Pacifecon
Building intelligence

Market Watch

April 2024

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Introduction

Welcome to our latest edition of New Zealand 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 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 – New Zealand and offshore

	All new projects		Pipeline projects		Work starting	
Region	No.	Value ($m)	No.	Value ($m)	No.	Value ($m)
Northland	86	$175	606	$25,998	93	$119
Auckland	518	$1,677	7017	$132,933	513	$937
Waikato/BoP	268	$943	3274	$56,346	288	$416
Lower Central NI	202	$621	2844	$35,804	183	$224
Wellington	137	$664	1371	$16,191	128	$372
Upper SI	85	$177	988	$6,366	82	$88
Canterbury	568	$1,164	2466	$25,758	335	$307
Lower SI	254	$1,094	2025	$33,885	178	$479
NZ Wide	4	$3	59	$1,314	3	$101
Offshore	111	$1,488	2188	$90,254	34	$483
Totals	**2233**	**$8,006**	**22838**	**$424,820**	**1837**	**$3,528**

Source: Pacifecon

Note: a dash indicates that the figure is less than $1m

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.

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

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

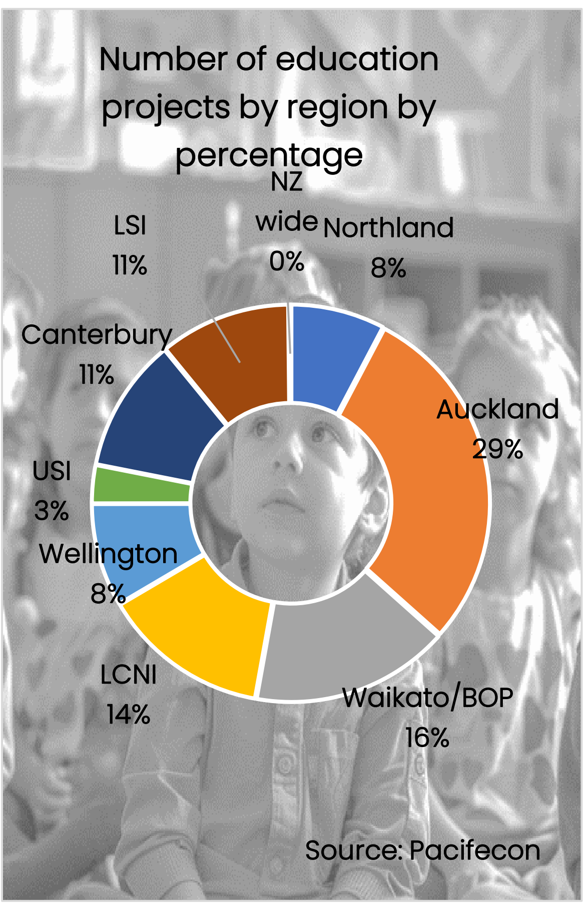
Featured Sector
Education

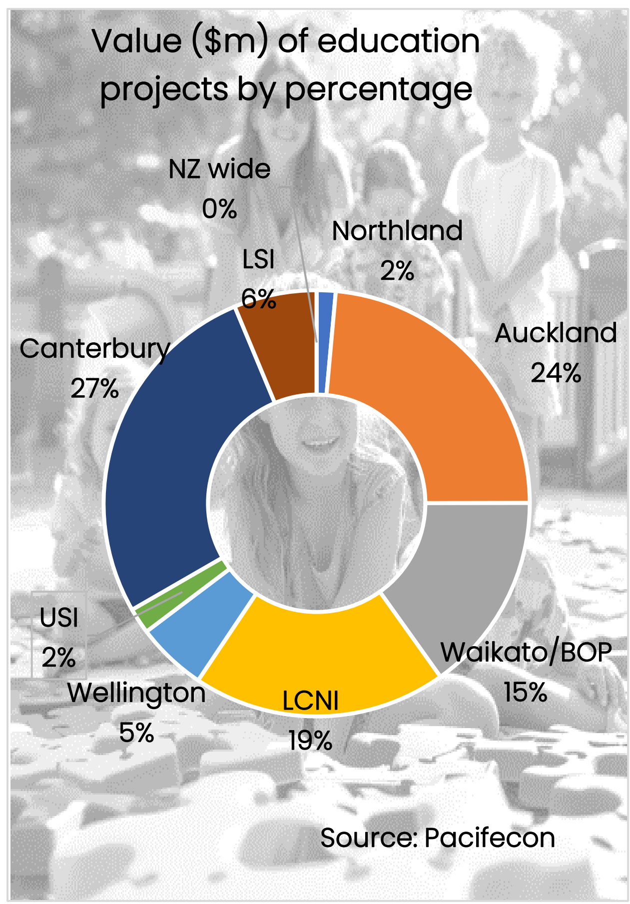
The education sector

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.





Pacifecon examples of the high value education projects currently in the pipeline for each region are:

Northland

- AQ6670 $15m Whangarei – new classrooms and other works have been put on hold by the Ministry of Education due to rising costs

Auckland

- W2948 $40m Western Springs, two new gymnasiums and 17 roll growth classrooms at Western Springs College
- AH8706 $30m Hingaia South, 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

Waikato/Bay of Plenty

- L8235 $150m Hamilton, a home for the Waikato Innovation Park and Agricultural Research Centre in the Ruakura Commercial & Transport Hub
- AE5986 $60m Tauranga, two primary schools and a secondary school
- L6172 $50m Tauranga, redevelopment of Otumoetai College may include refurbishment and the build of two new three storey blocks.
- X0361 $50m Tauranga, a new marine research and education institute

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

- AF8528 $23m New Plymouth – infrastructure renewal and a new block for general and specialist teaching spaces
- AH6271 $20m Napier, rebuild of hostel accommodation damaged by flooding from Cyclone Gabrielle in February 2023.
- AC8212 $19m Taihape, a rebuild of school buildings due to extensive weathertightness issues.

Wellington

- AF4866 $32m Lower Hutt, upgrade of the buildings at Taita College
- AI2914 $30m Lower Hutt, replacement of 26 classrooms due to black mould
- AN1397 $30m Porirua, in very early planning for a new school

Upper South Island (Nelson/Marlborough and West Coast)

- AD9765 $21m Nelson, new residential units, an administration block, multi-purpose hall, dining facilities, kitchen and a new day school
- AR8942 $15m Nelson, new roll growth classrooms at Nayland College.
- AR5600 $ 10m Blenheim, refurbishment and upgrades at Marlborough Boys College.

Canterbury

- AO1507 $116m Christchurch, replacement of the Putaiao Koiora Building at Canterbury University
- AP9849 $53m Leeston, funding is yet to be confirmed for the future stages of the Ellesmere College rebuild
- AS0794 $50m Christchurch, a 272-unit student accommodation facility.

Lower South Island (Otago and Southland)

- AD4064 $17m Queenstown, a new primary school in the Wakatipu Basin with space for 400 students.
- AC4653 $15m Gore, redevelopment of Gore High School and Longford Intermediate following their recent merger

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

- W6110 $153m Christchurch, construction has started on the Otago School of Medicine in Christchurch Campus redevelopment project.
- AD9441 $52m Rolleston, a second campus for Rolleston College able to accommodate 1,200 students and a master planned roll of 2,200 students.
- AI5358 $ 47m Porirua, refurbishment and replacement of buildings at Mana College

The education sector – featured project

CLINICAL RESEARCH & LABORATORY
OTAGO SCHOOL OF MEDICINE CHRISTCHURCH STAGE 1

Stage:	Construction Phase
Est.Start Date:	Apr 2023
Our Estimate:	$152,800,000
Update:	38
Project ID:	W6110
Date:	30/11/2023

Location:
24 Oxford Terrace Christchurch Central, Christchurch

Specification:

- Brownfield.
- Green Construction - targeting a Green Star rating.
- 16,000 SM.
- New build.
- 6 storey.
- Basic shape of the building consists of a lower ground and ground podium on which two separate towers (north and south) are supported, with a full height atrium in between.
- Link bridges between the two towers within the atrium provide access between upper floors.
- The south tower is intended to house programmes with greater resilience requirements; imaging, clinical research and laboratories.
- The north tower primarily houses workplace and a teaching and learning space for those using the facilities in the south tower.
- Functions with restrictive vibration constraints (CARA and imaging) have been located on lower ground and ground levels respectively, such that the structure naturally meets the requirement.
- Functions which need to be public facing or which are highly trafficked (imaging, clinical research, conference facilities, and teaching and learning) are located closer to the ground.

