

Outlook for the New Zealand economy

Satish Ranchhod

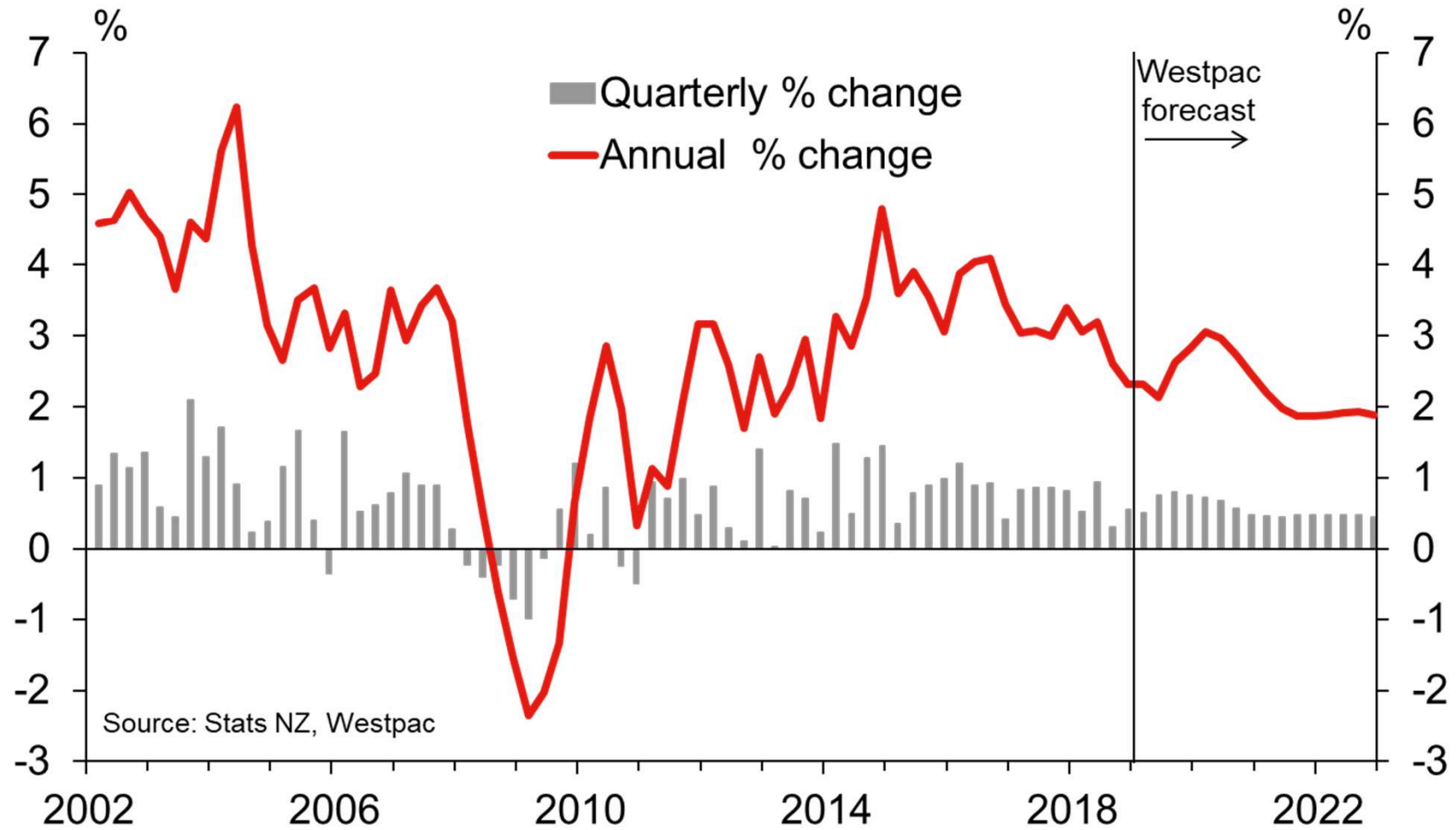
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satish.ranchhod@westpac.co.nz

