

# BNZ Confidence Survey

ISSN 2253-3648

## 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 our monthly survey of over 11,000 Sporadic readers. To receive Tony Alexander's outputs please click [here](#).

## Most Sectors Doing Okay

Our latest BNZ Confidence Survey has found that in most sectors respondents are seeing things as either steady or improving. Construction and engineering are strong, manufacturing doing well, farming is weak but dairy farmers are pulling back from the brink. The Auckland residential real estate market is cooling, but elsewhere things look firm.

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

### Accountancy

Appears as steady as ever. No indication of any downturn.

### Advertising and Marketing

Some restructuring pressures amongst the big players but customer demand appears good.

### Construction

Overwhelmingly strong comments nationwide.

### Education

Strong offshore demand to study in NZ.

### Engineering

Very strong.

### Farming

A pullback from the brink in dairying bringing some smiles, but no optimism of strong returns in the near future.

### Forestry

Three comments, all positive.

### Horticulture

Strong

### Legal

Firm, nothing really changing.

### Manufacturing

All bar two comments indicate things good and/or getting better. A sector still going through a reasonably good period.

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## Property Management/Investment

Some evidence of willingness of investors to buy easing off for now.

## Property – Non-residential/Commercial

Rents rising, but comments on conditions highly variable – probably reflecting regional factors.

## Recruitment

Highly mixed comments. No firm evidence of any major easing in employee demand.

## Residential Real Estate

In Auckland – far fewer people at Open Homes, auction clearance rates down, fewer Asian buyers in evidence. Outside Auckland strong.

## Retail

Farm area spending down, but apart from that things look okay. It pays to remember however that this is a sector with many operators who can experience vastly different operating conditions even located right next to each other.

## Tourism

The lower NZ dollar is definitely helping sales.

Now that the Confidence Survey is up and running again and we've seen where the response numbers are settling down we shall change it to a quarterly basis with the next survey to be run at the end of the end of November then February, May, and August.

## INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

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

### Accountancy

- Accountant Wellington region. More competition in accountants over last year or so. Some Builders cutting back because property development companies not paying on time. Most businesses trying to control expenses. Some (fewer) are expanding
- Chartered Accounting - Auckland - Less activity than 12 months ago. Things appear flat with the normal seasonal work but less new work appearing than last year.
- Public Practice Accountancy (mid-tier) Tauranga. Very busy with consulting work for some clients (construction, manufacturing, kiwifruit). Dairy slow down affecting those particular clients
- Chartered Accountant - work is steady. Clients still profitable and confident about the future.
- Accounting firm - Palmerston North. Pretty steady - however positive activity has reduced from about May coinciding with the reduced dairy payout. The 6 months before that were very busy on the acquisition, valuation, succession planning front
- Chartered accountancy. We are as busy with project work as we were pre GFC
- Chartered Accountancy, Wellington. Plenty of work still to come in, cash flow steady. Noticing some clients have had contracts come to an unexpected early end. This will impact their income and reduce their tax payments.
- Accounting CHCH Steady work flow clients noticeably quieter struggling as rebuild slows
- Small Chartered Accountant Auckland. Flat out on compliance and some business purchase advice. Most clients have been trimming the fat.
- Chartered Accountant - Central Otago - We, and many of our clients, seem to be very busy at the moment. I think this is possibly a result of everyone deciding to catch up on delayed projects.

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## Advertising and Marketing

- Media industry - web-based medical publishing. Revenue ahead of last year but business mix moving away from traditional advertising model, so slightly less profitable.
- Marketing and Printing . Very Busy August , helped out by trade shows. In advertising in Auckland. Things are steady but the volumes of briefs at this time last year compared to this year is light.
- The media industry. Things are very difficult because of job losses in the hundreds. The major players in online and print, Fairfax media and NZME, are aggregating their newsrooms cutting off regional and specialist reporters. For example, Newstalk ZB and NZ Herald are having their newsrooms practically merged meaning major cuts from both newsrooms. We're all waiting for the dust to settle and we're all wondering where the media industry is headed. The only thriving outlets are TVNZ and Radio New Zealand who both happen to enjoy strong relationships with government and are less susceptible to commercial pressures....
- Promotional Marketing. Picking up, xmas and RWC 2015 certainly helping. Much more positive
- Marketing - mainly on line. Solid but nervous
- TV production: Things have slowed, we are planning for future work. The networks are very risk adverse. Lots of competition. Some downward pressure on prices and rates.

## Business Consultancy and Services

- Business services, Christchurch - Steady to good at present, less sporadic than 2014.
- Business consulting - steady and optimistic.
- Market research - I've got work, some from overseas clients, some from NZ. It's still very bitsy though, and no feeling of whether it will keep on going.
- M&A Advisory - Activity in private markets (excl. IPO's) at historically high levels.
- Management consulting: still very positive with business continuing to grow.
- We are involved in fisheries economics and science consulting - all offshore - part of the green/blue industry - focused on providing economic advice on fisheries conservation and management. Business is fine, based on: a) booming demand for economic advice on sustainability; b) weaker NZ\$; c) IT gains
- Business Advisory and Company Directorships. My existing clients are all very busy although they are not sure how long things will last so their confidence has slipped.

