

Mission Statement

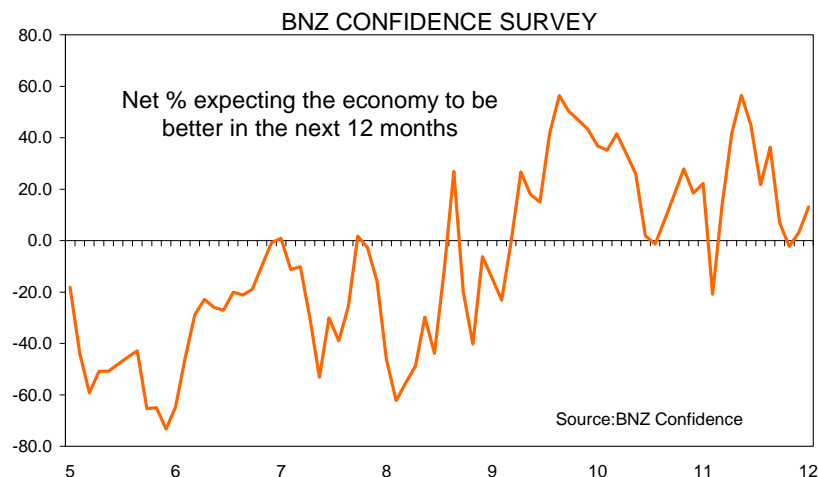
To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

The results here come from a monthly survey of near 26,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please click here.

http://feedback.bnz.co.nz/forms/Fx-l8ploskSGWqjN_7WOAw

Sentiment Improves Marginally

Our first Confidence Survey for 2012 has found a small rise in the net percent of respondents expecting things to improve over the next 12 months to 13% from 3% in the first week of December. The result is the second improvement in a row and is in line with some generally improving indicators offshore. While respondents continue to express concern about factors such as the delay in Christchurch rebuilding, consumers unwilling to spend, compliance costs and the high NZ dollar, the results overall suggest slowly improving economic growth is probable this year.



For individual industries responses can broadly be summarised as follows.

Accountancy

No generalised indication yet of client conditions improving on a widespread basis. Results generally mixed with some cash flow issues still noted.

Advertising & Marketing, Media

Still tight overall though some strength in online work.

Agriculture

Debt levels being reduced as strong cash flows continue,

Agriculture Servicing

More signs of strength than in previous surveys but overall farmers are viewed as still not wanting to open their wallets much.

BNZ CONFIDENCE SURVEY

Construction

More positive comments than in recent months, though some more in the line of expecting rising enquiries to produce higher activity than actual growth right now.

Engineering

Highly mixed. No clear trend evident.

Finance

Mild signs of improvement.

Forestry/Manufacturing/Sawmilling

Export markets firm, domestic mixed to weak, margins thin.

Horticulture

Kiwifruit very poor due to PSA plus the high dollar not helping.

Information Technology/Telecommunications

Comments overall quite positive.

Insurance

Premiums rising, customers adjusting to it.

Legal

Comments positive overall.

Manufacturing

Generally firm though with the usual currency concerns for many.

Marine

Weak.

Property Development

Market appears sluggish.

Property Management

Rents rising, tenant demand firm, stock availability not high.

Real Estate – Non-residential

Signs of demand rising, but finance tight.

Real Estate – Residential

Buyers increasingly engaged, shortages spreading, but prices still not rising to any major degree.

Recruitment

Strong

Retail

Most comments still as negative as has been the case for many months.

Tourism and Travel/Accommodation

Steady to down. No indication of fresh deterioration due to woes offshore.

Transport/Logistics and Storage

Activity firming but margins very tight still.

BNZ CONFIDENCE SURVEY

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
4 February 2010	53.5	29.7	16.8	36.8	555	344
5 March	49.7	35.8	14.5	35.2	523	347
26 March	55.3	31.0	13.8	41.5	436	263
7 May	50.9	31.9	17.2	33.7	501	329
11 June	44.4	37.0	18.6	25.9	549	394
8 July	32.7	36.5	30.8	1.8	542	405
5 August	31.2	36.3	32.6	-1.4	565	398
7 October	42.0	33.8	24.2	17.8	607	421
5 November	47.5	32.8	19.7	27.8	467	318
2 December	42.0	34.4	23.6	18.4	521	339
3 February 2011	43.3	35.6	21.1	22.2	540	401
3 March	22.4	34.4	43.2	-20.8	456	349
7 April	44.3	25.6	30.1	14.1	418	321
5 May	57.3	27.1	15.6	41.7	314	240
3 June	65.2	26.1	8.7	56.5	379	300
8 July	59.3	26.5	14.2	45.0	351	257
4 August	44.6	32.4	23.0	21.7	383	279
5 September	52.5	31.3	16.2	36.3	531	361
6 October	35.0	36.8	28.1	6.9	391	296
5 November	31.6	34.6	33.8	-2.2	272	207
1 December	32.6	38.0	29.4	3.2	439	331
2 February 2012	36.6	39.8	23.6	13.0	399	300

Full historical data at <http://tonyalexander.co.nz/bnz-confidence-survey/>

INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

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

We exclude comments which don't say anything about current business conditions in an industry and are instead mainly rants and raves. Also those with comments that are chopped off or indecipherable, contain appalling grammar or are in capital letters are left out.

