

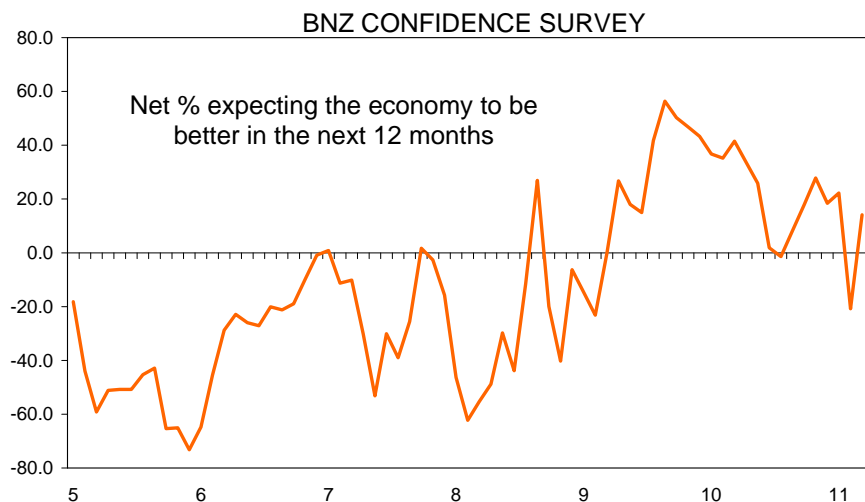
Mission Statement

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 over 25,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please email tony.alexander@bnz.co.nz with 'Subscribe' in the Subject line.

CONFIDENCE RECOVERS

Our monthly BNZ Confidence survey sent out to recipients of the Weekly Overview last Thursday night has revealed a sharp rebound in sentiment regarding the New Zealand economy. A net 14% of respondents expect the economy to be better in a year's time compared with a net 21% expecting a deterioration last month. That earlier result clearly reflected the shock impact of the February 22 earthquake in Christchurch which had taken confidence down from a net 22% positive at the start of February.

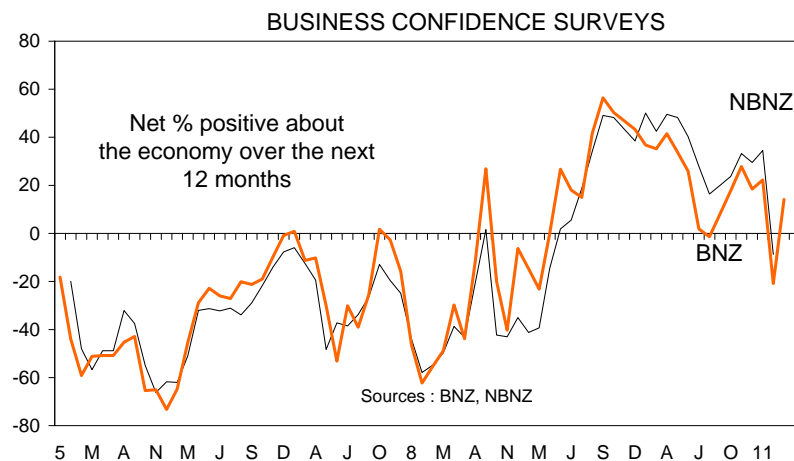


The result bespeaks of improving economic activity as the year goes by though it is clear that at the moment while some sectors are doing extremely well others are struggling. Forestry and agriculture are strong on the back of high export prices. But retailing is still weak, manufacturing for the domestic market is still struggling though for export is strong, commercial property is weak due partly to difficulties securing finance. Residential real estate is showing signs of improving but in the legal field little upturn is yet apparent.

Accountants are slightly less gloomy than in previous months and that result bears tracking because in the June quarter of last year a collapse in sentiment of lawyers and accountants was in hindsight the only strong indicator of the economy ceasing to grow after a reasonably firm March quarter.

The importance of this latest result from our survey is that it shows the shock to sentiment after February 22 was temporary, and given the extremely close correlation with the NBNZ Business Outlook survey it suggests some improvement has probably occurred in business employment and investment intentions. These developments are therefore supportive of our view that growth in the economy will accelerate as the year progresses, that there will be upward pressure on medium to long term borrowing costs well before the official cash rate rises, and that a cash rate rise either just before or just after the New Year remains highly likely.

BNZ CONFIDENCE SURVEY



For individual industries responses can be broadly summarised as follows.

Accountancy

More positive comments than in recent months though averaging out activity appears flat still.

Agriculture

All comments positive now for the third month in a row.

Agriculture Servicing

Overall positive though low numbers of respondents this month.

Construction

An even balance of positive and negative responses. Current conditions largely appear weak though a few respondents have noted enquiries are picking up and Christchurch rebuilding is expected to be a big positive.

Education

Most comments positive with regard to demand.

Engineering

Overall positive.

Finance

Very mixed. No clear trend.

Forestry/Manufacturing/Sawmilling

Very busy on the back of log exports to China.

Horticulture

Generally negative comments this month.

Hospitality

Positive comments in contrast with recent months. But only two respondents.

Information Technology/Telecommunications

Mainly patchy to weak.

Legal

Overall weak though one or two signs of improvement.

BNZ CONFIDENCE SURVEY

Manufacturing

Exports okay but the domestic market is weak.

Printing

Near even mixture of positive and negative comments.

