

Input to your Strategy for Adapting to Challenges

Feel free to pass on to friends and clients wanting independent economic commentary

ISSN: 2703-2825

2 October 2025

Sign up for free at www.tonyalexander.nz

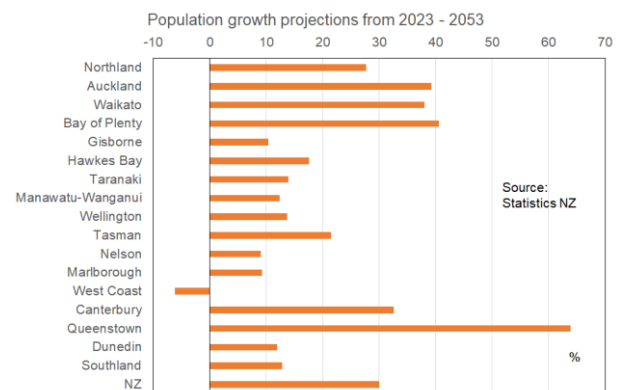
Regional population prospects

Last Thursday Statistics NZ released some updated projections for regional and local authority area population changes out to 2053. These are not forecasts but projections for where population will head based on a range of assumptions around net migration flows, births and deaths, and I guess some view on internal migration is in there as well.

At the national level they project that between 2023 and 2053 New Zealand's population will grow by 30%. Auckland region will grow 39% and the rest of the country 25%. Wellington region will grow 14%, Canterbury 33%.

Nelson	9
Marlborough	9
West Coast	-6
Canterbury	33
Queenstown	64
Dunedin	12
Southland	13
NZ	30
ex-Akld	25

This graph shows population growth projections for each region and NZ from 2023-53.



Projected % population growth

2023-53

Northland	28
Auckland	39
Waikato	38
Bay of Plenty	41
Gisborne	10
Hawkes Bay	18
Taranaki	14
Manawatu-Wanganui	12
Wellington	14
Tasman	21

Kickstart your construction project

We fund projects up to \$20m, no quantity surveyor or project pre-sales required*

Call us today or visit cressida.co.nz

*Terms & conditions apply.



Naomi Yueh
+64 21 912 006



Warren Law
+64 21 483 666



Andrew Stevenson
+64 27 700 2708



**MAKE A POSITIVE IMPACT
TO YOUR BUSINESS...**

LEARN MORE

www.coface.co.nz

**...WITH COFACE
TRADE CREDIT INSURANCE**

coface
FOR TRADE

There are also projections at the local authority level and if these are of interest to you then go to this link and have fun.

[Subnational population projections: 2023\(base\)–2053 | Stats NZ](#)

But before anyone runs off and develops hard and fast plans based on these projections there is something important you need to be aware of beyond an acceptance that they are projections and not forecasts. They can change substantially.

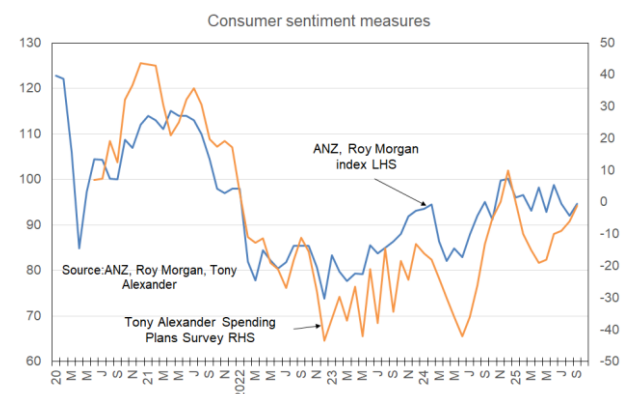
I have the projections made by Statistics NZ for regional population growth since 2015. Taking 2043 as an end-point we get the following table of projections for each region. In 2015 the projection for Auckland's population in 2043 was 2.229 million. Come 2017 it was 2.326 mn, and in 2022 the projection was 2.034 mn, probably influenced by the pandemic's effect on internal migration. Now that projection is back up at 2.233 mn.

