ASB Regional Economic Scoreboard

Q2 2026 data

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ASB Economics

ASB
ONE STEP › AHEAD

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This quarter in a nutshell

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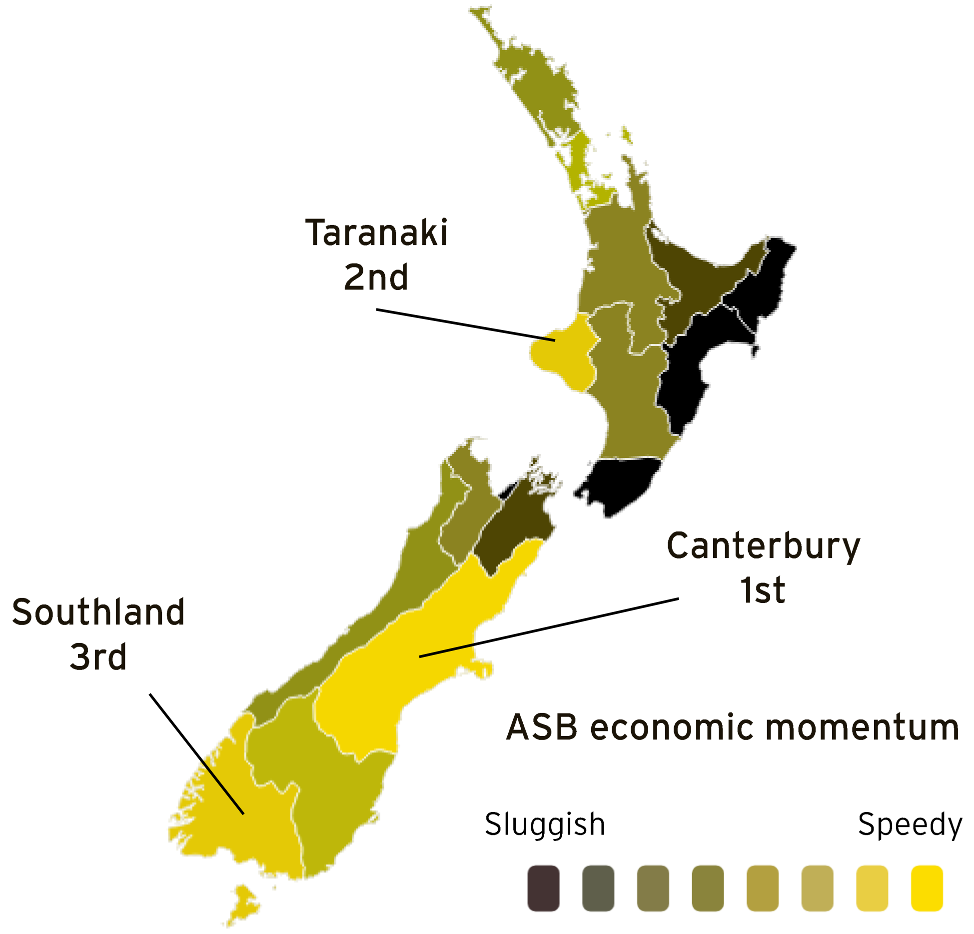
Taranaki u-turn to podium finish

The Capital disappoints



Super payout, Super Rugby, Supercars, Canterbury back on top

Canterbury, Taranaki and Southland took the top three spots in the June quarter. All three share heavy exposure to dairy and meat. Fonterra's capital return, $3.2 billion from the sale of Mainland Group, was paid out in mid-April, with the proceeds spread across farm debt repayment, on-farm reinvestment, spending and cash reserves. That capital return, together with firm export earnings, appears to be the main driver of strength in these regions, and it has spilled over into other areas of these regional economies.

Canterbury's performance was broad-based, spanning the labour market, consumer demand and housing. With the region well-positioned as a place to live, work, and visit, we expect robust population growth from both internal and international migration. The new stadium should also help Christchurch's appeal, keeping Canterbury among the top regional performers.

Taranaki made the ultimate U-turn, moving from second-to-last to second, its best placing since it topped the table in Q1 2023. The Fonterra payout and export earnings did much of the heavy lifting, offsetting continued softness in oil and gas. With the oil and gas outlook still facing challenges, dairy and meat will have to carry the region from here. However, we do wonder if Taranaki's performance may be hard to sustain in the absence of a new growth driver.

Southland jumped five places to third spot, supported by a firm housing market and solid demand across both core retail and vehicles. A softening labour market has been its Achilles heel over the past year, and is what kept it from climbing further up the rankings. Agriculture nonetheless remains a significant part of the local economy and is in good shape at present.

Overall in Q2, the South Island dominated our Regional Economic Scoreboard, while the North Island's improvement last quarter proved to be short-lived. Five of the nine North Island regions finished in the bottom half, with two sharing the bottom spot. The tentative signs of life in Wellington in Q1 faded as well, leaving the capital city back at the bottom.

The Q2 economic backdrop was subdued. Inflation jumped above 4%, unemployment reached an 11-year high, housing weakened further, and both retail spending and tourist arrivals declined. It's clear that the Middle East conflict impacted, with fuel prices peaking in mid-April. Export demand has held up well though, with firm commodity prices alongside a weak NZD driving New Zealand's economic growth. The Reserve Bank of New Zealand (RBNZ) began normalising interest rates in July with a 25bp hike and followed with another in September, taking the Official Cash Rate (OCR) to 2.75%. We expect follow-up 25bp hikes in October and December, with the OCR to remain at 3.25% over 2027.

Looking ahead, the economy continues to navigate a challenging environment, with uncertainty around the Middle East conflict still playing a role. Oil prices are creeping higher, though we do not expect fuel prices to return to their Q2 highs. Over the rest of 2026, inflation is expected to remain around 4%, while the labour market stays soft with the unemployment rate sitting above 5% and wage growth remaining subdued. Alongside the still-elevated cost of living, a higher interest rate outlook will further weigh on consumer spending and housing market recovery. Meanwhile, we expect exports to remain strong, with support from firm commodity prices and a weak NZD, remaining a key driver of the economy. We expect the two-speed economy to persist for a while longer.

ASB Regional Economic Scoreboard Rankings

	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2
Auckland	14	11	10	5	7	4	5	6
Bay of Plenty	9	5	10	1	3	5	1	11
Canterbury	2	2	1	4	1	1	2	1
Gisborne	4	12	16	12	15	8	12	15
Hawke's Bay	6	13	14	12	11	11	5	13
Manawatu-Whanganui	7	7	7	11	9	15	10	7
Marlborough	11	10	4	9	10	13	16	12
Nelson	16	9	6	8	6	12	14	14
Northland	13	14	13	14	16	7	7	9
Otago	1	1	3	3	5	2	3	5
Southland	3	4	8	2	4	6	8	3
Taranaki	12	16	12	15	13	8	15	2
Tasman	7	3	8	10	13	14	9	8
Waikato	9	7	5	6	2	2	4	4
Wellington	15	15	15	16	12	16	13	15
West Coast	5	6	2	7	8	8	10	9

Key results

- Canterbury reclaimed the top spot
- Taranaki pulled the ultimate U-turn, moving from second-to-last to second overall in the rankings
- The South Island continues to lead on the Scoreboard, while the North Island fell off the pace after a quarter of improvement
- The Capital's improvement has proven to be short-lived, and the region has returned the bottom in the rankings

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.

Middle East conflict weighs, but pockets of resilience

Inflation jumps above 4%, likely to remain elevated over rest of 2026
CPI prices rose by 1.5% q/q in Q2 2026 with annual CPI inflation jumping to 4.1%, the highest since early 2024. Tradable CPI prices jumped 2.7% in Q2 with annual tradable inflation lifting to 4.9%, a 3-year high. Annual non-tradable inflation eased to 3.4%, the lowest in five years. The Q2 CPI captures most of the pricing impacts from the Middle East conflict (petrol +20% q/q, diesel +48% q/q). Escalating US-Iran tensions have sent oil prices higher again, which poses an upside risk to the inflation outlook. We currently expect inflation to end the year around 4% - well above the RBNZ's 1-3% target band.

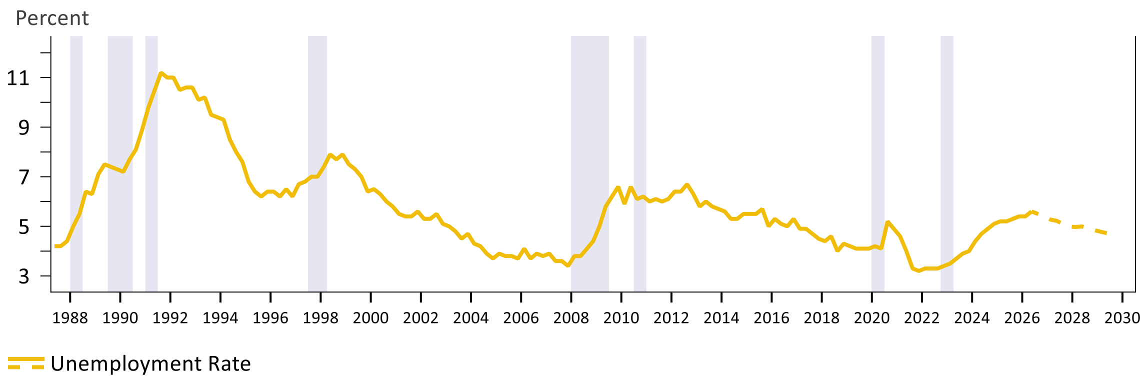
Retail contracted as Middle East impacts unfold
Retail volumes declined over Q2, as expected, reflecting the impact of high fuel prices and the flow-through impacts stemming from the Middle East conflict. The underlying picture was mixed, with some surprisingly solid growth in durables spending, while discretionary spending led the fall. At a regional level, the South Island continued to outperform (+1.5% q/q) the North Island (+0.8% q/q) given support from tourism and export incomes. With plenty of headwinds we expect consumer spending to be moderate throughout the second half of 2026.

