

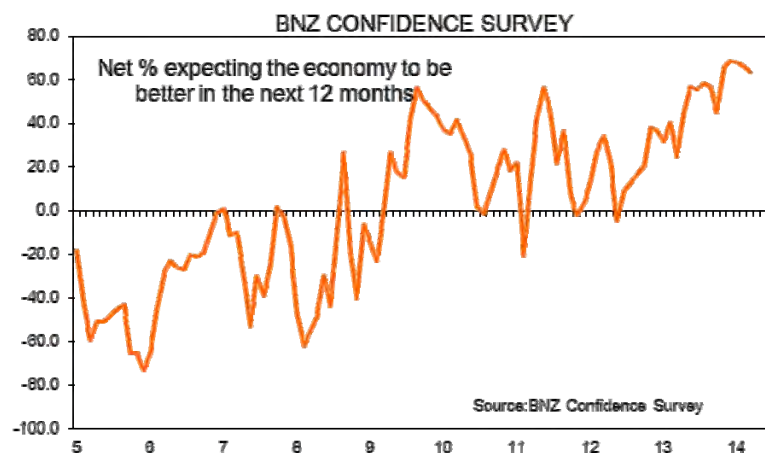
## Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

The results here come from a monthly survey of over 28,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please click [here](#).

## Confidence Stays High

Consistent with other surveys our monthly BNZ Confidence Survey reveals a high level of confidence about where the economy will be a year from now. This month a net 64% of our 480 respondents express optimism compared with a net 66% in March, 68% in February, and 69% in December. Sentiment is holding up at very elevated levels and this bodes well for firm growth in employment and business investment.



With regard to specific sectors the following broad comments can be made.

### Accountancy

In a nutshell, busy according to many respondents.

### Advertising & Marketing, Media

Positive but not rising all that rapidly.

### Agriculture

Still optimism but drought concerns rising.

### Agricultural Services

Good but with concerns about the drought.

### Construction

Very positive (not everywhere) with staff shortages.

# BNZ CONFIDENCE SURVEY

## Engineering

Good work levels but tight margins.

## Hospitality

Quite a bit less optimism this month than in recent months.

## Information Technology/Telecommunications

Very strong.

## Legal

Generally busy though not everywhere.

## Manufacturing

Generally positive.

## Property Development

Busy

## Property Management/Investment

Churn of properties evident. No particular indication of a lift in investor demand overall.

## Real Estate – Residential

Absence of first home buyers, listings still short though. Prices still seen as rising.

## Recruitment

Strong

## Retail/Wholesale

Still patchy and challenging for many.

## Tourism and Travel/Accommodation

In good spirits.

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
3 August	38.6	35.5	25.9	12.7	324	214
6 September	43.0	30.5	26.5	16.6	302	206
5 October	42.7	34.9	22.4	20.3	241	168
2 November	52.3	33.3	14.4	37.8	333	207
7 December	51.9	33.0	15.0	36.9	233	174
7 February 2013	51.2	29.1	19.7	31.5	203	150
7 March	53.9	32.8	13.3	40.6	180	144
28 March	45.0	34.6	20.4	24.6	211	135
26 April	56.7	32.0	11.3	45.3	203	128
31 May	66.7	23.7	9.7	57.0	93	70
26 June	64.6	26.3	9.0	55.6	642	345
29 July	65.7	27.1	7.2	58.5	763	551
26 August	64.4	28.0	7.6	56.9	582	430
25 September	55.5	34.1	10.5	45.0	458	350
4 November	71.4	22.8	5.8	65.7	469	355
26 November	74.9	18.9	6.2	68.6	577	432
28 January 2014	74.0	19.9	6.1	68.0	543	361
4 March	70.6	24.8	4.6	65.9	496	391
7 April	68.5	26.5	5.0	63.5	480	361

## INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

**NOTE: THESE ARE NOT OUR COMMENTS BUT THOSE SUBMITTED BY RESPONDENTS TO OUR MONTHLY SURVEY.**

We exclude comments which don't say anything about current business conditions in an industry and are instead mainly rants and raves. Also those with comments that are chopped off or indecipherable, contain appalling grammar or are in capital letters are left out.