## Civil Construction/Infrastructure

- Wellington. Infrastructure Supply (Pipelines). Very quiet. Wgtn Water has started releasing work over the last few weeks - which won't bare fruit for us until Nov/Dec. Large project work slow to start or delayed e.g. Transmission Gully, Basin. WCC struggling to green light it's own projects e.g. cycle ways. Lots of talk - very little action.

## Construction

- Construction subcontractor Wellington. Very busy at present with positive forward orders at reasonable margins. Increased remuneration levels targeting retention and recruitment needs. Contemplating more capital investment.
- Commercial construction in Napier seems to be steady or picking up. More projects starting to come out for tender. Certainly better than this time last year.
- Construction Trades. Hawkes Bay. Steady workload, still tight pricing but sufficient to keep things ticking along.
- Construction - very good
- Construction in Wanaka - great guns, we are having some of best and most consistent growth ever, and experiencing highest sales ever, doesn't feel like a bubble, or speculative building that is driving the market. Many good quality subdivisions underway, builders struggling here and in Qtn to get workers . A lot of near retirees / mid aged moving here from ChCh, Dunedin , and Auckland. Usual issue with affordable building housing exists, with likes of Luggate , and Lake Hawea and Hawea Flat districts getting their fair share of builds as Wanaka land prices become too high Building Christchurch. Noticeable downturn in business going forward in the last three months.

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Starting to lay off staff. Subdivisions being put on hold as to many sections on the market and lots of spec homes sitting empty.

- Auckland house building is extremely busy with plenty of forward work. Very hard to retain margins because subcontractors are in demand
- Construction - Residential and Commercial in Auckland. Things are very positive with our 2015/16 sales targets met already. There is a lot of work commencing later 2015/early 2016 which will keep the industry very busy for 2016-18.
- Building - commercial Large projects. Auckland. Very busy at the moment with some big project announcements due. However we expect this to be associated with some rapid price increases as capacity gets full
- Residential Construction – Nationwide. Things are positive in most regions of NZ, with good sales and strong forward work. Christchurch residential construction is starting to drop and we are planning to downsize there.

Construction - Southland. Good amount of positivity about, good enquiry and everyone seems to have work even though the dairy sector is weak. Spring always lifts people and our industry remains strong at this point

## Construction Related

- Nice and steady. Ready mix concrete & builders supplies.
- Construction related. Having a good year thus far on the back of increase in building activity - particularly in Auckland - and supported by good growth in the other main regions.
- Construction project management. Wellington. Very positive for the next 1-2 yrs.
- Quarry supplying materials to the Auckland market. Sales continue to be very buoyant, particularly to the ready-mix concrete and asphalt markets (in fact, raw material supply capacity largely maxed out, as is that of competitors). Also significant volumes going to infrastructure works. Quoting for work is rampant, particularly in the sub-division market. Once the construction season starts properly (and assuming the weather is fine) we are likely to see record tonnages.
- Industry: Architectural hardware. Nationwide and export. Things are very good. Sales up and forecast is really good.
- Ready mixed concrete. Sales remain strong in Christchurch with notable change from residential to commercial sectors. Auckland is very strong and becoming increasingly so. Provincial areas, with a few exceptions - such as Central Otago - are looking a bit flat, perhaps understandably in light of lower dairy pay-outs.
- Building Industry product importer and distribution. Business sales are lifting well but exchange rates are putting squeeze on Margins. Positive overall will need to review pricing going forward.
- Very Busy. A decline in the number of jobs in the market. But marked increases in job values over the last 6 months. Joinery Manufacturer (22 employees). Canterbury
- We supply Roofing Screws to the Roofing Industry in Christchurch and the South island. This has been another very busy month although we have found that product for the housing market has been slower. Product for the commercial market is very busy.
- Not bad. Joinery manufacture
- Trade tool sales in New Plymouth very busy because of the building industry.
- Architecture/building in Auckland ... very busy in lead up to Christmas
- Architectural Hardware (Construction). Been rather quiet but picking up and looking reasonably buoyant for rest of this year and early next year.
- Supply to Construction & Public - Builders Merchant and Timber supply. Sept was 11% higher than 2014 and has been our busiest month, exceeded all sales KPI's. Increase in revenue mainly from general public renovating property. Lack of skilled staff a problem.

## Education

- Tertiary education - good - international student numbers booming but volatile. Domestic student numbers declining as students go straight into employment rather than education.
- University education. Significant competition for the overseas market but potentially more interest being shown in NZ universities than before.

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- Higher Education Sector - Universities continuing to feel financial pressure. Departmental reviews abound with a perception redundancies are coming. Strong at the organisational level, just a focus on efficiency.
- Engineering and Architectural CAD School. Things are great, just opened a new School and employed more staff.  
There seems to be a big demand based on vacancies and the perception that the construction industry is still booming. We're getting more International qualified Architects wanting to do the course to validate their overseas quals and look for work here.
- Education - it is busy.
- Independent Education - experiencing record demand for 2016
- Good, quality childcare in Auckland is in demand.