westpac.co.nz/economics



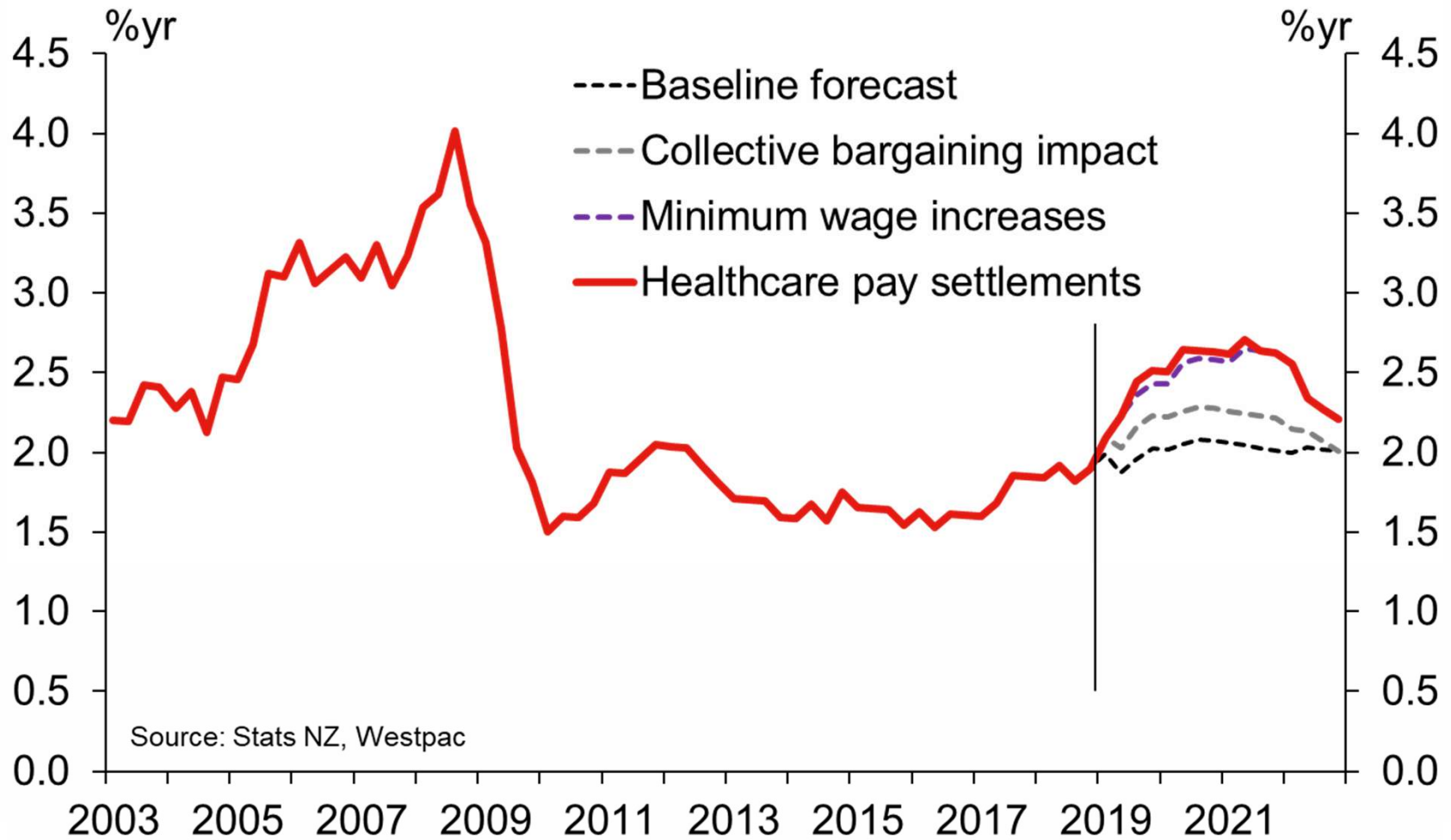
New Zealand GDP growth



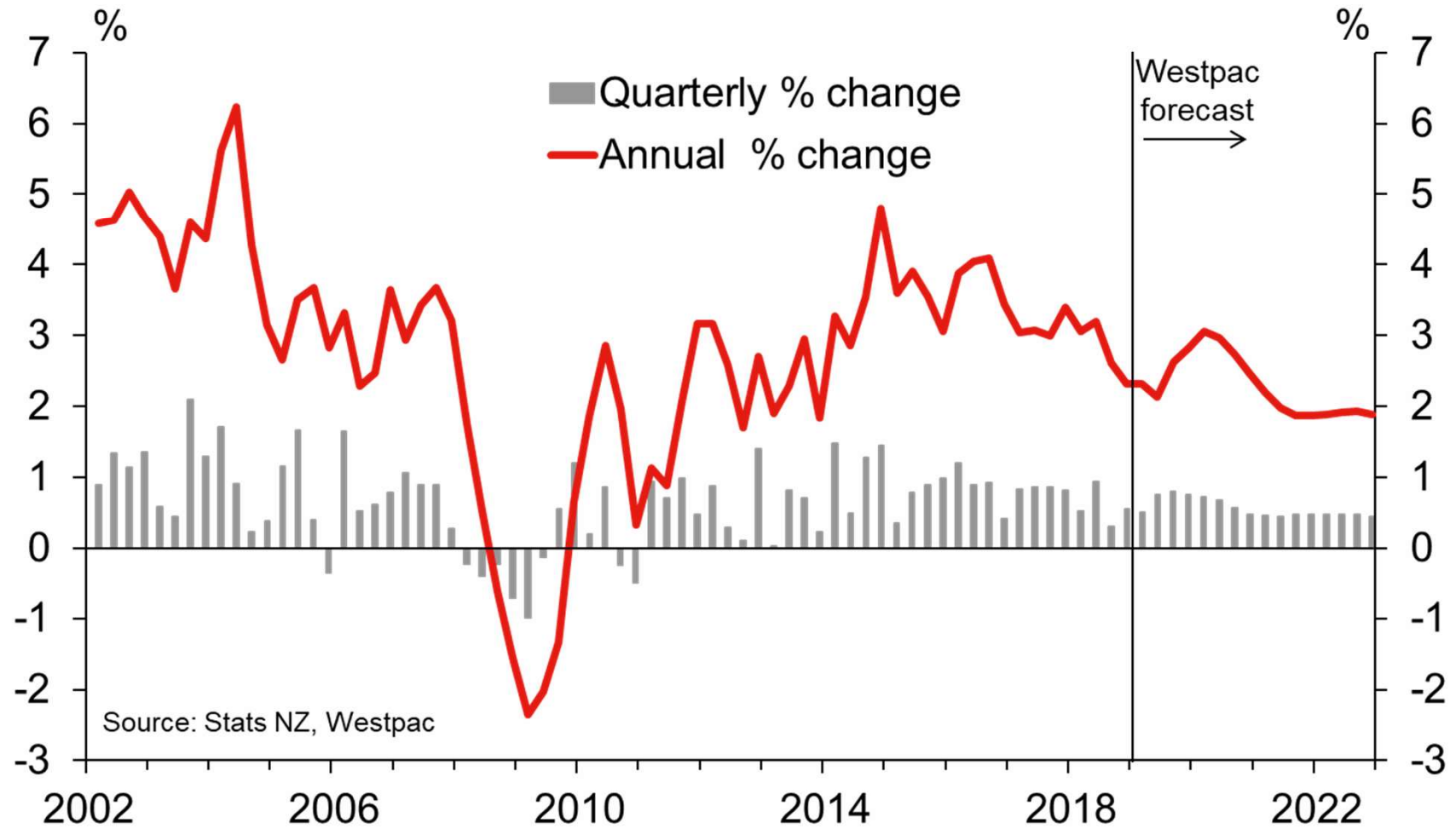
Government consumption share of GDP



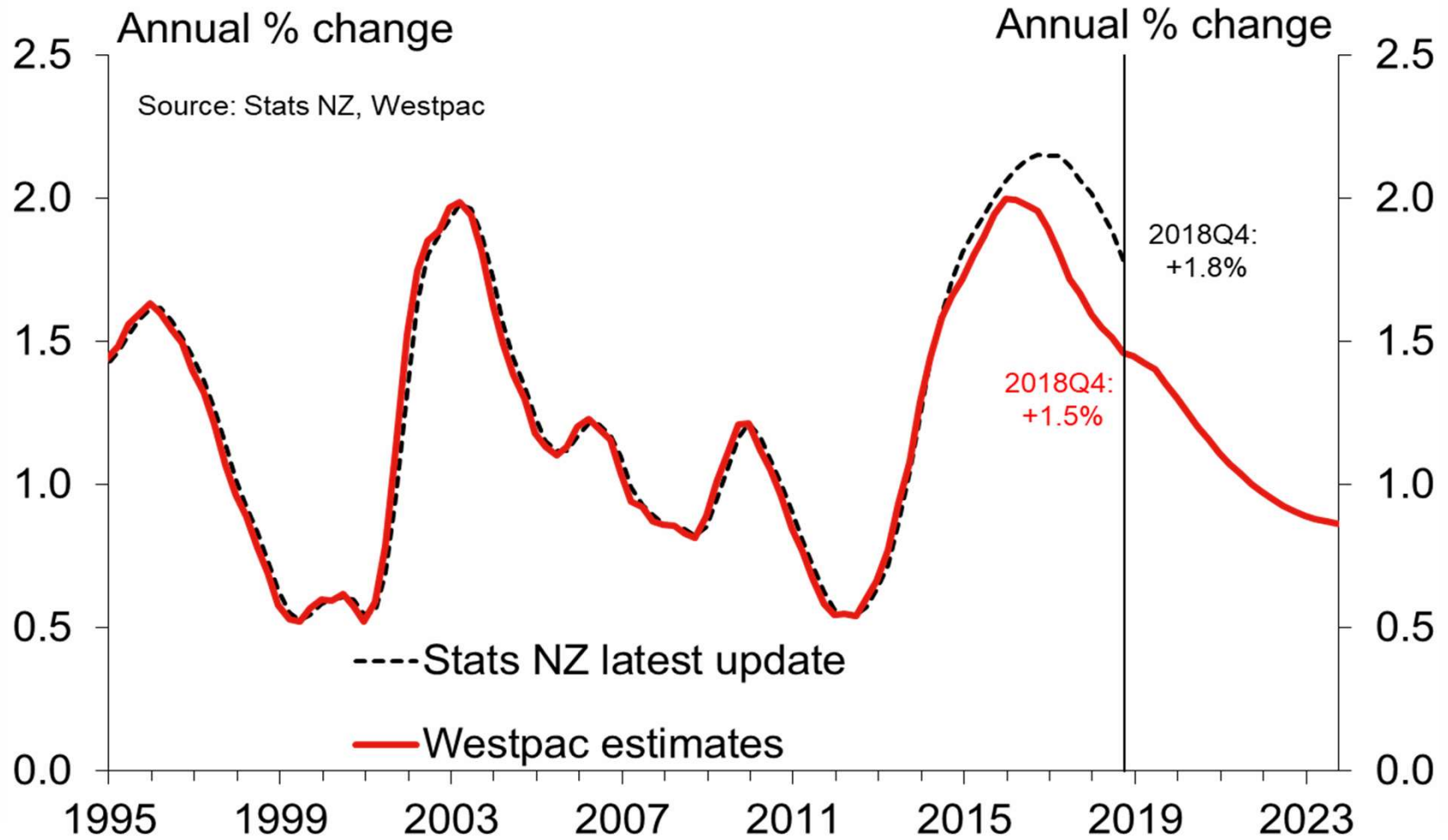