Property Development

Finance hard to get.

Property Management

Rental property supply drying up in Auckland, mixed to positive elsewhere.

Real Estate – Non-residential

Sales at a low level but evidence of some improvement in enquiries.

Real Estate – Residential

Overall a positive tone though still some mismatch between buyer willingness to pay and vendor expectations.

Recruitment

Very busy. Shortages appearing.

Retail

Overwhelmingly still negative comments coming through. Customers reluctant to spend.

Tourism and Travel

Overall negative though one or two operators still managing to boost their bookings.

Vehicles & Automotive

Very mixed, no clear improving trend yet apparent.

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
6 March	26.5	23.8	49.7	-23.2	867	642
2 April	35.8	28.5	35.8	0.0	741	529
8 May 2009	50.2	26.4	23.5	26.7	618	428
5 June	43.3	31.4	25.3	18.0	566	409
3 July	41.7	31.6	26.7	15.0	621	443
6 August	59.1	23.6	17.4	41.7	657	404
4 September	66.7	22.9	10.3	56.4	619	377
2 October	63.4	23.4	13.2	50.3	547	341
4 December	55.4	32.5	12.1	43.3	536	348
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

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 also left out.

Accountancy

- Small Chartered Accountant - Auckland. Missed my 100% filing - late clients came in even later than usual
- Accountancy - Christchurch - surprisingly buoyant - will be some cash flow hiccups but on balance my client base has done reasonably well post quake and as result of the quake
- Still quiet although our clients in the Christchurch area with trades skills are busy (Chartered Accounting)
- Accounting - work load starting to pick up now the M11 year has started.
- Accountancy & Audit Christchurch: Lots of businesses have closed, unable to continue and we are starting to a shrinkage in business generally. Many business people and key staff are leaving Christchurch permanently for other locations in NZ and Australia of course.
- Accounting/advisory - quiet time of year for the next month, but overall some positive signs emerging in terms of new work and new transactions.
- Accounting: Finished 2010 tax returns (just!) and waiting for first 2011 work to arrive. Debtor problems getting worse with more clients having difficulty paying fees. No extra work to be had - just basic compliance.
- Accountancy for film and television. After a brief lull at the end of January I have been very busy - clients I have seen or spoken to thus far into the new financial year are positive... still a noticeable number of clever ones heading overseas to make more money...everyone talking about prices going up
- Chartered Accounting - things do seem to be looking up a bit. We are not yet out of the woods, but in general, clients are more optimistic, and in many cases, busier than last year.
- Accounting. Some clients and their contacts are expecting worse before better, and this latter not until next year.

Advertising & Marketing, Media

- Small improvements - the media
- Media - very slow. Clients not wanting to commit to bookings.
- We are in online media publishing. We have been actively recruiting for the last 8-9 months and not every position is full yet. Although we are struggling to find the right people with the right skill set to bring in the additional revenue, we are optimistic about a slightly bullish market.

Agriculture

- Dairy is good right now and may well be next year as well.
- Sheep and beef farming. An unbelievable rise in returns across the board coupled with good feed levels. Deferred maintenance and debt reduction first priorities. The question on everyone's mind is, is this sustainable?
- Dairy Industry. Things are still looking very positive and the Autumn so far has been kind. I have to wonder though how people will adapt/react to what looks like continuing food price rises.
- Dairy - on fire!

Agriculture Servicing

- Accountancy Rural - lumpy but overall flat.
- Rural Engineering Consultancy. A more buoyant outlook, although clients still concentrating on paying back debt.
- Suppliers to the dairy industry: the industry is in good heart

BNZ CONFIDENCE SURVEY

Architects

- As Architects we have seen a very inconsistent flow of work over the last two years and have had to dramatically reduce our staff numbers. So far this year things have shown no signs of improvement and the conversion rate from (occasional) enquiry to contracts is painfully slow.

Business/Management Consulting and Broking

- Consultancy - significant drop-off in new business, some longer term work continues. With the upheaval from the recent quake, non-essential issues like Treasury and financial risk management a little on the back-burner. Lack of access to the CBD still a big impediment.
- Business broking First 1/4 of 2011 way better than 2010. Enquiry rate from buyers was good but slowed a little recently. A few more quality businesses coming onto the market.
- Market Research. We are finding that the private sector is still spending money on market research, but they expect providers to sharpen their pencils. Some govt depts. are also still spending money, but mostly on on-going projects. There's not a lot of new stuff coming out of the government sector.
- Market Research - Things are picking up, and have picked up small jobs here and there, but from new clients, which is pleasing. This year is about positioning and building existing and new relationships for when things get better.
- Market research is doing okay - but we are picking up that consumers aren't very happy at the moment. They are under pressure from all sides.
- Consulting - never been so bad

Civil Engineering

- Civil Construction. Still steady workload but it is going to be an interesting next few months.