## Energy

- Electricity market service provider. The electricity industry is very competitive and in over-supply, so spending is down. Staff numbers appear to have been cut drastically over the last 12 months. The recent announcements around Tiwai contract (higher demand from 2017), plus closure of Otahuhu B station this month (sep-15) and Huntly units in 2018, mean the industry needs to build more plant in the next 2 to 4 years, so this will spur activity.
- Picking up a bit from a low base - geothermal energy.

## Engineering

- Engineering, fabrication and machining. Structural steel for the building sector rampant however ever increasing concerns about level of professionalism shown by Architect and Structural Engineers.
- Consulting Engineering. Work has been up and down, but lately it has got frantic
- Consulting Engineering - work strong. Land development proceeding quickly.
- Busy . A significant pick up with several larger projects after what looked like it was going to be an 'easing off' of future work Auckland & Hamilton Consulting Structural Engineer. Less work ahead in the Hamilton Office compared to Auckland but still adequate. In the meantime not replacing a departing staff member until more long term work in Hamilton but able to use contract workers to fill in
- We are in the mechanical and engineering business. For the last 2 months things have been quiet and still not a lot of working coming in. There does not seem to be the trucks on the road.
- Engineering consulting. Good - regular supply of work, 4 months full forward order book. Confident about industry direction and prospects.
- Engineering Auckland. Steady, but no sign of growth

## Farming

- Dairy - Canterbury. Essentially 2 groups of farmers: established with equity >60% see the likelihood of payout returning to historical levels of around \$5.70/kg MS and can make that work; newcomers in last 5-7 years with low equity are geared to pay-outs of >\$6.50 (which they were while China was active) but will not survive at \$5.70 payout levels. The Filipino immigrant situation only exacerbates farming difficulties.  
Dairy . Cash flow tough weather rubbish . 20% down on a daily basis . Cautious confidence moving forward . PKE (fertilizer? Ed.) locked in interest costs down .
- Sheep industry, Wanganui. The market is looking static with seasonal drops in price predicted to be greater than normal.
- Things are still tight and people are being cautious for the future. Dairy Industry
- Dairy and forestry in the south island. The dairy situation is hold on for the upturn but not expected to happen for a year or so, forestry will come back trees not ready for harvest straight away, due between 2017 and 2021 so plenty of time to pick the market,
- Dairy farm: Terrible, but prospects looking like limiting trading losses
- Dairy Consultant. Recent payout announcement has dairy farmers smiling again. The result is an additional \$0.60 / kg MS cash income this season. With the \$0.30 Fonterra Support on top of this the

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average dairy farmer will still require \$0.75 to \$1.25 of additional funding to get through the season on a tight budget. Average client base is down 7 - 8 % for milk production year to date.

- Farming: Grain and seeds. Not much change since last month where things were at best 'average' here in Canterbury. September has been cold and growth very slow, but at least there has been some sales of wheat to dairy farmers but at much reduced prices compared to previous years.
- Dairy Industry (non-commodity). Solid returns amplified by current low exchange rate. Strong product demand and growth across most existing markets. Would be even better if bureaucratic creep could be reversed.
- Dairying. Not great but hope on the horizon.
- Dairy, cash flows very very weak, we are still running at a LOSS

## Farm Servicing

- Financing Dairy Farmers - struggling cash flows facing a deficit outcome for the season and leveraging 3 to 5% against their starting equity position. Also surrounding servicing towns seeing retailers close shops.
- Suppliers of consumables to the dairy industry. Change. For the better. Like a light switch being turned on since Fonterra revised the forecast payout. As simple as that.
- Tractor and Machinery dealership. Sales and confidence well down on last year although a large increase in activity since last Thursday dairy announcement and some sunshine !!
- Dairy/agriculture supply service in Otago. Relatively positive and encouraging approach from clients in the face of impending dry and tough market prices.

## Financial Services

- Business Finance, inquiries strengthening as client companies' cash flow tightens.
- Tough times in the fund management industry.
- Finance - quiet.
- I am in the mortgage broking industry. Business is busy but not good as not too many settlements. Our clients keep missing out at auction.
- Demand is high and we are very confident for the short/medium future. Long term also looks very promising.  
(Finance Industry, Canterbury)
- Investment Advisory - Recent volatility has lead to an increased level of risk aversion, only small at this time.
- Very quiet...financier with a private merchant bank
- Moderately good for financial services/investment planning

## Food

- Food and Beverage Ingredient supply - tough. Seems to be plenty of interest in product development but little new business coming off.
- Import / Export food industry. The market is very soft both locally and in Australia with many customers buying short and uncertainty as to demand appearing over the medium to long term. Imports are very soft now for the past 4 month. Exports are progressing with some upside on volume expected as we can now compete on price into North America and SE Asia. North Asia demand is soft and not related to price.
- Food Manufacturing: no change from last month, lower exchange rate is making things look better but rising dairy prices will start to impact at some point down the line if the trend continues as this is our largest input cost
- Exporting of Infant Formulas to China. Despite NZ having a FTA with China that allows the export of Infant Formulas to China, the Chinese Govt has introduced new rules to restrict exports so as to foster domestic supply. A number of companies have lost substantial business as a result. Those who have a heavy reliance on this market alone will be wiped out

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## Forestry

- Forest harvesting and export log sales - a sudden increase in export prices last week based on reduced log stockpiles in China will bring a much needed increase in optimism to the forestry sector.
- Timber processing industry. Spring has arrived and production is increasing
- Timber. Appears to be increasing with some substantial amounts of capital expenditure investing in plant upgrades and process improvement.