- Private or secure areas (workplace and laboratories) are located on the top floors.
- Locating the laboratories on the top floors also allows these floors to be serviced using a roof plant and on-floor riser strategy which maximises the use of laboratory space for research activities.
- Research workplace is located on L2-L5 of the north tower, and L2 of the south tower.
- Workplace will be a mix of open plan and offices, as prescribed by the University space planning guidelines.
- Each floor is supported by dedicated meeting rooms and break out areas.
- In general, breakout or collaborative working space is located close to the atrium, with meeting rooms and offices providing some acoustic or visual separation from general workplace located towards the outside edge of the north tower.
- Both towers are intended to be encapsulated by the facade, such that the atrium is an enclosed space.
- The atrium roof consists of opaque light weight cladding supported by a truss structure, with skylight to allow some natural light to penetrate from high level.
- A glass curtain wall is preferred along the prominent western and northern faces.
- The eastern face is a combination of glass and solid elements which shield the service areas and amenities from view whilst still letting light through into the atrium.
- Horizontal louvres to the northern aspect and vertical louvres to the west to mitigate glare and heat gain to interior spaces.
- The cladding for ground level of the south tower is driven by radiation requirements from the imaging department, and will be solid concrete walls.
- The facade solution for the upper levels of the south tower is a glass curtain wall on the exterior of the structure, combined with internal lining of the laboratory floors.
- This solution offers advantages with regard to quality of light, simplicity of construction (removes complex weatherproofing connections) and removal of thermal bridge.

- laboratories, Wet Labs, clean rooms, PCR Suite, Animal Research facility (large & small AHR, SPF, surgeries, CSSD), shared imaging facility (X Ray, PET/CT, CT & MRI) Pathology/Radiological Museum, teaching area, public shared facilities, admin and support area, BoH ancillary areas.
- Basement.
- Plant and equipment.
- Data Centre.
- Food outlet.
- Stage 1 of 2 - Raft slab foundation including waterproofing membrane and sumps only.
- Lot 3 DP 54010, Lot 2 DP 54010, Lot 2 DP 9549, Lot 3 DP 9549.

Description:

- (TR2020-23) Work commenced for Otago School of Medicine in Christchurch Campus redevelopment project.
- Early enabling works underway.
- Anticipate excavation of the basement to be completed Jun 2023; main construction works will then commence.
- Funding granted.
- The Main Contractor will be responsible for delivery of the main building works package, and is expected to have experience in delivery of large scale complex projects.
- Resource Consent granted.
- Project Timeline: Enabling Works Dec 2021 - Apr 2023.
- Contract award was due Sep 2022; Construction commences Apr 2023; Construction completion Dec 2025; Soft landings and fine tuning completed Dec 2027.
- (CRRF) Shovel Ready application declined.
- UoO is focused on a green star rating.
- The Oxford building is intended to house research, clinical research and laboratory functions, as well as strategic partners: Pacific Radiology Group, New Zealand Brain Research Institute and Upstream Technologies.
- The new Health Care research and learning facility located on 24 Oxford Terrace will primarily house laboratory and research space for use by students, researchers, clinicians and staff.
- The Oxford Terrace new build will form the first phase of the project.

- (Christchurch BCN/2021/5450) Building Consent issued May 2022 for installation of secant pile retaining wall and its temporary bracing for basement excavation for University of Otago Christchurch Campus redevelopment ($4.7mill).
- (Christchurch BCN/2022/1667) Building Consent issued May 2023 for construction of University of Otago Campus building - Stage 1 of 2 ($127.2mill).
- ***(Christchurch BCN/2023/6220) Building Consent issued Nov 2023 for Stage 2 of 3 – completion of building except lifts ($127mill).***
- For overall project AA3170; market briefing AF8283; structural peer review AF9187.
- Fire Force - Fire Peer Review.
- Subcontractor added: facade.

Developer University of Otago (DND), PO Box 56, Dunedin 9054, Phone 03 479 1100, Fax 03 479, Email university@otago.ac.nz

Other contacts listed include:

A project manager, 3 architects, 4 consulting engineers, and an acoustic engineer, a civil engineer, an electrical engineer, a fire engineer, a geotech engineer, a hydraulic engineer, a mechanical engineer, a structural engineer, hydrogeologist services, design review consultant, façade design consultant, resource management consultant, quantity surveyor, builder and early enabling contractor

New Zealand projects

Executive summary for New Zealand

New projects (all stages)

In April, there were 2,122 new projects reported with a value of $6,518m. The value increased by 8% when compared to the previous month.

Pacifecon reported 24,446 new projects at a value of $70b in the 12 months to the end of April. Over that same time period, the average number of New Zealand new projects reported per month was 2,037 at a value of $5,797m..

New projects to the pipeline (early planning, in planning and tendering)

714 new projects entered the pipeline this month with a value of $6,813m.

Over the last 12 months the average number of New Zealand new projects reported to the planned pipeline was 6926 with a value of $4,629m.

In the pipeline – early planning, in planning, tendering stages

At the end of March this year 20,650 projects were held in the New Zealand pipeline at a value of $335b.

Projects starting (construction stage)

In April 1,803 projects started, with total value of $3,045m.

Pacifecon reported 22,474 projects as starting at a value of $45b in the 12 months to the end of April. Over the last 12 months the average number of New Zealand projects starting per month was 1,873 with a value of $3,780m.

Whats in the news

Kelly Makiha from the NZ Herald recently shared her thoughts on how Rotorua would be impacted by the recent highly critical report on Kāinga Ora.

She confirmed that at least 330 new Kāinga Ora homes will still be built in Rotorua over the next 13 months.

Rotorua MP Todd McClay said the Ministry of Housing and Urban Development had been instructed not to send people to Rotorua for emergency housing. Instead Kāinga Ora had been asked to prioritise Rotorua people, including those currently in motels, so they can be placed in Rotorua houses when they are available.

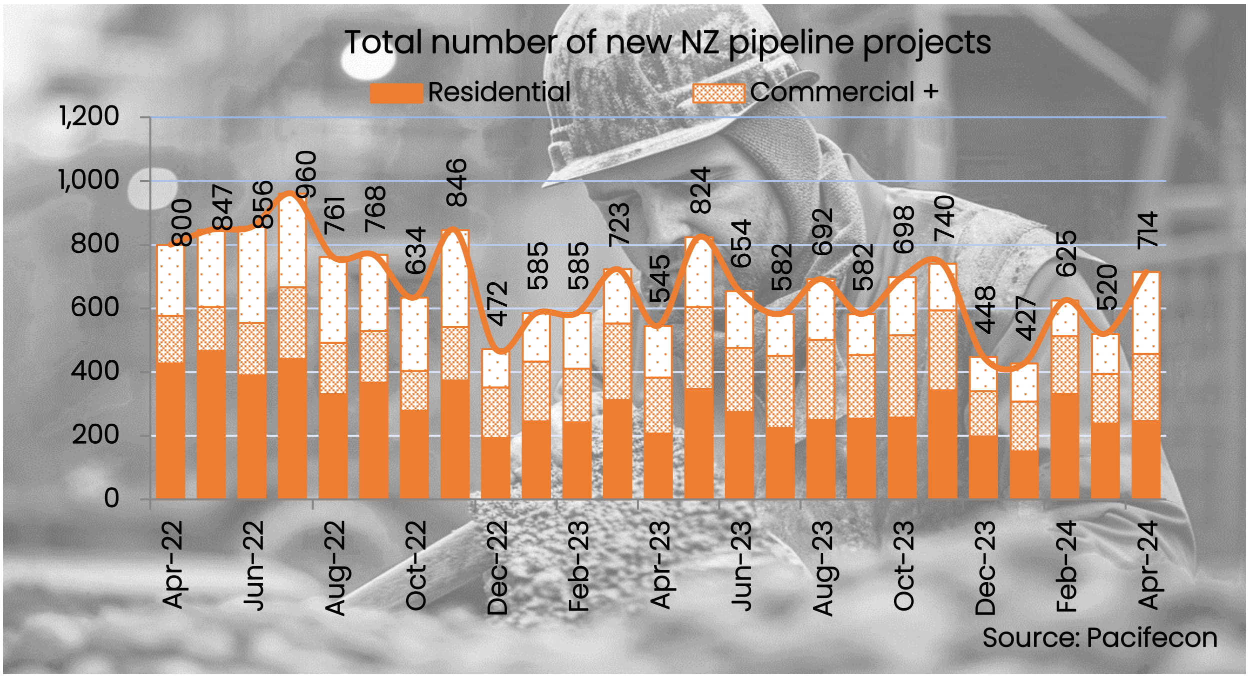
Rotorua Mayor Tania Tapsell said the recommendation to increase the local decision-making in the management and ownership of social housing was a big win and a confidence-booster for Rotorua. She also said she would like to see the Government confirm support for local builders, suppliers and contractors and for them to be used as much as possible.

