BNZ Confidence Survey

6 December 2011

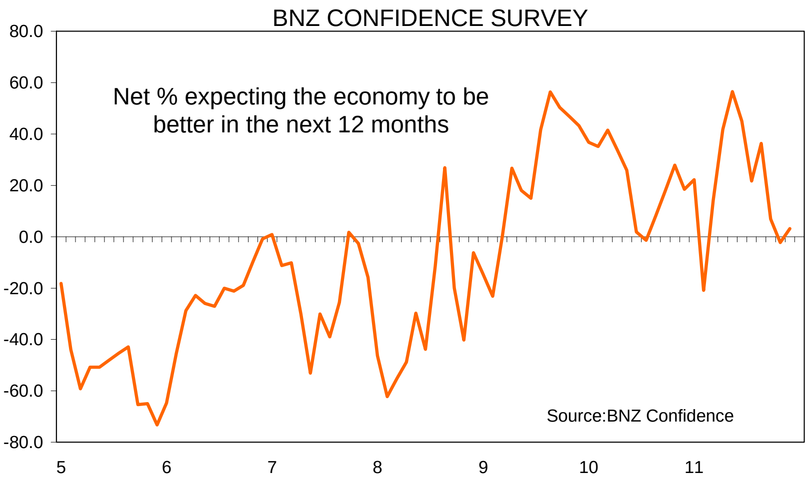
Mission Statement

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

The results here come from a monthly survey of near 26,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please click here.
http://feedback.bnz.co.nz/forms/Fx-I8ploskSGWgjN_7WOAw

Sentiment Steady

Our last BNZ Confidence Survey for 2011 has found that a net 3.2% of the 439 respondents expect the economy to improve over the coming year. This is essentially unchanged from a net 2.2% pessimistic in November and 6.% optimistic in early-October. Sentiment then has been broadly steady for three months after falling sharply in October from the May to September period.



On average since our survey started in 2005 a net 9% of respondents have felt that the economy will deteriorate over the coming year so the latest outcome is marginally better than average though not by much. In that regard, with GDP growth and jobs growth both averaging 1% per annum since 2005 the latest result does not give much reason for expecting that the economy will perform all that strongly next year – though we are hopeful on the basis of increased farmer spending, catch-up stock building and durables consumption, rebuilding in Christchurch, and catch-up housing construction in Auckland. .

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

Accountancy
Very mixed but with a few more than usual reporting things appear to be improving.

Advertising & Marketing, Media
While a couple of comments were positive most still describe a hard operating environment.

Agriculture
Most comments quite positive noting good growing conditions.

Agriculture Servicing
Generally positive comments regarding some feed-through of higher farm incomes into maintenance, machinery etc.

Civil Engineering/Contracting
Margins still tight, work a bit hard for smaller firms, expected to lift.

Construction
Not as negative as previous months though still fairly tight by the looks of it.

Construction Related
Current conditions still tough but signs of improving activity for further out.

Engineering
While there are one or two negative comments more note activity as being quite busy.

Finance
Still quiet overall but a few more home buyers appearing – some using Kiwisaver money.

Hospitality/Entertainment
Responses range from very busy to very weak. No consistency.

Information Technology/Telecommunications
Conditions seem quite good though not strong.

Legal
Busy overall which we take as a sign of reasonable activity through the economy generally.

Manufacturing
Mixed overall but food manufacturing seeming to be improving through exports.

Printing and Packaging
Very tough conditions by the look of it – often in the past taken as a sign of weak economic activity overall.

Property Development
Mild signs of life but not consistently upward as yet.

Property Management
Rents appear to be facing upward pressure in Auckland and Christchurch but elsewhere conditions are still mild.

Real Estate – Residential
While a few respondents noted rising listings and some others poor sales, the dominant theme is one of a listings shortage, firming (cautious) interest from buyers, and few sellers feeling they need to discount price to get a sale.

Recruitment
Comments largely suggesting a slowdown in employee demand.

Retail
Apart from one respondent noting booming Christmas tree sales, almost all others report very tough trading conditions.

Tourism and Travel/Accommodation
Generally positive comments in spite of the post-RWC falloff.

Vehicles & Automotive
Still a hard market overall.

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

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 is still fairly flat. The odd pulse beats every now and then.
- Accountant - Still working steadily. Clients slower to bring work in now
- Accountancy - things fine in our office, working coming in, new clients coming, clients paying, but international situation worrying...
- Accounting Practice. Traditional quiet period over Christmas/New Year but there is no sign of any pick up for next year and signs of decreased activity through business closures, retirements, etc.
- Accounting - starting to slow down leading up to Christmas. Hopefully clients work on their returns over the break and we pick up again in January
- Chartered Accountant- still busy with tail enders- special work has dropped off as clients appear cautious
- Chartered Accounting Public Practice - quiet
- Accounting/advisory. Mixed signs as per the last 18 months, but an overall upward trend. recruitment and debt collection remain as the biggest challenges
- Provincial accountancy firm, becoming more competitive, gaining new clients from other firms, clients becoming price increase sensitive
- Chartered Accountancy - lot's of new business start up's occurring as employees take the plunge into self employment!

