


MintHC

Business
Insights



**Dour sentiment
back in force**

with Tony Alexander

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Dour sentiment back in force

My Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy-to-understand manner.

Each month I send an invitation to people on my Tony's View subscribers list inviting recipients to give insights into what is happening in their business sectors at the moment. 350 people replied from a wide variety of sectors this month. The aim is to gain real time insights into what is happening in various sectors with respondents choosing whether to focus on customer flows, pricing and cost pressures, expansion plans, and so on – whatever they consider to be the most important developments

Key results from this month's survey include the following:

- Whereas two months ago only 5% of businesses were concerned about the functioning of their supply chains, now 31% are worried.
- Plans for higher investment in plant and equipment are being shelved and even planned spending on social media and advertising is being reduced.
- A firm upward trend in hiring intentions which started in the middle of last year has come to a sudden halt.



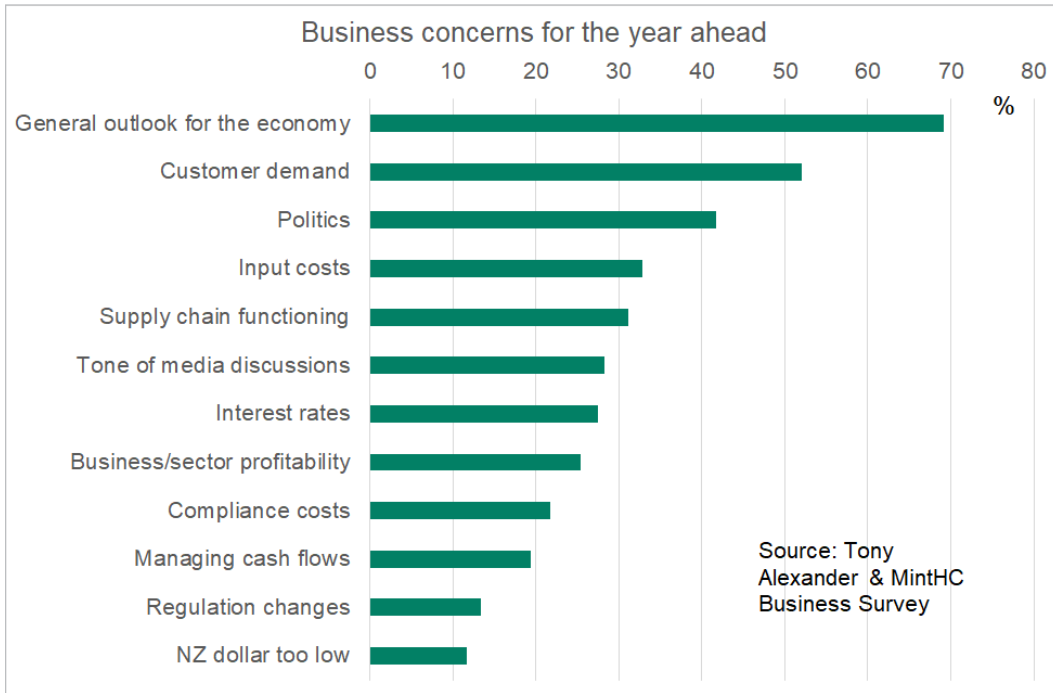
Tony Alexander

Independent Economist

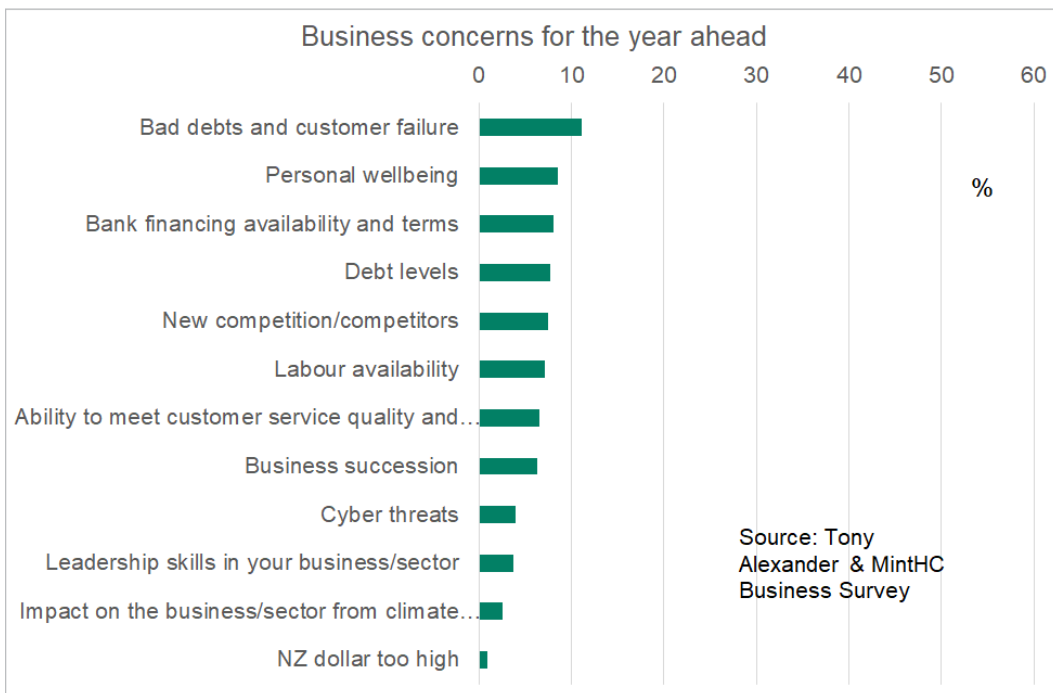
What concerns you most for the year ahead?

We ask businesses to choose the things which concern them most about the year ahead. They can choose more than one area of concern. The following two graphs show the most common and then least common areas of concern cited by business in this month's survey.

The three top ranking areas of concern for Kiwi businesses are again the general outlook for the economy, customer demand, and politics. Few concerns are held about the NZ dollar being too high, climate change, or leadership skills.

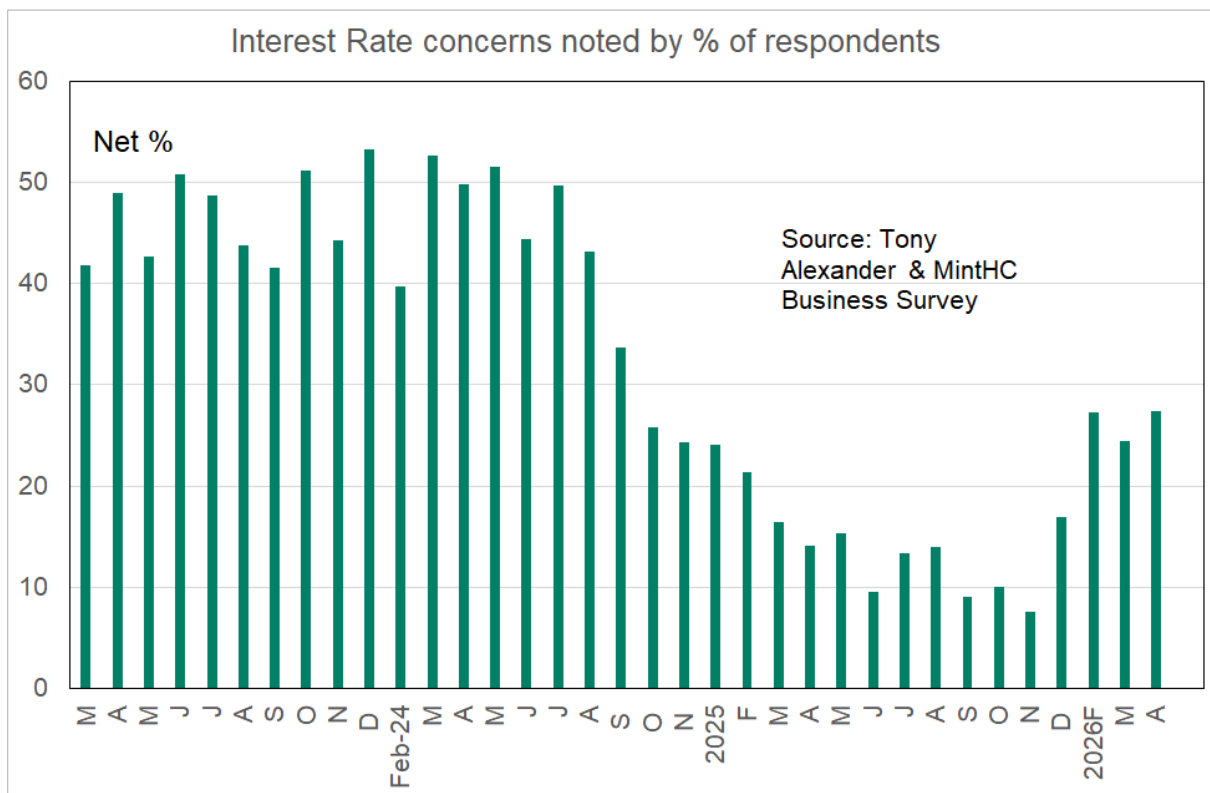
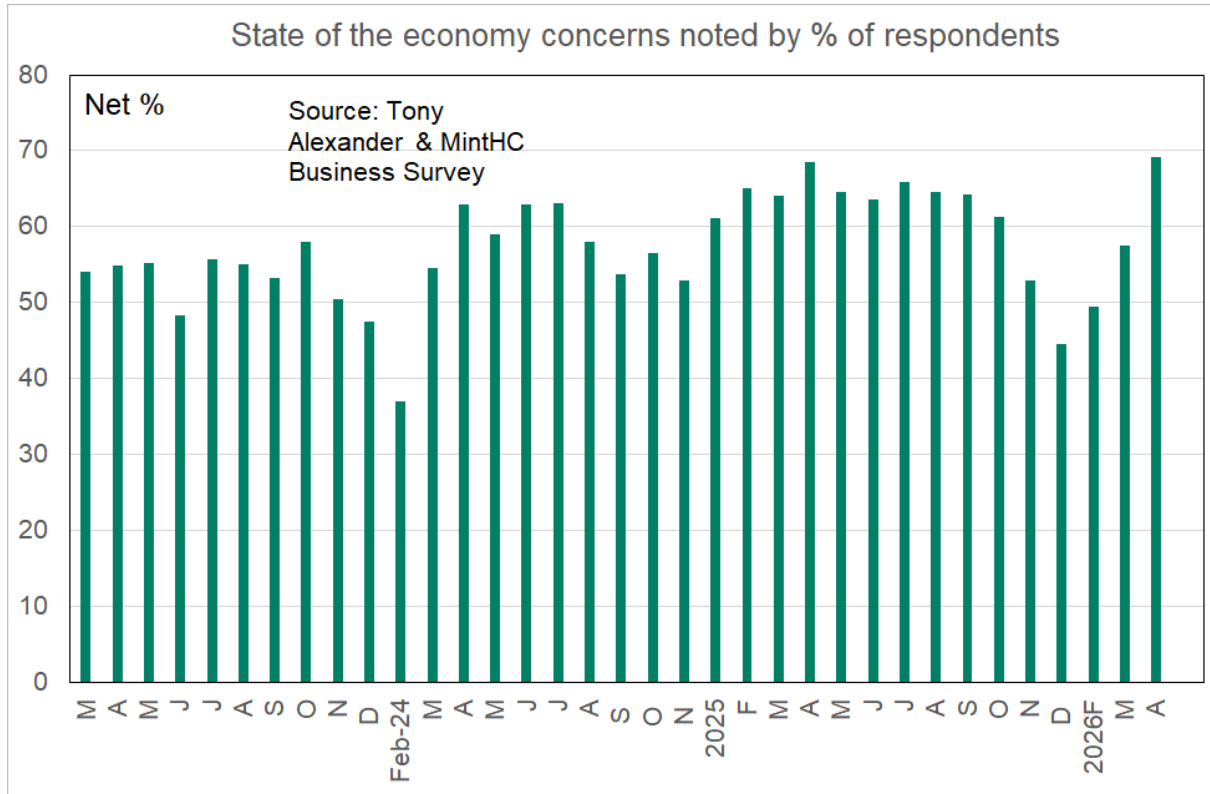


This graph shows the lesser ranked concerns.

