Pacifecon
Building intelligence

Auckland Market Watch

April 2024

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Introduction

Welcome to our latest edition of the Auckland Market Watch.

We're excited to share this data and analysis report with you. Having quality information at your fingertips is super important and our aim is to give you the insights you need to make smart decisions and stay ahead of the game.

Inside the edition you'll find your usual deep dive into the key metrics and trends of construction as well as a focus on the Education Sector, of which we have over 20,000 projects in the national pipeline.

This time around we've also introduced a new look! While the format is updated to improve readability, rest assured the content remains just as detailed as ever. If you have any feedback, we'd love to hear it. You can email me on trina.farr@pacifecon.nz

We hope you enjoy this edition.

Ngā mihi nui

Trina Farr

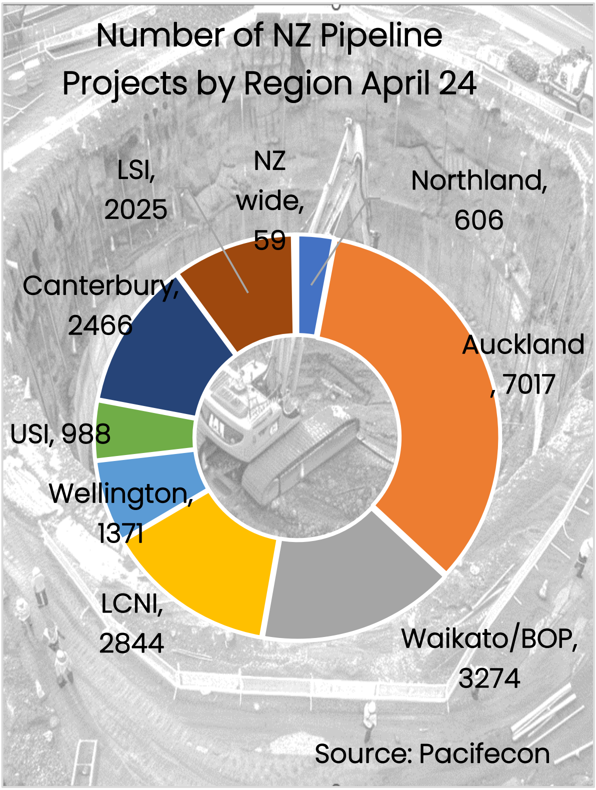
General Manager

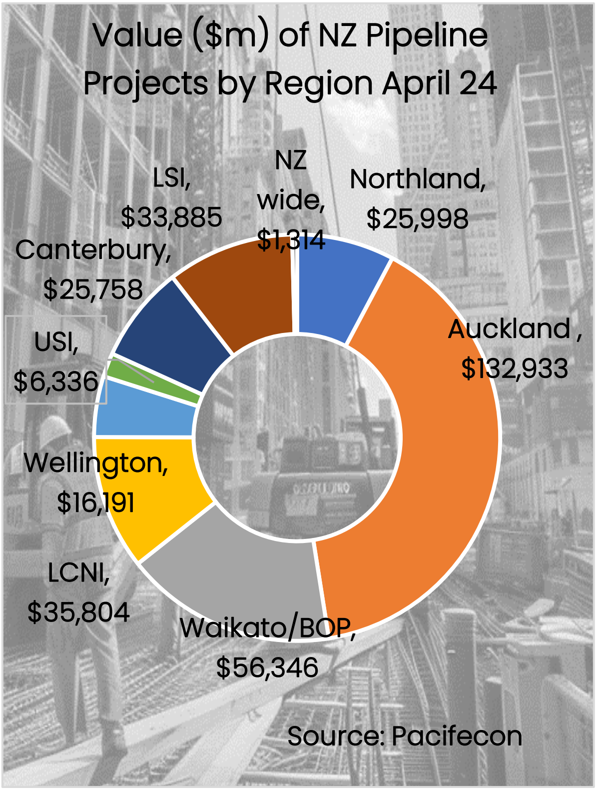
Summary of projects by sector

	New projects		Pipeline projects		Work starting	
Sector	No.	Value ($m)	No.	Value ($m)	No.	Value ($m)
Residential						
Single homes	266	$216	159	$255	31	$222
Multi homes	116	$582	3724	$54,835	125	$511
Total	382	$798	3883	$55,090	156	$733
Commercial and non Residential Buildings						
Commercial	56	$55	796	$8,751	49	$101
Education	28	$12	342	$1,282	20	$31
Health	7	$12	56	$969	5	$6
Industrial	5	$687	155	$3,070	1	$0
Multi-category	1	$26	269	$16,074	1	$11
Sport	8	$2	209	$1,206	8	$2
Total	105	$794	1827	$31,352	84	$152
Infrastructure						
Civil	29	$65	1265	$43,929	31	$31
Heavy Industry/Energy	2	$20	42	$2,563	4	$21
Total	31	$85	1307	$46,492	35	$52
Grand Total	**518**	**$1,677**	**7017**	**$132,933**	**513**	**$937**

Note - in cases where there is a dash or $0 that is because there were no projects fitting the criteria or the value is under $1m

Auckland's place in New Zealand's pipeline





Whats in the news

Gregor Paul from the NZ Herald recently shared his thoughts on Auckland's stadium debate.

Aucklanders will learn next week whether the city will build a new downtown, waterfront stadium, revamp Eden Park or possibly do nothing at all to its existing infrastructure and muddle along with its current handful of not fit-for-purpose venues.

A process that began last September when Mayor Wayne Brown set up a working group to resolve what a multi-purpose "Main Stadium" should look like, is expected to conclude on May 30, when Auckland councillors vote.

Paul felt the media are seemingly half in the know about the outcome and yet the bidders are only half in the know about the actual process, that has turned Auckland's attempts to ratify a long term stadium strategy into a PR spin war where influence is won through the power of social connection, storytelling and the cult of personality.

No one the Herald has spoken to believes the process has met internationally recognised best-practice standards for civic authorities to follow when they set out to build major stadium projects.

