

# MintHC



Business  
Insights

**Businesses concerned  
about what lies ahead**

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with Tony Alexander

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# Dour sentiment back in force

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## 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.

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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. 376 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:

- Businesses have in many cases grown despondent because of the impact on customer flows of the Middle East war, rising costs, and uncertainty ahead of the NZ general election.
- Despite the return of some economic weakness, finding the labour businesses want is still hard in many instances.
- There are questions about the sustainability of the recent upturn in residential construction levels.



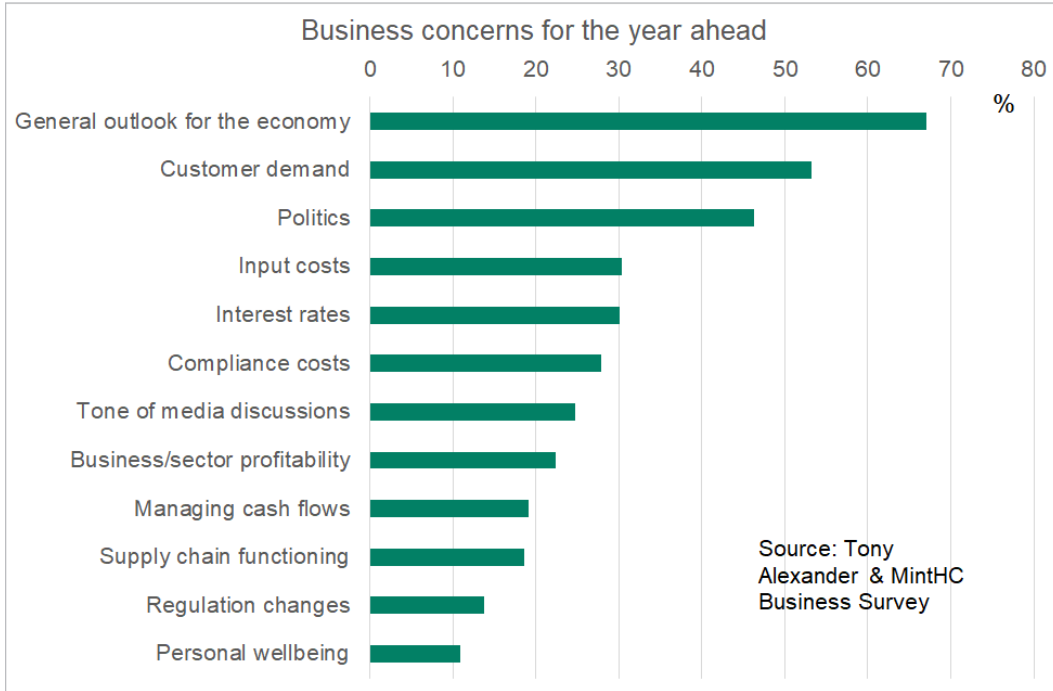
**Tony Alexander**

Independent Economist

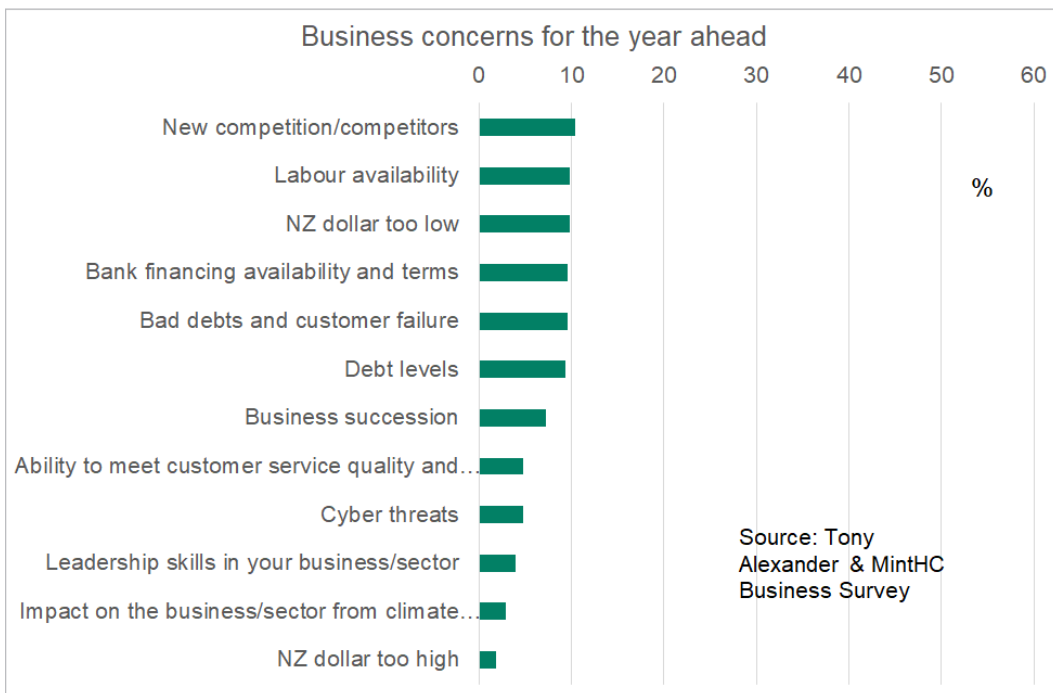
### What concerns you most for the year ahead?

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 still the general outlook for the economy, customer demand, and politics. Few concerns again are held about the NZ dollar being too high, climate change, or leadership skills.

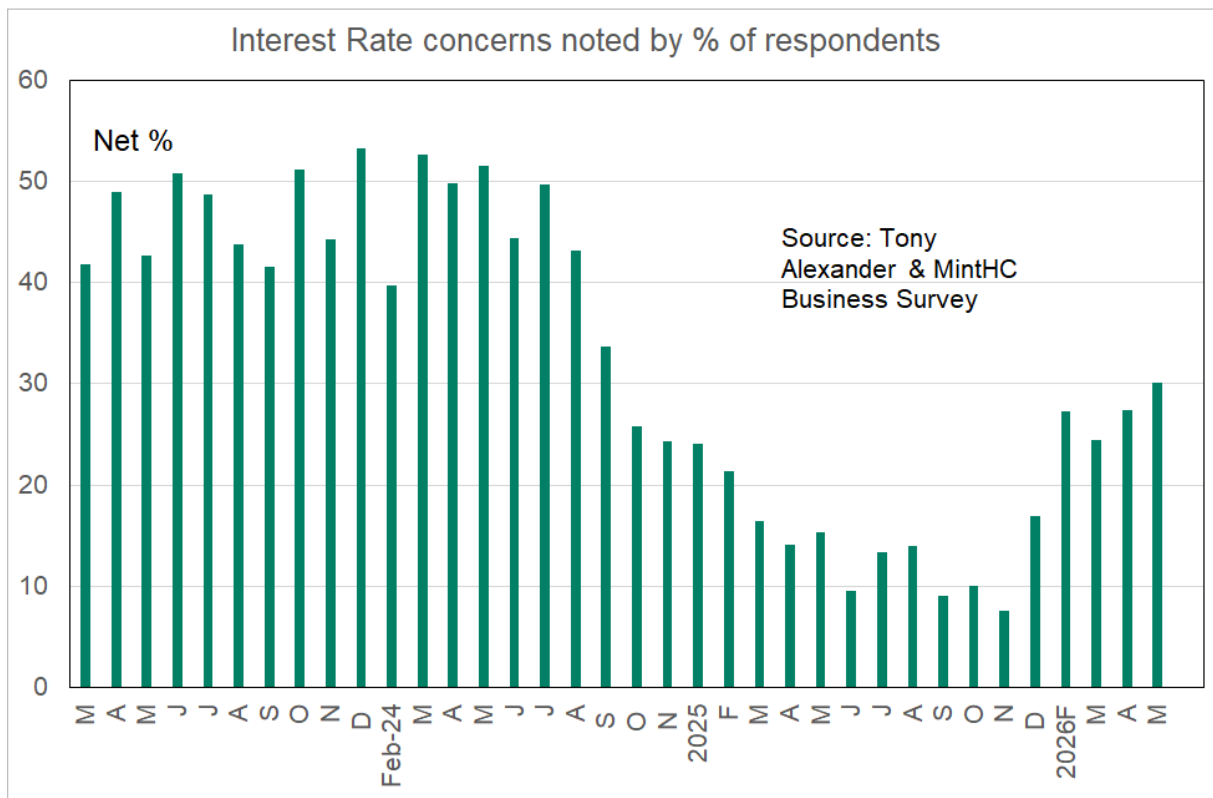
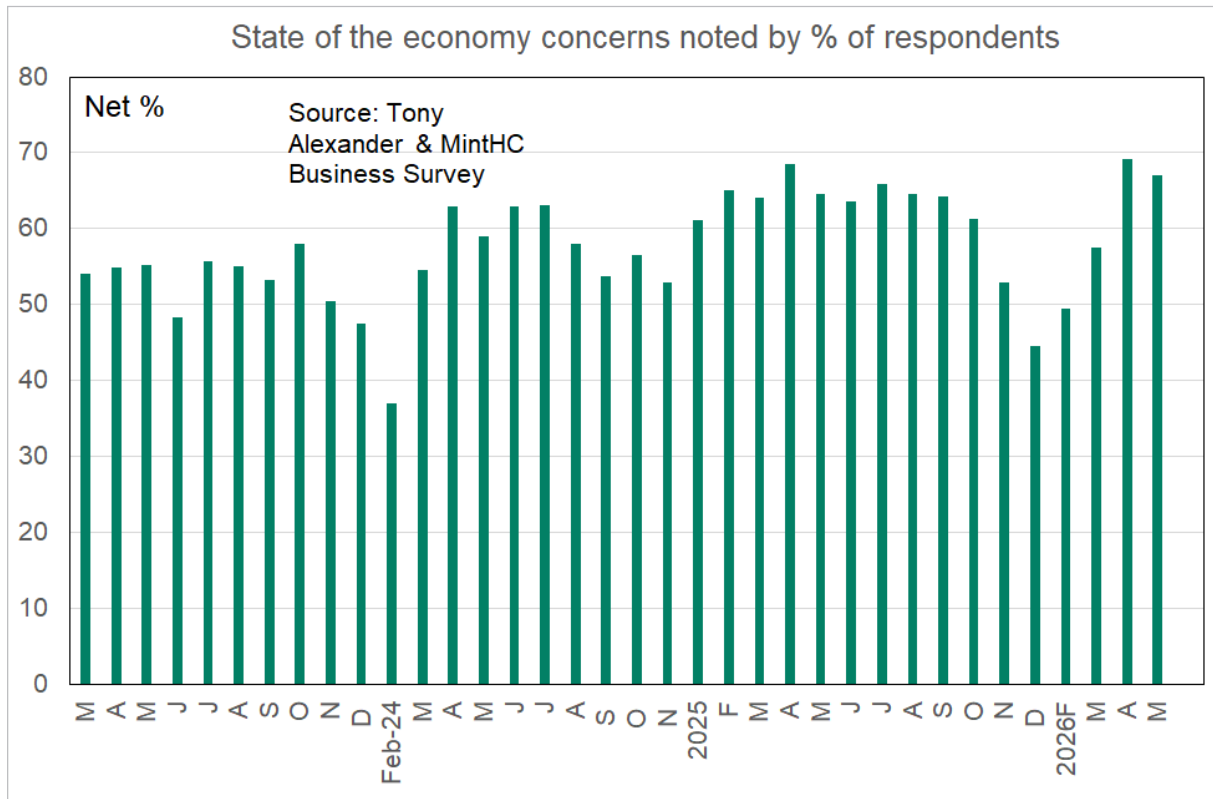


This graph shows the lesser ranked concerns.