Construction

- Auckland Building Consultant - Building consent numbers down from last year. Customers don't seem to be as confident. Natural disasters around the world don't help things.
- Building - slow - but increasing- will be flat out in 6 months due to shortages
- Commercial Construction ChCh based. Before earthquake things were looking a bit grim - now forward order book very strong
- Residential building - a slight lift in enquiry but build cost increases are a concern.
- Building trade Gisborne, hard times but getting there if we fight hard. A lot of cheap no future prices out there. I think towards the end of the year it will improve
- Construction slowing going into winter Rodney
- Commercial construction. Very tight. Activity from Christchurch reconstruction will take many months to get underway.
- Construction - after a period on two months where activity seemed to stall it appears to be moving again
- I am head of a NZ brand in the building industry and it has been a depression not a recession. However, after three years there is positive signs of serious inquiry lifting. General inquiry has been reasonable throughout, but most of it was tyre kickers not prepared to commit to spending for a new home. Lately inquiry is much higher quality and some serious commitment is coming through, like folk have had enough of waiting and want to get on with life.
- Construction industry. Same as previous months margins tight and no room to move. Will be looking to lay off staff soon if work load does not increase.
- Residential construction looking very flat in the Waikato. Very few high end houses mainly in the 300 to 450000 bracket
- Christchurch construction. Our business is heavily involved in emergency and make safe work. The rebuilding / repair phase is slowly taking shape and anyone in the construction business should be doing well in Christchurch.
- Construction Sub Contractor. We are ok up till the end of June and after that it is looking really ugly. Big fear is all the govt spend around NZ which has kept us going will be redirected to Christchurch. Unless the refurb work kicks off things are looking dire

BNZ CONFIDENCE SURVEY

- Construction appears to be at rock bottom throughout the country, with both residential and non-residential stats at an all time low. Earthquake reconstruction will eventually help considerably, but even excluding that, having hit the bottom of the cycle, there is hopefully only one way to go and that's up.
- Construction. We are quite busy now but will need more work by June
- Good - construction in Christchurch
- Building industry has an unsettled feel about it, with a fair bit of negative sentiment.
- Light commercial construction, Wellington. Receiving a few quotes for larger buildings at the moment so assume that matters will improve.

Construction Related

- Construction materials, Auckland - steady on the back of infrastructure govt spending, but residential and commercial building still very slow.
- Joinery subcontractor in the commercial construction industry - good volume of work and OK margin at present but much smaller projects and longer hours in the office. Service levels need to be high and response times very pressured. Building a stronger business in these times for sure. Don't see a lot of change in the next 12 months but are forecasting a slight increase in activity and an increase in margin as eventual resource shortages take effect
- Aluminium Joinery. Still quoting but work not being accepted even though we are the best price. Bigger joinery companies are doing very small jobs that they would not normally look at so very tough out there
- Building supplies. BOP. Competitors laying off staff, & returning plant (trucks), lowest consents ever, 2 of 20 customers have work beyond the current week i.e. none for next week (& it's Friday!) Losing loyal customers to competitors over even lower prices despite supplier cost increases. No sign of significant improvement over next 18 months.
- Trade paint (industrial, marine, auto, wood, house/commercial) Core business fine but substantial projects are much fewer
- Building supplies industry is looking uncertain in the very short term with improving outlook from last quarter 2011. The Canterbury earthquake will drive substantial demand in Canterbury.
- Abrasive blasting and Industrial Painting. There is not a lot of new work flowing through but the maintenance painting of large industrial sites is very active.
- Building industry - supplier / manufacturer - funding pulled from two major projects because money is going to CHCH rebuild - on top of poor permits and tightening non-residential sector it looks set to get worse (if possible).
- Electrical Installation - have been struggling the last 2 quarters, but seasonal demand seems to be increasing along with patterns normally experienced at this time of year. Greater ratio of maintenance to new installation and smaller jobs coming in on average. All in all pretty flat. Hoping for snow in the ski season for a boost.
- Home renovation and redecoration industry - top end - sales up 37% on last year. Very strong recovery within top end of the market - people not moving just doing up their homes.
- Technology and construction industry. US based company with office in NZ. Sales are looking very strong internationally and we seem to be getting back to business as usual in terms of being post-GFC. Prospects for adding staff look good but high NZD/USD is a bit of a pain point as it make us relatively more expensive than we used to be here in NZ.
- Painting Industry. We are busy for at least the next 6 months.
- Within building still very dull. Advice of price increase for timber, steel, cement claddings are still on the rise.

Education

- Education - student numbers slightly better than last year except for CHCH (where business is in temporary premises).
- Private Education in Christchurch now depends not only on the goodwill of parents but also their ability to pay with large scale disruption to small businesses.
- Tertiary Education. Demand remains strong, indicating job market is still weak.
- Private education - things are busy.

BNZ CONFIDENCE SURVEY

Energy

- (Power generation, hydro, gas, geothermal) growth remains constrained by overall low demand, unlikely to change until manufacturing industry picks up.
- Good- oil and gas
- Electrical Power Industry - lots of work is needed but regulatory uncertainty is still slowing its progressing

Engineering

- Recruitment of Engineers. Strong employer demand but very particular in requirements. Candidates are also very particular, especially those in secure jobs. Growing demand for off shore candidates (especially Ireland and the UK).
- Busy (surveying and engineering consultancy)
- Consulting Engineering Still very tight but our new work coming in is 27% up for the first quarter of 2011 compared to 2010. But work ahead is not looking so great. Our turnover for y/e 31/3/11 was 7.3% above last year and net profit is likely to be about 40% greater. We expect the coming year to at least match last year and with expected additional earthquake design work could well exceed that.
- General engineering Manawatu area, up and down very busy 2 months, phone has stopped ringing now though means no work in 2 months time