	Projection for 2043 made in				
	2015	2017	2021	2022	2025
	000s				
Northland	183	197	227	236	238
Auckland	2229	2326	2208	2034	2233
Waikato	517	562	598	619	649
Bay of Plenty	329	353	396	408	438
Gisborne	48	50	55	55	57
Hawkes Bay	164	171	200	204	201
Taranaki	130	131	137	138	144
Mana-Wan	235	248	276	278	281
Wellington	548	571	605	597	593
Tasman	54	56	64	67	69
Nelson	56	58	59	58	58
Marlborough	47	47	53	55	54
West Coast	33	31	31	31	34
Canterbury	729	767	761	762	831
Otago	240	256	279	276	292

Southland	97	99	108	106	112
NZ	5639	5923	6056	5924	6284

Consumer sentiment slightly better

ANZ released their consumer confidence index compiled with Roy Morgan last week. It improved slightly from 92 to 94.6 where 100 is neutral. This graph shows their series in blue and my own Spending Plans net intentions measure in orange.



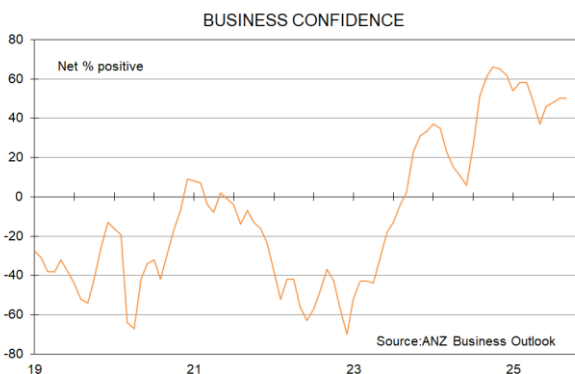
The data feed into the slowly strengthening view that the economy is picking up with boosts to come from the lagged effects of lower interest rates and higher farm incomes. Plus there is more infrastructure spending ahead, more business investment, and I reckon more foreign students to come in. I am unsure about tourist numbers and wonder if the large decline in cruise ship visits is telling us something about people's willingness to come down this end of the planet.



Business sentiment steady

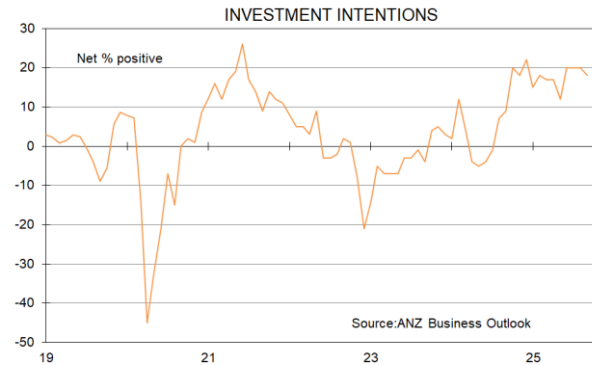
ANZ released their monthly Business Outlook survey this week and the results are not much changed from last month. A net 50% of businesses expect the economy to improve in the coming year which is unchanged from last month but up from the recent low of 37% in May. That month plus April represented the weak point in most of my five monthly surveys also.

This graph shows the economic confidence reading from 2019 and to the right illustrates that confidence is high for what lies ahead.



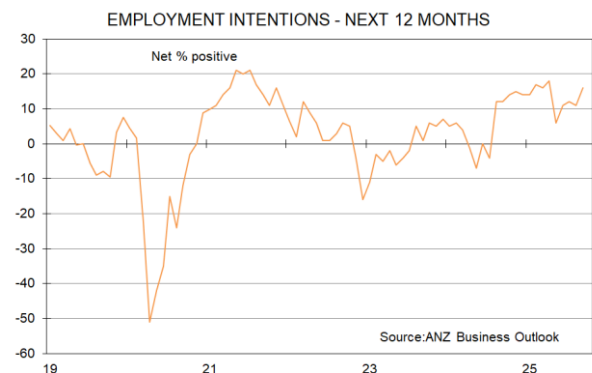
A net 18% of businesses expect to boost their capital spending in the coming year. The average is 6% and this measure tells us that businesses are willing to back their optimistic view for 2026 with some increased spending.

The following graph shows that investment intentions are back to where they were during the pandemic binge.