None of the proposals have been required to produce drill-deep figures to support their ballpark construction costs. They are presenting approximations.

Paul felt that nine months after Wayne Brown set out on the journey for solutions to a problem that has been almost 20 years in the making, no one can be sure the city will get a stadium that best delivers its long term needs or one that reflects which bid group was able to best manipulate the process.

Featured Sector
Education

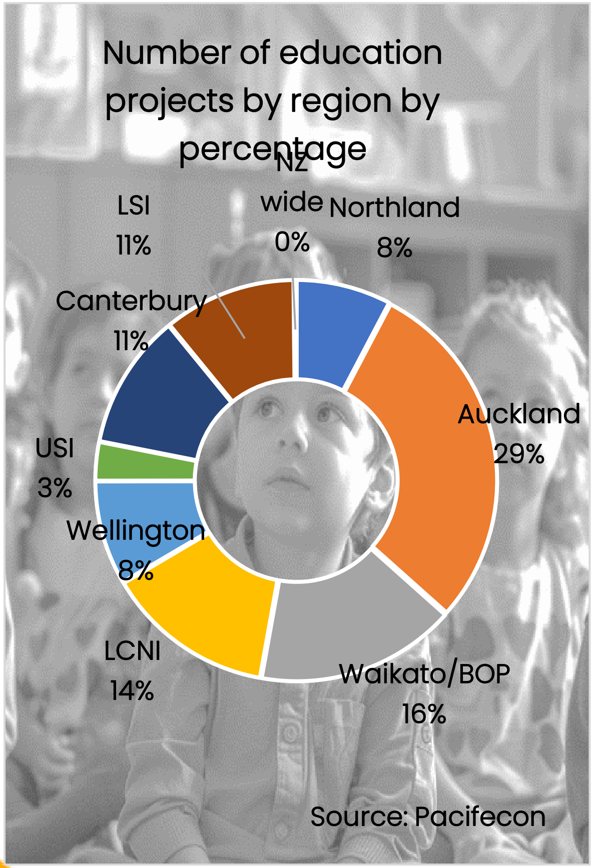
The education sector

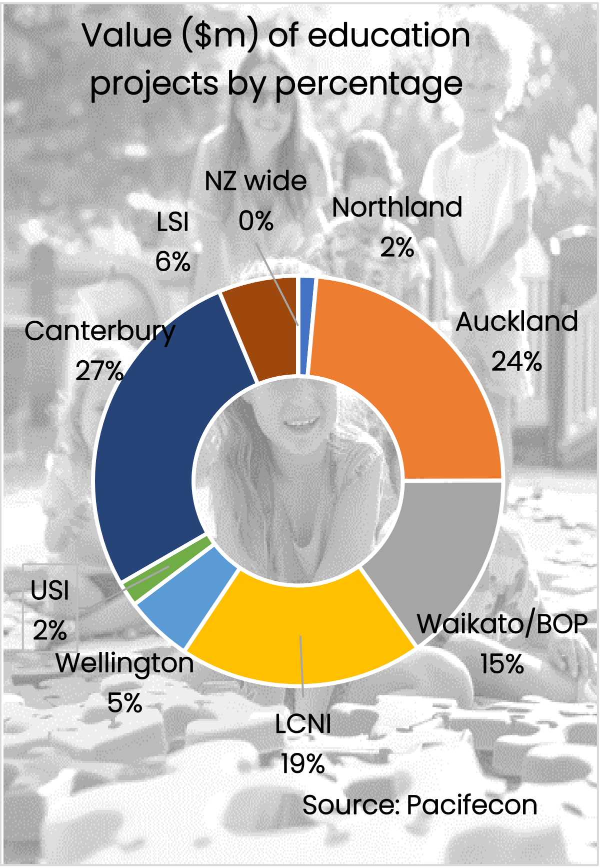
The childcare sector consists of childcare centres, primary and secondary schools, and tertiary education.

Of the 20,650 New Zealand projects currently in the pipeline (early planning, in planning, and tendering stages)

1,183 (6%) are for educational buildings. These projects have a combined value of $4,838m (1%) of all New Zealand planned projects.

Auckland has 29% of the number and 24% of the value of all education projects in New Zealand.





High value education projects currently in the pipeline for Auckland are:

- R7482 $100m Paerata, a new Wesley College campus within the grounds of the Paerata Rise development.
- W2948 $40m Western Springs, two new gymnasiums and 17 roll growth classrooms at Western Springs College
- AC9284 $30m Helensville, 16 new teaching spaces including technology and arts centres, and refurbishment of existing buildings, were put on hold just a week before works were planned to start
- AD6351 $25m Pakuranga, two new large teaching blocks for Years 12 and 13 are expected to start construction in 2025

Some of the high value education projects that started in 2023/early 2024 include:

- AF6111 $25m Northcote, a teaching block with 30 classrooms.
- AM4548 $21m Wesley, redevelopment works to enable co-location of Central Auckland Specialist School at the Wesley Intermediate site.
- AO2702 $18m Remuera, a new gymnasium with café at Baradene College
- AR2428 $16m Epsom, new chapel and community building on Dilworth Senior Campus.

The education sector – featured project

SCHOOL NEW BUILDINGS		**NORTHCOTE COLLEGE - STAGE 3 CLASSROOMS**	
Stage:	Construction Phase	Update:	10
Est.Start Date:	Apr-Jun 2023	Project ID:	AF6111
Our Estimate:	$25,000,000	Date:	15/05/2024
Location:	Kauri Glen Road Northcote, Auckland		

Specification:

- New build.
- Stage 3 teaching block of 30 classrooms.
- New block will stand where the old LSC, M block & G block were.