## Health

- Medical devices - still the same great opportunities, but have to hire skilled people from overseas.
- Busy. Occupational Health and Safety consultancy
- Supply of pharmaceuticals. Overall, I would say that business is robust. Although no huge growth year on year, and there is downward price pressure from Pharmac, the majority of businesses continue to meet expectation.
- Health & Wellness. Upturn of interest
- Medicine musculo skeletal- Lots of patient not enough staff, new y gen with swapping time tables are making management hard to run full lists.

## Horticulture

- Horticulture. Strong interest from overseas customers as the impact of the lower NZ\$ makes our product so much more affordable. Expecting a strong export season this summer.
- Kiwifruit - sales are good as predicted....fruit loss ramping up on green but still satisfactory. Orchard values are being maintained despite reduced returns compared to last year. Some concerns about PSA as the disease is more evident than last year.
- Kiwifruit orchardist g3 (new gold). Confident despite significant increase in volume to come.
- Horticulture. Very buoyant with good spring sales. Influenced by housing sector and consequential landscaping projects.

## ICT – Information Communications Technology

- Telecommunications Cabling- Lots of work around and numerous tender requests, but very little margin to be made. Projects are taking an excessively long time to have budgets approved. Due to the new drive to cut all costs of each project many sites are having quality compromised in order to win the contested work from competitors
- I work in the IT recruitment industry, in Wellington. In a word, I would say that things are slow. It has been fairly slow all year, and we are seeing an unusually quiet winter season. In a typical year, the winter months would see a spike in contract recruitment in government, as new budgets are released and projects get underway. Its just not happening this year. Interestingly, we are seeing a noticeable increase in permanent recruitment, compared to previous years which have been contract-heavy. However, as this recruitment is moving at a snail's pace the general mood is still quiet. Also, almost all recruitment is at the technical/practitioner level, with barely anything happening in the senior strategic leadership space. So there are signs of life in the engine room - just not sure what's happening on the bridge...
- Information Technology: The high NZD is delaying decisions as budgets have to be reset before purchase decisions can be made. Also too many IT decisions being delayed because of lack of confidence in their vertical. Hopefully Government's TaaS will go forward this quarter and kick off an infrastructure spend for the next six months.
- Wellington IT industry. Contract opportunities slimming down. More roles advertised as Permanent especially in the Govt agencies.
- Software development – Wellington. I'm getting more calls from agents regarding good opportunities than I've had in a while. It suggests that there's plenty of work out there and companies are hiring.
- IT (Software and hardware sales) - declining sales
- IT services and support are a bit quiet at the moment
- IT, Government facing, Wellington. Things are good, searching for talented people, business is not accelerating but humming along
- Telecommunications. Outlook remains positive with revenue growth in new product IT area.

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- I.T. - still lots of clients getting things done, looking and feeling positive.
- IT industry - buoyant, just closing the second-best sales month for the calendar year
- IT. Very busy, a lot of opportunities especially in SharePoint, BI and ERP.

## Insurance

- Fire and General Insurance Broking: Good but softening market is making top line growth more difficult
- It's not news that market conditions in General Insurance are softening. We've got new entrants chipping away at the premium pools of the more established underwriters, and with the increased competition rates continue getting sharper. The response from the larger players is one of working smarter, with both Lean and Agile methodologies being adopted by the market leaders. The back's been broken on Christchurch, and the resources which have been diverted from BAU work over the past few years are being repointed to reshaping the nature of the industry. Technological advances & implementation are key to this, and many projects which would have been completed by now, were it not for Canterbury, are now reaching the consumer. We can expect a marked increase in online presence, telematics & mobile capability over the next few years. Actuary. We're currently using statistical data from the past decade right now ( we deal with comparisons and trend data). So right now we maintain a steady state.
- Insurance = soft market not good

## Legal

- Legal. Going very well. Huge shortage of Vineyard properties as good properties sell quickly. Contract prices for grapes increasing rapidly so Marlborough is on the up and little Dairy impact here.
- Law. A bit quieter the last few weeks
- Legal Wellington. There seems to have been a flurry of conveyancing in the last month. Other work levels being maintained though have capacity to be busier.
- Legal, Christchurch, steady if unspectacular

## Machinery

- Machinery Rental. Cash flow has suffered from overdue accounts and lack of sales. A very wet winter in both islands plus the substantial loss of use from the rural areas have definitely put a stop to any expansion for the time being. Other capital works are in the pipeline which should lift income for those involved in contracting in certain regions. Outside of those areas there is not much to go around.
- Capital equipment. Things are okay at the moment, not sure how 2016 will pan out.
- Business Equipment sales and support. Uncertainty is the major problem. Generally positive moving forward.