- Accounting. Lots of work due to Earthquake. Clients slow at paying
- Accounting, Tax & Business Consulting - Very busy, generally more positive sentiment. The sky hasn't fallen. Switched-on clients recognise a good time to buy good Auckland residential, and commercial properties. Inflationary pressures will start middle of next year. Interest rates are great. Dairy, beef & sheep farming clients are positive. NZ Farm land will be the next gold. The election result was a big relief. Europe will get sorted out, and that will be another relief
- Accounting: mixed. Some good some bad
- Accountancy Practice - people worried about tax, cash flow with the world economy a big talking point.

Advertising & Marketing, Media

- Media - revenue is tight, recruitment is restricted but it is difficult to find skilled and experienced staff
- Experiential Marketing. Many of our larger FMCG customers do not have the marketing spends they have had in previous years with the situation getting worse internationally rather than better. Budgets are set with many of these companies in Australia who are finding business harder than New Zealand.
- Advertising and Marketing. Marked slow down in spending by clients. Conservatism in decision making pervades, sluggish new product development processes.
- Public Relations Consultancy: We have experienced a significant recovery in the second half of the year, albeit from a low base
- Print media advertising - down marginally on last year, but sounds from clients seems positive with many having strong strategies for 2012
- Media - revenue tight, competition from online options increasing
- Shocking., just no investment in productive projects at all from our clients. Zero confidence to take any degree Of risk. Advertising/marketing
- Media Sector - the same, as ad spend reflects the economy in general. Possibly slightly worse due to reduced Govt spending on TV7.
- Advertising - things still very tight but we sense a level of improvement.
- Media/advertising - challenging but looking for about the same in 2012
- Advertising & marketing. I think things started to pick up through the middle of this year, but have faltered and stalled a bit recently. The early part of the new year doesn't look great.
- Design and Marketing Industry. It is very tough currently with all budgets competitive and projects hard to get go aheads on. Clients are being very cautious with any investment.
- Media - softening as we start to lead into Christmas. Uncertainty surrounding world economy is impacting on forward decision making of business for Q1 2012

Agriculture

- Positive - dairying
- Farming, Returns for beef and maize are very good.
- Dairy Farming - nervous about summer and dollar yo yoing around. Stock prices sky high, banks nervous about lending
- Agriculture - sheep and beef - grass and good prices but cash is being paid to reduce debt and to catch up on R&M delayed for past 5 years. Focus is still on keeping tight control of costs
- Agriculture - arable situation is much the same as previous months. A very good growing season and adequate moisture points to a reasonable harvest at this stage. Concerns going forward are likely fertilizer price increases in the New Year and the recent strength in the NZ$ against the US$.
- Dairy Industry. The season has been kind so far with cows milking well and plenty of supplement being made. As far as the payout goes I cant see things being as rosy as last year in the medium term but am hoping it will stay north of $5 no matter what happens around the world.
- Farming has peaked coming off now
- Dairy Farming Payout dropping, costs rising, drought conditions again in Northland taken the edge off a great spring
- Sheep and beef farming, looking really good with a good spring and good growth plus good prices. dairy as above

Agriculture Servicing

- Agrichemical sales very buoyant
- Rural Engineering Consultancy. More settled, work coming in slowly, but farmers mostly keeping their hands in their pockets. Kiwifruit growers heading into a bad period.
- Farm machinery dealers - good grass season means a more positive outlook
- Agriculture Feed Manufacturer. The exceptional growing season has dampened demand for feed. Season ahead should be good as agriculture is better than most sectors of the economy.
- Veterinary Services & Supplies. There is a very clear trend evident now that people do not have the disposable income they had a couple of years ago. So discretionary spending is virtually nil. On the other hand, farming does have liquidity at the moment, so there is little evidence of reduced spending on core business maintenance and getting this up to date - including animal health and farm production. Many farmers seem unaware of the approaching hit they will get when next year's provisional tax coincides with a high terminal tax demand due to reduced provisional tax paid earlier this year. This will be significant to some. Despite the above, the rural mood is quite upbeat and positive - great to see and work with!
- Ok relying on previously arranged work from regular clients in Farm servicing forestry a bit squeezed with 'dollar' variability
- Suppliers to the Dairy Industry: business is good
- Animal Health - Very positive outlook with high livestock prices customers want the best protection.

Business/Management Consulting and Broking

- Market Research - Still OK, and have work for next year.
- Market Research. Still tight, but optimistic for a better 2012.
- VG for mentoring leaders and coaching staff to become more engaged
- International consulting. Competitive, price sensitive, but opportunities are there.
- Management Consultancy: Fewer opportunities being advertised. Experienced consultants continue to be in demand.
- International consulting - plenty of work, but the issue is the continuing high value of the NZ$ v US$.
- Business Coaching - our business is doing exceptionally well.
- Business Coaching and Mentoring Difficult as owners reluctant to use these services at a time when they need to!!

