

## **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](#).

## **No Sign of Panic, Lower NZD Welcomed**

There is no obvious sign of a new deterioration in how businesses are seeing their current operating environment revealed in our monthly BNZ Confidence Survey. In fact although a number of respondents mentioned concerns about developments overseas and dairying remains very weak, far more people noted how the weaker NZ dollar is benefitting their business. These latter comments covered tourism, manufacturing, education, wine, Kiwifruit, advertising, business consultancy, retailing and packaging.

On the housing front there are a few more comments regarding Auckland easing slightly off the boil though remaining fundamentally strong. And movement of buyers to the regions continues apace.

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

### **Accountancy**

Things going steady by and large but at the margin it is clear that a few accountants are starting to see client numbers deteriorating.

### **Advertising and Marketing**

A dominance of comments saying things are quiet.

### **Business Consultancy and Services**

Responses largely positive. No strong signs of clients slashing spending to focus only on short-term cash flows.

### **Civil Construction/Infrastructure**

Positive comments overall, Auckland strong.

### **Construction**

Overall activity may have peaked in many places but the volume of work remains strong.

### **Education**

Good comments regarding the international student market, not so positive on domestic numbers.

### **Energy**

Oil and gas very weak.

### **Engineering**

Positive comments on work expected as a result of the lower NZ dollar. Volumes of work strong overall.

### **Farming**

Dairy comments overwhelmingly negative again – unsurprisingly given the fall in the projected payout. Beef good.

# BNZ CONFIDENCE SURVEY

## **Forestry**

Export not strong but domestically still okay. Mixed comments on investment in the sector.

## **Horticulture**

Kiwifruit in a very good state.

## **ICT – Information Communications Technology**

More negative comments than for some time in this sector with redundancies noted in telecommunications.

## **Legal**

Busy as ever it seems. Not that I am suggesting it is great for the economy that the lawyers are busy.

## **Manufacturing**

Mixed as ever but with an interestingly high number of positive comments regarding the fall in the NZ dollar.

## **Printing and Packaging**

Some growth but not really signalling anything much.

## **Property Development**

Very strong but it is location-focussed.

## **Property Management/Investment**

Obvious upward pressure on rents.

## **Property – Non-residential/Commercial**

Generally falling yields. Nowhere near enough responses to say anything much, especially about any particular location.

## **Recruitment**

Busy, with good candidates hard to find.

## **Residential Real Estate**

Wellington short of stock with prices rising and buyers increasingly apparent. Auckland slightly coming off the boil with a little caution kicking in, though price pressure remains upward and listings hard to get. Positive comments regarding markets in Hamilton, Northland, Tauranga, Hawkes Bay, Whakatane.

## **Retail**

Steady to slightly less than steady. Mixed as ever of course.

## **Tourism**

Positive overall though maybe not as much in Marlborough.

## **Vehicles**

If the economy were tanking then we would expect one of the first sectors to feel the pain to be vehicle sales. This is not happening.

## INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

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

### Accountancy

- Accounting ChCh busy. Seeing a lot of difficulty for small contractors involved in rebuild. It is not as buoyant as it is made out to be
- Accountancy - rural Otago - Steady as she goes for us with the usual mix of confidence amongst clients. Some very happy, most are OK, and a small minority in difficulty.
- Accountancy; steady work. Some clients are prepared to take a few more risks, some clients are closing down. Overall slightly more on the positive than the negative, with the majority "business as usual"
- Chartered Accounting. Cash a bit slow. Clients confident but not bullish
- Accountancy – Nelson. Steady as she goes, difficult to raise prices but pressure on for wage increases so profit expectations down. Small retailers doing it very hard.
- Busy, a lot of mergers and acquisitions going on currently. Busiest period of the year so far.
- Accounting - Nelson: busy but still something of a two-step regional economy. Some clients doing well, others busy but flat-lining in terms of profit growth and others still struggling (retail and service providers with seasonal aspect to earnings). Some nervousness re macro implications of overseas developments beginning to creep in. GFC lessons have left some business owners deeply affected by volatility which followed, afraid a repeat could happen again given fragility of key players in global economy.
- Small Chartered Accountant- Auckland. Just completed GST cycle and clearly June July was a slow down. Clients seem positive about August.
- Chartered Accountant Christchurch. After a record year last year we will be 10% down this year as the market is quietening. Clients are doing well still but heads down and being conservative as they are seeing the slowdown impact.
- Chartered Accountancy - Big 4 - steady at the moment but positive mood
- Accounting - busy however starting to see farmers struggling which is reducing spending in the regions.
- Chartered Accountant: Seeing growth in new good quality clients. A lot of existing clients doing well, a lot of clients getting by. The clients who engage me for additional services and assistance with the businesses are the ones who then surge ahead armed with more knowledge about their business and their market.
- Chartered Accountancy - Newmarket - Auckland. Posted record profit for 2015. First quarter 2016 ahead of last year. Skilled practical people hard to find.

### Advertising and Marketing

- Advertising, very ad hoc no long term bookings
- Promotional Marketing & Brand Activation. Been quiet, however a reasonable amount will be happening between now and the end of the year
- Media: Advertising. Tough. Lots of restructuring within industry
- Creative/Marketing Communications Agency: NZ\$ depreciation has helped; at these exchange rates we secure more global (offshore) work than we can cope with. Looking strong through to end of the year. Volatility somewhat troublesome.
- Too quiet I'm afraid for this time of the year. Communication design.

