



Pacifecon
Building intelligence

Market Watch – Auckland

June 2020

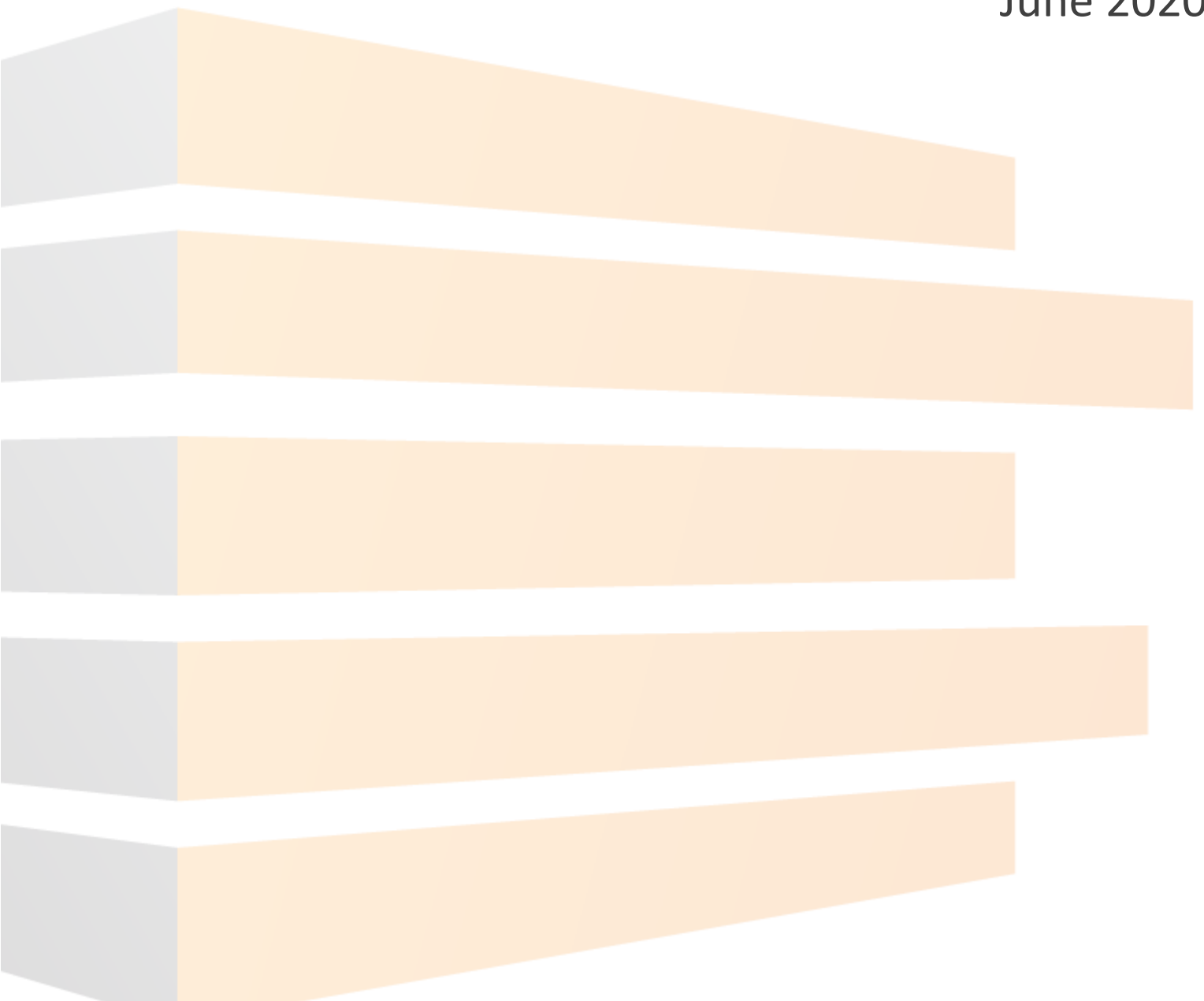


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Market Watch – Auckland: giving a more detailed view for our largest city:

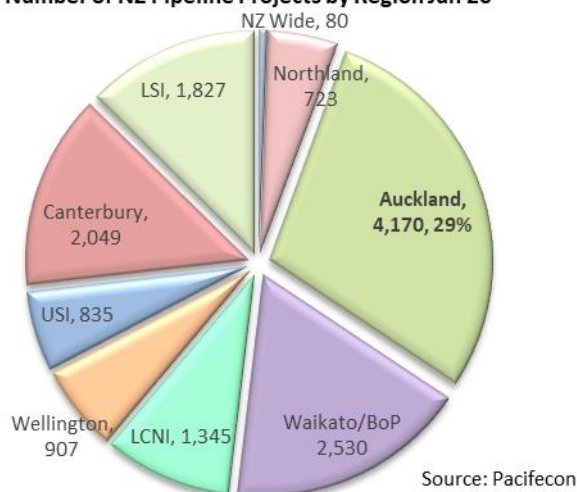
- RESIDENTIAL BUILDINGS Apartments, Townhouses/Terraces/Units, Detached Houses, Retirement Villages
- COMMERCIAL+/NON-RESIDENTIAL Commercial, Education, Health, Industrial, Multi-category, Sport
- INFRASTRUCTURE Civil, Heavy Industry/Energy

Want to know more about construction opportunities across New Zealand or the Pacific Islands?