Description:

- Demolition works commenced, contract awarded and main works to follow on, for new classrooms for Stage 3 of long-term redevelopment & roll growth.
- (DIS60413364) Discharge Consent lodged Dec 2022 for proposed new technology block at Northcote College resulting in an increase in impervious surfaces in a SMA (Flow 1).
- Demolition of 3 rooms of G block, the learning support, M block (maths), & T block (food, hospitality, fabric & design technology).
- Construction to be staged over 15-20 years.
- (Takapuna BCO10358378) Building Consent issued late Feb 2023 for separable portion 2 earthworks, piles, palisades, retaining wall, building piles to underside of pile cap & public sewer diversion to enable construction, 3500 SM ($5mill).
- Civil works expected to commence 1st qtr. 2023.
- Main construction may commence Oct 2023.
- Stage 2 Block A AK9688; Stage 4 Gym & Future Stages AO1750.
- Subcontractor added: doors & windows.
- ***Engineer added***

Developer	Ministry of Education (AKL) Private Bag 92644, Symonds Street, Auckland, 1150, Phone 09 632 9400, Fax 09 632 9401

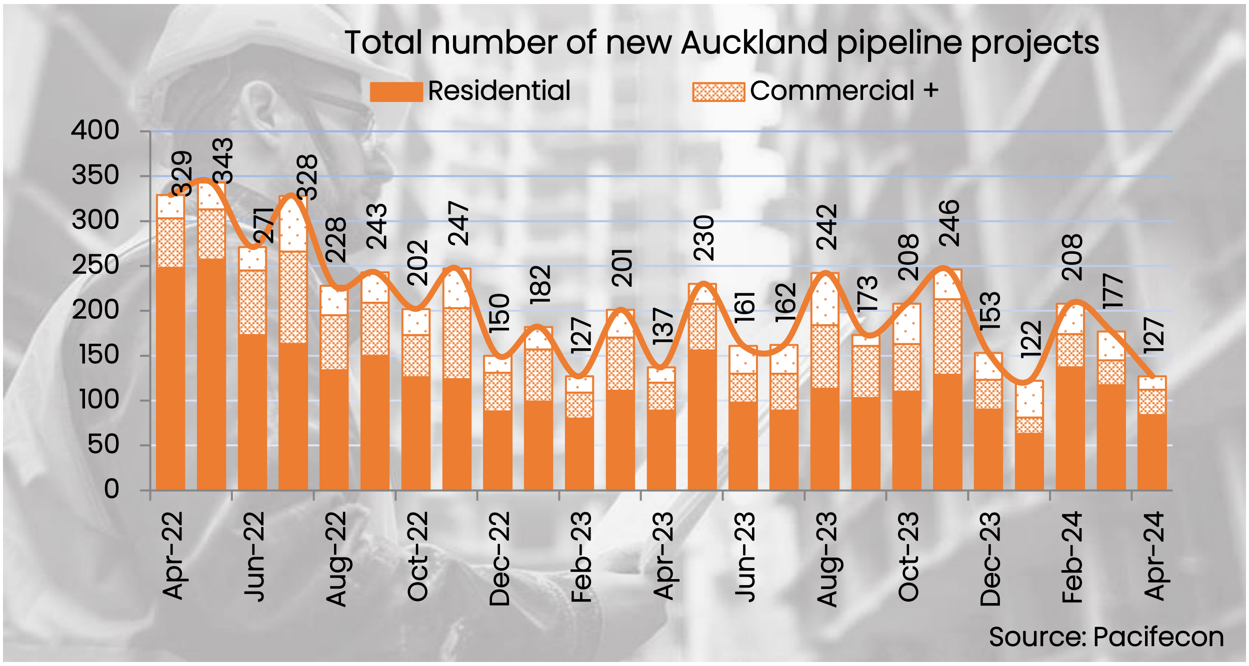
Other contacts listed include:

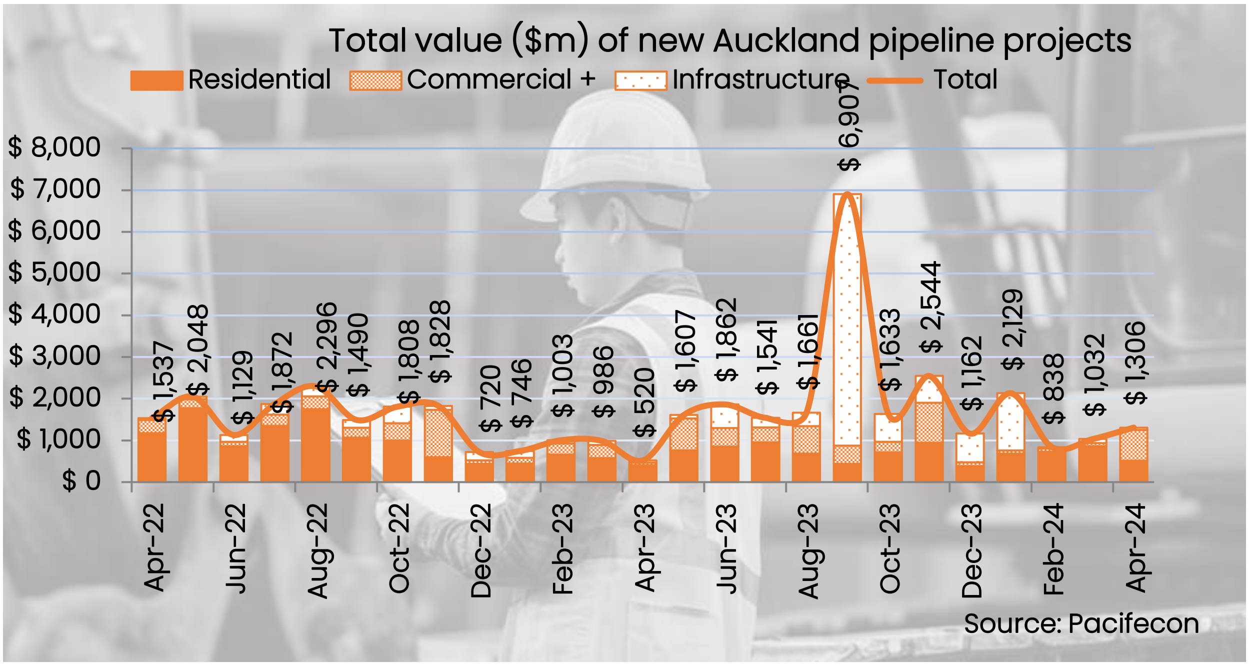
2 further developers, the project manager, architect and master-planner, 3 consulting engineers, the building services engineer, builder and a subcontractor (doors and windows)


Auckland projects

New projects entering the pipeline

Projects entering the pipeline at early planning, in planning and tendering stages.





