the proposed gondola.

Winter and the ski season should continue to attract visitors to the Central Lakes District. However, rising oil prices, driven by escalating conflict in the Middle East, are putting upward pressure on airfares, making travel increasingly expensive. The effects of these higher costs are already being felt, and the duration of this trend will be an important factor to watch moving forward.

Sector Rankings

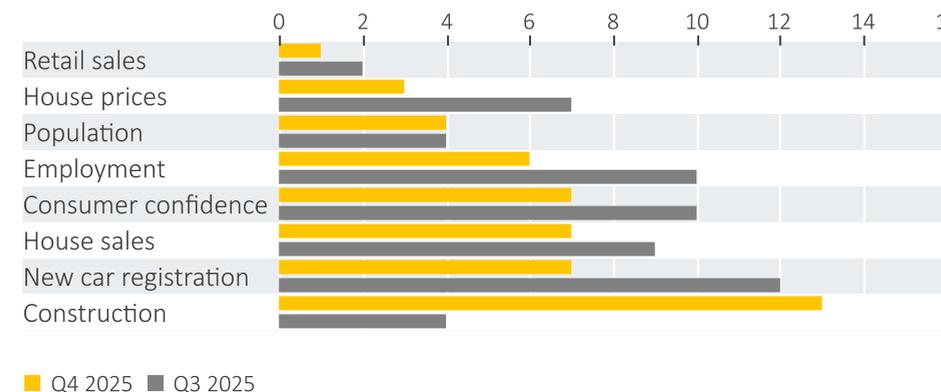
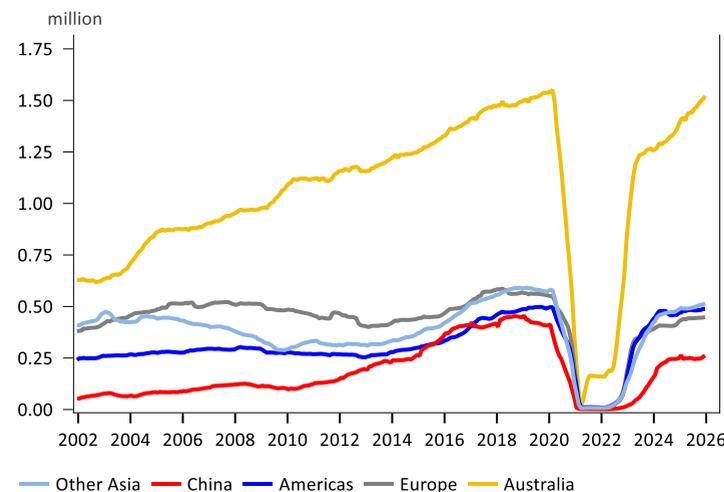


Chart of the quarter

Total annual tourist arrivals in 2025 rebounded to about 90% of pre-COVID levels, with roughly 80% of the gain over 2025 driven by Australian visitors. Numbers from the Americas and Europe remain mostly flat, with slight increases from China and wider Asia.

We expect further improvement in 2026, aided by a weaker NZD. However, the Middle East conflict may slow the recovery for long-haul travellers, though higher travel costs and the depreciation in the NZD/AUD could encourage more Australians to choose New Zealand over distant destinations.

Annual NZ Visitor Arrivals



	Q4 2025	Annual growth
Population (000s)*	254	0.6%
Employment (000s)	156	0.8%
Retail Sales (\$m)	1704.4	9.1%
House Prices (Index)	4237	2.0%
House Sales (#)	467	8.3%
Construction (\$m)	477	-26.5%
New Car Registration (#)	1439	-4.7%

*Population data recent to June 2025

Southland

Southland dropped two spots to sixth place on the Scoreboard.

Southland’s housing market has remained a central factor supporting the region’s ranking, preventing a further decline. House prices surged by 5.9% y/y, the fastest growth rate in the country, while house sales also increased at a double-digit pace, outstripping the national average. Retail sales experienced solid growth, reflecting and reinforcing the momentum in the housing sector.

However, local sentiment has cooled compared to a year ago, consistent with a drop in new car registrations and a noticeable fall in employment figures.

Southland’s economic dependence on agriculture makes it particularly vulnerable to climate change and global economic shocks that could affect demand for New Zealand’s agricultural exports. Despite these risks, the outlook for exports, especially meat and dairy, remains positive, though uncertainties need to be closely watched.