Unemployment rate lifted to 11-year high, improvement in labour demand
Q2 labour market data was mixed, with the unemployment rate increasing to 5.6%, an 11-year high, while there was evidence of improving labour demand. Employment grew 0.5% in the June quarter, with annual improvement at 1.2%, the highest since March 2024. The working-age population grew 0.4% q/q, with participation up to 70.7%. This still results in labour force growth of 0.7% q/q (1.6% y/y), the strongest since March 2024.

Resilience amid heightened uncertainty
Q2 export volumes continued to lift, up 6.4% q/q and up 10% on year-ago levels. Export prices performed well, up 3.5% q/q. Dairy, meat and wool all posted solid gains over the quarter – with all pastoral and dairy products up 4%. The Terms of Trade fell in Q2 (down 9%) as import prices surged 14% due to the impacts from the Middle East conflict. The lift in export volumes, coupled with a fall in import volumes (-2.1% q/q) points to a positive trade contribution to Q2 GDP. The results also indicate that NZ's exports have so far remained resilient amid heightened geopolitical uncertainty, which is encouraging.

	Q2 2026	Outlook
Inflation (y/y)	4.1%	Staying high around 4% by the year-end given higher oil prices
Retail sales [volumes] (q/q)	-0.5%	Moderate growth throughout H2 2026
Unemployment rate	5.6%	Easing but remains above 5% in near term
Exports [volumes] (q/q)	6.4%	Export incomes to remain a source of growth

Unemployment rate reached an 11-year high



Source: Macrobond, ASB

Middle East conflict weighs, but pockets of resilience (continued)

Housing market weak and expecting to remain subdued
The housing market showed further weakness in Q2, with both housing demand and house prices declining annually by -0.7% y/y and -0.3% y/y, respectively. The market continues to be characterised by weak demand, while supply remains at a decade high. Regionally, the South Island continued to outperform the North Island. Given plenty of headwinds, we expect the housing market to remain subdued in the near term.

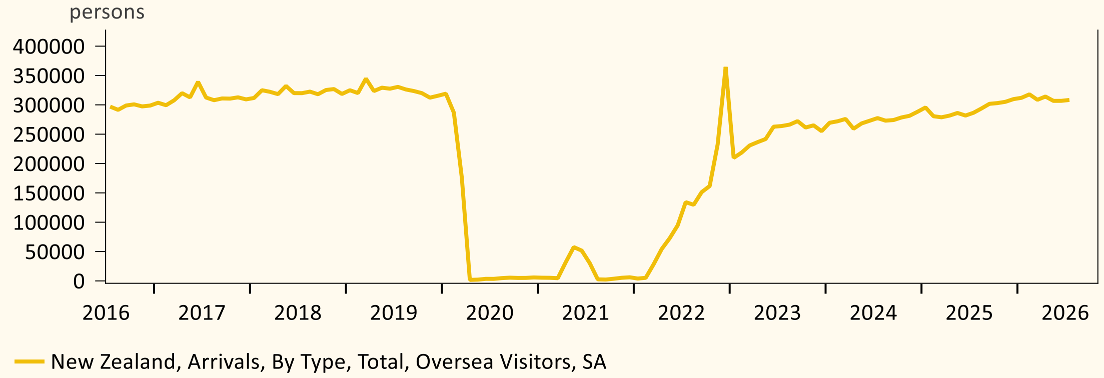
Tourism slowing as expected, headwinds ahead
Q2 tourism arrivals dropped 1.2%, but annual visitors reached 3.675 million persons, up ~9% vs the June 2025 year and ~94% of pre-COVID peaks (~3.9m). Around 70% of the annual tourism increase is accounted for by lifts in Australian and Chinese visitors. The Middle East conflict is expected to continue complicating the outlook for tourism given costlier travel. Even so, we expect tourism to remain firm in the next few months.

Net immigration remains positive but is slowing
Annual net migration in the June 2026 year clocked in under 18,000 and remains well south of circa 46,000 longer-term annual averages. Kiwi permanent and long-term departures remains high but are ticking downwards. Departures have also eased from record highs. The Middle East conflict has altered the migration outlook given confidence and cost shocks, but NZ's safe-haven status during times of uncertainty can attract more migrants than otherwise.

Signs of life in building activity, but not out of the woods yet
Q2 building activity rebounded from the fall last quarter, up 4.8% q/q, with solid growth in both residential and non-residential construction. Despite the sharp surge in fuel prices and elevated global and domestic economic uncertainty during Q2, the construction sector looked to just be getting on with it. However, the Middle East conflict has added to cost pressures in the sector which will complicate how much growth will be sustained.

	Q2 2026	Outlook
REINZ house price index (q/q)	-0.2%	Dormant
Tourism [arrivals] (q/q)	-1.2%	The ME conflict alters outlook, weak NZD helps at margin
Annual net migration (levels)	18k	Rising, but the growth rate has slowed
Construction [volumes] (q/q)	+4.8%	Consents point to strong pipeline of activity

Tourism arrivals



Source: Macrobond, ASB

Runners and Riders

Regional performance across all 16 regions
| Q2 2026

Auckland

6 Regional ranking

Auckland drops another spot to sixth place in the rankings

The City of Sails underperformed the national average in most categories over Q2. The housing market weakened further with both annual house prices and sales down sizably on a year ago. The market still favours buyers, with ample stock and soft demand. And despite a large jump in new car registrations (in part reflecting EV demand), and decent growth in building consents, other regions saw even stronger growth in these categories.

Meanwhile, population growth, retail sales and consumer confidence prevented Auckland from falling further in the rankings. Retail sales grew in Q2, underpinned by a positive improvement in net migration and increases in annual tourism spending. Retail spending growth would have been stronger if it weren't for the impact of higher fuel prices. Aucklanders remained slightly more bullish than elsewhere, though consumer confidence fell over the quarter amid the high fuel price surge.

Looking ahead, Auckland's economy is still facing several headwinds: interest rates are trending higher, still-elevated cost-of-living, and excess capacity in the labour market. The general election in November is likely to be another source of uncertainty, but any disruption to activity is likely to be relatively short-lived.

Sector rankings

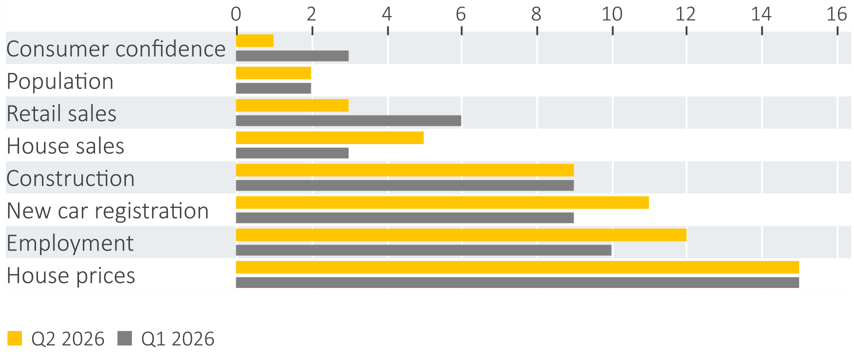
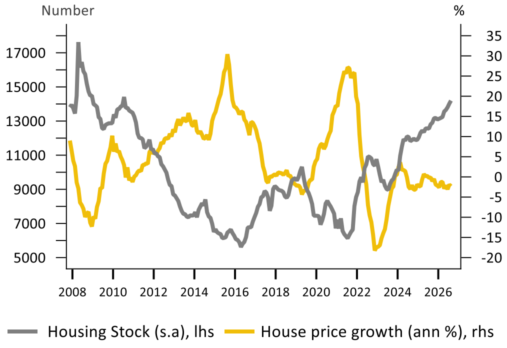


Chart of the quarter

Auckland's housing market remains subdued, with increasing housing supply and continued weak demand. Our latest Housing Confidence survey shows that buying sentiment in Auckland has improved in the past three months and remains the strongest in the country. However, with plenty of stock overhang and demand expected to stay weak, any meaningful recovery in the housing market is unlikely in the near-term. The general election in November, with differing policy settings proposed by parties is another source of uncertainty for Auckland's already-subdued housing market.

