

TARANAKI MINI TRENDS

INTERIM TARANAKI ECONOMIC REPORT

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TARANAKI

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Taranaki Trends At A Glance

December 2007

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GDP

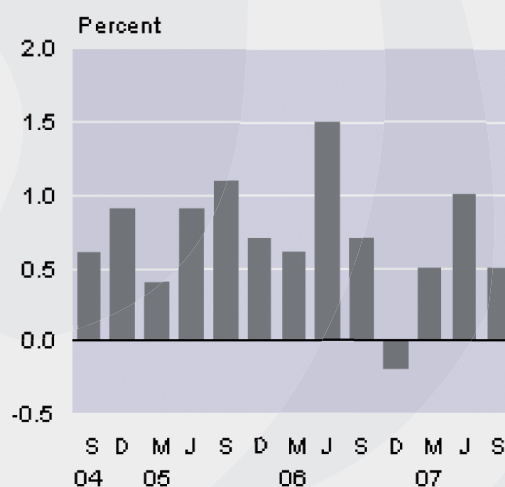
- Economic activity increased 0.7 percent in the June 2007 quarter, following an increase of 1.2 percent in the March 2007 quarter.
- In the year ended June 2007, the economy grew 2.2 percent, the same as the 2.2 percent growth recorded in the June 2006 year.
- Household spending has softened this quarter, increasing 0.7 percent following the strong growth in the previous two quarters.
- Increased expenditure on non-durables, and an increase in expenditure by New Zealand residents overseas were the main drivers of this quarter's growth.

Source: Statistics NZ.

Consumers Price Index

- The Consumers Price Index (CPI) rose 0.5 percent in the September 2007 quarter.
- Housing and household utilities prices rose 1.8 percent, driven by higher prices for local authority rates and payments.
- Food prices increased 1.2 percent, with the main contribution coming from higher prices for grocery food.

Consumers Price Index
Quarterly percentage change



Overall Regional Growth

The following analysis reflects the results of the National Bank's latest comparison of NZ regions based on their assessment of a cross-section of indicators such as employment, consumer confidence, job adverts etc.

In the September 2007 quarter:

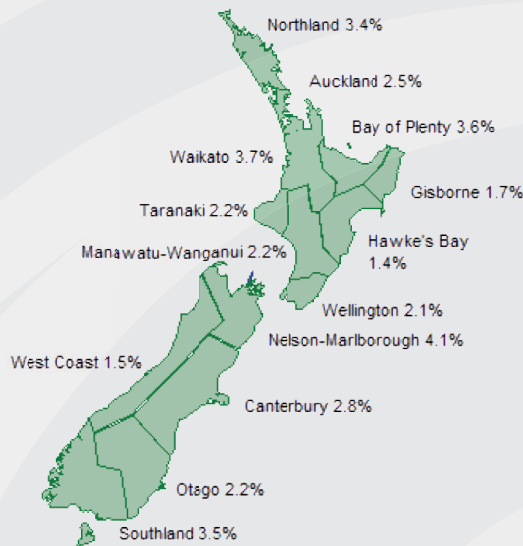
- Taranaki's growth increased by 1.1%
- New Zealand's growth declined by 0.3%

In terms of Year-on-Year Growth rates (to Sept 07):

- Taranaki's Year-on-Year Growth was 2.2%
- New Zealand's Year-on-Year growth was 2.7%

Source: National Bank Regional Trends.

REGIONAL ECONOMIC ACTIVITY
Year-on-Year Growth, September 2007



Employment

- The labour force participation rate in Taranaki stood at 69.7% during the year to September 2007 up from 66.9% the year before. In comparison, the national average participation rate was 68.5% for the year to September 2007.

Unemployment

- The region's unemployment rate declined to 3.2% in the year to September 2007, from 3.6% the year before. In comparison, the national average unemployment rate was 3.7% for the year to September 2007.
- The number of unemployed people in the region (as measured by the official statistics) is estimated at 2,000 for the year to September 2007.

Regional and national trends in the unemployment rate		
annual average, %	Taranaki	New Zealand
Sep 98	6.7	7.2
Sep 99	6.6	7.1
Sep 00	8.0	6.1
Sep 01	5.4	5.4
Sep 02	5.2	5.3

Regional and national trends in the unemployment rate

annual average, %	Taranaki	New Zealand
Sep 03	5.3	4.7
Sep 04	4.4	4.2
Sep 05	3.4	3.7
Sep 06	3.6	3.7
Sep 07	3.2	3.7

Source: HLFS, Statistics New Zealand

Job Vacancies/Skills

JVM (The Job Vacancy Monitor) is a monthly sample of job advertisements from 25 regional newspapers and two IT websites. JVM monitors the number of job ads in each occupational category over time, indicating changes in labour market tightness or changes in the degree of difficulty of recruiting staff.