Accountancy

- Chartered Accounting, Business Advisory - Our situation reflects our clients. Within Christchurch the insurance issue is starting to really bite our construction based clients with plans now coming together to down scale operations as summer is flying by with limited forward work. If insurance could be resolved most would have over 12 months forward work. With BI insurance coming off for many in Feb. we expect another ripple of change and business failure to occur in the first half of this year. Our North Island clients be it export through to service based industry in Auckland all describe conditions that remain tight. All different stories however all same outcome. Ground hog day more likely to be a ground hog year.
- Chartered Accountant - dealing with my "tail end Charlie" clients, the ones who always leave things to the last minute. They are also the slow payers so debtor receipts and therefore cash flow are terrible at the moment.
- Contract Accounting looking a little more promising.
- Chartered accounting - lots of new enquiries - but cash flow still difficult.
- Accounting, while some clients are ok, some are still going down
- Accounting - steady, although quite a few clients still haven't brought in their 2010/2011 returns, not had much luck with following them up either.
- Small Central Auckland Accountancy Practice. I continue to take on new clients and increase my small staff hours. Feedback from clients regarding economy mixed. Recently noticing and really enjoying the energy and enthusiasm of new immigrants - South American, French - getting out there creating work and starting businesses!
- Accounting - solid but not spectacular

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- Accounting: Great Shape, client enquiries coming through.
- Accounting (Public Practice) For the past couple of years clients have been unwilling and/or unable to incur extra fees on special work so predominantly it is core compliance work and this is unlikely to change in the next year.

Advertising & Marketing, Media

- Online Marketing - Outlook is excellent.
- Marketing. Comms Offshore business strongest in 18 months Local business hesitant
- Media/Advertising - market still flat, with largely no advertising growth from accounts. Focus still on cost reduction rather than investment in growth
- Public Relations Wellington; when compared with this time last year, we are much better placed
- Stagnant, poor industry liquidity, hard to get paid sometimes (property communications, marketing)

Agriculture

- Sheep and beef. Looking very positive with good demand for both sheep and beef meat. Wool worth something too. Still putting money back to the bank and making the most of the good times to reduce debt
- Farming - stable, so long as compliance costs do not increase
- Farming industry. Things are pretty good at present but the future is dependant a lot on what happens offshore and that is anyone's guess
- Agriculture. Seasonal droughts affecting dairy and sheep production in lower S Island. Lamb prices sliding, dollar high so input costs holding/lowering
- Glasshouse tomato grower. The cost of operating keeps going up faster then our returns do.
- Dairy - optimistic, current good returns and prospects
- Mohair: Orders outstripping supply, Dollar causing price drop, prices still strong in the Rand currency.
- Dry land Farming,. Season fantastic, best in memory very difficult to take advantage as 80% of NZ the same! (excl Southland) My sources tell me red meat starting to fill chiller and difficult to move at a margin. big correction on it's way that will knock confidence and fuel farmer scepticism, delaying any true spend or ramp in productive re-investment
- Sheep and beef farming: Good as gold. Feed in paddock, good prices for all products (beef, lamb & wool) and good outlook, especially for beef. Rising dollar a pain. Seeing local farmers spending some of their income on farm. Lots of helicopters and fert planes working. People catching up on deferred R&M.
- Agriculture - Grain and seeds. Good harvest so far in Canterbury with even the un-irrigated lighter land performing well. Still much grain yet to be harvested, but so far so good. Weather over the next month will be critical for good quality results.
- Slowing down in the sheep and beef game
- Dairy industry, never paid off as much debt in a year as the last 12 months. Looking to buy another farm now

Agriculture Servicing

- Below average, farm contractor, still some work however...most money being spent on 'things' it appears to me...e.g. new utes
- Veterinary - companion animals 2011 was very slow - people not spending there has been a noticeable increase business for the last 2 months.
- Supply to the agricultural sector, things are picking up from last year, we have been having growth on growth over the past 5 years.
- Animal Health - positive outlook with stock being so valuable no short cuts are taken. Farming customers are having a good season ...long may this last.
- Suppliers to the dairy industry. Dairy farmers are enjoying record grass production and milk production. This farmer group is still repaying debt. We're not seeing the flow through to spending yet. It's still a steady course. Sheep farmers are having an absolute pearler. And they're spending. I heard of an instance this week where an expected \$60,000 anticipated sale yielded over \$200,000. This just has to be good for the economy and we are seeing an immediate flow on effect. Yee ha
- Subdued yet steady, rural legal sector
- Veterinary Services and Supplies. Farming - all types - remains upbeat and positive - although farmers remain focused on reducing debt and planning for tax hit. Companion animals - reflect more the general population - remain very challenged re disposable income. Security of jobs is becoming more of a factor as businesses

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tighten up. It is definitely harder to remain in the black - cash flow is tightening, through slower payments and reduced sales in certain areas. Service demand remains buoyant.

