

Quarterly Economic Monitor, Infometrics, December 2025: NRDA commentary

Economic momentum is building in Nelson Tasman — with clear signs of recovery taking hold

The December 2025 Quarterly Economic Monitor from Infometrics confirms that Nelson Tasman's economy has continued the turn we began to see in September. Provisional GDP shows the regional economy expanded 1.1% over the 2025 calendar year, including a strong 2.5% lift in the December quarter alone.

This follows the 1.4% quarterly increase reported at the previous Quarterly Monitor release for September and suggests that the recovery we anticipated is now becoming more embedded. Importantly, Nelson Tasman's annual growth of 1.1% has outperformed the national average of 0.4% – a reassuring sign that our region is responding well as broader economic conditions gradually improve.

What reinforces the GDP story is the strength in traffic flows. Traffic volumes across Nelson Tasman increased 4.9% over the year – significantly stronger than the national increase of 0.8%. With population growth remaining weak, this lift in traffic is consistent with increased economic activity rather than simply more residents. In other words, goods are moving, businesses are operating more intensively, and economic throughput is rising – all aligning with the stronger GDP figures.

Other business indicators tell a similar story. Commercial vehicle registrations rose 9.4% over the year, again pointing to improved activity in the productive sectors of the economy. Business numbers also edged higher, up 0.6%. These measures typically move ahead of sustained employment growth and suggest improving business confidence.

Primary sector performance is playing an important role in this recovery. The dairy payout for the 2024/2025 season is expected to reach approximately \$172 million in Nelson Tasman, up from around \$130 million last season. Horticultural prices remain strong, which will help to offset the effects of damage to crops from flood damage last winter.

The labour market, however, remains softer than overall output growth. Employment fell 1.3% over the year, and Jobseeker Support recipients increased 6.5%. The unemployment rate has risen to 3.9% – higher than last year, but still well below the national rate of 5.3%. It is common in early-stage recoveries for output to improve before businesses feel confident enough to expand staffing levels.

Tourism remains mixed in the annual data, with total tourism expenditure down 4.0% and guest nights down 1.5% over the year. However, the December quarter showed strong growth in international guest nights, which climbed 8.3%pa. This strengthening activity entering the important high summer season months is especially valuable for tourism operators and highlights that there have been no lasting impacts on visitor demand from last winter's floods.

Looking ahead, international tourism's recovery is likely to continue strongly in early 2026 data releases. Christchurch Airport recorded a record summer of international arrivals, with January international arrivals reaching 102% of pre-Covid levels. International visitors who arrive in the South Island typically stay longer and travel more extensively through regions such as Tasman, which positions the region well to benefit from this rebound.

The housing market is also showing clearer signs of recovery. House sales rose 13.9% over the year, residential consents increased 14.4%, and first home Loan purchases nearly doubled, up 86.4%. Reassuringly, house values remain broadly flat (down 0.5% over the year) even against this context of increased demand. Improved affordability and better access to the housing market for first home buyers is helpful for businesses looking to find and retain staff in the region.

In summary, compared to September's early signs of a turn, the December report shows that Nelson Tasman's recovery is gaining traction. GDP growth is strengthening, traffic flows confirm increased economic throughput, primary sector returns are improving, and business activity indicators are lifting.

The recovery is not yet uniform – employment remains soft and tourism is still rebuilding – but the foundations for broader growth in 2026 are now more firmly in place. Nelson Tasman enters the new year with some tangible economic momentum rather than just optimism.