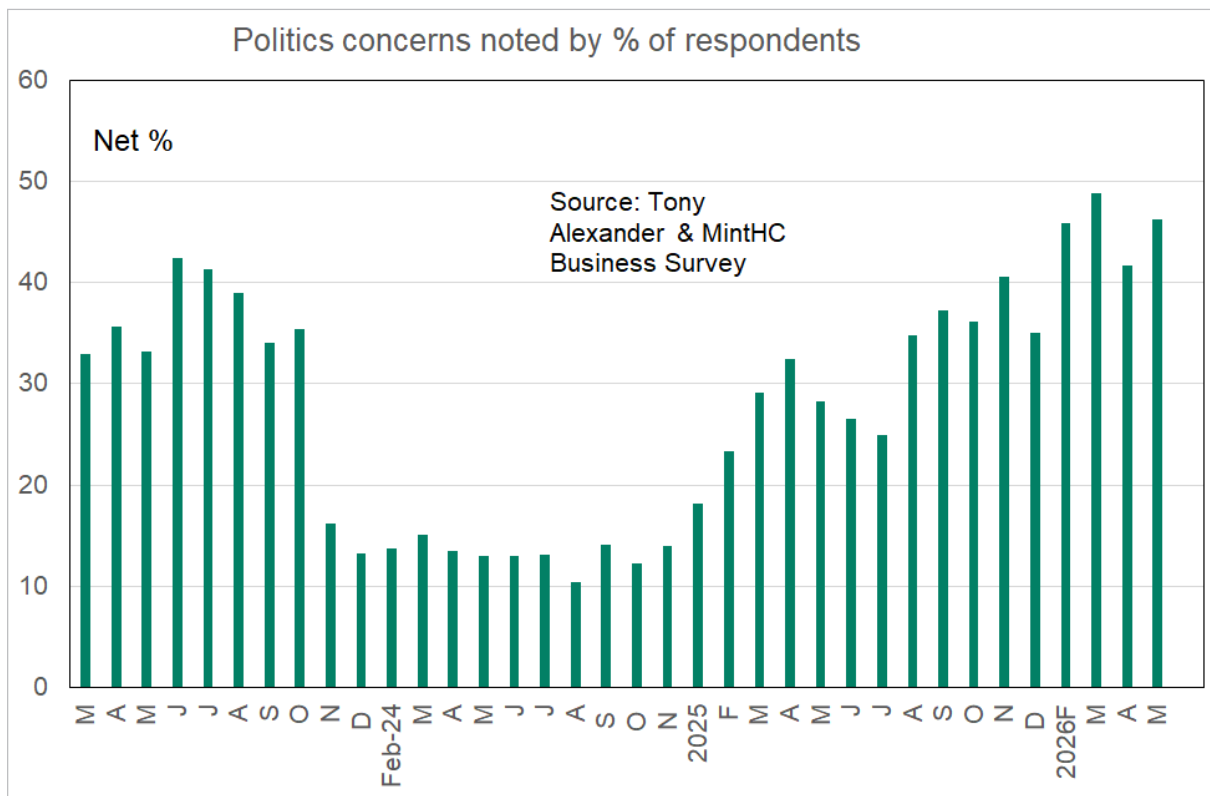
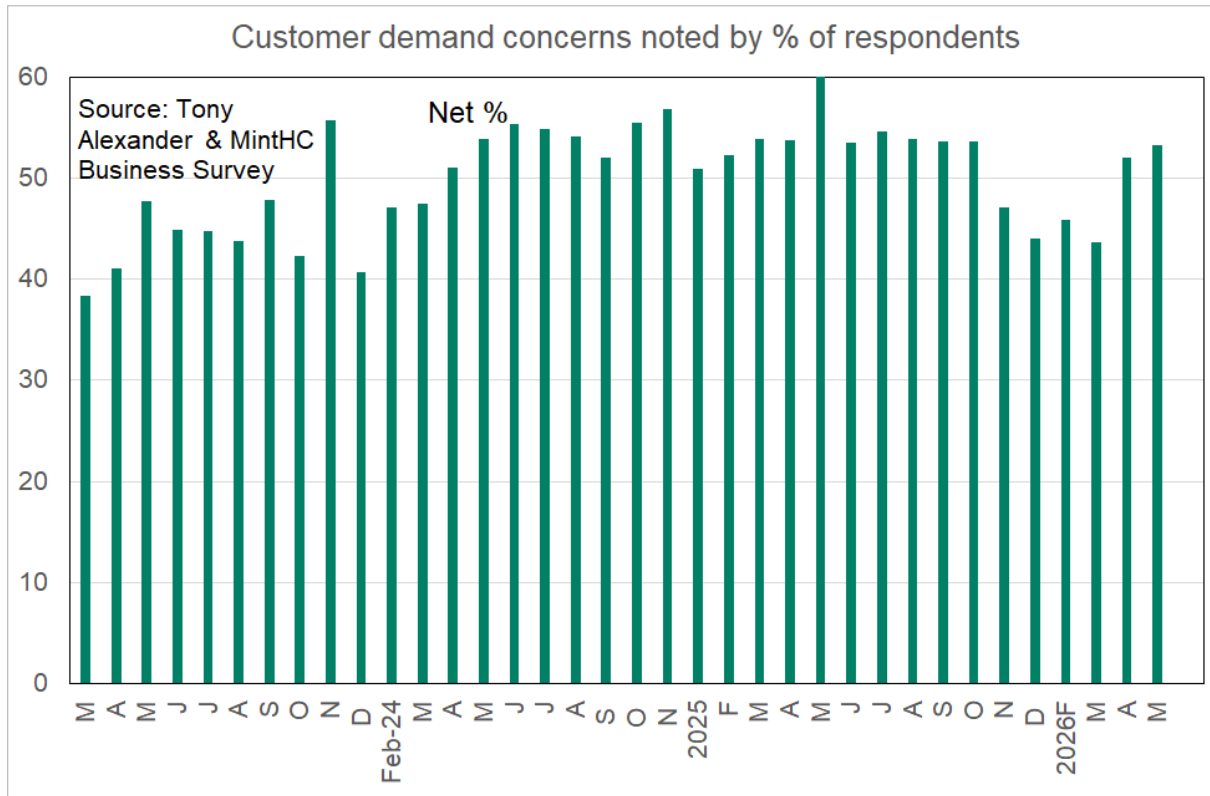


These next graphs look at changes in a selection of areas of concern for businesses since our survey started in March 2023.

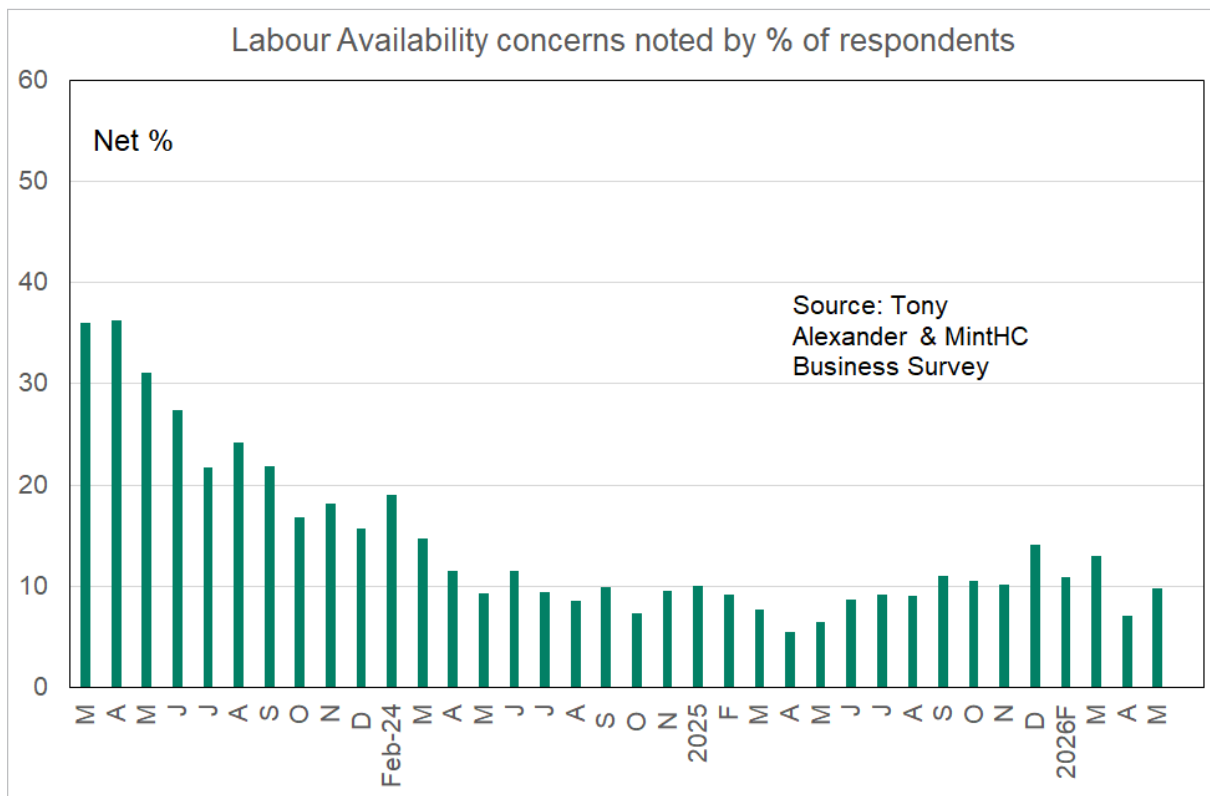
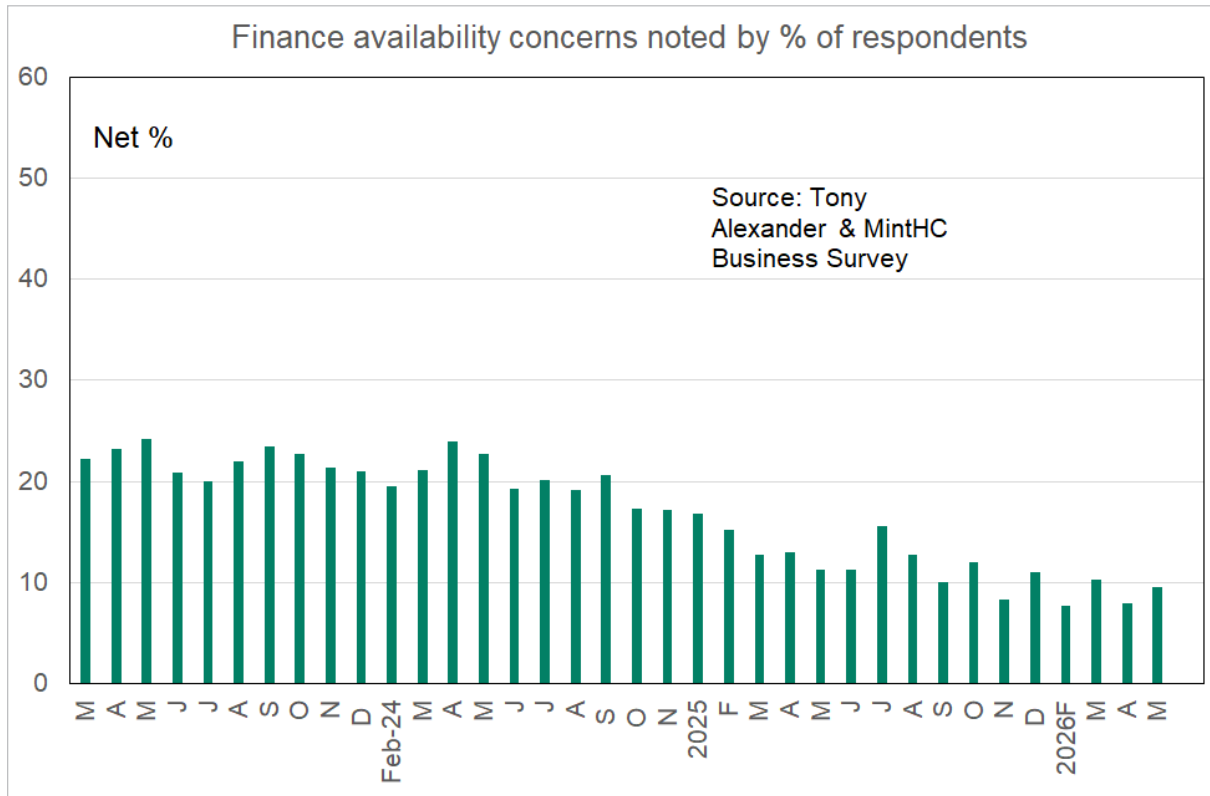
Economic concerns are high and interest rate worries have resurfaced over the past few months.



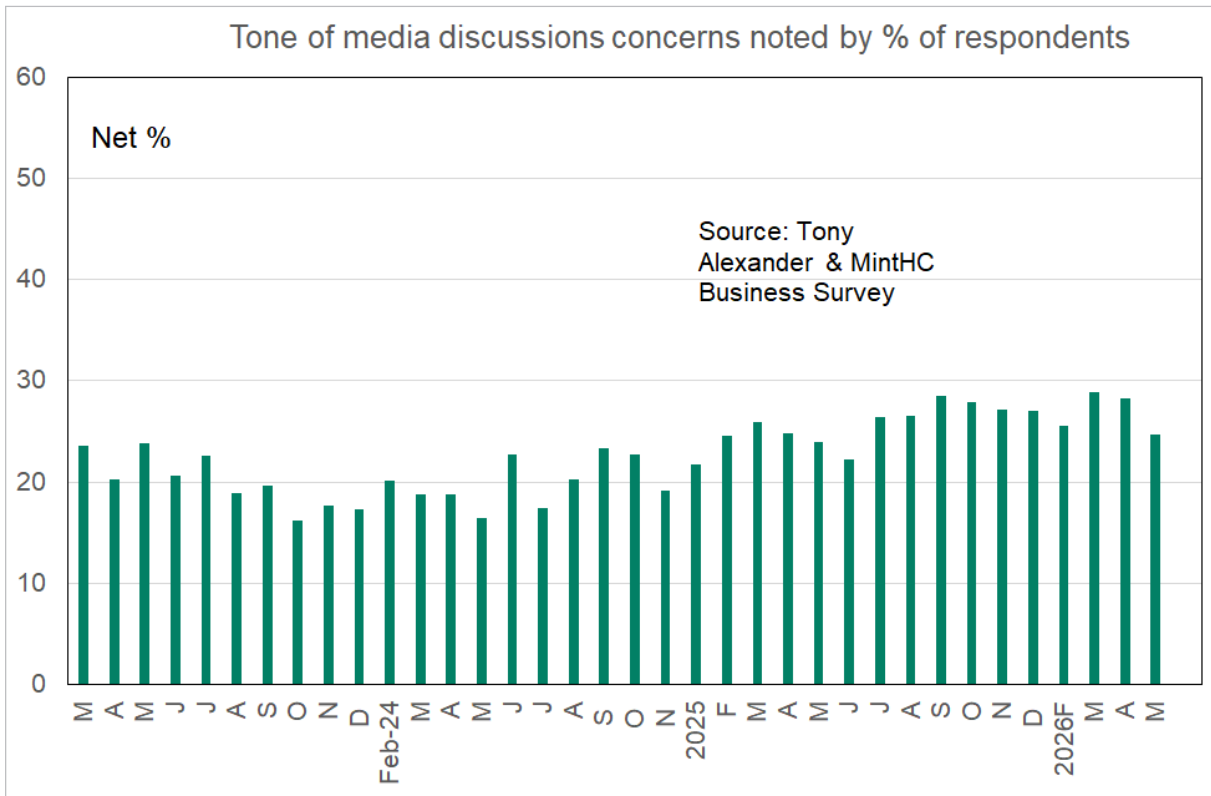
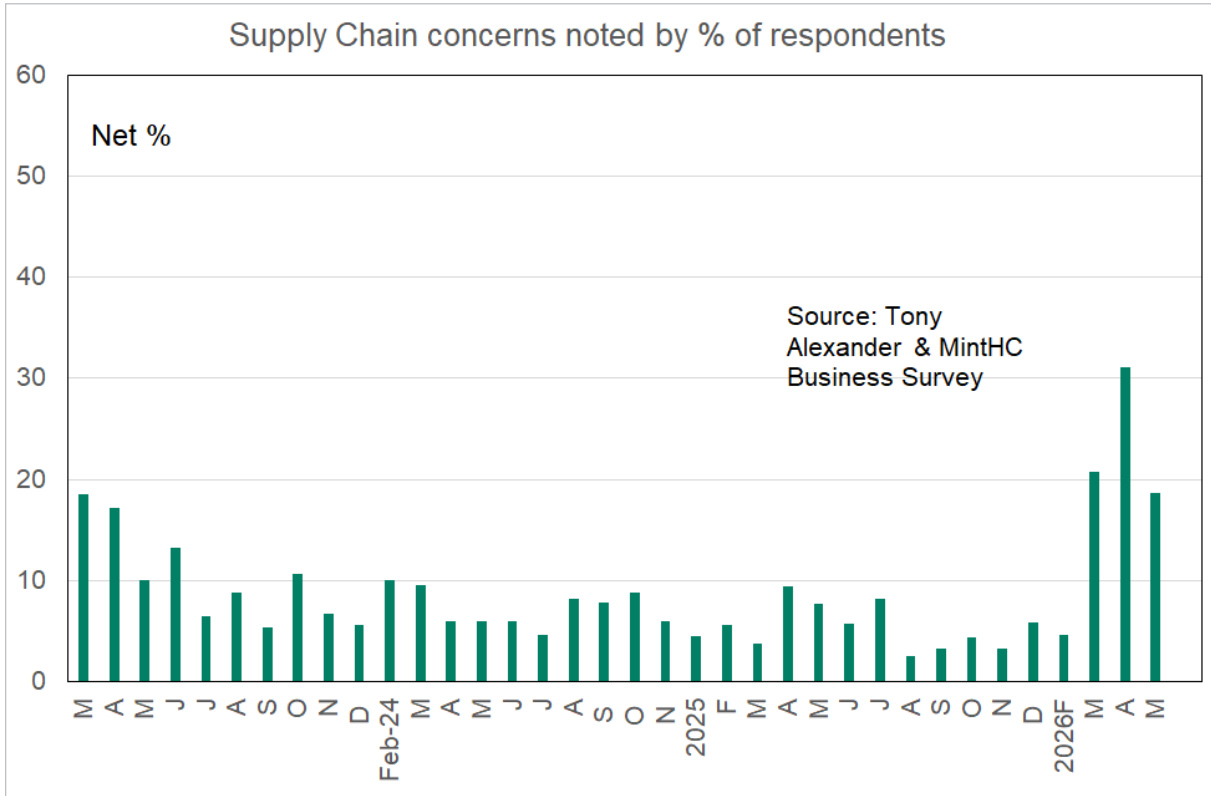
As noted above, worries are high regarding the level of demand from customers. Concerns about the state of NZ politics have been trending up since late in 2024.