- Rural Contracting Things at the moment are looking considerably up on at the same time last year and the likely hood of retaining seasonal staff over the off season is at this stage very high

Architecture

- Residential architect Wgtn, this time of year always quiet however I am not expecting much improvement due to lack of spending by home owners.
- Building Industry (sales) Very busy in design and planning
- Very concerning, with many redundancies - architecture

Business/Management Consulting and Broking

- Consultancy steady, but hard to get new contracts as firms closely monitor what is seen as discretionary spending. Residential rentals very firm, rents rising, but so are quake related costs in insurance - no vacancies, what is available on market appears to be of lower quality.
- Management consultancy work is still steady but hand to mouth
- There are opportunities for growth in the consulting industry if one is diligent and persistent.
- Market Research - Bit of a quiet start to the year, but things don't usually kick in until March. Onwards and upwards!
- International consulting. OK at present, but expect less demand from later this year as clients pare back expenses owing to income falls.

Construction

- Building industry - things seem to be heating up with group home builders seeming to be handling good enquiry levels at present. 99% of one off builders have work well ahead. Builder licensing could trip things up though.
- Commercial/industrial construction has slowed down significant in last 6 months. Infrastructure investment has been the significant offset to the downturn, but we expect this to reduce this year. Expecting poor results for next 12 months
- Building Industry-We have noticed an increase in cash traffic from homeowners doing renovations.
- Residential construction Auckland; people still very slow to commit to projects, level of enquiry still too low
- Construction industry (plumbing & drain laying.) We have enough to do but can't see far ahead for work load. Although there is not much good news coming through I still feel optimistic as I know a rise follows a slump and it must be time it happened.
- Building industry Wgtn - Slower than last year and hard to get any commitment at all. I can see a few more fall over this year.
- The construction industry remains slow, outside of Christchurch.
- Commercial building in Kapiti, inquiry on the up but very competitive and low margins but looking like a good year ahead.
- Light steel construction, Wellington. Good work in progress, having to work hard for new business but it's there if you look and compete.
- Residential Construction Napier business has slowed but steady enquiry and serious interest is giving reason to feel positive
- Domestic construction and office fit out industry. Usual margin squeeze this time of year and fewer prospects on the horizon than same time last year. Conservatively optimistic about opportunities for the year. Need to diversify and maintain service levels and quality to avoid fighting very project out on cost, no fun to be had there.
- Build industry - sudden jump in enquiry for new home construction and property investment (rental) builds.
- Construction - We have enough in our order book to survive for the next 12 months but there is not a lot of opportunities out there
- Construction-Southland. With 5 months forward work ahead and still fielding inquires things look positive, but with majority of work from the rural sector the dry spell could affect farmers spending this year.

Construction Related

- Lots of quoting and requotes with some jobs being brought by competitors. Margins low, forecasts improving, home improvements on the rise with double glazing at the fore front. Window joinery

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- Building supplies. My optimistic view is the same but indications and discussions with those in the building industry don't point to any increase Nationally. Some regions may buck the trend though
- Building materials supply business. Earthquake rebuild in Christchurch still not really kicking in. Joinery material supplies down. Business across the board still flat and very competitive with pressure on margins. Some positive news from insurance companies indicating some rebuild approvals being given in the western suburbs and country areas in Feb/Mar. Generally market uncertain many projects put on hold resulting from 23rd Dec. quakes.
- Garage door company. Last three months of last year were the best we have had but consider it a pre Christmas bubble. Time will tell if momentum continues.
- Aluminium Joinery-The year has started very busy so will take it while its there. Plenty of new plans coming in for pricing so that got to be good. A lot of customers are still just holding back to see what's going to happen and just need a push to get things going.
- Still record low demand in Auckland (for construction raw materials).
- Multiple Trades for both construction and service sector. Outlook is still very unpredictable, some parts of the business going great guns, others just staggering along. Adjustments made 12 months ago have paid off with much better focus on profitability. Still very competitive in tendering market with jobs being going at cost or below.
- Building Industry - supplier / manufacturer - despite all the talk of a worsening housing shortage there just seems to be no improvement at all in the confidence of people to get on and build houses. Pricing pressure remains extreme. Interestingly we have also lost 3 key staff members to non-building related industries for better money.
- Wellington construction related supplies. House holders have maybe opened their wallets slightly. Very weak trade demand with few contractors having forward work. Massive price sensitivity in all goods and services. We have learned to live with fewer staff and tight purse strings.
- Deathly quiet start to 2012 with tumbleweeds rolling through the warehouse - building industry supplies.
- Painting and decorating. We are booked up until June at this stage. This is with a mixture of residential and commercial work.

Education

- Childcare - good demand across all centres. Staff easy to find unlike 2009.
- Export education - not looking that good for 2012. Higher Kiwi\$. Concerns in Eurozone. Asia flat. Latin America only area of growth possibilities.
- Bleak. Education Industry.