An increase in vacancies typically indicates increased difficulty in recruiting staff, although other factors also influence the number of jobs advertised in newspapers.

Latest results – year to October 2007 are below:

Taranaki Highest Vacancy Occupations i.e. number of vacancies:

- 1 Sales Assistants
- 2 Dairy farmers/workers
- 3 Care givers
4. Nurses
5. Waiters

Taranaki: Top Percentage Growth Occupations (i.e. % growth in vacancies) for 12 months to October 2007

1. Registered nurse
2. Heavy Truck/tanker drivers
3. Secretary
4. Hairdresser
5. Catering counter assistant

Source: Department of Labour

Unemployment Benefits

There were 633 working aged people receiving unemployment benefits from Work and Income in the Taranaki region at the end of September 2007. Their characteristics are shown in the table below.

Working aged unemployment benefit recipients (aged 18-64) in the Taranaki region and nationally during September 2007				
	Taranaki Region		New Zealand	Region's share of New Zealand (%)
	Share (%)	Number	Share (%)	
Male				
Female	31.3	198	31.8	2.7
Maori	43.0	272	37.7	3.1
Pacific People	0.2	1	7.8	0.1
18-24 years	14.2	89	20.0	1.9
25-39 years	32.9	208	32.0	2.8
40-54 years	25.4	160	24.9	2.8
55-64 years	27.5	174	23.1	3.3
Total		633		2.7

Source: Ministry of Social Development

Retail Sales

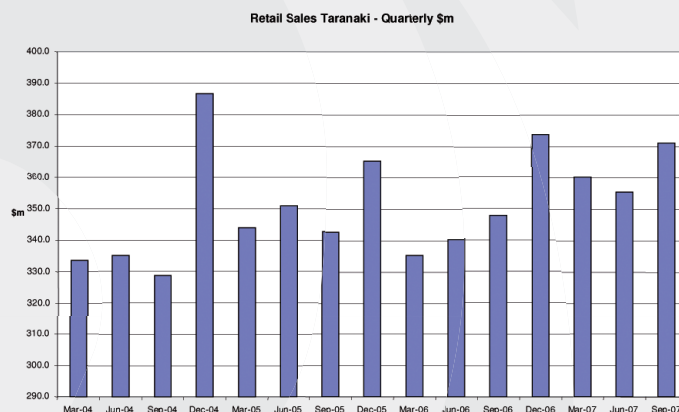
Retail sales are assessed from a quarterly survey of retail outlets throughout New Zealand. It is essentially a national survey however Venture Taranaki sources these regional results from Statistics NZ. It is important to note that the survey was not designed to be representative at this sub national level – but with these limitations it still provides a useful indicator and tool for monitoring economic performance, especially if continued over time, as the Trust has done.

The latest results are as follows:

- Total retail sales for Taranaki during the September 2007 quarter were estimated as being approximately \$371.1m.

- Of this total, retail sales in New Plymouth were estimated as being circa. \$229.4m.
- Taranaki's retail sales (for the September 2007 quarter) reflected an increase of 4.4% over the previous quarter.
- Nationally retail sales have increased 1.3%.

Source: Statistics NZ.



Tourism

With respect to commercial tourism establishments:

Guest Nights:

- Guest night stays for the September 2007 quarter in Taranaki totaled 103,458 nights.
- This is a decrease of 4.1% over the September 2006 quarter result.
- In comparison, guest nights increased on a national basis (i.e. Sept 07 quarter compared to Sept 06) by 5.4%.

Visitor Arrivals:

- Visitor arrivals to Taranaki for the September quarter were 53,345.
- This is an increase of 0.3% relative to the same time in 2006 in Taranaki.
- Nationally visitor arrivals increased 3.9% relative to the September 2007 quarterly result.

The occupancy rate for the September 2007 quarter has also increased in Taranaki by 3.4%.

How is Taranaki tracking to date?

The following table shows figures for the 12 months (YE) September 2007 relative to YE September 2006.

YE September 2007	Total Guest Nights	Visitors
Taranaki	1.4%	3.1%
New Zealand	4.9%	3.4%

Source: Statistics NZ Commercial Accommodation Survey.

Real Estate Sales

The following table reflects the median house sales price for Taranaki as reported via REINZ sales for the September 2007 quarter. It also provides comparisons of this result with the same period in 2006 for Taranaki as well as a comparison of the current quarter with New Zealand's median sales figures.