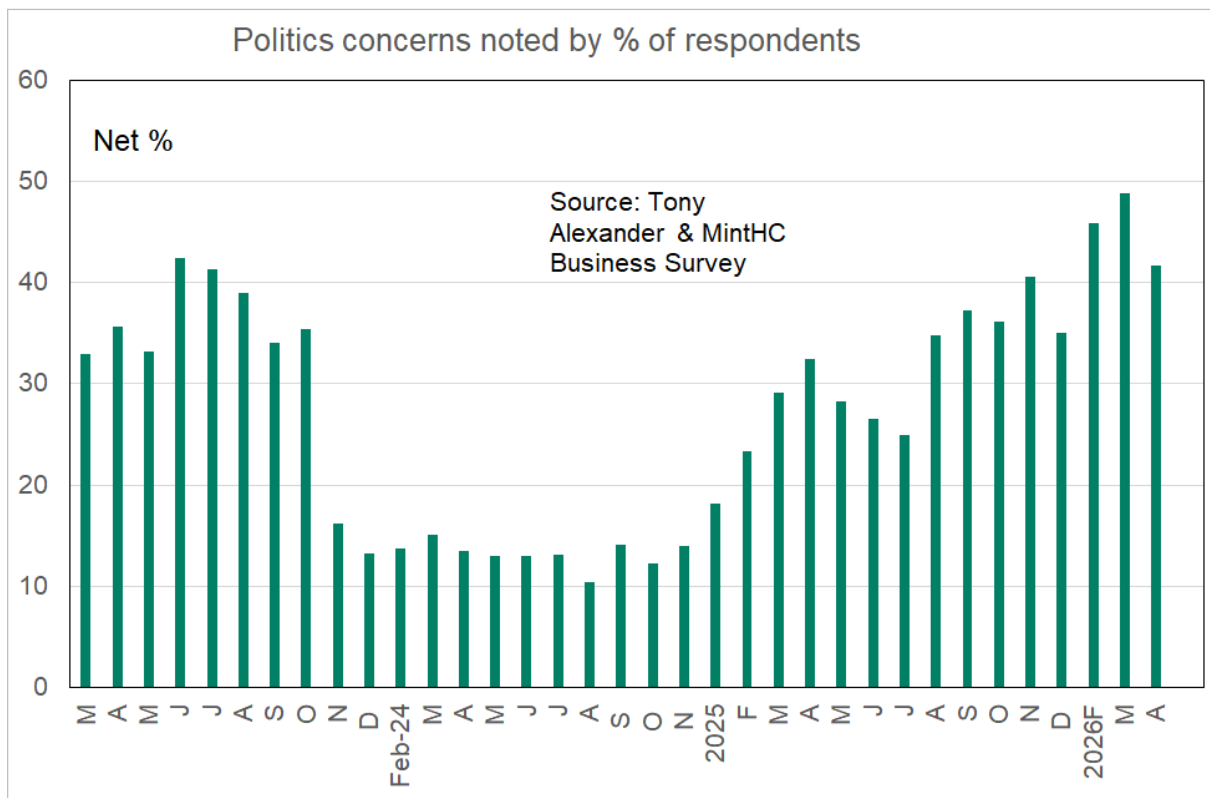
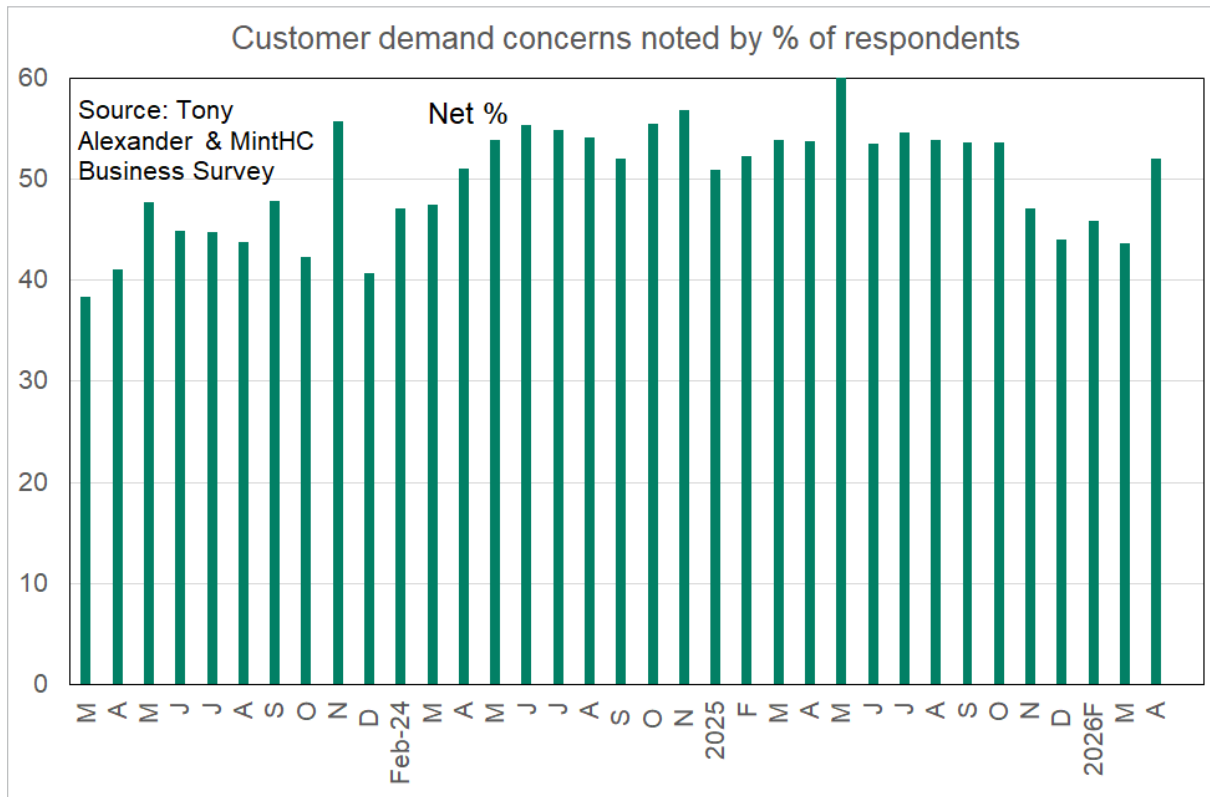


These next graphs look at changes in a selection of areas of concern for businesses since our survey started in March 2023.

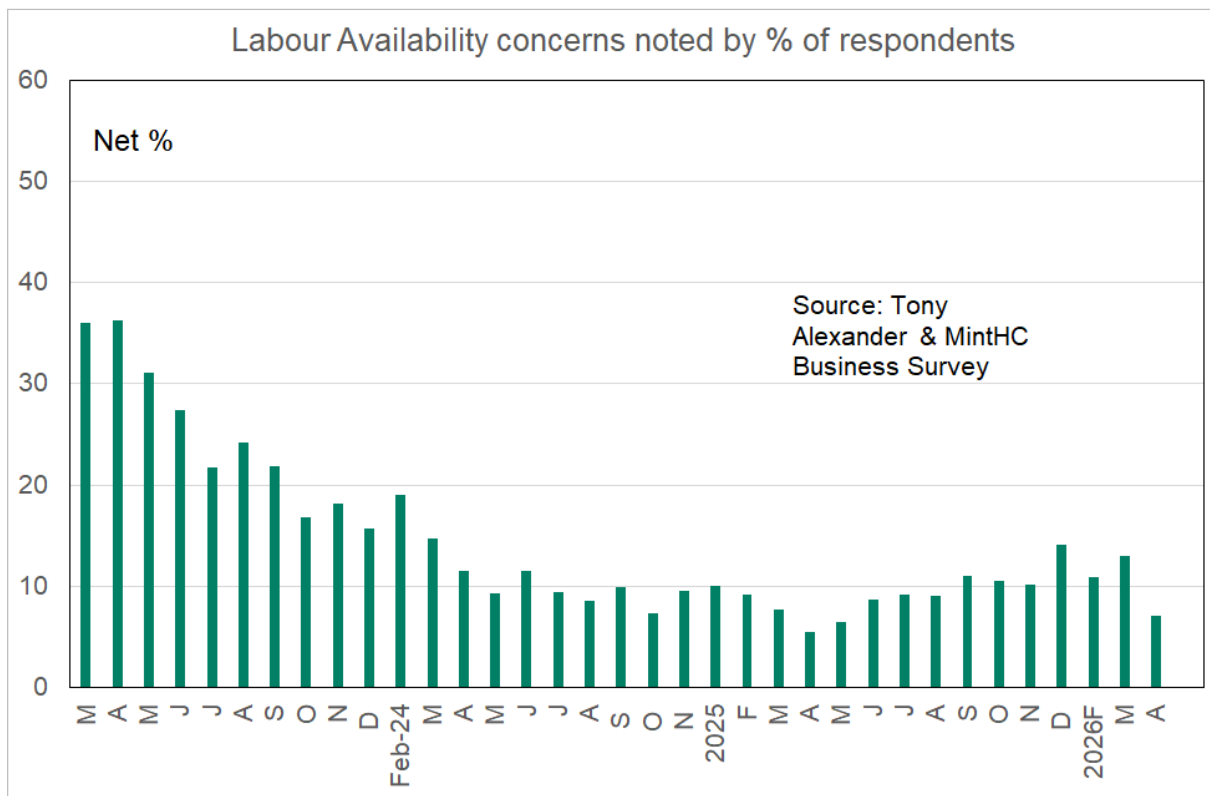
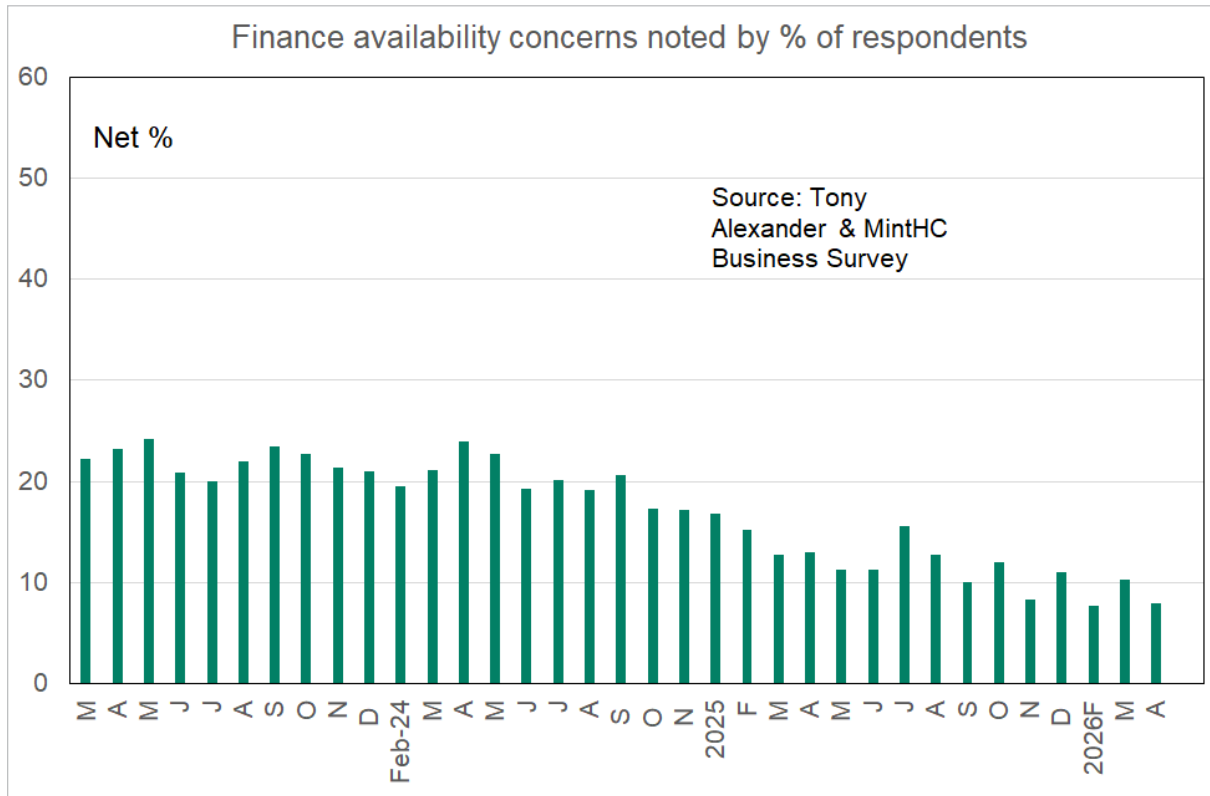
Worries about where the economy is headed have risen strongly this past month - understandably so considering the hikes in energy prices and downgrading of economic growth predictions around the world. The main change in worries about interest rates happened over the December - February period as wholesale rates climbed before February 28's invasion of Iran.



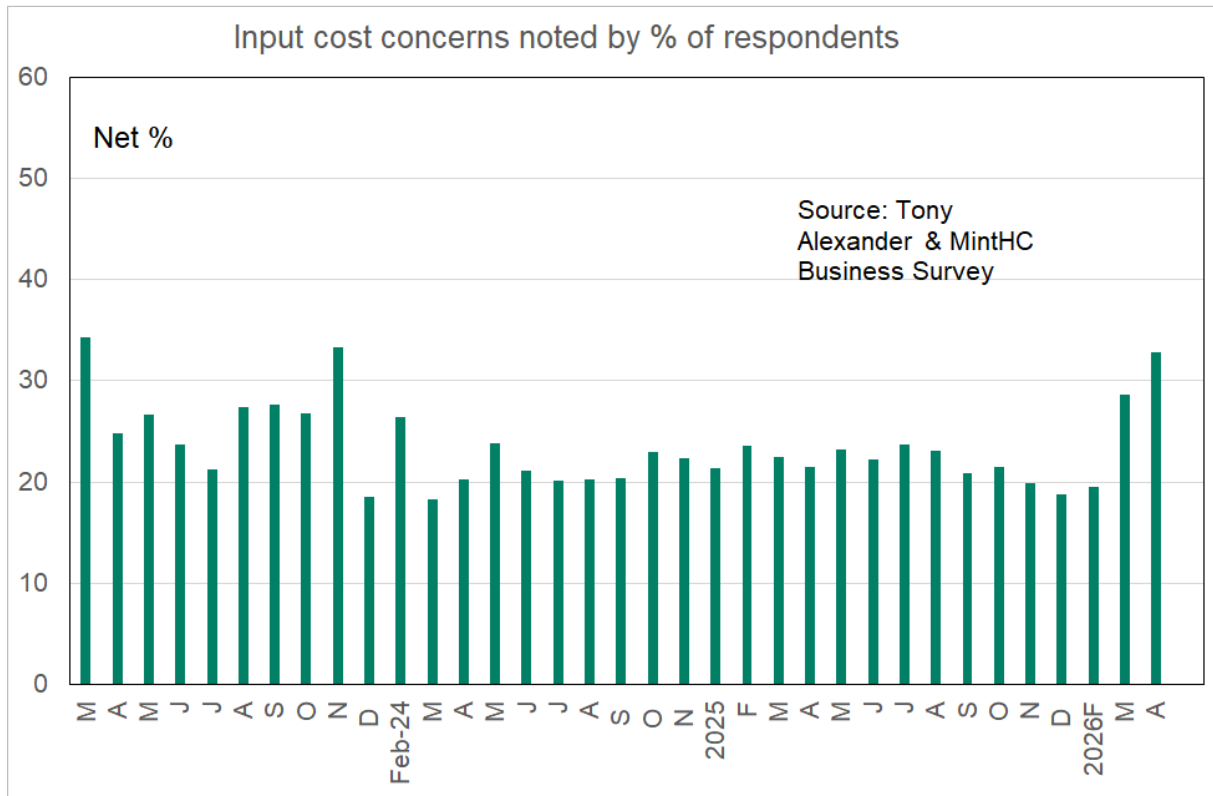
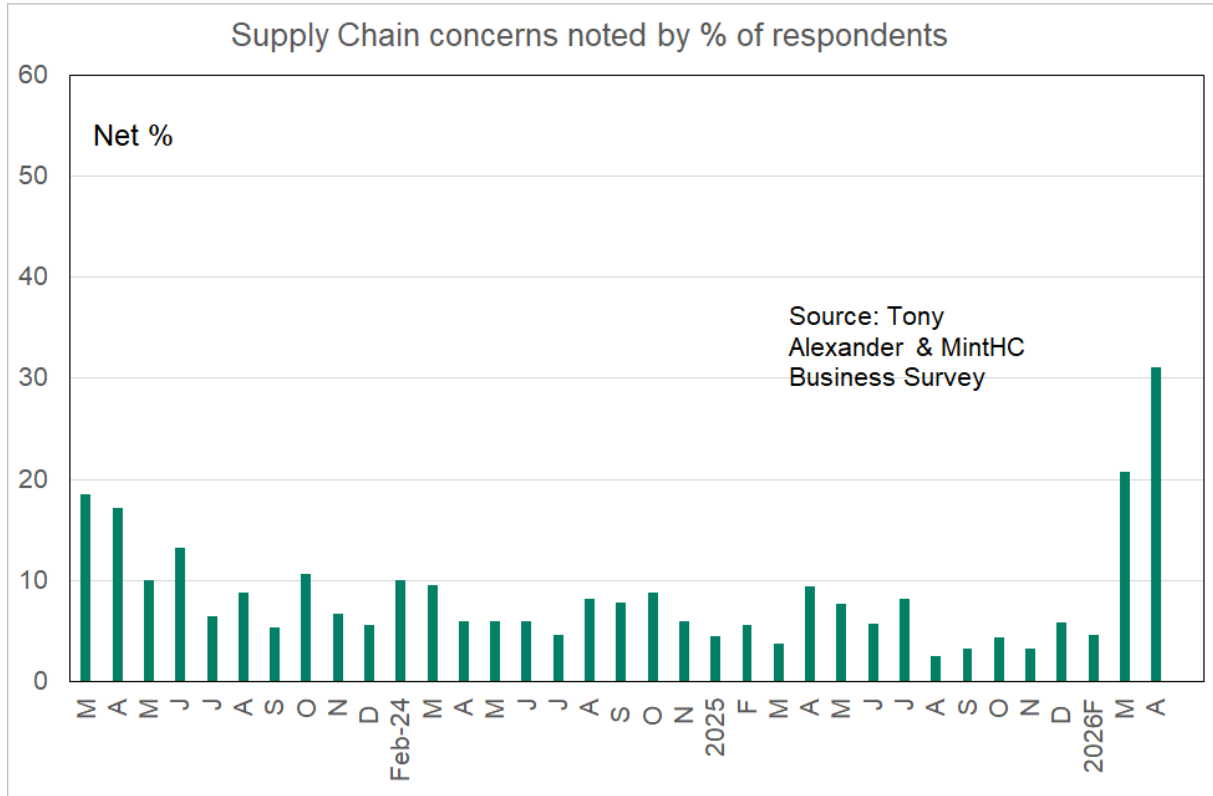
Worries about demand from customers have almost returned to where things were before hopes for good growth over 2026 became strong. Concerns about the state of politics in New Zealand have eased slightly this past month but remain elevated as we head towards the November general election.