## Manufacturing

- Manufacturing and supply of flashings to building supply merchants throughout NZ. Conditions are buoyant, particularly Auckland and Christchurch. Wellington, Nelson and Queenstown are also strong.
- Paper manufacturing and sales. In the context of demand trending down over time we have seen some recent (probably seasonal) improvement in domestic demand after a soft June/July. The recent weakness of the NZ\$ is very helpful in keeping us viable in export markets.
- Manufacturing Components. NZ market steady. On target but no growth to warrant further staff. Australian orders stronger than last year
- We are in high tech manufacturing and things are going well. We are currently expanding into the US after having expanded into Japan last year
- Manufacturing of shop fittings for clients throughout NZ & Australia. Sound sales at present
- Paint Manufacturing. Demand flat but new product development undertaken during the GFC is paying big dividends.
- Manufacturing Engineers. Things are slowing but nothing to panic about yet.

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- Safety helmet manufacturing for emergency services. There seems to be no slow-down in emergency services spend on equipment. And the weaker NZD is certainly helping GP margins. The last 6 months, has been one of our best periods in a long-time on both sides of The Ditch.
- Manufacturing/Engineering. Good orders and looking positive.
- Metal parts manufacturing for domestic market. Things are more busy than I had anticipated. Most of my customers are up on this time last year. Until some unexpected bad news, it looks like things will continue like this.

## Misc.

- Swimming Pool services repair and cleaning Auckland. More work than we can handle. Good level of investment being spent on pool equipment. Major shortage of trained and unskilled staff. Advertised for one month with full training offered only 12 replies.
- Business has slowed down substantially since July and is not showing any signs of picking up. It is the slowest it has been since 2009. Industry: electric motor and generator maintenance
- I am in commercial cleaning and the industry is pumping. I am getting a lot of enquiries weekly.
- Cattery, Christchurch. Very quiet we are in the school holidays and hardly any cats.
- Information security consulting. Although most people are talking up our area of the industry, with mostly government clients there is more talk than walk and little budget to do things properly. Little visibility of work more than 1 month out (if we are lucky) with big peaks and troughs. June was our best month ever (6 1/2 years) and August the worst month for 3 years. Finding good staff takes months with 3 of our 5 most recent coming from overseas. Very difficult to plan and fund growth.
- Insolvency Practitioner - Sudden uplift in work over the last 10 days as businesses face reality.
- Import & Wholesale, Natural Stone Tiles, Pool Covers. Auckland based. Forward orders good, anticipate a very good year.
- Debt Collection. Similar levels continue to come through than previous 12 months with usual fluctuations in consumer commitment. May appear consumers are being a little more cautious with disposable income
- In a word, sporadic! Security equipment supply
- We are a laboratory testing organisation. Seasonally, we tend not to be as busy at this time of the year. This has been made worse this year with dairying related work being reduced due to the price pressures in the industry. Other food sectors are on a par, or perhaps slightly up on last year.
- Security fencing. Full order books. Can't keep up with demand. Too few staff. There is a boom in commercial construction firing up in Akl.
- Industrial Leather Goods and Leather Supply. Is all going well. The last 3 months have been the biggest 3 months ever in sales dollar terms. Margins have shrunk with the lower NZ Dollar. Building Trade and furnishings are going well. Farming sector buy down about 10%
- Importers Safety Industry. We are having ups and downs there is no consistency we are up 10% on last year.
- Vending industry. Has been very slow for the past month/6 weeks. Expect it to get worse later this year as people close wallets.
- Metal recycling business is at a multi-year low, however we experience a flickering of upwards momentum in volume.

## Printing and Packaging

- Offset Printing. Demand has improved over the past two months and forward orders through until November are looking healthy. A huge improvement on the previous 4 months
- Timber Packaging -Auckland. It is very active at the moment with small growth from last year. We expect this to continue through to next year
- Solid. Sales of packaging products

## Property Development

- Land development consulting, Wellington/Kapiti, plenty to keep everyone busy, along with price competitiveness and some slow payers. Hard to find qualified staff.

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- Residential Property Development Auckland. Very busy and expect to keep at this level for at least two more years.
- Town Planning and Property Development Consultancy. Booming! Gone from 2 to 4 staff in the last 3 months and one more coming.

## Property Management/Investment

- Steady, property investment and redistill house building
- Property Management: Younger investors coming into the market. In regions outside of Auckland such as Tauranga, Hamilton stronger demand for rentals pushing up rents.
- As expected the market has slowed down in the lead up to the new rules 1/10 and 1/11. There has been a bit of a surge or rush to get in before those rules which have pushed some crazy prices. Now it has fallen into a bit of a lull as people bought early and new properties have come on line. Uncertainty in the rules and application of them and how they will affect the market always leads to hesitancy and buyers hanging back. Definitely these last 3 weeks the market has stalled, as happened with Election last year.
- Investment Property - positive activity but results still need to be worked for.
- Auckland and Hamilton rental properties showing full occupancy and firm to lifting rents. A healthy market.
- Residential rental investment - Auckland, fringe city. Rents firm, probably firming, no concerns but I think we have had the best gains by now
- Property investment Hamilton improving Auckland housing levelled off.
- Property Investment. Interesting feeling at the moment as investors take the usual step back after a change. (30% deposit) Doesn't change the supply issues so expecting a pretty busy summer. Low end auctions having low success and agents appear to have forgotten how to sell without an auction. Good buying opportunities for a couple more months I would say
- Residential Property Investment in Wellington. I'm cashing up some properties while the market is having a bit of a blip as I sense things are about to turn for the worse during 2016.
- Property Management West Auckland. Enquiry has slowed which a month ago was constant. Properties available for rent also down
- I am in the residential property investment market, leasing houses long-term to tenants. Tenant demand is ever-present and strong in Auckland. In provincial New Zealand tenant demand is steady, without the rises in rents seen in Auckland. Owning property as an investor over many years has been profitable and returned constant incomes.