Outlook for wage growth



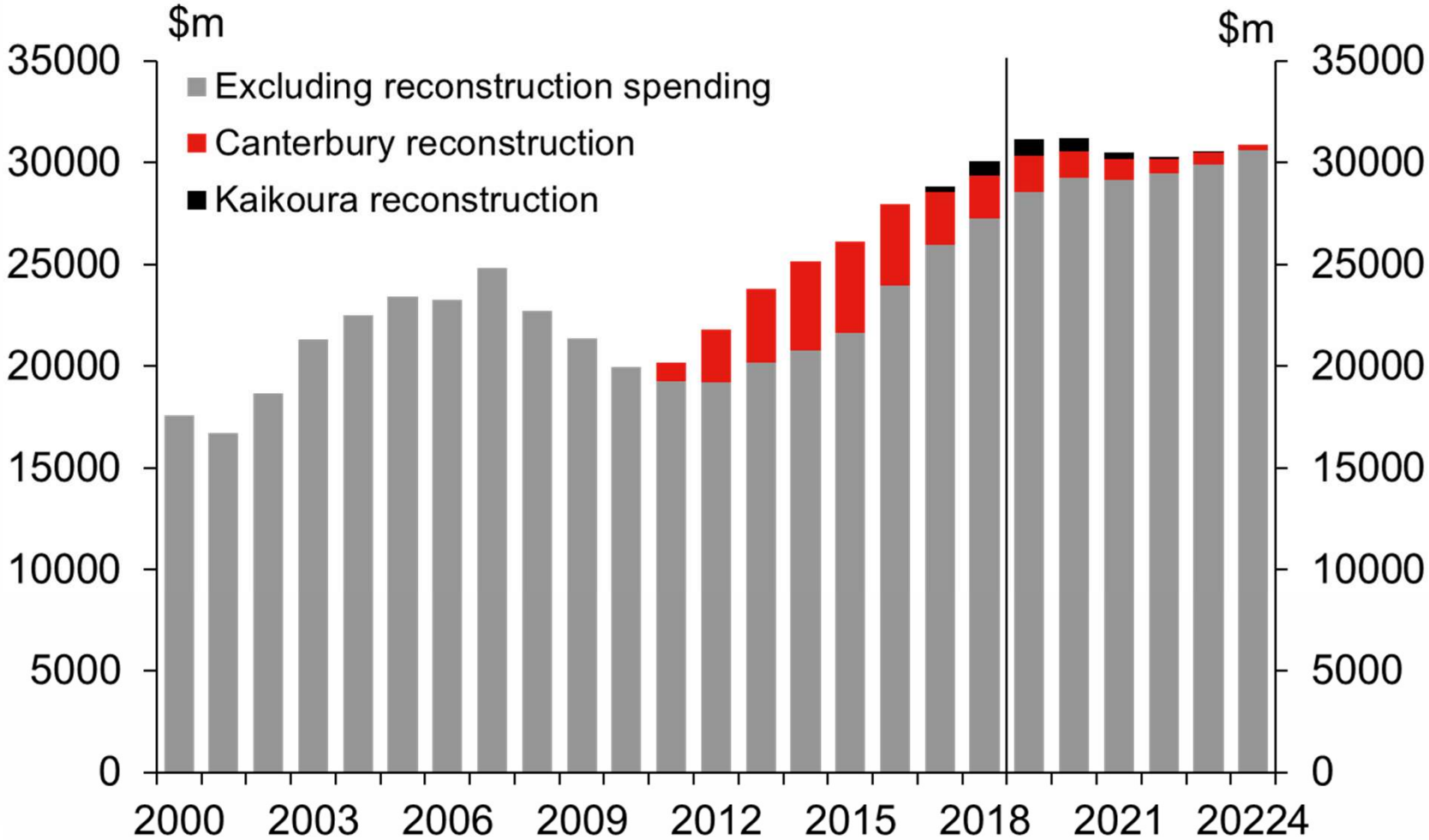
New Zealand GDP growth



Population growth



Construction activity



Source: Stats NZ, Westpac