Housing market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	1816	1.0%
Employment (000s)	985	0.7%
Core Retail Sales ($m)	9455.5	6.5%
House Prices (Index, m.a. 3m)	3254	-2.7%
House Sales (#, m.a.3m)	1950	-4.9%
Construction ($m)	2986	10.8%
New Car Registration (#)	21381	9.3%

Northland

9 Regional ranking

Northland fell into the second half of the scoreboard in Q2 2026, landing at ninth place

During Q2, the region underperformed the national average in most of the categories. Demand for housing remains weak, with annual house sales in the region declining by 7.3% y/y, reflecting the cost-of-living pressure as well as almost flat employment growth.

Total building consents increase by 7.1% y/y, but this was still lower than the national average. The growth in residential consents (+12.1% y/y) partly offset the decline in non-residential consents. Retail spending was still positive, up 3.6% y/y, though it was well below the national average (+5.2% y/y).

If it wasn't for surging car registrations, Northland would have likely slid further down the Scoreboard. New car registrations jumped by ~30% compared to a year ago despite the significant deterioration of consumer confidence over the quarter. It was likely supported by the Fonterra capital return in mid-April. Additionally, house prices in Northland lifted marginally at 0.4% y/y, compared to a decline in the national average.

Sector rankings

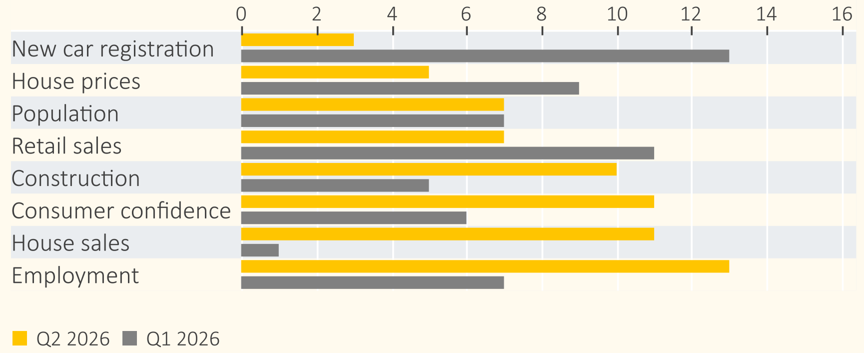
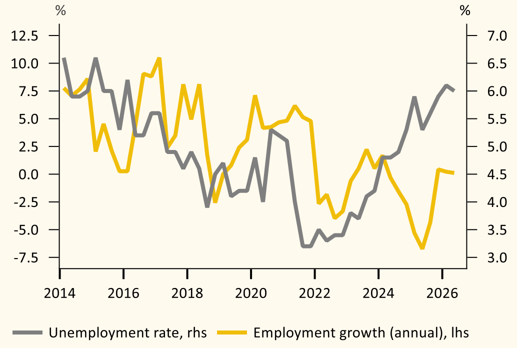


Chart of the quarter

Northland's labour market is soft. Employment growth was basically flat on an annual basis. The unemployment rate, although ticking down slightly over Q2, remains at 6%, near the highest level in a decade.

Looking ahead, the strong dairy and meat prices should continue supporting Northland's economy. However, strength in the dairy and meat sector appears to have limited spill over to the broader Northland economy, as evident by the ongoing weakness in its labour market. Without broader growth drivers we see a risk that the economy, particular retail and services, will continue to underperform the national average.

Labour market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	201	0.3%
Employment (000s)	90	0.1%
Core Retail Sales ($m)	745.2	3.6%
House Prices (Index, m.a. 3m)	3863	0.4%
House Sales (#, m.a.3m)	177	-7.3%
Construction ($m)	165	7.1%
New Car Registration (#)	1073	29.9%

**Population data recent to June 2025*

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

Waikato

4 Regional ranking

Waikato remains steady at 4th place on the Scoreboard

Waikato's annual employment growth recorded the fastest rate in the country (albeit this is a strong rebound from a low figure last year – on a quarterly basis employment was up slightly in Q2). The number of approved building consents was up 33.4%, almost three times higher than the national average. Waikato residents also purchased more cars than a year ago.

Despite solid employment growth, the housing market in Waikato showed further sluggishness over the quarter. Both house prices and sales turnover declined compared to a year ago. Consumer confidence plunged in Q2, reflecting the heightened uncertainty due to the Middle East conflict.

Looking ahead, strong commodity prices are expected to continue supporting the Waikato's economy, while the region is likely to face broad headwinds, similar to other parts of the country. A key risk is the expected strong El Nino in the coming summer, which could bring severe drought conditions to northern regions, and weigh on dairy and farming production, with flow-on effects for the Waikato's economy.

Sector rankings

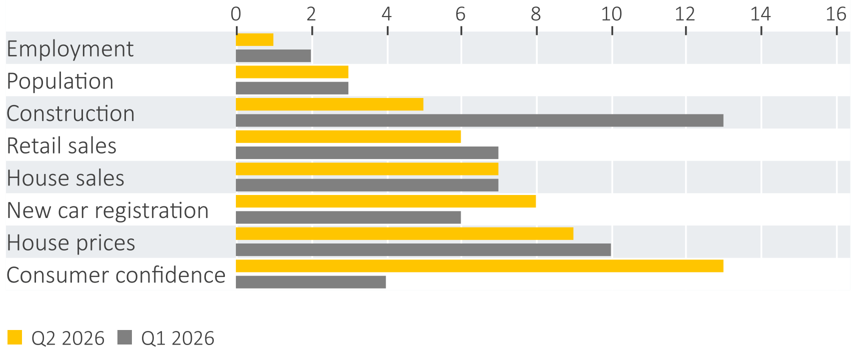
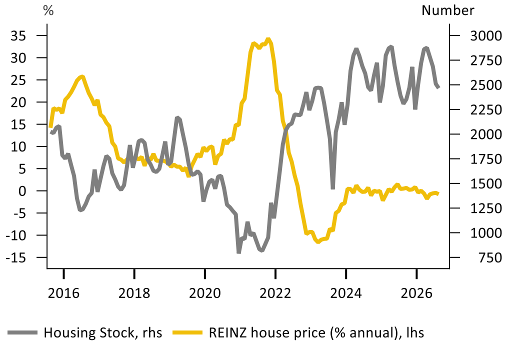


Chart of the quarter

The housing market in the Waikato has remained subdued, broadly following the national trend over the past year. This weakness stands in contrast to the region's strong labour market, and has persisted despite falling mortgage rates through the last monetary policy easing cycle. An imbalance of housing supply and demand is likely the main reason, with housing stock remaining at an 11-year high. That said, the level of housing stock in Waikato has trended lower in the last six months. With sizeable population growth and a strong export economy, we expect housing demand in the region to find some support amid prevailing headwinds.

Housing market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	532	1.0%
Employment (000s)	277	6.0%
Core Retail Sales ($m)	1978.2	3.6%
House Prices (Index, m.a. 3m)	4078	-1.0%
House Sales (#, m.a.3m)	640	-6.7%
Construction ($m)	785	33.6%
New Car Registration (#)	4284	13.5%

**Population data recent to June 2025*

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

Bay of Plenty

11 Regional ranking

The Bay of Plenty has plunged down in the Scoreboard, from the top spot to 11th place

Weak construction demand, a fall in houses sales and a drop in consumer confidence all contributed to the Bay's tumble in this quarter's regional scoreboard. On the other hand, car registrations, a modest house price increase and labour market strength are the key factors that prevented the region from falling further in the rankings.

Housing demand remains weak in the Bay of Plenty, and building consent approvals fell compared to a year-earlier level, contrasting to the improvement seen nationwide. Additionally, consumer confidence dropped significantly further over the quarter to below the national average level.

The Bay continued to outperform the national average in terms of employment growth, though with a slower pace compared to the previous quarter (2.2% y/y vs 5.2% y/y). However, this follows high employment levels in Q2 2025 when there was a bumper Kiwifruit season in the Bay. High growth rates are hard to maintain.

Looking ahead, we may see a further slowing in employment growth in the Bay, given broader economic headwinds. Meanwhile, a stronger kiwifruit crop this season and resilient export demand are expected to continue supporting regional incomes.

Sector rankings

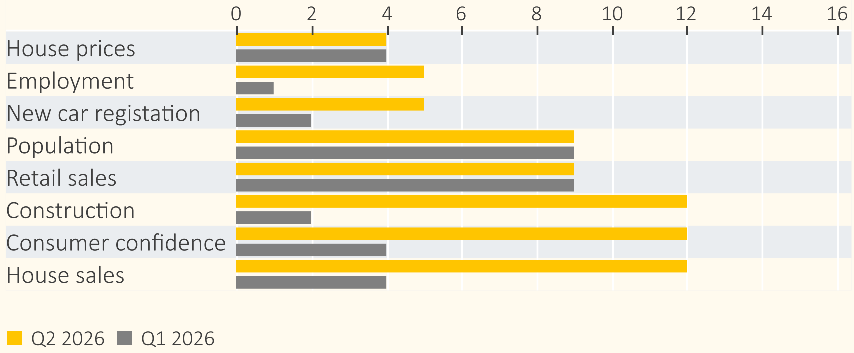
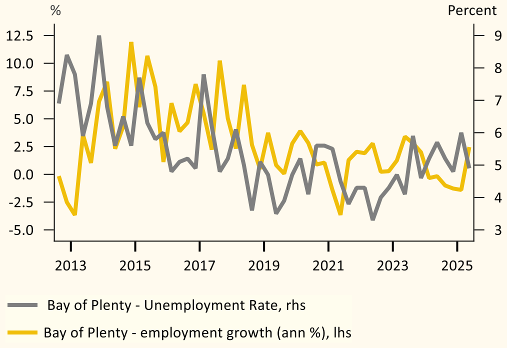


Chart of the quarter

The labour market in the Bay has held up well over the quarter. Some of that improvement is seasonal, however: the June quarter still captures much of the kiwifruit harvest, which runs from March to May. The harvest peak has now passed, but post-harvest sales will continue for some months. Cool stored fruit is sold and exported over the coming months, so the sector should keep supporting regional income and activity over the next quarter.

