

MEDIA RELEASE

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Construction boom will challenge

New Zealand is on the brink of the biggest construction boom in 40 years, according to a joint industry and government report released today.

The National Construction Pipeline report points to an unprecedented level of building and construction in New Zealand over the next five years.

This report is consistent with The New Zealand Sectors Report 2013 on Construction published on 20 November, but provides new information on the future industry workload including the nature and timing of planned construction activity by type and region.

The report brings together economic forecasts and data from the public and private sectors on their forward construction workload from 2013 to 2018. It shows at least 10 per cent per annum growth for four years, peaking in 2016 when nearly \$32 billion of construction activity is predicted.

The report forecasts an increase in construction right across the country in both residential and non-residential sectors. Construction hot spots are Auckland, followed by Canterbury and then Waikato/ Bay of Plenty and Wellington. The main drivers of growth are Auckland's residential housing demand more than doubling (projected 150 per cent increase) and the Canterbury rebuild.

The National Construction Pipeline report was commissioned by the Building and Construction Productivity Partnership (Productivity Partnership), a joint industry and government body established in 2011 to address barriers to productivity in New Zealand's building and construction sector. It was prepared by Pacifecon (NZ) Limited in collaboration with BRANZ.

"This is a heads-up to the sector," says Productivity Partnership spokesperson Andrew Reding. "We want people to be aware that there is an ongoing pipeline of work so they can manage resources appropriately.

"The National Construction Pipeline report is validated by a database of client intentions - projects that we know are going ahead," said Mr Reding. "What's striking is not just the rate of construction growth, but the duration of that growth. We're looking at a sustained level of activity over many years. The question for the industry is how are we going to meet that demand without compromising quality?"

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“New Zealand is a small market and the Productivity Partnership is sharing this information to encourage the demand and supply sides of the industry to work collaboratively,” said Mr Reding. “Visibility of forward demand can assist planning, scheduling of investment in skills and plant, and co-ordination of the timing of projects, particularly public works.”

The Productivity Partnership intends to release national construction forecasts on a regular basis.

Ends

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Further information – organisations behind the National Construction Pipeline report

The **Building and Construction Productivity Partnership** (Productivity Partnership) is a partnership of industry and government, established in 2011 to address low productivity in the building and construction sector. The Productivity Partnership aims to build the value of New Zealand's building and construction sector and empower it to become productive, safe and profitable, so that it delivers good quality homes, buildings and infrastructure to provide a foundation for strong communities and a prosperous economy. The Partnership Secretariat sits within the Ministry of Business, Innovation and Employment. See more at www.buildingvalue.co.nz

Ministry of Business, Innovation and Employment (MBIE). MBIE's purpose is to “grow New Zealand for all”. MBIE will do this by helping businesses to become more productive and internationally competitive, and by increasing opportunities for all New Zealanders to contribute to the economy. This means providing more jobs and increasing the opportunities for New Zealanders to participate in more productive and higher paid work. Growth for all also means providing better quality housing that is safe and affordable for New Zealanders. See more at www.mbie.govt.nz

Pacifecon (NZ) Ltd. (Pacifecon) was established in 1982. It is a wholly New Zealand operated business focusing exclusively on the New Zealand and Pacific Islands construction industry, providing business intelligence in the form of future project information to a client base. Pacifecon uses a nationwide team of 30 to liaise with key decision makers in the construction industry (in both the private and public sectors) to compile thorough, timely and accurate information on building projects from the earliest planning stages. Newspapers, journals, industry publications and websites are checked for relevant information as well as consents. Information is held on projects which may have a work start date far beyond 2018. See more at www.pacifecon.co.nz

BRANZ is an independent and impartial research, testing, consulting and information company providing services and resources for the building industry. Its aims are to:

- research and investigate the design, construction and performance of buildings that impact the built environment in New Zealand
- enable the transfer of knowledge from the research community into the residential and commercial building and construction industry.

See more at www.branz.co.nz