

News from the Research Desk

NZ building consent statistics do not show a complete picture of the New Zealand construction Industry as they do not include unconsented civil construction whereas Pacifecon data paints a complete picture as it includes all civil works plus extensive coverage of projects at the planning stage which is vital for companies when forward planning.

Pacifecon New Zealand data shows an 18.25% increase in planned project numbers for the year ended Aug 12

The breakdown for the various centres is:

Auckland/Northland 18.3% Upper Central North Island 33%

Upper North Island (Taupo North) – there are positive signs in the main centres with lower value projects that have been on hold showing signs of progressing. Growth in Auckland Commercial projects is encouraging including a small number of upcoming seasonal civil projects on the drawing boards. The retail sector remains quiet but there is on-going activity in the supermarket and food outlets sector. In the Waikato and Bay of Plenty regions there are a number of large privately funded construction projects underway plus a number of projects at planning stage in the accommodation sector.

Lower Central North Island 24% Wellington -17.8%

Wellington despite the downturn in the Wellington region, Pacifecon data includes sixty projects over \$1million at planning stage in the Lower North Island region *plus* Wellington based contractors and consultants are looked further afield and starting to quote on work in Marlborough. It is also expected that once the seismic assessments are completed building owners will consider refurbishment work at the same time which will give continued work opportunities in the region. A key factor that will influence the level of refurbishment is Central Governments decisions on staffing levels in the public sector which will be a major influencer on business confidence in the broader Wellington region.

South Island 22.5% Christchurch -2.9%

South Island *No surprise here as various organisations get their paper work sorted and EQC insurance pay-out levels only at 20% for residential and 50% for commercial.* Our contacts throughout the region have confirmed there is a positive outlook **at last** despite issues requiring clarification on the CCDU blueprint. Many of the large proposed subdivisions in Christchurch are still working through the consenting process and this is resulting in the movement of “red zoners” to the Selwyn DC areas of Rolleston, West Melton and Prebbleton. **By necessity Cantabrians adopt a wait and watch attitude. Throughout the rest of the South Island activity levels remain steady.**