Energy

- Oil sector- volumes are down across the board
- Power industry infrastructure longer term looking positive, short term patchy

Engineering

- Engineering, very poorly
- Rural Engineering Consultancy. Activity still subdued but steady. No unnecessary spending taking place.
- We continue to operate in a difficult market with less work available and lower margins on work we do win. (Engineering Professional Services)
- Civil Engineering (geotechnical). Lots of work at the moment and looks very promising for rest of the year... however all the work is infrastructure funded by govt.
- Engineering - Fabrication and Machining. 2011 was biggest ever year by T/O and profit.
- Patchy (Engineering)

Finance

- Finance Industry. Lower economic activity is making it hard to identify increase lending opportunities.
- I am a commercial finance broker, we started to get busier leading up to Christmas, we deal mainly with private funders, 2nd tier finance companies and nominees, there is a lot of money currently available and there seems to be more interest in funding developments
- Finance - Much the same as previous years
- Financial Services. Business improving at a good pace.
- Finance industry Looking good

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- Mortgage Finance,. We as a company have had a better year this year but our industry overall has had a flat year.
- Industry - provision of capital to property developers. Outlook - coming off a very low base post GFC activity is improving, albeit in a modest way.
- Finance. Not too bad.
- Banking starting to pick up around mortgages, very competitive

Financial Planning/Investments

- Share investing still uncertain but I feel increased confidence is evident.
- Financial advisory People are struggling to see where to invest to make a return - Kiwisaver results show how difficult it is for professional money managers to achieve positive results so individuals with less knowledge can be expected to struggle. So older investors are once again almost desperate to find an edge - but it isn't there. That leads to reduced spending.

Fishing/Seafood

- Seafood Processing - tough, flat demand, continuing cost pressures.

Forestry/Manufacturing/Sawmilling

- Sawmilling ..Canterbury... demand strong margins thin.
- Conditions are very strong and looking forward to another strong year. 10 months to date turnover is up 33%
Timber processing industry
- I am a forestry consultant and it is looking a mixed bag with domestic markets being poor but export markets continue to prop up industry
- Exports: Log demand upsurge overseas although greenback at an unfavourable rate to cash LC's
- Forestry. Not good, costs are increasing and net returns are marginal in the industry.

Government

- Local Authority. Accounting staff very difficult to replace. Tourism numbers steady.

Health and Fitness

- Medical - its hard work! Huge pressure around pricing reductions and challenge to get a share of the reducing pie
- Pharmacy is getting squeezed more and more as the district health boards (dhb) are under pressure to reduce spending and strict budget. In return the dhb is cutting down the money available to pharmacy by strict policies and harsh policing. Pharmacies are in turn cutting staff down and increasing wait time / reduce service at the local chemist
- Private Healthcare, some demand for treatment coming through from people who have put off things will mean a small lift this year (maybe 3-5% in volume) but still a lot of angst and issues around payment that didn't exist to the same extent 3,4 years ago.
- Health- public sector. Things are exceedingly tight, the 2012/12 year (from 1 July 12) looking grim, budget cuts and rationing being put in place. Appointments of new clinical staff being deferred.
- I am in the optical business.. We have had some healthy weeks of late. People are spending again on their spectacle purchases.
- Pharmaceuticals: With each year passing people become more health cautious so definitely a good demand for nutritional products coming through even when direct selling to the end-user.
- Healthcare steady but people struggling

Horticulture

- Kiwifruit- Full impact of PSA will be realised over the next 18 months. Hopefully there will still be a viable kiwifruit industry here in 2 years time.
- Horticulture. Better as we have improved market positioning and lower debt.
- Kiwifruit - PSA and NZ dollar rates are making things tough
- Kiwifruit-- not a good industry to be in at the moment
- Kiwifruit. Not good. PSA is having a dramatic effect on gold vines reducing the crop. Our monopoly buyer is under performing and overcharging for the service it provides reducing Green returns.

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Hospitality/Entertainment

- Hospitality. Consumer reluctance to spend discretionary dollars for themselves on products they may want rather than need.
- Catering Good solid bookings & lots of enquiries coming from the Corporate sector
- (Coffee Roasting). To date coffee consumption seems to be relatively unaffected by the poor global economic situation. On the supply side quality green beans are still very expensive to buy which has meant wholesale prices have generally been increasing.
- Golfing industry Auckland Low activity, slightest uncertainty and people don't spend

Information Technology/Telecommunications

- Interactive Software: This year will be a strong year in our industry with a lot of big new release titles coming out.
- IT - Projects are picking up momentum again after the summer break.
- Continued growth. Wgtn IT.
- IT - Software. Pipelines are looking fuller and more likely to close than last 2 years.
- ICT. Workloads are increasing. Stalled projects are coming back online. Focus is on "smarter" systems and cost savings.
- Software industry, Wellington. Improving. After 2-3 slow years of government restructuring, now seeing public sector becoming more active
- IT programming. Things are looking fine. No major growth, but most still have a feeling of good security in the market
- I.T. : Seasonal Work coming through not much in terms of new tenders/projects
- Information Technology - a lot of activity at present with good sales being made. Further pickup expected - Activity being driven by a number of factors - improved productivity, higher content delivery especially for the iDevices and a wide range of security initiatives. Skilled labour is still short - unfortunately the Internet generation don't see IT as a career.
- IT - new opportunities are regular with businesses looking to move around to find better providers. Projects are being approved and we are wriggling to find enough good staff
- Things seem to be fine. I'm in IT, hardware and software sales, specifically storage solutions.
- IT. Patchy. Lots of projects on hold
- Telecommunications: Looking good for the coming year