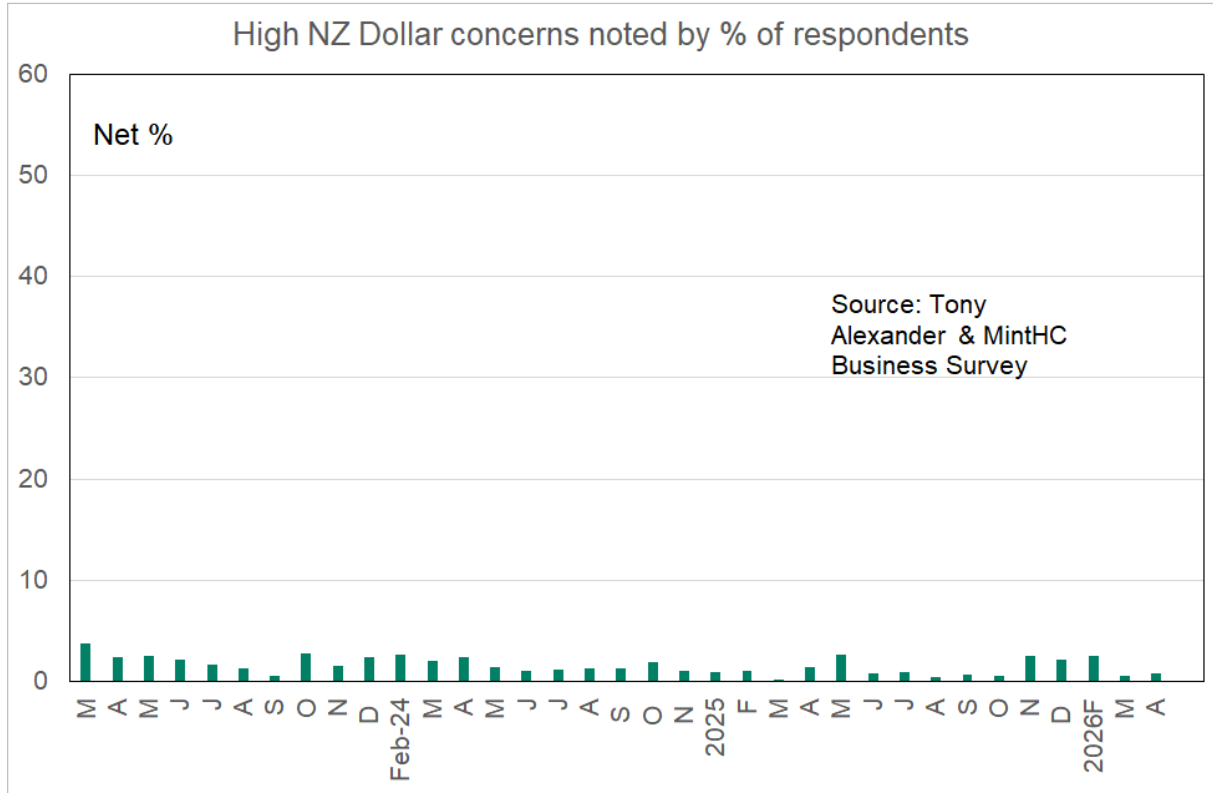
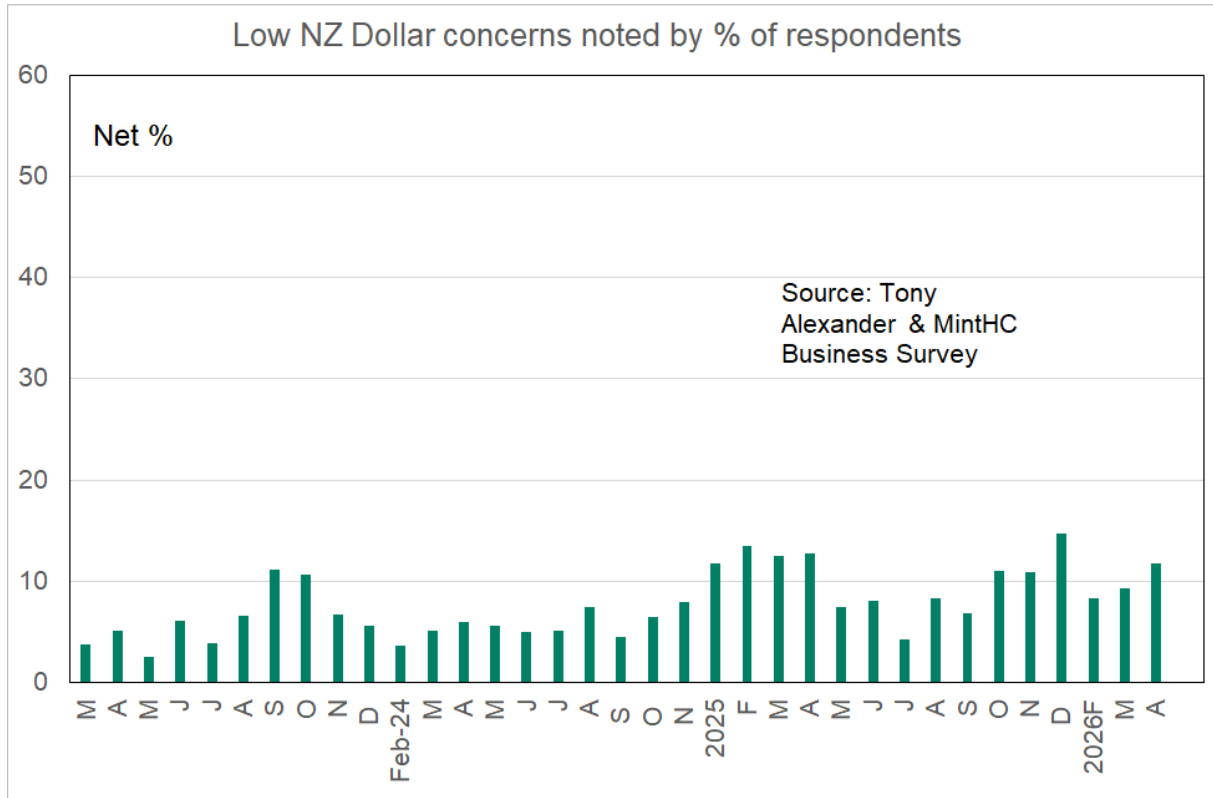
Concerns about the availability of finance are low and may still be declining. Fewer businesses are worried about the availability of the labour they want.



Supply chain concerns have understandably soared. With fuel prices soaring it is also understandable that many more businesses are worried about their input costs.

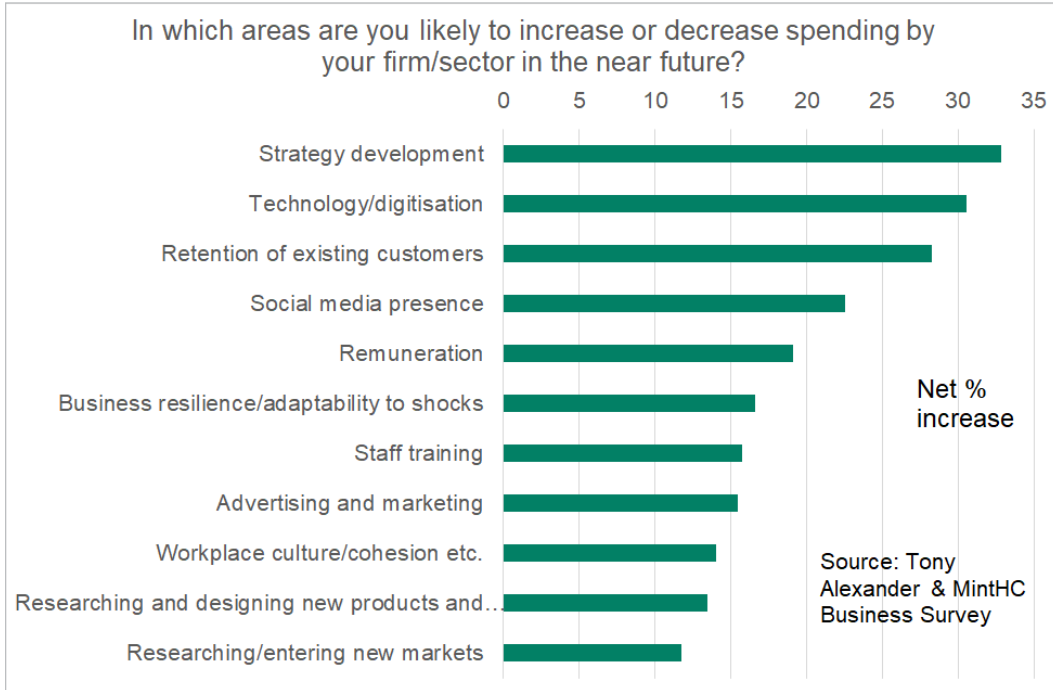


Concerns about our currency's level - whether being too high or too low - remain minor.

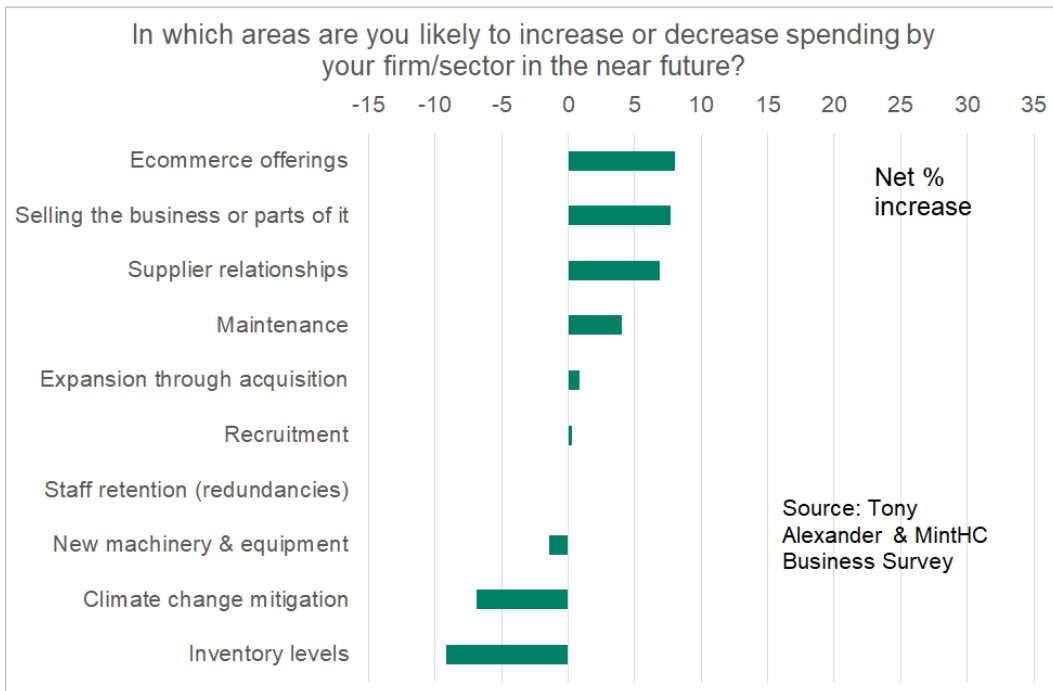


In which areas are you likely to increase or decrease spending by your firm/sector in the near future?

Our second main question is addressed at identifying where businesses are going to allocate their scarce funds in the coming year. Strategy development as always ranks highly alongside investment in technologies.

