

Mission Statement

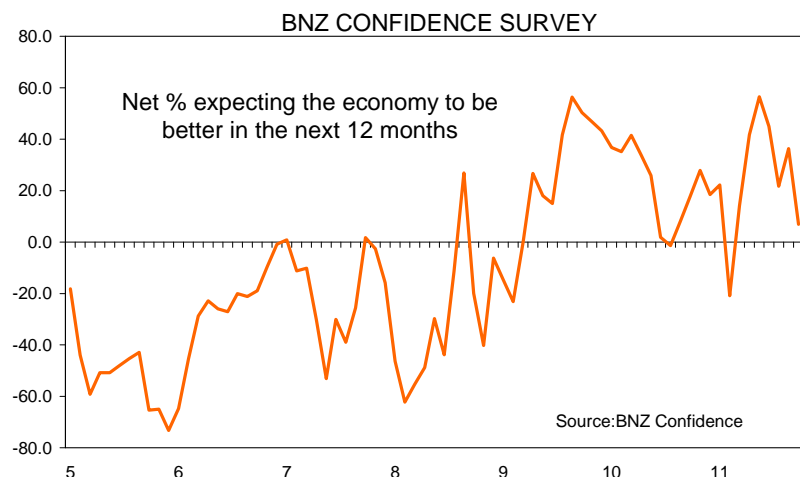
To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

The results here come from a monthly survey of over 25,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please click here.

http://feedback.bnz.co.nz/forms/Fx-l8ploskSGWgjN_7WOAw

Confidence Almost Disappears

Our monthly BNZ Confidence Survey sent out last Thursday night and largely answered on Friday has revealed a sizeable decline in optimism about the strength of the economy in a year's time. Only a net 6.9% of the 391 respondents expect improvement, down from 36.3% in September. The latest result is the lowest since immediately after the February 22 earthquake and continues a downward trend in place since the record level of sentiment recorded in June.



No clear theme comes through the written responses explaining why sentiment has changed so much, with only a few respondents explicitly noting the poor news from offshore. No-one cited the credit rating downgrades. But there were a high number of people who noted that the Rugby World Cup is having a depressing effect on their current levels of business.

For individual industries responses can be broadly be summarised as follows.

Accountancy

Practically all comments now positive.

Advertising & Marketing, Media

Overall still weak.

Agriculture

Mixed to positive with some happiness that the NZD has weakened.

Agriculture Servicing

No obvious surge in farmer spending yet.

BNZ CONFIDENCE SURVEY

Construction

The responses in this section are as mixed as ever with some operators extremely busy and others seemingly on the verge of closing down.

Forestry/Manufacturing/Sawmilling

Mainly negative responses but not quite as many as in the previous 2 – 3 months.

Horticulture

Kiwifruit naturally very depressed because of the PSA vine disease.

Legal

Quite a distinct contrast to the increasing business of accountants with the legal sector still looking depressed.

Manufacturing

Mainly flat to weak comments this month.

Property Management

Rents generally rising though Wellington continues clearly to under-perform. (For more insight see the results of our BNZ-REINZ residential Market Survey due out later this week.)

Real Estate – Non-residential

No clear evidence of activity improving.

Real Estate – Residential

The general themes are improving buyer numbers, listings slightly improving, still no evidence of prices doing much.

Recruitment

Busy with increasing incidence of skills shortages.

Retail

Overall still negative sentiment with 13 of 20 replies noting weakness in sales.

Signage

Flat to busy.

Tourism and Travel/Accommodation

Worries about weakening of activity once the Rugby World Cup ends.

Vehicles & Automotive

Generally still weak. Consumers clearly not confident enough to splash out on cars.

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
4 February 2010	53.5	29.7	16.8	36.8	555	344
5 March	49.7	35.8	14.5	35.2	523	347
26 March	55.3	31.0	13.8	41.5	436	263
7 May	50.9	31.9	17.2	33.7	501	329
11 June	44.4	37.0	18.6	25.9	549	394
8 July	32.7	36.5	30.8	1.8	542	405
5 August	31.2	36.3	32.6	-1.4	565	398
7 October	42.0	33.8	24.2	17.8	607	421
5 November	47.5	32.8	19.7	27.8	467	318
2 December	42.0	34.4	23.6	18.4	521	339