Insurance

- The economy should slowly improve over the next 12 months. We are seeing good increases in revenue in the insurance industry and strong investment in people and capital and expect rebuilding and payouts to begin in earnest from March onwards.
- Insurance. Increased premiums & retaining existing customers. New business is slow but steady.
- Insurance broking and risk advisory services: The market has re-aligned itself quite well considering. All parties including customers accept the impact of global reinsurance on our local market. Customers want to understand how it works now it has such a prominent role in the rebuild and is constantly in the media. All in all it's an interesting and challenging time for the industry.
- General Insurance - Christchurch remains the focus; rebuilding to start in earnest; finding resources/people to complete this a major challenge.
- Insurance - whilst business is brisk, this is because of the additional time commitments provided. Costs continue to increase exponentially & do not look like stopping any time soon. Banks will have significant input sometime soon to protect their mortgages as some clients walk away from prohibitive E/q premiums & deductibles.

Legal

- Legal services current upturn in conveyancing both residential & commercial
- Legal Taranaki.. Work flow better from a bad year. Hopefully will continue with good farming returns and energy investment
- Legal firm Wairarapa things dead quiet
- Legal - house transactions have picked and been steady since Christmas.
- Good - significant increase in activity (Law)
- Law - some pick up and slight lift in confidence

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- Legal: Surprisingly resilient
- Law firm CHCH - very busy
- Suburban Legal in Auckland, Relatively quiet as a consequence of the holidays. The residential conveyancing market is flat. Other work has also slowed down.
- Law - very busy in East Auckland property sector.

Manufacturing

- Safety helmets- Affected by weak USD, Euro and Stg, but going strong with AUD. Good prospects for the next year, with a big new US based customer coming on-line and wanting innovative fire helmets designed and manufactured in NZ.
- OK in the health manufacturing due to exports in Australia
- Leather sewing, souvenirs, clothing, etc. There has been a big decline in customers and work suppliers. The economy needs to get better or there will no longer be any factories making products.
- Manufacturing export in contracting equipment. Our business has been growing at the rate of 20% every 6 months both in Australia and NZ. Manufacture NZ with strong sales, distribution and service in each state of Aus and NZ. To come to grips with Aus we moved admin of all these areas to Aus with only Manufacturing focused in NZ. Our products now attracting US and European enquiry.
- Manufacturing .. Very slow at this stage. Basically no change from last quarter of 2011.
- Food Manufacturing: The local retail market has stalled in the last 3 months and we are seeing slowing in other markets. Generally doing it tough all round right now.
- I am in the plastics industry work is steady but not great. Dairy is good, and there are a lot of opportunities out there but we are often bogged down by politics and people trying to clip the ticket. There is a lot of innovative people out there but market size constraints stop them from committing.
- Manufacturing: High NZD is having a large affect on us. we usually sell in the currency of the country. Unit sales to the US and Europe are down and the high exchange is squeezing the margins.
- Paint Manufacturer - Lack of new residential construction holding back demand.
- Manufacturing Exporter - Good volume, Poor profit due to high NZD. Hopefully we don't go the way of Criterion!
- Manufacturing. Showing signs of growth and confidence. Far more so than 2011. Caution is still the keyword, but that is an improvement on stagnation.
- Automation, electronics: looking good growth down a bit from mid last year, but forward orders strong.
- Metal products manufacturing for domestic market. Tentatively better, quit strong through last three months of last year. Quiet January as is normal.

Marine

- Marine industry is on a fine line at the moment. Spending from our local market is picking up but along way from past levels.
- Marine. Not so good. Patchy Christmas trading means some overstock and associated cash flow issues at both retail and wholesale levels. Exports to Australia less as Sydney experiences a wet summer. Much nervousness from smaller supply companies as the big boat builders get more desperate to sign orders in the face of a collapsing Euro. Some signs of people (particularly baby boomers and self employed) trying to ignore the world chaos and focussing on their own situation and enjoyment - hopefully they will keep spending.
- Marine & woodworking still patchy, real mixed feelings as to how we will fare this year. Boat repairers doing really well as people refurbish rather than renew existing boats. Shopfitters seem very busy

Miscellaneous

- Cleaning company - holiday homes only. Huge summer, broke all previous records for bookings and turnover. February looking much better than 2011 as well.
- Food industry exports...Orders from USA up on last year European orders slower.
- Taxi Industry. It depends on the area taxis operate in. Some company's are suffering from a lack of ability to respond to change in a deregulated market with a regulated mindset. Individual operators with foresight are doing well as are those areas that are still undersubscribed with vehicles. My company has set work that does not change much in response to economic events thus we are a little insulated.
- I work in environmental research. The government and all related bodies (local and regional government) are cutting funding in all areas and don't seem to be stopping anytime soon.

