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Construction Industry Activity – Trends and Forecasts

In developing its own business plan the BCITO looks to understand the level of activity within the construction industry – given that forecasted industry activity is one key driver for training investment within the sector. No crystal ball is ever perfect (!! – but it is still important to try and get an overall feel for what the sector is doing in economic terms.

The BCITO recently commissioned a report looking at activity levels within the sector, forecasted out to 2007, and this *e-bulletin* summarises key findings from that report.

Residential

The residential outlook is for the current upturn in new housing starts to peak about now and for workloads to remain high for at least another year. From mid 2004 workloads begin to decline to a low point in 2006, when the housing cycle bottoms out and begins to grow in 2007.

Commercial

Non-residential building work has been on a growth path in the main centres since the mid 1990s and has now reached the highest level since the late 1980s when the commercial office building boom was at its peak. Most regions have experienced growth in building activity, with – no surprise! – the largest increase being in Auckland

The following table shows the dollar value of work split into regions, covering residential and commercial building and civil engineering.

All building and construction capital works							
Forecasts at October 2003.							
	\$ Million 02/03\$					% in 2003 % in 2007	
Year ending March	2003	2004	2005	2006	2007		
Northland	478	512	503	485	540	3.6	3.8
Auckland	5122	5585	5467	5135	5616	38.7	39.9
Waikato	1195	1277	1209	1177	1259	9.0	8.9
Bay of Plenty	879	979	922	891	997	6.6	7.1
Gisborne	92	97	95	126	116	0.7	0.8
Hawke's Bay	396	405	382	352	391	3.0	2.8
Taranaki	238	241	230	217	239	1.8	1.7
Manawatu-Wanganui	422	477	479	468	523	3.2	3.7
Wellington	1214	1282	1163	1107	1112	9.2	7.9
Tasman/Nel/Marlb	511	557	527	493	556	3.9	3.9
West Coast	90	87	129	82	89	0.7	0.6
Canterbury	1649	1729	1630	1460	1753	12.5	12.4
Otago	679	706	643	586	700	5.1	5.0
Southland	273	229	202	171	185	2.1	1.3
	13239	14164	13581	12748	14078	100.0	100.0
% change		7.0	-4.1	-6.1	10.4		

BCITO Business Planning

As noted above, the BCITO has started work on its **2004 Strategy & Business Plan**, which shouldn't be much different to the 2003 Plan [available from our website]. We will post our 2004 Business Plan to the website in mid December, once it has been approved by the BCITO Board.

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