## Property – Non-residential/Commercial

- Commercial Property is still going strong.
- Commercial real estate Wellington. Demand still modest but with the very slow take up of space over the last 4 years we are now facing space shortages, particularly industrial warehousing.
- Positive, Industry - Commercial Property
- Commercial real estate - steady but slow! Good investment stock selling well. Leasing poor
- I am in Commercial Property Management and look after a small Commercial property Portfolio. We have 95% occupancy with all businesses doing well. Rent reviews have come and gone with increases all round and all accepted by the tenants. Generally we feel that the markets in Warehouse, Industrial & Retail space are going well but there is still a lot of vacancy in Office space.
- Commercial property, Kumeu Auckland. A bit slow to lease out but rents are rising and good demand to purchase.
- Commercial rental. Dunedin. Everything is quiet here at the moment tenants hard to find.
- Commercial Real Estate. Christchurch. Plenty of office advertised to lease. Lot of small industrial businesses buying instead of leasing
- C & I Property Valuer Auckland - Very busy, rent reviews underway with rents rising for some properties and sales proceeding mainly to owner occupiers. Yields are low for investors.
- Commercial and Industrial Real Estate Sales and Leasing: BOOMING... Land Price Up, Vacancy at 20+ year lows, Leasing Enquiry Strong (however some people are giving up looking due to limited speculative development). Prices are going up all around, Transactions are still difficult to close due

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to high vendor expectations and the standard problem of "where would I put my money if I sold?" is common question when vendors are selling investment properties.

- Commercial office leasing buoyant - shortage of stock in SME arena - expect owners will review their rentals as a result. CBD developments underway however 18 months plus away...
- Auckland Commercial leasing where things are grinding along - taking longer than normal and some shelved, expecting normal seasonal pick up into the end of year

## Property Valuation

- Property Valuation Auckland (North Shore & Rodney) - seeing some ease off of activity and levelling off of values in some price bands, namely sub \$700k. Plenty of activity in new builds in outer areas of Auckland, plus lifestyle block sales where people are looking to land bank.
- Property valuation. Busy, with 30 September financial reporting. Also an increase in enquiry from mainly foreign investors looking to purchase. Also an increase in rent reviews, which is cyclical, but also due to rental market movement
- The residential market is softening in Auckland. Falls may show up soon especially on development sites. Property valuation
- Property valuation, Hamilton. Have been really busy for months but signs of slowing recently, too early to tell if its just a blip or the start of a general slowdown. Values holding up though.
- Property Valuation Waikato work steady but down on last year
- Real estate valuation. Very busy and in a growth phase.

## Recruitment

- Executive recruitment, Auckland and Wellington. Very busy again.
- Steady, flat but not as busy as last year so far. Recruitment industry and labour hire
- Public sector policy recruitment. Slower than usual. Less vacancies available.
- We are in recruitment. Business is better than expected given we have clients in the Farm Machinery and Forestry sector. It seems our retail clients are holding up well. We are expecting steady growth now.
- Recruitment - the voracious appetite for hiring has subsided with people wanting the top 10% candidates only and a lot of larger companies have hired Recruiters from external agency for internal roles, again only looking to agency for top end people who are hard to find - not people applying from Seek and Trademe
- Good, busy. Recruitment in Wellington.

## Residential Real Estate

- I am in real estate. The market is calming down. Number of viewers is definitely less.
- Real Estate East Auckland- there has been a huge drop in numbers attending open homes. Noticeably a lot fewer Asians especially from China. It seems the Non resident investor has lost interest in property now they need to provide tax numbers. Along with the collapse of the Chinese economy. House prices are not yet falling but agents need to be careful not to over inflate price expectation of the vendors to get listing's. With auction day clearances dropping from 80%+ to below 40% this week there is now stock available for conditional buyers at fair market value. NZ Herald is sensationalising without substance the slow down this could have an adverse affect on buyers perception and cause a slight downward adjustment prior to Christmas. Overall the mood is still positive but a little less extreme and more balanced with purchaser's making judgements based on good information and common sense.
- Very positive. Property. Wellington
- Residential Real Estate Tauranga. More listings coming on market, lower numbers at open homes, less Auckland hype. Prices have moved considerably this last few months and will be interesting to see what the next few months bring.
- Real Estate is very positive with prices increasing and plenty of buyers at open homes.
- Residential real estate Christchurch, listing supply easing a little , the spring lift in activity is slowly kicking in .We need a very strong October or its going to be a quiet Christmas