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- Very flat and just "ticking over". (Industrial Electrical Test Equipment).
- Social network - all areas finding it harder to gain financial support/sponsorship
- The freelance writing scene is slow. Many managers see quality writing and communications as a bit of a luxury and are happy to get a make-do job done in house to save a few pennies.
- Meat Packaging - Domestic market in decline, export demonstrating significant growth.
- Private Security Industry. I'm currently writing a detailed report as part of my Bachelor of Strategic Management and have recently interviewed a lot of people in this industry. Competition is FIERCE. Standards in the industry are being greatly improved at the moment with the implementation of an oversight body and compulsory licensing introduced last year. Pre-entry training standards will be put in place in the next few years and hopefully this will result in hugely positive effects for all stakeholders.
- Debt collection. A new customer base getting in arrears. Cash flow is tight. A lot of people struggling with large mortgages with little room to move.

Printing and Packaging

- Print Industry: Business steady but new business harder to find and win.

Property Development

- Property development, Nelson. Market is sluggish and lacking momentum. The question is, what will it take to stimulate the market again?
- In the Land Development Sector things are very quiet with the rental shortage in Auckland still not kick-starting new dwelling construction as shown by lack of building consents. Development costs seem to be a problem including Council contributions and processing fees and timing.
- My family has been trying to develop a subdivision in Auckland Massey West for several years. The experience of getting consents and funding costs towards a road which Council legally owes us in abysmally slow. This is a large reason for the shortage of housing in Auckland - slowness of getting Resource consents and the Council actively favouring certain developers they have a commercial relationship with over many smaller developers.
- Industrial property and logistics, Auckland and Christchurch. Little new building but still generic business growth leading to a shortage of efficient quality warehousing. Blame RMA and Council and Government for a regime that adds ridiculously high admin and compliance costs that make development unattractive. Developers can't afford to go near projects anymore leaving it to owner operators like my company who can "just" afford to justify building new warehousing to expand our own operations. We have just finished a new warehouse with a pure construction cost i.e. not land, of approx \$1 million and we incurred costs/fees of close to \$150k which I would argue were unnecessary. 15% of build cost speaks for itself. (Heavily abridged, ed. Note)
Land Development in mainly BOP. No reason to be optimistic here. Lots of spare sections (the largest development in receivership), PSA, Rena, all on top of recession. See us scraping by for a while yet.
- Property Development: With the rebound of economy there are 6 Houses on the plans that will be initiated this year with completion to be expected around March 2012. All in Auckland mainly eastern suburb.

Property Management

- Property Investment, Rentals New Plymouth;. Facing increased costs; 1. Loss of depreciation claims. 2. Large increase in council rates. 3. Increase in insurance. This will reduce the bottom line, outside of Auckland rents are not increasing.
- Rental housing market Wgtn, this year is stronger than last with stronger demand from tenants, some rent up or the same as last year.
- Property Manager North Shore of Auckland, lots of enquiry rents up by 5% on average not enough stock. Student demand strong with increase rental for this year. 100% occupancy for rooms this year.
- The demand for rentals is increasing. Hard to find in places as far apart as Murchison and the Kaipara. Auckland rental prices are increasing (there is always media hype at this time of year). I will need to put my prices up to cope with increases in rates (amalgamation will reduce costs; yeah right!) and insurance (how can they justify increasing costs, when I have not even made a claim for properties I have owned for over 20 years?). Prices for most building components are increasing too (wood, steel). Surprisingly tradesmen prices have not dropped despite drop in new buildings. Perhaps because so many tradespeople have left for Australia). The new registration regime for builders is likely to decrease supply and put up costs too.
- Residential Investments mainly around Auckland capital value seeming to improve. Rents appraisal or reviews done around mid-year so no comment on Return on Investment

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Real Estate – Non-residential

- Commercial rental properties. Not good at all. Three quarter of commercial tenants have moved out. Buildings unrented and no interest in new leases being taken up. Even by reducing the rent to half of what it was seven years ago.
- Commercial Real-estate Christchurchtreading water ...waiting , waiting , waiting....
- Inquiries are up, conversions are up (Commercial Property Landlord)
- Commercial real estate Motels, Businesses etc Gradually getting worse, recreational visitors i.e. bowling clubs & golf clubs are diminishing so few tournaments. Oldies have lost cash in the finance companies so there are substantially less frequenting motels and the like not forgetting there demise through old age. the businesses I have for sale are not making any money due to the high cost of compliance, rates & insurance etc. All have an effect, those that are selling are well below the original purchase price and in a lot of cases the moteliers are walking.
- Commercial Tourism and Hospitality real estate increase in buyer inquiries but the banks lack of enthusiasm to lend in this sector is hindering deals
- Commercial Property Auckland More inquiry, leases improving, builders and renovators becoming more expensive.
- Commercial property Christchurch. Despite the delays and frustration, new buildings are being designed, consented and constructed. The rebuild is underway and will gain momentum this year.
- Commercial Investments: Demand rising as well as investors being able to levy better Rental Returns