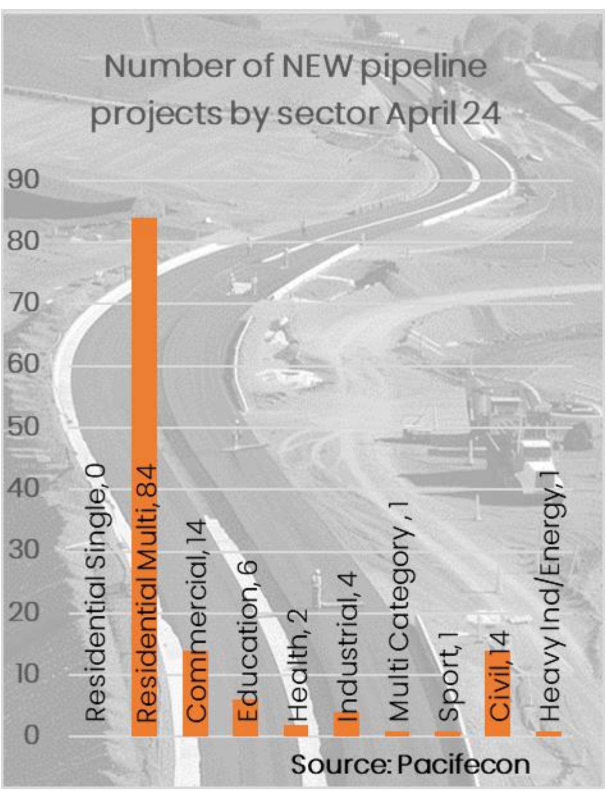
127 new pipeline projects in April, total value $1,305m.

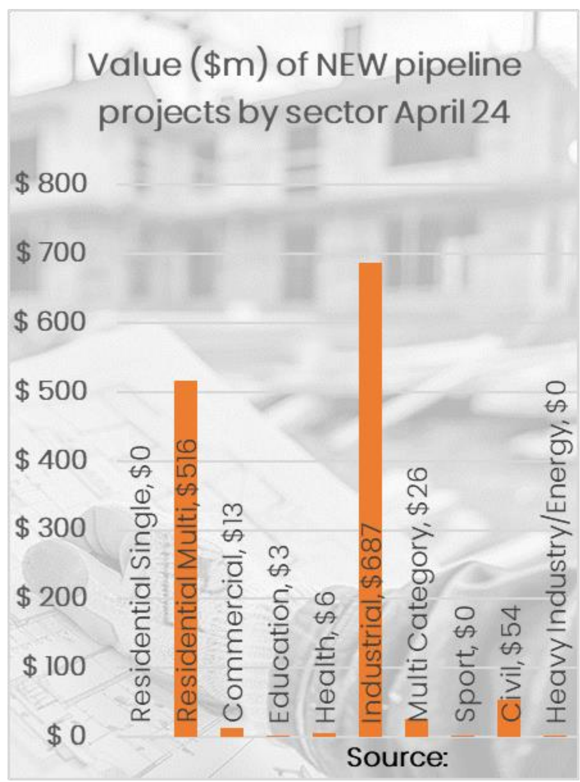
Compared to March: 50 (-28%) fewer projects and $274m (+275%) more value.

Compared to April 23: 10 (-7%) fewer projects and $786m (+151%) more value.

Explanation of the peaks in value over time

The high value in September 2023, was due to AQ6024 $6b Auckland, new railway line from Avondale to Southdown.





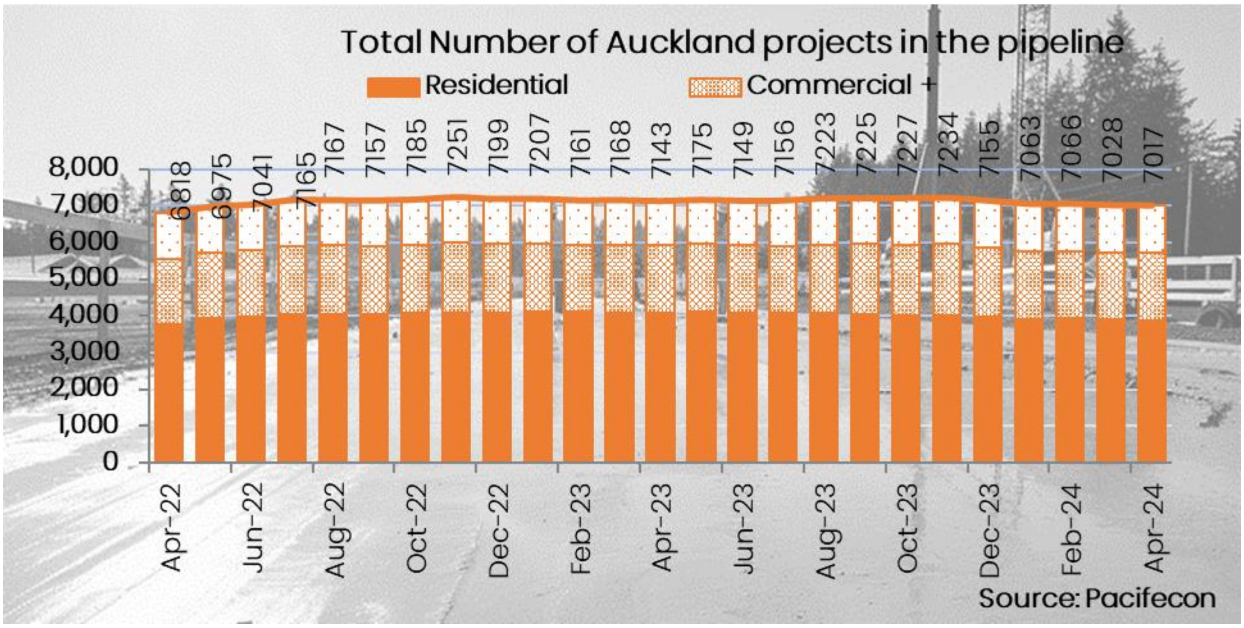
High value projects entering the pipeline this month included