Auckland home building

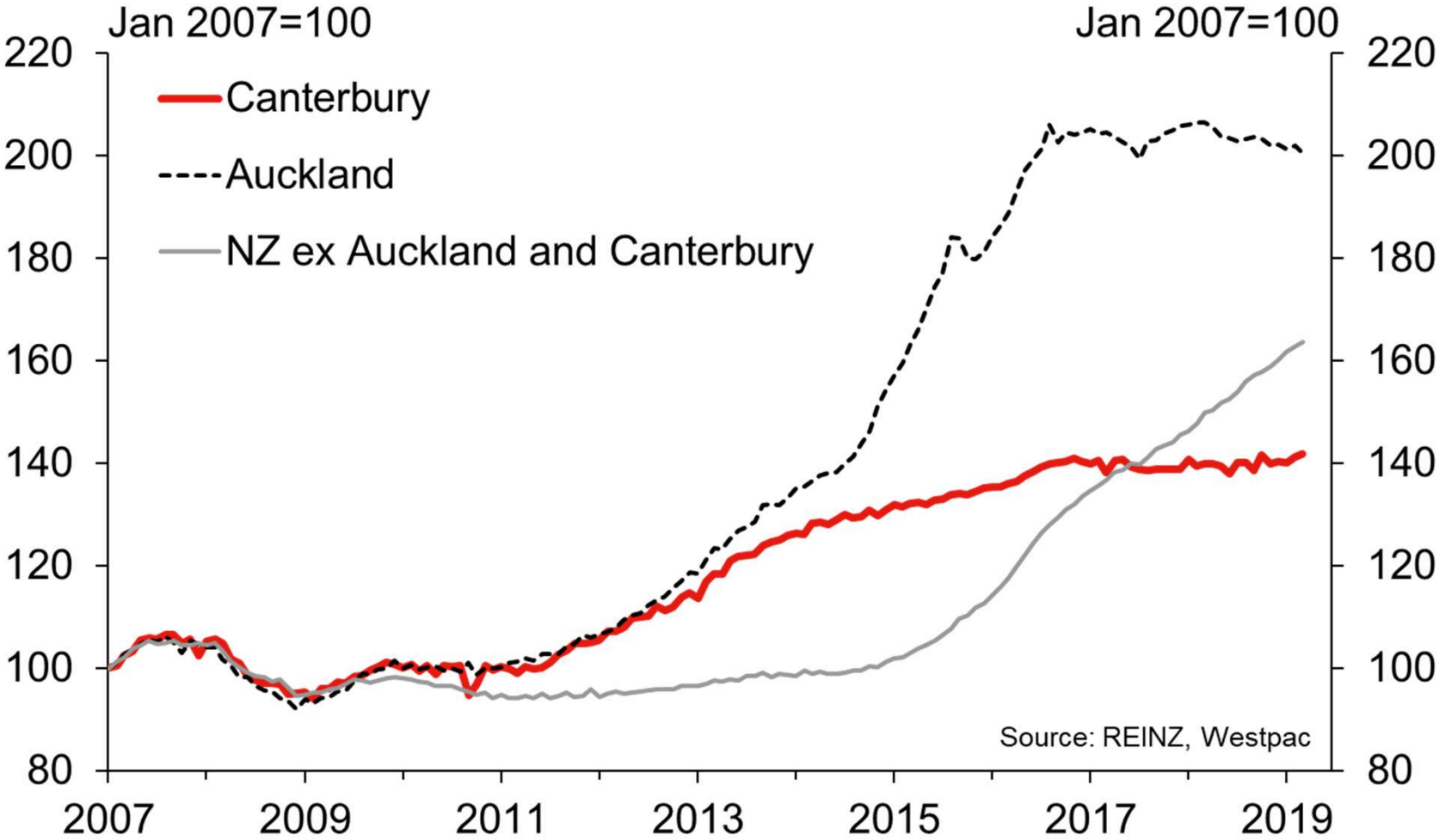
Past five years

- Population growth : +190,000
 - Requires around 63,000 additional homes
 - We built around 40,000 additional homes