### Aviation

- Airports - very strong performance across the multifaceted business units.
- Aviation. Helicopter services. It appears that the level of activity is well below usual throughout the country. Less use by farmers, not the main season yet for Tourist activity so optimistic that will be higher than last year. Lower fuel prices helping but lower NZD means higher cost of parts.

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- Aviation industry: Indications are of growth both worldwide and in NZ. Both Air NZ and Virgin are adding seats to the Tasman and Jetstar are starting domestic provincial services to compliment their main trunk domestic schedule. The Chinese international market continues to grow with both China Airlines and China Southern expanding their summer schedule into Christchurch. Queenstown Airport has had its busiest International schedule trans-Tasman this winter.

## Business Consultancy and Services

- Management Consulting...best year ever. Increasing demand so having to increase head count.
- Market research. Feeling more optimistic this month - a bit of new work coming through.
- Management Consulting 70% Exported. Good
- Business services, Christchurch - business is steady to good, feeling pretty optimistic for the next 12 to 18 months.
- Business Consultancy - Very active, with people focussed on growth prospects and efficiency improvements.
- Independent Advisers to SME Business Owners. Prospects and clients (mainly within the Auckland market) are extremely busy with positive outlooks for the growth of the Auckland marketplace. Several have struggled with inferior Professional Adviser ... some of whom have 'changed overnight' from Accountants to Business Growth experts!! Pity they didn't start with their own firms!! We operate in the market research sector. We posted a 32% increase in revenue over last year and we are on target for another 30% increase for the year ending March 2016. Most of our clients are in the private sector, (mostly services) and from what we can gather, they all seem positive about the immediate future.
- We are involved in fisheries economics consulting - all of the work offshore. This is part of the green industry, or in this case, blue industry - focused on providing economic advice on fisheries conservation and management.
- Business is fine and getting better, based on: a) booming demand for economic advice on sustainability; b) the weaker NZ\$; c) productivity gains from IT advances
- Business brokering steadier with buyers cautious but more sellers coming into the market with talk our slow down the economy.
- Business Advisory The level of uncertainty has increased so people are taking more of a wait and see approach.

## Civil Construction/Infrastructure

- We are Consulting Engineers specialising in Civil and Structural design. The Market is still very busy for us - the Auckland construction market is still buoyant. Our company is growing, taken on 5 staff in the last year and 1-2 more soon. (company size 22 people) We also work in Fiji which is also growing for us. Small start and office setup early this year, looking to increase staff numbers up there.
- Consulting Civil & Structural Engineer(offices Auckland & Hamilton) Signs of slowing down in the Waikato. Busy in Auckland
- Our work load is steadily increasing as Auckland's infrastructure ages, maintenance requirements increase.
- Infrastructure/Telco/Road maintenance - customers are wanting more for less money so there is real pressure on the business to deliver EBIT & cash flow results.
- Infrastructure construction and operations. Industry positive with a good outlook of opportunities and work in progress.

## Construction

- Construction Supply (Southland) - Still very quiet but pricing lots. May be laying off staff soon
- House construction is still booming.
- A lot of opportunity. Construction and property
- Building & Construction. Things may have slowed a little but still quite buoyant

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- New home building construction industry, large group builder in Christchurch. Enquiry is steady, sales are steady, contractors are still at a premium with long lead times and a high level of control over costs. Positive outlook on the year ahead.
- Still plenty of work ahead, but very competitive. CHCH rebuild still has some way to go. Margins being squeezed. Construction in Christchurch.
- Residential building -North Waikato. Busy. Established dairy farmers seem to be doing renovations/additions instead of building new. Aucklanders moving south and building new or renovating existing houses.
- Construction. Very quiet

## Construction Related

- Commercial Architects - Very Busy for the rest of this year, may be a bit quieter next year
- Wellington Construction, project management. Very positive with 2.5yrs work outside of Wgtn.
- Ready mix Concrete .Very busy lots of forward work
- Construction and Landscaping, Christchurch. We are noticing a slow down in tenders being released for both sectors, we are having to engage with larger companies for work going forward. Definitely a slowing in the rebuild program and a drop off of residential new builds.
- Electrical Contracting (Residential & Commercial - Invercargill, Qwtn, Dunedin & ChCh) - very buoyant and struggling to find staff to do work  
Security fencing. There is about to be a commercial construction boom in Akl. Supply is tight and we're selling more/higher value fences.
- Trade sales. Building Industry busy but engineering and farming quiet.
- I'm an Architect in Auckland - med size company of approx. 40 pax. We are busy (even v busy) with current work but the horizon's a bit bare. But then again, that has been the case for approx. the last 6 months.
- Building product suppliers, Our industry is tracking well and numbers are generally increasing
- Building material Merchant – Retail Seasonally adjusted as good as it's ever been.
- Patchy, people are reluctant to be spending much, in building maintenance putting off capital expenditure in favour of more temporary repairs, Nelson district
- Joinery, Nelson. Has been a few of quiet months, but a small amount of increased activity started in the last few weeks.
- Contracting Services - very busy
- Commercial construction sub contractor Wellington. Good levels of activity at present at fair margin. Forward orders also look positive. Increased labour resourcing easier than expected. Exchange rate pressures starting to filter through in supplier cost increases driving more procurement discipline