### Accountancy

- Accounting (Nelson) - extremely busy. New clients and existing clients looking at doing more. Significant rise in enquiries from migrants and long-term expats considering a move back to NZ. Have hired recently and will do so again before June.
- Busier than ever. Like it was before the GFC. Chartered accountants
- Accounting - Busy time of year so "heads down" for the next few months. Good prospect for the rest of the year.
- Public Practice Accountancy. Flat lining performance.
- Good--- Accounting
- Accounting - increased activity in clients business, growth and expansion - increased willingness to spend on professional advice and assistance
- Chartered Accountant- A little more relaxed now 31 March has gone and waiting for the new year work.
- Tax Advisory - seeing increase in activity in market, especially in regards to overseas nationals who are looking to buy NZ property (as cheap by comparison) or because tax rates are lower in NZ than many overseas countries (also the fact it's a nice place also helps). Looking to hire the right people.
- Chartered Accounting: busy, positive, clients interim results appear to show an improvement on previous year.
- Chartered Accountancy--we have had a pretty good finish to 2014 financial year. Year ahead looks positive. An increasing number of clients want their annual accounting work completed earlier this year. One issue is the shortage of experienced senior accountants --both business services and Audit--in the job market.

### Advertising & Marketing, Media

- Media/magazines: In the current environment, without highly skilled and committed people, I would have to think twice about doing what we're doing.
- Seeing some stabilisation after media clients suffered a number of years of falling advertising revenues.
- Media; Good.. Everyone needs news.
- Marketing Services - growth in last FY and 2014 looking stronger as clients increase budgets and try new marketing strategies.
- TV Advertising – tougher.
- Media - steady rather than exciting
- Marketing communications - pretty positive, but clients are still quite cost conscious

### Agriculture

- Farming. Dairying very good. Expect prices to come back a bit as supply in the USA increases (partly as a result of cheaper cattle feed as less crop being used for biofuel). But demand for protein in general and milk in particular is still very strong. Demand for protein is helping sheep and beef too, China is wanting more of the better cuts but also takes lots of the poorer ones.
- Farming.. Drought conditions 2 years in a row and 4 out of the last 5 years.
- Sheep and Beef and Dairy, outlook getting better.
- Dairy - Still looking positive for next season despite recent GDT price reductions.

# BNZ CONFIDENCE SURVEY

- Dairy farmer, what was looking like a great cash flow season, has petered out a bit due to drought in Waikato. Last 4 months paid off as much debt as I could, gearing up for a harder next season. Hoping to buy bigger farm in next two years.

## Agricultural Services

- Suppliers of equipment and consumables to the dairy industry. We are seeing dairy farmers becoming concerned at the effects of lack of rain in a 2nd year in a row. Compounding effect on soil moisture levels means lack of grass has to be offset by bought-in feed. Impacts profitability. Decline in auction prices for 4 events in a row is concerning.
- Dairy farm Consultancy Looking good even though a drought.
- Meat industry. Under pressure due to overcapacity and unreasonable expectations of livestock farmers
- Manufacturing animal feeds. The drought conditions are creating demand High dollar affecting returns on all export markets
- Agricultural contractor, new farm developments in Canterbury keeping industry as buoyant as I have seen in last 30 years, however a number of risks incl resource consents, water, nutrient levels, Concern that this high confidence is very fickle as is currently underpinned by high milk payout.
- Stable. Good growth coming from Dairy sector ( Capital equipment industry)
- Rain would help. agricultural supplier
- Farm machinery sales and service. Good levels of sales following CD Fieldays. Farmers now less comfortable due to the dry conditions.
- Rural Advertising - things are looking very positive
- Farm machinery positive but need rain, farmers that have put in summer crops are reaping the benefit. Civil construction positive
- Vet. Still quiet

## Architecture

- Agriculture - Grain & Seeds - Grass seed sowings for next harvest are reduced (especially perennial), but grains remain firm.

## Business Consulting

- Niche management consulting. A little more enquiry starting to wash through after a pretty dead 2-3 months - as far as new business is concerned.
- Market Research - still really quiet.
- Corporate education: Big lift in opportunities to propose and tender. More work being booked well ahead rather than ad hoc
- Business Consulting. Increased level of new business start-ups in Canterbury which is very encouraging.

## Civil Construction

- Civil Construction Christchurch: positive outlook
- Busy. Civil works rebuild Christchurch
- Road infrastructure and operations. Very positive though some things taking time to get to market. Very price competitive.