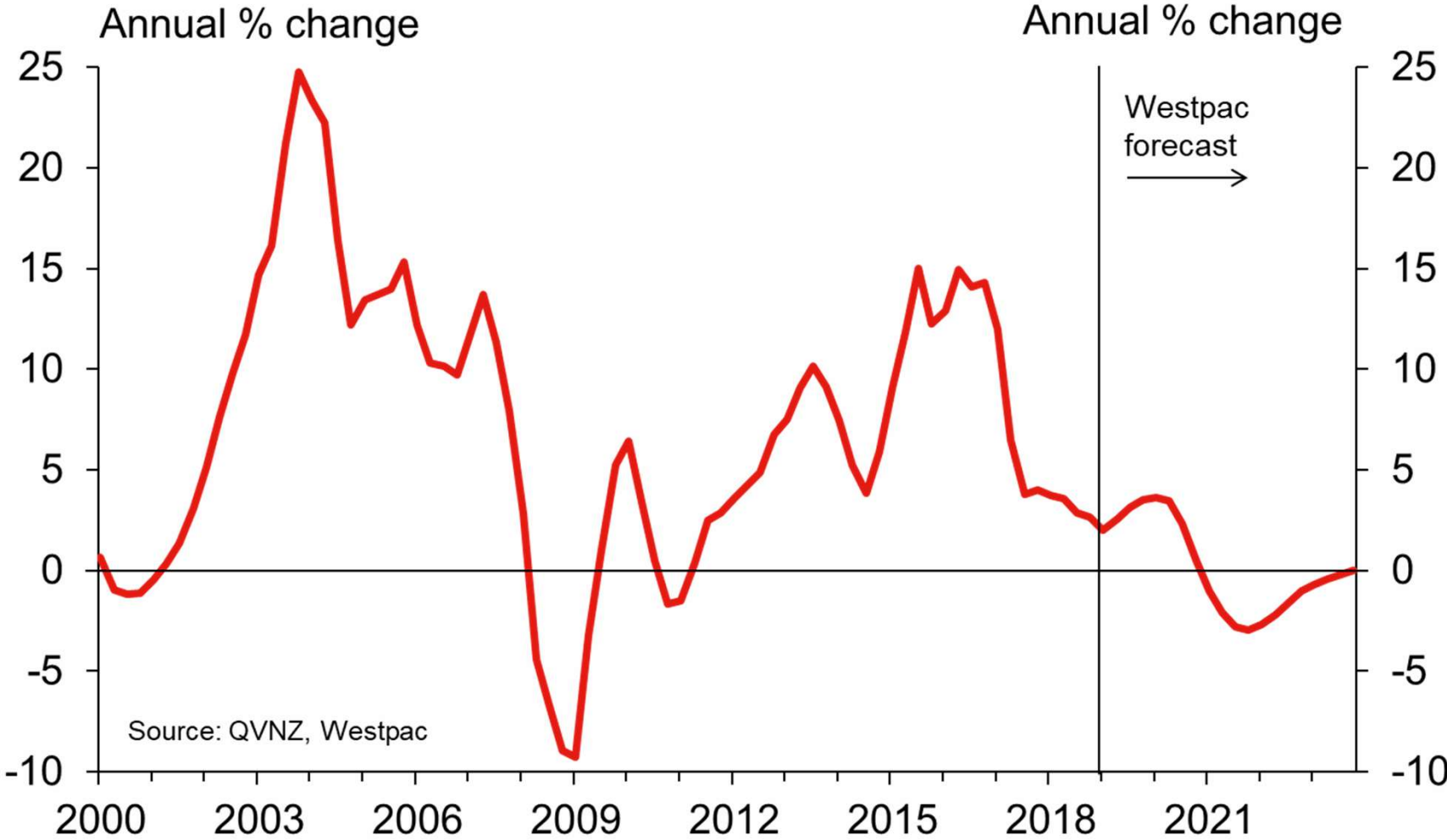
Next 10 years

- Expected population growth: ~250,000
 - Requires around 80,000 additional homes
(+ existing shortfall)