## Education

- Early Learning. - Struggling for numbers with increased competition - new centres licenced without regard to number of centres already within a small geographic location Low hours of enrolment reflecting lower employment hours of our parents. Difficult times compounded by increased regulation. Government funding per hour not reflective of the cost of operations especially with increasing staff costs. However we have happy children in our centres receiving quality education which means we are making a difference.
- University sector. Significant competition for international students. The domestic market is flat so overseas is key especially India and China.
- Tertiary Education - good international student growth, but domestic demand is on a downward trend. Tough.
- Education (Private provider of communication skills training to large organisations). Business has slowed, but no clear pattern has emerged yet. This is normally the busiest time of the year, but demand is only moderate this month and next.
- Independent education. Active interest in enrolments, however concern about potential impact of recent events on economy.
- Tertiary Education. Earlier reductions in international student numbers attributed to relatively high NZD now less pronounced

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- I'm working in a tertiary education industry. Numbers are looking not worse than before.
- Adult Education. Still working towards meeting funding requirements as well as planning next years delivery. Collaboration and unification are the catch phrases used at present.
- Education - very busy
- English language school. Positive. We got work rights for students on student visas two years ago and it's kicking in. Also exchange rate is favourable and some competitors have dropped the work rights so we are flavour of the month in some markets.
- Tertiary education - improving, international students increasing but outlook is very volatile

## Energy

- Oil and Gas, the continued oil price collapse is devastating the industry with continuing job losses and dismal outlook for the foreseeable future
- Electricity Generation. Prices are flat and likely to stay that way. Solar Generation expected to ramp up exponentially.
- Power and Utilities - A very interesting month in the power sector with several major closure announcements of power plants and some key decisions made or deferred for Tiwai and Contact Energy. This doesn't happen every year!
- Oil and Gas. Things have slowed down in exploration, resulting in job losses, things bit slower in production too.

## Engineering

- Engineering manufacturing, good work flow, strong building related structural work, machining could be busier but weakening dollar should help with this as manufacturing becomes more viable.
- Civil engineering, government department. Things are normal and continuing to be strong.
- Engineering Supplies in the rural areas have slowed down whilst at this stage still managing to keep a close alignment overall with last year. Waiting for the inevitable, locks to come off the wallets which we still expect in the third and fourth quarters of the FY.
- Engineering: It is steady, but not expected to grow in the short term. We have half the number of staff (natural attrition) compared to the end of last year and have no plans to replace them. Turnover is running at about 2/3 of last year.
- Export Engineering, skill shortages, currency helping

## Farming

- Dairy farmers are starting to feel the pain with low cash flows in and high flows out for winter grazing, bought in feed, veterinary costs associated with calving and breeding, and this is flowing on to small town New Zealand. Fortunately most other aspects of agriculture, particularly beef, is positive, so a buffer to the dairy drain on cash.
- Dairy farming - seriously challenged with cash flow now and through to Christmas. Going to be ugly for many, with a major follow on effect to towns and businesses which support the dairy industry - expect many to go out of business or fail
- Sheep & Beef Farming Southland. Although Beef prices are high at moment with the large cull of dairy cows, I think the price will fall. Sheep is down and unless the freezing companies wake up to paying their suppliers more the sheep market will be in a depressed way for much longer. Not feeling optimistic at all
- Dairy Farming. Terrible to catastrophic.
- Agriculture Science and Consultancy - Same as last month - tight in NZ but lots of opportunities offshore helped by exchange rate
- Dairy, not best re international prices
- Sheep and Beef farming. Beef excellent, wool spluttering to life, lamb very weak. Ewe scanning back and feed situation less than ideal going into lambing. Mood very cautious. Industry reform issues continue to linger and need resolved.
- Things are pretty down in Dairy industry with Fonterra's farmgate milk price forecast reduced to \$3.85 per kgms.

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- Dairy, very very weak, we are running at a loss i.e. \$1.5 per MS, even with the move up we will run a deficit of \$1.5mio this year
- Dairy - nothing on the horizon that fundamentally changes the story of global oversupply
- Dairy farmer. Little to be hopeful about. Grim. Last dairy auction marginally reassuring but the purchasing power in our major international dairy markets makes me wonder if the rise will continue at subsequent auctions.
- Agriculture, Canterbury - Grain & Seeds. Most sections of our enterprise will see a reduction of around 20% on last year for this coming harvest. Wheat, barley and winter grazing will likely be reduced by this amount. Grass seed and clovers which are exported may buck this trend due to the weaker Kiwi. Costs will be keenly watched.
- Dairy. Very tough

## Farm Servicing

- I am a regulatory consultant (a veterinarian, self employed) in the veterinary medicines pharmaceutical industry. Basically, I was very busy in 2013 & 2014. The dairy boom left us, I was working only half time. However, picked up in June and looks steady through to Xmas.
- Dairy Services (Southland & Otago) Calving in full swing which usually means a slow down - expectation is for a severe slow down for next 6 months bar essential servicing
- Suppliers of capital equipment & consumables to the dairy industry. When things are busy, there's a lot of noise. And when incomes are depressed, people are literally much quieter. Dairy farmers are quieter, head-down, tail up. Astute operators are even making capital equipment purchases in some instances right now. What concerns us is that when the industry begins to emerge out of the hole, probably about June 2016, a number of local rural families who have traditionally provided their labour to farm owners, will have moved to Auckland in the quest for work.
- Tractor and farm machinery dealership. Some spring deliveries but hard work - market down approx. 1/3
- Animal feed manufacturer. Holding sales to last years levels which is amazing.