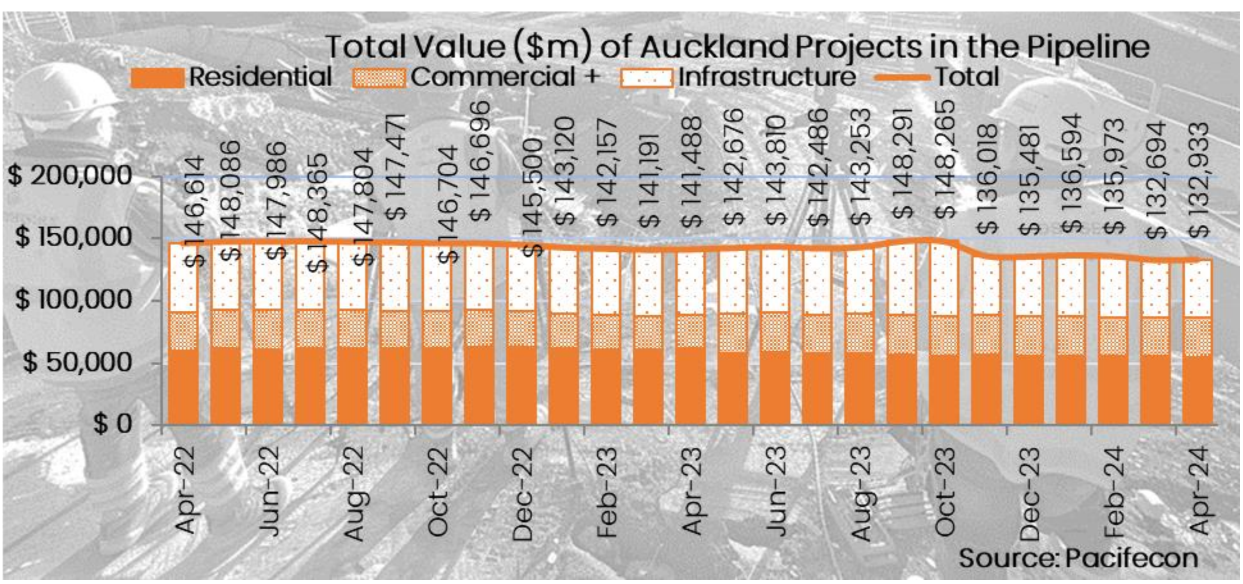
AR7833 $680m Dairy Flat, a new 10MW data centre.

AR9067 $180K Remuera, a residential development that will contain 4-5 apartment buildings, duplexes, terraced and detached houses

The pipeline

Projects in the early planning, in planning and tendering stages.

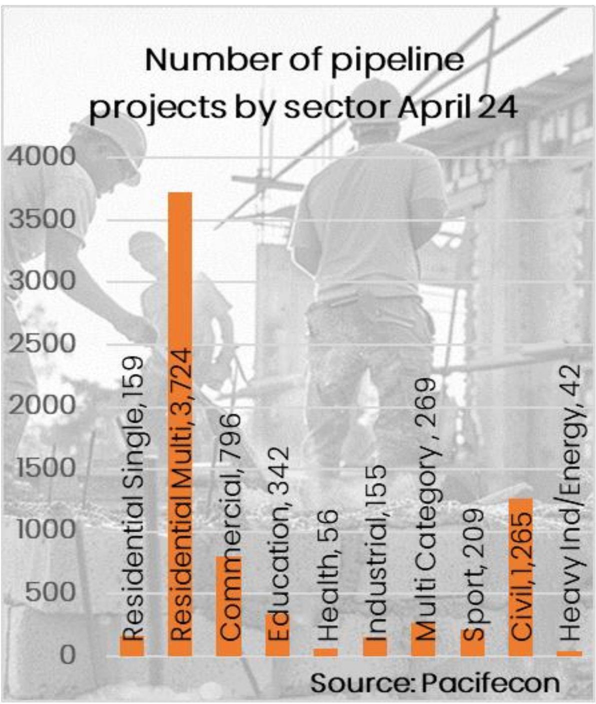




In April there were 7,017 projects in the pipeline at a value of $132,933m.

Compared to March: 11 (-0%) fewer projects and $239m (+0%) more value.

Compared to April 23: 126 (-2%) fewer projects and $8,555m (-6%) less value.



The latest building consent numbers from Statistics New Zealand

In the year ended March 2024, the actual number of new dwellings consented was 35,236, down 25 percent from the year ended March 2023.

In March 2024, there were 2,931 new dwellings consented, comprising:

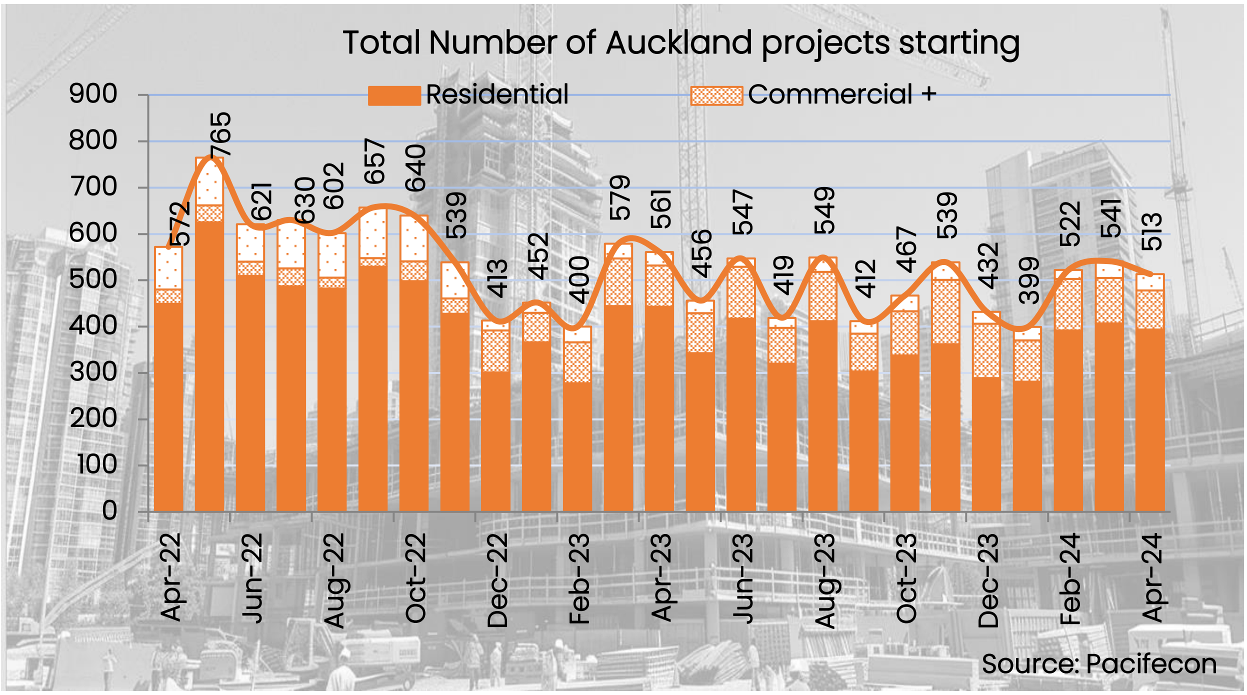
- *1,297 townhouses, flats, and units*
- *1,251 stand-alone houses*
- *224 apartments*
- *159 retirement village units.*

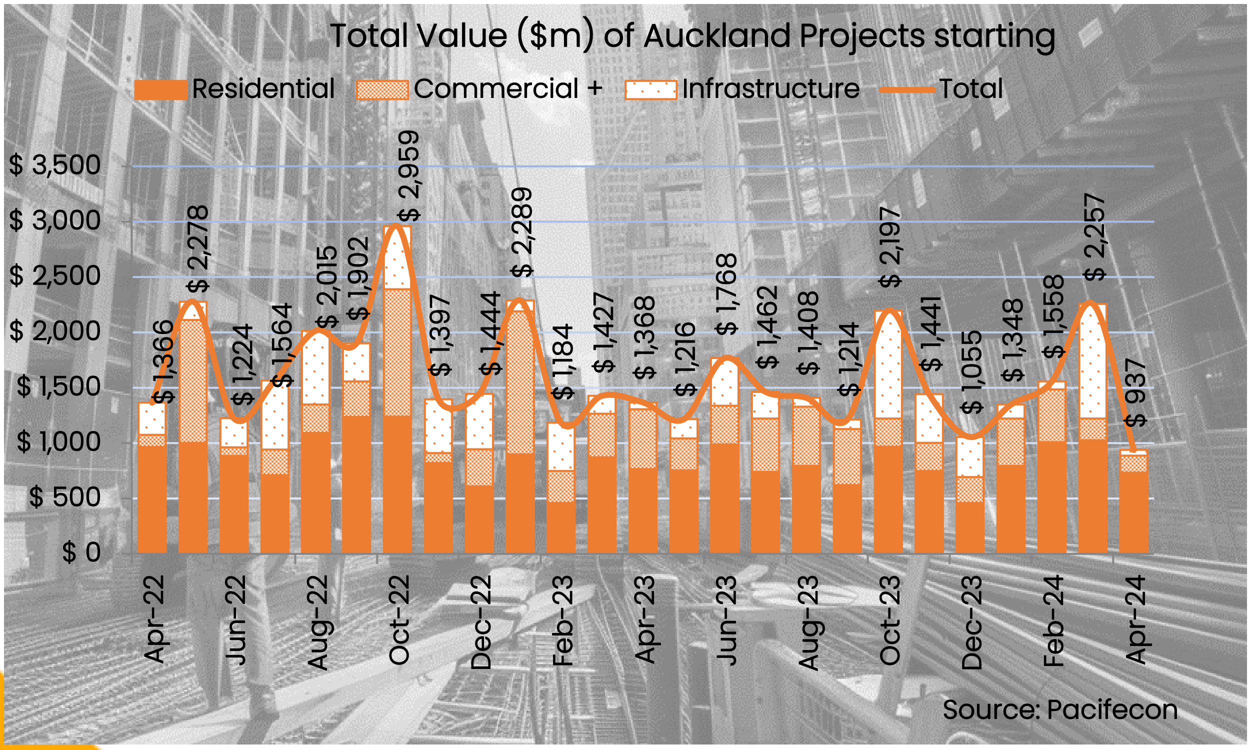
In the year ended March 2024, the non-residential building types with the highest values were::

- *offices, administration, and public transport buildings at $1.6 billion (down 3.4 percent)*
- *hospitals, nursing homes, and health buildings at $1.6 billion (up 15 percent)*
- *storage buildings at $1.4 billion (down 5.9 percent).*

Construction starting

Projects starting, or under contract and likely to start within the next 0-9 months, stage Construction Phase.