Real Estate – Residential

- As a real estate licensee agent in Ponsonby, Things are very buoyant. Stock is relatively short but buyers are going gang busters over good property.
- Real estate is up and down.
- Real Estate is on the fringe of a boom. Not enough quality houses on the market to satisfy purchaser needs. Good time to sell.
- Real Estate. The better areas continuing to do well, and the more modest investment type areas only holding their own
- Real Estate - Central Auckland. The market is on fire with a serious shortage of quality listings in all central Auckland suburbs leading to multiple offers, sales well above the 2011 Council Valuations and most new listings selling within a week of first being advertised. Have not needed any print media with all enquiry coming from websites like trademe.co.nz and realestate.co.nz. Many open homes attended by more than 100 people and a huge volume of motivated buyers registering for any new listings that hit the market in the next couple of months. Would not be surprised to see Auckland prices increase by 10% to 15% this year! Buyers cannot save against such house price inflation so are aware they need to get on the property ladder ASAP.
- Real estate sales - Living in Christchurch. sales are very active with a shortage of good listings being the biggest challenge. prices firming but I don't expect a huge jump rather a steady growth. the feeling in our market is very positive.
- Residential real estate (Wellington region): December & January have been very good.
- Brisk start to the year in Residential Real Estate. Our Property Management Division Are run off their feet.
- Real Estate North Shore Auckland. Its Booming. Lots of new listings. Lots of buyers at open homes. Lots of sales. 4 in 4 days.
- Good..... Residential Real Estate
- Property sales - residential and commercial: More vendors seem to have got their heads around the "new values" and will take a loss if they have to rather than being stuck on what it owes them. Still more buyers in the market than good property being listed.
- Real Estate, Eastern Beaches. Last year repeating; vert tight stock of available listings, solid prices being paid with multiple offers increasingly the norm. Purchasers are very unforgiving of poor pricing and poor presentation.
- Residential Real Estate (Wellington). Definitely more listings coming onto the market which should in theory result in better sales volume and activity for at least the first quarter. Too early to see actual sales results yet.
- Provincial legal. very slow start to year in general work. Property transactions reasonable but at the lower end of market.
- Real estate Christchurch, better buyer enquiry, more owners looking to bring houses to market
- Residential real estate Pakuranga/Howick - Still short of listings but more gradually appearing, very few local buyers around but huge numbers of immigrants active and paying more than locals are prepared to.

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- Real estate, Tauranga, Mount Maunganui, Papamoa, Te Puke, all areas showing gains over last Dec/Jan averaging 45% in written sales. However average sale price very low reflecting 1st home buyers and investors active. Stock levels high especially in the higher price brackets
- Real Estate - prices remain stable but volumes up as the first home buyer bubble flows to other parts of the market
- Real Estate Auckland Inner suburbs. Slightly ahead of last year. Plenty of buyers but shortage of stock. Rental activity is manic. Press coverage of these issues is giving vendors and landlords extreme expectations which makes the job even harder.
- Real Estate Johnsonville: Very good sale numbers occurring between \$300k and \$450k and very good numbers of new listings at price ranges between \$300k and \$600k coming to the market as well. Good buyer numbers circulating and open homes well attended
- Real Estate Eastern BOP - very slow, buyers reluctant to make decisions, watching to see where the economy will go this year before committing
- Real Estate, We have been very busy since the end of the year, but I think it is starting to slow, gradually but you can notice it.
- Slightly to moderately more positive. Still lacking good stock coming to the market. Real estate - apartment sales
- Listings are slow sales and enquiry picking up.
- Real Estate - very slightly improving in Northland although new listings are scarce. Auckland I hear is far more improved.
- I work in the property industry. There are currently limited job opportunities. There has been a large downward adjustment in wages for new employees. We have seen a reduced volume of work therefore reduced staff numbers.
- Real Estate Tauranga continued positive trends becoming evident with more enquiries happening in both residential and business areas
- Residential Real Estate, Invercargill: prices still flat, a little bit more activity this year so far.
- Real estate - buyers more confident
- Real estate Listings in short supply Buyers are looking at anything new and old stock is selling fast
- Real Estate in Mt Eden. This is our best January in 5 years!
- Real Estate Sales in Wanaka. Market is seeing good buying interest at lower levels. Turnover is increasing. Prices showing signs of bottoming out.

Real Estate Valuation

- Residential Property Valuations: we are swamped at the moment with jobs, haven't been this busy for a long time - Nelson
- Property Valuation (Hawkes Bay). Subdued, with values still tending to retract slightly.
- Property valuer Auckland - quiet, no work at all in our office.

Recruitment

- Engineering Recruitment. Things are looking positive. There is a lot of hiring and the only real problem is a shortage of skills.
- Recruitment- extremely encouraging, all signs point to employers gearing up for a warming economy.
- Recruitment. Things are pretty good at the moment. We are seeing some companies doing really well.
- Recruitment: Plenty of job orders and great candidates around looking for work. Jan-12 trading well ahead of last year. Forecasting is still very difficult.