## Financial Services

- Banking in Wellington region - subdued
- Good , home lending is active and houses are selling in the area approx. 70 per month . Banking industry
- Finance, ChCh - quiet, borrowers are becoming uncertain and Commercial property developers finding it tough to secure tenants, with a number putting projects on hold. Our time will be better spent on the golf course this afternoon me thinks!
- Financial services software industry - buoyant and busy.
- Financial services – Christchurch. Overall August has seen a decrease on the amount of deals that have been financed through us. Due to the current state of the forestry industry we have seen a number of customers losing their current contracts. Additionally, as we have a number of world wide suppliers for our products, the exchange rate is also hitting the company hard.
- (Finance Industry) Very buoyant. Demand is high. We are very optimistic.

## Food

- Exporting food, non dairy. Still positive. Chinese still looking to buy. don't seem phased by recent sharemarket issues.
- Exporting own-brand Infant Formulas. Because of a heavy reliance on China, sales have disappeared as a result of recent moves by Chinese Govt to restrict imports (despite an FTA!)
- Ice Cream Manufacturer: the drop in dairy prices has been good for our input costs as are the exchange rate corrections. China's not a priority for us so we're doing okay at the moment. A drop in the AUD:NZD rate would be welcome.

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## Forestry

- Machinery supplier to the Forest industry. Currently very quiet due to low log prices making contractors nervous about investing in new equipment. Smaller contractors out of work or on reduced volumes.
- Sawmilling. Good and bad with good demand for clear wood and poor demand for knotty products.
- Timber industry Things in general are positive with output restricted by manufacturing capacity. This has prompted a significant jump in Capital expenditure as new plant is commissioned to meet the demand.
- Forestry - Log export market tight (China driven). Harvesting reduction and associated jobs on the line.
- Forest Products/Logistics. Seems to have picked up somewhat lately. Optimistic long term.

## Health

- Occupational Health medicals - good
- The medical practice is busy as always - immune to economic conditions! Winter is rather too busy. Health , it is bursting at the hospital
- Private healthcare - Auckland is strong but other regions are starting to tread water and slip compared to last year
- Health supply industry very buoyant with strong health funding at present.
- Health care-very busy given flu season
- They are still very tough. Health care private practice

## Horticulture

- Horticulture. Very positive , numerous strong inquiries from export markets. Weaker exchange rate having a very positive impact.
- Horticulture/Kiwifruit. Recovery post PSA, even with unprecedented volumes of all varieties of kiwifruit during the current past season (now in markets), still following long term plan. Exposure to US dollar now becoming the prevalent currency of sales might perhaps be a positive while Euro and Yen the other half of the story. Increase of approx. 20mil (roughly a 20% annual increase) trays of the new SunGold (G3) yellow flesh variety each year for the next three years a worry and a challenge. The value of branding and the single desk marketing and systems critical mass might just prove this yet again a success story of the decade. Cautiously optimistic! Let's hope the industry suppliers/contractors do not skin us with price increases for goods and services just because the fundamentals look strong.
- Kiwifruit exporting. Generally pretty positive. Gold volume back to pre PSA levels. The new G3 variety is demonstrating much better attributes (yield and consumer demand) than the old Hort16A variety that has now largely been killed off by Psa. Favourable exchange rates, reducing fuel costs and lower interest rates are providing positive signs for current and future seasons. Orchard values are back to pre Psa levels.
- Horticultural. The year looks very promising.
- Kiwi Fruit.....selling programme progressing well even though it will be prolonged for Hayward due to the higher than expected volumes produced this year.....indicative prices for gold at the upper end of the predicted price range and Hayward at the lower end. There is a shortage of experienced pruners in the industry.

## Hospitality

- Catering and Kitchenware equipment supplier to Hospitality industry. We are experiencing good client optimism and an uplift in sales

## ICT – Information Communications Technology

- IT - Management hiring more. Expensive contractors usually. ~3% pay-rises this year for staff. 2.5+ is considered above standard.
- I work in IT. The industry seems to be getting leaner as more and more is trying to be done with existing resources.

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- Cloud, consolidation, capacity constraints (information tech - Waikato)
- I work in communications and we're handling a couple of large companies' annual results that haven't been announced yet. Incredibly positive results with some outstanding numbers. In communications things are positive but there is definitely a sense of needing to cement business relationship, and a wariness about a potential slowdown.
- I.T. - very active, lots of clients making decisions and approving quotes and projects.
- Telecommunications, a bit more of a worry with xxx shedding jobs and yyy announcing a loss, the doom and gloom is here
- Telecommunications - slow sales, support contracts uptake slow, payers slow. Auckland market..
- I am working in telecommunications industry and we just finished one round of redundancies, but I have survived. It doesn't look good so I am planning to move on asap. and there aren't many jobs out there as well.
- ICT - very slow at present, cancelled or deferred projects are more common than at the last survey.
- IT. Good, new projects coming on from Govt, still, lack of skilled people. Not enough NZ'ers to fill the senior roles, looking to hire offshore.
- IT. Very good, extremely busy and many businesses looking to replace or upgrade their systems, especially their business or ERP systems.
- Positive - Healthcare IT

## Insurance

- Actuary. Still steady as she goes even with exposure to China and the U.S.
- Insurance Brokering: Positive although insurance market is very competitive which means insurers margins are being reduced and Brokers commissions likewise. Very good for customers after several years of increasing premiums.