## Construction

- Building/ Construction. Things looking busy with more larger projects coming through.
- Construction. Commercial is still a little patchy just hoping this is the start that we all want and not another false start.
- Construction - busy but concerned about continually rising material prices and tight margins
- Construction- still gaining pace
- Construction Hawkes Bay - No boom going on here and can't see one coming either
- Very Busy construction commercial
- Construction- booming

# BNZ CONFIDENCE SURVEY

- Construction, Heading up but still very competitive. Labour shortages will become an issue.
- Construction - looking up with more projects taking off with the rebuild here in Christchurch.
- Construction Industry is picking up quickly
- building industry slowly picking up outside Auckland & Christchurch
- Construction industry, positive.
- Construction Wellington. A gradual improvement from a very low base level, but still a bit scratchy, especially commercial.
- Construction – tough
- Residential Construction. Very busy, turning down work. Can't find enough guys.
- Construction. Plenty of opportunity

## Construction Related

- Good, painting and decorating.
- Service industry plumbing. Looking good, people happy to get things fixed properly.
- Building Supplies - All forward indicators are extremely positive despite widespread product price increases.
- Our industry is looking very good indeed, being reliant on residential construction which at present is very active.
- Construction related. Definitely picking up. Mainly driven by growth in Auckland supported by the regions. Still waiting for Canterbury rebuild to really start to kick in.
- Kitchen design & manufacturing - huge demand, can be selective of what work to accept. Not increasing prices, just not having to discount or take on challenging jobs
- Electrical Wholesale – Steady. Third Party Logistics - Steady to positive
- Construction related, involved in Christchurch, Wellington and Auckland. Christchurch is very busy. Rates for labour in the Construction industry will go up 25% plus in the next 2 years because of lack of labour. The major Government projects will drive these prices. Accommodation for trade staff will be a huge problem in the near future. Auckland Residential market very strong, but commercial market still low. Wellington still very quiet.
- Building industry -kitchen hardware- things are looking great, can't complain with 40%+ growth in 2013.

## Education

- Early Childhood remains very competitive with increased compliance costs and low rolls.
- Education - Slowing down
- Tertiary education - tight funding and reducing demand as the economy picks up
- Education ( Teaching) There are still too many students who are flying outside of the "norm" and not enough funds or resources to pick them up.
- English Language Schools: Good with work rights finally bookings are lifting
- Education sector - no change - flat pay increases yoy.
- Jobs in the industry have contracted as people hold onto their jobs. New teachers being trained are finding it difficult to find permanent fulltime jobs.
- Education - we are getting a lot more money this year - must be an election year!! there is never enough to run my school.

## Energy

- Oil and Gas: Good performance in the local retail space however it is tight in refining in the international space.

## Engineering

- Structural Engineering. Hawkes Bay. Margins tight limited opportunities.
- Engineering - Best they have been for 2 years in terms of work being priced, enquiry and work being released. A lot of infrastructure work, albeit long lead times.
- Engineering manufacturing in Dunedin, market still tight with high dollar killing any profit on export.

# BNZ CONFIDENCE SURVEY

- Engineering, very heavy workload, clients who believe they can still demand very short lead times (recession mentality) are going to miss out. Planning will become critical as momentum builds.
- Engineering. Based in a Rural area servicing big dairy/meat plants and other farm related equipment. Plenty of work at present but margins are tight. Profitability was better last year with less work. Spending capital now on new building and plant, will increase productivity in core areas and lower costs as long as the work is present to pay these new o/heads.
- Consulting engineering service industry; best since 2007, private developer investment returning, Chch rebuild and Auckland infrastructure spending driving growth in the main.

## Finance

- Banking/Mortgage Finance - It has been a busier March but April has started slower.
- Lot more competition from 2nd tier vehicle finance companies that suddenly appear when the economy lifts. Extreme requirements for compliance adding to the work load.
- Financial services - mildly optimistic
- Retail Banking - very competitive for refinances. New home buyers nearly extinct.
- High demand for funds (Finance Industry)
- Extremely busy Mortgage Finance
- Banking - improving with clients being more optimistic, recording good profits, and investing more in their businesses.
- Finance-Debt collection. A marked increase in settlements or payment plans. More liquidity seen in the marketplace.

## Food Manufacturing

- Food Manufacturing: High NZD is certainly impacting on exporters and resulting in depressed margins for distributors, making our added-value goods less attractive.
- Manufacturer of fresh Chilled retail and foodservice products local and export. Local market, difficult to retain margins in retail with push back from major chains. Foodservice stable. Export, NZ\$ effecting access and margins

## Forestry/Timber

- Timber Industry Conditions are very buoyant especially in the Canterbury area.