Finance

- Financial Services- people still very nervous about investing outside the bank. Not much appetite for risk despite 2 good years at share markets. Will probably need to wait till economy picks up before we see that attitude change. A few people have started investing in property and dairy farms again.
- Financial services. Spending is down and delayed
- Personal Banking - lending still flat, getting slower
- Finance. Very good trading right now - it can't last!
- Steadily improving in our sector, small private finance company.
- Banking - no asset growth right now but some signs things could be looking up
- Privately funded finance company, pretty flat, little activity and a lot of pain out there, lots of mortgage sales coming up. Best thing for us is there is little competition when things do improve.
- Property lending, still very subdued. Property investment, seems like a good time to buy
- Finance -some customers still recovering -construction industry looks weak
- Offshore Finance and Administration - picking up slowly for the Cayman Islands

Financial Planning

- Retired, interest rates for term deposit decreasing therefore spending power decreased and original investment funds are getting depleted to maintain same style of living

Fishing and Seafood

- The fishing industry feels strong to me, in spite of the high NZ\$ against the greenback
- Food Manufacturing (Seafood) Demand is down for a lot of our products, margins are squeezed but will have to increase prices because of cost increases.

Forestry/Manufacturing/Sawmilling

- Sawmilling: Sales and production well ahead of last year. Very busy local market.
- Sawmilling - Local market dead.Ch-Ch will rebuild, but it is a long way off. NZ\$ killing timber exports
- Timber Preservation. Production on the increase The effect of the earthquake (positive) have yet to click in
- Forestry - log exports carry on as China keeps pumping. The Japan earthquake will keep the pressure on as well for the next few years. Most of the wood product will come from Canada and China but this will just leave more holes in China. Sawmillers still doing it hard in places as they supply Western markets - hopefully they will benefit from the Japan reconstruction indirectly or directly as well. ETS forests getting going as well so all go on all fronts.
- Promising forestry

BNZ CONFIDENCE SURVEY

- Forestry Northland - All indicators good for short/medium export demand for logs. Expect domestic sawmill demand for logs to increase in 12 months for our high strength logs for the Chch rebuild. Current export returns eroded by high fx.
- Sawmilling. Huge increase in input costs (Logs) that have to be passed on. Japan earthquake may have a silver lining for some.
- Timber processing: escalating export log prices creating domestic shortages combined with run-away exchange rate puts severe strain on NZ industry with potential long term devastating effects on NZ processing.
- Forestry. Domestic log prices just settled for Q211 are at the highest level for more than a decade driven by export log demand and price. Boom times are being eyed from the domestic sawmilling sector in around 12 months when the Christchurch and Queensland reconstruction commences
- Forestry. Very Good for log sales
- Export shipping of logs/timber. Export growth coupled with higher commodity prices. NZD strength offset to some extent by falling shipping freight rates.

Government

- Government Dept. - We are expecting significant cuts to department spending and baselines next financial year. Recent news concerning bailouts have us all worried.
- Public Service....grim especially as rising cost of food, petrol etc impacts on people on fixed incomes [benefits]
- Local Government ICT - drive to increase productivity will focus on ICT.

Health and Fitness

- Health care-people struggling to pay bills, more instalment payments if at all

Horticulture

- Kiwifruit. Concern re PSA V strain is holding back some growers from charging on with new varieties. We have 0.5 ha G9 to fruit next season and 2.5 ha rootstock we were going to graft this year but will hold off till next season to graft. Delay will be a minor setback but not too bad. Crops look good although taste is a bit behind last season and maturities also.
- Steady - concerns in Japan (earthquake) & Europe (economy)- kiwifruit - BOP
- Horticulture. Mixed bag with our most important market Japan still a bit of an unknown as it moves through the aftermath of the earthquake, tsunami and radiation contamination. Despite this I think the outlook for this year is better than last year as we have good hedging in place for FX and a strong quality crop to sell.
- Horticulture. The complete collapse of the pipfruit industry seems to be below the radar. The going rate is 16 cents per kilo which is below the cost of picking. Our packhouse is not opening this season. Given the Twyford irrigation scheme has legs watch for the whole of Hawkes Bay to convert to dairy overnight!!!
- Horticulture. Stronger demand, better prices, lower interest rates. Prospects looking much better

Hospitality

- Things are definitely looking up... we are in Hospitality
- Hospitality. Prices moving up. More overseas visitors. We are at the top end of the market but charging middle of the road prices and offering exceptional service. Our occupancy is up, our enquiries are up, our pricing is up and we are very confident of the future.

Information Technology/Telecommunications

- IT - business software. Very flat. Businesses still not investing a lot in upgrading their systems. The Canterbury region is munted as far as this is concerned.
- ICT Projects (Wellington) - slowing down after a pick up at the beginning of the year.
- The year so far as been quiet and it looks set to continue as our clients are tightening their belts and delaying (or scaling back) big projects. Industry - IT (software development)
- Telecommunications consultancy Wellington, looking really good. Govt staff restraint helping

BNZ CONFIDENCE SURVEY

- IT - Same pattern as for last year. Careful use of budgets for day to day support, new projects quite rare.
- Website/software - we are really busy and sales good but have worked Very hard over the last few years to ensure we are a tidy ship
- IT, Patchy amount of work at the moment with clients not making decisions quickly.
- IT Some signs of growth

Insurance

- Insurance is extraordinary busy. Lots of opportunities, but also lots of running in circles, having to review issues three & four times often. Insurers have become like petrol companies & everyone is hiking both rates & excess levels. there will be a barrier in short time.