## Legal

- Law - busy
- Legal services industry. Our firm is very busy with large amounts of activity at present.
- Buoyant/steady. Legal SI provincial
- Legal, Taranaki. Like last month, steady. Dairy farmers sanguine largely but calving into cold wet conditions and low feed.
- Legal Services Conveyancing is just average in the residential
- Legal, Central Suburbs Auckland. Busy with conveyancing and commercial work.
- Provincial Legal Practice - in a word - slow
- Legal provincial buoyant lots of positive things happening
- Legal - quieter, but still reasonably positive with the exception of dairy and retail.
- Legal-Marlborough on a roll at present. Grape Prices skyrocketing and Vineyards selling like hotcakes.  
All very positive here.
- Good. Law
- Legal, Canterbury, picked up slightly on last month, possibly spring lift and lower interest rates.
- Legal - steady

## Manufacturing

- Busy and expect things to improve if the NZ dollar drops further (Custom manufacture of metal goods for local industry)
- Manufacturing: The last two months have been terrible. Turnover down by 28+%
- Service Provider and Manufacturer - Overall good, the Auckland market in our industry has still not shown any signs of the pre-GFC but we live in hope.
- Manufacturing. Our raw material is paid for in \$US. We cannot recover all the increase as that would put us out of the market. Will be tough but we will just have to ride it out
- Consumer tissue products. Highly price competitive, with quality being the factor that suffers.
- Stable, Manufacturing Natural, Organic Medicines

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- Manufacturing - fire and emergency services supplies. A very busy first five months of the financial year, and international sales greatly assisted by falling NZD. Around the world, emergency services seem to be continuing to be fully funded.
- As a manufacture of Process Equipment for FMCG customers we have very strong forward sales from our Middle East and Asian export markets. The NZ and Australian markets seem to have cooled a little.

## Media

- Media: traditional revenue streams continue their downward trend. Lots of potential growth in emerging revenue streams, but off a low base.

## Misc.

- Insolvency Practitioner. Never slower in terms of new appointments - which is sort of positive for the economy as even the incompetent can survive if the market is growing.
- Excellent. Translation/editing for Japanese firms that pay in yen. The only thing that would make it better is an outbreak of foot and mouth disease.
- Govt sector. Significant capital investment projects and investment in driving improved productivity and a better overall customer experience.
- Industry: export/online, primarily to North America and Europe  
Strong sales growth in 2015. On top of that the lower currency is the end of a headwind. It's like being able to breathe again.
- Sceptical about corporate and conference markets demand. It appears that these segments are holding off from making large spend decisions or rather leaving it to last moments, resulting in very short business lead times. Auckland 5 Star Corporate Hotel.
- Business outsourcing. Plenty of interest but reluctance to commit.
- Commercial Security. Good volume, low margins. Not an industry to enter at present.
- Communications cabling and security installations. The schools upgrade for ufb is completed but still two to three years of work ahead for the rest of the ufb rollout so still positive. Mainly Auck & Waikato region but also includes other areas especially for prisons
- Short term furnished accommodation catering for immigrants and short to medium term guests. Business is excellent with good forward bookings..
- Provincial Local Government - Planning and Development. Generally upbeat with increasing visitor numbers, increasing median house prices (very affordable compared to Auckland) and a steady increase in development inquiries.
- I am in the commercial cleaning business and am still finding businesses in Rotorua very positive. My business is going well as every business needs cleaners.
- Recreational. Lower fuel costs seem to have more people out hunting & fishing.
- Locksmith. Business steady over past few years but still just breaking even. Many locksmiths have increased their charge out fees 10% -15% even though inflation is low.
- Chemicals. Steady
- Large Crown entity - pretty tough out there as there is no funding increase and we are expected to live within our budget (no increases from Government and little opportunity to increase external revenue) - Christchurch rebuild costs of rebuilding must be funded within.
- Chauffeur driven hire car business. Very quiet. Occasional enquiry but people are reluctant to pay fees that reflect the real costs of capital and ongoing compliance costs. Appears there is little by way of disposable income for luxury travel.
- Telematics industry. We thrive in bad times as asset utilisation becomes more pressing. The only real trend is a move to leasing rather than purchase. The need to innovate is high.
- Slow. Residential sleep out hire.
- Food products importer. I am able to put through price rises generally, but not as much as I would like.
- Outlook - lower margins, but still OK for now

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## Printing and Packaging

- Average to good. Printing Industry
- Commercial Printing Medium size. Slight improvement in August but demand and volumes remain flat, both offset and digital. Paper prices are about to increase 10% across the board from all suppliers as a result of the USD.
- Some growth in Flexible Packaging with drop in NZD but margins still very tight.
- Printing Industry, very tough the last 2 Months . Lack Of confidence . Smaller orders . Too much undercutting Printers working for lower than cost.
- Printing - activity mixed, just have to work that much harder to get some wins. Funny how all the paper suppliers are increasing their prices 10% at the same time. They say it is exchange rate related, yet they all purchase with different currencies?