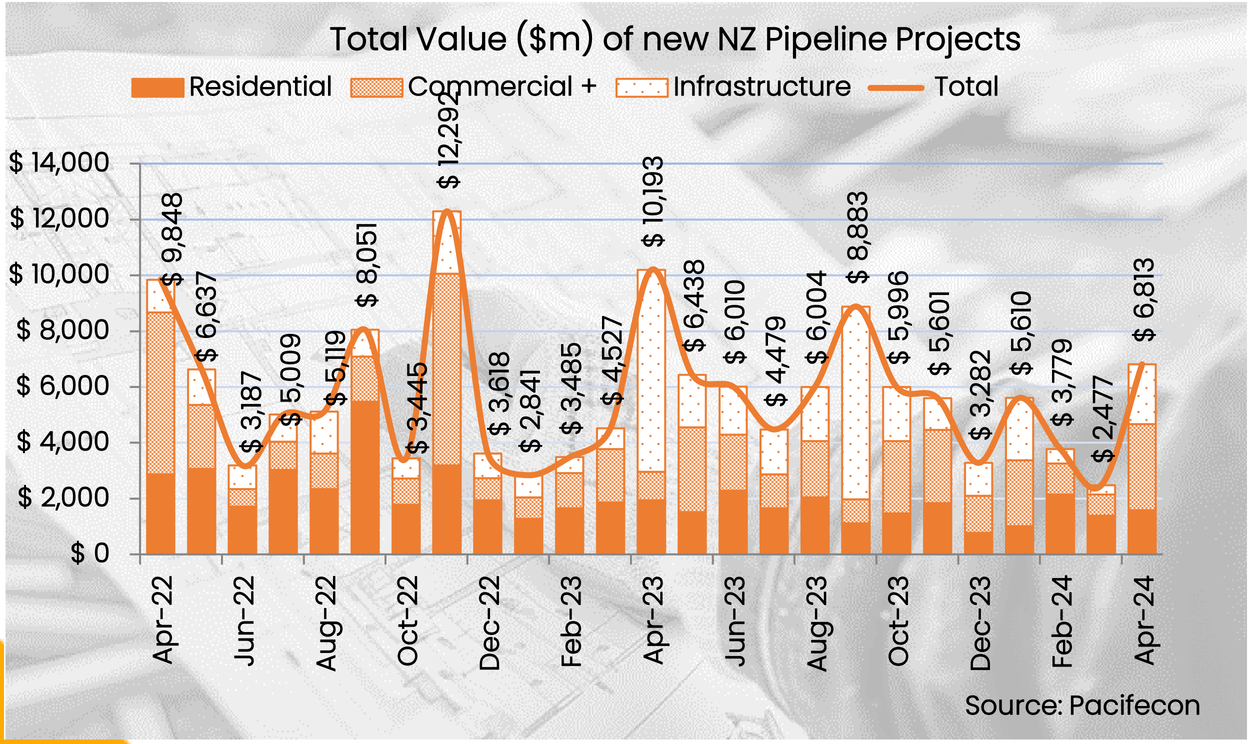
Rotorua developer Tony Bradley, who had just completed building 20 apartment-style homes for Kāinga Ora, said it was his opinion the report echoed that Kāinga Ora should not be doing the developments itself.

In his experience: "The timing, the price and everything takes longer when they're building their own. It's the old saying, 'stick to your knitting'."

New projects entering the pipeline

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





714 new pipeline projects in April, total value $6,813m.

Compared to March: 194 (+37%) more projects and $4,336m (+175%) more value.

Compared to April 23: 169 (+31%) more projects and $3,380m (-33%) less value.

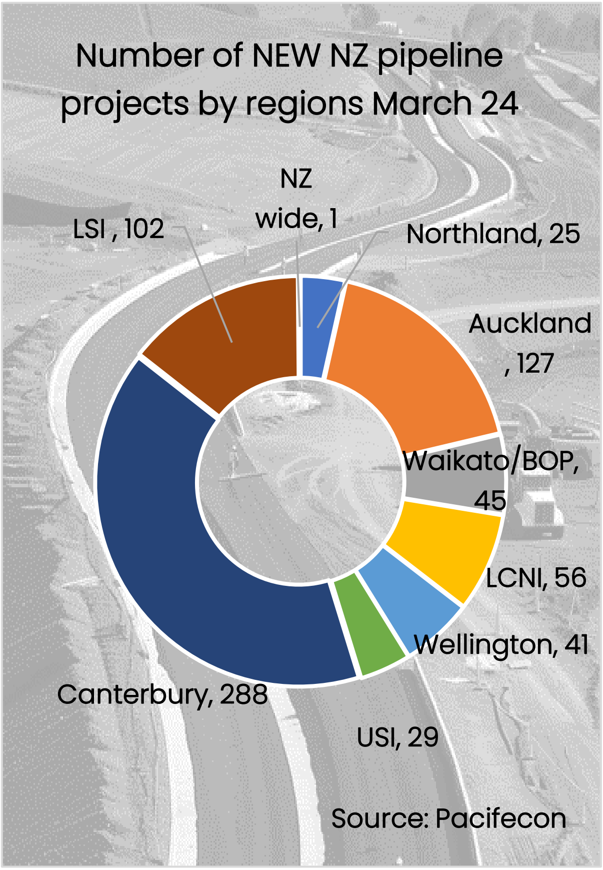
Explanation of the peaks in value over time

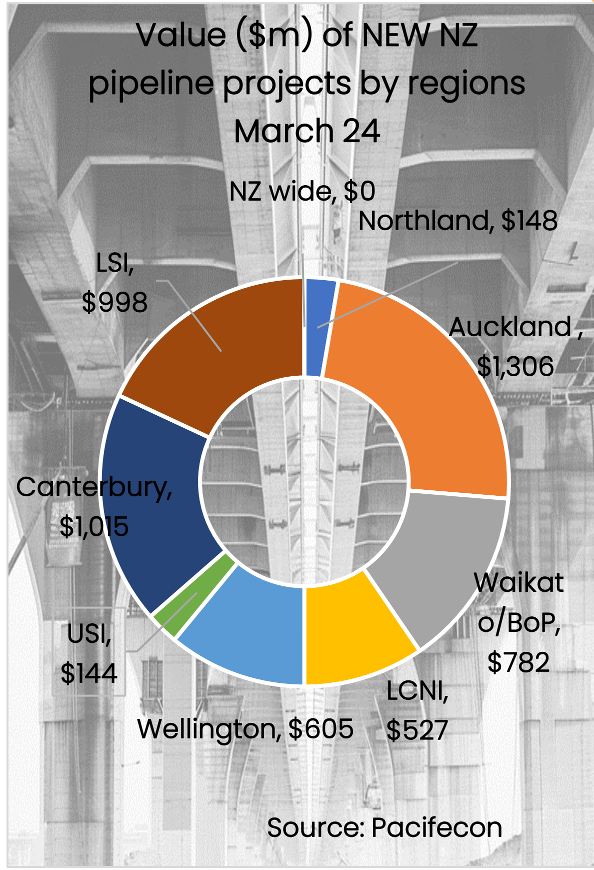
High value in April 2022 was due to AM1450 $5b Taranaki, with preliminary investigations underway to establish the feasibility of developing a wind farm in the South Taranaki Bight; AM4028 $380m NZ wide, development of a series of solar generation projects nationwide. Plus other high value residential and mixed-use projects.

High value in November 2022 was due to AO2761 $6b Waikato, an offshore windfarm with turbines fixed to the sea floor, AO3516 $372m Waipukurau, a new residential precinct with up to 950 homes and AO4041 $300m Wellington, 850 homes in the Trentham Racecourse housing development.

High value in April 2023 was due to AP2834 $6b Southland, an offshore windfarm, AP4198 $845m Waikato, up to 1300 homes in the Tuumata phase of the Ruakura Live Precinct and AP4071 $240m Waikato, a solar farm that has since been cancelled.