Legal

- Legal services industry on Kapiti Coast - plodding along with property transactional work with March being the best month for a while in terms of residential sales and purchases and a reasonable amount of new work in Trusts, wills, commercial leasing
- Provincial Legal. Same as last year- very erratic work flows. Some sign of higher property turnover.
- Country town legal, very quiet.
- Legal. Seriously set back by the earthquake and scrambling to re-establish and get working again. Only a small handful of firms not facing adversity.
- Law - a lot of uncertainty with many firms making people redundant since the earthquake. We are one of very few that have been able to retain all staff.
- Recovering here in our ChCh law firm
- Busy in our areas of the legal industry (not conveyancing!).

Machinery – Including Hire

- A marked increase in monthly sales since Xmas in Auckland and Otago/Southland. With the winter approaching, hesitant to invest capital. Offshore markets present a quandary of what's what. Equipment rentals.
- Equipment Hire - new monthly sales record in March, beating the previous record from 12 months ago by 19%.Very interesting times.

Manufacturing

- A very hard market ,with a lot of small companies going into liquidation Engineering, Manufacturing
- Electronic manufacturing. Very slow domestic market. Exports just OK but NZD compromising profitability.
- Paint manufacturing - a few positive signs emerging.
- Manufacturing (domestic market) This is looking like being the hardest winter yet with so little construction going on.
- Furniture manufacturer who depends on retail stores throughout NZ for business and it's gone from tight to tough over the past 4 months. Our clients have a bad case of the "blues" and majority are dependant.
- Manufacturing components for contractors and agriculture sector vehicles in NZ and overseas. Lower sales than previous years but exports thriving especially to Australia
- Paint manufacture. Business down about 20% from last year, raw material prices rising dramatically and some raw materials starting to get tight with supplies on allocation. Raw material availability will be a significant drag on recovery, when it occurs.
- Plastic manufacturing. exports are holding up.

Marine

- Marine.. Our business is steady but we aren't looking forward to winter. We are relying on export orders long promised from Australia finally delivering to give us any real growth There are pockets of good business and those companies are benefitting while the rest twiddle their thumbs.

BNZ CONFIDENCE SURVEY

- Marine and woodworking seems to have picked up with more customers busy, still patchy but improving slowly. Money still tight but more optimism around. Feeling is we just have to get through the next few months and there will be some real growth starting to come through.

Miscellaneous

- Landscape supplies in Wellington. No change continuing tight. No clear indication of any drivers to improve the local market in the visible future.
- Waste Management. Recovery plant operations in Palmerston North waste volumes are well below previous years, 15% in fact, a lot is reflected by low building activity, retail sector and unemployment levels.
- We are in Chch, supplying business equipment and systems to SMEs. After our best February ever, sales were down about 40% in March but looking a bit better going forward. Four to six months out the situation looks good.
- Bad - cost of petrol, ChCh earthquake & job insecurity preventing people from customary pursuit of recreational activities. Industry- Hunting & Fishing.
- Vending Machine operator & retail Security Operator to the Big Box Building Market. Things are very tough & expected to decline further. Discretionary spending is down with vending machines. The building retailers are reducing staff levels & sales have flattened off more than expected.
- Courier. Very strong March saw revenue and profit above budget. Starting to see examples of people outsourcing to a fleet rather than operating own vehicles and waged staff. Fuel will continue to challenge pricing as we need to pass on rate increases.
- Security - slow
- Office Products Wholesale - Christchurch earthquake has generated business for us (relocating businesses setting up new offices). Trading generally improving but driven by promotional activity.
- Funeral Services: Families taking a lot longer to pay accounts due to trying to sell estate property in a slow economy. More "no service" type funerals being arranged as families do not want the added burden of "full service" funeral expenses. Less expensive caskets being selected and doing a lot themselves to keep costs down.
- Awful. Getting worse by the day. (Selling machinery)

Packaging

- Flexible Packaging projects continuing to provide new opportunities but still tough margins in current business.

Printing

- Printing. Average. Christchurch work has dried up.
- Printing Suppliers: Very tight sales. Most clients are down 10-20% below budget. Collections are tight and cash flow is impacted. No forecast that will provide investment for industry. Day to day.
- A little busier. Printing Industry.
- Printing Industry is stagnant, with many of the smaller businesses struggling to survive. Expect more closures and mergers over the next year.
- Print: Work reasonably busy, positive for this time of year, end of year and Easter!

Property Development

- Some enthusiasm for new development but such negative responses from funding agencies particularly the mainstream banks, that initiative is stifled. Consents achieved in 2010 cannot be implemented for want of funding.
- Construction & Development: very slow. If I didn't have one particular ongoing commission life would be very tough indeed.
- Property Development Dunedin: Very tough due to banks reticence to loan, Council attempting to massively raise reserve contributions from developers.