## Health

- Healthcare - steady but still lots of change.
- Healthcare-always steady, very few down moments unfortunately
- V quiet. Optometry.
- Health. At long last people seem to be out there doing things, and sometimes overdoing it. Numbers are therefore up a tad. Maybe it is the last of the summer (wine) or the first of the winter ailments. Either way, things are looking up at last.
- Government spending in the Health sector is quite strong and retail medical equipment sales increasing
- Steady as always (general medical practice)
- Healthcare. We are seeing a rise in sick patients coming to our centre from the islands, and a rise in obesity related cancers - particularly among Maori and Pacifica population groups. Obesity is putting a rising pressure on all health systems and it's a problem that isn't going away.
- Pretty good. Disability sector of health industry.
- Busy time of year in the health and fitness industry. V
- In the medical general practice, people still fall sick - regardless of the economic situation. So there is not much volatility in the medical field.
- Medical wholesaling - pressure on margins
- I work in the medical industry. It is a very tough and competitive industry. Hospitals are continually looking at cost cutting having a direct effect on those providing product to them.
- Optometry, pretty busy

# BNZ CONFIDENCE SURVEY

## Horticulture

- Produce . The high NZ\$ is really starting to bite into our export competitiveness. In particular we are reviewing our programs in Japan for next season.
- Kiwifruit orchard doing well. Most growers are in positive mood going into harvest period.
- Kiwifruit - very good, record returns, positive future provided we can keep PSA under control.

## Hospitality

- Positive. Retail/ Hospitality
- Restaurant, bars, craft brewery. In ChCh strong growth driven by new openings post-earthquake as owners reopen new upgraded premises, influx of workers of all professions esp. construction, return of tourists. CBD still dead with most activity occurring in periphery i.e. more/ suburban especially Victoria st. Will be very competitive with another 35 bars planned to open this year.
- Hospitality accommodation holiday parks positive
- Food and Hospo = flat
- Hospitality is not going well in fact most of retail that I am aware of is suffering badly to the decline in spend.
- Hospitality , they are still quite slow
- Hospitality - small local restaurant. We are seeing an increase in customers dining out. Have added a new dining room and looking at creating another one plus a courtyard. Happy to fund additional space as it would seem that there are plenty of customers will to visit us. We turn away customers on most nights as we have no room to seat them.
- Hospitality, (particularly Accommodation) - very high occupancies for February with a slight decrease in March but overall improved levels than same time last few years. Cautious optimism.
- Restaurants & Catering .... Fantastic, very busy ...
- Hospitality is in reasonable shape and the great weather bubble is assisting - margins getting squeezed and pressure on wages as labour shortage starts to kick in

## Information Technology/Telecommunications

- IT. Still hiring a lot of new staff, very busy.
- ICT - increasing spend in new technologies that make an organisation more efficient or deliver better service to internal and external customers
- Telecommunications - A lot of uncertainty.
- NZ software company. Business is picking up both in Wellington and Auckland, and we're now getting unsolicited enquiries from Australia and the UK
- IT - businesses seem keen to invest in IT solutions at the moment, so things looking good
- IT for financial service companies - strong pipeline of business in NZ and elsewhere, we've had a big burst of hiring over the last few months.
- IT (SaaS Software) - Positive outlook. Companies expanding and struggling to keep up with planning recruitment as skilled/experienced employees are in demand.
- IT Industry - plenty of business opportunities that are turning into sales - real confidence in the sectors we work in. There seems to be a desire to improved systems and IT infrastructure from our customers ready for new business that is coming in.
- IT - not much new happening from my point of view
- Excellent - IT Services. Lots of project activity.
- IT. Appears to be more positive activity in the IT arena with more projects kicking off which is having a positive impact on employment and increased expenditure.
- IT - Software and Services. Excellent FY just completed and looking as good for the new one.
- I'm a contractor in the IT industry and just got extended so can't complain!

## Insurance

- Still strong. We provide actuarial services and requests for statistical information has been increasing. We're expanding by joining forces with a team that does data mining. Very exciting.
- The insurance industry is entering a 'soft' cycle for commercial insurance. Plenty of capital and capacity around so some insurers are trying to 'buy' market share by offering unsustainable prices.

# BNZ CONFIDENCE SURVEY

this will continue until these underwriters start losing money and then the market will begin to 'harden'. It usually lasts around 18-24 months.