BNZ CONFIDENCE SURVEY

3 February 2011	43.3	35.6	21.1	22.2	540	401
3 March	22.4	34.4	43.2	-20.8	456	349
7 April	44.3	25.6	30.1	14.1	418	321
5 May	57.3	27.1	15.6	41.7	314	240
3 June	65.2	26.1	8.7	56.5	379	300
8 July	59.3	26.5	14.2	45.0	351	257
4 August	44.6	32.4	23.0	21.7	383	279
5 September	52.5	31.3	16.2	36.3	531	361
6 October	35.0	36.8	28.1	6.9	391	296

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

INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

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

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

Accountancy

- Contract Accounting may have bottomed
- Accounting - things looking good (locally)at present, plenty of people concerned with the global economy though
- Good supply of work, shortage of skills(Accountancy)
- Accounting - Tax Agent. New clients coming onboard as well as current clients expanding and setting up new companies and ventures. Overworked and underpaid. Slow debtors running into 120 days plus.
- Accountancy. Many people commenting on rising cost of living. A few slow payers. I don't seem to be preparing as many interim accounts for bank purposes, as I usually do...
- Accounting, Business consulting. Very busy. Positive Capital investment / maintenance decisions being made. Profits generally up on last year. Auckland property market continuing to improve. Beef, sheep, and Dairy farmers, under a lot less pressure.
- Accounting: some clients liquidating; some doing better than this time last year

Advertising & Marketing, Media

- Marketing advertising. Very flat, our clients are very tight cash wise with no significant profits to build equity and growth. Govt. compliance and tax major issues. Fear around investment in business.
- In the advertising and marketing environment, that I work in, I don't think things are going to improve at all as retailers are really stressed and stretched yet they need to move stock - Christmas will be a telling time for all. I have ticked "same" in the above box however I think things may even get marginally worse for a lot of people.
- Advertising agency - its been better, customers want the same or more with a smaller budget [and I want the same in my business]. We work harder for less.
- Advertising Agency - steady workload but with short deadlines. Sept has been dead for retail clients even with promotions - perhaps spending has shifted to RWC.
- Many Advertising budgets still on hold or low priority. Magazine advertising.
- TV - slow.

Agriculture

- Lamb skin fellmongering & skin, pelts & wool export. Sale prices (USD) remain very high but just softening. Volume is very low and only selected customers can afford prices. New season lamb skins (Nov11-Feb12) salted for floor rugs are in very good demand in China. Lower exchange rate will see further lift in returns to lamb farmers. All hoping for flock retention/rebuild this yr. All looking very good.

BNZ CONFIDENCE SURVEY

- Sheep and beef farming. Cautiously optimistic. Currency coming off should help if sustained. A decent lambing/calving and favourable in market supply/demand fundamentals are positives. Just need some rain.
- Agriculture:- (Italy winemaking) poor harvest in terms of quantity quality will be good.
- Dairy industry. Things are ticking over nicely, but the global financial situation is a worry. Low interest rates and reasonable forecast payout are great but I wouldn't get too excited given the global situation.
- Agriculture Sheep & Beef - grass growing, dollar falling, bring it on.
- Agriculture (grain & seeds) - Better prices for both contract and free grains this season has been well received, although major costs, especially fertilizer, are a concern going forward. Seeds generally remain steady without anything to jump for joy about! Lower NZ\$ is a good boost for export seeds.

Agriculture Servicing

- Mainly work for the dairy sector, electrical, pumps, and milking machines so we have been busy and are holding at that with no signs of slowing.
- Suppliers to the dairy industry. Positive. Good. Recent rains have been well received apart from Southland where they could do with a break from moisture.
- Animal Health Industry - Dry stock farmer confidence quietly positive for a change. No short cuts are taken with investment in animal health high.
- Veterinary Services and Supplies. While product value is good for farmers, they are very cautious regarding how long this may last. There are many positives within NZ that farmers have control or influence over - fertilizer inputs have increased resulting in better feed supplies and thus better production on farm; better returns allowing decrease in debt levels and therefore less interest overheads; kinder weather patterns over the past year; maintenance on farm being brought up to date - all result in more positive attitudes. Similarly, events that they have no control over are having a positive influence - NZ\$ vs. US\$ exchange rate dropping is a good example. On the negative side, external events outside of farmers control such as the world financial turmoil that will result in decreased demand for our products are viewed with increasing concern and reservation. The net result is farmers being very cautious in their spend of increased income. This will filter down to the cities - it has already having a direct effect on some rural service businesses.
- Agricultural Chemicals. This sector has got more and more price focused as the impacts of the GFC hit home. I work for a multinational and see more farmers chasing cheaper end of the generic chemistry in the market even when they know it doesn't work as well. We are growing due to new products, while some of our older products although still selling well, are now 50-60% below where they were 3 years ago.