Moreover, the fast-tracked expansion of the Port of Tauranga is expected to support future freight growth for NZ. For the Bay of Plenty, implementation of the project should boost employment in the region.

Labour market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	352	0.3%
Employment (000s)	188	2.2%
Core Retail Sales ($m)	1426.9	2.1%
House Prices (Index, m.a. 3m)	3851	0.5%
House Sales (#, m.a.3m)	407	-7.8%
Construction ($m)	334	-6.6%
New Car Registration (#)	2682	23.8%

*Population data recent to June 2025

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

Gisborne

15 Regional ranking

Gisborne fell further to share the bottom spot with Wellington on the Scoreboard

Gisborne underperformed the national average in most categories, except for building consents. Over Q2, total building consents rose 11.5% annually, driven by a jump in non-commercial building consents.

Consumer confidence in the region (combined with Hawke's Bay) dropped sharply, from the optimistic territory (100.8) in Q1 to the pessimistic territory (79.9) in Q2, marking the lowest level in three years. This pessimism in consumer sentiment appeared to translate into weak consumer demand: both new car registrations and house sales were down significantly compared to a year ago, with the region ranking 16th in both categories. Retail sales edged up slightly but remained well below the national average.

Looking ahead, the outlook for the Gisborne economy still looks reasonably gloomy given the number of headwinds, particularly still-elevated living costs and higher interest rates. Additionally, preliminary Chinese Q2 GDP pointed to a continued sluggishness in the construction sector, which continues to weigh on Gisborne's forestry and wood industries.

Sector rankings

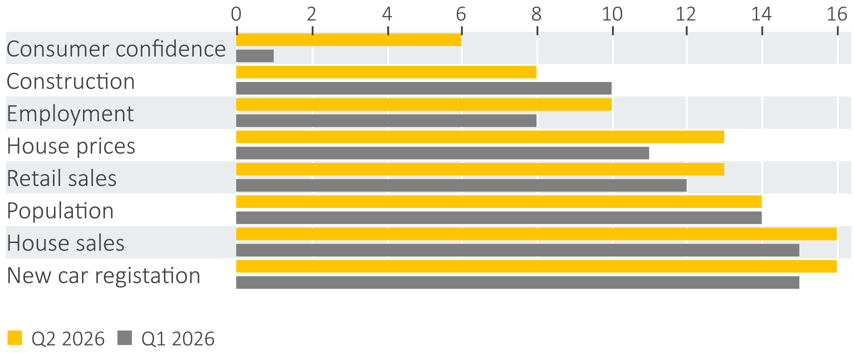
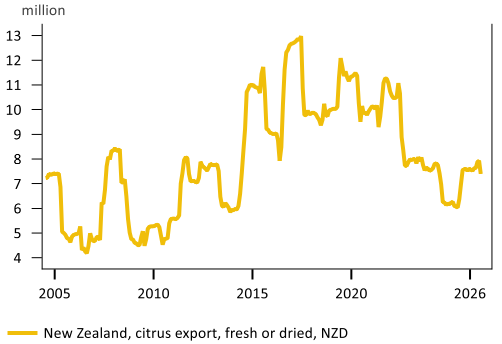


Chart of the quarter

Horticulture is another key industry of Gisborne, with the region growing over 70% of the NZ citrus supply. However, the increasingly frequent closures of the Waioweka Gorge highway are costing growers in the region millions of dollars a day in costs and income lost. This raises questions about Gisborne's ability to grow its horticultural base, and casting doubt among potential investors over the region's long-term access reliability.

The closures likely weighed on economic activity in Gisborne and neighbouring regions through Q2. With the road now fully reopened since late August, we should see some of the constraint into Q3 ease.

NZ citrus exports



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	53	-0.2%
Employment (000s)	118	0.9%
Core Retail Sales ($m)	182.3	0.8%
House Prices (Index, m.a. 3m)	3827	-2.3%
House Sales (#, m.a.3m)	37	-17.9%
Construction ($m)	34	11.5%
New Car Registration (#)	266	-10.1%

**Population data recent to June 2025*

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

Hawke's Bay

13 Regional ranking

Hawke's Bay fell sharply to 13th place in the rankings

The housing market in Hawke's Bay softened further, with both annual house prices and sales down, and the pace of the decline was much steeper than the national average. Consumer confidence in the region (combined with Gisborne) also dropped sharply over the quarter.

The remaining categories showed slight lifts compared to a year ago; even so, the Bay's results are under the national average across all these areas.

In contrast, strong annual improvement in building consents is the only bright spot keeping Hawke's Bay from dropping further towards the bottom of the Scoreboard. This improvement is driven by ~ 153% y/y lift in non-residential building consents, likely reflecting ongoing Cyclone Gabrielle recovery activity. It is expected to continue playing a heavy lifting role in the period ahead.

It is likely that elevated-living costs amid higher fuel prices and prospect of higher interest rates have weighted down Hawke's Bay economic activity. Looking ahead, while headwinds remain, strong beef and sheep prices should have provided some offset.

Sector rankings

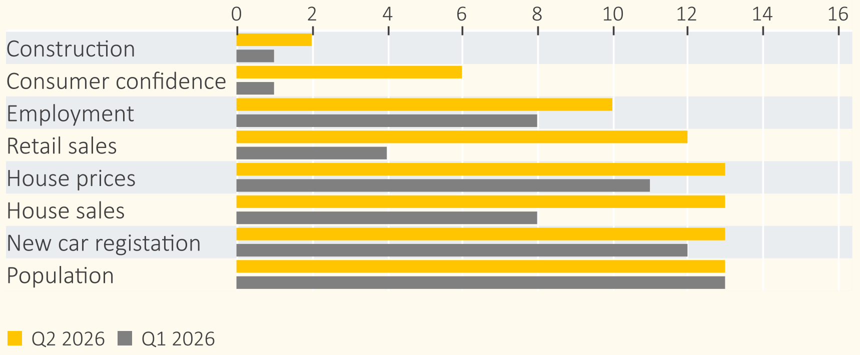
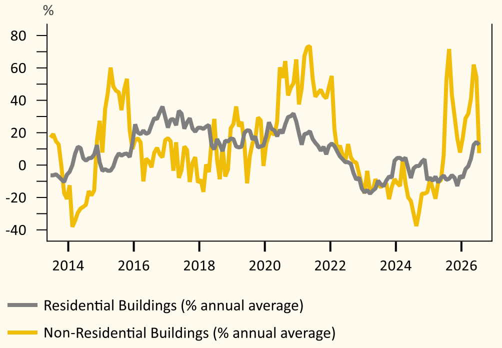


Chart of the quarter

Hawke's Bay is currently experiencing a surge in construction activity, driven by the need for infrastructure improvements and development projects. For example, the $600m Hawke's Bay Expressway upgrade, due for completion in early 2028 is *expected to provide road users and freight with "almost 12km of free-flowing, uninterrupted travel, and a more reliable connection to Hawke's Bay Airport and the port"*. The region has also seen an increase in construction demand, particularly in non-residential sectors. Once realised these projects will create more jobs, strengthen the region's resilience, and generate additional income for residents.

Building consents



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	180	-0.1%
Employment (000s)	118	0.9%
Core Retail Sales ($m)	732.4	0.9%
House Prices (Index, m.a. 3m)	3827	-2.3%
House Sales (#, m.a.3m)	199	-10.2%
Construction ($m)	240	88.2%
New Car Registration (#)	1111	6.4%

**Population data recent to June 2025* *Sources: Stats NZ, REINZ, MBIE, Macrobond, ASB*

Taranaki

2 Regional ranking

Taranaki pulled the ultimate U-turn, moving from second-to-last to second in the rankings

The Fonterra capital return payout in mid-April injected millions of dollars into Taranaki's economy given its high exposure to the dairy sector. The money appears to have been split between paying down farm debt, reinvesting in the farm, spending and building cash reserves. This payout, coupled with strong export earnings from meat exports, likely drove Taranaki's strong performance over the quarter, offsetting some of the softness in the oil and gas sector. Nonetheless, Taranaki's strong bounce has also been helped by a base effect from the weak performance a year ago, when the region landed in 15th place in the rankings.

Employment growth remained firm over the second quarter, ranking the second fastest in the country. House sales declined by 4% annually, though this still managed to be better than the sharper declines seen in 12 other regions. Annual building consents improved sharply, with growth ranking third in the country.