- Travel Insurance sales are up overall and it's looking likely to remain this way for the year.
- Insurance Broking - Commercial Insurance market very soft - some insurers competing at 'pre-quake' levels. It's very dynamic at the moment. We are seeing consistent growth of our clients businesses which span a multitude of industry and service sectors. Savings being generated on existing covers are generally being spent on additional/increased covers. Business is good.
- Insurance cycle appears busy & with growth generally, this is flowing thru to ourselves.
- Insurance. Industry is very competitive

## Legal

- Small conveyancing legal practice in small lower North Island town. Depressed economic activity. Retailers struggling and closing down. Many vacant shops. LVR conditions have meant that first home buyers are out of the market. Auckland and Christchurch confidence of no relevance here.
- Law - we are busy. Overheads rising. Profitability neutral. Systems honed after recession. Will have to increase cost to client to improve profitability. Trying not to have all eggs in one basket i.e. not be too dependent on property.
- Rotorua law – buoyant
- Legal - Auckland. Conveyancing steady. Commercial clients active. positive words coming from clients
- Law. Still only just steady. Work fluctuates month to month.
- Legal services Chch, steady but not spectacular
- Legal in Taranaki lots of activity
- Regional Legal. Work flow has improved but still patchy. Constant pressure from clients on cost of services.
- Legal Industry - Very busy at present
- Still very buoyant in law firm CHCH

## Manufacturing

- Auckland Pallet Manufacturer. Main customer base building products. Market has been steady since Christmas. No real huge demand. Export customers' orders down I guess effected by \$\$\$. April has started off slow.
- Building Industry - manufacturer / supplier - still more potential up turn as the market gains momentum - worrying trends on the increased number of imported products coming in.
- Food Manufacturing: Things has been tight over the summer but small signs of things picking up over past month.
- Strong demand continues. Electronics manufacturing.
- Steady would best describe it with little chance of significant upside. Steel Roofing Manufacturing.
- Industrial Manufacturing - Despite talk of NZ growth the industrial market is still in decline, with the high dollar and increased interest rates we expect the market to continue to depreciate.
- Metal products manufacturing for domestic market. The improvement seen earlier seems to be holding, and the outlook is solid. Quite some years since the climate has been this positive.
- Metal product manufacture. Very boom and bust, when we are busy its frantic, but its followed by a lull. Very hard to get procurements right and impossible to balance workflow. Pressure from corporate customers still living the ""No cost increase"" dream they've been banging on about for the last few year - I do wonder which planet they are on. All that said, we have a solid workload, numbers are looking okay but still about 20% back on mid last year - mostly in our diary work.
- Paint manufacturer. Solid DIY volumes over summer and trade sales still booming. A bit Auckland and Christchurch concentrated but positive vibes coming out of the regions

## Marine

- Marine export industry -- bleak : unrealistic NZ/USD exchange rate with increasing interest rates



# BNZ CONFIDENCE SURVEY

## Miscellaneous

- Fantastic, amazing numbers for the last 1/4 and bookings huge for next 3 months also. Cleaning Company, Holiday Homes only
- Boarding Kennels - up nicely on last year
- Heavy equipment - strong level of enquiry, some good sales - margins are tight however in very competitive environment.. Increasing lead times for supply of quality machinery is apparent. So planning for projects is crucial
- Catering Equipment and Kitchenware Supplier to Hospitality Industry. A lacklustre start to the year which repeats the first quarter of last year. Confidence appears to be up but wallets still closed.
- Export of raw material for use in pharmaceutical production. Demand exceeds supply, prices very high, continuing growth.
- Outdoor recreation. Still depressed as consequence primarily of fuel prices.
- Capital Plant Sales and Service - getting busier, definitely more energy and confidence in the marketplace.
- Very up and down. Hairdressing which I have owned for 30 years.
- Very flat in the recycling industry both metal prices and rubber are dropping with volumes also dropping
- Looking pretty good, we are currently expanding. Mechanical product development company
- Insect and odour control, slight growth
- Wholesale Security Supplies. Improving business opportunities though margins remain less than desirable
- Landscaping - Residential still going steady, weather has been great for our industry - no rain off days :) As previously mentioned home owners recognise the value of improving their properties in Auckland's rising price market. Every dollar spent is worth at least the same again in capital value. Our work is mainly Auckland Central suburbs now where quality projects are going ahead.
- Private investigation - improving after tough year. People prepared to spend money to solve crime
- My industry is Document Solutions-Things are stagnant currently with many offices still trying to wrap their heads around how they'll become paperless and those who want to, not looking to commit to new equipment just yet, however because we are a technology company, there are still opportunities, minimal for Hamilton at the moment!
- Up and down, deals always take a long time to pull together. (industrial leasing)
- Industrial dust and fume extraction. Finished last year up 40% but competition from overseas increasing (i.e. very low cost / quality from china) in last 4 months. Expect increasing sales but lower margins in coming years.
- Nursery, wholesale. Not much change over the last year.
- An Auckland Golf Club. Dropping membership and fewer casual players. New players do not want to invest in the gear and membership.