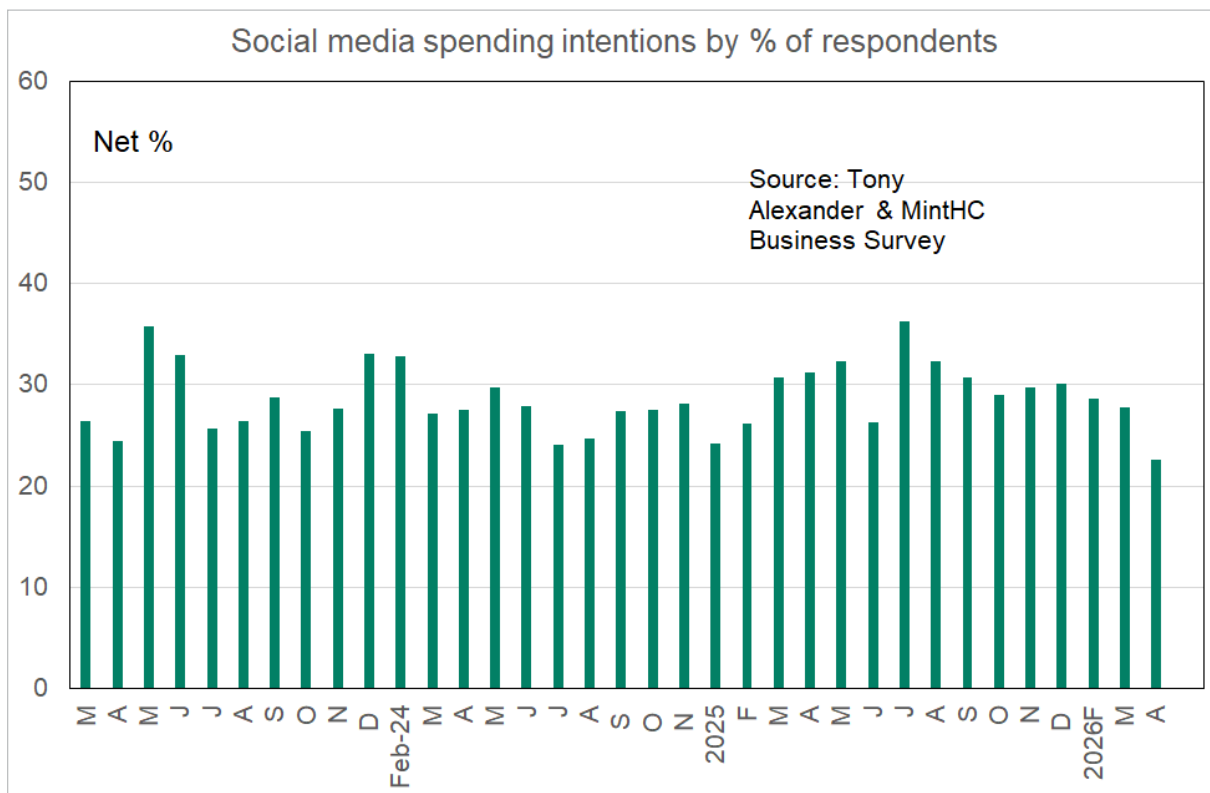
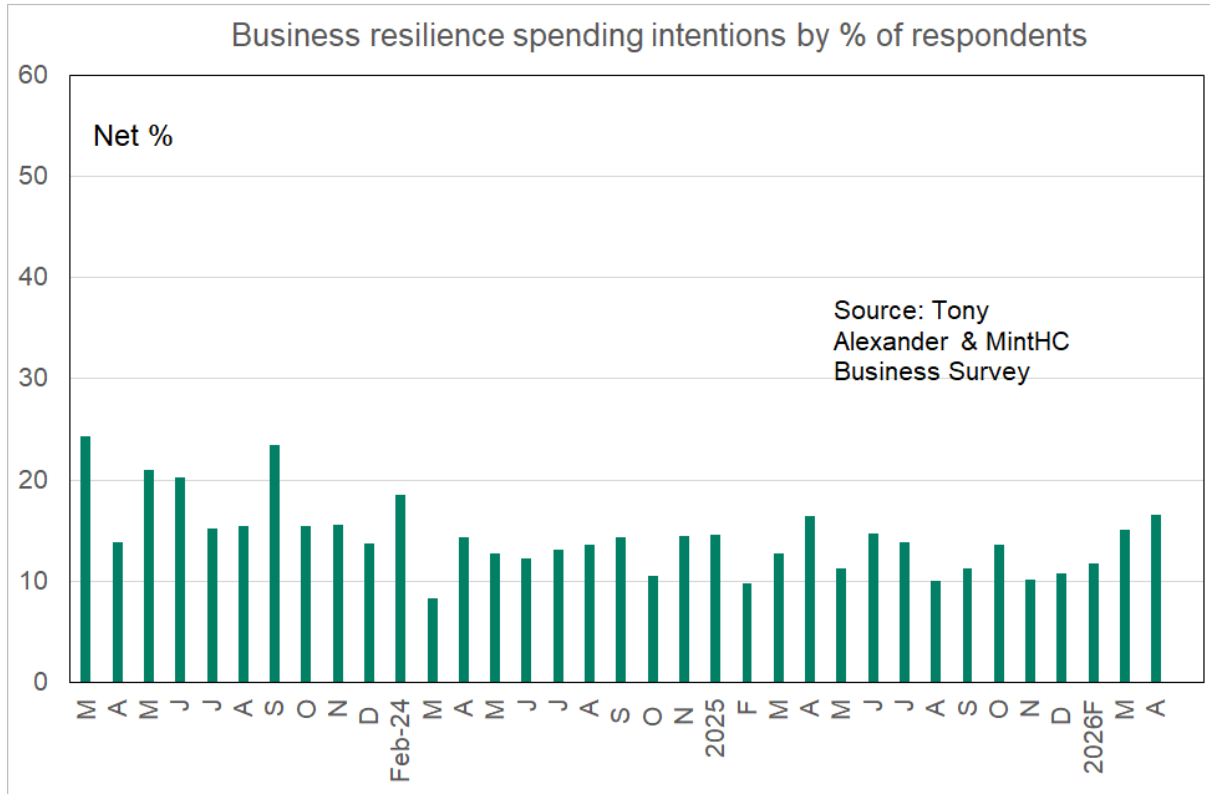


Once again businesses are planning to cutback their spending on new machinery and equipment.

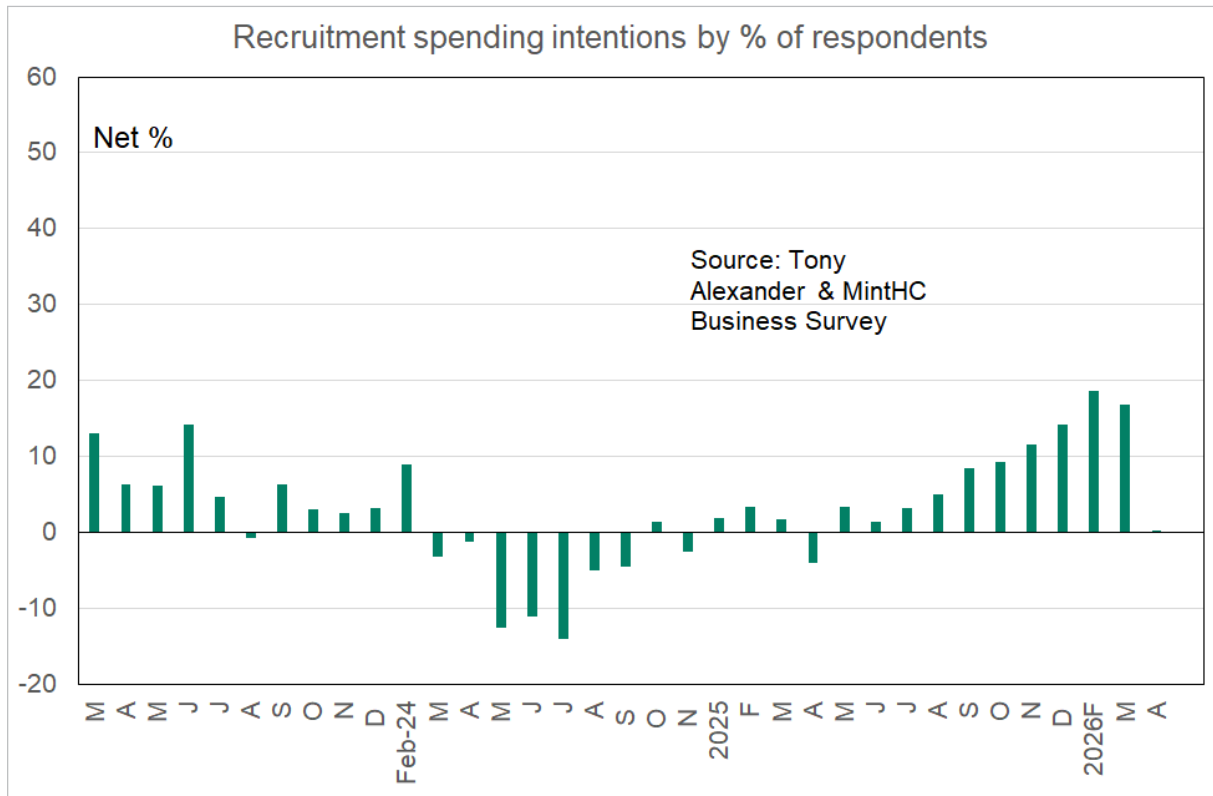
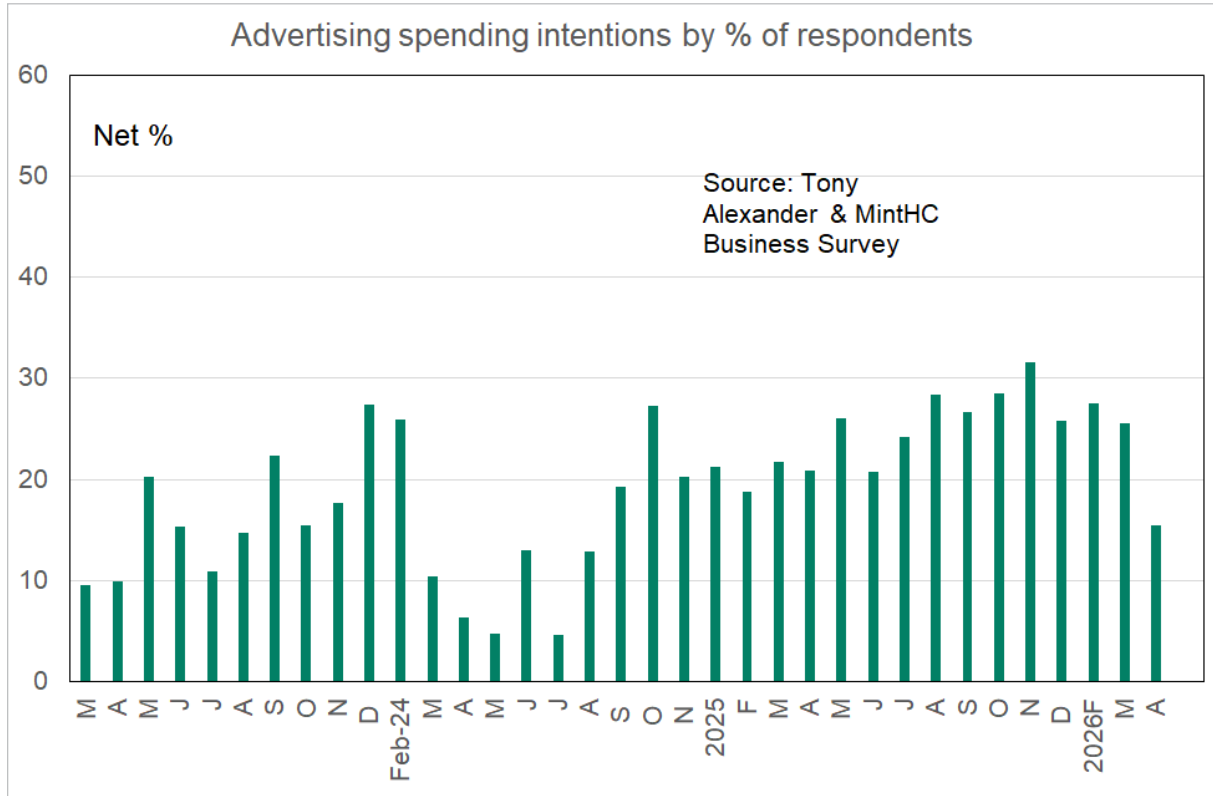


These next graphs look at how planned areas of spending change have been tracking since our survey started in March 2023.