BNZ CONFIDENCE SURVEY

Property Management

- Residential Rentals - tenants all staying put and looking to extend tenancies. We have not increased rents but will likely have to with insurance costs set to increase sharply. Still a dearth of quality accommodation, new to market rentals attracting a premium.
- Residential property. My flats are full . I specialise in 2 bedroom as easier to let
- Property Management - not a lot of new managements coming in tenants tending to be philosophical re damage to their properties as in they will be repaired eventually...
- (Residential property investor) Lots of tenants around in the Auckland area, so very low vacancy rates. Starting to look at rental increases again. I am also noticing provincial cities have declining numbers of houses to rent advertised.
- We are residential landlords who have been slow to move rents up as we have excellent long term tenants but that is about to change. We are looking for better returns.
- Residential property investor in Wellington. Properties all fully tenanted on fixed term tenancies until 2012. Did try to sell a less desirable property without success, although timing wasn't helped by the 2nd Canterbury Earthquake. The low interest rates will help cushion the impact from the loss of building depreciation from 1 April.
- Rentals firming for residential properties and vacancies low.
- Residential Property Management Auckland:. Shortage of stock available, there is tending to be a net loss of rental property in Auckland. There are a lot rentals on the market for sale, many of these are being purchased by owner occupiers (1st home buyers), while there is relatively little new property coming available for rent. Result a net loss of stock available which will lead to a shortage in rentals and consequently rising rents due to the demand.
- Auckland residential property investment - looking very good indeed!!
- Property Manager North Shore of Auckland. Good demand and rising rents in all but the properties above \$800pw. Waiting now to see fall out with new tax regime, expecting some grumpy investor looking to exit the industry which will out more pressure on rents.
- Rental market in the Manawatu is tightening. Our property managers say it is the quietest they have ever seen.
We have had one normal, nice, centrally located 3 bedroom house in Palmerston North vacant now for two months with few bites despite dropping the rent 25 p.w. Finding tenants at this time of year used to be the easiest and best time to look. In 6 years of owning many rentals here we have never before experienced this.

Real Estate – Non-residential

- Ok for quality buildings priced appropriately but some owners will take a bath with vacancies especially those that are earthquake prone.
- Auckland Lease Property - Leasing enquiry picking up - some of it relocating from Christchurch
- Commercial real estate - businesses are difficult to sell, even the good ones, little interest. Few buyers out there for commercial property.
- Commercial Real Estate. Inquiry levels have picked up and the rate of transactions have increased. However all transactions remain and take a lot longer to close
- C & I Real Estate ---- Counties Sales very scarce & exceedingly slow & tedious to guide through to completion. Only very small time leasing keeping us going !!!

Real Estate – Residential

- I am in Real Estate on the North Shore in Auckland and we are busy busy busy. Very positive out there.
- Real Estate - Some improvement, but can it be sustained?
- Residential Real Estate Christchurch the past month has been notable for the large number of real estate office closures and good people exiting the industry .Sales activity very low as good stock is hard to list .The banks and insurers continue to be reluctant to commit to the Canterbury property market .In one word the market is dead .
- Napier Residential Building more enquiry and interest building a new home is now cheaper in many instances than purchasing a second hand home. Positive for a change
- Napier Real Estate is still slow. Some slight increase in enquiry but sales barely ticking over.

BNZ CONFIDENCE SURVEY

- Manawatu Real Estate....noticing a pick up in transactions compared with last 3 years. We are listing and selling more homes and we hope this will continue. Our Rental Division is also very busy at present.
- Residential Real Estate Pakuranga/Howick - mid February more interest started and has been picking up steadily, prices firmed but not really increased, only good well priced properties are selling well those that are not are sitting.
- Real estate slow, as needs confidence in market , seems to be uncertainty, oversupply of stock and affordability with property . Not as many customers as last year even, and that was bad.
- Christchurch Real Estate - one word: unemployed.
- Real Estate, Tauranga. March saw a record level of new contract sign ups in residential, highest March in over 5 years. No notable price movement. Very strong residential tenancy demand and some upward movement in weekly rentals.
- Real estate in Hawkes Bay showed a marked improvement in March, almost back to levels of three years ago. But its still a buyers market with low prices being realised for vendors. April has got off to a steady start with a sale a day in our Hastings office.
- Real Estate, Auckland CBD Apartments - we have zero stock, buyers want to buy but we have no serious vendors.
- Residential real estate Central Auckland - prices quite firm but deals still a bit difficult. Feels like the average days on market is lengthening but not sure if the stats support that. This is going to be a choppy year.
- Real Estate Auckland Definitely on the climb, if I had kids or family that had been waiting to purchase I would be encouraging them to move now (in fact about 6 months ago).
- Real Estate. Despite a great 8 weeks from mid Jan - Mid March, the listings are tight, the vendors are firm, the buyers are reluctant and critical.
- Residential Real Estate, beach location, in Auckland it is hard to purchase a property under \$500k as they are being snapped up.
- Real estate: Good buyer inquiry and while deals are hard to put together, property is selling, albeit at a lower level than we would wish. Good demand for holiday homes which is a positive signal.
- Real Estate, Napier - still slow but there are signs of more activity so I think we will see that slowly convert into more sales over the medium term
- Real Estate Havelock North. Good positive month driven both by people coming into the area and moving within the area. Not getting the negative vibes yet (until winter plays her negative hand) as the diversity of our economy basks on reflection of a very productive summer for most.
- Real Estate Eastern Suburbs, Auckland: 29 sales last month, 8 already this month. Auctions are working well with more than one buyer on every property. Listings sluggish, if we had more, we would sell more.
- Hawkes Bay Residential Real Estate. Prices steady, volume showing signs of improvement
- Selling Lifestyle blocks:. Only enquiries coming from overseas. Fortunately we have a few blocks under 5 Ha which qualify for their purchase.
- Property (writing) - While the media have reported a busy March - the stats always look backwards. Yes, there were a lot of sales in Auckland last month but I judge the market by the number of ads I am asked to write for agents - which is an indicator of the volumes looking forward. April has been as dull as a doorknob! However, I feel confident later on in the year, things will start to pick up due to the grave housing shortage. Demand is dictated by supply.
- Retirement Villages. Lots of interest but potential residents finding it hard to sell their homes.
- Residential Real Estate in Gisborne is showing an increase in listings. Part one to an improved market. Now as long as the buyers are reasonable, we have the outlook for an improvement in sales. People want to be positive but it has been a slippery surface we have been "skating" on! A cliché to describe the situation "Gently, gently, catch-y monkey!"
- Real estate - eastern beaches, Auckland. Another office closed.....still pretty tough out there but starting to see a bit of competition for well priced property.
- Real Estate - central Auckland. The inner city suburbs are running hot especially Pt Chevalier, Grey Lynn and Westmere. Big crowds to open homes, street record prices being paid, multiple offers, homes selling within 48 hours of listing for sale etc, etc. Mortgage loan approvals at highest level seen since November 2009 and heavily influenced by the slashing of the OCR. No new housing being built, families moving from Christchurch to Auckland and another wave of migrants, particularly Chinese. It's all putting