## Printing and Packaging

- Flexible Packaging has new opportunities offering but margins are still very tight.
- Commercial Printing. Experiencing a slight slowdown from previous 3 months but still steady .
- Packaging, Margins being squeezed by increased competition and overheads increasing due to suppliers increasing their rates. A lot of uncertainty about interest rates. A lot of our retail customers are reluctant to place orders and are looking to further cut costs.
- Printing Industry still seems to be very volatile but having had a 12.2 % increase in turnover has been a very good year for us.
- Printing: Volumes up on last year; margins tight.

## Property Development

- Property Development Dunedin - there is an air of buoyancy in the city due to some up and coming large commercial and educational projects which will have spin offs for the residential sector. Inner city upgrading remains positive.
- Land Development Consultancy.. Things are so busy we cannot get enough skilled staff which is actually holding us back.

# BNZ CONFIDENCE SURVEY

- Town planning / property development industry. Very busy start to the year, preparing many consents for the Councils and the Councils are outsourcing much of their work due to demand. House prices with regard to development projects are being 20% overvalued with mostly Asian buyers adopting a land banking rather than development strategy it would seem. This unfortunately won't increase the immediate housing supply.

## Property Management/Investment

- Going well. Many property investors buying property right now
- Financial Planning - busy lately with property investors
- Property management and investment sector is overheated in AK and ChCh so opportunities are thin.
- Property management in ChCh is starting to plateau with only low interest for new business and rents levelling off. Residential Sales is steady but with few listings
- Property Management Stable in Auckland tenant churn stabilising.. Investment properties prices to high with low returns sign of correction ahead 2014/15. Provincial areas rents down and investment house over \$500k selling at a discount of 14% to RV.
- Demand for rentals is steady. All rentals are full. We sufficiently confident to increase rents by about 5% without loss of tenants.
- Property Management. Currently the rising prices are making many investors sell their properties therefore we are losing managements, but we are confident with the number of new housing and apartment buildings going up that we have a chance to grow the business over the next few years.
- Property Investment, Property trading at the moment is tricky as people are paying too much for unrenovated product, once renovated they will be lucky not to have over capitalised, a shortage of home buyers with enough finance to buy the renovated stuff. No real indication of the housing shortage being portrayed as rents are not increasing and houses are sitting vacant.
- Property Investor. It is well documented that the Christchurch rental market is very buoyant with plenty of demand and rents rising.

## Real Estate – Non-residential

- Commercial Property syndication: Industry wiped out. Financial Markets Authority regulations including requirement for and cost of registered prospectus make it uneconomic to operate without economies of size and scale and have effectively wiped out all the small-medium sized syndicators. Properties under \$10 million and smaller syndication businesses now uneconomic.
- Commercial & Industrial property in top of south island starting to move and buildings that have been vacant for years are filling up positive outlook .
- Commercial property prospects are improving with strong growth and vacancies becoming fewer, especially in Auckland.
- Commercial Property Management Good start to the year.
- Commercial property investment-best in 7 years
- Slowly picking up - commercial real-estate.
- Commercial Real Estate, Wellington. Very difficult. Little movement. Leasing and sales enquiries are down. Negotiations are very tight on any deals that are done. Agents are scrambling to find alternate ways to market property as a result of Trademe's new pricing structure.

## Real Estate – Residential

- Positive - real estate
- Residential real estate Hamilton. Good steady market. Well-presented and well-priced property selling well. Sub \$350,000 market slower due to lack of first home buyers. Investors from out of town (Auckland) taking up some slack. Auctions still going well and seeing some good new stock coming on. Appraisals are up. Cashed up buyers over \$350k keen to transact. Huge interest in new property to the market. 4 weeks or more and interest really dies off. Vendors with price on market need to react quickly to feedback or risk missing their buyer.
- Property valuation-residential has virtually disappeared-c & I steady-developers abound-valuers fees rising