Architecture

- Architectural Design Auckland, incoming work remains very patchy, mostly alteration / addition work, new houses hard to come by, developers hesitant.
- Architect... very mixed...

Business/Management Consulting and Broking

- Business consulting work in Wellington is difficult to find. Government Departments appear to be indecisive and/or lack funding with projects that could yield gains in productivity and service.
- Market Research - Busy this month, a quieter month on the books coming up.

Civil Engineering

- Infrastructure Construction. Presently there are projects about to start but are not quite here yet.
- Civil Construction: Lots of Interest across the various construction markets, but lots of competitors will travel as well. Forestry roading and associated: Would be great if the log prices and demand would kick off again but not looking good short term.

Construction

- Building residential houses - steady

BNZ CONFIDENCE SURVEY

- Commercial Construction. Slow and with very low returns and people bidding work at negative margins still.
- Building new & reinstatement of damaged dwellings - CHC. A very large volume of work available and under way. New is slowly gaining traction, but still not ready to change to 2nd gear - we'd prefer to maintain the deal-flow in first. We have quadrupled staff numbers in reinstatement with specific trades (decorating) in short supply. Builders with low adaptability or willingness to take on all aspects of the trade are in over-supply. Materials requirements are very low as % of the value of reinstatement work. Merchants tell us they are doing it hard.
- Commercial Construction. This sector remains depressed. In Wellington this will continue for some time say 18 months.
- We are busiest we have ever been. Fully booked up to Christmas with more building teams than we have ever had before. Construction industry.
- Residential Building All of our branches are reporting increased interest and sales twice the volume compared to 6 month ago.
- Construction related in Wellington. No light in the tunnel. We have cut costs and staff as far as possible to still exist. Any interest rate or economic shock will be the end of the business without an increase in activity. Some aspects of the business are going very well, but the "main stream" work is very slow. Our customers are fighting each other for work at very low rates.
- Construction. Order books are slowly reducing with little large contract work in the long term pipeline. Heavy emphasis on Christchurch rebuild but accessing labour and materials will be expensive and leave eroded margins.
- Commercial construction. Conditions continue to be extremely tight.
- Construction - activity relatively strong, companies tendering a lot.
- Construction. Still really patchy with zero margins and not a lot of forward work. If everyone held margins and decent hourly rate instead of undercutting to procure work would be a bit easier
- Residential housing Auckland, we have had a solid past six months! sales have been steady and good quality enquiries have resulted in pre construction sales and building contracts, makes a nice change.
- Building Christchurch, new builds starting
- Residential Building. Things are very slow. A few signs of picking up again, but this could be the usual pickup as weather improves after winter. Have decided to create our own work by buying property to improve and resell.

Construction Related

- Building Industry - manufacturer / supplier - just no sign of things improving at all, low volumes and very tight margins.
- Importing - demand for specific construction products has increased
- Abrasive blasting and Industrial Painting. The infrastructure still needs to be maintained to stop it from corroding away so we are finding the refurbishment side of our business is very busy whilst the new build side is very quiet. This has meant the dynamic of our company has changed and we have had to be flexible.
- Multiple Sub-Contractor Trades in Construction Industry in Hawkes Bay & Manawatu. HB not too bad with work through to Xmas. Seeing the spring pickup in number of enquiries. Finding that a number of larger local projects keeping everyone busy. Manawatu horrible. General lack of work all round and little levels of enquiry. Bad news on the media makes the phones switch off immediately.
- Electrical distribution/wholesale and things are getting worse

Education

- International student Education - very good numbers
- L&D - Training: Seeing companies starting to look ahead to their skills needs in 2012 and beyond
- Education - no good, losing skilled people to overseas destinations
- Sales Training is very good as staff engagement is so low and advertising is hit and miss with so many choices and poor strike rates by staff

BNZ CONFIDENCE SURVEY

Energy

- Oil industry is looking busy for the next 12 months.
- Power Industry - mainly driven by replacement of old assets plus some new renewable generation projects

Engineering

- Consulting Engineering very dismal at present
- Engineering supplies, we are ticking over just meeting realistic budgets.
- Consulting Engineering, outlook is good, particularly with work from the CHCH rebuild
- Engineering/manufacturing, surprisingly been quite strong over the last few months, however unsure if it will continue,
- Engineering. Fabricating and machining is our core business, we are experiencing unbelievable demand, well ahead of pre GFC figures. Staff are hard to find, suppliers are continually letting us down.