Sector Rankings

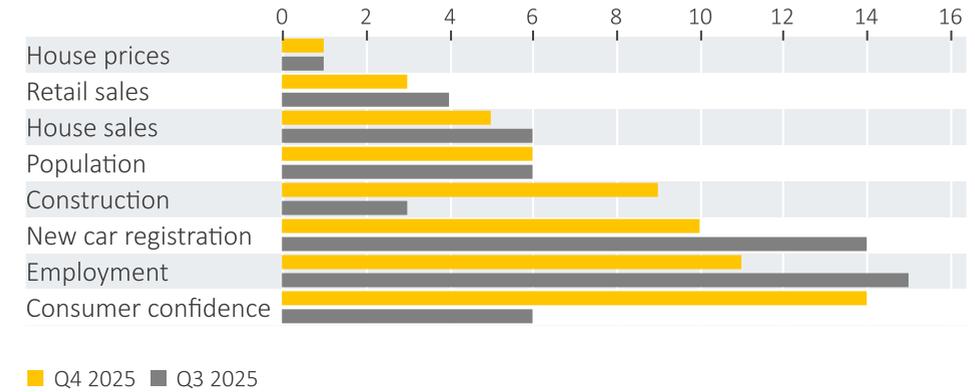
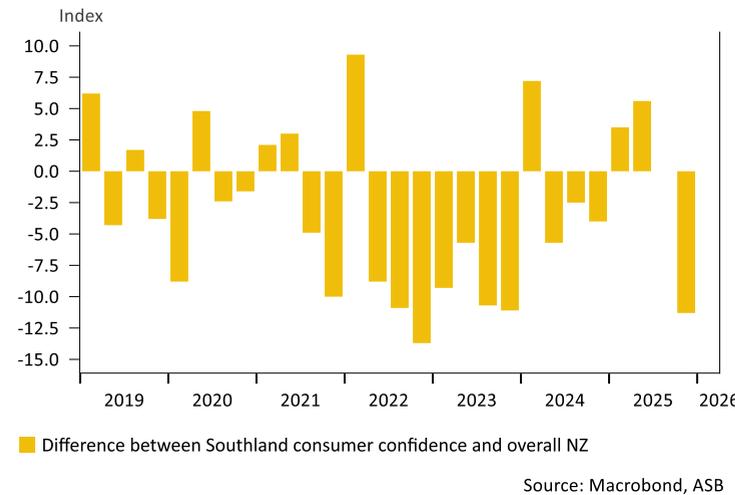


Chart of the quarter

For the first time this year, Southland residents are less optimistic than the national average. The weak labour market this quarter could have pulled confidence down, despite a stronger wealth effect in the region given the sizeable annual house price gains.

Looking ahead, the expected recovery in the labour market and overall economic conditions should restore confidence for residents in the southernmost region of the country.

Consumer confidence



	Q4 2025	Annual growth
Population (000s)*	105	0.6%
Employment (000s)	55	-1.9%
Retail Sales (\$m)	526.3	6.1%
House Prices (Index)	4911	5.9%
House Sales (#)	160	12.1%
Construction (\$m)	88	-3.7%
New Car Registration (#)	535	-6.6%

*Population data recent to June 2025

Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB

Summary table

	Share of the Economy	Population		Employment		Retail Sales		House Prices		Construction		New Car Sales	
	Jan-25	Jun-25		Dec-25		Dec-25		Dec-25		Dec-25		Dec-25	
		000's	Annual Growth	000's	Annual Growth	\$m	Annual Growth	HPI	Annual Growth	\$m	Annual Growth	No.	Annual Growth
Northland	2.7%	201	0.3%	94	0.4%	859	3.6%	3,851	0.1%	204	16.9%	856	-5.9%
Auckland	37.7%	1,816	1.0%	984	-1.1%	10,595	4.5%	3,319	-1.5%	3,067	34.7%	25,181	2.9%
Waikato	8.7%	532	1.0%	275	2.0%	2,253	3.9%	4,155	0.5%	660	22.8%	3,525	6.2%
Bay of Plenty	5.7%	352	0.3%	180	1.6%	1,631	2.5%	3,882	1.9%	348	-4.3%	2,133	5.1%
Gisborne	0.7%	53	-0.2%			209	-2.6%	3,935	0.1%	45	28.9%	211	-17.6%
Hawke's Bay	2.9%	180	-0.1%	118	0.5%	842	4.8%	3,935	0.1%	147	-28.7%	914	1.8%
Taranaki	2.7%	130	0.0%	66	-6.3%	523	1.7%	4,465	0.8%	108	28.7%	628	8.7%
Manawatu-Whanganui	3.8%	261	0.2%	137	1.0%	1,025	3.0%	4,458	-0.1%	223	-14.2%	1,264	-14.3%
Wellington	12.2%	543	0.0%	328	2.3%	2,493	3.1%	3,195	-3.3%	491	-8.2%	3,455	-8.2%
Tasman		60	0.3%			270	0.4%	2,994	1.9%	102	8.4%	278	-10.9%
Nelson	1.8%	54	-0.4%			305	4.2%	2,864	-0.5%	34	-48.6%	314	-9.2%
Marlborough	1.0%	51	-0.4%	107	-3.0%	250	1.3%	3,280	-0.8%	68	102.3%	227	-5.4%
West Coast	0.6%	35	0.6%			178	2.3%	3,153	0.7%	25	-32.3%	142	-25.3%
Canterbury	12.4%	698	1.1%	401	1.6%	3,693	6.7%	3,846	2.4%	1,296	8.3%	6,712	10.4%
Otago	4.4%	254	0.6%	156	0.8%	1,704	9.1%	4,237	2.0%	477	-26.5%	1,439	-4.7%
Southland	2.1%	105	0.6%	55	-1.9%	526	6.1%	4,911	5.9%	88	-3.7%	535	-6.6%
New Zealand	100%	5,325	0.7%	3,066	0.5%	27,552	4.5%	3,616	-0.20%	7,383	11.2%	47,873	1.8%

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