Civil Engineering/Contracting

- Civil construction - working hard to get work. Very quiet and tendering for every job that comes up
- Civil Contracting South Canterbury - steady workload, margins still tight, more work needed for the new year.
- Civil Sector, It appears to be good for the large companies but our smaller companies are struggling due to the new super city. It has made it harder to get work lots.
- Civil Engineering. Variable. Some are finding it hard with uncertain forward workload while others who have specialist skills are in demand.
- Civil Contracting in both residential Land development and local body infrastructure has seen a significant increase in tender work. Currently competitive pricing, but expect margins to rise as availability of resources diminishes.

Construction

- Construction (Drain laying) - Competitive
- Static to slowing. The lack of resolution in the European crisis and the seemingly growing lack for enthusiasm for a resolution by European voters is taking firm root in the formulation of forward planning. I am in the building industry
- A lot of people out there not make money.. building industry
- Commercial Construction - Very slow, though occasionally an odd gem.
- Construction (sheds & light commercial buildings) - very strong at present. Extremely busy.
- Light steel construction, Wellington. Good work in progress, reasonable trickle of enquiry now that distractions are out of the way. If Europe settles then expect a good year to come.

- Residential construction Napier. Its typical for this time of the year enquiry is up, building is frantic and everyone wants to be in their home by Christmas. All good here
- Commercial construction. Very competitive with low levels of demand apart from seismic strengthening.
- Building industry -signs of future activity
- Construction - Rebuilding in Christchurch. Lots on, lots more coming.

Construction Related
- Building supplies - Taupo & surrounds. gained new customers in the middle of the year after competition changed management - again. Margins are low, competition is high but is now loyalty and service based so we are able to continue to make inroads against competitors.
- Construction industry products with a mix of residential and commercial in both trade and retail markets. Retail has been particularly slow of the last two months and overall slightly down on previous year. Commercial has been steady but future prospects indicate a declining market.
- Very depressed (industry: lighting so construction and renovation focused)
- Supplier to building industry- Looking at the residential building consents to show some uplift in 2012 to enable some growth, although it will take several years to return to what we once called an average year.
- Plumbing, drain laying & gas fitting industry. Forward work for the new year is above the average of this year. Leaning towards optimism.
- Electrical Contracting, Slowly improving, a few more jobs available, could be the Christmas rush ha,ha. Anyway not complaining
- Aluminium window industry - It is the toughest I have seen it in 15yrs
- Timber joinery manufacturing We have had a slower build up to Christmas than I can remember, and this year has been a real roller coaster ride. Overall pretty flat year. Next year I am reasonably confidant that we will do a bit better than last year
- Building supplies - flat to depressed to variable = uncertainty. But we wait in hope for the 2nd half 2012 with the Christchurch rebuild and demand around the country now requiring activity
- Building Industry - supplier / manufacturer - no positive signs at all indicating that next year is going to be any better - more of the same - fighting for every job at no margin.
- Electrical inspection work. very slow on new building construction work slowing all trades down
- Building Alteration Renovations. As tight as ever. Work harder each year to make the same profit.
- Shop fitting industry. Good workload going forward from export business. Reasonable prospects for near future. The bigger retail chains need to continue spending to keep up with their competitors.

Education
- Private tuition: much improved this year so we are presuming clients will continue to join us.
- Custom training - solid upswing
- Education sector - tight margins, slow decision making tertiary education effects of ChCh earthquake have not spread fully through the market very little growth expected in international recruitments due to strength of kiwi dollar domestic growth stable but not expanding lack of capital investment in infrastructure is ongoing as is lack of expansion in research activities

Energy
- Oil and gas industry is bubbling along nicely.
- Energy Industry: Positive
- Oil and Gas - significant level of local (Taranaki) activity to progress through 2012

Engineering
- Mechanical and Engineering workshop - for the last three weeks we have been really busy and doesn't look like slowing down
- Engineering consultant. Very busy.
- Engineering/metals-based manufacturing. Most of our customers are manufacturing exporters. Many are now actively offshoring the type of work one would think was a good fit to stay in NZ due to shipping/freighting/logistical obstacles. But they are finding that the cost saving in manufacturing make the offshoring business model so compelling that these obstacles are no longer obstacles.

- Electronic & Electrical Engineering/ Technical support (Marine & Industrial) Very quiet in Manufacturing industries. Shipping Industry erratic
- The market is decidedly soft (Engineering Professional Services)
- Engineering. Current work load is very heavy, however we are experiencing customers demanding very short lead times.
- Some (Dunedin) business clients looking to reduce expenses are reducing terms and benefits. However Gore/south land. clients are talking about expanding staff (light engineering businesses)

Finance

- Industry: Consumer finance. Status: Peachy. Sit Rep: Company has received a good FYTD result.
- Finance. Not that good. Not a lot of players around
- Steady in the mortgage broking industry and busiest Xmas rush for 2 years
- Banking (credit risk) - steady increase in home loan approvals, particularly for first home buyers at 90-95% LVR. Many taking advantage of Kiwisaver deposit subsidies to help get their foot in the door.
- Steady but cautious about being overly optimistic. Industry banking
- Property finance. Very quiet. The few deals that around however are good quality.
- Private finance company based in ChCh, demand is pretty quiet, most borrowers in ChCh are managing interest payments well. As can be seen from building consent numbers the recovery in ChCh is at a standstill mostly due to Ins companies doing nothing, until that frees up demand for credit in ChCh will be non-existent.