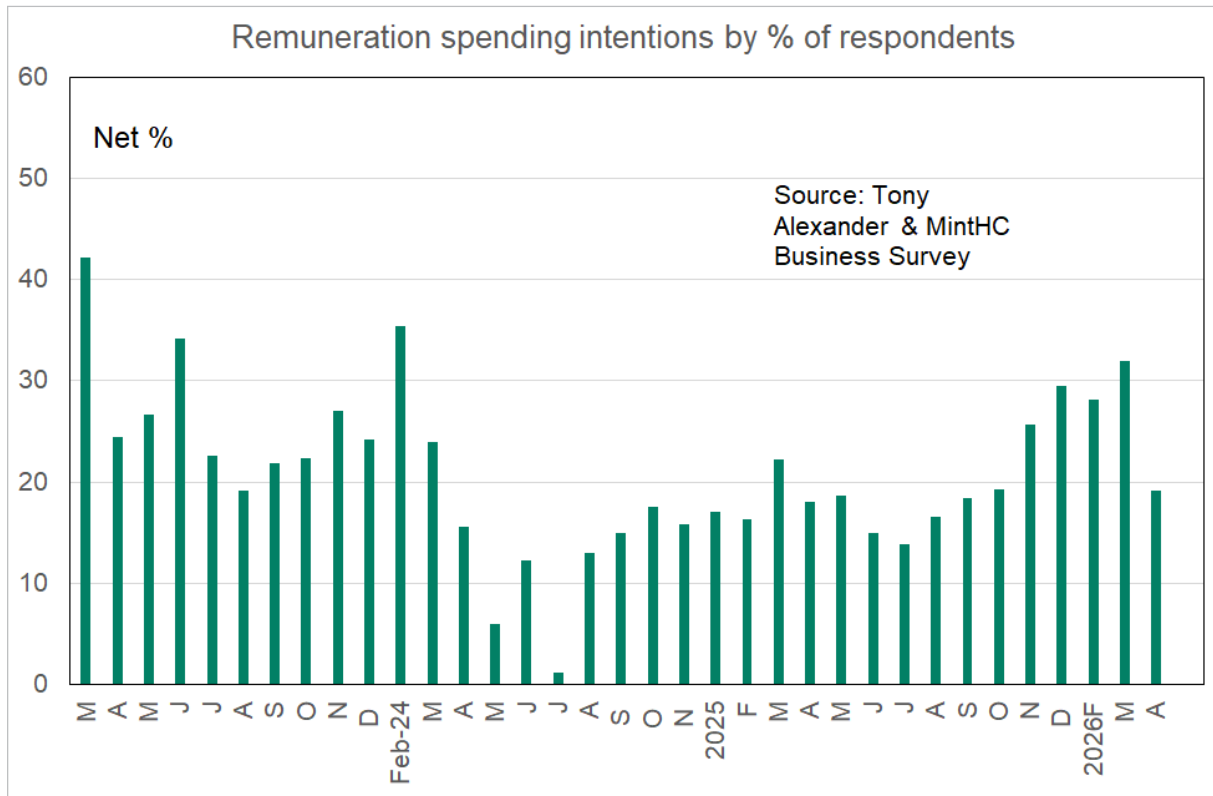
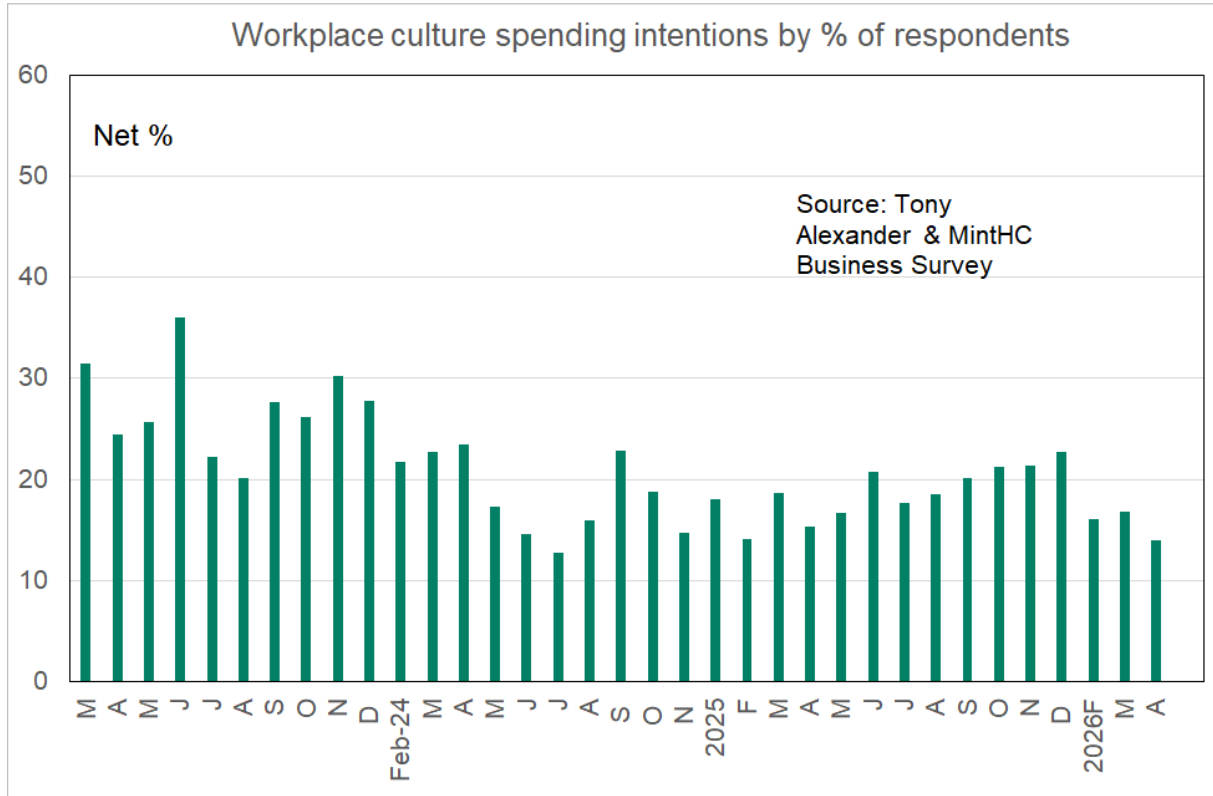
There has been a rise over the past two months in the proportion of businesses planning to spend more on the resilience of their business. Perhaps the frequency with which negative shocks are hitting the NZ economy is bringing a shift in this focus. Spending plans on social media have fallen to their lowest reading since our survey started three years ago.



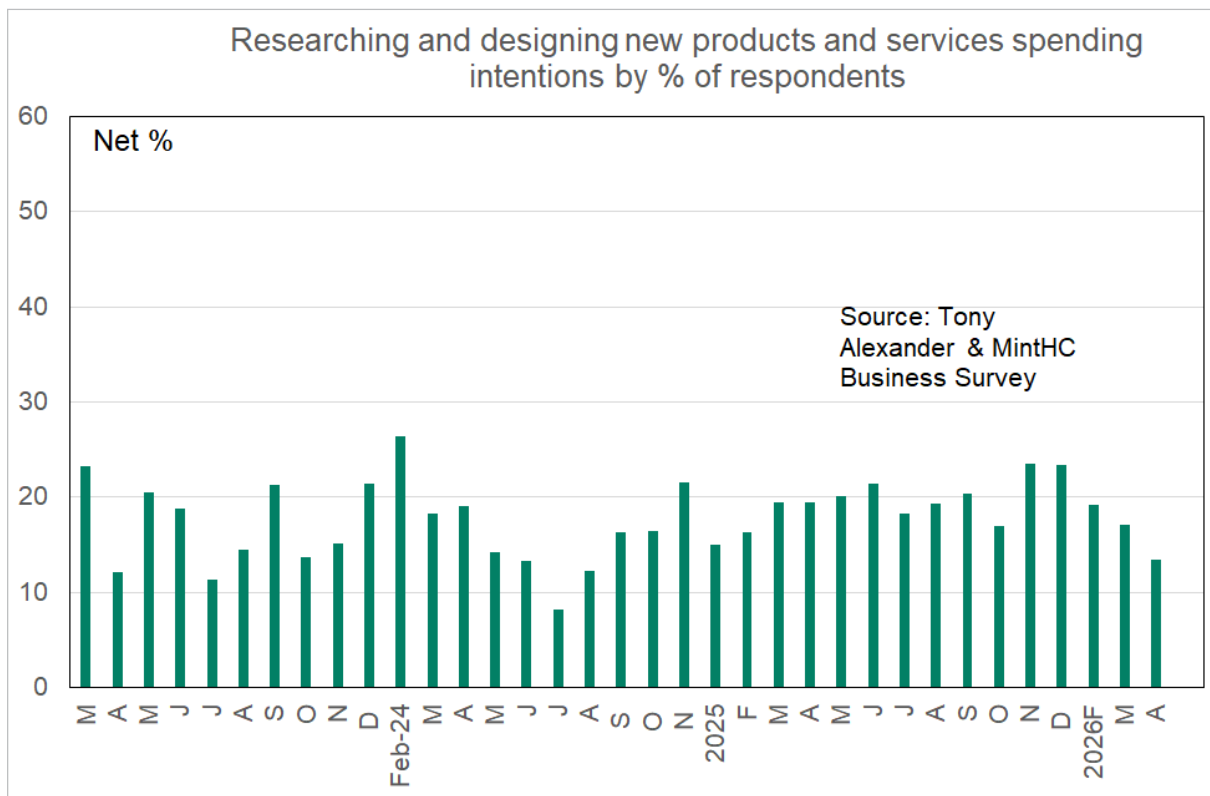
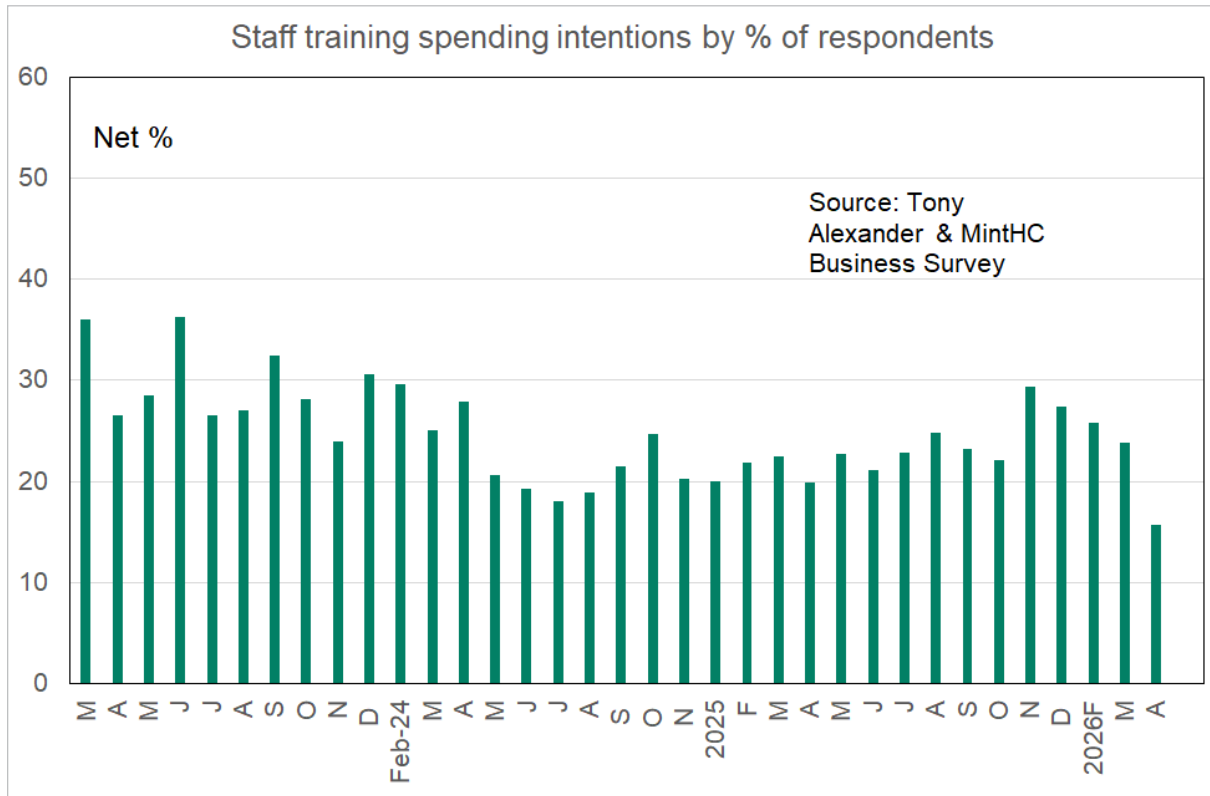
With cash flow concerns growing businesses say they will be pulling back on their advertising. And the rise in hiring intentions which had been underway since the middle of last year has been completely reversed.



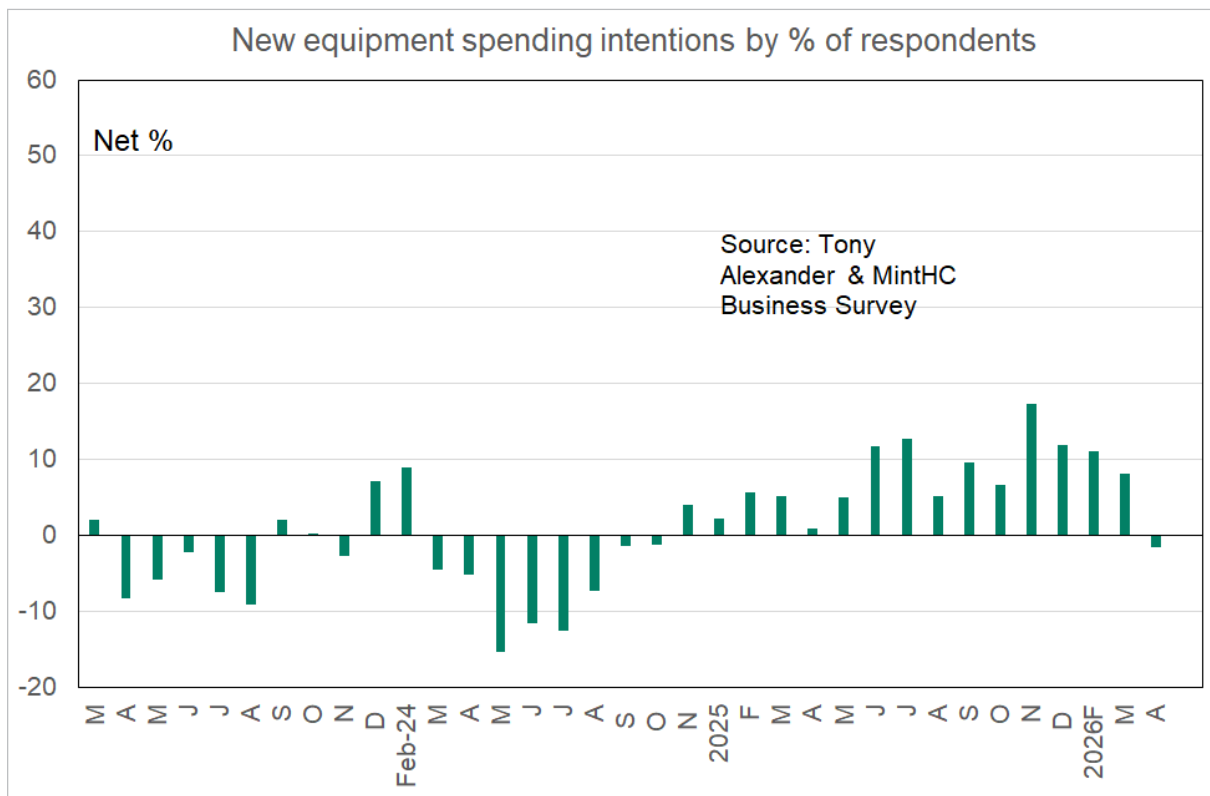
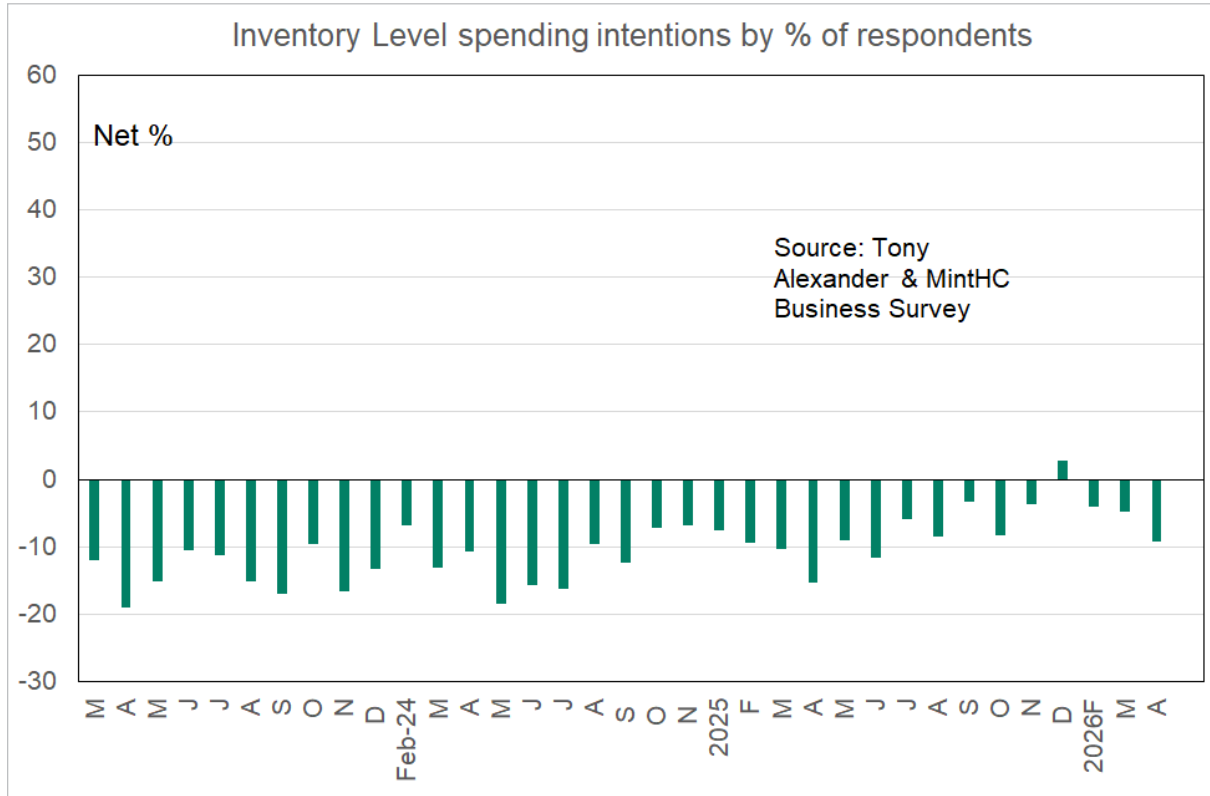
Spending on workplace culture is having to take a back seat for now amidst concerns about other things. Remuneration plans are being reduced.