Finance

- Financial Planning/Portfolio Management. Very busy with client queries (hand holding). Mainly from the smaller investors. Extremely busy writing new investment business (Wrap).
- Slowing a little at the moment but just wondering if RWC has anything to do with distracting people from borrowing
- Foreign exchange industry, not too bad as people buy/sell currencies in both side movements
- Retail Banking- Looking promising after strong growth last HY
- Banking - more home lending activity in the last quarter (Jul-Sep)
- Trustee cum financial services industry. Not particularly bright. No new plans written and very little new funds coming in.
- Financial planning and retirement. I find clients are paralysed with fear as they are uncertain about their future. Just like the markets, my clients hate uncertainty. The USD and currency devaluation plus the media's drumbeat of unintentional consequences has put things in turmoil.
- Private finance company lending on development property etc. Very quiet, little activity, little demand so can only get better. ChCh based which is presently stuffed and will be until insurance is sorted out.

Forestry/Manufacturing/Sawmilling

- Forestry - Export volatile with log inventory in China, domestic prices high but mills struggling.
- Sawmilling, Canterbury: Margins tight but production and sales about normal for this time of year.
- Timber joinery and building. It has been a very bumpy ride over the last 3 or 4 years, and the feeling there is going to be more of the same. Our business deals mostly in renovating older existing homes, and I am seeing more plans for pricing than last year. With the shortage of new housing in the Auckland market, people seem to be renovating more.
- Quiet (Timber)
- Forestry - things are looking negative. Particularly for carbon forestry.
- Sawn timber & pulp exporter - currency killing us and China slowdown now pushing down prices and demand. Next year will be very tough.
- Forestry - mildly positive - export log markets still holding up, sawmillers struggling, some positive processing investment news.
- Timber industry going well

Health and Fitness

- Health care still very tight
- Health. Some solid increases in throughput during winter but this is tailing off now that sunshine is appearing. With many people deciding to save and do nothing, the Accident side of our work is dropping away noticeably. Not much chance of having an accident in a Laziboy chair in front of the TV.
- Same as last year (health)
- Medical industry - a little slow to be honest

BNZ CONFIDENCE SURVEY

Horticulture

- Kiwifruit Industry - Things are looking absolutely dire with the spread of Psa.
- Kiwifruit. Still fighting PSA. Complete uncertainty around whether or not we will have a crop this year or whether we will be starting again
- Better. Horticultural & Forestry. Avocado and Pip fruit.
- Kiwi Fruit - depressed - a combination of the incidence of psa increasing and a lack of control and reduced returns based on forward exchange rates and depressed markets in Europe & Asia
- Much busier but not sure how overseas events will effect the economy. Great that exchange rate has gone down. Horticulture

Hospitality/Entertainment

- Strong in the events industry including post RWC.
- Arts recreation - we have had increased bookings in activities over the next 3 months
- Hospitality - Severe downturn during RWC from locals staying at home and only RWC visitors in the country. Game night hosted locally and the day either side were good but otherwise only about 50% of what we would normally get.

Information Technology/Telecommunications

- IT: Still a lot of interest in out-tasking non core services and capabilities.
- IT Wellington - OK at moment.
- IT - Business Software. Deals still being put on hold, now it is common to hear "we will look at this again in April 2012".
- IT Infrastructure - Steady flow of work, a mix of new installs and upgrades to existing.
- A lot more activity in capital investment for IT equipment than at the beginning of the year.
- Information Technology - very strong. Plenty of sales with solid pipeline. Skills and people shortages becoming evident. Thanks Steve for the wonderful legacy you have left our industry.
- Online marketing, web development. Sales very strong at the moment.
- Web development. Lots of work coming through but I have a large client base so have never had issues with enough work.
- IT Services - Same
- ICT (Project) - Some signs of improvement but no trend yet. If things don't get worse then that would be a good result.

Insurance

- Things are looking good for insurance brokers due to rising premiums but there is always the risk of people not being able to pay for these increases.
- Insurance continues the difficult journey of increased premiums with no real end in sight. Insurers withdrawing from market just make things more difficult.

Legal

- Law - Christchurch -The momentum is starting to build around all the issues with the earthquake - slightly more than a trickle as yet but you know the flow is going to increase.
- Legal. No change. Still tough.
- Provincial legal - as quiet as anyone can remember.
- Provincial legal- very quiet. Some forced clearing of property but everything else very slow.
- Small provincial Wairarapa legal practice. Conveyancing and general practice dead. Very hard to get deals together. No one has spare cash.
- Legal - better/busy

Machinery – Including Hire

- Equipment Hire - still steady uplift over same time last year.