Financial Planning/Investments

- Financial Planning. Some clients asking about rolling out of equites into fixed interest...generally a sign things must be near the bottom. Having said that looks to be a tough road out from here but expecting things to improve gradually over time.
- Financial Planning. Very flat. Loss of confidence by many planners. New regulations plus the state of the markets are killing many
- Concerns with overseas funding markets closing due to Eurozone crisis leading to another funding war whilst we already seem to be in a mortgage war. Margins are being squeezed. (Banking)

Forestry/Manufacturing/Sawmilling

- Sawmilling. Great, apart from volatile international log prices, 3 monthly fixed domestic log prices, a volatile exchange rate, concerns over shipping , markets that competitors don't have tariffs while we do, and logs into those markets that don't have tariffs but lumber that does and finally no log supply for 3 weeks while hard working forestry companies take a deserved holiday. So business as normal.
- Going gangbusters! Timber industry

Government

- Government - Still a lot of streamlining/restructuring underway and is likely to continue
- Public Service. Things are uncertain for a lot of the sector as the new government will certainly look for more savings.

Health and Fitness

- Chiropractic- very slow year, the slowest I've had in 14 yrs. Hopefully the ChCh certainty will improve next year
- Healthcare very busy lately, more requests for public referrals
- Acupuncture - starting to quiet down which does not usually happen til xmas week. Lot of promotion and diversifying to help survive the quiet period till Easter.
- Health unchanged

Hospitality/Entertainment

- Hospitality. not doing well, fewer travellers.

- In the Hospitality Industry we have found sales volume are down, costs and overheads are up, margins are down and with the 2.5% increase in GST, pressure goes on profit and thus future viability. The RWC was good where games were staged so not a nation wide lift in value!
- Hospitality - hard to project forward with propensity of clients to book with short lead times.
- Hospitality - ChCh Cafe. Business is strong after a big effort to rebuilt after Feb earthquake. The biggest limiting factor is the quality and reliability of staff at the moment, even though we have increased wages to attract them. Few apply, some don't turn up for interviews, trials etc etc. Spending a lot more time now recruiting and trying to find professional staff. We thought in the current ChCh situation a permanent, stable job would be sought after, but doesn't seem the case
- Restaurants / Catering. Really busy at the moment, corporates spending well.. Refreshing change ..

Information Technology/Telecommunications

- IT/Software Engineering :- Industry has been very strong throughout GFC and that shows no sign of changing.
- IT services - lots of changes related to early demand for cloud computing however this demand is driven by business pressure to simplify, reduce operational costs, & streamline processes. It's an efficiency-driven trend rather than growth-driven. Margins continue to be squeezed.
- Web Design - clients less willing to commit. Most common response is "I want a website but I have no money".
- Telco, much the same - no money for new business and customer spend is flat, but it has been that way for a while.
- IT Software(Wellington) - steady improvement month-on-month since early July. Government seems to be making a concerted effort to give smaller local companies a go.
- IT Professional Services, Wellington - Slowing down for Christmas/holiday period. Some contractors being terminated in expectation of less work in the New Year
- Information Technology - business is good with sales pipeline looking solid into 2012. Still a shortage of skilled people.
- We provide technologies for marketers. It is positive at the moment.
- Telecommunications (Fringes of...) More of the same. I don't think I'll buy that boat next year, either.
- Internet, looking good. ISP's looking likely to spend up to keep up, i.e. their advertising levels are high
- IT - little confidence in businesses to spend
- Having a mad pre Christmas rush - bumper November invoicing - graphic and web design
- IT Consulting: Things have picked up quite a bit for us. Will be employing more staff in Jan. Our customers have been hurt hard. Most of them are finally recovering.

Insurance

- Patchy with increased revenue but reduced items (insurance)
- General Insurance - Christchurch is the major focus, expecting major changes in industry over next 2 years, further consolidation of providers likely,
- General Insurance (Corporate & Commercial). Premiums have increased significantly, Natural Disaster insurance is more difficult to obtain and policy conditions are tightening. Companies withdrawing from the market has lead to significantly increased activity as businesses look for alternatives to their current arrangements.
- In the insurance world, costs are going up exponentially to a level that will simply become unaffordable & unsustainable. Clients will elect to not insure or reduce cover extensively. banks will again begin to become concerned about their assets. It will not surprise me, some will be caught...

Landscaping

- Landscaping Contracting, Kapiti Coast. Have been consistently busy all year, have increased staff.