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



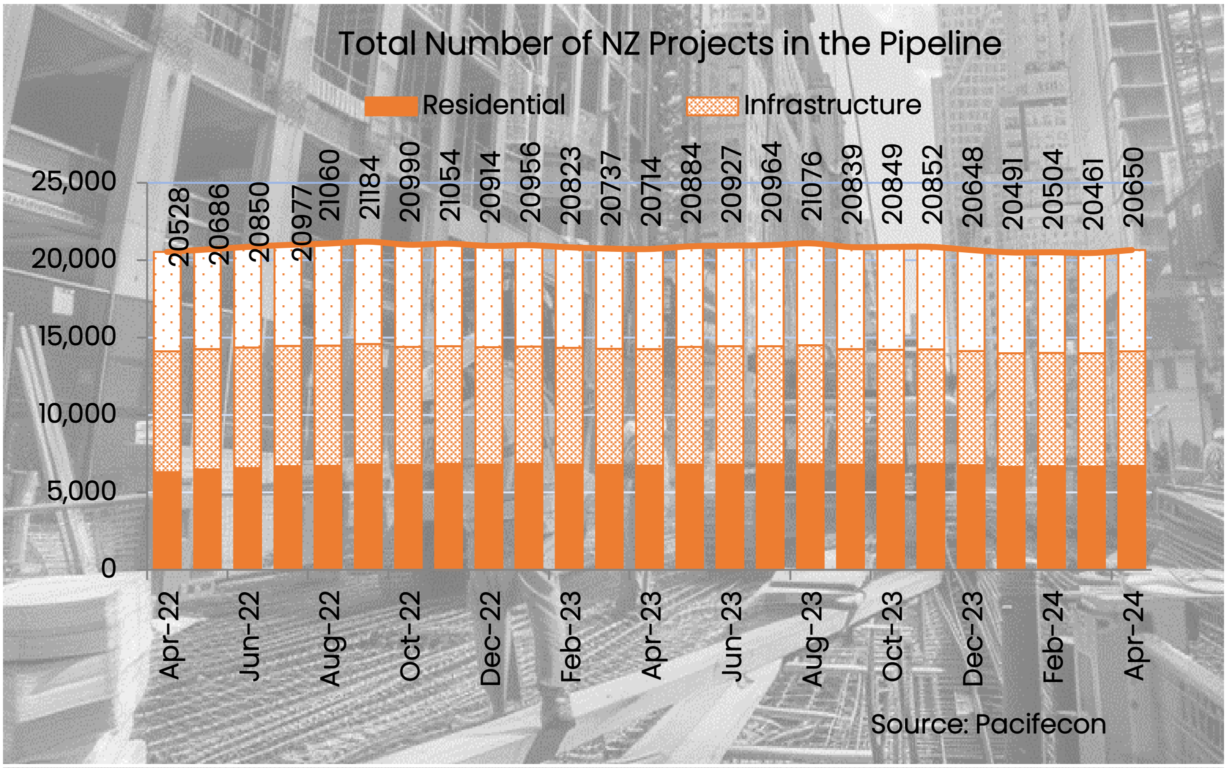


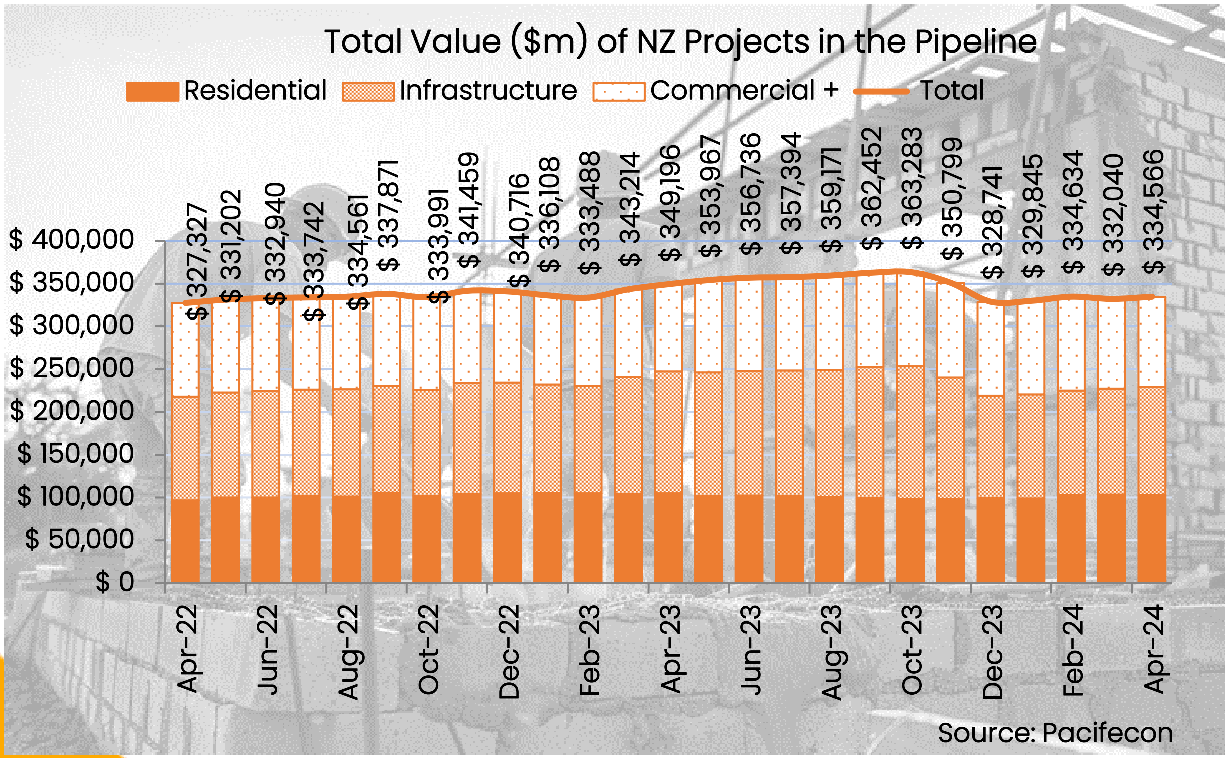
High value projects entering the pipeline this month included

- AR7833 $680m Auckland, a new 10MW data centre.
- AR8740 $300m Bay of Plenty, a low emissions fossil-free fuel plant which will produce low-impact torrefied wood pellets
- AR8501 $200K Manawatu, a battery energy storage system (BESS)
- AR9067 $180K Auckland, a residential development that will contain 4-5 apartment buildings, duplexes, terraced and detached houses

The New Zealand pipeline

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

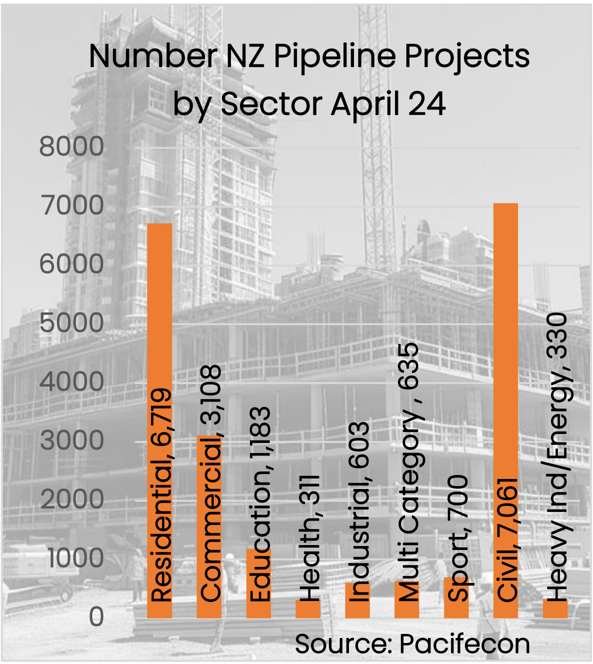


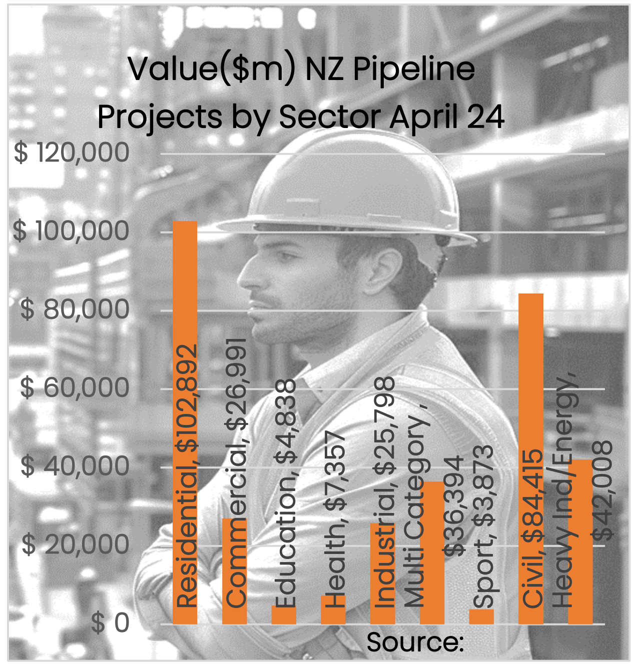


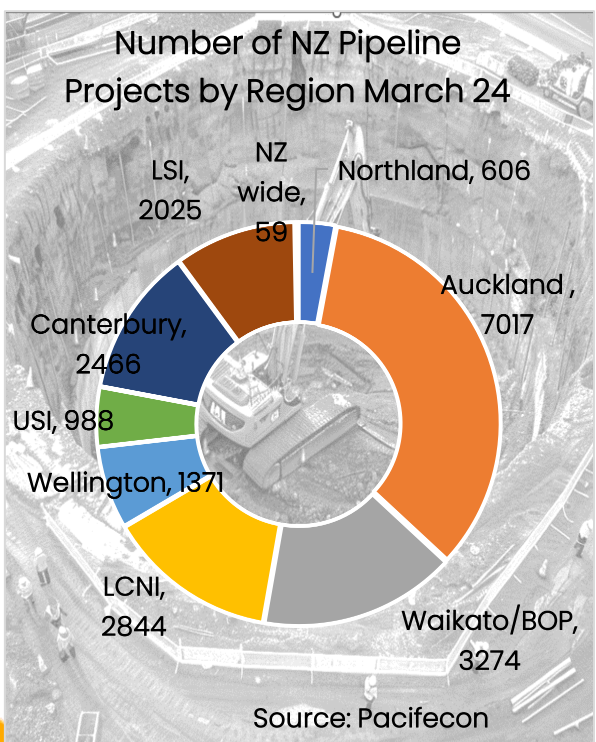
20,650 projects in the NZ pipeline at the end of April, total value $335b.