BNZ CONFIDENCE SURVEY

Manufacturing

- Industrial Manufacturing - Never recovered in full from the recession and whilst some pockets have done well we expect demand to remain flat or drop over the next 12 months.
- Plastics manufacturing. About the same
- Demand for our Exported Goods has slowed considerably. Manufactured Exports
- Metal Roofing Manufacture Waikato. Currently at lowest point since downturn started. Europe debt problems likely to dent confidence.
- Manufacturing (Seafood)- pretty flat
- Food Manufacturing Industry. Pretty good, as we produce middle range quality/price goods and sales seem to be unaffected - maybe even enhanced - by a downturn in economy

Miscellaneous

- Really great winter, all numbers up significantly. Nothing bookings specific to RWC though. Steady bookings for summer so far. Cleaning Company, Short Term Rentals (Holiday Homes)
- Fire Protection fairly level following a dip that was mainly due to less business caused by the effects of the earthquake in the CBD. Outlook steady but will only recover in line with building programmes and Christchurch rebuild strategy.
- Mining industry. Excellent prospects coming up with a huge spend coming up in Exploration.
- I work in the Taxi industry. At the moment we are seeing a flattening in demand, the industry is responded by providing better training in areas such as service delivery and driver management. There are always hot spots that show growth or decline outside the industry average but we do have new markets to explore and the future is pretty good.
- Policing. A growth industry!!
- Security wholesale supplies. Patchy to quiet.
- Marine. Very Slow. A few pockets of new sales - mainly dairy or baby boomers. Essential maintenance, sometimes deferred from last year is getting done or at least talked about. The big Auckland Boat Show didn't ignite the Spring push as expected or hoped for. So now we wait until late November after the World Cup and school holiday bills are paid off. And the continued rise of the NZD against the AUD is hurting marine exports too.
- Government - extremely busy. Low staff numbers mean more required from less people.
- Hunting & Fishing industry. Sales still depressed as consequence of high price of fuel and lowered incomes.
- International consulting - government finance. Plenty of new opportunities!
- Pool Service Company. demand is increasing but this is due to seasonal factors. Larger projects are slow in coming and very little is booked in advance. Customers seem to be getting work done only when they need to not want to.
- Retirement villages. just finished best 1/4 in 4 years also best year in 5 most important our incoming residents are readily selling their homes
- Very little work at present - environmental consulting, waiting for developments to pick up, particularly in ChCh
- Resource management / town planning consultancy, Auckland. very slow at present with no new jobs in for the last few months, things can only get better!
- Service sector. Consumer holding onto cash, not looking to undertake preventative maintenance, waiting for machinery to fail before repair.
- Fire installer/chimney sweep, very quiet in general even a \$55 sweep seems a bigger deal to many this year even though its required by insurance
- Very good. Dairy-based nutritional products, mainly for export.
- I work for the government - and we have been told to expect no additional funding
- Resource management -- pretty slow, well down on past years

Packaging

- Has been quiet for last 3 months but starting to pick up prior to Xmas. Timber packaging industry.

BNZ CONFIDENCE SURVEY

Printing

- Debt repayment stops reinvestment in the printing industry
- Commercial Printing has experienced a significant upturn in volume however margins remain very competitive with no change expected in the near future

Property Development

- Residential Property Development in Auckland.. Same old, same old. The new spatial plan is very uninspiring.

Property Management

- Property investor Rotorua. Great buying conditions, new rateable valuations just out with drops from 10-18% mostly in land values.
- (Residential property investments) Some of my residential properties have got 8% rent increases in the last 12 months so things are looking good.
- Property Manager North Shore of Auckland. Good enquiry rents stable expecting rents to increase as pressure over shortages in 3brm & 2brm become more apparent over summer. Landlords under pressure to sell now that market has improved. Student market looking good for next year with strong applications received, well ahead of last year.
- Property Management Wellington - rents remain flat or receding slightly, no. of tenants looking is low. However, our business is growing steadily.
- Residential property investment Christchurch and Auckland. Christchurch Seasonal lift in demand for rentals stronger this year than last. Demand strongest in northwest weaker in the east, which of course would be expected. Overall very good. Auckland good and getting better.
- Residential rentals in Hamilton and Auckland, having full occupancy and progressively increasing rents with tenant changes.
- Property investment - rents rising, investors are coming back into the market, with a return to the fundamentals of cash flow based investment. House prices gains are slight but still evident.
- Property Management and Real Estate Sales ChCh: Property Management growth nearly back to normal of 15-20 new managements per month. Sales Listing significantly up and confirmed sales also up. Insurance continues to be the major problem for in contracts not completing.

