

Why is BCI Heading to NZ?

“BCI members have spoken and we have listened – we are driven by our members”

(M. Krups CEO BCI)



BCI is connecting you to new opportunities. You have journeyed with BCI through the Australian construction market, now it's time to get on board and join us in taking our project leads service to our next destination - New Zealand. This is a natural progression for BCI as the leading project leads provider in the Southern Hemisphere as the Australian and New Zealand construction sectors are one comparatively homogenous market. Enjoy all the great benefits BCI has to offer in a new destination with new opportunities.

NZ Construction Market Overview – Value of Construction

The New Zealand construction market has not yet recovered fully from the Global Financial Crisis with the quarterly construction values remaining below the \$3 billion mark.

In Q4/2010 there was a marked difference between the residential and non-residential sectors. Residential construction work, worth \$1.51 billion, was down 8.8% from Q3/2010 and was worth 3.1% less than the fourth quarter in the previous year.

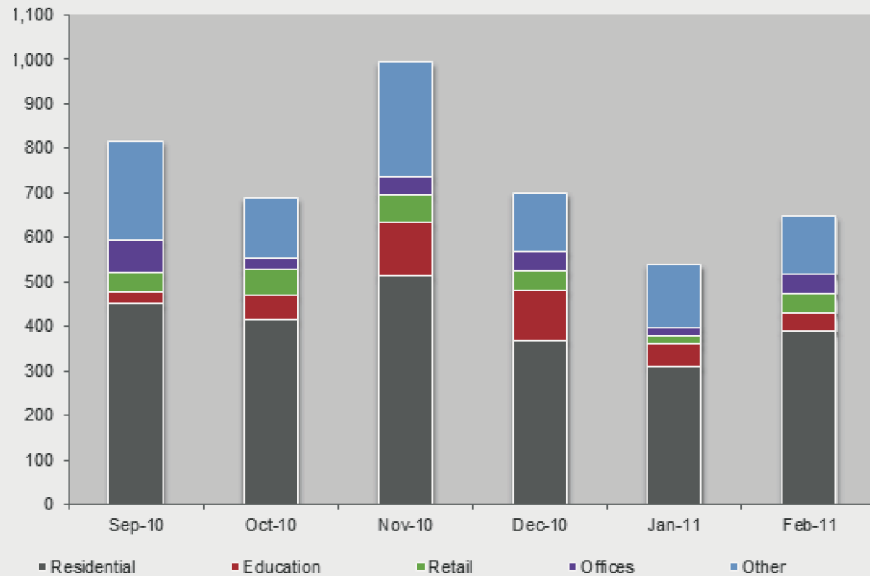


Conversely, non-residential investment rose by 8.7% to \$1.34 billion. This figure is 18.8% more than Q4/2009 and is the third quarter in a row that the non-residential sector has improved. The seasonally-adjusted and price-adjusted value of building work for the overall quarter was up 1.1%. The non-residential sector is still 8.8% below its peak from Q2/2005 but did increase 18.8% since Q3/2010.

NZ Construction Market Overview – Building consents

The New Zealand construction industry experienced a sharp rise in the Capital Goods Price Index (CPGI) at the start of the FY 2010/2011.

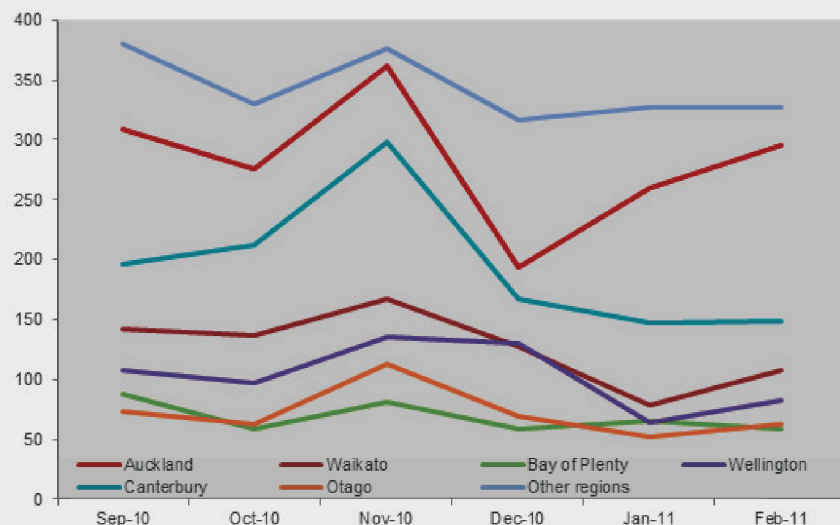
The jump of 0.4% in Q3/2010 was the largest quarterly increase in this plateau period of construction costs. In a year where the overall CPGI was -0.3%, this uncharacteristic high has been attributed to higher residential sales, higher raw material costs and poor performance of the New Zealand dollar.



In the last quarter of 2010 the CGPI fell by 0.7% which is the biggest drop in a single quarter since 1990. The downward pressure on the index appears to be the culmination of less expensive residential and non-residential construction plus a bolstered New Zealand economy.

NZ Construction Market Overview – Building consents by region

Focusing on the February 2011 figures in comparison with those from the same time last year, the most prolific non-residential sectors are offices (17%), education (16%) and retail (16%). Office and education sectors however suffered two of the biggest decreases in value, with office consents down by \$22 million and education building consents down by \$25 million.



Residential consents were down in January 2011; the second lowest level since 1965. The portion of apartments making up the overall residential total was 9.1%, up from the average 6.4%, but due to the relatively small size of the segment, apartment figures regularly fluctuate. The regions with the biggest drop-off of residential consents was Canterbury (40.5% drop), Waikato (37.8%) and Northland (55.8%). It is difficult to determine the extent of the impact of the February 2011 earthquake on the Canterbury figures.