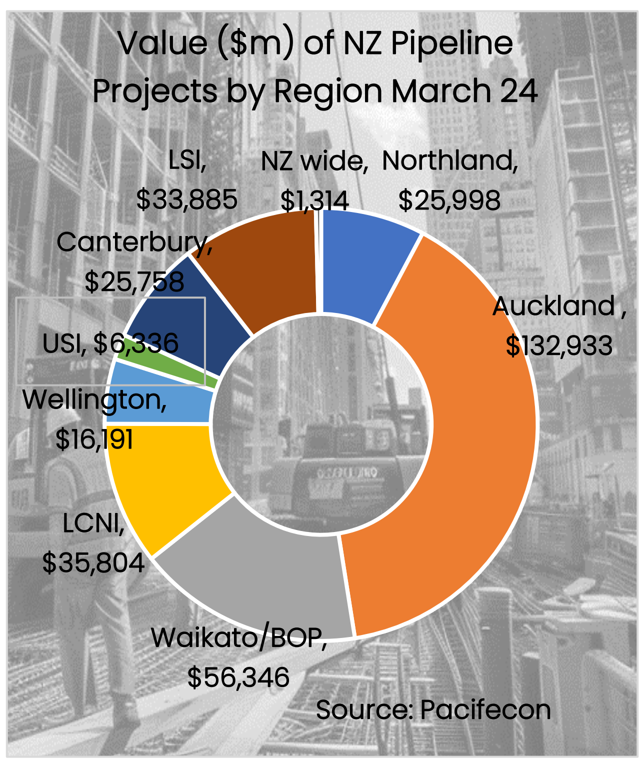
Compared to March: 189 (+1%) more projects and $2,526m (+1%) more value

Compared to April 23: 87 (-0%) fewer projects and $8,648m (-3%) 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:

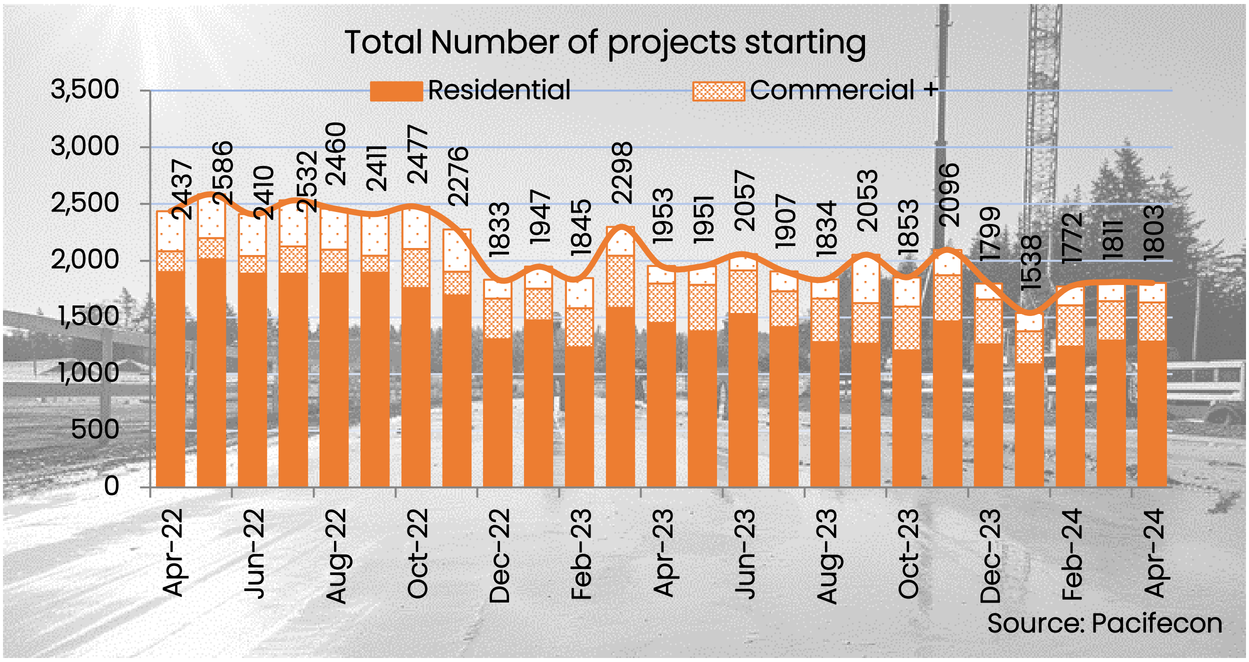
- *1,297 townhouses, flats, and units*
- *1,251 stand-alone houses*
- *224 apartments*
- *159 retirement village units.*

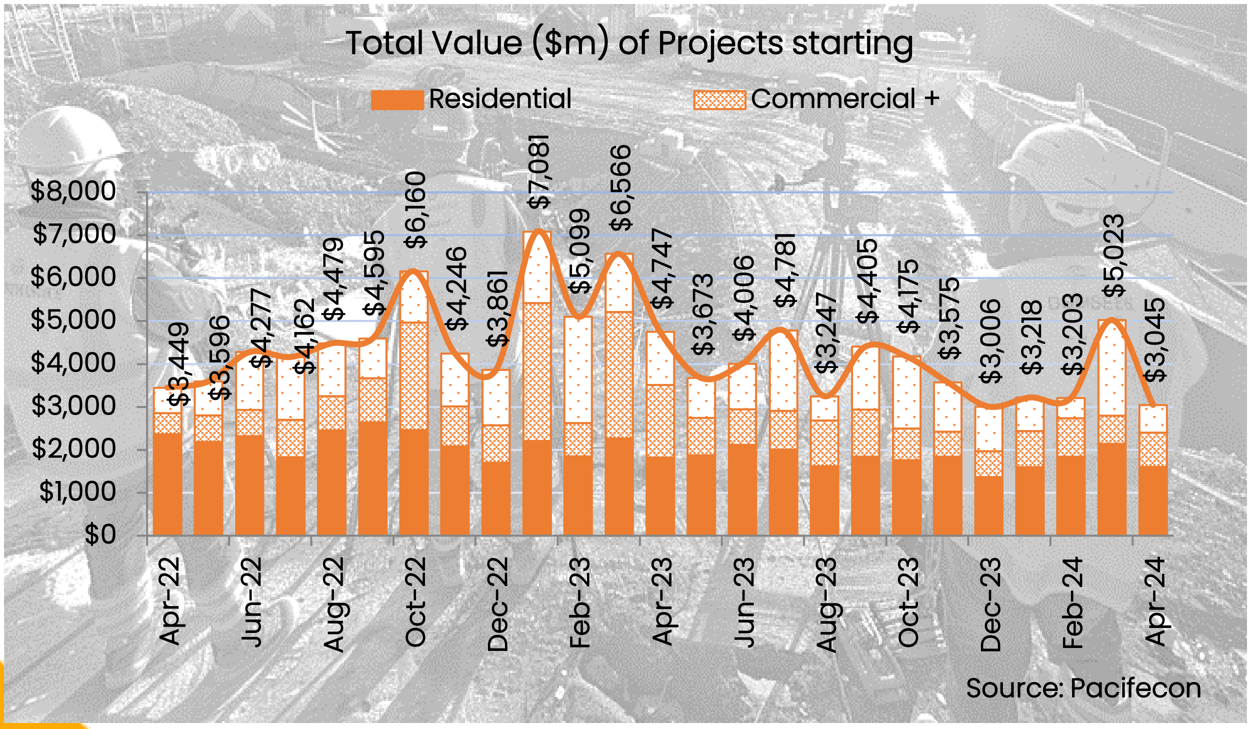
In the year ended March 2024, the non-residential building types with the highest values were::

- *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.