Real Estate – Non-residential

- Commercial Real estate. No real change. A few small start-up businesses looking for space. Then up pops a business that wishes to vacate its site as costs of operating at a very low level (Building) outweigh any margin left in any deal so going to work from home.
- Commercial Real Estate - where have all the investors gone
- Commercial Real Estate, definite increase in enquiry and transactions over the last two months
- Commercial Property - Increasing industrial development with spec builds on the horizon because of strong demand from low vacancy
- Retail Property Management, as tough as it has been since the GFC due to no clear end in sight in the downturn in spending and issues in capital markets.
- Commercial office leasing, general lack of urgency with few tenants committing unless necessary. Many keen lessors.
- Commercial Property - Christchurch - It is frightening how much is coming down, how much it is costing to do the demolitions.
- Central City Commercial Property Christchurch - Most buildings older than 10 years in the CBD of Christchurch will get demolished and because of continuing aftershocks no new insurance is available in the CBD. Therefore no new builds. The CBD in Christchurch will be a real unknown for some time for any new builds.

Real Estate – Residential

- Real Estate - residential Christchurch - Eastern Suburbs. Working with red zone buyers so activity steady. More listings coming through now. Most Insurance companies transferring cover over to new owners.

BNZ CONFIDENCE SURVEY

- Real Estate Auckland City fringe. Listings coming in regularly but still lack of stock. Premium properties attracting lots of offers and silly prices. Other stock slower to move as buyers are still very picky. Not all vendors are convinced this is best time to come on the market. RWC has been uppermost in peoples mind in this area. May be a small boost between end of RWC and Christmas but don't bank on it with the Election in the middle.
- Residential Property - very promising outlook with days to sell shortened due to shortage of quality listings. Well presented homes, positioned correctly are selling down within 1-2 weeks currently in Auckland.
- Coastal Real Estate - Very positive. Fresh listings, motivated Vendors, keen Buyers and Interest rates kind making for a good formula. Properties turning over with 'fair' sales going through. Section sales appear to be on the increase.
- Slow down in last couple of weeks - Residential Real Estate
- Real estate - Nelson. Strong buyer inquiry and noticeable increase of visitors to open homes, particularly on the newer stock to the market.
- Real Estate Johnsonville: listings picking up, good buyer numbers, only needs confidence from purchasers to lift market. At present could go either way.
- Real Estate - North Shore Auckland. Very busy - lots of buyers, more sellers slowly coming to market. Prices a little higher - and still a sellers market here.
- Very quiet Real Estate
- Real Estate, Napier - very quiet over the last couple of weeks with little enquiry. There are still some good buyers about but there is no urgency to make decisions.
- Real Estate, picking up but controlled stock numbers are down
- Real estate sale prices still decreasing, volumes light . median prices lower than 12 months ago, a lot of vendor clients under financial pressure, rugby world cup a distraction no overseas rush of customers
- Real Estate- very static
- Real estate Eastern suburbs.24 sales for month, good listings coming out, Auctions selling well
- Very good (Real estate). Numbers have definitely increased coming through open homes and general enquiries
- Continuing a gradual improvement in Residential Real Estate. Our Property Management Division is particularly busy.
- Real estate sales. Accelerated enquiry, bursts of activity, easy to fool oneself it's all go. Let's see what has gone on once the RWC dust has settled.
- Real Estate - Tauranga. Steady as she goes, listings slowing, plenty of buyers. Market injection required.
- Real Estate, low sales volume. Hard to secure finance, buyers frustrated.
- Real Estate - Hawkes Bay (Havelock North & Hastings). Low volume sales are still the issue. Activity levels are reasonable, but weekend Open Home attendances are being adversely affected by the World Cup Rugby it seems! Buyers are still very much in control in negotiations and there is often a big "gap" between Vendors expectations and Buyers offers. Also a lack of good stock to sell.
- Residential Real Estate Hamilton. Steady activity across the board. new buyers entering the market on a daily basis. Many seasoned buyers getting pipped at the post due to good demand for good property. Positive levels of new stock emerging on the market. Prices seem to be holding steady if property is tidy. Some premiums being achieved.
- Real Estate in Gisborne. Best described as interesting! With two retirement villages competing for customers there are more and more retirees considering selling their properties. With values on their existing homes falling while the new home costs increase they are finding the gap widening. As well buyers for their properties are few which is complicating the issue further. Add this to a quiet market and it would be fair to say "It's tough out there!"
- Real Estate Invercargill - sales volume up, buyers hesitant but generally steady.
- Real Estate residential Christchurch still a very testing market .Appraisals have increased sharply, but people are reluctant to make firm commitments until they know where they stand with EQC and Insurer claims. Insurance remains a real issue and most people feel this is a very poor reflection on the Insurance industry. The market would function much better if Insurers took a more positive approach to the rebuild .