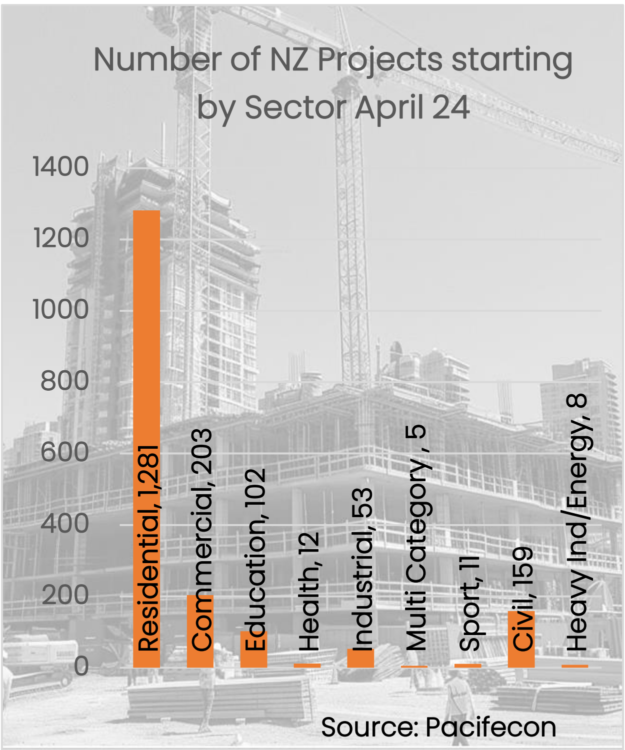




In April there were 513 projects starting at a value of $937m.

Compared to March: 28 (-5%) fewer projects and $1,319m (-58%) less value.

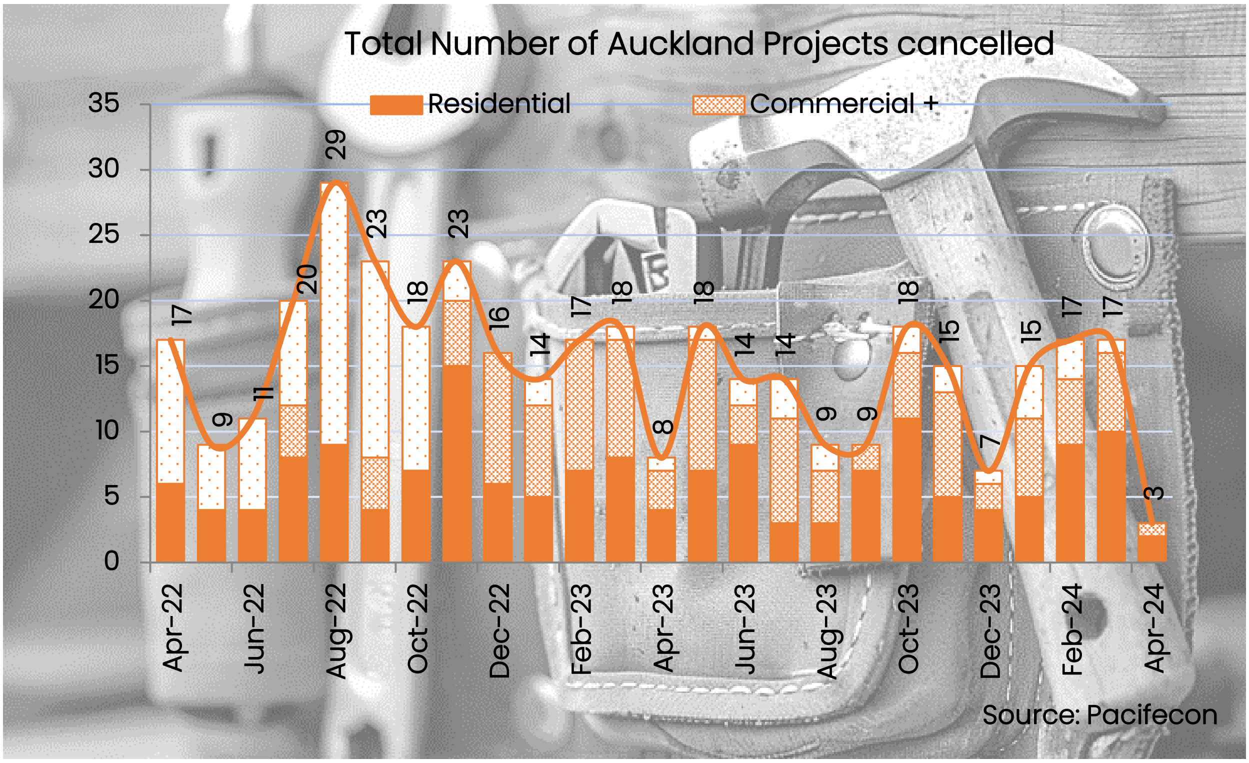
Compared to April 23: 48 (-9%) fewer projects and $430m (-31%) less value.