# BNZ CONFIDENCE SURVEY

- Real Estate, Auckland East. Best month in March since 2006. Listings short, buyers still out in force and paying amazing prices.
- Residential property investment: good prospects, good demand in main centres, but challenges with water tightness and earthquake issues.
- Currently in the property industry there is some growth led by Auckland and Christchurch which was beginning to flow through the surrounding provinces until the LVR limits kicked in. Now there is a distinct lack of first home buyers with the market growth looking to be continually driven by people who do not fall into the LVR category upgrading their current property.
- Real Estate in Auckland - Busy as expected - Prices still strong.
- Real Estate - Auckland. House prices still increasing in the central area however the auction method has seen a very high failure rate with less than 35% of homes selling under the hammer through Feb/March/April. With most mortgage pre approvals only lasting for a month that is a major factor that makes it difficult to buy a home at auction. Real estate salespeople need to reactivate the skill of accurate appraisal and actually negotiate sales rather than reliance on the auctioneer to do their job for them. Asking prices and negotiated sales are likely to replace the auction method as the preferred way of doing business in 2014 and most buyers and sellers will welcome this - it will lead to more sales taking place!
- Real Estate. The top end of the market has taken a significant hit. Good properties are doing well at auctions but I would think that only 50% are selling under the hammer, most are selling after auction within a day to 3 weeks.
- Very positive. But cautious over rising cost of construction and interest rates starting to cut into margins.
- Section sales, prices appear to have plateaued at a high level.
- Real Estate - The difficulty in getting listings is filtering through to lack of sale.
- Real estate. We are continually busy, no rentals, houses selling quicker.
- Residential Real Estate Tauranga. Listing stock slightly eased, strong interest early in marketing. Lower open home numbers. Prices solid but not spectacular.
- Property - the Wellington market is showing signs of improvement across the board.
- Things are slowing down appreciably especially in that 1st home buyer market, although the upper end still performing well. There is a disproportionate amount of activity depending on income which is a concern...of course I'm in the real estate industry
- Property in Auckland. Things are steady and with a generally positive outlook. People are making decisions on well-founded principles which is a good foundation for the future.
- Real Estate. Lack of listings a concern
- Real Estate - Nelson. Buoyant, both buyers and sellers willing to transact.
- Real estate Auckland, record month for sales, average price rising.
- Real estate Auckland, a bit patchy, short on listings but buyers rather non-committal, auction success rates have been dropping for some time so maybe we will see the auction process falling away and more listings priced.
- Real Estate ; Central Auckland; Strong underlying Market, buyers are educated and transactions are being completed / not as many competing buyers at Auction.
- Real Estate. Slower in the lower end, where first homers increased deposits have muzzled interest, and where investors as a result have good choice but are picky. Strong demand for good properties in mid-range prices, some exceptional prices at auction.
- Real Estate Wellington. First Home buyers are gone, the market is top and bottom heavy with stock that is all too dear and needs to come back in price sooner rather than later. A great time to buy a house, lots to choose from.
- Real Estate Havelock North. Status quo, shortage of listings, no shortage of buyers, quality listings which are well priced are selling, no lift in prices.
- Real estate, Auckland. Still plenty activity
- Real Estate - A shortage of supply is still an issue.
- Real-estate. Positive with good inquiry and listings getting harder to secure
- Real Estate, Auckland. Very mixed, the bounty is not evenly spread.

# BNZ CONFIDENCE SURVEY

- Real Estate in Central Otago specifically Alexandra basin: since the down turn in 2007/08 property sales have flat-lined both in volume and in price. It is neither a buyers or seller's market. Many properties are on the market for a number of years with no interest. It is common place for one buyer to come through and then make an offer on a property. This is due to the amount of research buyers do online prior to viewing a property. Sellers still have an expectation that people from Christchurch are moving into the district post-earthquake and that "Southland Farmers" are a rich target market. There is no factual evidence to support this.
- Residential sales Nth Shore good sales and settlements month March, still very competitive in getting listings.
- Valuation- things are slowing down
- Residential Real Estate, South Auckland. Listings scarce, auctions going well. Need more property managements as lots of tenants looking.

## Recruitment

- Recruitment = very good
- Recruitment -skilled candidate shortages
- Recruitment. Very busy but big shortage of quality candidates
- Recruitment -Positive, particularly the contracting market.
- Niche recruitment advertising - employer confidence appears to be on the rise.
- We are a recruitment company and things are getting very busy in our IT and business support areas
- We're in recruitment and have seen a definite swing towards a candidate driven market. Employers are needing to make hiring decisions faster in order not to lose quality candidates.
- Recruitment & Labour Hire. Continued confidence and growth in the marketplace. Business conditions appear buoyant for most. Signs of wages growth occurring in industries with skills shortage.