BNZ CONFIDENCE SURVEY

- There is increasing activity - more listings coming on to the market and more buyers in the market - and making decisions.
- Real estate, South Auckland. More listings coming in. Sales well off August 2011, prices steady, vendors meeting market. Property management busy, need more properties to rent.
- Real Estate Tauranga still good demand for homes that meet the criteria of the 3 P's Presentation, Promotion and Price. Activity with Open Homes slowed a little with World Cup.
- Real Estate Rodney : more activity from buyers since mid September, busy listing properties for spring.
- Real Estate - southern Lake Taupo, a very busy September and same to the start of October, with offers ranging from \$65k to around \$500k

Real Estate – Rural

- Rural real estate - some confidence returning due to positive income projections - still not a lot of farms for sale on East Coast Nth Island.
- Rural Sales, in kiwifruit very quiet. All horticulture Slow. Residential sales Ticking along. Will slow with elections looming.
- Rural Valuation - seems to be more than enough work out there! Farm land market very quiet with agents reporting few new listings. Seems that many potential sellers are sitting back and thinking that they will enjoy the positive incomes for the next while before making any further decisions.

Real Estate Valuation

- Property Valuations - quiet for this time of year. Starts and stops.
- Property Valuation - generally slow this year
- Valuation: Phones quieter over the world cup period, coupled with the school holidays the next couple of weeks, it could well be a quiet month.

Recruitment

- ICT Recruitment - we have seen some improvement this year, however, all of government procurement initiatives will have a big effect next year, and the smaller NZ owned operators may find it difficult. It's a case of watch this space.
- Really good, as recruitment is on the rise and it has changed very quickly from a candidate rich market to a candidate poor one. More counter offers are being made for good people pushing up remuneration levels.
- Recruitment services, very busy across the country
- Recruitment-Employers continue listing vacancies at a rate not seen since 2006. Qualified or talented staff are extremely difficult to locate during the RWC.

Retail

- Retail takeaway food, despite RWC takings down 30%
- Pharmacy - been very tight in retail though some customers still spend in the hundreds!
- My Greeting Cards business has been on the up these last few days. Yesterday I have had people ordering more than 1 -2 greeting cards . Generally people tend to buy or 1 or 2 greeting cards from a shop. I am looking forward to a bright future both personally and in business. As for my other businesses they have been quiet financially wise.
- Retail electronics and servicing. Still only getting work very sporadically. We are still struggling against the major retail chains but have managed to hold on thus far.
- Toy Retailer Online - We have the cheapest prices available but no one is buying at the moment. Xmas will be a interesting time this year to see if things do pick up
- At the moment up on last year North shore Florist
- Retail, very bleak
- Sporting goods industry - very slow!
- Things still very tight. Since World Cup began trade has actually dipped fairly significantly as compared to same period last year. Retail apparel Newmarket
- Market share is healthy, with a few good weeks of trading. Meat Retail industry.

BNZ CONFIDENCE SURVEY

- Supermarket. Dreadful! RWC has destroyed normal tourist flow. Should be shoulder season with cheaper flights, accommodation, cars, vans, instead everything is top dollar.
- Wet fish, takeaways..RWC is having a negative affect on turnover, too many staying home and watching TV I think. being a suburban business we don't get much trade from visitors or tourists. Other than that outlook in short term is ok, long term looks grim
- Retail pet stores.. Turnover is now steady, but nowhere as good as in previous years...profit is down by at least half after paying staff, rent, etc.
- Slow with no upside. Retail
- Retail Pharmacy, Having to do more, think outside the square, all to maintain ground.
- Mail order clothing business (retail industry) things are starting to pick up now, Christmas rush is beginning to take place, but in starts and stalls
- Retail the flattest it has been for years
- Retail Flooring Wellington - RWC has definitely been a distraction for our potential clients but we are expecting the "ball and chain" to detach from these clients at the end of the month !!
- Very, very quiet. Seasonal upsurge not there. Vending Operator with no benefit from the RWC.
- Retail food is looking gloomy. Everyone is looking for a cheaper product. I say that there will be more vege gardeners this year.
- Restaurant / Catering. Good strong bookings, looking forward to world cup being finished & people getting into Christmas !