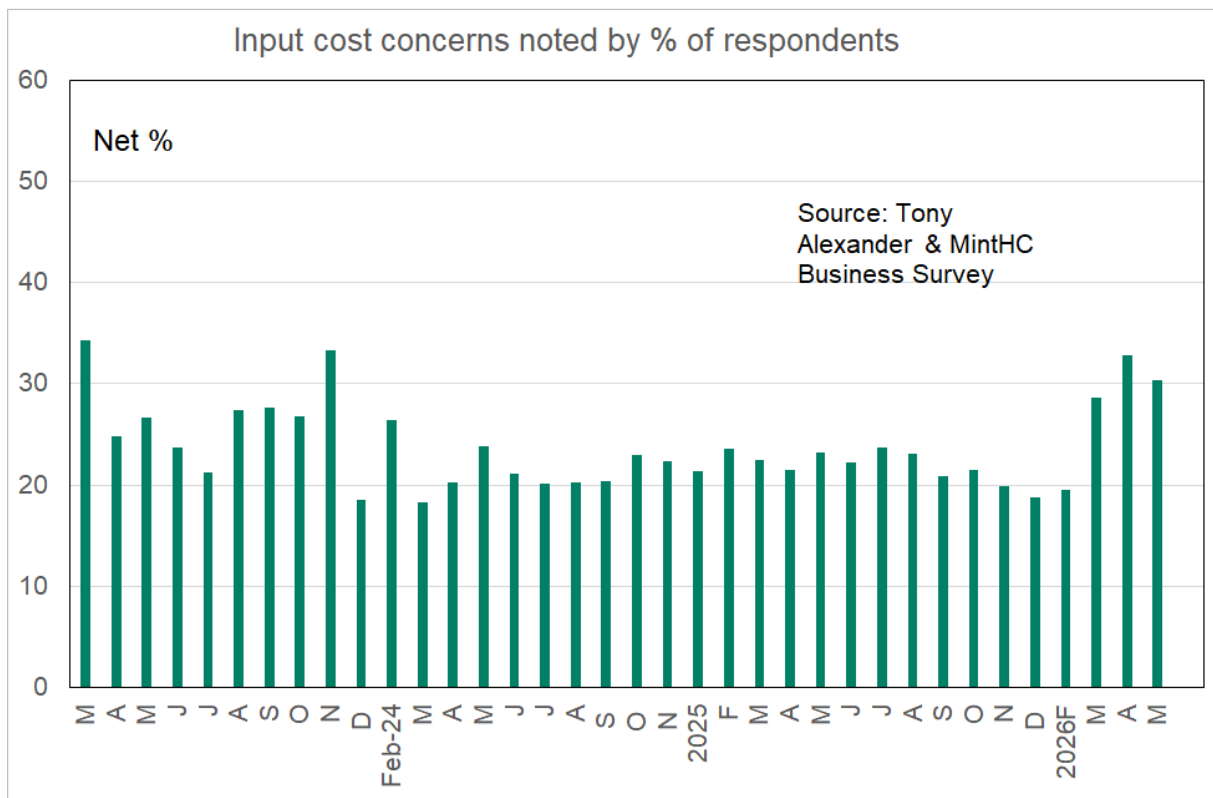
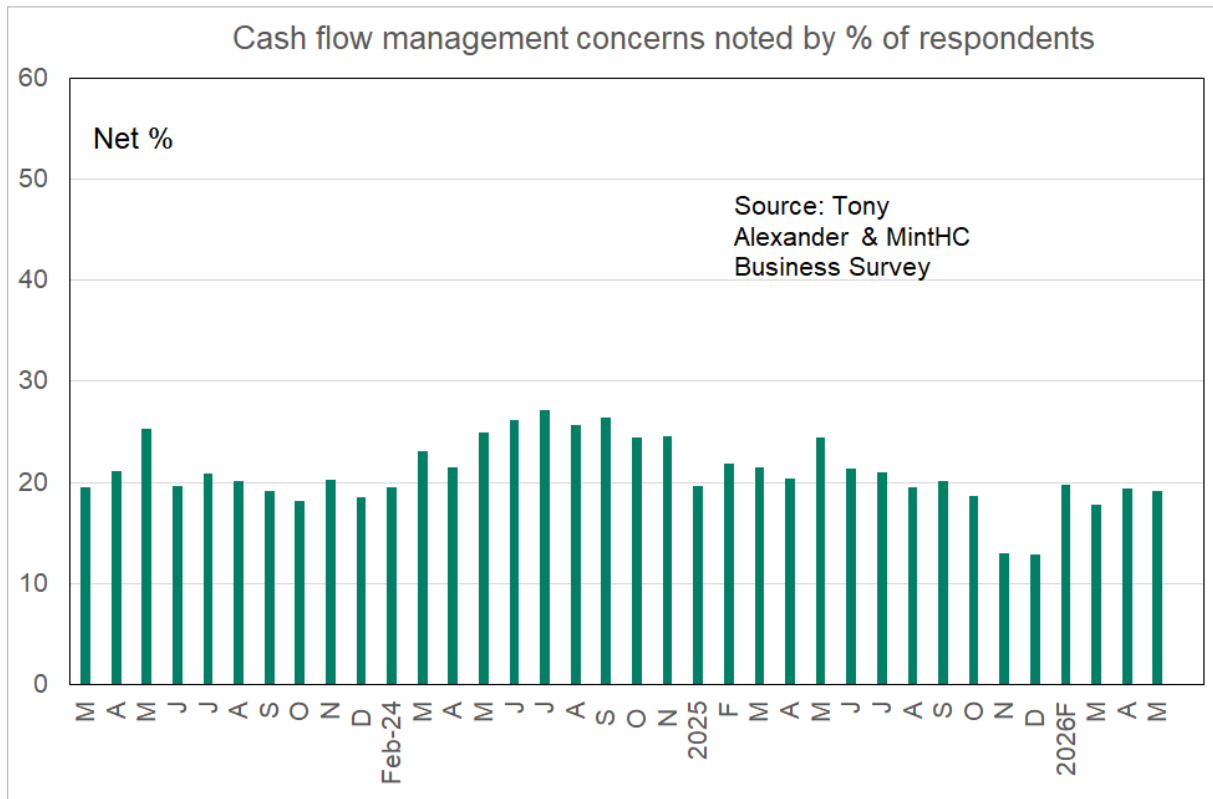
Businesses do not report finance as being of particular constraint. But labour availability has become slightly more of a worry this past month after an easing off of such concerns in April.



Supply chain functioning worries have been strong since the start of the Iran War. But worries about the tone of media discussions have interestingly eased slightly in the past month.

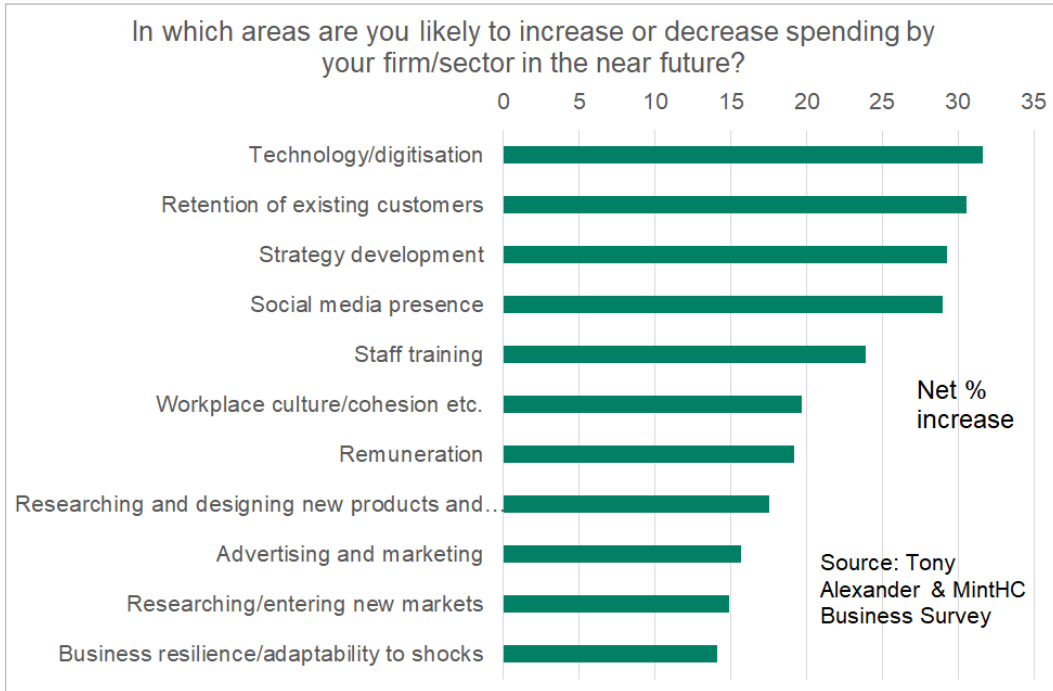


Late last year few firms were greatly concerned about cash flows. Now those concerns have returned to where they were before optimism for 2026 trading conditions took a brief spike upwards. Consistent with worries about supply chains noted above, concerns about cost rises have risen firmly since the start of the war.

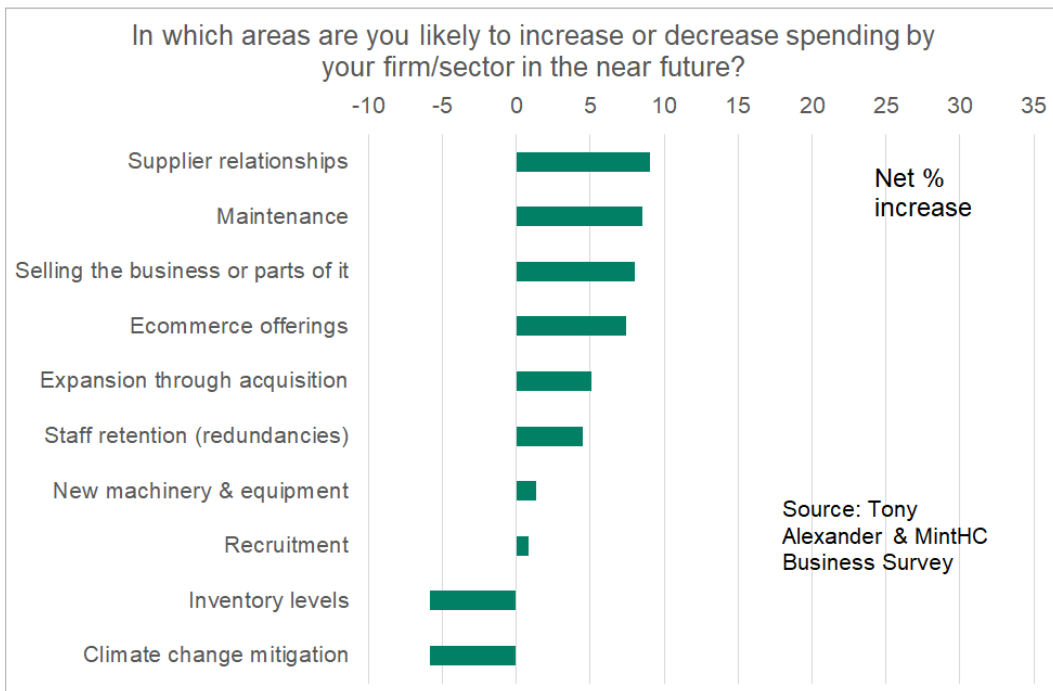


## In which areas are you likely to increase or decrease spending by your firm/sector in the near future?

Our second main question is addressed at identifying where businesses are going to allocate their scarce funds in the coming year. Strategy development has just slipped down the ranks slightly to be supplanted at the top by technology/digitisation investment. Many businesses noted the rising role of AI.