Legal

- Legal - taken a hit in Christchurch but signs of recovery. Can only get better.
- Slightly more activity in November but less than usual for this time of year. Provincial law.
- Apart from Court work, lawyers all busy here in CHCH

- Legal. Reasonably stable without being buoyant
- Law in Auckland. Very busy. Upturn in conveyancing. Leaky home area of legal work now stabilising, with some clients litigating and some keen to settle and move on. Trusts and gifting busy.
- Legal ChCh - busy with residential red zone transactions but fear that the underlying ChCh economy is steadily dying. No progress with new insurance. The cost of rebuilding in the CBD is forcing proposed rents to levels which tenants can not pay so replacement buildings are stalling at the planning stage until tenants can be found. Progress with settling insurance claims is so slow that there will be no major recovery.
- Some areas busy, others not - bill payment a problem, so cash up front will soon be the norm for doing business (Law)

Manufacturing

- Electronics export doing well. Exchange rate easing has helped performance. Customers (government related) still finding cash to spend on critical projects.
- Looking up with commodity price easing (food manufacturer)
- Food Manufacturing: Going okay both locally and offshore at the moment, mainly due to new products and relaunches. Can see it getting tougher next year though.
- Manufacturing industry, still just ticking over nothing to get excited over.
- Food manufacturing and retailing. Tough in NZ but increasing export capacity.
- Design and Manufacturing. Increasingly competitive - price pressure and lead time reduction; inventory push back and yet improving payments and cash flow
- Textile Industry. Carpet Yarn Very fragile. Up and down with the dollar. Price of wool decides whether orders come in or not. Very unsettling for all
- Metal products manufacturing- Going very quiet with very little on the horizon

- **Marine**
  Spring rush finally got going mid November. Lots of fence sitters making purchasing decisions. They are trying to talk mid winter discounts through to peak period time frames. Talking around it seems companies are trying to hold firm to recoup lost margin from earlier in the year
- Marine sales & service: winter quiet as expected, busy now in workshop, new boat sales slow, PWC & 2nd hand ok. Slight improvement on last year. Can't see much change over next year or so.
- Still volatile with 1 major boat builder gone into Liquidation
- Luxury Yacht building - Company not finding buyers to sign up for new boats. Most buyers are the very rich and live overseas, and it would appear they are holding on to their money. The boss has talked about lay offs next year if things don't look up. Co-workers becoming anxious about job security.

Miscellaneous

- Security. Noticeably quiet after Rugby World Cup.
- Food Production - not too bad, some slow down but due to seasonality of products
- Actually they are looking pretty good for us. we are a supplier of fastening products to wholesalers, retails and end users.
- Waste - ETS going to make some heavy hits to the bottom line.
- Steady, plenty of work but not much new activity (public pool maintenance)
- Security. We are picking up again after a quieter few months, but we always do at this time of year. We have not noticed a big drop-off in work, more of a "not quite as busy as normal"
- Rest Home industry is very positive although staffing major issue along with increased costs and no additional funding from Govt
- Getting stronger all the time Property Trading
- Steady but no great uprise in business and clients wanting discounted services, in food service industry
- Equipment Hire - Auckland is basically the same level as last year, Christchurch is waiting for rebuild work to start, rest of South Island is better than last year, rest of North Island is going very well.

Printing and Packaging

- Printing- Reasonably good

- Web offset printing demand flat with last year though likely we'll see slow decline. Quite competitive at present but exchange rate volatility making pricing vis a vis imports quite tricky.
- Printing: A quiet October but busy November, December.
- Uncertain, business flows and product demand is inconsistent. (packaging)
- Printing. Volume has increased however margins remain tight.
- Flexible Packaging margins are tough but sales are showing signs of growth in both NZ and AUS.

Property Development

- Commercial Property Development - some signs of life. Although a Star Trek quote comes to mind (It's life Jim but not as we know it!!)
- Property development - more interest than there has been for the last 18 months.
- Property development -- it is dead
- Property Investing. Some unrealistic vendors wanting a renovated price for property that needs tens of thousands spent on them. More mortgagee sales appear to be occurring.
- Christchurch Central City property - nothing happening at this time as we await the new City Central City Plan due by March 2012. Real uncertainty in CBD as so little will remain after more than 80% of CHCH CBD gets demolished.

Property Management

- Residential property management Christchurch. Rents are increasing as shortages loom. Quality of tenants has increased as homeowners seek rentals as their houses are repaired
- Property Manager North Shore of Auckland, things have picked up this month with strong enquiry after 2 months of subdued enquiry. Rents are holding up with new pressure I believe we will get strong growth after Christmas. A few owners are testing the market as sales for under $550k are strong. Student applications for next year are up on last year so all looking good. looking good , low vacancy rates , low interest rates at the moment . Residential rental]
- Property Management Warkworth: Inquiry down Properties available down The phone is ringing again so we may pick up before Christmas, after that it will be flat until at least mid January
- Property Management - Wellington. Market remains flat, rents not moving much. Not many rentals available, and not many tenants looking. Despite that our business is growing steadily. Bring on the summer!
- No change- property investment
- Plenty of rentals available in palm Nth
- Property Investment- Flat lining
- I lease out houses to tenants. A few more houses are now available to rent, now that the RWC is over. Demand is strong however.
- Residential property rentals are solid, and rents tending upwards.