## Retail/Wholesale

- Retailing , margins are being impacted as the retail behaviour of discounting to drive volume continues , YTD L4L growth is positive for revenue and EBITDA , however inconsistent trading patterns are the common, cost control of labour and other inputs is paramount to weather inconsistent trading patterns to ensure compounding growth.
- Wholesale it's still very tough. Retailers seem to be struggling with finance and using us as an extension of their overdraft and seem to be only buying today what sold yesterday. No new shops opening more closing as they run out of money we are looking at going online ourselves to get better representation to the market.
- Tauranga Retail Flooring: residential activity high, light/medium commercial also increasing. Looking good !!
- Retail: very slow slight progress
- Flooring on the increase. Looking good for 2014
- Construction related retail in Wellington. Councils and schools are spending, large commercial going well but residential still tight. Higher spending over Christmas has not held up into Autumn with people looking for the cheapest option instead of the best value option. Capital spending on hold in the light of interest rate increases.
- Retail giftware regional NZ - Nothing flash but maybe a lift in confidence in spenders.
- Sluggish. Hair industry
- Appliance Retailing –patchy
- Clothing manufacturing and retailing. Firming. Housewares and Giftware importer and distributor. Seeing some signs that the larger customers are starting to feel more confident that the housewares category. There are also new stores appearing, particularly ones that incorporate web traffic, which are replacing the ones that were in vogue some years back. Perhaps a change in the guard. Over all gradual improvement however still hard work.
- Fashion retail - generally rising turnover. Taking a hit from the warmer weather in last few weeks when it needs to be cooler. Typical of later Easter.

# BNZ CONFIDENCE SURVEY

- Distributors - within the Health & Beauty Market. It is very tough with retailers calling all the shots and yet still bringing in Parallel Imports that we can't compete with unless we sell at a loss. Competition is tough and it's not going to get any easier.
- Retail - Still pretty patchy, nothing to indicate a 'Rock Star' economy.
- Retail; Sales figures improving, shoppers still looking for value for money though and expecting sales.
- Retail pet store...slowly improving.

## Signage

- Signage Christchurch. The roller coaster continues with march trade taking a significant drop albeit cash flow is good, sentiment and confidence appear positive on the surface but not being backed up by actions (Orders) I feel there is scepticism of the real state of business.
- Signwriting - still busy but repeat clients, no newbies coming to town

## Tourism and Travel/Accommodation

- Airline industry. Looking good
- In the tourism accommodation industry, things are looking up specialising in up-market facilities.
- Outbound Travel.....March was another record month in sales. A strong economy will support growth through 2014 underpinned by a high currency.
- Holiday Park industry. Things are looking good.
- The aviation sector is looking quite buoyant.
- Tourism - accommodation; Some early signs of overseas interest in booking NZ holidays but still too early to tell how 2014/15 tourist season will pan out.
- OK the high dollar is affecting ski sales adding 15 % to the packages out of AU but good snow over the last few years message is getting through
- Tourism transport. Just had a good summer. Projections are for a good winter ahead.
- Travel Industry Outbound. Margins are very tight with rising costs but the high NZD helps people decide to spend on International Travel.
- Tourist Hotel. In Christchurch we are very short of down town city Hotels as tour groups do want to be in the centre of the city.

## Transport/Logistics and Storage

- Transport and Logistics - increasing pressure on carrier availability due to increasing freight volumes
- We are an importer and supply goods into the Heavy Transport sector and Engineering Sector, things picking up pace.

## Vehicles/Automotive

- Motor vehicle industry (new) - very strong enquiry and sales.
- New motor vehicle franchise. First quarter far stronger than last year.
- Auto sale - looking buoyant for the medium term with vehicle sales up and looking to remain so.
- Motor retail - looking great
- Retail - Motor Industry - Well below expectations. Had expectations of solid growth, but not happening so far this year ....
- Automotive Repair Industry are still having to carry the administration and ever increasing compliance costs for \$46 per hour offered by a leading Insurance company. Work is plentiful but many costs are not acknowledged. Why invest into this Industry with these returns.
- Busy selling trucks, but supply lead times ex-factory (Europe) starting to lengthen to point of discouraging sales. Workshop busy and Parts sales achieving records.

## Wine

- Dry goods to wine industry - doing better than last year. With big vintage expected industry is upbeat. High Kiwi a big concern.
- Vineyard owners, great harvest and price for grapes, Botrytis a worry but most will get thru. Big harvests in Marlborough were ours are.

# BNZ CONFIDENCE SURVEY

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The BNZ Confidence Survey is run on the last Thursday (was first up to March 2013) of each month. In the Weekly Overview email sent to the over 28,000 email addresses on our database respondents are asked to click on a URL which takes them to a survey site. Respondents are asked if they feel the economy will get Better, Worse or Stay the Same over the next 12 months. Respondents may also make comments on their own industry if they wish. Results are collated over the weekend and released on the following Monday or Tuesday (depending on how busy I am) in this publication to media and WO readers.

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