Consumer confidence (combined with Manawatū-Whanganui) fell slightly over the quarter, likely reflecting concern over the fuel price surge and broader uncertainty stemming from the Middle East conflict, though it still managed to be more bullish than most other regions. New car registrations also grew over the quarter up 3% q/q and up 21.6% annually.

Sector rankings

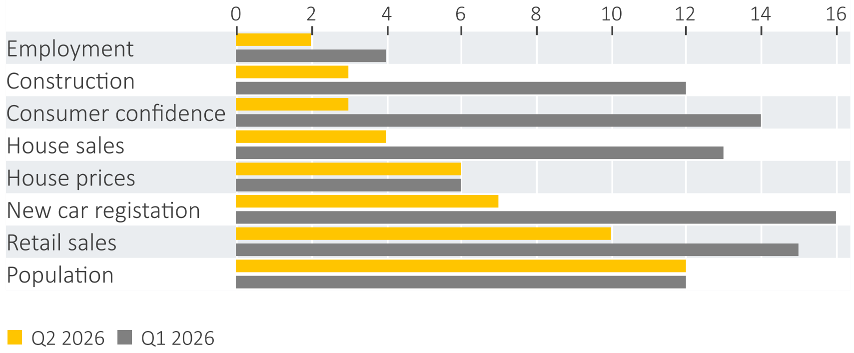
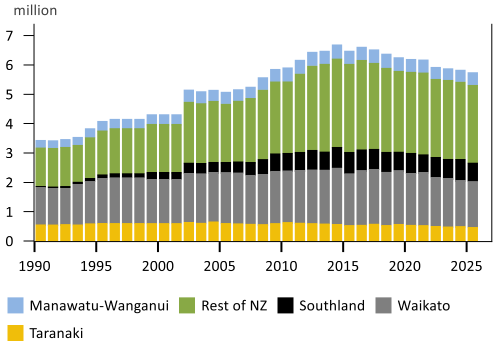


Chart of the quarter

Taranaki is among the five largest dairy cattle regions, accounting for ~8% of total NZ dairy cattle (as of June 2025). As such, dairy plays an important role in Taranaki's economy and contributes meaningfully to NZ's export earnings. The meat industry also plays an important role in the region's economy.

Strong commodity prices and a still-weak NZD are likely to continue supporting exports, further underpinning the regional economy in the coming quarters. Even so, demand from major markets such as the US, and weather factors including the El Niño which will could affect production in these sectors, warrants close watching.

NZ cattle (dairy)



Source: Macrobond, Stats NZ, ASB

	Q2 2026	Annual growth
Population (000s)*	130	0.0%
Employment (000s)	67	3.1%
Core Retail Sales ($m)	462.7	2.0%
House Prices (Index, m.a. 3m)	4488	0.4%
House Sales (#, m.a.3m)	161	-4.0%
Construction ($m)	115	47.1%
New Car Registration (#)	753	21.6%

**Population data recent to June 2025*

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

Manawatū-Whanganui

7 Regional ranking

Manawatū-Whanganui improved further this quarter, moving into the top half of the rankings

Further solid growth in employment and retail sales remained the key drivers of the region's improvement in Q2. Amid impacts of the fuel price surge, growth in meat exports over the quarter likely provided some support.

Consumer confidence (combined with Taranaki) declined over the quarter, but remained slightly above the national average sentiment levels. The housing market softened further, with both annual house sales and prices falling more sharply than the national average, continuing to weigh on the region's overall results.

Construction demand lifted solidly over the year, with total building consent approvals growing by 44.6% y/y, driven by a significant increase in non-residential consents. Annual new car registrations continued to grow, though at a rate well below that seen elsewhere.

Looking ahead, the region faces several broad headwinds, although strong expected export earnings from meat and primary products should continue to provide some support.

Sector rankings

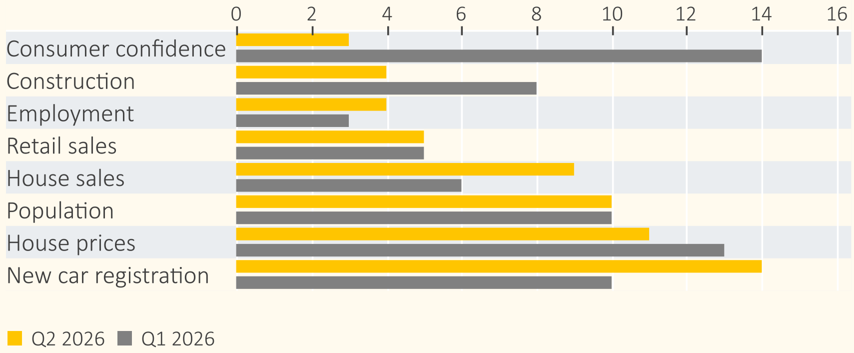
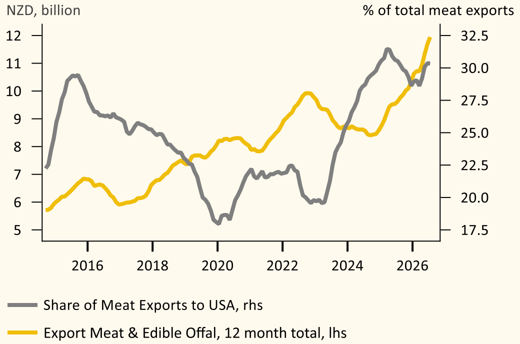


Chart of the quarter

We have decided to keep this as the chart of the quarter for Manawatū-Whanganui, as the meat exports lifted in the June quarter despite the impacts of the Middle East conflict. Both total meat exports and exports to the US continued to grow on both a quarterly and annual basis.

Export demand for NZ meat is expected to hold up, supporting meat prices and continuing to boost incomes in the region. This support will be an important offset to headwinds from still-elevated living costs and higher interest rates.

NZ meat exports



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	261	0.2%
Employment (000s)	139	2.3%
Core Retail Sales ($m)	952.6	5.5%
House Prices (Index, m.a. 3m)	4387	-1.2%
House Sales (#, m.a.3m)	311	-7.3%
Construction ($m)	251	44.6%
New Car Registration (#)	1514	5.7%

**Population data recent to June 2025*

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

Wellington

15 Regional ranking

Wellington reversed the last quarter's improvement, sharing the bottom spot with Gisborne

The Windy city underperformed the national average across most categories, with retail sales a sole exception. Core retail sales rose 2.9% y/y, helped by a 1% y/y lift in tourism spending.

In contrast, Wellington's housing market weakened further, with house price growth remaining the weakest in the country. Housing demand also fell significantly over the year, which is consistent with the weak labour market and a sharp deterioration in consumer confidence. Alongside the fuel price surges stemming from the Middle East conflict, job uncertainty in the public sector continues to weigh on the confidence of the capital city's residents.

Construction demand likewise remained weak, declining noticeably over the quarter, driven by a sharp drop in non-residential building consents. In contrast, residential building consents improved significantly over the year. While Wellington's housing market is likely to remain soggy for some time, strong growth in residential building consents suggests some potential upside for the housing market if consents translate into activity.

Sector rankings

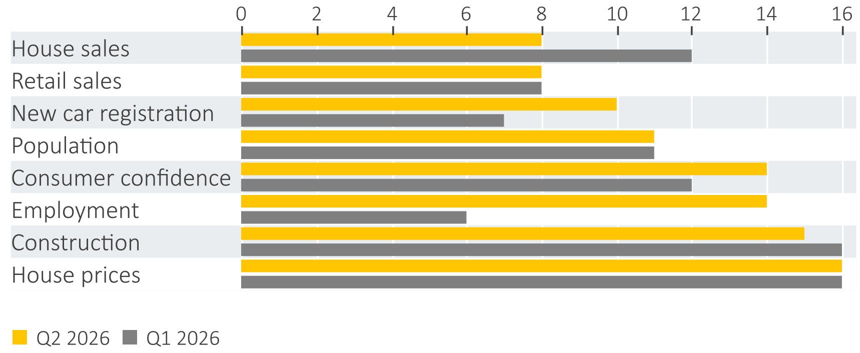
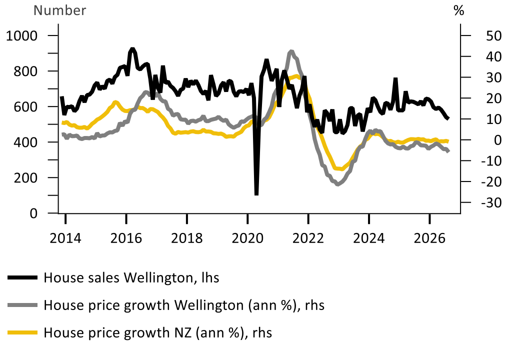


Chart of the quarter

Wellington's housing market remains its Achilles heel. Living in Windy Wellington has not been an attractive proposition of late, with the Capital bearing the brunt of public sector layoffs. Both annual house sales and house prices have fallen sizably, with median house price currently about 28% below its October 2021 peak, a significant erosion of wealth for those who bought in the last boom.

With population growth slowing, the weak labour market and interest rates trending higher, the outlook for the Capital's housing market remains gloomy. The general election, with parties proposing differing policy settings, is likely to add a further layer of uncertainty.