## Property Development

- Land development consulting Kapiti/Wellington, buoyant mood and good sales, new expressway is seeing land and home prices rising, hard to get staff
- Auckland residential property development. The expectation is that the market strength will continue for at least 12 months unless there is a global event.
- Greenfield Residential Property Development in Auckland. A bit of heat has come off (activity wise) after the busiest 6 months we have ever experienced. Still at record levels. Prices for end product (houses and apartments) are still increasing. Infrastructure is still a major issue dampening the supply side, particularly storm water issues which Auckland Council is very strict on at the moment after a review of engineering requirements - this is leading to increased costs and design times. Increasingly we are seeing the issue of building design holding up projects that could otherwise be consented. We see a plateau coming over the next 6-12 months where prices for end product will flatten out and perhaps decrease slightly. Raw land prices in greenfield areas have stabilised and will stay this way in the short-medium term.
- We are absolutely booming. It's the best it's ever been. We are Land Development Consultants. That is Surveyors, Planner and Engineers
- Urban development: We expect strong demand for new houses to remain, but in the medium terms are expecting sales to slow at the top end of the market in particular. We expect the demand for lower priced houses to remain strong.

## Property Management/Investment

- Student investment property, Dunedin: at multi year highs
- Rental Houses. Buoyant. rents slowly increasing, and capital values also increasing
- We are in the rental property business , difficult to buy additional property, but rental demand is good over all our areas , rent increases are on the up
- Property investment. Wellington. Sold my own property this month, a townhouse in central Wellington, 25% above cv and our own values estimate, with 11 offers, 30 groups through on the first open home which was just 24hours after listing. The shortage of listings, now down to 20% below the worst in 6 years, and the poor quality of other offerings appears to be part of the reason, but the market is definitely hot.
- I am retired and to provide for our retirement income we have a number of rental properties in the Wairarapa area where we live. Rentals in this area are in short supply and demand is high however there seems to be a resistance to increasing weekly rates and the feeling in this area is that people simply can't afford to pay any more. We have noticed a trend of late that over 50% of all applicants are leaving because their current landlords are selling. Also all of the people we know that are landlords (quite a number) are considering or actively quitting their rentals. Our rental return has dropped in the last couple of years due to increased rates and insurance premiums and we are having difficulty passing the costs on. Our properties return us between 4 and 5% after rates and insurance but excluding repairs and maintenance. 20 years ago we were getting on average 10% return.
- Residential property rentals, central Wellington: extremely high demand from overseas visitors - mostly young English, Irish, Canadians etc. here in New Zealand on 1-year visas working in

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hospitality, IT etc. Many are applying for permanent residency and staying on. Very easy to raise rents between tenants. Thank goodness for high immigration as most of my tenants are from outside New Zealand. It's rare to get a call from someone with a Kiwi accent.

- Residential property investor in the North Island. Tenant demand is consistent. In Auckland, rents for my properties in the last year are up by \$20-\$40 per week. In provincial North Island rents have been static in the last year.

## Property – Non-residential/Commercial

- Commercial real estate valuation Wellington. There is strong price growth for large assets of a size attractive to foreign investment. Little rental growth. Much more asset pricing work than transaction based work on. Steady work flows.
- My commercial investment property is doing well in Auckland.
- Auckland Commercial Property Investment/Management - very low yields being paid for good quality industrial properties; 5.5% to 6% compared to say 7% to 7.5% two years ago. Leasing market continuing to pick up with rental growth coming through after about six years with no growth.
- Commercial property in Waikato. Dairy payout starting to affect sentiment and confidence of businesses. Yields still holding firm but would expect these to soften
- Property leasing Invercargill A lot of older buildings for lease and hard to shift because of EQ risk and substandard fit out. Newer properties moving but slow.

## Property Valuation

- Property valuation - very good
- Real Estate in Auckland, I am a valuer. Market still very strong especially between \$600,000 up to \$1,000,000 on the residential side
- The property valuation industry is still going well. The Waikato seems to be experiencing some of the Auckland overflow so sales numbers are well up on the past couple of years
- C & I Property Valuer Auckland - Steady but lower workload again, good demand from investors and occupiers with yields reducing across the board. However fewer sales are occurring in 2015 with agents reporting a lack of listings.
- Property Valuation - a sense of optimism is present currently with anecdotal evidence from many contacts saying that things are ticking along quite nicely (in the regions) with the prospect of spring generating good levels of activity.

## Recruitment

- Executive recruitment- picking up after a sluggish period. Auckland busy, Wellington slow.
- Steady but not spectacular. Labour hire and industrial recruitment
- Recruitment. Very busy but quality candidates are thin on the ground.
- Busy, particularly IT. Recruitment, Wellington.
- Recruitment in Christchurch is busy. We have lots of people looking for admin type roles without much luck and lots of painters starting to come on our books. Welders on the other hand - employers have given up looking.
- We are in the recruitment sector. We expect to see a minor slowing of growth as a small portion of our clients supply farming equipment. This sector of the business should also bounce back should dairy prices increase. Currently quality job applicants are hard to locate and we expect this will continue for some time.