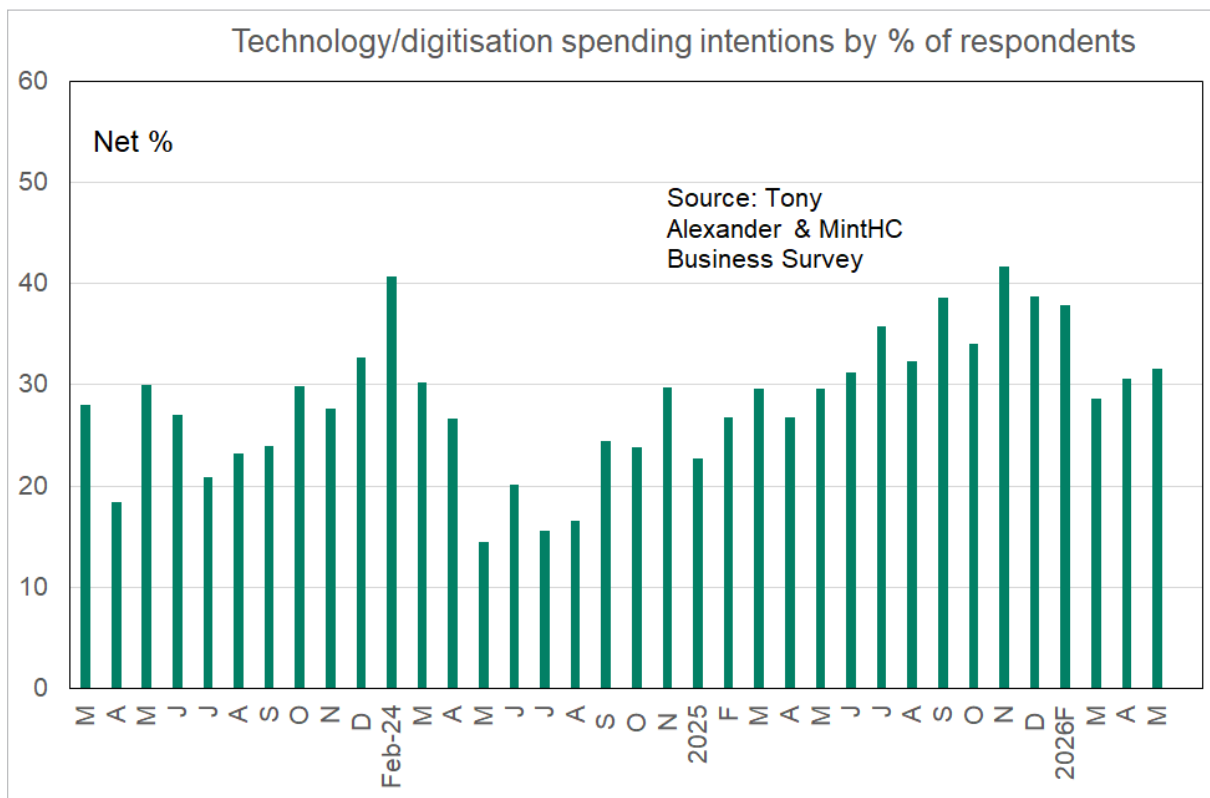
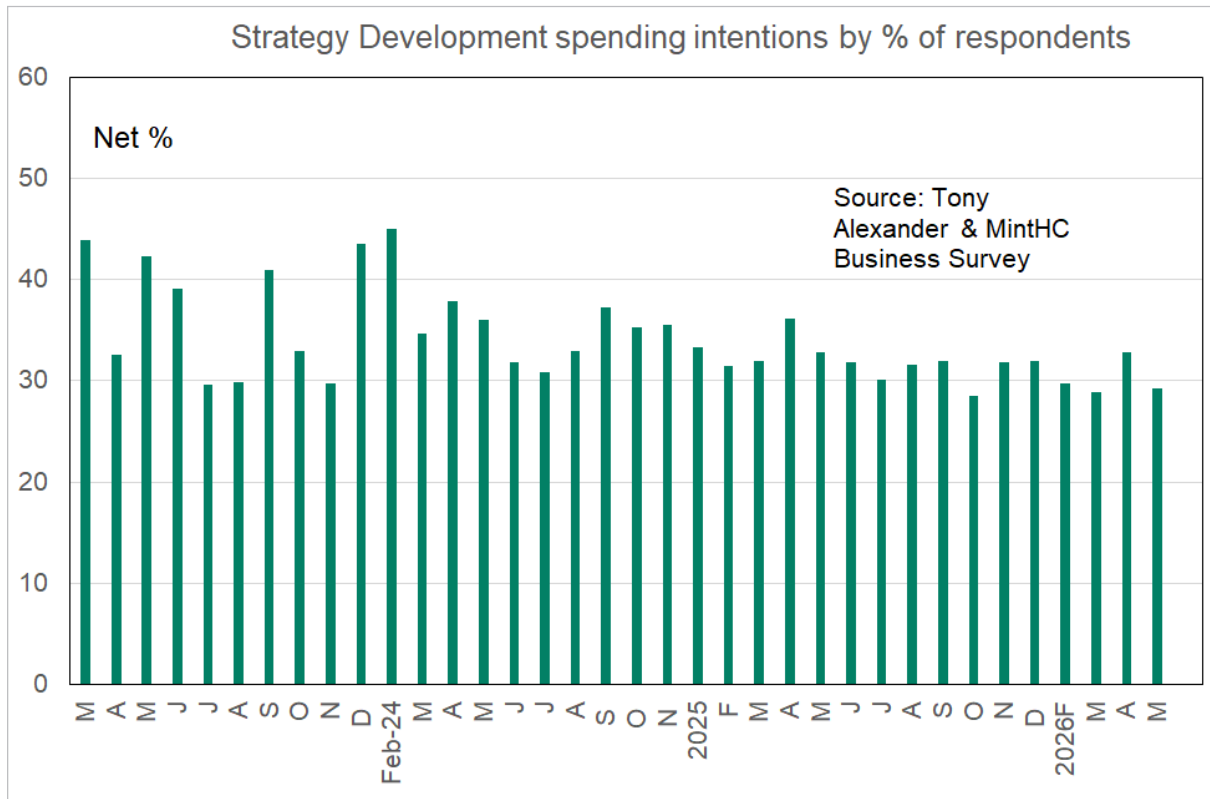


Decreased spending is planned on climate change and inventory levels.

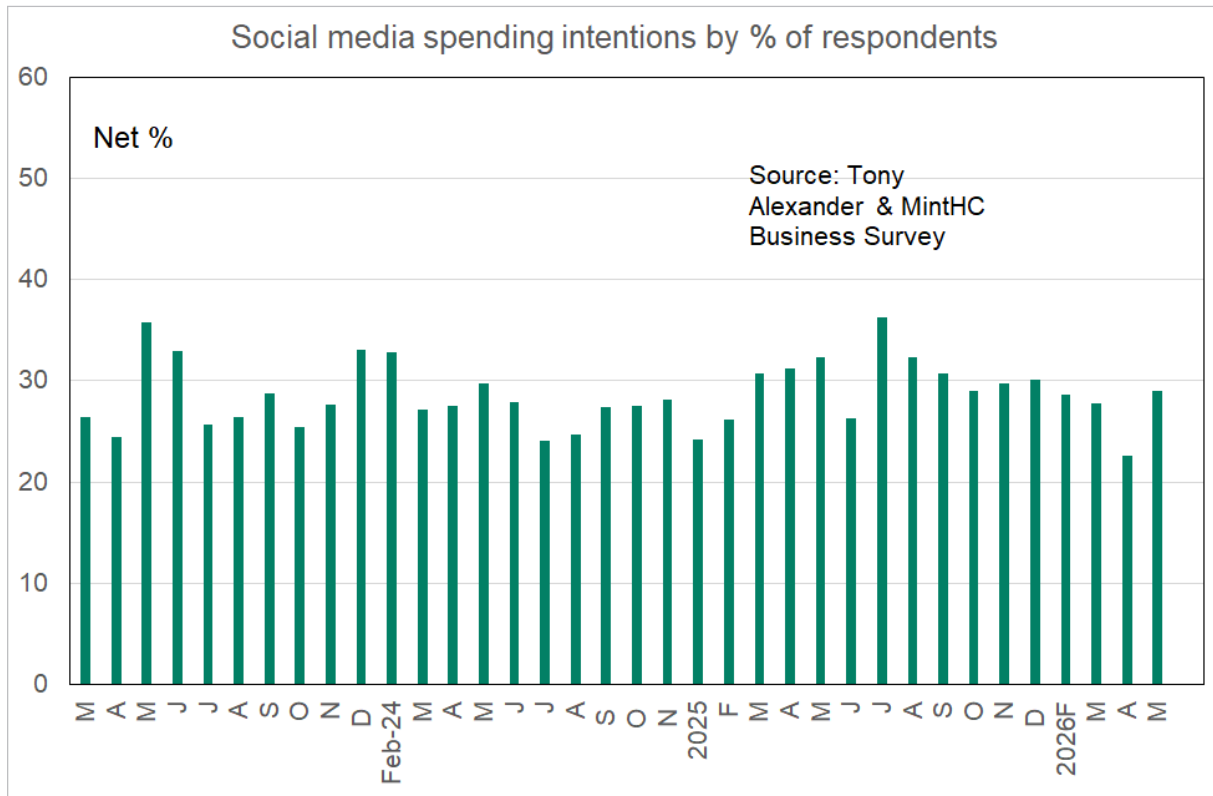
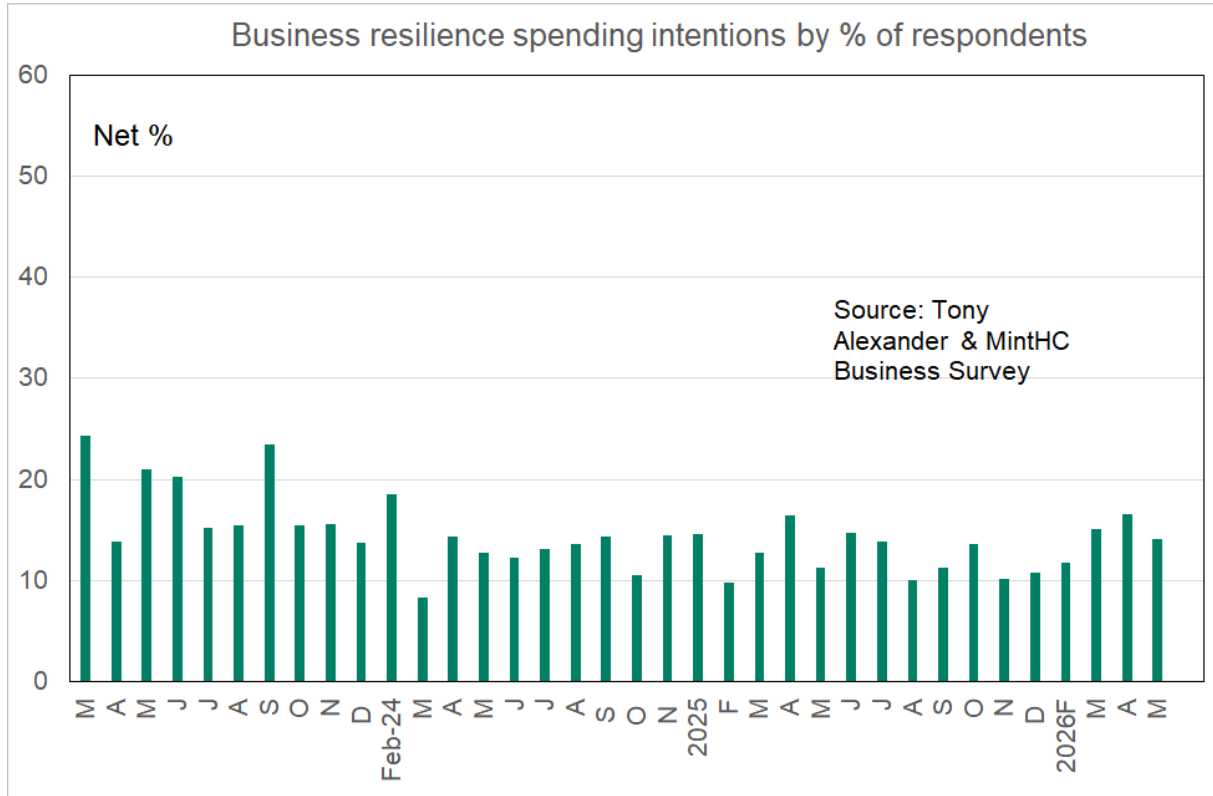


These next graphs look at how planned areas of spending change have been tracking since our survey started in March 2023.