Real Estate – Non-residential

- Commercial property in Auckland Nth Shore improving but Tauranga still slow.
- Commercial Property: Retail operators (mostly small to medium in size) report that things are somewhat unhealthy - a lot advise they are relying on a good Christmas spend just to stay in business. Commercial Property Sales: sales yields are still generally too low, vendors too bullish, especially for non A grade stock. A lot of "educated" investors are now avoiding premises that represent an "earthquake risk" (i.e. old brick buildings).
- Heritage property (commercial) very difficult to get all the skittles in a line - strengthening, finance, insurance, income - currently appears not to be possible. Provincial cities are looking doomed.
- Commercial Real Estate. September and October were slow, but Nov and Dec are back to budget months. We see the next six months as positive, then with the SOE coming on the market, greater competition for the investment dollar.
- Retail Property: slightly encouraging signs leading into xmas. Consumers are starting to spend a bit more again, but securing tenants remains difficult due to capital constraints and cautious retailers. There are still a few retailers falling over or needing support even if they're sales have started to turn around.

- Commercial Real Estate - harder to get deals across the line as buyers want secure "bargains", lessee's looking for cheaper rents. Still buyers with money as the deposit rates are so low, better yields out of property.
- Commercial rental of small retail and offices. Of really serious concern.
- Commercial Property - growing tenant demand for quality industrial buildings with expansion potential

Real Estate – Residential

- Real estate Dunedin, except for university steadily climbing, the rest is the same, rents don't move at all.
- Real Estate Invercargill: maybe slightly busier last couple of weeks, sales volumes steady, prices still flat.
- Rural real-estate Sales are sporadic with wide fluctuations in buyer confidence and seller expectation.
- Real Estate - North Shore Auckland. The wheels fell of a little bit during the world cup closely followed by the election and now Xmas is on us so I am thinking the drastic shortage of listings is probably going to be with us until late January. Plenty of buyers out there but minimal choice, is putting pressure on prices currently.
- Steady, Real Estate
- Real Estate - Central Auckland - residential - still a 'good' market. Still a relative shortage of good properties which in turn is still driving the prices up.
- Pick up in residential sales. Increases in value of inner city dwellings and dwellings presented well.
- Real estate....A gradual improvement throughout the year but our biggest issue at the moment is a shortage of homes coming to the market. Property Management continues to be buoyant.
- Residential Real Estate - Hawkes Bay. More action from buyers than we have seen in a long time.
- Real Estate Auckland Eastern Suburbs: Buyers & Sellers becoming ever more nervous about global financial risk. Uncertainty ensures declining activity and price. Only properties completely fit for purpose are attracting buyers in the lower & mid price ranges. Up to $1.5 million still getting reasonable competition for those properties, so long as vendors are prepared to meet the market. Top end properties are really struggling to find buyers at what vendors think are reasonable prices.
- Residential apartment sales steady
- Real Estate North Shore Auckland. -- Huge amount of sales recently. One house in Milford had 41 groups through, I wrote 7 offers up - sold first weekend cash unconditional. We have lots of new listings as well.
- Real Estate - Central North Island. We are still seeing a lot more activity with sales numbers nearly double that of last year for the same two months, September and October. Plenty of good listings coming on as well.
- Real Estate Napier, Very slow at the moment. Listings are down and buyers are very hesitant. Average sales for the year are indicating that this will be the slowest year since the recession began.
- Real Estate. Ponsonby and Grey Lynn have been moving up in activity very slowly and more people are listing once they see that the house prices have lifted above the 2007 peak.
- Real Estate in Hawkes Bay. Increase in residential sales through November with good new listings coming in also.
- Central Auckland Real Estate. More listings more choice for buyers results are dictated by quality and price, overpriced property not selling.
- Real estate sales shortage of listings - less for buyers to choose - pressure firming prices
- Properties are selling in waves. Two weeks good then two weeks quiet.
- Residential real estate Tauranga/Mt Maunganui, reasonable level of sales last 2 weeks with a few sales over the 1M at last!
- Residential Real Estate Napier. A steady month for sales but would like it to pick up markedly yesterday! Enquiry slow.
- Real estate Palmerston North: this will probably be a quiet Nov judging by our sales when compared to other Novembers... A hangover from the RWC and elections as a distraction???
- Real Estate. It's been a tough year but there is definitely more confidence out there amongst the buyers. Vendors are becoming more aware of the true market conditions (helped no doubt by the new lower rating values) and us agents are getting better at communicating facts (just the facts, ma'am) to our vendors. Am looking forward to better times.