Retail

- Vending, snacks & drinks. Pretty grim. Takings very poor & inconsistent. Unusual & unexpected rush just before Christmas. The expected quiet time since is doubly quiet. Just hopeful that there will be a pick up happening soon.
- Retail sales have seen a big lift in Automotive Electronics since November 2011. Sales on the Dec Jan period are up 20% over the same time period last year
- Retail - still very soft.
- One of the acknowledged 'most difficult' retail segments, menswear, is a sector in severe stress as consumers put their menswear wish list to one side in favour of family needs, debt reduction, etc. Job security is another

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perceived concern of the male consumer. Traders themselves are in a spiral of deeper discounting in a game of attrition to survive. Financial difficulties and closures are inevitable. Worst we have seen in 40 years.

- Retail electronics and service. Very tight margins. Retail has dropped to nothing, we are hoping for more service work in the coming months but it is not looking good.
- Retail CBD C Store. Behind last year in sales, not seen in 3 years. Foot traffic down approx 6%, consumers just not spending. Post RWC and inconsistent summer weather has had an affect.
- Retail - down on last year
- Menswear clothing Dec ok but Jan not good wether it is the economy or bad weather ??? PSA also big factor in our area.
- Kitchen retailing very slow in big ticket items such as ours. Inquiry level very low across 17 outlets NZ wide.
- Retail Pharmacy is just holding its own with minimal if any growth particularly in over the counter sales
- Office furniture - good
- Retail, electronics. margins are getting smaller, a very tough sector of the market to be in
- Slow growth, retail
- Pharmaceutical Wholesaling - Maintaining turnover thru new business but hard work keeping cash collection at strict trading terms.
- Wholesale fashion jewellery - fashion and tourism trade. Very bad. Consumers are not spending. Very experienced retailers are "going backwards" and really concerned.
- Home Improvement...Business steady but still believe the average consumer is not comfortable about the future and not keen to make big commitments. Taking more of an improve rather than move approach. Credit business still seems flat while EFTPOS continues to be main vehicle for purchases.
- Retail. Things are very up and down. Some weeks are good and some not so good, but everyone still likes reading magazines so not all is lost.
- Housewares Import and Distribution - not a lot of activity amongst the independently owned retail stores at the moment. However the large big box retailers are placing good orders at the moment. No real direction in the market at the moment. Hard to know how the year will go.

Tourism and Travel/Accommodation

- Tourism, steadily down in numbers, but same range of visitor nationalities
- I work in a holiday park and this year so is slow and this weekend being Waitangi the bookings are just not there.
- Tourism - Asian and US enquiries improving, better costs and uncertainty with competitions all leading to price improvements. UK/Europe volumes declining
- Tourism - you need to work hard to stand still.
- Very tight - Tourism
- Tourism hospitality luxury end. Slow January, reasonable February late Feb & March very slow. Overall not a good season at all.
- Currently down on last year which was down on year before. Having said that, not down quite as much as we had budgeted. Competition is fierce with a lot of undercutting - maybe a sign of desperation for some?
- Tourism. Little signs are there, people spending a little more, Bookings slightly up etc
- Slower than usual, but expected. Tourist Passenger transport
- Aviation, much the same
- Hotel accommodation restaurant and bar in Paihia Very weak - numbers visiting up slightly but market changed from tourist to domestic so length of stay down and money spend per person way down resulting in income way down. Costs gone up so margins per person, per room, per room night way up.
- Dreadful... I'm in tourism (since 1988). Northern hemisphere visitors have weak numbers and are tight spenders, Aussies have been lured to cruise ships in other areas and the USA (AUD dollar for US dollar there)
- South Island provincial motel. Steady numbers but down from last summer at this stage. UK and Australian tourists well down.
- Hotels: Occupancy is up and so is Average Daily Rate
- Ski industry Canterbury can't be worse or many will go broke been not bad summer up 5%

Transport/Logistics and Storage

- Transport. Looking solid here in Ch-ch, for obvious reasons.

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- Storage and Distribution. Inventory / stock going up. Busy
- Road Transport. Seasonal activity is commencing to lift work levels but outside of this the demand remains sluggish. Some capital expenditure projects are in progress to replace aging equipment. Rate increases are difficult to obtain from a market place that is generally struggling.
- Road Transport. Still operators going broke. Very heavy competition on some routes. Major shortage of qualified and quality drivers with no young ones coming through.
- Freight - extremely competitive with more Asian Forwarders destroying margins

Vehicles & Automotive

- Slow - Automotive
- Auto Industry- New Cars: - Demand driven via new models; plus commercial demands in rural and industry. Expect increases in CHCH.

For further information contact Tony Alexander, Chief Economist, 04 474-6744, tony.alexander@bnz.co.nz

The BNZ Confidence Survey is run on the first Thursday of each month. In the Weekly Overview email sent to the over 26,000 non-BNZ email addresses on our database respondents are asked to click on a URL which takes them to a survey site. Respondents are asked if they feel the economy will get Better, Worse or Stay the Same over the next 12 months. Respondents may also make comments on their own industry if they wish. Results are collated over the weekend and released on the following Monday in this publication to media and WO readers.

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