Staff training spending is being cut in line with plans for recruitment and remuneration. Spending on new products is also being pushed to the side for now.



Amidst new worries about what lies ahead businesses are increasingly saying anew that they will reduce their inventory levels and unfortunately cut back on capital expenditure.

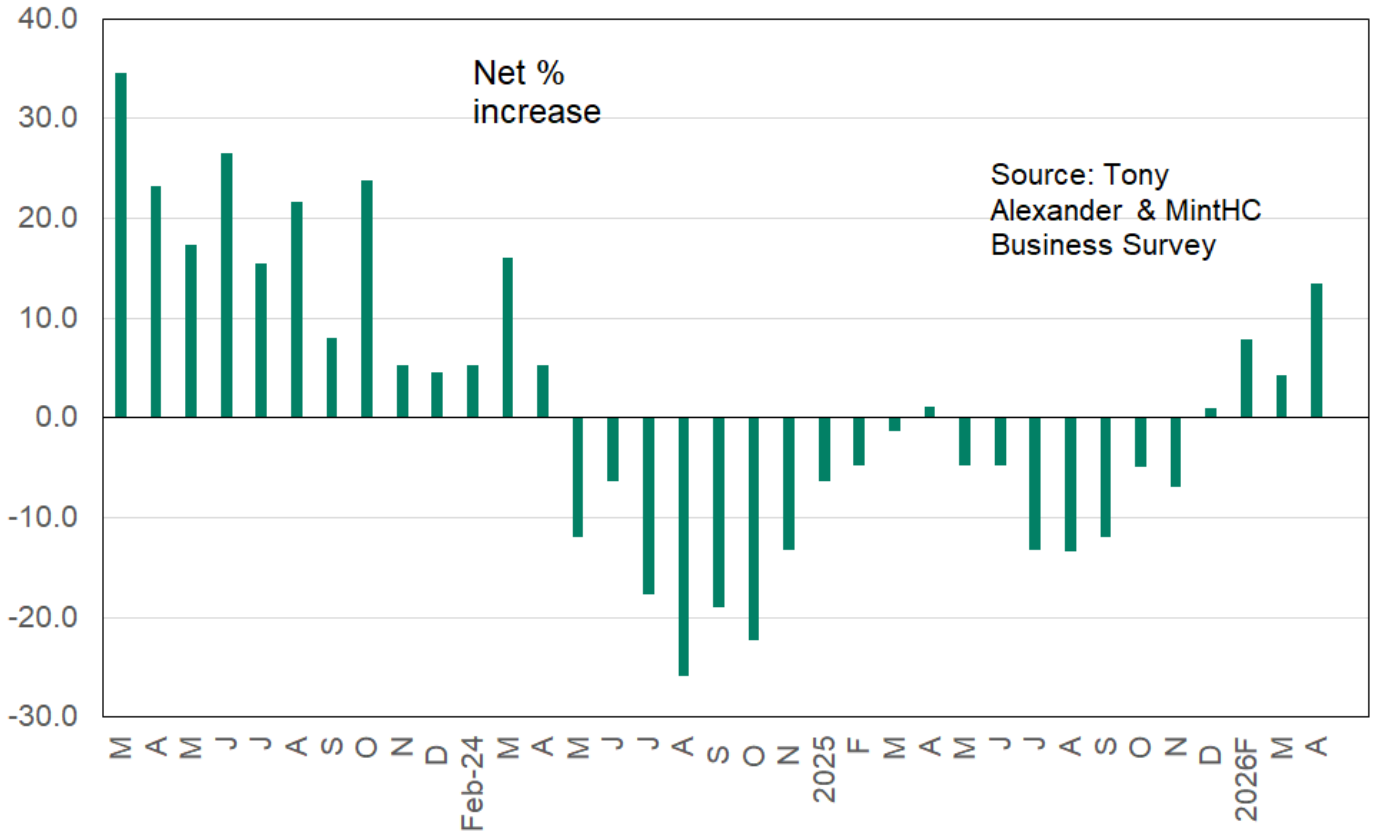


Are you planning on increasing your prices for any of your products or services this year?

Last month we reported on an unexpected decline in the net proportion of survey respondents saying they planned raising their selling prices and that it would be surprising to see this repeated. It is therefore not surprising that the net proportion of businesses now saying they plan to raise their selling prices has climbed to 14% from 4% in our March survey.

Respondents firmly report rising costs and decisions having to be made regarding how best to raise their own prices.

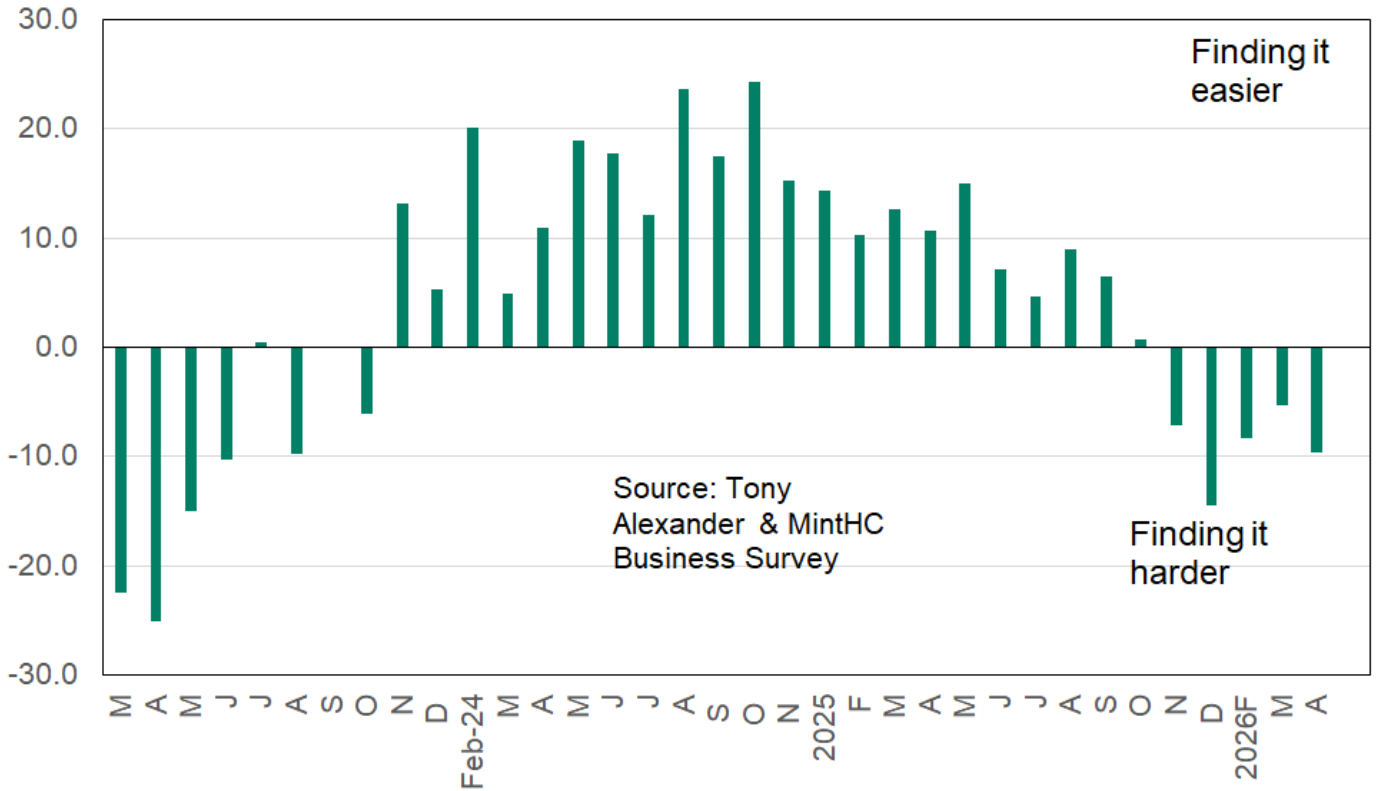
Plans to raise prices in the coming year



Have you noticed any change in the availability of good staff recently?

For the fifth month in a row more businesses have reported difficulties sourcing good staff than that the exercise is easy – a net 10% this month from 5% last month. However, many businesses have indicated that hiring decisions are being put on hold amidst a new wave of efforts to cut costs as predicted revenue flows are anticipated not to come to fruition and costs climb.

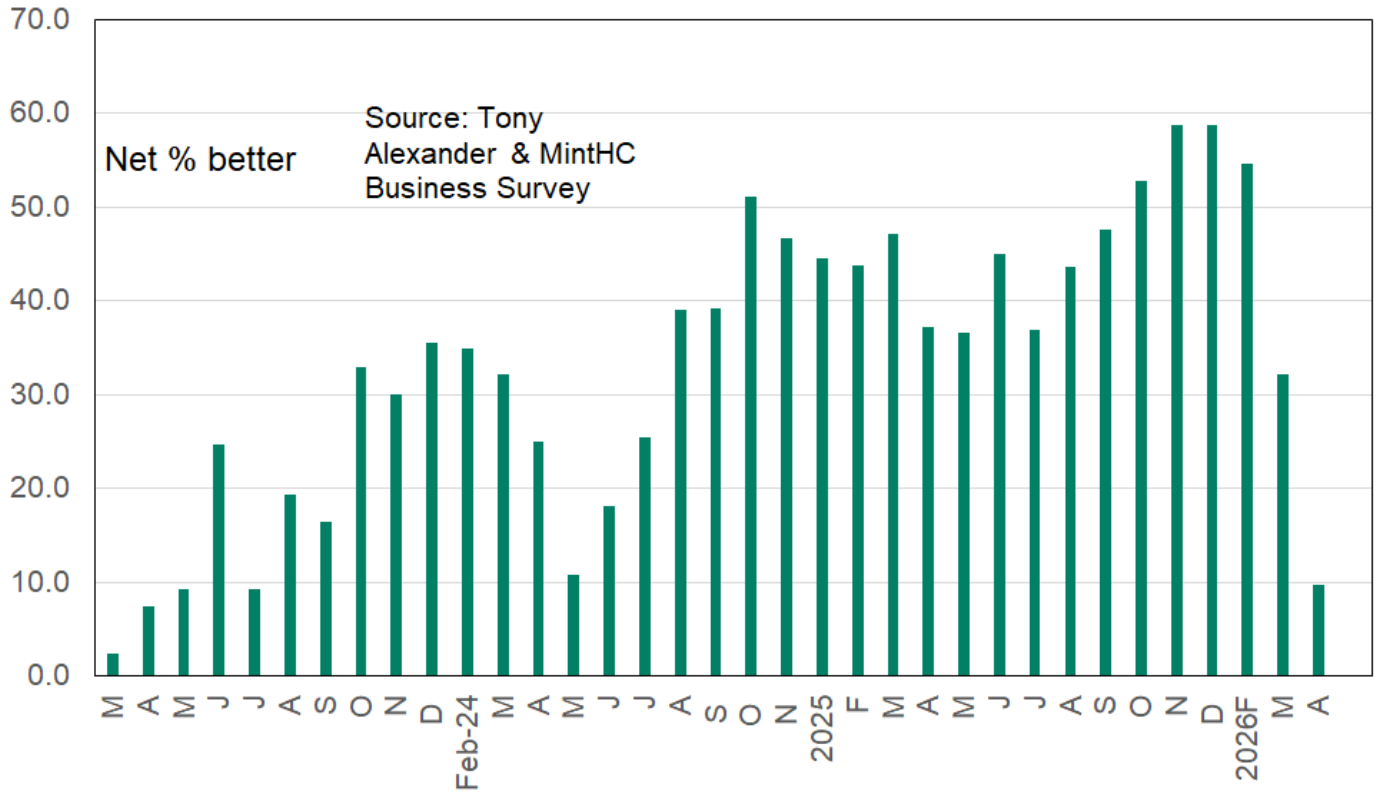
Have you noticed any change in the availability of good staff recently?



In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?

The net proportion of businesses expecting better revenue in the coming year has fallen to just 10% from 32% in last month's survey. Optimism about what lies ahead has declined sharply amidst widespread concerns about developments in the Middle East and customers pulling back on spending plans.