- Green shoots are appearing in the Dunedin property market after a long drought. Contractors are busy, the stadium is a success bringing in the punters and there is a general lift in optimism in this sector. Property developers seem to be positioning themselves for the predictable cyclical uplift with a number of new quality builds around the city to satisfy the steady and solid demand caused by growth in the university infrastructure.
- Real estate, South Auckland. Investors looking for cheap deals. Some genuine home buyers but quality listings scarce and buyers wary of future economic situation. Next few years will be tough.
- Real Estate I have had quite a lot of interest from people looking for investment properties mostly between $300K and $1 million. The less savey investors have no idea what sort of return they want however those that are a bit more experienced are looking for net return in excess of 6%
- Real Estate - Hastings & Havelock North Residential. Much improved activity levels in November, but we all have serious "catch-up" required to compensate for what has been without doubt the toughest year yet (since the Financial Crisis began). Buyers are still very much in control and Vendors are having to meet the market if they wish to sell.
- Real Estate Tauranga influx of listings buyers still cautious sellers over optimistic on values good sign of new homes starting to be built.
- Real Estate - Static
- Real estate activity and volumes have improved during November...Some prices achieved in Auckland are the best ever but provincial areas are still struggling and vendors price expectations are not being met. There is a vast difference between central Auckland and the Hibiscus Coast, for example. Christchurch is doing well with Red Zone homeowners making decisions so they can be settled before Christmas. But the rest of the country is very ho hum.
- Real Estate Sales person Wellington. Appears to be slowing early before xmas. Good properties still going very well with multiple offers, others with issues, no sun, walk up/downs are being heavily discounted
- Residential Real Estate Wellington. Better, with world cup and elections gone.. Buyers more willing to act, more good stock. prices still weak though. fear of redundancies
- Real Estate Invercargill. Dealing with a lot of 1st home buyers who want it all excepting any work yet are (this time round compared with 2006-7) also very price conscious
- Real Estate, Eastern Beaches. Ending the year pretty much where it started; short on listings anything good under $650k usually attracts good, quick and multiple offers. Less than good languishes. Next year possibly a little easier but probably not much.
- Residential Property. Sales volumes running up 15% Yr on Yr, more activity from First Home Buyers and a little more movement in top end of market. Cautiously optimistic for next 1/4.
- Nth Shore Real Estate. Vendors who had their homes appraised up to 4/5 mths ago are now coming to the market and with a good number of purchasers looking sales are now strong

Real Estate – Rural

- Rural Hawkes Bay still slow - lifestyle buyers very slow to make decisions. Sales up to $500,000 more active currently.
- Rural Real Estate, Horticulture, the outlook is cloudy to say the least. Market quiet at the present time.
- Rural Real Estate Kaipara, Extremely busy, Farmers getting themselves into a cash unconditional position before placing offers, 5 property's sold by xx Real Estate over the past 3 weeks. Good supply of quality farms, nearly as much activity as 2008, but lower levels, new CVs out in the Kaipara, some property Valuations back by 30%.

Real Estate Valuation

- Valuation & Property Consultancy, Nelson. Locally business is subdued and next year's outlook will be dependant on the impact of overseas issues.
- Valuation, Auckland. Some improvement in the volume of residential work as a result of the firmer market. No real change in the commercial/industrial market, with a generally lower level of activity, but few silly decisions being made.
- Plenty of valuations happening, but the sales numbers are low

Recruitment

- Recruitment - Has become quite slow heading into the end of the year. Believe that things will pick up if the manufacturing sector shows some growth in 2012, in speaking to CFO & COO in both public & private sectors that they see some growth in there companies towards the end of 3rd quarter based on a reasonable finish to the year.
- Recruitment....average...no great momentum unfortunately but pockets of the business are doing well (large recruitment firm covering all sectors) Accounting and Finance quietest really.
- IT recruitment - we have experienced a real slow down over the past few months, with a lot of projects put on hold. Demand for highly technical people has remained high, but less technical roles such as project management have been quiet. Some of this can be put down to the election and waiting to determine direction (at least in the government sector). RWC was also an obstacle. Compared to this time last year, things are quite a lot slower moving.
- Recruitment - less quality candidates coming to the market