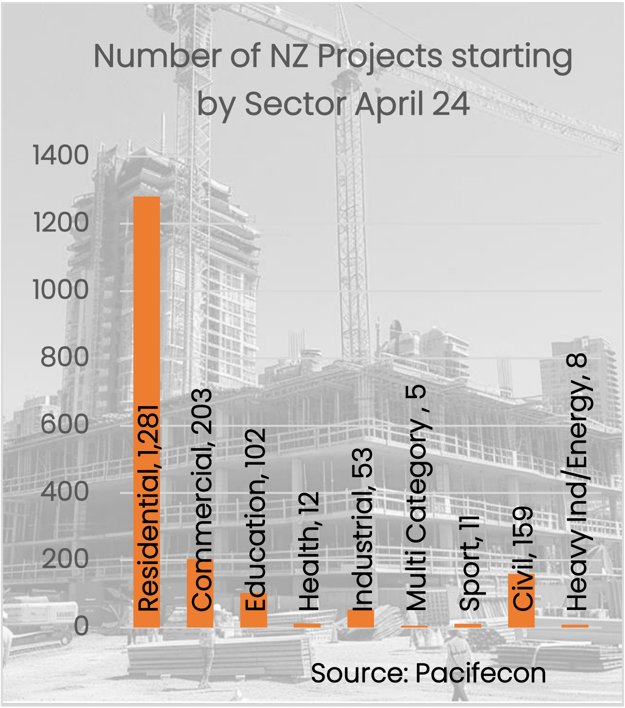
1,803 projects starting in April, with total value $3,045m.

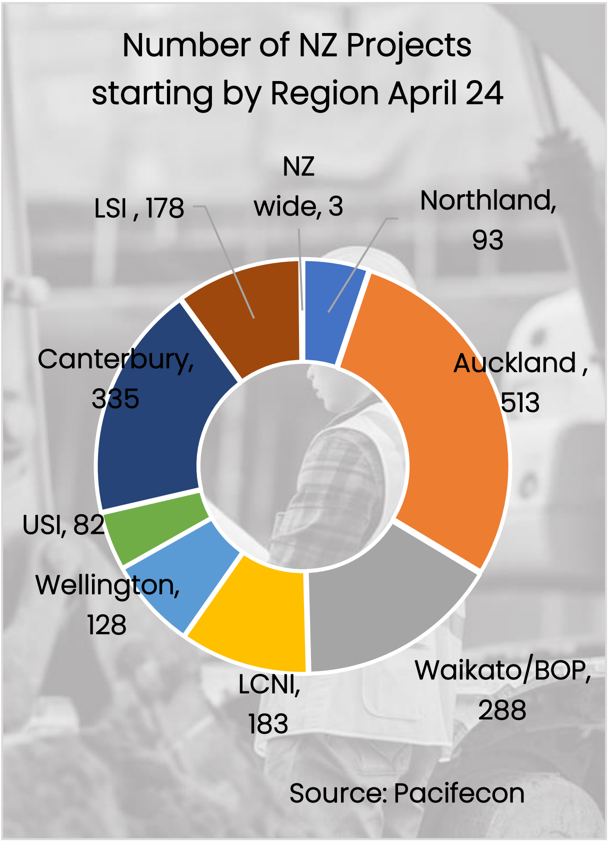
Compared to March: 8 (-0%) fewer projects and $1,978m (-39%) less value.

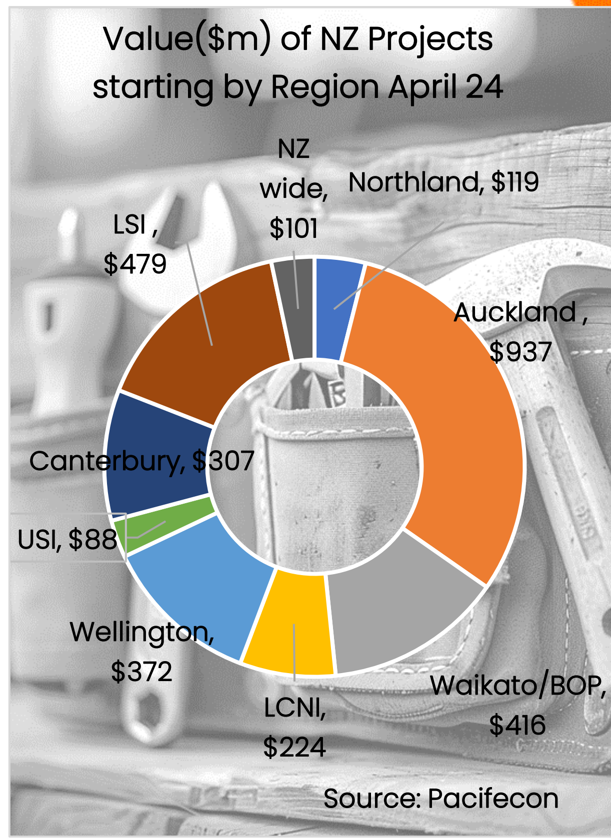
Compared to April 23: 121 (-6%) fewer projects and $1,048m (-26%) less value.

Explanation of the peaks in value over time

The spikes in value are due to K9878 $867m, the new Eastern Busway in Auckland in October 2022 and R8745 $1b Auckland, integration of the international and domestic terminals at Auckland International Airport, including the construction of a new domestic jet terminal in January 2023.