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- Auckland North Shore - Residential Real Estate. The number of sales remains steady however an easing in buyer activity is becoming apparent. Selling prices are softening.
- Feels like cat on a wall, could go either ways. Personally, we sold our house last month, and we noticed that Asian buyers were not active at all, it was kiwi investors who ended up buying our house. Real estate agent said he is noticing the same everywhere.
- Real Estate, Gore: There appears to be a slight lift in listings. One property sold in three weeks after listing in Mataura!!! There is money about and people are spending carefully. Just listed another property this week in Gore but market still very slow.
- Real Estate ... dire lack of listings!
- Real Estate Agency. Very busy still, seem to be a little more stock coming onto the market. Very confident for the rest of the year. Tauranga area
- I am in the real estate industry in Feilding, Manawatu. Buyer demand is brisk, and listings are low. The number of house sales was down in August, probably because of lack of supply. I have had a busy September but don't know whether that is typical of those in real estate in my town and district. While there are some "well sold" properties, there is no concrete evidence of an increase in values generally.
- Auckland real estate eastern suburbs - an early start to the spring market. Possibly due to the new regulations starting 1 October and the Rugby World Cup. School holidays now - quiet as usual. Interest is definitely property specific. Slightly more caution from purchasers. Some Vendors are ahead of the market. A busy spring is predicted.
- Residential real estate central Auckland. Slowed down in the past month but Chinese buyers starting to show up again, and good attention on well-priced properties where Vendors are not over-optimistic in their expectations.
- Property in Wellington, Christchurch and Auckland. Property has definitely had a pull back in the last 3 to 4 months, plenty of buyers for well located/leased buildings wanting to place their money but tenants have dried up or become more owner/buyer focused
- Industry: Real Estate. Buyer numbers down. Auction clearance rates down. Prices stable.
- Real Estate Tauranga - still running hot
- Decreasing in activity (anticipation of LVR restrictions - anticipate 6 weeks of head scratching before picking up where it left off (perhaps apartment market will flatten due to large proportion of investors that account for total activity.  
Real Estate - Hastings District - Hawke's Bay. Excellent buyer demand (including much improved activity from Aucklanders, seeking to exit the city), but severe lack of new listings. We urgently need more properties to sell, to meet buyer demand, for the peak pre-Christmas period!
- Very active & buoyant in real estate in Hawkes Bay. Auctions selling very well with a number of pre auction auctions being held. Also multi offers on newly listed properties frequent in the current market. Demand exceeds supply in most property types.
- Real Estate. There have been fewer numbers through the open homes although prices are holding. Vendors are concerned at a possibility of the market changing. A few purchasers are talking of a recession and don't want to over pay for property.
- Real Estate Sales, North Shore, Auckland. Steady sales, mythology changing away from Auction, still a lot of upward pressure on prices paid. 2 auctions last night, no bidders.

## Retail

- Retail Homewares - performing better than last year. About 10% YOY increase
- Tyre Retailing. Demand suffering from changes to WOF regulations
- Things are steady, trade starting to pick up as weather gets warmer. Focus is on future seasons and the impact of FX on our cost prices - Retail Apparel
- Slow -Retail small appliances
- Bleak. Sales, way down since severely reduced dairy payout forecast announced. Other retailers in town very worried. Hearing from customers re dairy job layoffs (farm managers especially) and farm foreclosures. Gift shop, Southland rural town.
- FMCG (fast moving consumer goods) - Strong growth with lead up to Christmas. Many of our vendors are also gearing up for this busy time

# BNZ CONFIDENCE SURVEY

- Retail - improving exports with a lower \$NZ. Domestic retail is tighter, spenders are more cautious and will invest more time to look for cheaper prices.
- Fashion Retail - Still flat. Cool wet start to spring hasn't helped. Loads of early season discounting to shift spring stock will kill profitability for the season.
- Retail.. Great first quarter
- Bathroom Products: We are extremely busy at present and have the highest production levels in place since pre the GFC. The outlook for continued good levels of sales is positive, especially in the greater Auckland area.
- Carpet Retail-Ashburton- things have picked up somewhat this past month and we have had good sales-people wanting their carpets laid before Christmas
- Food Retail - sales still holding up relatively strongly.
- Retail. We are currently going from strength to strength. Same store sales comfortably up.
- Toy importing and distribution. Tough year so far, good sales in September, seeing signs of changing industry, major retailers taking over industry and importing their own product.
- Retail: ok, some growth. cost price increase creeping in.
- We retail electronic dog training products mainly to Sheep farmers and hunters. Things are good for us, BUT I have to work the business hard to get results. I have to keep looking for new products, and keep my finger on ever changing online sales techniques.
- Consultancy that provides market information on retail spending in Auckland - retailers have been asking suppliers for more margin and cheaper pricing for a long time. We are seeing stable investment with our business but certainly not good growth and I expect more pressure from retailers to start to affect our clients spend with us.
- Import distribution Consumer Goods. Competitive, rising import prices, cautious Retailers. Many retailers have no back up funding, simply relying on sales to pay their monthly bills, a sudden correction could be interesting
- Poor sales for ages now, never returned to pre 2008 days, we pay the bills. pay the staff but there is little return for our hours or effort. Another business, footwear , similar to ours, is now in receivership, 4 shops away, with a desolate, frightened owner. We both retail in the central main street with good parking. Is this a NZ pattern? Our population base is from a broader area of about 40,000 people.