Signage

- Sign writing, busy but this doesn't mean that we are getting paid, very hard to get money out of clients and even the corporates, the really big ones, tell us that they now pay only 60 or 90 days! Not 20th anymore.
- Signage - Christchurch. Trade has plateaued cash flow is less erratic with customers not seen for 6/12 months placing business again. People are optimistic in hope that the rebuild starts but underneath are worried that roadblocks of insurance and the world economy will stall it.
- Signage - looking good, very busy, would like to take on another staff member but can not find one that has experience. In CHCH so in the next 12 months to 5 years things should boom.

Tourism and Travel/Accommodation

- Tourism industry in the South Island is looking pretty bleak over the forthcoming 2 months.
- Queenstown tourism getting a RWC burst for last two weeks but dead before that. Expecting it to last another 1 to 2 weeks...maybe. After that expecting a big decline again. Was optimistic about summer for this is rapidly eroding.
- Accommodation in Christchurch is becoming more readily available, but hopefully we will see the change of guest with the overseas guests returning this summer.
- Tourism and Export Manufacturing - Tourism is going to be bad this summer but after long term restructuring (for change in market coming to NZ and because of ChCh) sets in over next 12 months will grow bigger than ever. Export manufacturing is growing 5% a month at the moment.
- Accommodation - shaky
- Tourism. very difficult. after world cup almost no books. High yield Europeans not travelling this far afield volumes 75% down
- Motelier. Worst September in my 6.5 years (worst month ever)
- Outbound travel - good forward bookings for next year
- Airline - Definitely soft with forward look deteriorating
- Tour Operator, RWC has disrupted usual booking patterns negatively as non rugby fans are unable to get flights in other than at full fare. We have lost these people to other destinations. High dollar against our major markets of Euro and GBP also having an effect.
- Our industry has started or is experiencing a lift at least from visiting vessels. We could put this down to the RWC, but from conversations with members of crew the visiting is in most cases not related to the RWC. This is probably good news for the industry as it means Auckland in particular and New Zealand is still a place high on the list of places to visit you might even say the council/government investment into the Auckland waterfront is starting to pay off. On a negative note there have been some marine

BNZ CONFIDENCE SURVEY

companies in trouble with a some looking like no return to industry in the immediate future being on the cards. So we have good export opportunity with servicing on visiting boats, holding pattern with order books for new builds and a local marine boat owner market that mirrors retail spending. Our industry needs to dig deep into enhancing service right across the board and attract (squeeze blood out of a stone) and stay in the starting blocks ready for change and capture all opportunities with lust.

- Demand is slowing for low cost camp accommodation, with forward bookings at best level or in decline.
- Tourism. South Island. Fallout from GFR and ChCh earthquake continues.

Transport and Storage

- Cold storage and logistics - same but difficult to read the tea leaves
- I have a Storage facility. My vacancy is about 4% by number of units and about 1% by money value. So no complaints.
- The road transport Industry continues to experience inconsistent work levels and profits. This leads to a lack of confidence towards replacing capital equipment and involvement in expansion investment. Rural cartage especially fertiliser is active.
- Whakatane storage complex. Steady flow of inquiries. Still running at 98% capacity.
- Transport industry is steady. Good employees will be getting scarce by the end of the year.

Vehicles & Automotive

- Auto industry is still in the zombie phase of recovery.
- Automotive Retailing Steady business at present
- Franchised Motor Dealer Auckland. We are experiencing extremely difficult trading conditions currently, far worse than 08/09. Unsure whether to blame RWC or International financial factors.
- Car repairs. Picking up
- Automotive. Not easy. Steady. But nervous.
- Up and down automotive industry
- Used cars, not flash....four months of very slow sales, public wanting huge discounts, weakening yen, emission law change coming at the end of this year pushing prices up 20%...Should make for a very interesting summer!
- Just scraping through. Car yard

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

The BNZ Confidence Survey is run on the first Thursday of each month. In the Weekly Overview email sent to the 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 over the weekend and released on the following Monday in this publication to media and WO readers.

This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate the contents should not be relied upon or used as a basis for entering into any products described in this publication. BNZ strongly recommends that readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. Neither the Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever that may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.