Retail

- Sales and service of retail electronics. Was it the election, post rugby blues? Things are still very slow, lots of quotes going out but very cut throat competition. We are not willing to do a job for nothing. Which means we are not getting a lot of work. Hope things pick up in the New Year.
- Retail - Sales are soft with no clear direction - all over the place compared with last year.
- Kitchen Retailing, very competitive with many of the companies formally in the new house market now trying to get into the refurbishment market.
- Industry: Retail – Menswear. We are holding are own, warmer weather seems to have given people a little bit of a lift. But, still experiencing quiet periods quite regularly.
- Pharmacy- quietly optimistic, some signs Xmas may be better than last year.
- We are a wholesaler into the retail environment (sewing Machines). The last quarter has seen a sharp decline in sales. I am hoping it is because of Rugby World Cup and elections. I am hoping next year consumers focussed on saving will free up some spending on their hobbies
- Online Toy Retailer specialising in Sylvanian & Thomas products - Sales are steady but do see an average of around $50 whereas in previous times it would be closer to $100 average
- Poor - Retail Bikes - No one is spending - Internet & overseas Companies are screwing NZ retailers
- Hairdressing-Going ok
- Appliance Wholesale: General outlook is positive with CHCH housing starting to come back with the rebuild and a general positive outlook in general.
- Pharmacy Retail - Intensely competitive but better that it has been for some time. All hangs on Christmas.
- We import goods and sell to discount retailers. We are having record turnover each week.
- Flat, no increase up or down. on line trading, tools
- Wet fish and takeaways,... getting harder by the month
- Vending Operator. Very, very down. turnover is only 25% of same month 3 years ago. Has been declining to this point very steadily. Retail is usually hard in election year but super tough this year partly because of RWC. Now that it is a positive election result without the usual period of MMP uncertainty I expect a pick up over the next few weeks but will die over the Christmas month.
- Importer and distributor furnishing fabrics sourcing from USA and Italy - it can only get better. Business is absolutely flat presently- fortunately the NZ$ is holding up
- Eftpos Rental Just as new businesses look like opening there is another bad report from Europe and they delay again. Business failures at highest level of this quarter
- Christmas Tree Sales - booming, everyone looking for some Christmas cheer.
- Worsening by the day. Retail
- Retail grocery - reversion to basic staples as a consequence of factors totally outside the control of anyone in NZ (or the United Nations)
- Fuel Retail/convenience. Very good, volumes increasing, shop sales up over 20%. Possibly due to site closures after earthquake but very encouraging. Take out food increasing in volume.
- Currently busy, but think much of this is replenishing and building stock, may not end up in retail sales.

- NZ souvenir manufacturer - markedly worse than last year. Many retailers still holding large stocks from RWC.

Signage
- Sign writing - busy for the Christmas season, doesn't mean that clients are paying on time though
- Signage Christchurch - trade has settled down to a new pattern with shorter leader times and more mistakes than I have ever seen, sure signs of pressure on people & business. Cash flow ok but I sense an underlying mood of foreboding of what 2012 will bring.

Tourism and Travel/Accommodation
- Backpackers Auckland Central. After world cup our numbers plummeted. Future bookings look good.
- Tourism: dollar holding below 80 cents is helping a lot.
- Tourism/Accommodation. It can not really get any better in Christchurch with 2500 hotel beds not available as a result of the earthquake, the motel sector is extremely busy. How long this will continue is difficult to judge however.
- Motel/Serviced apartments. Tightening.
- Tourism has been great for the past few months primarily due to the RWC. We are however trending well above last year and forecasts are improving on a monthly basis
- We are seeing a post RWC2011 increase in business that was anticipated. Still a real resistance to any price increases. The Summer High Season promises to be lean with traditional source markets showing no activity with cancellation of Tour series not just for this year but for 2 years down the track. Hospitality / accommodation industry, Southland.
- West Coast Tourism. Reasonably promising, good forward bookings.
- Tourism and hospitality - Glenorchy will benefit this season even while Queenstown plateaus
- Variable, unlikely to match last years performance. Low cost camp accommodation.
- Tourism Hospitality. Slow November allowing the recovery from RWC from overseas guests wanting to avoid RWC. December still in recovery mode. January/February some action for the high end.
- Outbound travel Hamilton - forward bookings good
- Accommodation sector in resort town expect 15-20% drop in demand and visitors over the next 3 or 4 months and prices pushed down as well European market is slow and under increasing economic pressure & NZ $ rising. Inflationary pressure as domestic market also reducing debt & saving rather than spending.

Transport/Logistics and Storage
- Logistics/Warehousing - Our business unit is growing. We have existing clients who are stable or trending up and we are acquiring new clients which are at least offsetting those we lose.
- I'm in the shipping industry working as a service tech and we have just received a pay cuts. All the shipping service companies are under cutting one an other to get the work.
- Public transport industry - slight increase in patronage yoy. But a lot depends on fuel prices and state of the economy.
- Storage and Logistics - we expect the global deterioration to continue and to impact on us - we are therefore investing in overseas sourced capital equipment as exchange rate make prices acceptable but we will reduce labour fte's once equipment is installed - 2012 will be a tough year
- Road Transport industry...freight volumes building pre-Christmas but margins are poor. Capital replacement programs remain on hold.

Vehicles & Automotive
- Automotive. Subdued but steady.
- Automotive Industry - spare parts replacements continues to grow. Sales well above last year.
- Automotive Parts Wholesaling - flat demand since June with some improvement in November. Trading in the North Island is patchy but the South Island is more consistent.
- Motor vehicle dealership. Finding it hard going. Between the long economic down-turn and problems with supply out of Japan and now Thailand, sale volumes are down dramatically.
- Quiet, car sales

- Car Dealer - Still very hard market, people wanting unrealistic discounts. This should be our busy time of year but down 15% compared to last year. Emission law change now in effect driving prices up 20-30% next year...makes for a fun 2012.

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