## Residential Real Estate

- The real estate industry in Wellington is still showing signs of shortage of stock and large numbers are attending the open homes.
- Wellington Real Estate: Continued low stock, relatively mild yet steady activity, wouldn't say it is a buyers or sellers market. Vendors need to demonstrate motivation for good activity. Buyer activity steady. Wellington tends to be sensitive to market fluctuations. We have been in a real estate rut for at least five to seven years now.

# BNZ CONFIDENCE SURVEY

- Residential real estate - Hamilton. Very busy. Way more buyers than stock available. Seeing a small increase in new listings currently however not enough to satisfy demand. Auction preferred method of sale. Price on market property selling within days and usually under multiple offers. First home buyers struggling to find property to purchase if not in a position to buy at auction.
- South Auckland Real Estate - Remains extremely active and no indications of slowing down. Auction method represents in excess of 50% of all sales
- Real Estate, in Northland have seen things picking up well. Residential and Lifestyle sales are up due to the strong Auckland market. We are still getting good interest in the dairy market as well, listings however are becoming hard to find.
- East Auckland Real Estate is strong if you have the listing's to sell . The market is slowing down with buyer confidence not as bullish as in previous months. Vendors expectations are exceeding the market value by about 20 to 30% and more auctions are passing in at the auction. One of the largest real-estate companies in EA success rate on auction day is showing a reduction from 80% selling on the day a month ago to 50%; this week. Even in this market there are some surprising spikes just not as often.
- Real Estate - Not as heated as was. Uncertainty around what will happen with the Chinese Share Market and impact on the property market.
- High end Off-plan apartment sales in Auckland. Strong market
- Residential real estate Tauranga. Very strong demand especially in the under \$500000 range with auction clearance high and outcomes great for sellers. Some resistance to auctions from 1st time buyers due to cost of due diligence. Available listings still relatively low.
- Provincial North Island city - residential conveyancing - busy
- Real estate. Auckland central suburbs. Prices overall strong but in our high end market, slower and not short days on market. (\$3m plus) but big demand in the \$1m-\$2m range. Key driver - and biggest challenge - low listings and hard to secure, As a small business focussed on quality and service, the overall 25% reduction the past 12 months in volume of sales across Auckland has had a big impact. The big companies are doing anything to secure business.
- I am involved in Real Estate and while fluctuating conditions have made buyers a little more circumspect the market continues to flourish. The major difference between this market and previous markets is the underlying demand for property and continued favourable interest rates. While demand exceeds supply we will continue to see a healthy property market.,
- Residential Real Estate - Hawkes Bay (Hastings District). We have now had 5 consecutive months of improved sales volumes, and rising prices (fuelled by rising-activity Auckland based buyers), we are now facing a severe 'listing-stock' shortage. Its a sellers market for sure. Last month the average sale was RV (GV) +9%.
- Real Estate - Gore: Just starting to move again with some sales. Listings were in short supply but now starting to grow very slowly. Prices are flat and first home buyers and buyers generally, are being very cautious in committing themselves. Properties tending to take longer to sell.
- Property Trading.. Very busy hard to find bargains, everything is selling at auction. Prices on North Shore are Stratospheric, what was selling for 650k about 18 months ago is now 900k to 1.1m
- Residential real estate Christchurch. Stock numbers are the lowest we have ever experienced for this time of the year, which means our sales Sept/Oct are going to be much lower than we have budgeted for.
- Real Estate, South Auckland. Sales booming but listings hard to get. Lots of Property Managements being sold as investors take advantage of mad property prices. Raises questions as to future rent rises and increasing shortage of rental properties.
- Residential real estate, Wellington. Very tight supply is helping to push prices upwards, in particular when it comes to decent quality property. Quality investment property selling at lower yields. We are headed for a good few years I think.
- Milford Forrest hill market stalling. Not the Chinese at open homes. Is it the fact that Westlake High Schools are dropping the Cambridge Exams and Rangitoto College is introducing International Baccalaureate next year. Or just the prices have got to high?
- Real Estate. Shortage of new listings coming to the market but buyers are still active with Open Homes busy.

# BNZ CONFIDENCE SURVEY

- East Auckland Real Estate - not as many For Sale signs out, still plenty with SOLD on them and not many signs staying up for very long. Reminds me of another market a while ago!
- Positive at the moment - property
- Real Estate Lower Hutt is looking very good. Lots of buyers and more listings coming on.
- Real Estate Bay of Plenty. Extremely busy, sales very high, stock low
- Property, non-metropolitan. diverse challenging and tough but with opportunity and some excitement particularly in regions less affected by dairy and with lifestyle/visitor appeal. Investment strong. Development enthusiasm, wrapped in caution with issues of scale. Construction targeted to end demand (specific sectors). Cash flow king, long term appreciation uncertain
- Real Estate Northland - Far North. The market is very active at this time. Investors, first home buyers and early/partial retirees looking at lifestyle blocks.
- Real Estate, Whakatane. Urban property selling well, listings short. Lifestyle, short on good listings although more coming on as spring approaches, bare land block sales picking up. Dairy Farms, good interest in the top farms. Some farmers are seriously considering options. Dairy squeeze may force some on to the market in an effort to reduce debt. Most Farmers have reduced herd size by 10% or so, are not buying in feed, e.g. Palm Kernel and are looking to keep replacement stock at home. some rearing extra dairy beef calves.  
Definite increase in interest from out of town buyers ex Waikato, Western BOP and Auckland.
- Residential Real Estate sales, Central Auckland. Restricted supply continues to dominate. Investor demand has not flagged.
- Real estate Mount Maunganui the market continues to strengthen listings are short prices are rising.
- Real Estate Sales North Auckland. Very hard to get listings, huge amount of buyers in the market.