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immense upward pressure on house prices and rents and it looks like staying this way for the next year or two.

- Coastal Real Estate - Well informed buyers who have been monitoring the market for some time (years in some cases) are making offers. Realistic Vendors finally getting some results.

Real Estate – Valuation

- Valuation of Real Estate, Kapiti Coast. The residential market seems to be much more active, with March providing the highest total sales figure since the short-lived recovery in late 2009 and early 2010.
- Property Valuation - North Shore, Auckland. Notable increase in activity since March, industry appears more confident about future, especially in second half of 2011.
- Property Valuer Auckland - Market continues to tighten with properties falling in price. Some owners reluctant to accept that their property is no longer worth top dollar. Reductions of 20-35% are standard when updating previous valuations from 2-4 years ago.
- Property Valuer- Whangarei. Biggest work load in the last three years however it does not mean the market is picking up or getting better. Seems to be another spike in the roller coaster of work loads. Still a lot of mortgagee work and people re-financing. Sales still at low levels.

Recruitment

- Recruitment. We continue to enjoy solid trading months; this now appears to be a trading pattern of improving market conditions rather than a short spike. Watch out for the return of significant skills shortages they are creeping up quicker than expected.
- Recruitment - I'm confident enough about the market that I changed jobs myself and I can see from my ex employer to my new one - there is a lot going on!!
- We are experiencing a huge growth period at the moment. Our industry is Executive Recruitment.
- Recruitment in Wellington is very busy, good client demand and a very good supply of candidates currently.
- Recruitment: Skills shortage in some centres becoming very apparent. Increasing need and volume. Edging our way back to pre-recession volumes and significantly up on previous two years.
- Great opportunities in HR and employment services at present. Auckland still a little tight but rest of country very good opportunities
- Executive recruitment Consultancy; we're experiencing (small) incremental uplift in recruitment & hiring on both Islands - not just replacements but extra people now getting "sign-off" rather than "hiring freezes" predominating in last 2 years
- Executive recruitment. lots of change so very busy.

Retail

- We are in the retail liquor business with three outlets. Sales have slowed due to fewer discretionary dollars to spend with food and fuel costs out stripping any wage increases.
- Food & Beverage, Auckland: Supermarket sales continue to be strong.
- The gas heating and fireplace industry is still flat and we subsidising our Christchurch office
- Kitchen retailing seems to have had a bit of a pick up although like most retailing we have to really promote to achieve any sales it seems
- Retail Liquor - still down on last year overall and heading into traditionally quieter time of the year however some areas starting to improve
- Supplier of Plumbing Hardware - the market is very tough. Feedback from our merchant customers is that consumer foot traffic is very slow & that they are concentrating on "trade" sales.
- Pharmaceutical Wholesaling - Non-medicine and retail lines volumes flat, medicines continuing to increase. Many stories in the industry of no growth but none of negative growth.
- Retail Bakery Remuera. Another quiet month. All suppliers report flat sales at present as well.
- Fast-food takeaway business improving as average working families struggle to find time to cook family meals due to working extra hours and shifts to make ends meet. Most cannot afford to dine out at more up-market restaurants etc but still desire to treat the family, probably as much as in better economic times.
- Sluggish (consumer durables)