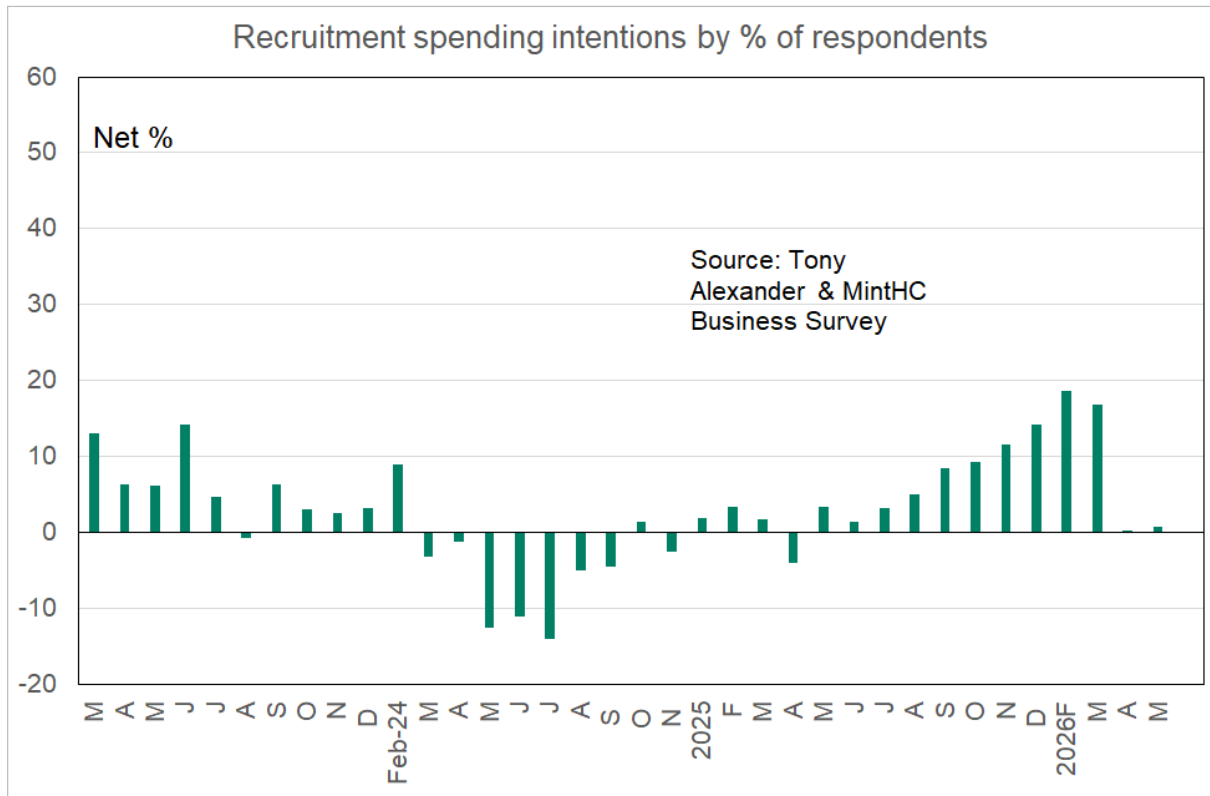
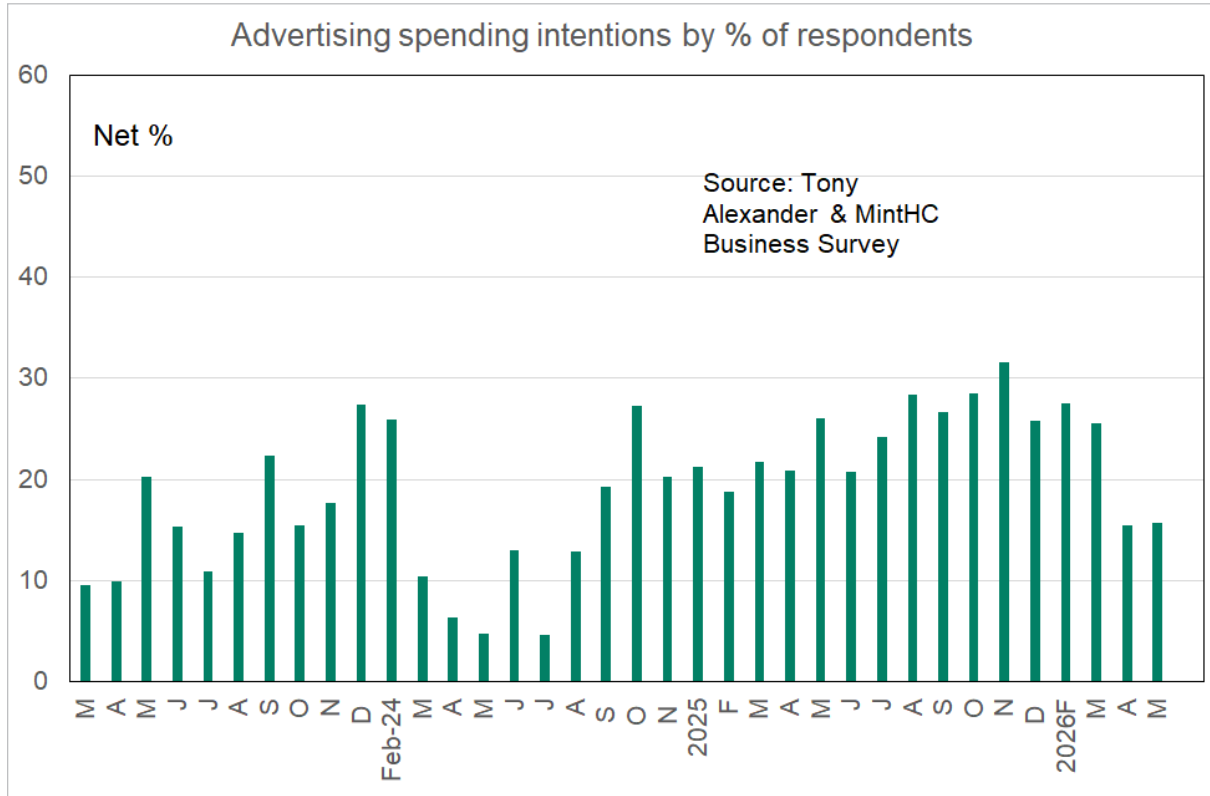
The easing in plans to spend on strategy development is relatively minor. A fresh rising trend is apparent in intentions of focussing on issues of technology. But this follows an earlier dip.



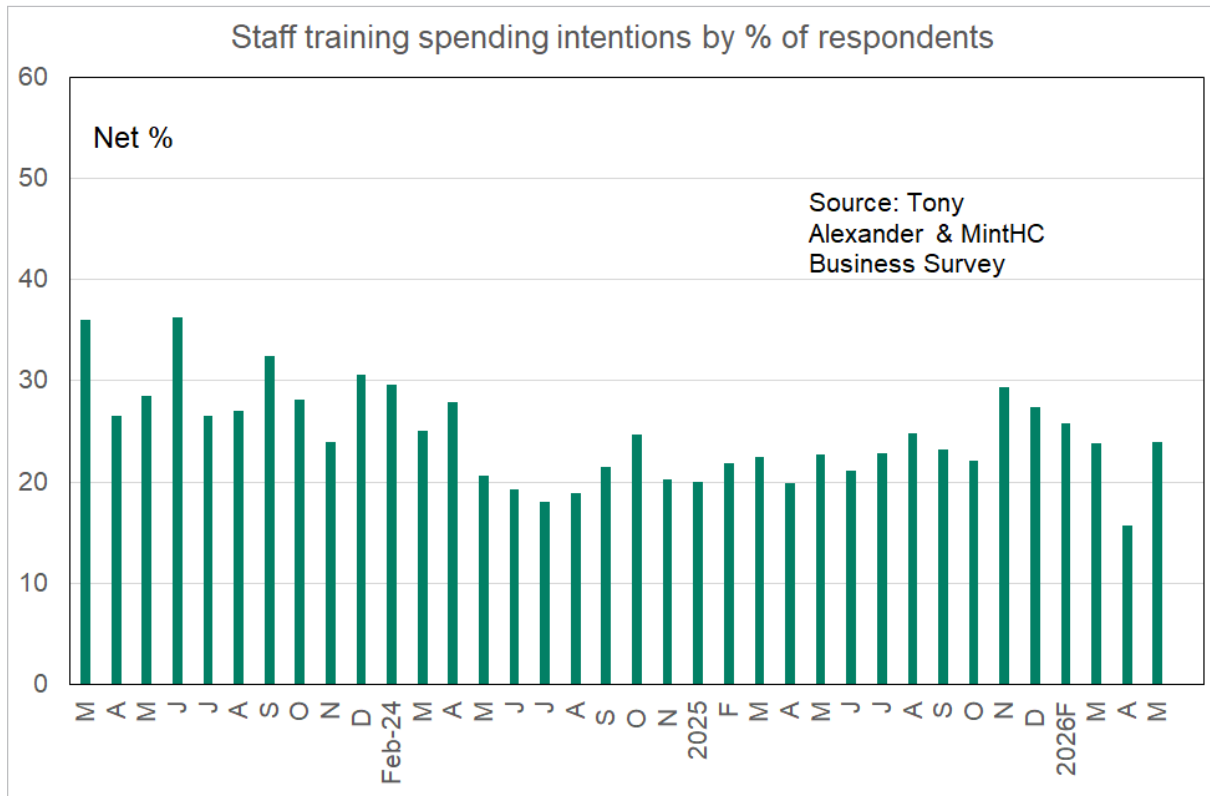
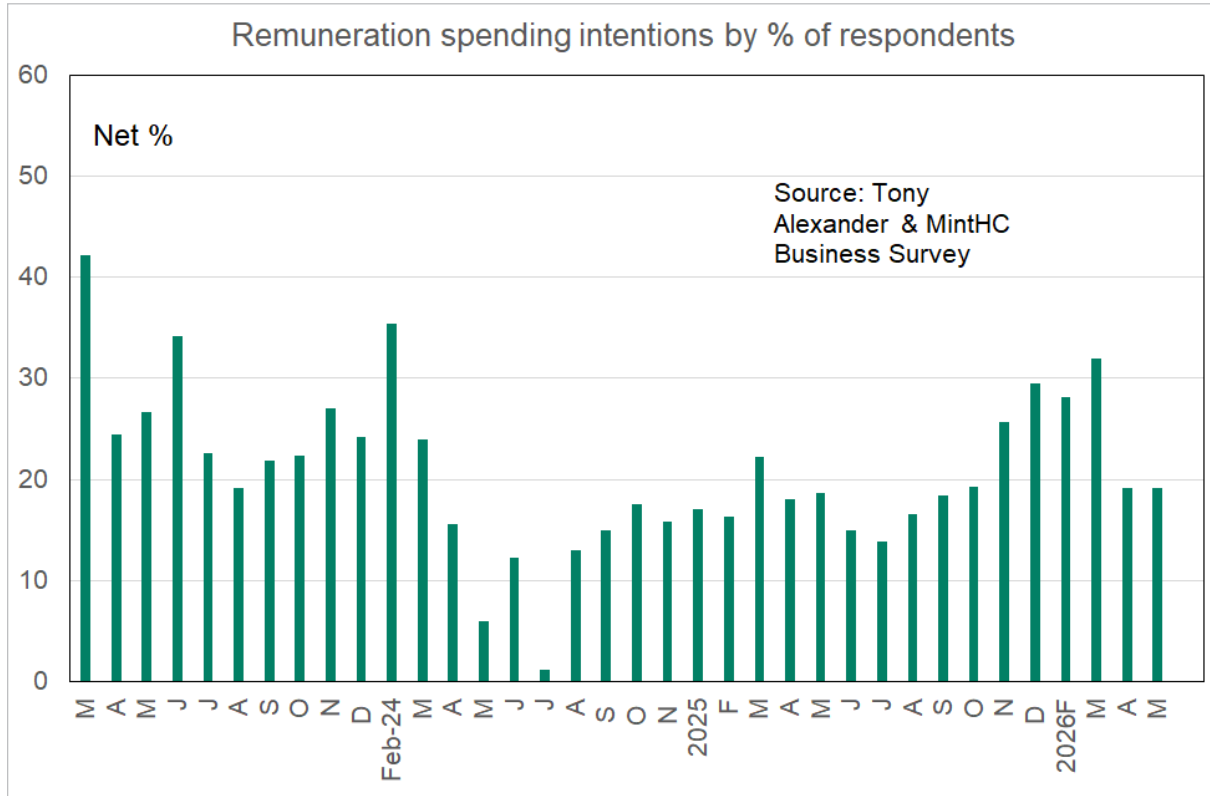
Recently business resilience has risen in importance – which seems understandable considering the fresh disturbance from the Iran War. Last month’s decrease in plans to spend on social media looks like it was a statistical blip.



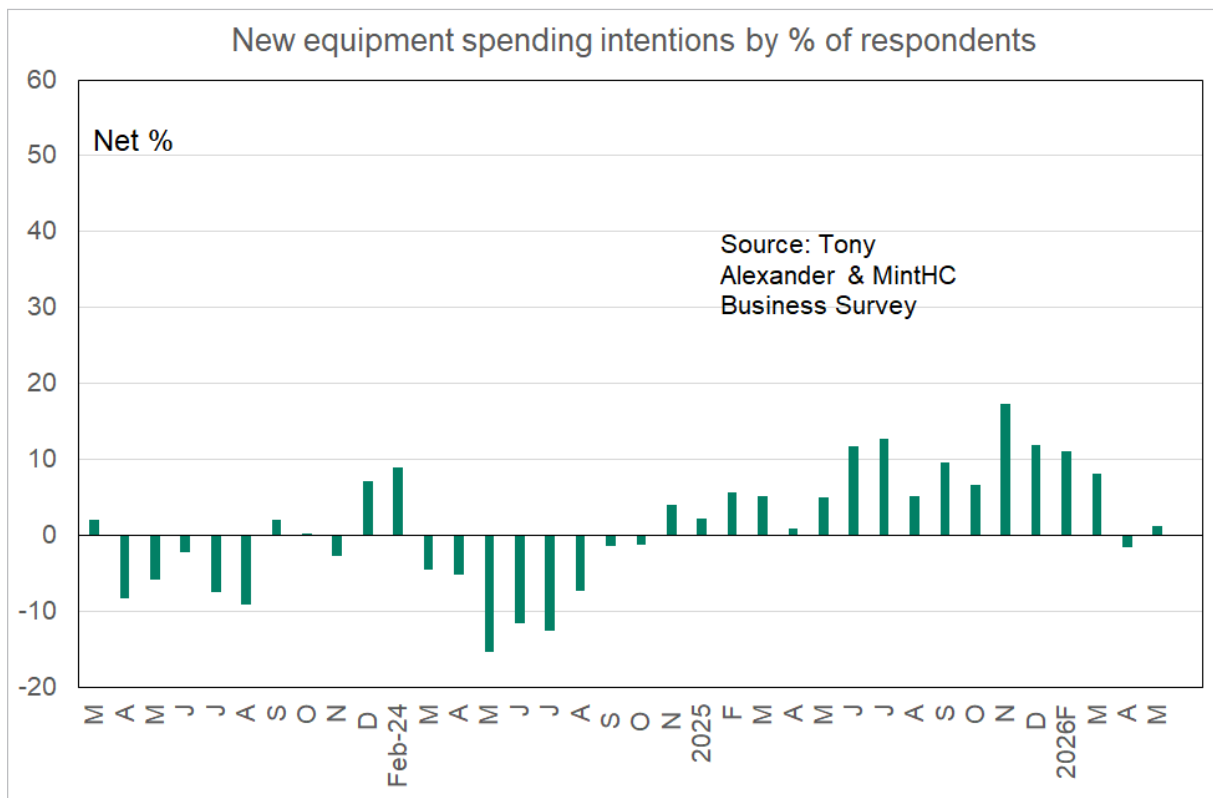
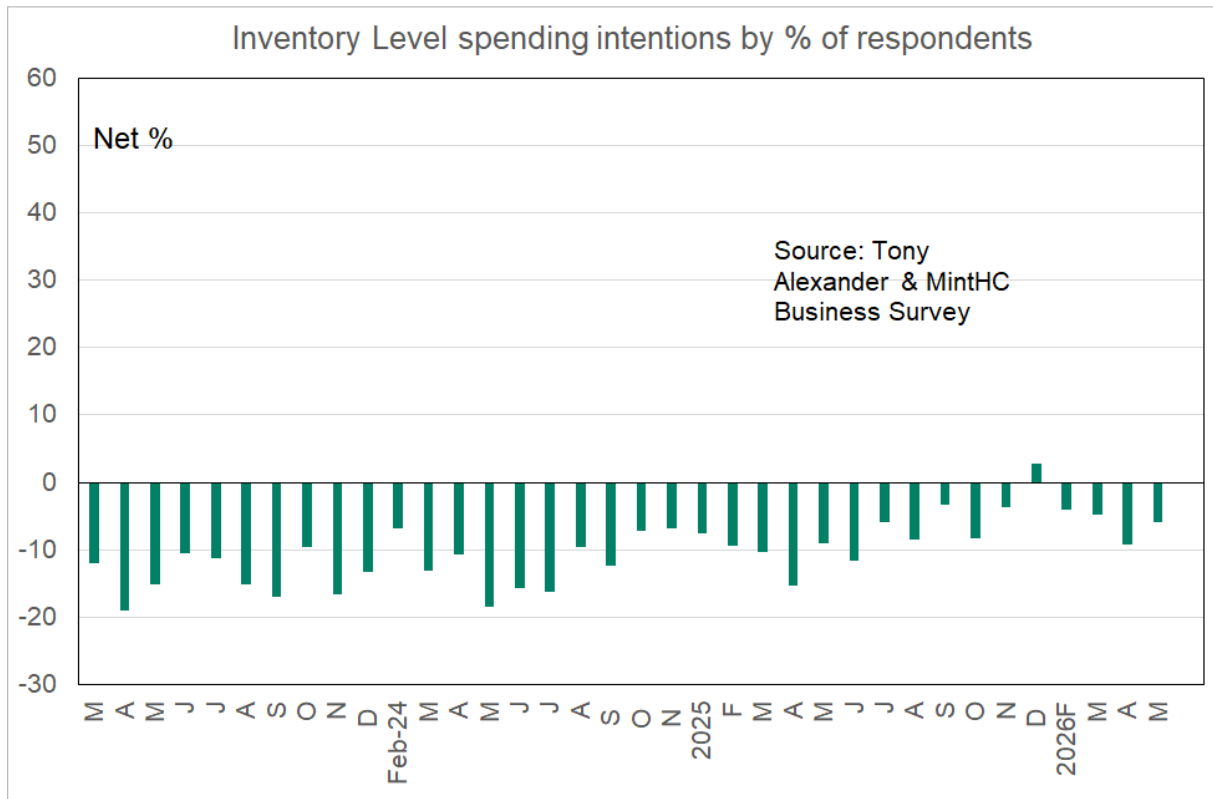
Plans to spend on advertising have noticeably weakened these past two months. So too have recruitment plans amidst deep uncertainty about what lies ahead for 2026.