Housing market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	543	0.0%
Employment (000s)	321	-0.1%
Core Retail Sales ($m)	2225.9	2.9%
House Prices (Index, m.a. 3m)	3124	-3.4%
House Sales (#, m.a.3m)	598	-7.2%
Construction ($m)	471	-18.7%
New Car Registration (#)	3865	11.2%

**Population data recent to June 2025*

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

Tasman

8 Regional ranking

Tasman advanced further in the rankings, reaching eighth place.

This improvement is likely supported by another record season for the apple and pear sector, with Tasman one of the major growing regions. New car registrations continued to be a key driver of Tasman's improvement on the Q2 Scoreboard. Compared with a year ago, Tasman recorded the strongest growth in new car registrations in the country, although in absolute terms the gains remain small.

Employment growth (combined with upper South Island regions) improved and remained slightly above the national average. At the same time, the unemployment rate declined significantly from 4.6% in Q1 to 3.7% in Q2, among the lowest in the country.

On the weak side, construction demand reversed the upward trend seen in the previous quarter, falling 10.2% y/y. The housing market softened further, with house prices down slightly over the year and house sales showing a more sizable drop. With less support from the "wealth effect", retail sales in Tasman were muted in annual terms.

Sector rankings

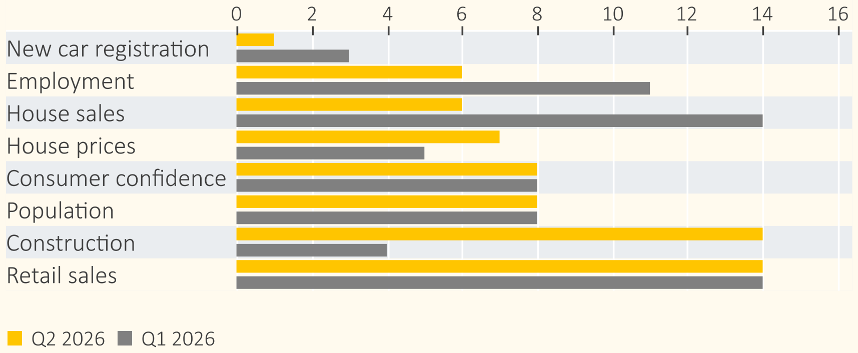
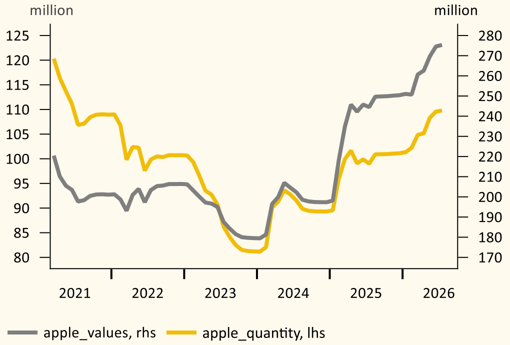


Chart of the quarter

Nelson/Tasman is the second largest apple and pear growing region, producing 30% of NZ's total crop. The sector is likely being on track for another record season and export returns are forecast to surpass $1.3 billion, which should provide support to regional incomes.

Kiwifruit has remained the largest fruit export in recent years and that is expected to continue. Apple and pear, nonetheless, retain a key role in the horticulture sector, particularly for regions such as Tasman/Nelson. Innovation in modern orchard systems and new plantings will further support productivity for the sector.

Exports of apple (annual)



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	60	0.3%
Employment (000s)	109	1.4%
Core Retail Sales ($m)	227.9	0.0%
House Prices (Index, m.a. 3m)	2923	-0.4%
House Sales (#, m.a.3m)	67	-6.0%
Construction ($m)	65	-10.2%
New Car Registration (#)	343	40.0%

**Population data recent to June 2025*

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

Nelson

14 Regional ranking

Nelson stayed steady at 14th place on the rankings

Nelson's economy remained weak, underperforming the national averages in almost all sectors, except for employment growth (combined with upper South Island regions) which sits slightly above the nationwide rate (1.4% y/y vs 1.2% y/y, respectively).

Consumer demand was the weakest in the country, with Nelson recording the largest decline in retail sales over Q2. New car registrations, although posting a sizeable increase, remained well below the national average. The housing market in the region softened further with annual house prices down 1.8%, while annual house sales recorded the second-largest decline in the country.

Construction demand in Nelson continued to weaken, following the trend seen in the previous quarter. While residential building consents lifted significantly (+25.9% y/y), non-residential building consents continued to drop by 70.2% y/y – dragging the total building consents growth down.

Looking ahead, Nelson's outlook remains challenging. However, we expect exports of seafood and meat to continue to be resilient, and will provide a vital support to the region's economy over the near-term.

Sector rankings

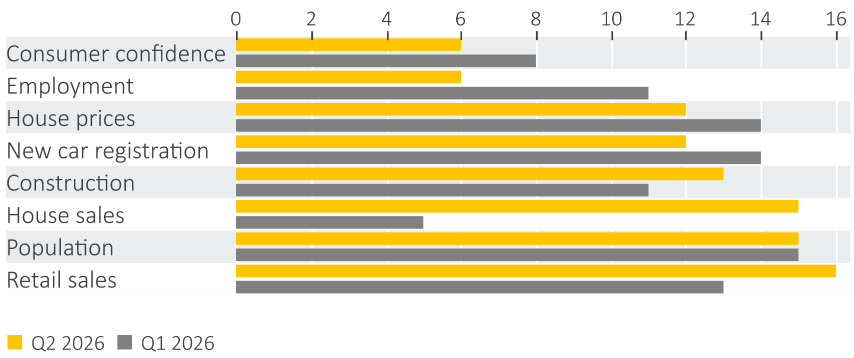
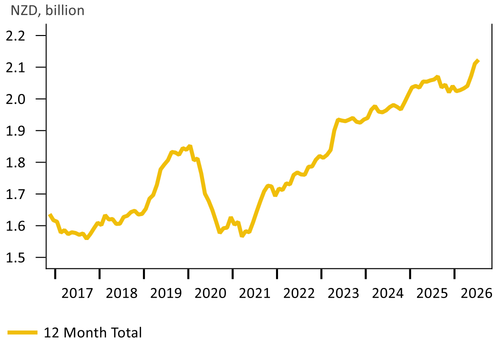


Chart of the quarter

Despite the potential for the conflict in the Middle East to impact export demand, exports of seafood held up well in the June quarter. Over the quarter, the total value of exports lifted ~24% q/q and ~ 15% y/y, reflecting resilient demand for NZ seafood as well as strong export prices.

As one of Nelson's key export products, seafood should continue to benefit from strong commodity prices and a still-weak NZD, underpinning regional earnings. Even so, the increase in US tariffs to 12.5% and the ongoing Middle East conflict still pose some risk to NZ seafood exports.

Seafood exports holding up



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	54	-0.4%
Employment (000s)	109	1.4%
Core Retail Sales ($m)	258.9	-2.6%
House Prices (Index, m.a. 3m)	2804	-1.8%
House Sales (#, m.a.3m)	68	-13.5%
Construction ($m)	46	-9.6%
New Car Registration (#)	354	7.6%

**Population data recent to June 2025*

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

Marlborough

12 Regional ranking

Marlborough showed some improvement, climbing off the bottom to be twelfth in the rankings

Building consents, new car registrations and employment are the three sectors that did the heavy lifting for Marlborough in Q2.

Construction demand was strong, with the region recording the fastest growing rate in building consents over the quarter. It was mostly driven by the big jump in non-residential building consents (+244.5% y/y) while residential construction stayed flat. Non-residential consents can be lumpy and it will be hard for Marlborough to maintain growth rates near these levels. Marlborough residents showed some further love for cars, being the fourth fastest growing region for new car registrations. At the same time, the improvement in employment (combined with upper South Island regions) compared to a year ago also played a role in supporting the improvement for Marlborough in our rankings.

In contrast, retail sales and the housing market in the region remained weak, which aligned with the weakness in consumer confidence (combined with upper South Island regions) over the quarter.

Sector rankings

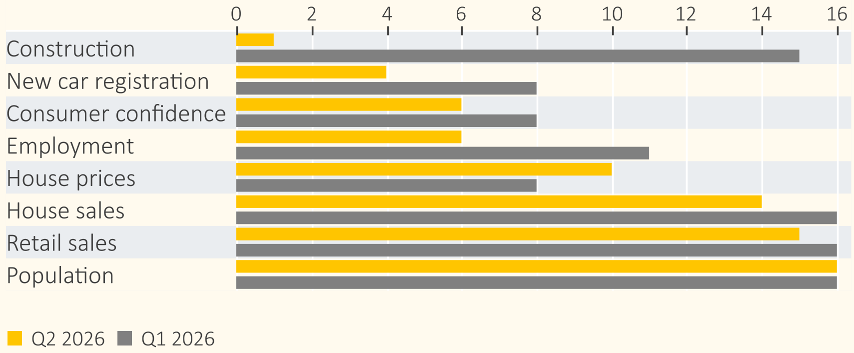
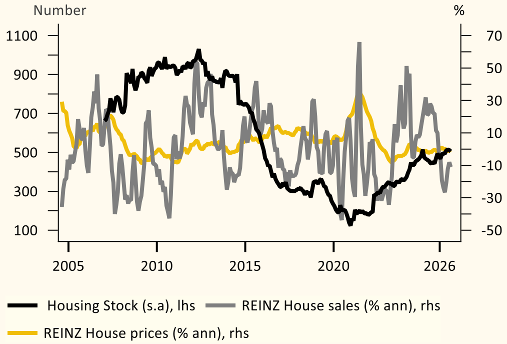


Chart of the quarter

Being home to 51,000 residents, Marlborough's small housing market has remained subdued – just like many other regions across the country. Annually, house prices dropped sizably while demand for housing fell sharply. Supply of property continues to edge up, with the level of stock sitting at 10-year highs. The outlook for the housing market in the near-term remains weak in the face of higher interest rates, still-elevated living costs and easing wage growth.