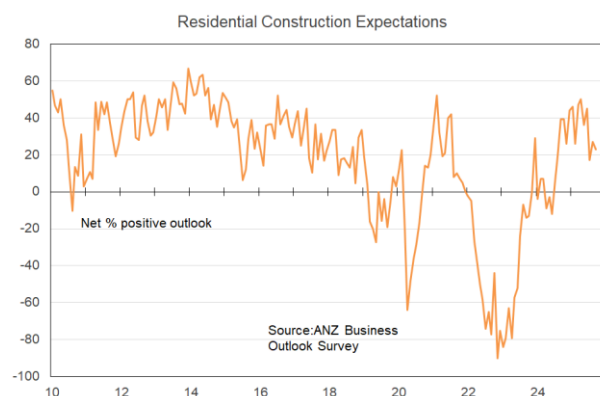
A net 16% of businesses plan hiring more people in the coming year. This is above the average of 7% and ahead of the low seen in May of just 6% net. This is important because some 65% of spending in the economy is undertaken by households and a key determinant of spending willingness and ability is employment confidence. This is a factor also relevant to strength in the housing market where again things look positive for 2026.

The graph here shows the collapse in hiring intentions when the pandemic started, then the strong recovery before an extended period of weakness. That weakness ended late last year but as yet businesses are not actually translating their positive hiring plans into actual taking on of more people according to the Household Labour Force Survey.





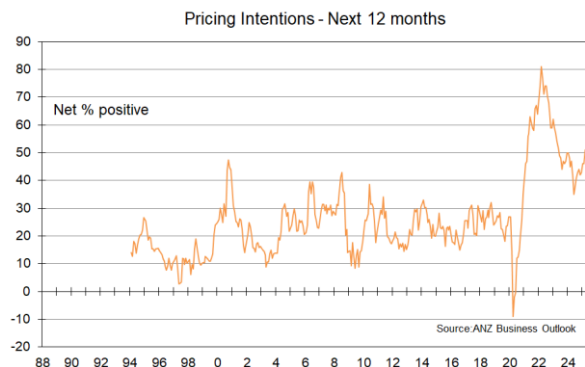
For house building the outlook remains positive but no boom is coming. A net 23% of operators in the sector expect to be busier in the coming year, down from 27% last month. But unlike many other measures this one was at unusually high levels over April and May (50% and 36%) and has declined from there – not increased. This is why I find myself in a slight state of confusion about what the outlook for house building really is. I expect improvement from Summer but am cautious. Anecdotal feedback is still generally weak.



Of interest from an inflation and monetary policy point of view are the two price measures contained in the ANZ survey. The net proportion of businesses planning to raise their selling prices in the coming year has risen to 46% from 43% last month. The low was 35% in June last year. I remain concerned about what this measure is telling us – specifically that once the customers return businesses plan rebuilding margins by raising prices. Worse than that, a net 75% expect their costs to increase in the coming 12 months.

The graph shows that pricing intentions have not returned to the levels which prevailed before the pandemic binge. The shift appears to be structural

and that is something new for the Reserve Bank to contemplate.



The other pricing measure is the average year-ahead inflation rate expectation. This has just risen to 2.71% from 2.63% in August and a low of 2.53% in February. For the moment there isn't anything strong here to dissuade the Reserve Bank from extra easing of the official cash rate. But the case is slowly building for a relatively quick upward leg of the cycle once it switches back in that direction. When? Maybe late-2027.

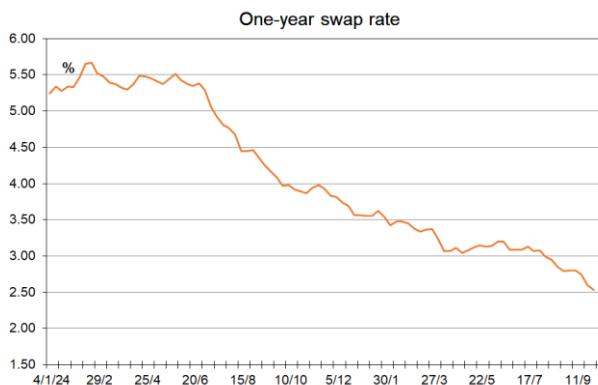
all taken care of

Residential
Commercial
Bodies Corporate
Residents' Associations
Facilities Management

www.apm.kiwi
09 638 2500

If I were a borrower, what would I do?

Wholesale interest rates went down a little bit more this week with the following graph showing the one-year swap rate which has been falling since the middle of 2024. The latest rate is about 2.53% from 2.6% last week and 2.8% a month ago. Longer term rates have fallen by lesser amounts.



Next Wednesday the Reserve Bank will review the official cash rate again and a cut of 0.25% to 2.75% is commonly expected. Some analysts feel they may cut 0.5% but that would be a risky move given that leading indicators for the economy are moving upward. Extra cutting now would run the risk of over-stimulating the economy in 2027 and having to quickly raise interest rates.