Commensurate with reduced recruitment plans has come a reduction in intentions to spend on remuneration. Last month's decline in focus on staff training has turned out to be an outlier.



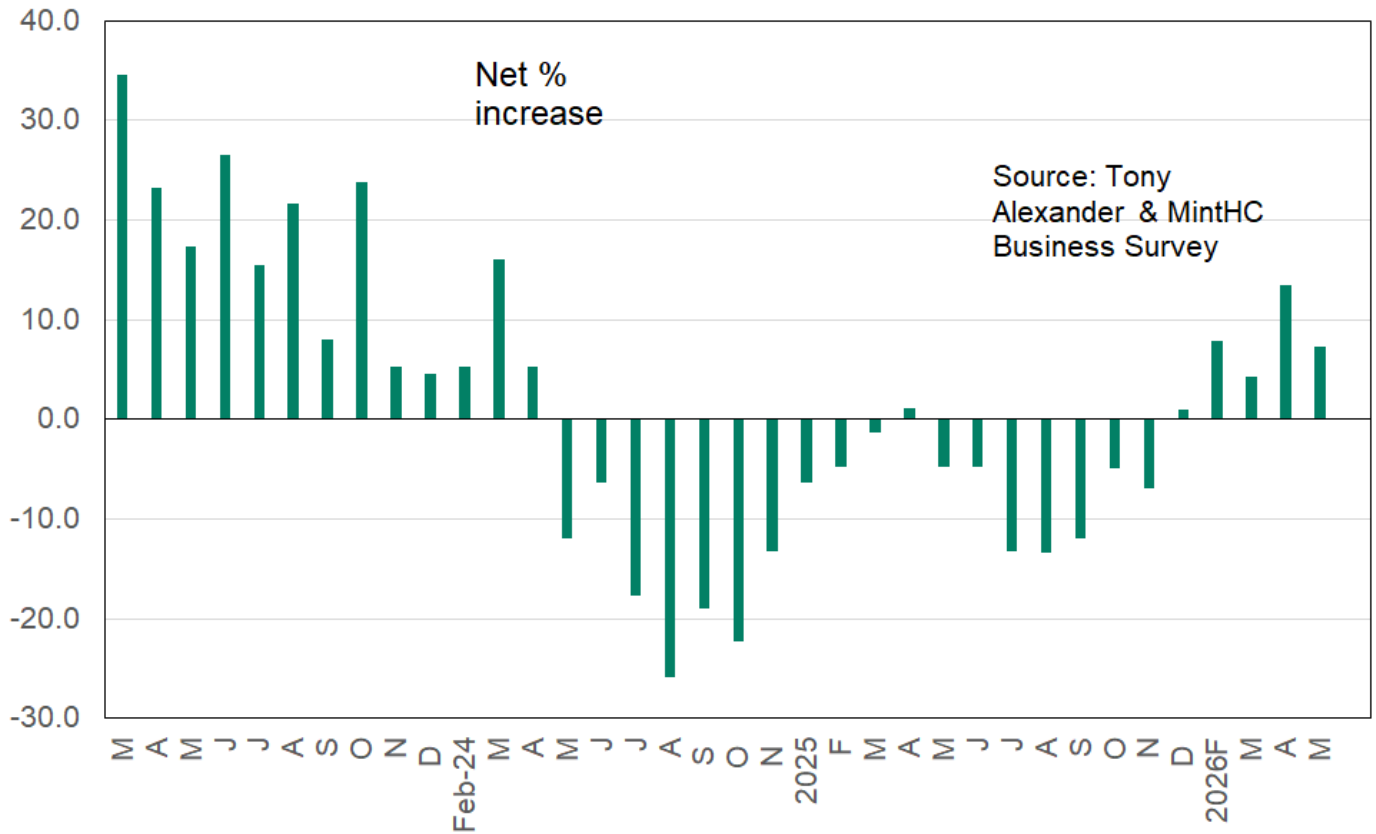
Only for one month since our survey started three years ago have more businesses said they plan raising rather than cutting inventory levels. The most pleasing result in this month's survey has been a recovery in intentions to spend on new equipment. But the reading itself is still very low and not suggestive of improvement in productivity levels in the near future.



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

Although many businesses have mentioned increasing costs attributable to the Middle East war there has been a small decline recorded this month in the net proportion of respondents planning to raise their selling prices over the coming year. The latest result is 7% compared with 14% last month. The underlying trend nonetheless is still upward.

Plans to raise prices in the coming year

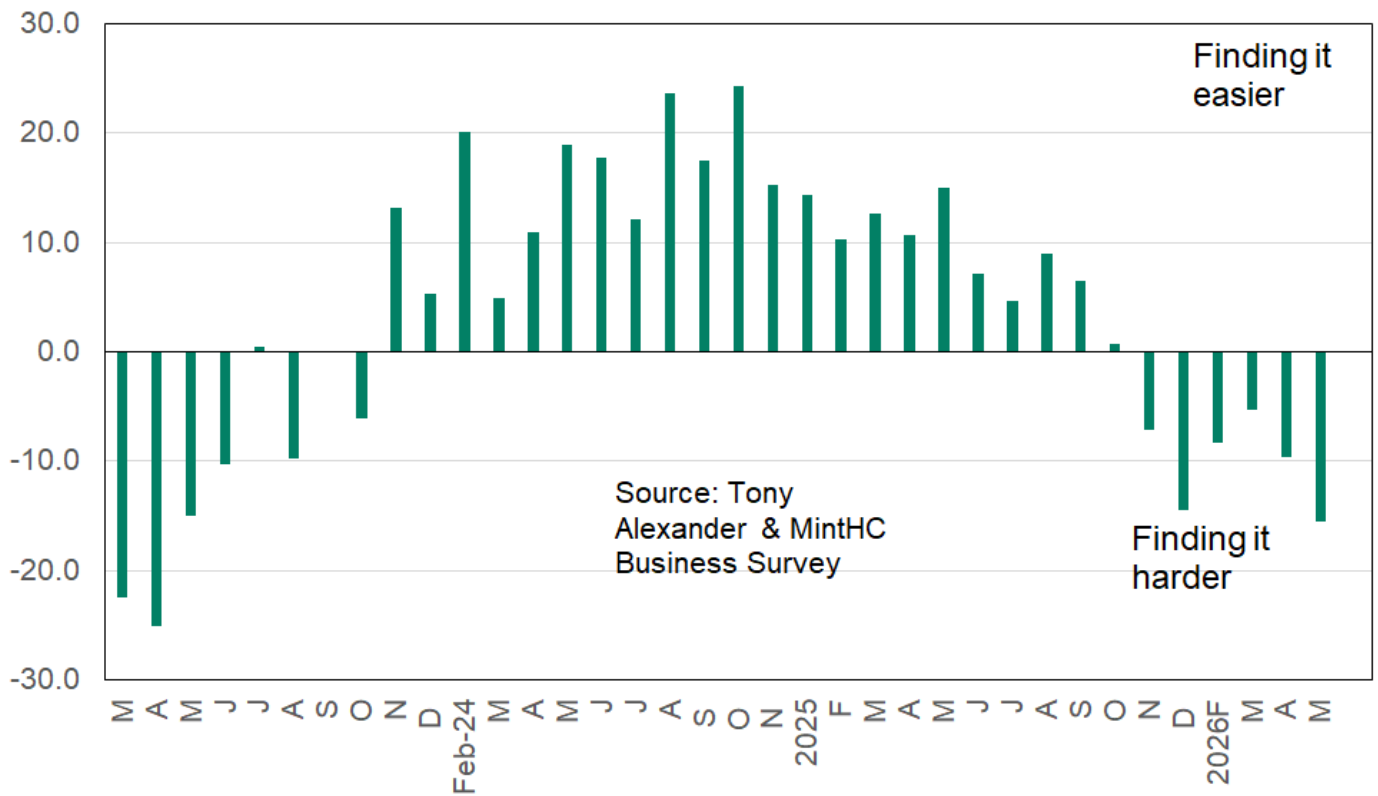


### Have you noticed any change in the availability of good staff recently?

Despite the weakening outlook for the economy more businesses are reporting difficulties in sourcing appropriate staff. This month a net 16% of our business respondents said that it is not easy to get the people they want compared with a net 10% in our April survey.

This raises the concerning issue that when growth in demand and the economy eventually sustainably picks up, labour shortages of intense and growth-restricting nature may emerge quite quickly – perhaps over 2027-28.

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

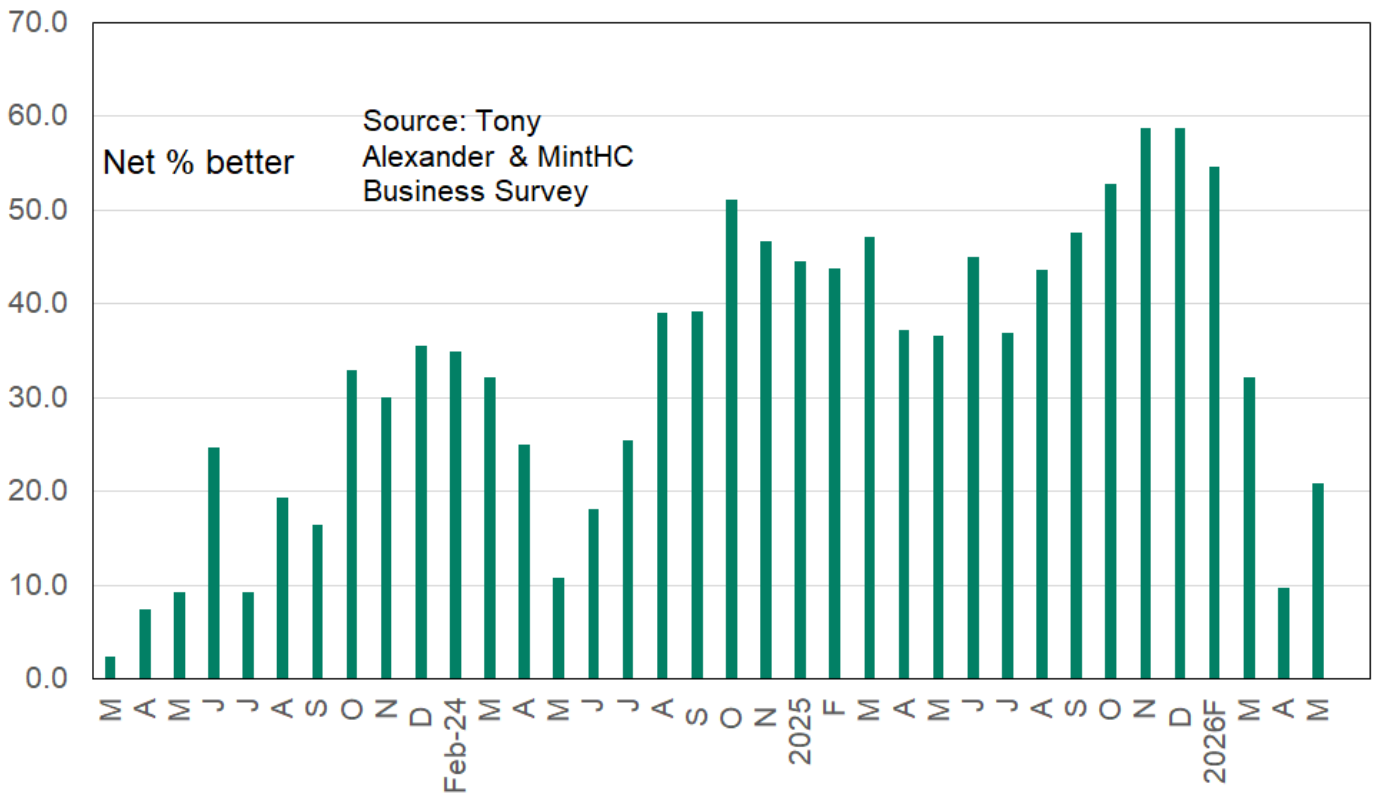


**In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?**

Despite deepening despair about the economy’s likely performance this year our survey has this month recorded a slight rebound in the net proportion of businesses expecting better revenue over the coming 12 months – to 21% from 10% last month.