## Signage

- Signage Christchurch - After 3 months of steady trade September dropped 30% for no apparent reason so the roller coaster continues although cash flow remains good.

## Tourism

- Airports - Strong performance
- Tourism summer season looks great again but maybe some slippage for some markets which may mean a slightly lighter season. Yields may also be lighter from some markets. Numbers are not everything!
- Tourism (Accommodation). The lower NZ dollar seems to have brought back some overseas customers and forward bookings are looking quite good.
- Hotels - Market continues to improve with growing demand and limited supply in most centres across the country. Low NZD expected to maintain growth path
- Good, furnished accommodation, booked through most of next year. Very happy. Having best year ever.
- Stable forward bookings. low cost tourist accommodation, cost pressures mounting, difficult to increase price levels so expect erosion of margins with subsequent flow on in reinvestment of facilities.
- Travel industry - grim! plummeting USD has stalled flow of enquiries
- Hotel industry: I manage 4 hotels ranging from 3.5 to 5 stars; connected with a global hotel chain in Auckland CBD ranging from 60 to 350 rooms in each property. While China leisure market is expected to grow, they yield lower rates in the market. There is a nervousness in Conference and Conventions market and inquiries for 2016 events have slowed down by 45%. Corporate sector

# BNZ CONFIDENCE SURVEY

seem to be shortening average lead time which indicates that corporate (domestic and trans-Tasman) travellers are making last minute travel decisions and only travelling when necessary.

- Tourism & hospitality Central North Island. Positive with solid forward bookings after a solid winter season.
- Tourism. Outstanding forward bookings for the season. The lower dollar means visitors are already spending far more on clothing and souvenirs
- Tourism: lower dollar helping bookings to end of summer
- Great winter, lots of work. Summer bookings very strong and client base expanding. Cleaning Company - Holiday Homes only
- I am in the tourism industry accommodation sector. My forward bookings for 2016 are my best ever in the past seven years. They are all advance international reservations. No domestic. My accommodation is in the Tasman district ,South Island, in previous reply.

## Transport and Storage

- Transport - reasonably quiet. New state of the art Sawmill Lumbercube starting up this month will be a big boost to CNI
- Aviation. Manawatu. Weak demand across the sector. Hopeful of increased tourism activity over the summer period. Capital values of aircraft sold within New Zealand are not yet reflecting the lower NZD i.e. aircraft are generally traded in USD but expected increases in NZD values as a result of the lower NZD has not occurred due to weak sellers market.
- Cold Store Warehousing. Good steady business.
- We're in the local transport industry, Import/Export, containers through to parcels. As mentioned last time about 6-8 weeks ago, we did not have the usual quiet period during May/June, it stayed busy right through to mid August where it did become quiet. Exports are still strong but Imports have quietened down somewhat. Currently it is still quiet but forward a week it would appear it is starting to pick up again. Generally October is our busiest month and I think it may start slightly slower will still pick up to the usual rush. Our clients are generally positive and we have noted their growth is looking good.
- Road Transport South Island. Some uplift in activity has occurred since the winter months but is slow in rural areas. Major operators are protecting their revenues by dominating the market with slashed rates. Forward forecasts are for lessor demand than has been the case in the last two years.
- Port - it looks like being a quiet import season. we haven't seen the upswing in imports that we would normally expect this time of year, and others in the supply chain are telling us they're not expecting a busy year.
- Logistics - steady, some decline in domestic parcels. International is steady but expected to decline with the currency and outbound parcels hopefully improve as exporters send more offshore.
- Same as last month. Chauffeur driven hire car industry in Manawatu has yet to show any sign of making a business profit yet legislation (compliance) and fixed operating costs continue to rise. Fuel is only a small portion of operating costs. Vehicles not on the road still have fixed operating cost from licences to marketing, wages and garaging.

## Vehicles

- Picked up slightly - truck servicing
- Motorcycle sales and service, Christchurch. Very quiet for this time of year, both with sales of bikes and accessories, our workshop is steady.
- September can be our slowest month generally, but this year is very good. Very busy servicing growing Port of Timaru container handling machines. Automotive Electrical and Electronics, Timaru.
- Automotive manufacturer - very good, both parts and new vehicle sales are hitting record levels month after month

## Wine

- Wine - generally very positive. International demand remains strong. The fall in the \$NZ particularly against the \$US is giving a significant boost to export returns.

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- Dry goods manufacturer/supplier to wine industry - positive mood but quantity is similar to last year and below budget expectation. Fx should be helping customers. Adverse effect on our raw material costs.

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The BNZ Confidence Survey is run late each month. Email recipients are asked to click on a URL which takes them to a survey site. Respondents are asked for comments on their own industry. Results are collated and released within a week of the survey being sent out. .

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