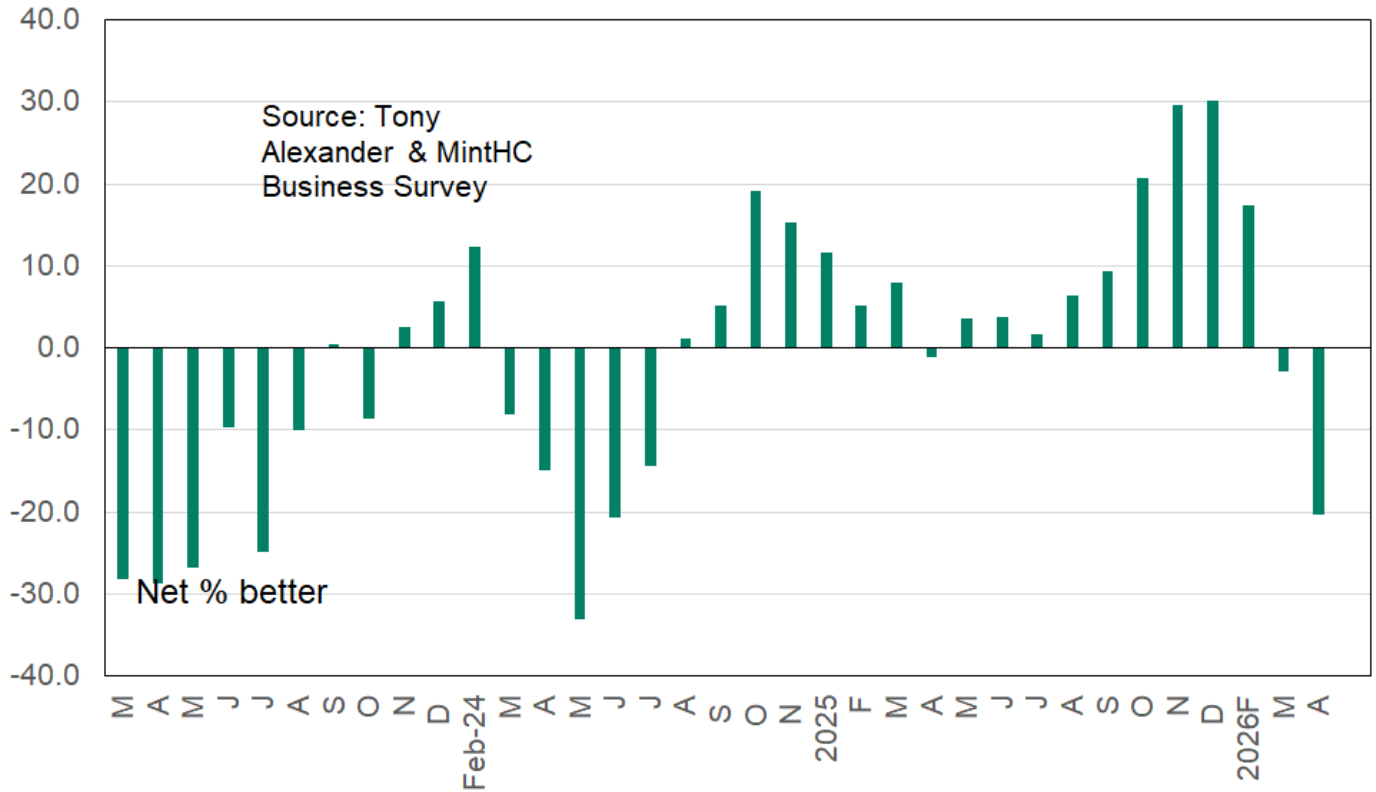
In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?



Do you think the coming year will see an improvement or deterioration in your staff's morale and mental health?

Hopes that the coming economic environment would be good for one's staff have fallen sharply this month. A net 20% of businesses now feel that staff morale will fall in the coming 12 months from 3% last month. In December a net 30% of our survey respondents had said that they expected morale improvements. Despondency abounds.

Do you think the coming year will see an improvement or deterioration in your staff's morale and mental health?



Respondent Insights

Following are most of the comments submitted by survey respondents, grouped by the industry they allocated themselves to from a list of over 30 sectors. These are the tidied up comments of the respondents.

Main points which we are able to glean from these responses include the following.

- Conditions have toughened anew in most sectors as a result of the flow-through of war in the Middle East.
- Decisions have been put on hold as people await the war outcome and with uncertainty for some stemming from the upcoming NZ general election.
- Many respondents note a strong sense of hopelessness felt by themselves and/or their customers as yet again hopes of a good year are being dashed. Fatigue has set it.

Accounting & business advisory services incl. business broking

- We are seeing our customers need more support but cashflow is stressed so more likely to turn to financing to get them through.
- Clients are getting bogged down in short term negativity which is not helpful as compared to long term potential
- A decrease in general activity unless a specialist in receiverships and liquidations which we are not.
- Clients are holding their breath due to the Middle East/ energy shock situation
- AI technology is here but trying to work out the best uses is a mission. It is making us more efficient. Construction industry is coming back but very slowly. Other businesses are treading water.
- It's tough, really tough. A number of small businesses closing down or heading that way quickly. Investors sitting on hands. No vision from leaders. At least the sun is shining.
- Impacts of fuel crisis and bigger flow on to economy
- Business activity (deal flow) is not an issue, but it is increasingly difficult to secure funding options. Also note an increase in the number of approved proposals that are not proceeding as clients are becoming more risk averse.
- Lack of experienced people. Too many (younger) people think a piece of paper provides an open ticket to the best jobs & remuneration. Customer retention, Financing, Lack of competition in services supplied resulting in supplier dictating cost.

- Uncertainty and indecisiveness a lack of strong strategy
- Consulting is steady but compliance is under threat from AI.
- Most clients are struggling to remain positive given the recent past economic gloom now being compounded by the oil shock.
- The industry is about to undertake a quantum shift in how the work is processed. There will be less reliability on outsourcing entry level processing to countries with lower labour rates, with an increased investment in AI and Technology. Hopefully, this retains NZD in the country to be supplied to NZ based accounting tech innovators. How firms look in five years' time will be a significant shift. The positive this will create, is more client facing work and more value-added work. The new hires will not be those with processing and detailed skillsets, as was historically, but instead those with enhanced communications skills and ability to learn quick as well as adapt. This is an exciting time for an industry that has always been seen as "boring".
- Slow down - a pause to watch, learn and adjust.
- Still significant numbers of businesses closing their doors.

Advertising & marketing

- Conversation has switched since start of year, with customers actively looking to retain existing customers and acquire more. A lot of our customers are looking to move first and beat their competitors - as economy improves, they want to be early out of the starting blocks.

Banking and Finance

- High competition in the second-tier lending space.
- Business income not consistently increasing with national & global influences. No increase in salary.
- Uncertainty in all areas
- Slow down in housing demand due to possible change of government, increasing interest rates and cost of living pressures.
- Stable, maybe for a long time hopefully, this could be the new level
- Economic uncertainty makes increasing revenue near impossible

Cafes, bars, and restaurants

- Owning restaurants in Auckland sucks.
- The business community close to the Mount beach front & downtown Mount are really struggling
- Without clear guidance & leadership from the Tauranga city council, regarding their strategy for reopening the base track to the local Community, Tourism & Visitors, many businesses will falter
- Too early to know how the fuel price rises and war will affect business as we have had Easter at different dates to 2025, but it's likely to impact consumer spend moving forward.

- Still customers coming in, but being more decisive on how much they spend, not as much money to go around to spend on the big stuff or more of it.
- Fewer customers spending less money. Turnover at 25% to 40% of pre-covid levels. Customers telling me fuel costs up 100k per month, clients pulling out of property purchases, retail and hospo businesses daily turnover down to \$300, sometimes \$0.00. Power prices up, costs up but we can't increase our prices. This has been a huge economic shock and the longer it goes, the deeper the recession. We may get through because of the cost cutting we've done; a lot of businesses won't.

Civil construction/infrastructure

- The sector is under real pressure at present. Private work had already slowed due to cost-of-living pressures, and the recent fuel crisis has all but shut that market down. At the same time, uncertainty around public sector spending is making forward planning increasingly difficult. As a business, and as an industry heavily reliant on fossil fuels to operate plant and equipment, we are particularly exposed to rising fuel costs and supply volatility. This is creating a level of uncertainty we haven't seen since COVID. In response, we are restructuring the business to better align with expected demand, improve resilience, and ensure we are well positioned for when the market recovers.
- Sector was just starting to lift around December/January, but caution has returned with international events and associated supply chain issues. Forward outlook is uncertain and this is starting to impact decision making around investment, staffing and prudent operating levels.

Commercial construction

- Uncertainty impacting the fragile recovery. What looked like slow but steady improvement has now shuddered to a halt
- Uncertainty regarding Iran war.
- Confidence in planning, holding to quoted prices, supporting staff
- Uncertainty. Overall everyone in the sector is trying to be positive, but it's getting to be a hard slog!
- Competitors coming into our region through the award of contracts that we would normally get. Not sure who is actually calling the shots - Govt department(client) or their consultants. Costs the taxpayer more in the long run
- Our business relies on the health of NZ's main export products - let's hope they stay strong!
- Commercial Architecture & Property - We're quite busy right now, a number of clients are moving forward with their projects/Developments and funders are saying yes to development finance. Understand this is not even across the industry, especially in Residential where it still seems to be quiet.
- Some confidence returning. Chicken little behaviour re supply chain, weather etc.
- So many headwinds & uncertainties plus political instability ahead of the election

Commercial real estate

- Market going sideways with global uncertainty
- Tenants are struggling in the tough economic conditions.
- Downturn in the economy means fewer tenants requiring office space. Electric generation issues with dry summers, data centre expansion and ev vehicles requiring more electricity and a shortage of supply, will lead to problems.
- Financial stress for customers.
- Delayed decision making due to lack of confidence inspired by the unknown outcome and implications of the Iran war.
- Lack of confidence, uncertainty customer spend continuing to decrease
- We have observed a sudden pull back, a "sitting on hands" and "wait and see" reaction by many investors and owner occupiers, due to the Middle Eastern war and fuel crisis and the uncertainty that has developed on how that will affect the NZ and global economy and the viability of each individual business involved in the transaction. Leasing activity is still being maintained and if anything has increased, possibly indicating business owners are preferring to lease rather than buy under the current uncertain business environment.
- Lack of confidence.

Education and training

- General economy reducing demand for childcare
- Business turnover has improved in the last 6 months, but a few have cancelled orders due to high fuel prices.
- Reduction in government funding and tighter prescription of what they will fund leading to retrenchment.
- Consumer hesitancy
- Increased enrolments in tertiary education due to poor employment situation in country and lack of opportunities
- The Early Childhood Sector is struggling, financially.

Engineering

- Back to playing heads up footy. Price notices being issued all over the place have put a pause on many projects as feasibilities are tested. Seeing larger global corporates changing their policies with changing risk profiles - all of a sudden capital projects are out, and they are looking for developers to build for them to lease.
- March was good but seems to be a bit of uncertainty around in April. Hopefully it is only Easter and school holidays not the war.
- Architecture/construction has been and continues to be a rollercoaster
- A good time to be reviewing productivity, get more out the door with less cost while retaining highest quality.

Farming & farming services

- If the world settles...NZ Strong wool is off to the races.
- Increasing Input costs, especially for fuel.
- Trying to manage input costs and stay profitable. Keep really focused on the business and opportunities.
- Costs of operating a business are high and getting higher.
- Uncertainty
- It looks like another period of high inflation is coming for farm input costs with fertiliser and all fuel based contractors increasing their prices. It would be neat when the oil issues resolve themselves that they reduced them as fast as increasing them! Luckily at present produce prices are holding up.
- Global supply chain is very challenging. Our products are indelibly linked to Strait of Hormuz in many ways - some directly. Confidence in the sector is very strong but so difficult managing steady supply to farm businesses. Will be interesting to see where the year ends up as could go either way.
- Fertiliser Blender and Limestone Quarry - Hard to find staff who actually want to commit to 5 days working at 40-45 hours per week and who do not have personal issues or issues at home. Major concerns on the potential for supply chain constraints and unpredictable price increases.
- Food & Beverage (Vineyard & Winery) - Global economic and political volatility is affecting every facet of the business. Owner and staff morale, sales forecasts, input costs, pretty much everything.
- Horticulture - Awaiting actual outcomes but keen for progress to the positive, "had enough of crap"

Financial advice/wealth management

- Lack of confidence in business markets
- Two speeds - some doing ok some struggling
- Lack of financial literacy amongst clients. Clients accessing KiwiSaver retirement investments for current financial hardship claims, which just kicks the can down the road in terms of lack of retirement savings for people who need it most
- Overseas events which are impacting economic recovery

Forestry

- We are in logging. The rise in the price of diesel is killing us. We are stopping work for 4 months
- Diesel prices soaring and not looking like they will come back down in the near future.
- The cost of fuel is our big one. We have FAF in our contracts, but lag by one month, which is a problem due to increase so much in March.
- Product prices have hardly risen but costs have risen sharply

Health

- Budget cuts and restructuring
- Sold 2 health businesses, one in 2021, one in January this year. Both aged 65. Easing into retirement.
- People not spending due to uncertainty about global economy
- Having to pay higher salaries to attract and retain good staff. Although revenue will increase due to general CPI increase in fees received, the operating profit will be less due to money being reinvested back into the business for office relocation and fit-out, staff salaries, expansion through acquisition, and managing debt levels used to fund the above.

Information technology

- Decisions been put on hold especially in Hospitality - as in hotels etc.
- Long term uncertainty impacts are significant from AI, war and having motivated staff that won't leave the country
- Impact of world events on business confidence and willingness to spend
- Efficiencies in AI are being realised
- Cost of transport and overall increase in cost
- Starting to see some more early opportunity conversations coming through, but still lots of uncertainty and volatility around committing to start, decision-making timescales and authority levels.
- AI is creating great opportunities for us
- Things are pretty good in Christchurch.
- Inability to get good staff is holding us back considerably and really increasing stress levels.
- Lots of anxiety due to the wars and their impact. Economic recovery is called off.

Insurance

- There is a noticeable wait & see in response to geopolitical events
- Less demand, more international competition for market share against escalating freight and costs to repair or replace property

Legal

- Uncertainty in the property market, fanned by the media, is creating caution in people's minds, however we see the longer term trend showing a return to confidence overall.
- We are very busy now and have been for some time. But I am concerned that the world geopolitical climate and effect on fuel prices/supply chains etc is already having a negative effect on people's outlook which, in an election year, could scare people onto the sidelines.
- Legal - Concern that the property market will go into hibernation after it had just got going. Never ending cost of compliance especially AML continues to drive price increases.
- Increasing fingers of instability in most areas of activity.