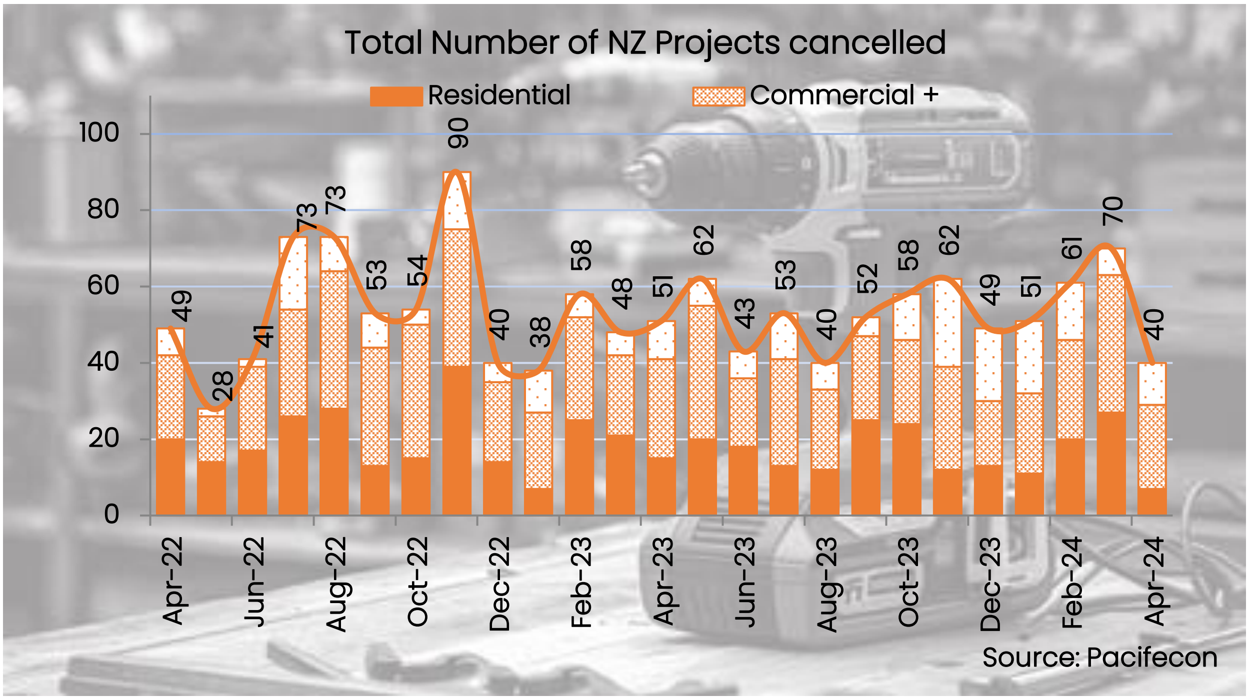


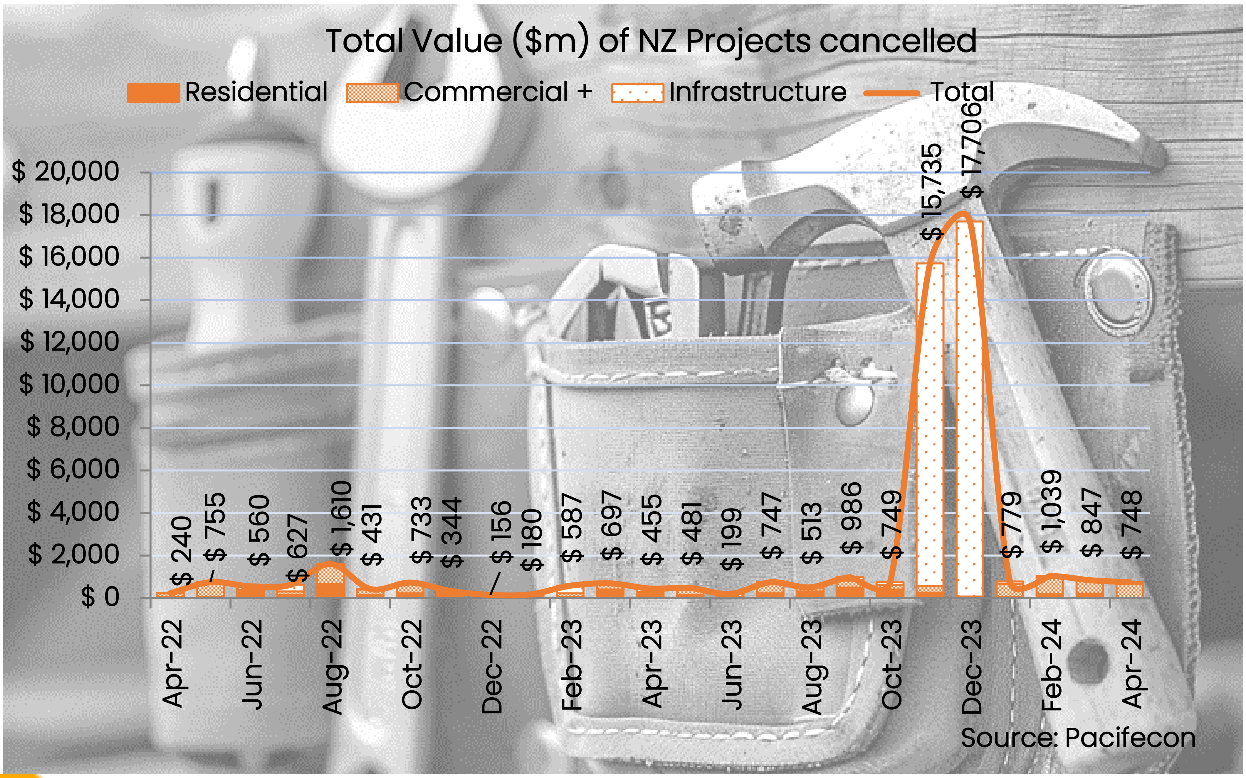


High value projects that started this month

- R0547 $250m Otago, changes to Frankton roading network (SH 6/6A)
- V2396 $120m Wellington, construction of the Museum Street Building (built on the current carpark) and the Ministerial Building (replacing the annexe at back of the executive wing) to house MPs and staff next to Parliament House.
- AQ0471 $100m New Zealand wide, facilities management services to maintain Transpower buildings and grounds across the network for up to 9 years.

Projects cancelled





40 cancellations in April at a value of $748m.

Compared to March; 30 (-43%) fewer projects and $99m less value.

Compared to March 23; 11 (-22%) fewer projects and $293m (+64%) more value.

Explanation of the peaks in value over time

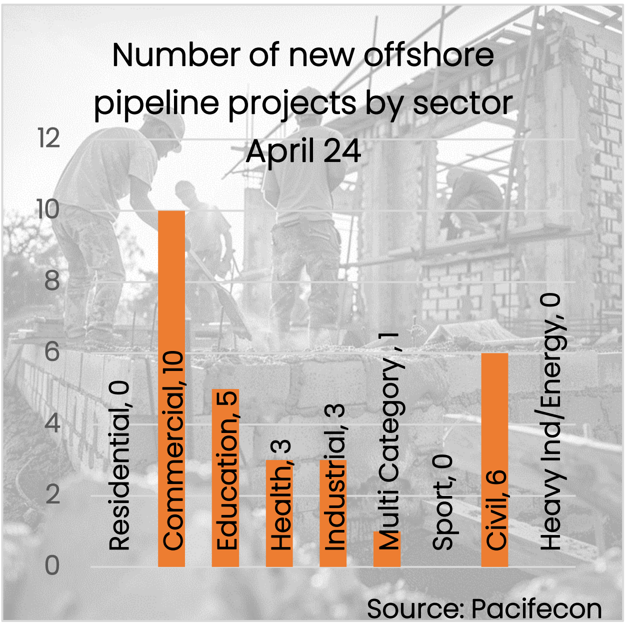
The spikes in value are due to R1009 $15b Auckland's light rail project in November 2024 and AD5100 $16b Otago the Lake Onslow/Lake Roxburgh hydro storage scheme in December 2024

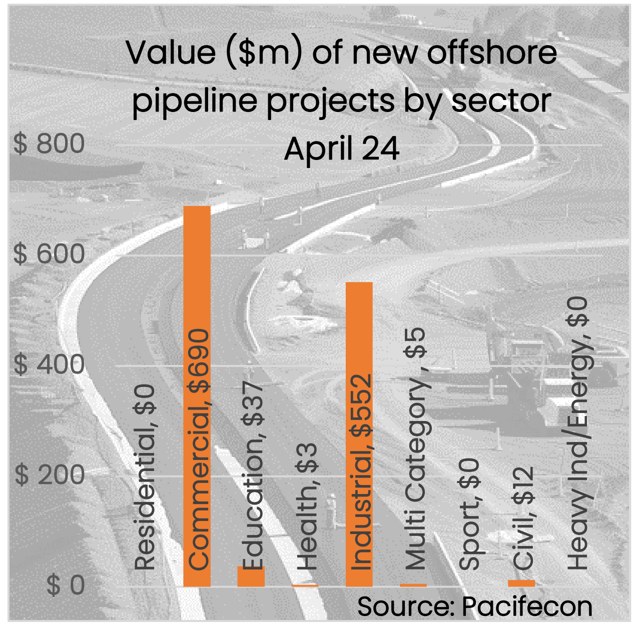
Highest value projects that will not proceed this month

- 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.
- AP8984 $100m Christchurch, developers have decided not to go ahead with a new townhouse and storage unit development and the land has now been sold.
- T3534 $100m Christchurch, the Eden Project, an eco-tourist attraction was given the go ahead based on the UK backers raising the money needed. This did not happen and the project has now been cancelled.


Offshore projects

New offshore projects entering the pipeline





28 new pipeline projects in April with a total value of $1,300m.

Compared to March; 3 (-10%) fewer projects at $890m (+218%) more value.

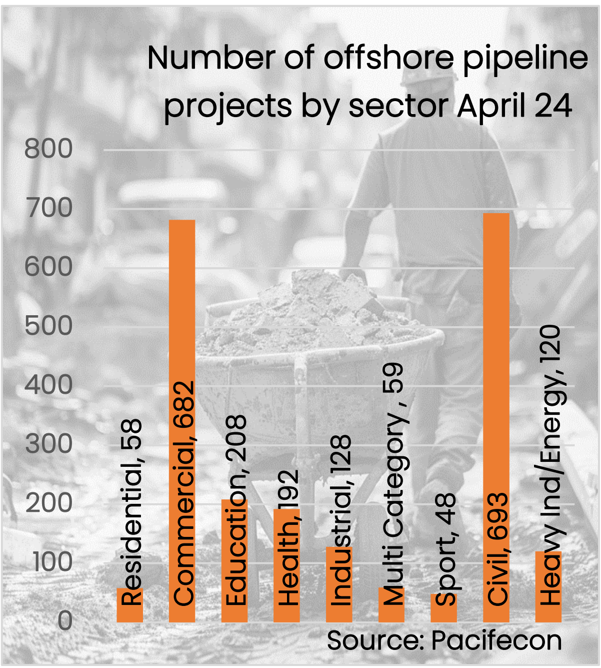
Compared to March 23; 23(-45%) fewer projects at $316m (+32%) more value.