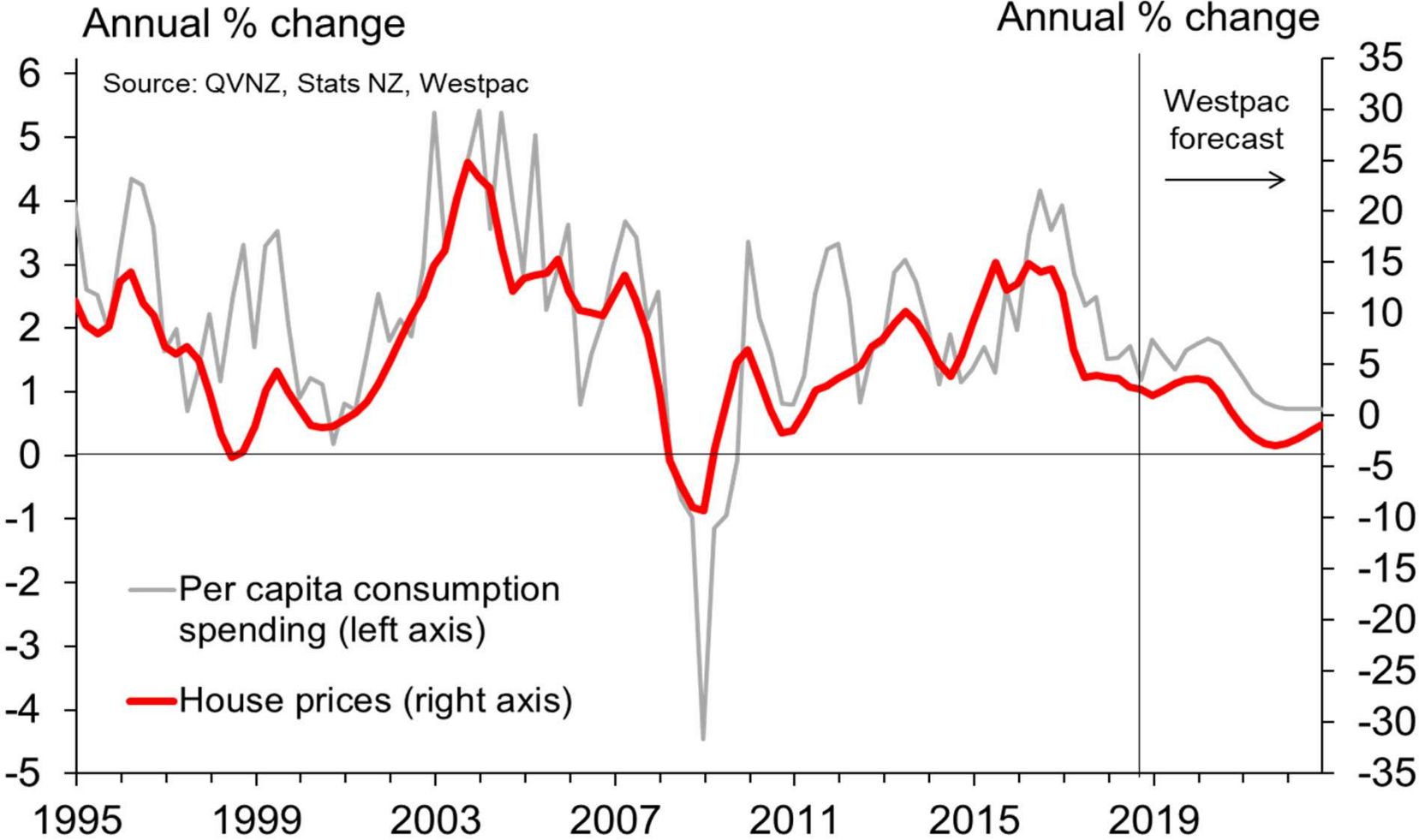
House prices by region



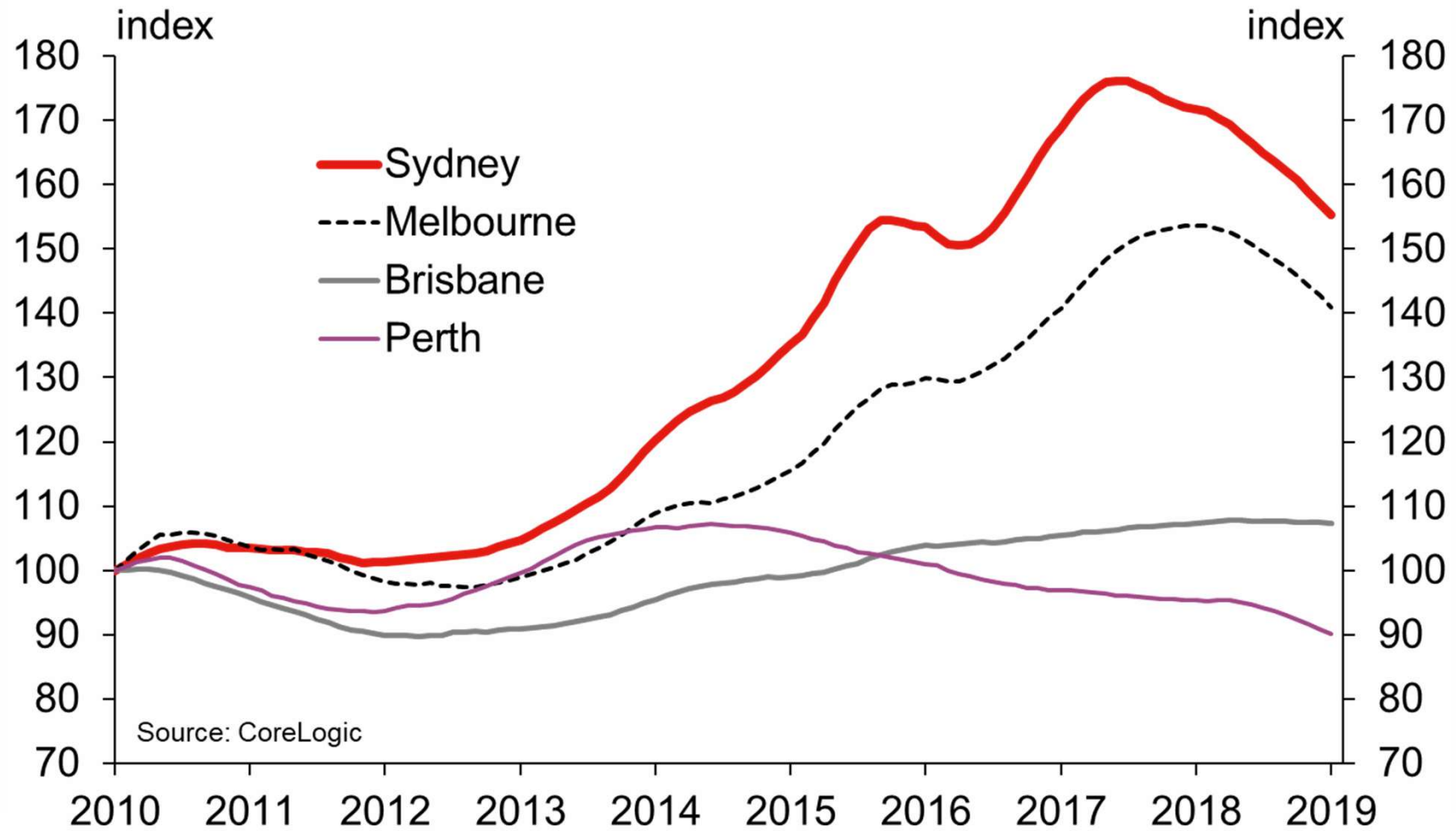
New Zealand house price inflation



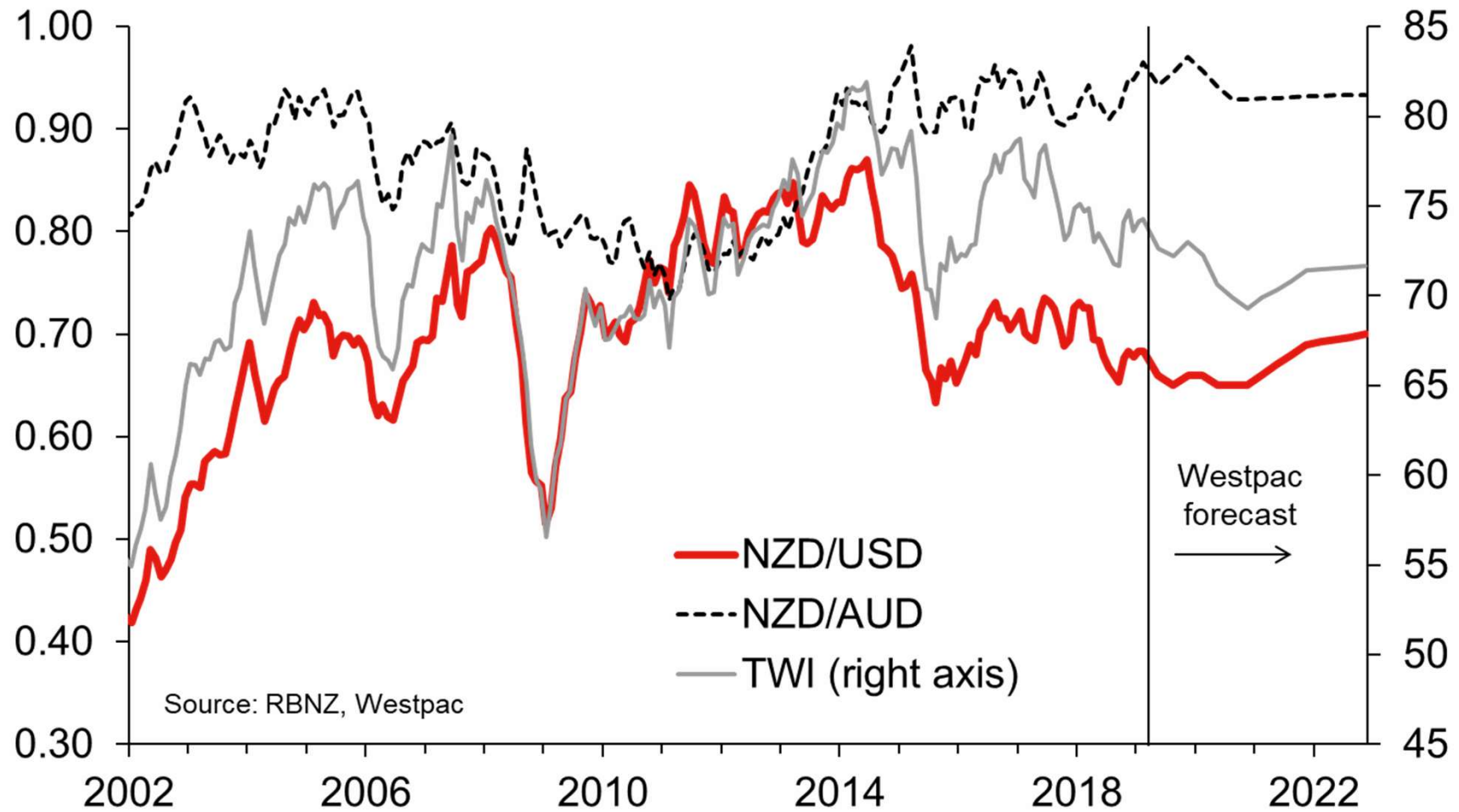