But the Reserve Bank might consider that interest rate profile preferable to something steadier. We shall see next week.

RODNEY LIFESTYLE & RESIDENTIAL

SELL WITH **LANI**

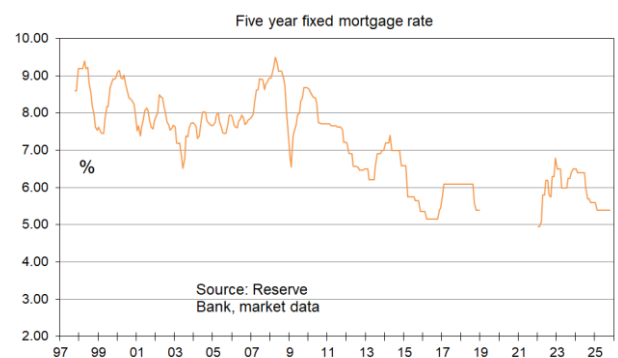
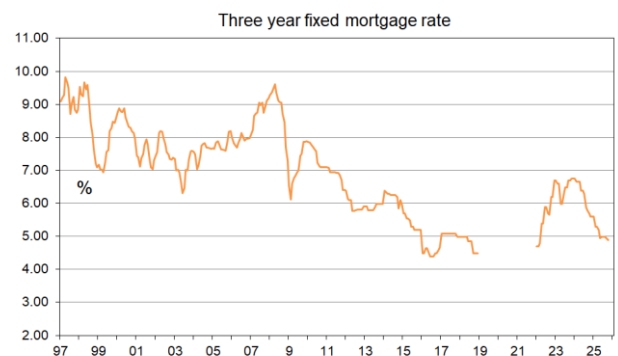
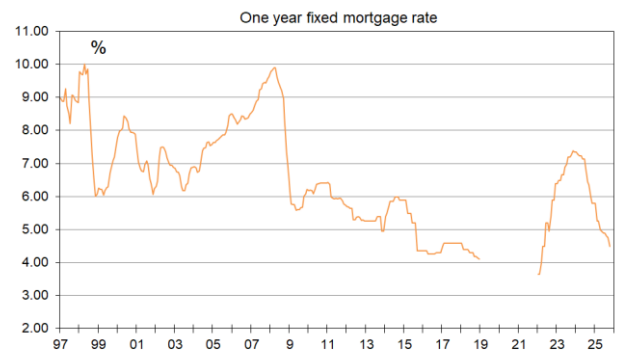
PRECISION REAL ESTATE 021 281 8700

Licensed under the Real Estate Agents Act 2008

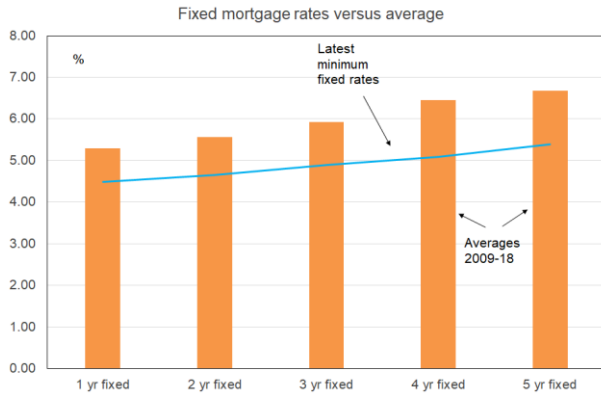
If I were borrowing at the moment, I'd be happy to fix three years but have no issue with anyone opting for a shorter term. Splitting across a couple

of terms is often a good idea in order to smooth the impact of rate changes down the track. It is hard to argue currently against fixing one year at the newly low rates near 4.45%. But three years at 4.89% is also quite good and would suit me.

These three graphs show mortgage rates since 1997 excluding the period of deflation worries (2019) and the pandemic.



This graph shows how current rates compare with averages from 2009-18.



To see the interest rates currently charged by major lenders go to www.mortgages.co.nz

Nothing I write here or anywhere else in this publication is intended to be personal advice. You should discuss your financing options with a professional.

This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate the contents should not be relied upon or used as a basis for entering into any products described in this publication. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. We strongly recommend readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. No person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation, or omission, whether negligent or otherwise, contained in this publication. No material in this publication was produced by AI.