



Media release

29 July 2015

Construction continues rapid rise

New Zealand is building more than ever before and construction activity is forecast to hit unprecedented levels, according to the third National Construction Pipeline Report published by the Ministry of Business, Innovation and Employment (MBIE) today.

The National Construction Pipeline Report is jointly prepared by BRANZ and Pacifecon NZ Ltd for MBIE to give the market a forward view and assist planning, project coordination and resourcing. It covers residential and non-residential projects planned by government, local government and the private sector.

The report looks at the forward pipeline of construction work for the six years ending 31 December 2020. The annual value of all building and construction nationally is projected to increase by 19% over that time. Auckland is clearly dominating demand with residential construction there expected to grow by 126% by 2018. While the value of all building and construction is increasing, so is the cost per dwelling.

“Auckland’s construction sector is growing at an amazing rate,” says MBIE Manager Building Systems Control, Chris Kane. “And because we are building bigger, more expensive houses, we’re getting fewer houses for the same spend.

“However, an interesting trend is the rise in the number of multi-unit dwellings, including apartments, townhouses and units, which should contribute to more affordable housing. Consents for multi-unit dwellings indicate they will make up about a third of new dwellings nationally by 2017.”

The Canterbury residential rebuild is starting to take off in central Christchurch – to date, most of the rebuild has focused on residential building on the city’s outskirts and in surrounding districts. “The total forward workload is challenging for the supply side of the industry, especially in Auckland, in terms of their capacity to meet demand,” says Chris Kane.

“This third report validates our previous ones. Actual data from 2014 shows our forecasts are reasonably accurate. That’s important because the National Construction Pipeline gives the building and construction sector reliable information to base decisions on, with confidence.”

Ends

For more information, contact: Chris Kane, phone 04 901 9879/0274 797 037