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- Food Retail Industry, Greengrocer - sales are very up and down. Some days very quiet others a bit busier. Slower than this time last year. Very hard to get a handle on whether or not things are picking up. It seems the only food retail places that are doing well are the supermarkets. Everywhere I look there is another one having an upgrade. Expecting things to pick up in the winter because people are less inclined to want to be in their own gardens. Here's hoping....
- Ice Cream - loss of many Christchurch customers built up over many years approx 25% of their business is gone. Trying to make this up but discounting is rife. Doing our best with new ideas and new contacts...we will see.
- Auckland Retail Golf Shop. March 2011 sales were 66% of March 2010. Nothing is profitable.
- Fuel retail/convenience. Fuel price has certainly had an effect. fast food sales increasing as with vehicle servicing.
- Its a mixed bag with some retailers being a bit more positive with forward orders for Christmas being up on the last 2 years. However, the majority of smaller retailers are tightening their belts compared to the last 2 years. We import and distribute Christmas stationery and gifts in the cheap and cheerful category.
- Tough. In Hardware Retail. Building consents and the inability of people to raise or want to have loans has reduced the trade business to renovations. General Home Improvement business is crawling along. Consumers are winning with pricing strategies that do little to grow GP more than compete for the ever dwindling discretionary dollar. People are staying put. Putting up with what they have and only venturing out for the necessities.
- House wares import and wholesale Slow after the events in Christchurch. Retail seemed to stop for a few weeks. Now the media have got bored with earthquakes and the news has turned to more interesting things retailers have begun to plan and buy again. Not expecting too much out of the winter, but activity is definitely ramping up for spring, summer and RWC. A lot more forward orders in the system for that period.
- Hairdressing Supply - a dip in salon sentiment about current and future bookings and declining turnover.
- Flat. DVD and Games rental.
- Menswear retail we are holding our own over the last 3 months but there have been several shops close down with more to come watch this space.
- We are a pottery, manufacturing and retail. Things are slow but there are still customers out there. We will invest this year on things to better serve our customers.
- Pharmacy-very slow in retail, no increase on last year, prescription numbers up.
- Can't ever recall business (wholesale distribution) being so soft and poor. Retailer reaction is essentially flat and unenthusiastic and consumer traffic in most places is well down on last year with little discretionary spending.

Signage

- Signage Christchurch - business has stalled 70% down on a poor previous year, cash flow dried up customers don't know what the future holds, a major customer in liquidation winter looks bleak, govt assistance and insurance keeping us alive.

Tourism and Travel

- Accommodation industry Auckland - Pressure is already building for the latter part of the year. With RWC and normal business being displaced into the pre and post RWC periods
- Currently the Tourism Industry is in about as bad a state as I have seen in my 25 odd years experience. I think the next 12 months will be extremely tough but am quietly confident that it will start picking up again once the shocks of natural events and world economic recession ease. The UK market which we rely very heavily on is still struggling to get back on its feet and although there are reasonable reports of Aussies still crossing the ditch, I'm not sure what they are doing when they get here as we operators are definitely not seeing them. I wonder if they are "actively considering" what a lovely place it is rather than "actively doing" things and buying product?!!
- Tourism South island. There is no question the Christchurch earthquake and reduction in Christchurch visitor accommodation is impacting on tourism in the South Island. This has resulted in a 15-20% drop in visitor numbers for most Tourism businesses. Adding the GFR and other recent disasters we anticipate any recovery to take some time. This situation will challenge tourism and NZ in general.

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- Tourism accommodation provider, looking at 15% decrease on guest nights over the next 6 months, not believing we will see much improvement in the next 18 months, visitors expecting more for less.
- Tour operator - forward bookings for 2011/12 season are running ahead of last year
- West Coast Tourism, Things look slow for the winter then into a very uncertain summer. Any positive effects from the RWC looks very marginal. I hope I am wrong!
- Travel Broker, Hamilton - good mix of overseas holidays in the short term coupled with long term plans for 2012
- In my speciality field of tourism and hospitality business broking there is certainly a warming in the inquiry level. In particular from Christchurch where there is interest in relocating to a new business.
- Tourism transport very patchy and slowing
- Accommodation sector.. Enquiries and forward bookings have just gone dead. It's like someone has turned the switch off. A view shared by many accommodation providers in this city
- Holiday Park good. Up on last year. Bed for all budgets

Transport and Storage

- Passenger transport 15% up to end of March on 09/10 year but forward bookings for ski season well down 50%
- Transport. Volumes still volatile but at least on a par with this time last year. Some signs of improvement in the retail sector.
- Distribution - not too bad - though definitely nothing comes easily...
- Not as good as they were 2 months ago (aviation industry)
- Road transport is having a mixed bag - bigger players are surviving but SMEs are struggling still.

Vehicles & Automotive

- Automotive parts Wholesaling - last two months flat seeing improvement in April - rise in petrol prices have a negative effect.
- Finance Automotive - I seem to change my mind every month at the moment but things are looking better for us. Christchurch is still a big ? as to how much you can expect from that part of the market but everywhere else has started again. Seems like people have stopped holding their breath and are actually buying.
- Automotive. Things have cooled slightly. We believe caused by rise in petrol prices.
- Motor repair industry. Still looking pretty grim with less servicing jobs as people are busy paying off debt.
- Motorcycle retail & Service. Ashburton predominantly dairy farming. Over the last 1 1/2 month a slight improvement in enquiry for new sales. Recreational road & trail bike purchases is still very poor. Service side has been consistent over the last 12mths.

Wine

- Wine Industry. Very stagnant. Economies of scale obvious. More drinkers more wine, less price paid by the consumer. Barely make even, but moving lots of volume.

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The BNZ Confidence Survey is run (usually) on the first Thursday of each month. In the Weekly Overview email sent to the 25,000 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 on Monday or Tuesday and released that day in this publication to media and WO readers.

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