Meanwhile, wine, a key support to the region's earnings, now faces a 12.5% US tariff, up from 10%, adding more pressure to the sector and could flow through to less support to the housing market.

Housing market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	51	-0.4%
Employment (000s)	109	1.4%
Core Retail Sales ($m)	214.8	-0.6%
House Prices (Index, m.a. 3m)	3275	-1.1%
House Sales (#, m.a.3m)	70	-12.2%
Construction ($m)	90	100.7%
New Car Registration (#)	293	27.9%

**Population data recent to June 2025*

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

West Coast

9 Regional ranking

The West Coast climbed one spot in the rankings to ninth place

The West Coast outperformed the national average in building consents, employment growth and house prices. Construction demand increased broadly, led by a jump in non-residential building consents (+75.1% y/y) and supported by a notable lift in residential consents (+16% y/y). At the same time, employment growth (combined with Upper South Island regions) also played a supporting role. House prices declined on an annual basis, though slightly less than the national average. That said, housing demand in the West Coast remained weak, with annual house sales down significantly.

Meanwhile, amid the fuel price surge, new car registrations declined compared to last quarter and were only slightly higher than a year ago. Similarly, retail sales posted a slight lift, which was well below the national average. These results align with the further deterioration in consumer spending (combined with Upper South Island regions) over the quarter.

Looking ahead, we hope that strong dairy and meat prices continue to support the West Coast's economy, offering some offset from the prevailing headwinds.

Sector rankings

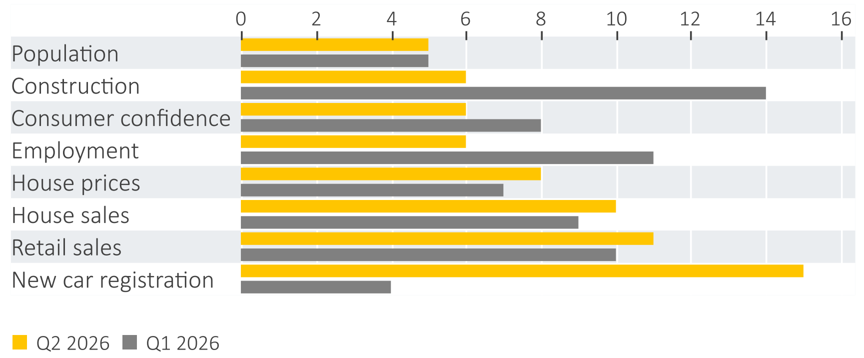
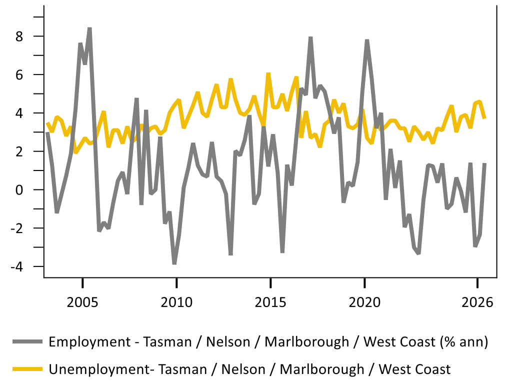


Chart of the quarter

The Upper South Island labour market remained solid in Q2 2026, with employment growth at 1.4% y/y while the unemployment rate eased from 4.6% to 3.7%, much lower than the national average (non-seasonally adjusted). The picture is, however, uneven in the West Coast,. Westport, in the Buller district, has lost around 130 roles this year, some 40 from the pause of Westland Mineral Sand and a further 92 from Talley's fish processing site. The region is, however, gaining extractive employment elsewhere. The Endura Mining Snowy River Gold Project is expected to employ 250 people once in full production, supporting local employment and wider regional development. Tourism is also likely to continue to support employment in the region moving forward.

Upper South Island labour market



	Q2 2026	Annual growth
Population (000s)*	35	0.6%
Employment (000s)	109	1.4%
Core Retail Sales ($m)	148	1.6%
House Prices (Index, m.a. 3m)	3117	-0.5%
House Sales (#, m.a.3m)	42	-7.3%
Construction ($m)	39	32.9%
New Car Registration (#)	167	1.8%

**Population data recent to June 2025*

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

Canterbury

1 Regional ranking

Canterbury has taken the top spot back, after just one quarter

The region has returned to the top of ASB's Scoreboard thanks to broad-based strength. We think that the Fonterra capital return payout was one of the key drivers. Core retail sales lifted 8.8% y/y, the strongest in the country. The Super Rugby Pacific and Supercars Championship staged in Christchurch during April drew substantial crowds, likely boosting retail sales across the region. A 4% y/y decline in tourism spending in Q2 (according to MBIE data) suggests that strong retail sales in the quarter were mainly driven by locals rather than visitors, highlighting the strength of the domestic economy. Strong dairy and meat exports should also provide a significant boost to regional incomes.

At the same time, strong population growth from both internal and international migration has provided support to housing demand, with Canterbury's housing market remaining firm compared with the sluggishness of both the national market and other main centres. The labour market also held up well, with employment up 2.6% y/y and the unemployment rate falling from 4.4% in Q1 to 3.6% in Q2, which is among the lowest nationally. Consumer confidence softened amid the fuel price surge and the prospect of higher interest rates. Even so, Cantabrians remained the second-most optimistic in the country.

Sector rankings

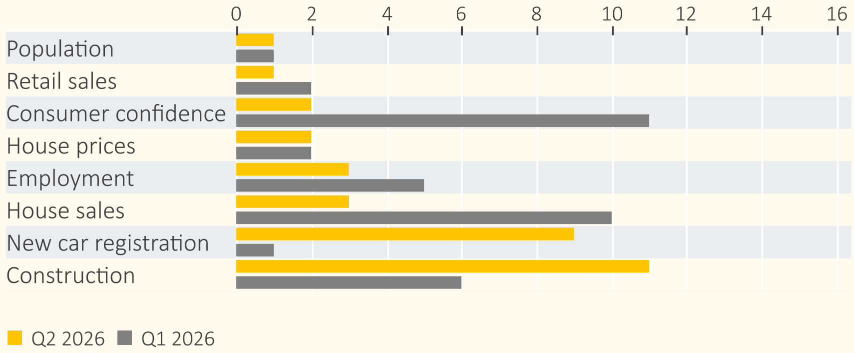
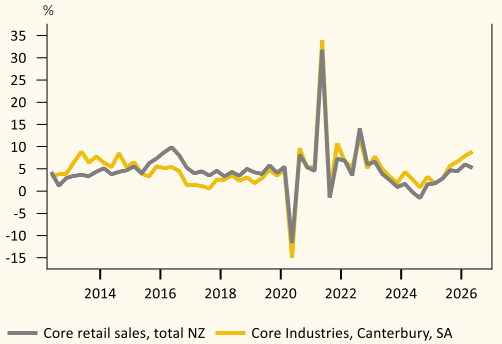


Chart of the quarter

Consumer spending in Canterbury has been growing above the national average for the past year. Strong commodity prices, particularly for dairy and meat, are likely supporting regional incomes. The current tourism spending data suggests that the strong growth in retail sales has been driven mainly by locals which is encouraging.

At the same time, Canterbury's status as a stop for world-class events with the new stadium continues to support tourism earnings and regional spending. We expect these trends to remain supportive in the quarters ahead, and wouldn't be surprised to see Canterbury achieving similar results going forward.

Retail sales



Source: Macrobond, Stats NZ, ASB

	Q2 2026	Annual growth
Population (000s)*	698	1.1%
Employment (000s)	399	2.6%
Core Retail Sales ($m)	3317.8	8.8%
House Prices (Index, m.a. 3m)	3897	3.3%
House Sales (#, m.a.3m)	1175	0.0%
Construction ($m)	1247	6.5%
New Car Registration (#)	6043	12.4%

**Population data recent to June 2025*

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

Otago

5 Regional ranking

Otago has dropped off the podium, sliding further in the rankings

The lift in Otago's retail spending over the past year has not translated into jobs growth in the region, as we flagged last quarter. Employment fell 5.3% on year-ago levels, the largest decline in the country. Moreover, the weak labour market likely dampened consumer confidence, leaving Otago residents the second most pessimistic in NZ.