This appears to be a simple recovery after the very weak result of a month ago – something apparent in some of my other survey indicators also for May versus April. Pulling back from the brink however is not the same as trending improvement.

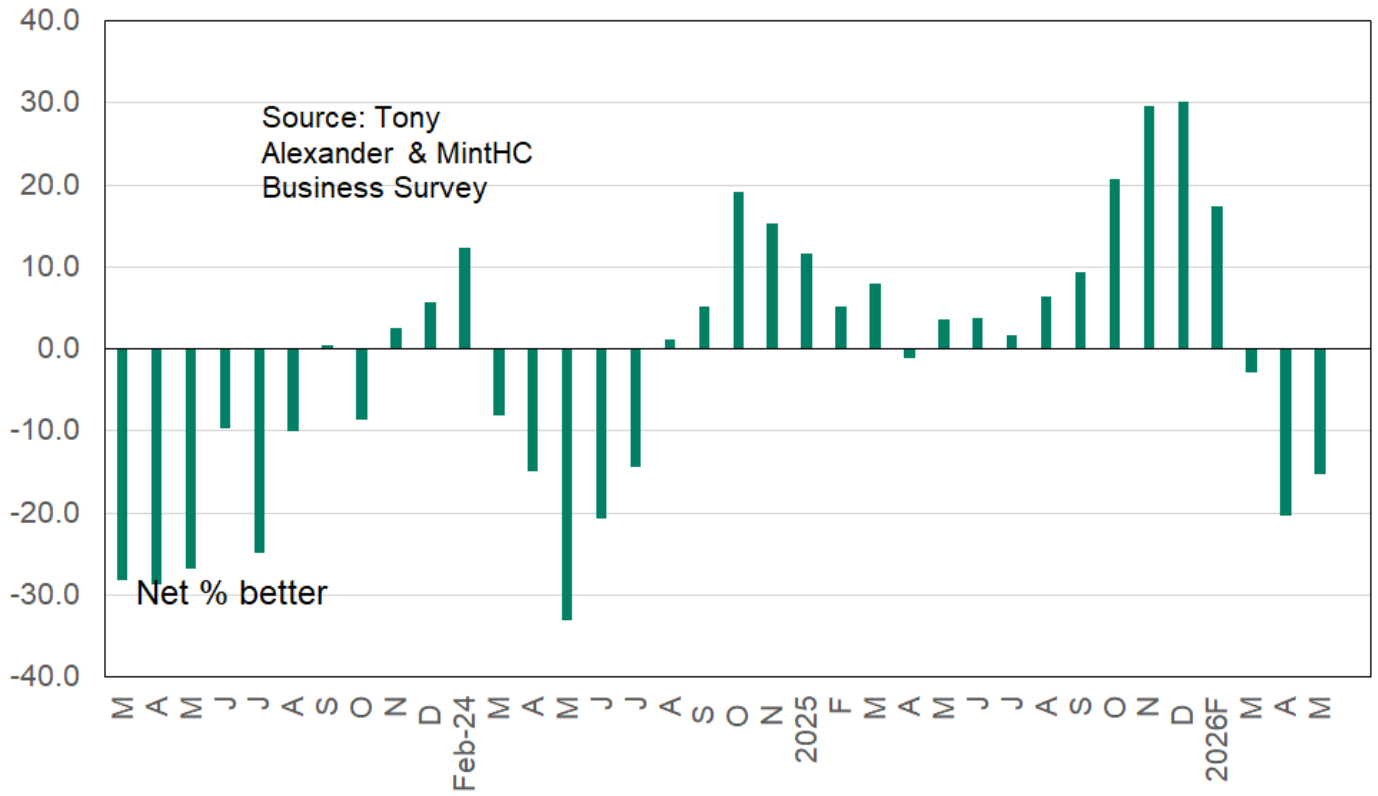
**In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?**



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

A net 15% of businesses expect staff morale to worsen over the coming year. This is an improvement from 20% last month but still the second weakest result since the middle of 2024 just before monetary policy started easing.

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.

- A new air of despondency has settled on many businesses with concerns about the global geopolitical environment and the upcoming NZ general election. Many businesses have placed investments on hold.
- Staff are interestingly still difficult to find in some areas.
- There is an increasingly apparent disconnect between the rising number of consents being issued for new dwellings and actual work being arranged on the ground.
- The depth of discontent about the current environment and disappointment yet again at an upturn not eventuating has meant many more emotive comments than usual were submitted this month – and subsequently weeded out.

## Accounting & business advisory services incl. business broking

- Workload, clients under pressure from IRD need our help but can't afford it so we miss out in helping them.
- Seeing a lot of struggling small businesses. Council has road coned the inner city for the last 4 months, people are staying away and businesses are suffering. Commercial construction projects drying up. Just social housing projects left.
- Decrease in profits across the board, almost all clients.
- Businesses are closing and morale in society is low. IRD is much tougher on those avoiding tax obligations.
- Exhaustion is a word used a lot in my sector; I'm really concerned about the mental well being of my wider team.
- Reduced customer spending.
- We are doing our best to help many clients navigate very difficult trading conditions. They struggle to see any light at the end of the tunnel, so they are very demoralised and some have even contemplated shutting their business down.
- Fear of what AI could do.
- Indecisiveness and indecision, I guess arising from insecurity for the future.
- Getting client push back on fees, but it seems unjustified as they return and are happy. Clients paying a lot more attention to financial reports. Still pain for a lot of clients

- Still hard to get staff in the middle, creating pressure on delivery but also junior staff development. An area of focus to try and close that gap.
- More use of Ai.

## Advertising & marketing

- Uncertainty, nervousness about AI encroaching on our offering
- Green shoots have withered. We need a good deal of optimism for businesses to unlock forward-looking marketing investment.

## Banking and Finance

- AI implementation
- Customers are a bit "gun-shy" thanks to Trump / Iran
- Growing our customer base.
- My principal concerns are the current economic climate and lack of solutions and political will to tackle some major challenges facing NZ as our demographics skew towards an older, less productive population and tax base.

## Cafes, bars, and restaurants

- The local Mount Maunganui business community has been badly impacted by the ongoing impact of the landslide & associated amenity closures
- It's not good. We have really poor days followed by the odd day when we do more in 90 minutes than the entire previous day. This is somewhat difficult to manage. Our busy days were our slow days three years ago.
- For some reason, business is holding up very well, seems contrary to what's going on, maybe we are hitting the sweet spot for consumers.

## Civil construction/infrastructure

- Tightening of belts, no or small pay increases for staff
- Land development looks set to boom again in Auckland especially in areas with low development contributions due to less infrastructure restrictions, so we are keen to ensure our team is strong for the upcoming workload increases.
- Geopolitical uncertainty, raw material supplies from overseas, local politics & elections, winter of discontent, inflation & interest rates
- The continued lack of certainty around a solid pipeline of infrastructure construction is tempting our staff to look offshore while also providing the most uncertainty for our forward order books that we have ever experienced in the last 20 years.
- Uncertainty internationally and politically is slowing things down, for example client purchase commitment.

## Commercial construction

- More competition due to fewer jobs available. i.e., more contractors are tendering for the few jobs that are available
- Architect. Developers are wary. Apartments cannot sell off plans, so that's going nowhere. Leaning on established clients with longer term outlooks.

- Lack of new customers.
- Despite an endless stream of supply chain cost increases current workflow remains steady and profitable. We are expecting increased margin squeeze in the tender market for the balance of 25/26 as we get by on a diet of small to medium sized projects that are open to a wider market. Modest expectations for financial outcomes this year with the prospect of capital reinvestment likely. Feels like a flat bottom to the cycle however there are some great opportunities for us in 26/27. And around we go again....
- Commercial Architecture – We're very busy right now and its looking good for the next few months.
- Construction is still tough and margins lower than historical
- Have 5 staff – in construction sector. I can't even put into words how bad we are seeing things currently.
- Construction is very competitive and as a subcontractor, missing out on work where we know there is inadequate margins for long term survival if we price any lower. The next wave of business failures probably on its way.
- Clients are worried about cost increases on projects that are struggling to be feasible.
- Reduced project pipeline; Lack of willingness to invest in technologies for efficiency gains; Retain old processes and practices to de-risk change; The strategy we see most often is to stick with what we know and reduce inputs in an attempt to remain competitive.

### Commercial real estate

- Lack of business certainty to encourage clients to commit to leasing a building.
- The hospitality sector's struggles continue.
- Uncertainty due to global volatility and our own general elections. The fear of a Labour lead government.
- Uncertainty with govt policies

### Education and training

- ECE sector funding support from government falling behind inflation levels. This is driving industry consolidation and predatory behaviours for survival.
- Sudden change of government policy to boost the budget without any visible analysis, lack of opportunities for youth into employment.
- Retail customers are few on the ground. Training is up. Concerned at pending loss of Govt Fees Free \$12k. Impacts will be on those who come from ordinary families as they have to live away from home to train with us. If their parents earn above the threshold (which is [not a lot]) then student allowances are also added to their loan amount as well.
- Business is steady at the moment
- Too much change

### Engineering

- Uncertainty
- We see too much race to the bottom with regards to tendering for work, this will lead to more company failures, fortunately we don't have to play that game.
- No new projects kicking off
- No change to spending as we have already cut back to the bones & hard to decrease any further. Still work in proposal stages but clients are delaying start dates due to uncertainty in the economy, fuel prices, election year etc. Have just had the worst month on record.

### Farming & farming services

- Wine industry – dumping of wine on NZ Market from Australia & Europe causing huge decrease in demand for grapes to make wine & where buying prices bottoming
- People are definitely being more careful about where and how they are spending their money. Feedback from staff would also indicate that people are finding the current domestic economy and managing their own household costs tough.
- Quiet optimism that when the war finishes, diesel and fertilizer drop, the market will pick up for fruit and vege
- Increased costs now. Potential supply chain delays and frustrations in future.
- Farming outlook is good but the impact from outside sources like wars, compliance and prices of inputs threatens progress being made.
- Rising costs.
- Tough out there for many businesses in the current economic times. Dairy farming has been insulated due to the Fonterra share payout, the high prices over the last season, and the wet summer up here in the North Island. Headwinds include interest rate potential rises, inflation, Iran situation for our overseas trade, oil implications and impacts on us and many other sectors. Been a good 12 months, not sure it will be as rosy for the next 12 months.
- Kiwifruit. NZ dollar looking after industry for now (hopefully for a long time) vs increasing costs. Labour stable. Cost to buy orchards unrealistic unless knowledgeable regarding improving production to top 25% of industry. See new variety buy in costs per ha (red, gold). Looking at future and multiple threats and trends is concerning.
- Dairy, and sheep and beef, are riding an export revenue high. This will not last, while geopolitical events are guaranteed to markedly increase our input costs, e.g. diesel and fertiliser.
- Red Meat sector – There is strong demand for New Zealand grass fed meat, especially being uniquely NZ grass fed wagyu

### Financial advice/wealth management

- Ongoing external global issues impacting on (the recovery of) the NZ economy
- Lack of confidence to invest in products
- Markets are having a blast...
- It's tough out there
- Slow down

### Forestry

- Difficulties getting product to customers in Middle East. Rising costs from suppliers due to fuel price increases

### Health

- We have seen the highest drop of demand from 20-40 year old clients since 2001(25 years!). Fortunately the baby boomers are showing more interest and largely make up for the loss. The outlook isn't great if consumer confidence stays low.
- I'm in government. It appears quite steady currently. The cuts are over at least where I am at. This means we can work with some certainty and steadiness. However it's unclear whether pay increases will be adequately provided this year so far.
- Relieved to have sold both businesses, a GP practice October 2021 and a vet clinic January 2026. Now both 65 and working part-time as contractors. Both sectors getting more stressed we feel.
- Patients more cautious on spend, reusing own spectacle frame when updating glasses

### Information technology

- Across clients in general, a weariness from uncertainty (global, NZ economy, their customer demand), price increases and change (AI, cybersecurity).
- Continue to be amazed at the benefits of using AI Frontier Models in our business
- This year has seen a marked improvement in inbound inquiry. Last year we didn't have much more than 5 enquires through our website. March/April this year alone, 15+. That hasn't however continued into May, I suspect the war is yet again slowing things down. I do think this year will be better than last regardless.
- We provide software to the maritime industry, and that industry is being hit not only by the usual vagaries of the economic cycle, but heavily by the fuel costs that are a worldwide issue. Our customers are hurting, and are not always able to increase their prices to cover the huge increase in fuel costs.
- Iran War has taken the mood right back to recessionary times! Clients are shrinking back into their shells. Wallets staying shut. Just when I thought we were coming out of the recession we are now heading back into it.

- Businesses are reluctant to secure or commit to projects or chargeable work but are focused on strengthening security systems to minimise attacks or disruptions.
- Geopolitical chaos affecting decision making and confidence
- AI is both an exciting tool for our business and a growing threat
- Restructure didn't work
- Customer procurement investments will be a challenge due to reduced CAPEX spends which affects our sales volumes. AI is also an area of opportunity and concern.