The results highlight that:

- The median sales price in the September quarter within the region has continued to reflect a positive upward trend and that the median price this year is up on last year.
- Taranaki's median sales price is circa \$86,000 beneath the New Zealand median sales price.

Period	Taranaki 2006	Taranaki 2007	New Zealand 2007
July	\$236,800	\$255,000	\$345,000
August	\$240,000	\$257,500	\$350,000
September	\$250,000	\$265,000	\$351,000

Median sales price for the month of September 2007 in the following locations highlights Taranaki sub-regional variances for that period.

Location	Median Sales Price – September 2007
New Plymouth City	\$350,000
Stratford	\$225,000
Hawera	\$199,000

Number of sales:

The number of house sales however, have declined, both regionally and nationally.

- Real estate sales in the Taranaki region for the September 2007 quarter were down 30% relative to the previous quarter.
- Nationally sales figures have declined 24% (September 2007 quarter relative to previous quarter).
- Thus what is occurring in Taranaki is typical of this broader picture.

September 2007 quarter sale numbers compared with:	Taranaki Percentage change in no. of sales	New Zealand: Percentage change in no. of sales.
June 2007 Quarter	-30.0%	-24.0%

Source: REINZ

Farm Sales

- The REINZ reports that the median price for farms sold in Taranaki during September 2007 was \$1,476,039; in October 2007 it was \$1,450,000.
- These prices are up, relative to similar periods in previous years. \$835,000 was the median Taranaki farm price in October 2006, and \$500,000 in October 2005.
- In the three months to October 20 farms were sold in Taranaki – the majority of which were grazing (10) and/or dairy (8) farms.
- Taranaki reflects the broader trend of positive, steady increases in farm prices. The REINZ are anticipating more farms to come onto the market with good prices continuing to be paid on the back of record milk fat payments and a lower dollar.

Rental Market

- The median rent as at August 2007 in New Plymouth was \$250 – no change from May 2007. In August 2006 it was \$240 per week.

- The median rent in August 2007 on a national basis was \$280 per week – no change from May 2007. In August 2006 it was \$260 per week.

In the recent period the biggest increase in rent was in noted in Lower Hutt (7.69%) followed by Gisborne (6.98%) and Whangarei (4%).

Region	Median Rent – Aug 2007
Whangarei	260
North Shore	370
Waitakeke	320
Auckland	350
Manukau	330
Papakura	300
Hamilton	280
Tauranga	290
Rotorua	210
Gisborne	230
Hastings	240
Napier	260
New Plymouth	250
Wanganui	190
Palmerston North	230
Kapiti	275
Poirua	280
Upper Hutt	220
Lower Hutt	280
Wellington	300
Nelson	260
Christchurch	270
Dunedin	220
Invercargill	180
ALL NZ	280

Source: Massey University Property Foundation.

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Quick Stats About Taranaki

Finally – some quick statistics, facts and figures about Taranaki people:

Taranaki Population (2006 census)

Number: 104,127

Growth since last census (2001): 1.2%

Proportion of NZ Population: 2.6 %

Taranaki Median Age: 37.4 years

Sub-regional median age comparisons

New Plymouth District: 38 yrs

Stratford: 37.2 yrs

South Taranaki: 36 yrs

NZ Median Age: 35.9 years

14.8% of people in Taranaki are aged 65 yrs +

Sub-regional comparisons:

New Plymouth District: 15.4% are aged 65 yrs+

Stratford: 15.1%

South Taranaki: 13.2%

12.3% of NZ population are aged 65 yrs+

77.0% of Taranaki people are European, compared with 67.6% for NZ as a whole.

Sub-regional comparisons:

New Plymouth District: 77.1% are European

Stratford: 82.8%

South Taranaki: 74.5%

15.8% of people in Taranaki are Maori, compared with 14.6% of all New Zealand.

Sub-regional comparisons:

New Plymouth District: 14.1% are Maori

Stratford: 11.2%

South Taranaki: 21.7%

11% of people in Taranaki were born overseas, compared with 22.9% for NZ as a whole.

Sub-regional comparisons:

New Plymouth District: 13.0% were born overseas

Stratford: 8.3%

South Taranaki: 6.8%

For people born overseas who are now living in Taranaki – the most common birth place was England. This is the same for New Zealand.



9 Robe Street, PO Box 670
New Plymouth 340, New Zealand
Phone: (06) 759 5150, Fax: (06) 759 5154
FREEPHONE: 0800 4 VENTURE (0800 483688)

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