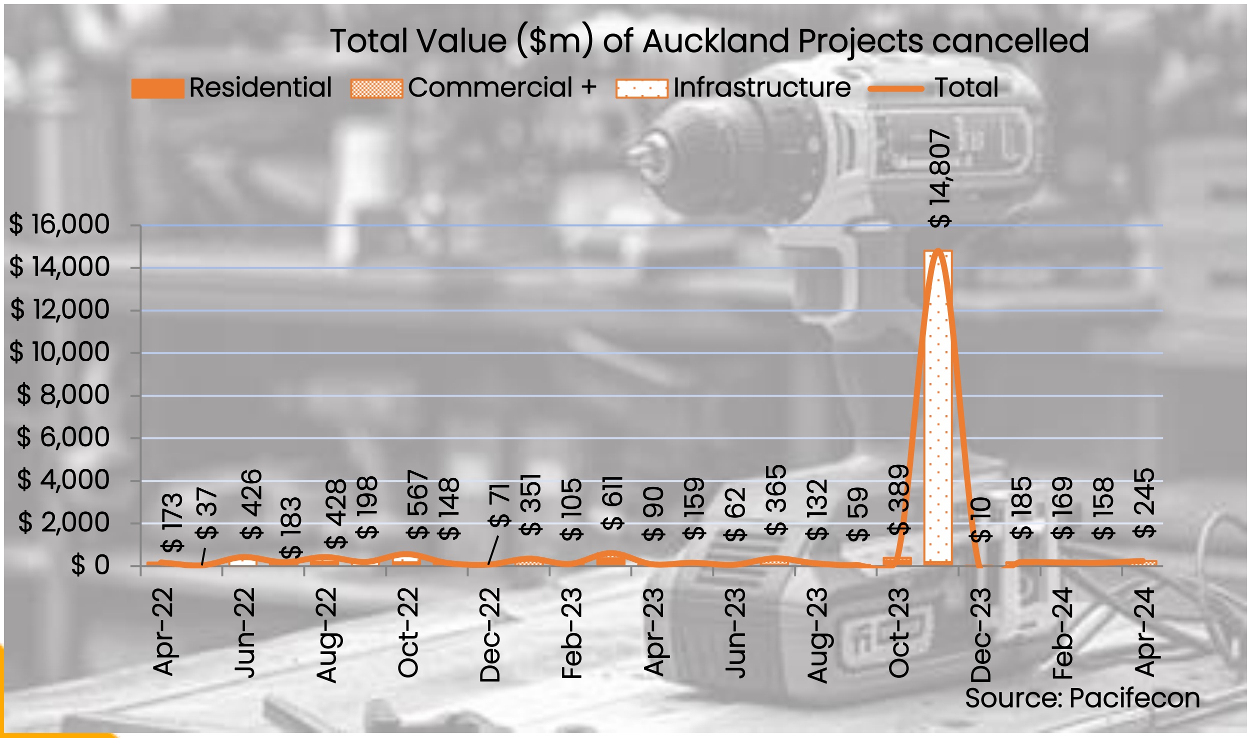


High value projects that started this month

- AR6804 $56m Drury East, 102 terraced and standalone houses
- AF5279 $42m Auckland central, fitout of a hotel with 231 rooms (including 2 suites), 400 SM of event and meeting space, a fitness centre, an all day dining restaurant and bar.

Projects cancelled





In April, there were 3 cancellations, total value $245m.

Compared to March: 14 (-82%) fewer projects and $87m (-55%) less value.

Compared to April 23: 5 (-63%) fewer projects and $155m (+172%) more value.

Explanation of the peaks in value over time

The high value in November 2023 was due to R1009 the $14,600m light rail project.

Highest value projects that will not proceed this month

- J3625 $240m Auckland, plans for 5 x 5 storey beachfront buildings, containing 186 apartments, retail, cafe and a hotel have been cancelled as the developer has now decided to retire.

About Pacifecon

Our reporting

By building relationships across every facet of the construction industry, we have collated a database of construction projects and building consents online which can be used for CRM integration, market analysis, and marketing.

We also supply a range of market reports providing insights into what's happening in the industry. Our most popular reports include:

Market Watch

Pacifecon's Market Watch provides you monthly analysis focusing on newly reported projects, progression of existing projects, construction starting and cancellations across key sectors: Commercial, Residential and Infrastructure, for New Zealand's regions and the Pacific Islands

Market Watch overviews a different construction feature each month. Including: Residential, Non-residential, Infrastructure, Retirement Villages, Industrial buildings, Education buildings and more.

We also produce a monthly Market Watch focused on the Auckland market, separating the Residential sector into multi-residential and individual homes, and annual Market Watches for specific regions. Currently available are the South Island Market Watch and Waikato/Bay of Plenty Market Watch

Top Residential Builder

Available biannually, the top residential report helps you to identify key builders in the Residential Sector, who is building multi-unit developments, and who is doing the most work in each region.

Reports cover a 12-month period and are based on all building companies involved in residential projects.

11 Regional editions are available as well as our Nationwide edition.

Each report includes a Residential Builders Directory, builders with the highest total value of residential projects,

total number of residential projects, average value of residential projects and number of residential homes.

Building Sector

Pacifecon's Market Watch provides you monthly analysis focusing on This report indicates trends and performance in New Zealand's Commercial and Residential building sectors summarising activity each quarter. It covers work in the pipeline from early concept and planning stages through to tendering and work starting for the different segments within New Zealand Buildings.

Newsbites

A free report that collates news items related to the construction industry.

Want to find out more? Contact us on projects@pacifecon.nz

Notes about the data

This report is based on projects known to Pacifecon and other publicly available information. All projects are continually reviewed and updated, changes to $value of projects within the pipeline are reflected in the figures.

Trend lines are shown as dotted lines; they are included to demonstrate the general direction the sector or region appears to be heading.

For graphs including past $$, all $$ are in $ of the day, no adjustments have been made for inflation.

Residential: Apartments/Townhouses/Terraces/Units, Detached/Stand-alone Houses, Retirement Villages

Commercial+: Non-residential buildings: Commercial, Education, Health, Industrial, Multi-category, Sport.

Infrastructure: Civil and Heavy Industry/Energy.

In general, we do not report Building Consents with minor alterations or new dwellings less than $200,000.

In the Pipeline: projects at any of the following stages: Early Planning, In Planning, Tendering Phase.

Projects starting or under contract and likely to start within the next 0-9 months; projects at stage Construction Phase.

Our experience is residential projects generally take 9-12 months to build, longer if run out of money or build is added to substantially. Group Home Builders may be faster 6-9 months.

Projects cancelled: our policy of trying to identify projects at the earliest possible stage may mean plans do not always proceed as expected.

With the release of local government Ten-Year Plans, Pacifecon introduced a new stage: 'Capital Intentions' to cover these more general statements of proposed forward capital expenditure. These $amounts are not included in our pipeline of forward work - they are more strategic than specific construction work, but they will be on our research radar and will be reported once projects are approved by councils.

NZ-wide: there may be work in all regions.

Lower Central North Island (LCNI): Gisborne/Hawke's Bay, Taranaki, Manawatu/Whanganui and Wairarapa.

Upper South Island (USI): Nelson/Marlborough and West Coast.

Lower South Island (LSI): Otago and Southland.

Offshore: Pacific Islands (Fiji, Tonga, Samoa, Cook Islands etc) and Other (Papua New Guinea, Dili, Timor-Leste).

Australian project coverage: In 2012 Pacifecon expanded their coverage to include Australia through a Strategic Alliance with Cordell Information.

Want to know more about construction opportunities across the Pacific?

Contact us at projects@pacifecon..nz or call us on 09 445 0345 to discuss Australian project information.