House prices and household spending



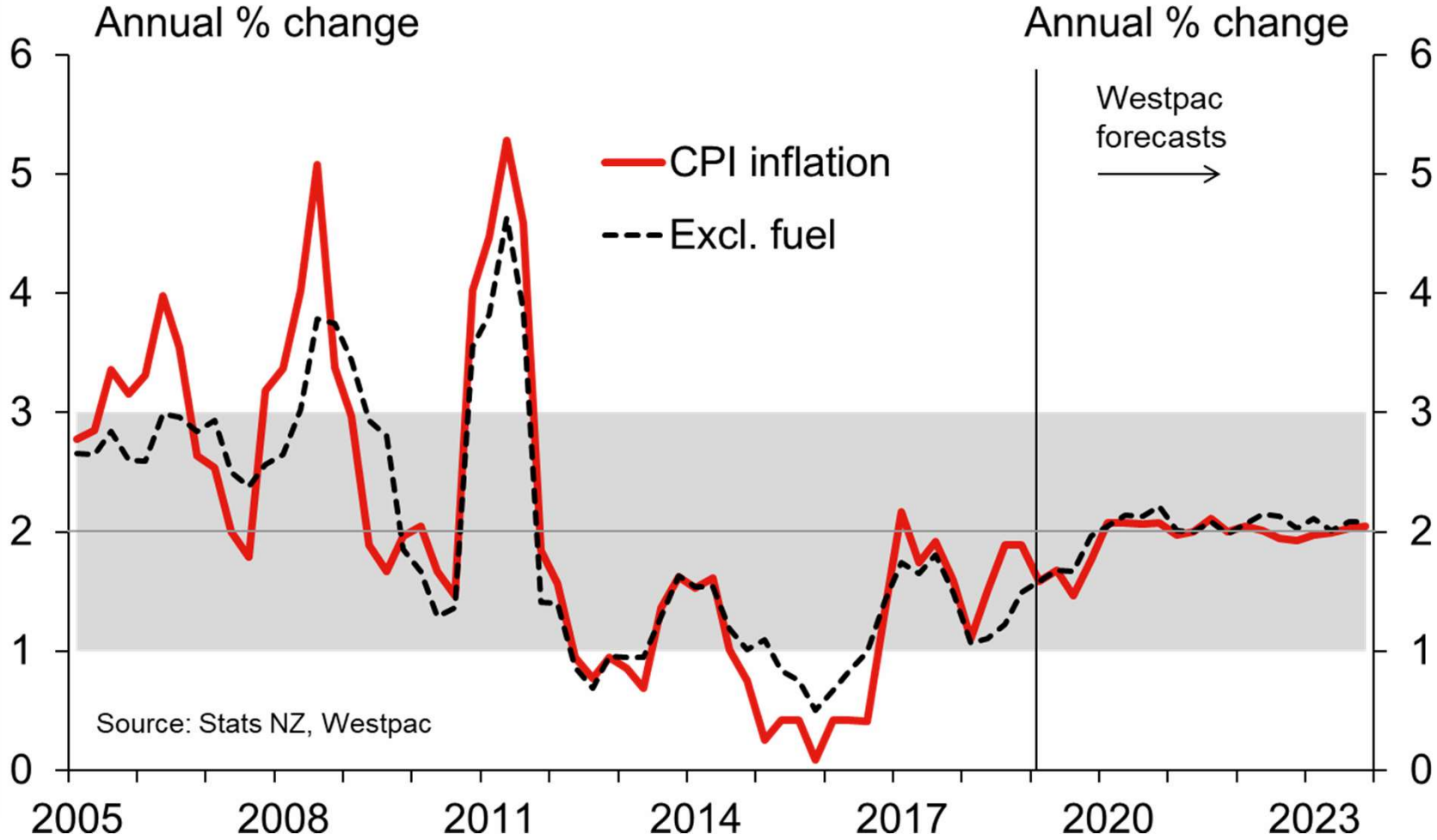
Australian house prices



NZD/USD, NZD/AUD and TWI

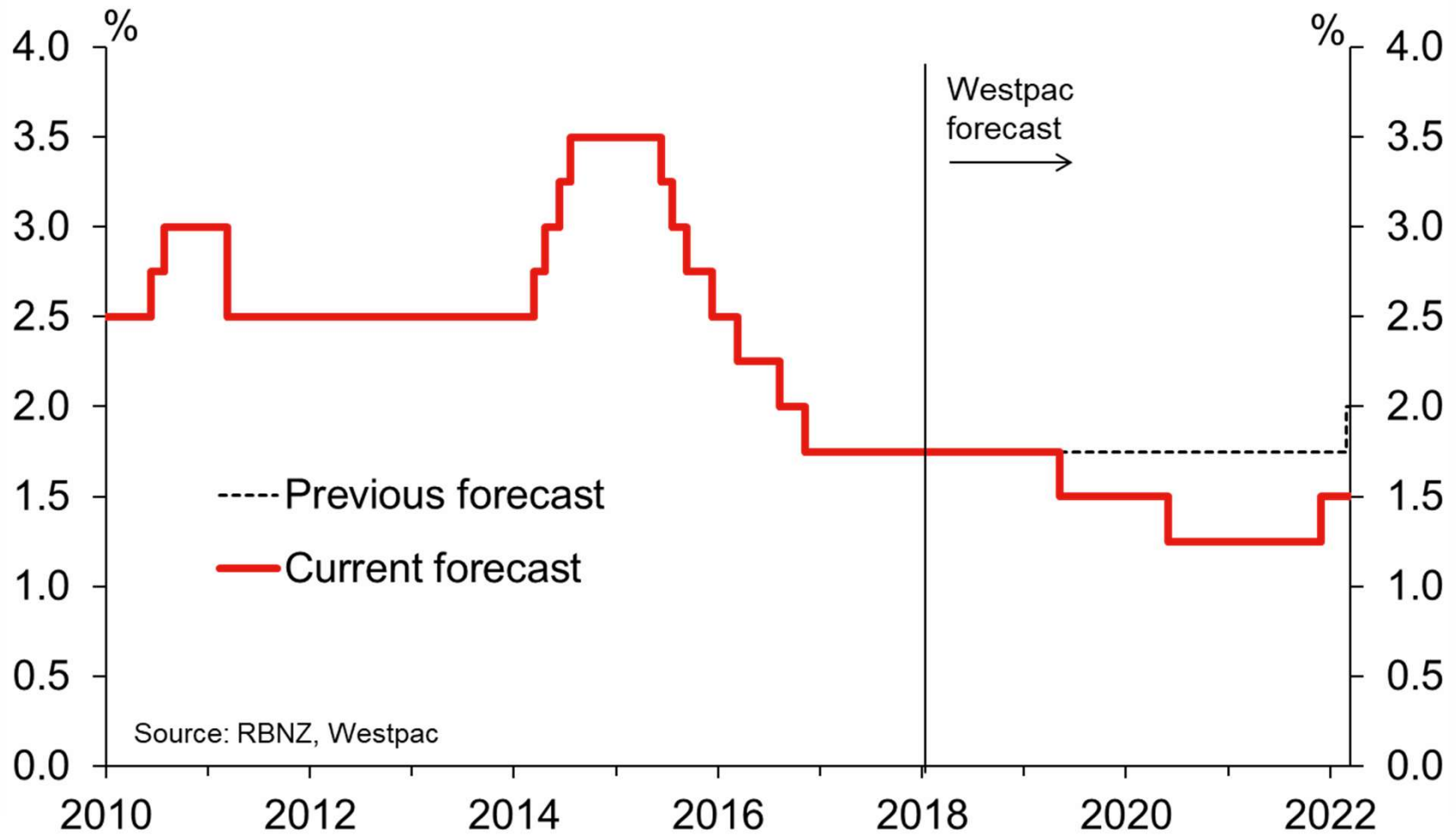


Inflation



Source: Stats NZ, Westpac

Official Cash Rate forecast



What are we watching?

- Housing market and policy
- Regional divergences
- Inflation

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