

Balancing the quality/affordability equation



BRANZ CEO *Claire Falck* identifies the need to balance affordability and quality as among the most pressing challenges facing the sector in 2025.

Often when we start talking about improving quality standards in the building industry, the default response is 'but what about affordability?' – the concern being that the two concepts are mutually exclusive or 'quality equals expensive'.

It's not an unreasonable concern, but it is an inaccurate assumption, and I don't think New Zealand has to – or should – choose between the two.

Every year, we're confronted with news of a range of building flaws and failures. Already in 2025, we've seen stories emerge about overheating townhouses, new weathertightness issues in apartment complexes, blatant non-compliant practices and multi-million-dollar repair costs.

There's no question that, collectively, the sector needs to do better because the costs to building and homeowners of putting things right will always far outweigh the cost of getting them right first time.

Creating a quality habit

I don't usually quote Aristotle(!), but he once said, 'Quality is not an act. It is a habit.' This is the standard that the sector needs to aspire to – we need quality baked in to every aspect of the building system, but we need to find affordable ways to achieve this.

And quality does not mean luxury. For example, off-site manufacturing and prefabrication are proving their worth by increasing productivity and reducing cost. These methods produce quality, durable products that are affordable and emphasise sustainability.

Further improvements in quality will increasingly be driven by new technologies, including the integration of AI. These resources have the potential to revolutionise the building sector by enabling high-quality, cost-effective solutions that enhance efficiency, sustainability and safety. Many technologies are still in their infancy but are already punching above their weight in terms of impact.

Two examples immediately spring to mind – building information modelling (BIM), which improves design accuracy and facilitates better project management and cost control, and Artisan, which supports quality assurance across the build process and is successfully used as a virtual inspection tool, cutting down wait times and reducing cost.

New technologies that expand the uses and limits of prefabrication techniques will likely be at the heart of sustainability and affordability efforts. These are just the tip of the iceberg, and as we know, AI is already proving a game changer for almost every global industry. Building will be no exception.

Engaging on regulatory reform

Last year saw the beginnings of significant building consent reforms. This focus on creating more efficiencies and streamlining building and construction through new and amended legislation is welcome. The current consenting regime is notoriously inefficient, and expensive as a result. Research funded by BRANZ and led by the University of Auckland estimated that half a million days

of productivity are lost each year because of those consenting inefficiencies. That impact on housing affordability is significant.

Similarly, BRANZ has supported an amendment Bill to remove barriers to importing overseas building products – albeit with the caveat that all product assessments are evidence-based.

Our view is that all products must be safe, resilient and fit for purpose given New Zealand has unique climatic, UV and seismic conditions. BRANZ wants to ensure there are safeguards in place to minimise any unintended consequences by identifying both low-risk and higher-risk product categories.

If we are to create a sector-wide quality habit, we must be wary of any unintended consequences, including false economy.

The secret sauce

While we agree affordability is a major concern – and much of BRANZ's work is dedicated to housing affordability – we must avoid short-term thinking and consider the long-term return on investment. We need to ensure that, in saving money, we don't cut corners.

Technology and regulatory reform alone won't create the habit mentality. Ultimately, it is about every person in the sector being committed to quality as a non-negotiable. We must be ambitious and aspirational. It's a delicate dance, but the right balance can be achieved through cross-sector collaboration and ensuring we rely on good science and evidence-based solutions. ◀