### Legal

- Unable to increase fees and therefore will be unable to meet staff remuneration expectations
- Sagging values and returns for Vineyards.
- Everyone jumping into AI maze and paying the early adapter cost. Property market slowness crosses into other work. Clients hesitant to take on new ventures because of the war/election.
- Legal Sector Provincial - Slow property market
- Transactional work is very quiet at present

### Manufacturing (all categories)

- In joinery supply and construction generally, people are just doing nothing. Just no confidence
- Dealing with supermarkets is difficult. They only allow one price increase per annum and only after a twelve week negotiation process. That process will see the failure of suppliers as their costs rise across the board from the impact of the Iranian war. The supermarkets need to be more nimble in an inflationary environment
- We are just ticking along - not busy but steady. The outlook does not look like changing.
- Lack of service and complete lack of suppliers trying to win our business
- Reduced buyer confidence, and election is a concern if left get in.
- Stage one of price rises have been implemented, not much market resistance. Stage two of price rises will be expected to happen mid-year, unless we see the NZ dollar recover or energy levels return to last years levels
- The number of new home consents don't appear to reflect the number of new homes starting or being built.
- Cheap import product eroding our market share whilst the cost of living is high making that more attractive than NZ Made quality at a higher priced. It is incredibly difficult to find staff and more so for skilled trades people.
- Lack of confidence from our existing customers and new tenders delayed.

- Has been some green shoots this year, however rising inflation and fuel costs have put a damper on this. Most decent opportunities have come from large government projects or govt controlled assets such as Air NZ and KiwiRail. Commercial construction has started to improve but has a long way to go before getting back to where things were.
- Cashflow is tight and customers are paying as late as possible. The market is quiet.
- The biggest issue is consumer confidence due to high energy prices. This was tracking well until the war.
- Imported inputs are very expensive due to Fx and freight. Domestic inputs have also increased due to the oil price shock. These costs can't be absorbed at all and are being passed straight on to our customers.
- Sales reasonably good, just being hammered on FX / freight on inwards materials.
- Still not seeing much in the way of price increases but freight surcharges are now common practice, and we have had to follow suit. Easier to manage and more transparent than a general price increase.
- Significant increases in input costs. Resin prices almost double. Uncertainty.
- Lower demand from lower consumer consumption
- After the initial shock in 1st half March, things have just settled to an uneasy equilibrium (until the next shock). Demand isn't great, but it could be worse. A lot of concern about the general election.
- Canterbury based manufacturing company. Canterbury has a lot of positives going for it and the stadium is going to great for inner city businesses. Seeing more price increases and everyone adding FAF now. We are securing our raw material inventory for next summer now to mitigate our exposure to price increases we know are inevitably coming our way. It's going to be a mixed bag this winter but summer and super El Nino will hopefully bring a change in sentiment.
- Entertainment – We have worked lined up from a one-off large project. Outside of that our bread & butter market is very quiet.
- Garden Maintenance – Extremely difficult to recruit suitable workers.
- Global fresh produce trade – import/export – Moving product offshore has become more challenging and costly. Shipping schedules are fluid, transit times uncertain, cost of moving product is increasing, numerous offshore markets are cautious in their purchase patterns, and anxious around higher prices to cover forex variations and distribution costs.
- Metals Distribution – A lack of confidence to invest for the future due to the Iran/ US war and the election
- Miscellaneous – People importing their own poor quality junk from Asia and undercutting good quality brands.
- Miscellaneous – Business's not going ahead with expected servicing and reducing their costs.
- Miscellaneous – More international visitors than NZ locals in the area
- Project Manager – House prices are rising, as you would expect. Significant increases in property values are forecast. The environment is stable and still rising in value, in the city areas and surrounds.
- Resource Management – It feels like we may need to write off 2026 as being the year of the recovery. We have uncertainty – a war, fuel prices and then we have an election. Come back in Feb 2027.

### Mortgage broking/advisory

- Slowing market
- Just a general quietness in the market. Uncertainty around the OCR and interest rates. I guess the media never helps at this time of year with elections creating even more uncertainty and bias reporting.
- The market has gone backwards.

### Motor vehicle sales/parts

- Mechanic – Lack of work and poor profitability
- People have tightened their wallets and are spending less per visit
- In our area confidence is semi positive but there is concern about a change in government.
- Uncertainty, cost savings
- Lack of revenue is the main concern, expecting 2026 to be better than last year's disaster YTD worse than last year
- The fuel crisis providing good opportunity for anyone selling fuel efficient vehicles – those sitting on the fence for BEV/ PHEV finally making a move. Lower priced Chinese brands seeing strong adoption. Outside of this – global volatility / reducing business confidence / election year making some businesses cautious on vehicle fleet upgrades.

### Miscellaneous

- Art glass – Retail/B2B, art workshops and manufacturing – Our business faces a diverse range of markets, retirees, construction, heritage, classes, high end glazing. When one is impacted another seems to be more active.
- Arts and recreation – Younger generation still looking at Aus as an option, but those who left 3 or 4 years ago considering coming back. Gym old members returning having been overseas for a while
- Commercial laundry – Biggest concern is the end of year elections and if there is change in government.
- Electrical Contracting and service – No spending from residential market nervous about fuel costs, war and elections

- Car sales are tough, what business is happening is weighted heavy towards Chinese vehicles and traditional Japanese brands doing it tough. Some much worse than others. Ute resale value is tanking (secondary used market softening) while EVs are on the up and up. Feeling that this shock will be lasting on buying behaviour as there is no sugar water money on offer from the government. If the petrol control levels shift more people will speed up purchasing EVs or PHEVs to get around limits etc. Stock will be the problem for those with the right vehicles.

### Printing and packaging

- Confidence in the economy brittle
- Grappling with Middle East impacts and a lack of certainty in the NZ economy. A political back drop that focuses more on itself than the future of the Country doesn't help.
- Property Valuation
- Little impetus for transacting property due to uncertainty/ low confidence

### Recruitment

- Quality of candidates is at an all time low. Clearly businesses are doing all they can to hold on to quality staff.
- We have lost some very good people in our sector that have moved overseas. Continual low opinion of the services recruitment companies provide and being under valued.
- Engineering recruitment (not civil) – Still some hesitation on clients to move on candidates unless they are 8 out of 10 or better. Top level talent is still hard to find and tempt to move. The Iran War has curtailed any significant upswing that was a possibility and we're likely to muddle our way through another 2nd half of a year – 2027 anyone? In saying that, there are a handful of companies with some decent pipeline but its still scrappy at the lower end of the market.

### Residential construction incl. section development

- Architecture – Very flat market for new houses. Alteration projects are falling over due to high costs.
- We are in the plumbing trade, and we are having some big price rises in materials due to the Iranian conflict. Had a great start to the year but have seen some projects that have been put on hold as banks pulling their preapprovals and clients starting to close wallets unless its for emergency work.
- I am an architectural designer and there is no work at the moment. I have a bit of enquiry, but they are not converting into work. People are worried about the global economy. Productivity in the industry is low. When I was busy, I trained people and had the business thriving, now I'm back to working by myself. A lot of other businesses in the industry have done the same, so all that training and investment is down the drain instead of being able to continue to work towards increasing productivity we go backwards.
- People getting quotes then not proceeding with the work.
- There are good projects out there but harder to get over the line and reduced margin.

- Middle East situation is making “uncertainty” the only “certainty” at the moment.
- Uncertainty, supply chain cost increases driven by the war. Staff travel costs going up. Drop off in new enquiry
- New Housing construction & Land development continues to experience low levels of buyer interest due mainly because existing house prices remain well below comparable new equivalents and have plenty of choice available.
- Finding profitable residential construction and development projects is becoming increasingly difficult to near impossible; also project risk from most perspectives is higher. The golden decade was 2014 to 2023 and it is well over.
- Selwyn keeps on growing
- Global uncertainty delaying purchase decisions and reducing demand
- Still jobs and work available if you want it.
- Lack of confidence in Government and Economy
- Lack of sales in the res construction new build sector, build prices increasing from June and have concerns with lack of sales closer to election , enquiry levels are the same, but conversion is difficult and takes longer
- New house plans started to come in and jobs have been confirmed, but plans have stalled again and renovations are showing signs of slowing, in saying that, the next three to four months are busy.
- Residential Design and Project Management  
Uncertainty hampering positive forward decision-making

### Residential real estate

- Some of anticipated outcomes like confidence and spending more or less could arguably be dependent the outcome of the Election.
- Agents' mindset quite negative, hard to keep them motivated. Vendors still unrealistic and not recognising the difference between 2021 and 2026
- The election will have an effect. People holding off making decisions until there is some certainty both locally and internationally.
- Numbers down with people attending open homes and investors wanting to offload their properties.
- Uncertainty around world events
- People are unsure of the future; this is affecting their decision making process. It's “let's wait and see before making any decisions / spending any money”
- Business is uncertain due to the global fuel crisis and elections this year.
- Continued and increasing compliance requirements add to overhead cost. These together with the ever increasing costs of everything and a deflated market for sales means the squeeze is tougher day to day – less income more costs = less money
- Fuel increases slow things down

- Caution and reluctance to take any unnecessary risk.
- Slowing demand as uncertainty persists. Getting buyers and sellers on the same dollar wavelength always takes time in these changing markets
- Mixed response from the real estate market.
- Residential pre purchase inspections. Business is steady, lots of first home buyers and more investors starting to kick the tires, but are struggling to get finance over the line.
- Post new year sales burst (recovery) has evaporated to baseline churn.
- Lower volume of people coming to the market increasing competition amongst agencies.
- Fewer sales in Residential properties.
- The time DOM are much longer now and building reports are more often than not written in such a way as to cause lenders to decline. Once the builder is paid up, why pass the property and attract liability later? This is all adding time and cost and draining resources to get properties over the line. Extended marketing times and mental health impact on repeat fallen offers is significant. Council have also adopted a broad-brush methodology for flood-prone areas catching a wide scope of properties in their wake. It's up to the end user to go into battle to prove their scenario is not impacted as indicated, costing thousands for hydraulic engineers and other specialists, and often not resolved in the end. We combat these issues daily. Real Estate is changing in these respects. Relentless resilience no longer cuts the mustard, one must also up-skill in every facet, sharpen all the work tools daily and have a silo of back up funds handy.
- Concern around possible tax changes for property investors should a left government come into power. This gives us no confidence to grow and provide more accommodation.
- Despair. Fear of change of government
- Things are becoming difficult
- Confidence returning
- Rate, insurance and maintenance increases. Revenue decreasing due to more empty houses and apartments being built
- Concern with international instability – higher fuel prices
- Rental prices and property values decreasing.
- Property investors are holding back from buying due to concerns about a change in Government and policies. Some are selling down due to retirement plans.

### Retailing

### Residential rentals/Investment

- Getting very difficult to find good Tenants and good tradesmen.
- Unsure about policy intentions & political direction, so doing a turtle imitation for a while – protecting current assets but ready to emerge and move when more confident.
- We own a property management company and are finding it increasingly difficult to grow the number of properties under management. Many mum and dad investors are looking to sell, although the developers we work with are generally continuing as usual. We are also seeing properties that fail to achieve expected sale prices returning to the rental market instead.
- Moving to Australia
- Drop in activity/demand.
- We have good relationships with all our tenants and have a very low tenant turnover in 6 properties.
- Keeping on top of competitors with improving service and incentives.
- Investors selling properties to first home buyers who were previously our tenants, so a double whammy loss to us!
- Declining interest in housing. Purchasing. Renting . it's all downwards.
- We are expanding even in a downward economy, have opened two new stores in the last 6 months with a 3rd opening in September
- Trades getting busier, customer purchasing just slower to decide. Seems to be busy and the opposite of the doom and gloom headlines....its quite positive and upbeat in our Pukekohe region
- Sluggish customer demand
- Cost of living pressures continue to put pressure on discretionary spending. Seeing more considered lower value purchases being made. Average sale is also low.
- General slowdown and a fall in revenue.
- Dampening customer confidence due to geopolitical events which is very frustrating given the green shoots that were appearing before the [Donald Trump] started his war.
- We operate in a District with increasing population, retail turnover up 10% PA
- Increase in freight costs across all parts of the business, input and output. Expectations of higher wages from staff when turnover hasn't increased due to increased costs.
- Concern about change of government. Concern about geopolitical environment.
- Surprised at continuing strength in trade as we head into the shoulder season, although concerns over likely global geopolitical impact on long haul travel. Posting ongoing record revenues.

### Shipping, transport, storage & distribution

- Fuel hard to recover, competition continuing to undercut and over promise. Customers wanting up to 20% discounts on new contracts. Lawyers now required for most negotiations with overseas oems which is costly and time consuming. Hard to sign up Chinese brands given their restrictive contracts. Getting tough out there!

- Import, distribution and raw material cost increase will prove a challenge for selling to end users. Anywhere between 10 & 20% increase in flow-on costs while managing reduced margins to lessen the blow.
- The recent “Investment Boost” that was implemented last May has definitely given us confidence in purchasing/importing new stock, upgrading our equipment and vehicles. Given the events happening over in the Middle East, our first week of trading was slow but has since increased due in part to our clients adjusting to the new rates and again, “just getting on with it”
- Air NZ impact to the regions, less travel, less income to the regions, less business travel to the region impacts accommodation, eats, rentals, and often expertise that some companies buy in from other sites.
- Owner drivers getting made redundant and then going to the market directly for considerably less pricing with no overheads. Their service reflects their pricing, but the customers use them because of the pricing!

### Tourism & accommodation

- Passenger Transport and Tourism – Fewer Cruise Ships over summer. Increasing online presence. Increasing staff remuneration. Some increase in vehicle maintenance plans and possible extra vehicle purchase.
- Fuel prices and uncertainly are hurting our (accommodation) arrivals numbers which will deteriorate in line with the overall fuel situation. Particularly painful for properties furthest away from their source markets.
- Hotel sector. Higher cost of fuel means international guests consider more regional travel than long haul to NZ. Higher interest rates mean less domestic spending on accommodation. Expect demand to soften, prices to increase and margins to decrease.
- Staff are difficult to find – folks don’t want to work!
- The cost of fuel is our major concern right now – however the low dollar means NZ should be highly attractive for international tourists (and considered a safe destination). We are optimistic the government is doing the best job possible
- A tale of two islands. Demand is significantly higher in the South Island versus the North

### Wholesale

- Lack of confidence since Middle East wars broke out. No direction from top down. Markets are all hand to mouth with continual margin squeeze.
- Despite the doom and gloom, we have acquired some new customers and our existing are spending well. There are still many of our customers going out of business and it’s difficult to reconcile current state with what we know must be happening.

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