## Retail

- Import Wholesale, Distribution. Supplying consumer goods to Retailers- business is slow, retailers are not so confident, suffering badly from off shore private purchases and parallel importing by Companies.
- Retail: currently subdued, no inflation but some growth shown. some cost price increases will creep in in the next few months.
- Retail-flat
- Mobile telephone consumer store. Sales and margins flat for August vs August 2014, after much stronger period April - July vs last year. Outlook stronger vs last year. Hastings.
- Lingerie Retail. Having a very good August, will be well up on last year. Doesn't appear to be any slow down in spending with our customers. Probably in a sweet spot where the weakened dollar is making buying products offshore less appealing for customers, but hasn't trickled through to our supplier pricing...yet.
- Retail. Strong sales.
- Surf wear. Still tough for retailers. Store numbers down by 60% since GFC so they are possibly getting a bigger share of a smaller cake. Dropping dollar is likely to squeeze margins rather than having to increase RRP.
- Men's clothing retail in Nelson. Very very quiet this week.
- Flooring Retail Tauranga: Solid levels of enquiry, good sales levels, expectation is for this to continue for 2015.
- Carpet & Vinyl Retail- Has slowed down a lot - we are in Ashburton which is very dependant on the dairy industry
- Retail Clothing - In a really good position as we head towards Christmas
- Property. Strong market with benchmark yields being paid. Lack of stock and low interest environment is driving acquisitions.
- Retail Pharmacy. Steady
- Retail sales ( Kitchen sales fantastic !!!
- Books & Stationery Retail: Stabilizing. Books are coming back bigger than ever! At the same time there is rationalization with the disappearance of many Whitcoulls stores.

# BNZ CONFIDENCE SURVEY

## Signage

- Signage Christchurch - after two months of improving turnover orders and inquiries have diminished substantially with no apparent reason other than uncertainty created by media reports of global & local events. Cash flow still good. Just a blip - I hope.

## Tourism

- Tourism, good bookings and lower US rate is bringing more Americans in
- Marlborough Tourism - very quiet. Feeling uncertain about impact of dairy industry and drought and what the flow on will be for summer domestic tourism???
- Tourism offshore. Inbound (ex NZ) Very Good. Outbound (to NZ) Softening
- Outbound travel - Market growth of over 7% which is great. Lower NZD will have some impact going forward as will confidence in some rural sectors affected by lower dairy prices. Growth in airline capacity will have a positive impact going forward as competition is key to better pricing. NZ is lucky to have as many carriers coming to the country as it does given the relatively small population base. 2016 growth will be lower than 2015 - suggest around 5%.
- Taxi driving Queenstown. Busiest season in 12 years. With excellent forward projections.

## Transport and Storage

- Shipping - Rates very poor
- Cold Store Warehousing. Steady business, clients optimistic.
- Transport Industry. Import, export cartage, containers through to pallets and parcels. July was a very busy month as well as the first week of August. Generally over the years our quiet period is May/June but this year has been busy throughout. I personally feel comfortable that August has gone quiet and think that it will pick up again in September. In general our clients are still feeling confident and optimistic.

## Vehicles

- Franchised Motor Industry, Eastern Bay of Plenty. Great new car sales for the last 3 months on the back of great product, but that is not what pays the bills. Used cars are fickle, after a couple of fairly strong months, this month has been dire. With used car buyers primarily shopping on the internet, obviously the choice is vast, and getting the right colour isn't a problem. We are now playing in a much bigger playground.
- Commercial Vehicle Financing (Captive)...very busy as always...always clients wanting funding for commercial purchases
- Auckland new and used vehicle finance and sales - going strong - a bit of a dip at the beginning of the month but has picked up. Good for time of year in comparison to past years, but not mind-blowing. Pretty confident for next 6 months, looking for growth.
- Vehicles: Worried about the sudden drop in the Yen rate, margins for used imports look likely to disappear before my eyes
- Slow, but small signs of business picking up - truck servicing
- Tyre Retail in East Coast Bays. Trading conditions are said to be generally tough though somewhat variable. Our sales are up 20% on August 2014 and we are looking forward to our usual buoyant summer sales period September thru April.

## Wholesaling

- Wholesale - DVD and Gaming . Declining
- Not as strong this month as last. Wholesale textiles
- Pharmaceutical wholesaling. As the population increases so does the use of medicines but distribution costs are increasing more than the margin to cover them

## Wine

- Wine industry. Rising costs, downward price pressure, increased number of competitors. Increased regulation and compliance costs. Thankfully a softer NZD and reduced national inventories will make for a more cheerful summer!

# BNZ CONFIDENCE SURVEY

- Wine and tourism. Being located near to Queenstown and the airport has meant steady growth over the last few years which is still continuing.

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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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