Offsetting this, housing market was resilient with annual house prices posting sizable gains while house sales lifted modestly. We expect this resilience will continue despite several remerging and persistent headwinds. Moreover, solid retail sales growth kept Otago from sliding further in our rankings. Together with firm new car registrations, this suggests that Otago household demand appears to hold up well despite high fuel prices.

Construction demand also held up well, across both residential and non-residential work, consistent with Otago being a tourism hub. Late winter snow suggests that the winter tourism season will finish with a bang.

Sector rankings

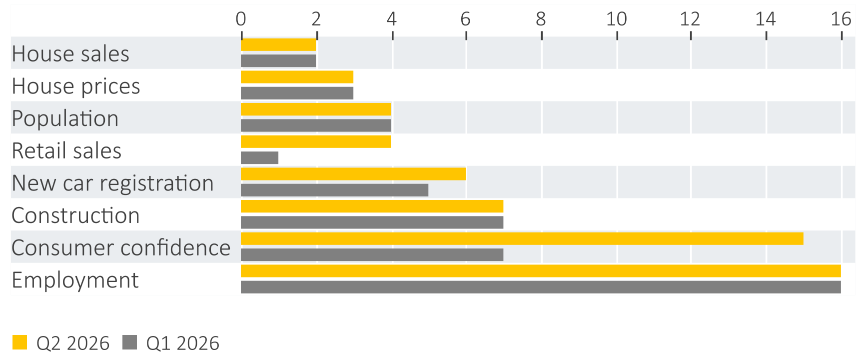
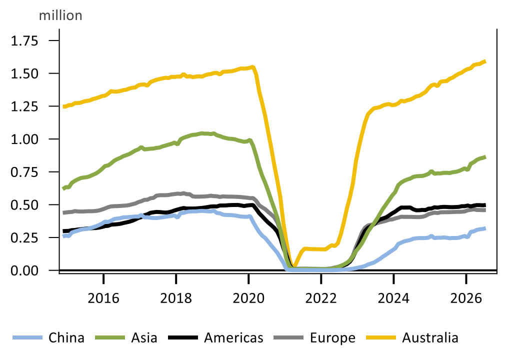


Chart of the quarter

With the ski season typically running from late June to October, peaking around July and August, we expect to see the spending impulse to continue over the next few months. The weather so far has been favourable, with minimal delays and disruptions to those enjoying Queenstown's winter wonderland this winter.

The Middle East conflict is expected to complicate the tourism outlook, and Otago's with it. But higher fuel costs bite hardest on long-haul airfares, so NZ should appear relatively cheaper to Australian visitors over the ski season – a shift in the mix that cushions the hit without fully offsetting it. The NZD/AUD exchange rate is another supportive factor, with the exchange rate currently sitting around 13 year lows.

Annual tourism arrivals



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	254	0.6%
Employment (000s)	147	-5.3%
Core Retail Sales ($m)	1497.8	5.6%
House Prices (Index, m.a. 3m)	4266	3.2%
House Sales (#, m.a.3m)	405	0.2%
Construction ($m)	600	22.2%
New Car Registration (#)	1888	22.0%

**Population data recent to June 2025*

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

Southland

3 Regional ranking

Southland jumped in the rankings, taking the third spot on the podium

There remains plenty of bright spots supporting Southland's performance, with strong house price growth, a surge in new car registrations and solid growth in retail sales contributing to Southland's ranking.

Strong export earnings, particularly from dairy and meat appeared to be supporting the region. Moreover, the Fonterra capital return payout in mid-April likely provided strong support to famers' incomes. Retail sales lifted ~7% over the past year, recording the second-fastest growing rate in the country. Additionally, big-ticket items like vehicles were likely prioritised, with new car registrations rising sharply on an annual basis.

In contrast to the subdued housing market elsewhere, Southland's housing market remains incredibly resilient, with both annual house prices and house sales growth remaining the fastest in the country.

Meanwhile, Southland's Achillies Heel over the past year has remained the softening labour market, with employment down 2.9% over the past year. It is important to remember, though, that agriculture plays a significant role in the local economy, and is in a good space at the moment.

Sector rankings

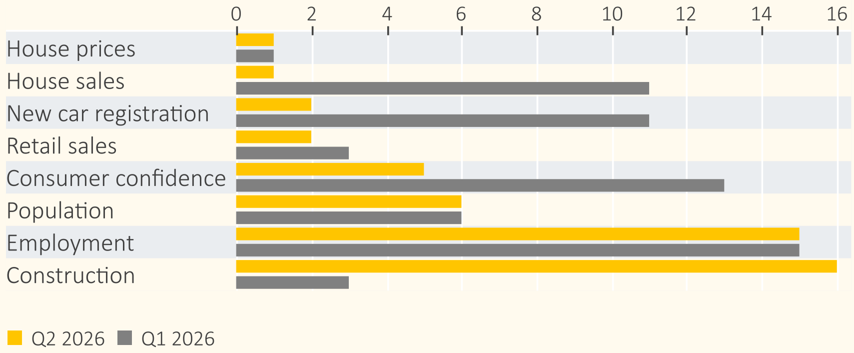
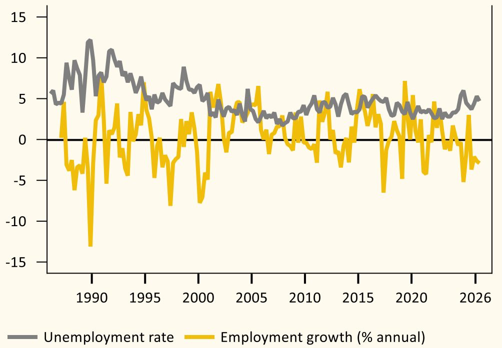


Chart of the quarter

As mentioned above, the labour market has been a weak spot for Southland over the past year, with employment down while the unemployment rate edged up. Moreover, the headline 4.7% unemployment rate is somewhat flattered by people dropping out of the workforce. The participation rate dropped from 72.3% in Q2 2025 to 69.7% in Q2 2026.

Strong dairy and meat returns lift farmgate incomes. However, it does not necessarily mean an expansion in labour needs. Farmers often reduce debt, then invest in increasing herd sizes or processing volumes. Therefore, jobs follow later and more modestly, via-on farm investment and household spending.

Labour market



Source: Macrobond, ASB

	Q2 2026	Annual growth
Population (000s)*	105	0.6%
Employment (000s)	57	-2.9%
Core Retail Sales ($m)	475.2	6.9%
House Prices (Index, m.a. 3m)	5125	7.5%
House Sales (#, m.a.3m)	177	2.5%
Construction ($m)	95	-37.1%
New Car Registration (#)	649	32.4%

**Population data recent to June 2025*

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

Summary table

Share of the Economy		Population		Employment		Core Retail Sales		House Prices		Construction		New Car Regos	
	Jan-25	Jun-25		Jun-26		Jun-26		Jun-26		Jun-26		Jun-26	
		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%	90	0.1%	745	3.6%	3,863	0.4%	165	7.1%	1,073	29.9%
Auckland	37.5%	1,816	1.0%	985	0.7%	9,456	6.5%	3,254	-2.7%	2,986	10.8%	21,381	9.3%
Waikato	8.9%	532	1.0%	277	6.0%	1,978	3.6%	4,078	-1.0%	785	33.6%	4,284	13.5%
Bay of Plenty	5.8%	352	0.3%	188	2.2%	1,427	2.1%	3,851	0.5%	334	-6.6%	2,682	23.8%
Gisborne	0.7%	53	-0.2%	118	0.9%	182	0.8%	3,827	-2.3%	34	11.5%	266	-10.1%
Hawke's Bay	2.9%	180	-0.1%			732	0.9%	3,827	-2.3%	240	88.2%	1,111	6.4%
Taranaki	2.6%	130	0.0%	67	3.1%	463	2.0%	4,488	0.4%	115	47.1%	753	21.6%
Manawatū-Whanganui	4.0%	261	0.2%	137	2.3%	953	5.5%	4,387	-1.2%	251	44.6%	1,514	5.7%
Wellington	11.9%	543	0.0%	328	-0.1%	2,226	2.9%	3,124	-3.4%	471	-18.7%	3,865	11.2%
Tasman	1.8%	60	0.3%	109	1.4%	228	0.0%	2,923	-0.4%	65	-10.2%	343	40.0%
Nelson		54	-0.4%			259	-2.6%	2,804	-1.8%	46	-9.6%	354	7.6%
Marlborough	1.0%	51	-0.4%			215	-0.6%	3,275	-1.1%	90	100.7%	293	27.9%
West Coast	0.6%	35	0.6%			148	1.6%	3,117	-0.5%	39	32.9%	167	1.8%
Canterbury	12.9%	698	1.1%	399	2.6%	3,318	8.8%	3,897	3.3%	1,247	6.5%	6,043	12.4%
Otago	4.5%	254	0.6%	147	-5.3%	1,498	5.6%	4,266	3.2%	600	22.2%	1,888	22.0%
Southland	2.3%	105	0.6%	57	-2.9%	475	6.9%	5,125	7.5%	95	-37.1%	649	32.4%
New Zealand	100%	5,325	0.7%	2,897	1.2%	24,477	5.2%	3,578	-0.77%	7,563	11.3%	46,760	12.2%

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