Manufacturing (all categories)

- Certainly seeing a lot of costs come through, particularly on resins/plastics aside from the normal freight/fuel/travel costs, and we are privileged in that we can contemplate passing these costs on.
- Here we go again.
- Increasing competition at the low end of the market, increasing costs and a lack of strategy, more panic mode
- March 2026 revenues tanked mid-way through the month on the back of the Middle-East situation. April so far, is steady, but I suspect that the current fuel prices and inflation talk, will dampen demand, by the end of the month.
- Competition is fierce and it is a price war to the bottom
- The first quarter started stronger than expected with new pipeline, but has slowed down in the last 3 weeks.
- The current uncertainty
- We expect the Fonterra payout to shield NZ from the worst of the war economic shocks
- Was going great; the Iran situation has definitely had an impact on confidence but actually not as bad as we expected it to be - many are looking through it, some spending decrease but overall people aren't panicking yet. The fuel impact is the most immediate obviously and many including ourselves have had to put temporary surcharges or price increases in place.
- Oil price impact
- FAF is being adjusted weekly. We have purchased all our raw materials upfront for the next 12 months to avoid price rises and shipping constraints. Instead of increasing our prices we have introduced FAF where applicable but there will be price increases inevitably in the future. Surprised to see some of the bigger organisations we supply now struggling to make payments on time. When questioned on this they state they have experienced slower than usual collection of payments at their end. Definitely keeping a very close eye on this and prepared to stop servicing these clients if timely payments are not maintained.
- Too much focus on Trump's words. Need to look more at what we are doing and breed more national confidence. Glad government has limited support for fuel, makes us realise we have a reasonable economy and can survive on our own and don't actually require the government to step in at every bump!
- Evaluating whether to go for a general price increase or introduce a freight charge. The latter feels more transparent than price increases due to the global volatility
- Concerned that we could have a change of NZ government that will set us backwards (hand out sugar hits!)
- Supply chain issues and raw material price increases
- Energy issues
- Increased input costs with multiple suppliers putting their prices up. Still strong sales with dairy farmers maintaining a high payout and recent Fonterra capital return.

- Chaos is creating opportunity
- Decrease in retail purchasing which decreases the demand for our products
- Just quietly, people are cautiously optimistic. Although obviously concerned about fuel prices, and their impact.
- Pick up in building sector causing an increase in demand for our products.

Miscellaneous

- Franchise gym, hearing those in low-income areas are seeing drop off in sign ups and now looking to discount as in panic mode
- Energy - Q1 customer demand was better. Forecast is troublesome with fuel prices / inflation potential.
- Equipment Hire - Uncertainty due to Iran war
- Fuel wholesaling - Fuel prices are causing much consternation amongst all clients
- Home Services Franchise Sales and Support - Concern and some anxiety at the current and possible medium & long term impacts of the war on our businesses
- House renovation/development - It is very worrying with the rise in fuel prices. For costs on business but also safety and security of sites. Plus if things don't go well, layoffs will have to happen amongst my subcontractors
- Landscaping and grounds maintenance - Going steady and some good work lined up for winter. Really concerned with the fuel price increase and all the knock on effects that will start to come through.
- Not for profit - Membership numbers have increased but overall donations have dropped. Thus making it difficult to maintain a balanced budget.
- Personal services - Everyone is nervous. The constant media attention to fuel and the Iran War is causing people to retreat, not buying or extending between appointments. I have recently increased stock with concerns about escalating shipping costs. As a self-employed person, I admit that I am more anxious now than I ever was during Covid-19 for the future.
- Supplier exports - Cancelled voyage shipments due to reduced product volumes
- Veterinary drug start up. - Getting good consultants in NZ in our area of expertise.

Mortgage broking/advisory

- Iran conflict has dulled a market that was recovering
- Previously crazy busy, phone has gone quiet - first home buyers nervous and investors have disappeared again.
- Very cautious consumers, loathe to commit. Here comes recession #3.

Motor vehicle sales/parts

- Automotive - Auto Electrical - Well established business owners are exiting the industry - retiring or relocating. No new blood is coming through and those that are remaining are severely falling behind in knowledge and the myriad of diagnostic equipment that is constantly required to keep abreast of the enormous technical advancements vehicles are making.
- EV sales!
- High fuel prices are a concern; business is closely coupled with light traffic index. Short term we seem to be OK, but there is a lagging effect. Late April is not likely to be good, undoing the progress we've made so far this year.
- Fuel prices/ shortage will have major impact - preparing for worst year in business after 30 years of operating own business, expect a few of competitors won't make it after the difficult last few years we have had.
- General anxiety of what's next? Seems year after year things get worse rather than improve.
- Performance Vehicle Specialist Including Parts & Servicing - Continual reduction in customer enquiry due to their affordability re the state of the economy and ever-increasing costs & reduction of incomes for both our private & business customers.
- Vehicle Tyre sales, Fitting and Wheel Balancing - In general we have noticed an increased number of customers are shopping around looking for the cheapest deals and only replacing what's needed to have their vehicle pass a WOF.

Property Valuation

- The economic uncertainty has slowed the market. New developments now face price escalations from product and fuel price increases, and the increased cost of living is going to squeeze buyers' ability to spend more to cover the increased costs. In the commercial market, leases are now holding off, and buyers are wary of increased interest rate and a very flat economy.

Recruitment

- Engineering recruitment (Auckland) - just as the year was starting to track quite nicely the Iran war has put the brakes on a lot of developments it seems. Those horrible words of uncertainty, confidence (lack of) are back again. It's still hard to attract good people to move and counteroffers are still a regular thing. Some of the civil sectors (roading, water) are still very busy, commercial and residential still suffering.
- Everything sucks right now and the media chat about AI in recruitment is doing we 'old-fashioned' face to face recruiters no favours at all. All my clients expect me to personally screen and fully engage with all applicants - with the paucity of quality candidates I cannot afford to potentially miss the diamond in the rough.
- We are now seeing a swing to a candidate short market. Many clients are still trying to fill roles themselves first before going to agency, but this is slowly shifting due to point one.

- Clients are still cost conscious but generally getting on with things. Overall we're seeing growth, if muted.
- The sector is under pressure with the number of participants reducing and existing participants reducing overheads and fixed costs where possible. This is driven by weakening demand and general hesitancy within the business sector.

Residential construction incl. section development

- Short term negativity around fuel price
- Things were just starting to look up, and then Iran happened. This could not be more demoralising. We will have to have a serious conversation about cash flow and whether or not to liquidate now. Everything our company has done so well, we've spent many decades building, all wiped out by the last two years of just terrible trading conditions. It really is soul-destroying. Maybe I'm being a little too downbeat, but that's how it feels at the moment.
- Back to quoting. Companies buying the work. Hard to manage fuel increases and passing on.
- Uncertainty - still gauging efforts of US / Iran on client demand and pricing
- We have survived 25. Bring on the (26) fix!
- It was looking slightly positive until Trump started bombing Iran. Now, who knows, but it is not looking very good.
- Pro. Loyal staff as I think there is a fear of job loss due to tough times. Con. Rise in material/travel? Freight costs will slow or stop clients from spending, May even mean good projects in the pipeline get cancelled
- Uncertainty is killing any slight upturn we were seeing.
- Clients are in no hurry to progress their building projects - they are happy to plan them and for us to price them, but they are holding off giving us the green light. Some substantial price increases from suppliers and for freight may now make some projects unviable. It's been an exhausting 5 years.
- We build low cost housing. Increased enquiry not converting to sales. Could be some election year indecision. A lot of customers are very concerned with Iran conflict and solely focused on daily fuel prices without any understanding of medium - long term economic benefit of peace in middle east. Suppliers who have been talking price increases for 9 months are now using Iran conflict to increase their prices in FYQ2.
- Plenty of work at present but unsure of the market reaction to the events in the Middle East
- Suppliers are increasing their prices on materials and of course freight, but telling us to lower our prices because their sales are down! Incompetent.
- New builds are decreasing
- Residential land development - Developing building sections, finding costs escalating through diesel increases Drainage & Civil construction costs such as pipes, plastic products, Concrete, Tar seal etc. Building sections now coming under a further downward price pressure.

Residential real estate

- Homeowners not making decisions. Those who need to sell for whatever reason will likely continue to do, but those who are selling, or upsizing/downsizing by choice are starting to hold back and make do. The cost of fuel and groceries are contributing along with the rising interest rates and uncertainty about the security of the jobs.
- A lack of motivation to act...on anything, people are “ waiting and seeing”. Election, war, all irrelevant really
- Real Estate should remain steady but far from spectacular.
- Lack of confidence in property market especially in land development. No sales of developed lots, future developments being moth balled. Battening down the hatches and waiting - again!
- People struggling to make decisions due to uncertainty with conflicts in other parts of the world, rising interest rates, cost of living, employment, and an election coming up.
- We are at the peak low over interest rates at the moment in this cycle and there has been a bit more confidence from buyers and sellers
- The uncertainty with the war and rising costs, interest rates, job uncertainty and falling house prices is having an impact on people committing to purchase property.
- Hard to transact - people doing nothing
- People are hurting out there and being an election year plus what's going on overseas makes me nervous on our business outcome this year.
- Enquiry for real estate apart from entry level/first home buyers has gone quiet again.
- Was a great first few months of the year but there is certainly a lot of hesitation and lack of confidence in what is happening in the world and the effects it will have here.
- Listings (stock levels) are high; however buyer interest is seriously low, with open homes experiencing good initial neighbourly interest, then down to nil and one or two visits per open home. Absolutely no confidence in the property market or economy at present.
- A general lack of confidence
- Cost increases with little ability to pass these increases on.
- Confidence in product and ability to ride the storm. Good product is selling, but buyers are a lot fussier. Change still has to take place so being front of mind when sellers are looking for advice and a professional approach is important.
- I have had a 4 bedroom flat vacant since early February; first time it's been vacant in 17 years of owning the property.
- Uncertainty with costs and sales forecast
- Hesitancy to spend at present. There are a significant number of properties currently on the market. Buyers feel as though they have time to find the perfect fit and are very particular about their criteria to purchase. We are seeing good enquiry at the higher end of the market (\$1,200,000+), with results

- happening at auction. Most buyers are reluctant to put their property on the market without having somewhere to go (uncertain times), however the risk appetite isn't there from sellers to accept subject to sale offers at present so creates a catch 22. First home buyers are still out in full force, most feel it is a good time to get into the market, reasonable enquiry happening at that price point (up to \$650,000), that level of the market is transacting well. Some are going under contract at deadline, and some are selling post deadline with a price.
- Beginning of year very positive signs in all directions, last four (4) weeks lights have gone out! Vendors and Buyers very nervous in my market to proceed with world events.
- Operations side needs a push; customer service needs to be taken one step above from the current satisfactory stage
- Residential real estate sales likely to decrease due to economy and overseas wars and general election
- People's confidence is uncertain, especially with events around the world and at home.
- Uncertainty amidst the global conditions, as well as the NZ election, later in the year. Buyers not feeling as confident.

Residential rentals/Investment

- Uncertainty from effects of war
- We are noticing a lot of boomers are getting out of the rental market choosing to have ready cash rather than investment property.
- Local council incompetence and unjustified increase in rates
- Growing concern over a new govt being controlled by an extreme left that will risk progress. Pressure because of increased fuel prices and increase in every sector because of this
- Existing investors selling their residential rentals, exiting due to higher costs, lower returns, rents stagnant, and interest rates on the rise again.
- Selling residential investment property - Labour's perceived threat of making Interest Deductibility a policy again will stop this investment market in its tracks, and while the Election always makes investors sit on their hands a couple of months out, this policy (if they bring it back in) will make it worse again for turnover of property. Hipkins stated they will announce something after Budget (27 May), so doing what we can until then, and after that no idea what the market will look like, but it won't be good. Considering a major change in business direction for the second half of this year.
- Ongoing difficulty in finding good quality tenants. Higher tenancy turnover due to tenants experiencing change of financial circumstances.
- Steady as u go . With 700 odd tenants we remain full with small increases occurring as properties change tenants. Luckily, we have parks in inner city as parking now dire in inner city.
- The residential property market - buying and selling and leasing houses - has been flat for a prolonged period of time, much longer than I have seen previously.

- Shortage of good tenants, increasing rates and insurance costs and no capital gain prospects in sight.
- Student property continues to outperform due to the increased numbers (most universities are setting new records) of high school leavers entering tertiary education.
- Inflation impact on holding costs and lower returns

Retailing

- Big drop in sales for this time of year and now heading into the off-season where sales are traditionally much lower than Summer. I will have to reduce my stock-holding which I had built up over 5 years to accommodate supply chain shortages etc. Customers will just have to wait a bit longer for products.
- Demand falling off a cliff in March. Clothing retailing (ecom)
- Price increases are coming fast and are significant. Its going to be another challenging year. Prepare for the worst and hope for the best.
- We are expanding, when times are tough we are pushing on to make a bigger impact in the market
- Foot traffic well down even in prime location
- Lack of disposable income for services we offer
- Retail is challenging and has been for years. Now: Internet sales, 2 wars, and council allowing all retail in a second area in our town, costs for customers to park, all make a difference to retailing in a once vibrant town.
- Anxiety about the effects of the Iran War on supply chains & economic activity.
- Effects of the Iran War
- Less sales, foot traffic, customer activity. Lots of doom and gloom from all aspects of the community.
- The economy is at another fork in the road. It was so close to a noticeable uptick but with geopolitical tensions it has put everything back a few steps. There is still a feeling of just grinding things out still and there is still no tangible end in sight.
- Interruption to accepted international standards.

Shipping, transport, storage & distribution

- Fuel driving up costs and NZ Inc economy slowing down
- Reduced demand from China.
- Enquiries re discretionary spend items were finally starting to pick up but have stopped again with Iran invasion. Dealing with lots of supplier freight charges and price increments. We were finally emerging from a long slow recovery and now it feels like we are back in mid 2025 with no mortgage relief to come.... Really frustrating but not catastrophic for us.

Tourism & accommodation

- Passenger Transport and Tourism - Holding off on travel / Tourism expenditure due to uncertainty.
- Drop in demand since Iran War started
- Significant reduction in domestic travel declining due to US-Iran war - by both companies and private travellers.

- The fuel crisis is a major concern for our region as NZ domestic visitors may not be able to travel here due to costs and potential fuel shortages. International visitors may decrease for same reasons, but it is a great time to travel to NZ - we should promote we are one of the most isolated and safest places to visit in the world and our dollar is so low it is cheap for visitors from e.g. AU, UK, Europe, Canada etc.
- Forward bookings are lower than anticipated due to world affairs
- Prior to the US/Iran conflict, our sales pipeline was strong. Conversion may be more challenging now. We are also exposed to volatile international shipping rates, affecting already narrow margins.
- Domestic travellers are cherry picking offerings, not fully appreciating the added value, unlike international travellers who do. There's also a limited supply of quality accommodation meeting international standards, often occupied by volume tourism. We need to recognise that we are a premium destination attracting higher-value travellers, rather than operating like a "sausage factory."
- A slowing of international enquiries and bookings since the uncertainty created by the Iran War. The ITO/agent market is most affected although we have heard that Europe still has high levels of interest in travel to NZ. We also sense an increase in bookings generated through AI. We believe that existing businesses that have excellent online reputations are benefitting from this and size does not matter.
- Our customers are 80% overseas visitors. Given the current Middle East turmoil I am nervous a significant portion of these customers will delay or cancel their travel plans to NZ.

Wholesale

- Projects not wanting to commit to stock until last minute
- No real signs of the economy improving and fuel premiums will set us back several months.
- Lack of consumer confidence & customer demand.

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