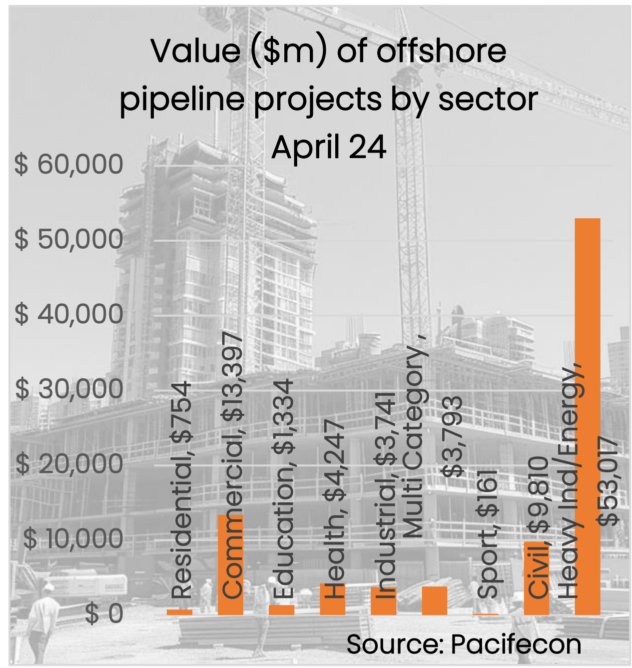
New high value offshore projects include:

- AR8585 $500m Guam, electronic and communication facilities at Camp Blaz.
- AR9709 $500m subsea telecommunication cables connecting Guam & Northern Marianas to Japan.
- AR9884 $169m Guam, a new missile integration test facility.

Offshore projects in the pipeline

Projects in the pipeline are those in the early planning, in planning and tendering stages.



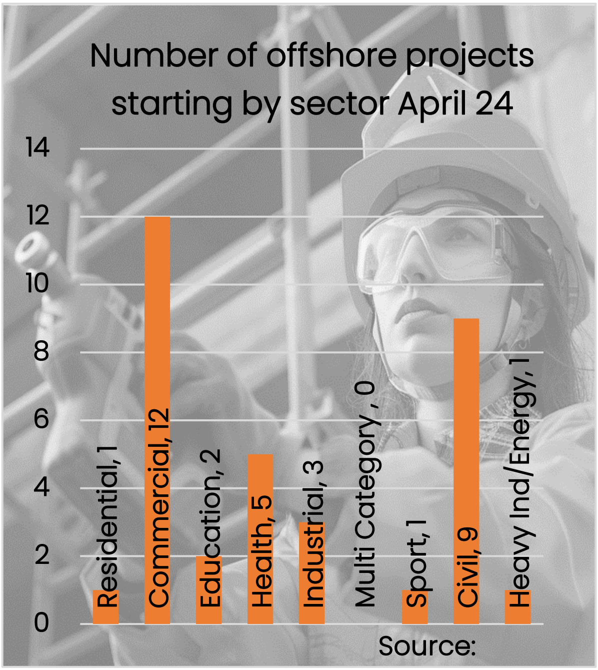


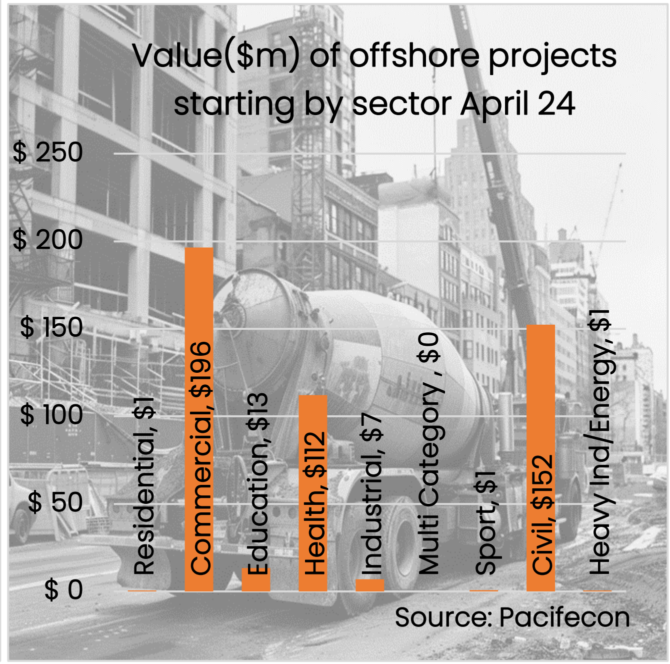
2,188 projects in the pipeline in April, total value $90b.

Compared to March: 74 (+4%) more projects and $2,262m (+3%) more value.

Compared to April 23: 484 (+28%) more projects and $26b (+41%) more value.

Offshore projects starting construction





34 projects starting construction in April with a total value of $483m.

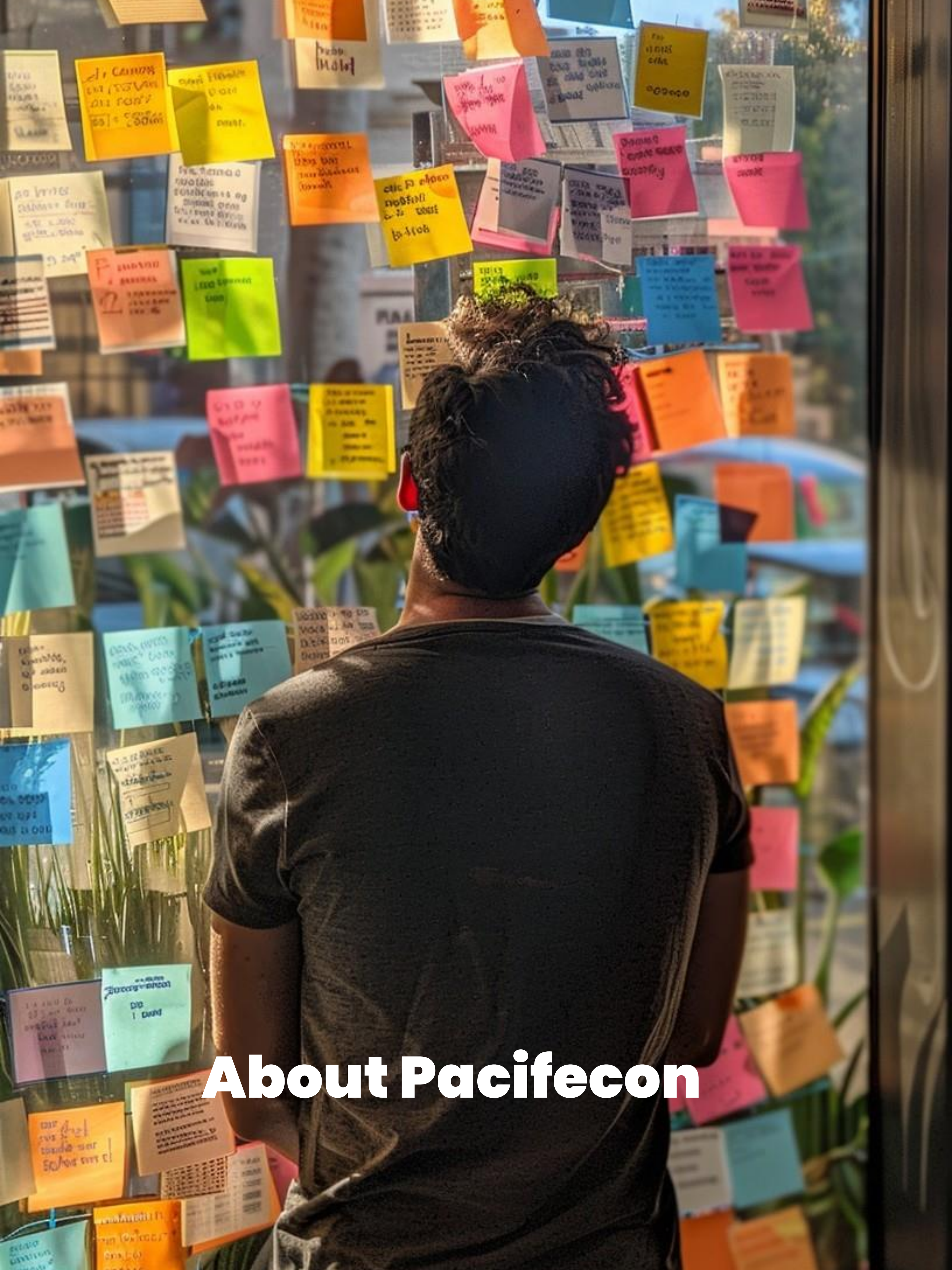
Compared to March; 6 (-15%) fewer projects at $331m (+218%) more value.

Compared to April 23; 5(+17%) more projects at $171m (-26%) less value.

High value offshore projects starting include:

- AP0410 $165m Palau, a hotel with 187 rooms, a café, a restaurant, meeting rooms, pool with bar, spa and gym.
- AR8884 $110m, a district hospital in Moresby Northeast.
- AR6290 $78m Guam, upgrades to the runway atAB Won Pat International Airport.

No high value offshore projects were cancelled this month



About Pacifecon

Our reports

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).

All reasonable care has been taken in gathering, compiling and furnishing the information specified herein, but Pacifecon (NZ) Ltd. will not be responsible for errors, omissions, inaccuracies or lateness or liable for any claims, actions or suits arising directly or indirectly there from.

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