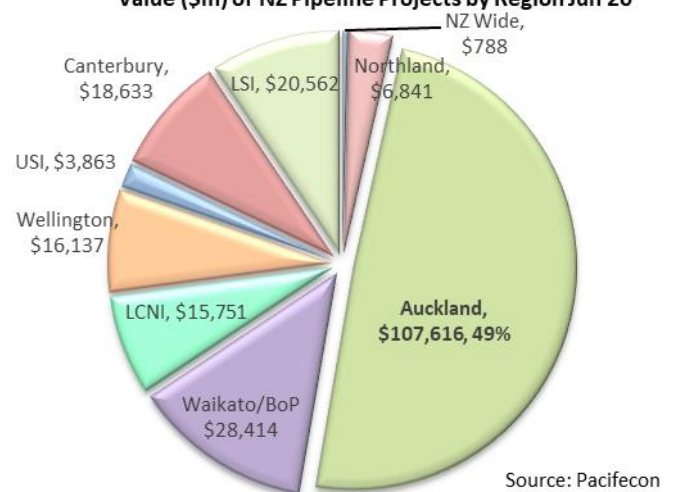
projects@pacifecon.co.nz

» Auckland's place in New Zealand's construction pipeline

Number of NZ Pipeline Projects by Region Jun 20



Value (\$m) of NZ Pipeline Projects by Region Jun 20



» Summary of Projects by Sector - Auckland

All New Projects

New Projects to the Pipeline

Projects Progressing

Work starting

Sector	#	\$m	Sector	#	\$m	Sector	#	\$m	Sector	#	\$m
Residential Buildings											
Residential - Single	417	\$ 240	Residential - Single	9	\$ 7	Residential - Single	240	\$ 242	Residential - Single	425	\$ 242
Residential - multi	137	\$ 221	Residential - multi	56	\$ 106	Residential - multi	1063	\$ 48,008	Residential - multi	112	\$ 365
Residential Total	554	\$ 461	Residential Total	65	\$ 113	Residential Total	1303	\$ 48,250	Residential Total	537	\$ 607
Commercial+ (Non-Residential Buildings)											
Commercial	55	\$ 185	Commercial	24	\$ 166	Commercial	712	\$ 12,514	Commercial	53	\$ 163
Education	47	\$ 188	Education	44	\$ 187	Education	399	\$ 1,826	Education	18	\$ 8
Health	13	\$ 8	Health	11	\$ 8	Health	104	\$ 1,921	Health	7	\$ 3
Industrial	12	\$ 49	Industrial	7	\$ 48	Industrial	102	\$ 1,286	Industrial	2	\$ 7
Multi-category	10	\$ 611	Multi-category	10	\$ 611	Multi-category	238	\$ 12,796	Multi-category	1	\$ 4
Sport	25	\$ 7	Sport	25	\$ 7	Sport	192	\$ 1,006	Sport	13	\$ 3
Non-Residential Total	162	\$ 1,049	Non-Residential Total	121	\$ 1,027	Non-Residential Total	1,747	\$ 31,349	Non-Residential Total	94	\$ 188
Infrastructure											
Civil	61	\$ 168	Civil	54	\$ 165	Civil	1112	\$ 27,819	Civil	20	\$ 499
Heavy Industry/Energy	0	\$ 0	Heavy Industry/Energy	1	\$ 5	Heavy Industry/Energy	8	\$ 198	Heavy Industry/Energy	0	\$ 0.0
Other Construction Total	61	\$ 168		55	\$ 170		1120	\$ 28,017		20	\$ 499
Total - All Building & Construction											
Grand Total	778	\$ 1,683	Grand Total	241	\$ 1,310	Grand Total	4,170	\$ 107,616	Grand Total	662	\$ 1,597

Overview – The Construction Industry – Covid-19 – New Zealand

Construction projects affected so far.

At any time Pacifecon is reporting many thousands of planned construction projects.

Delays are affecting nearly 400 projects to date.

Researchers are updating projects where specific projects will be delayed longer than the Alert Level-4 period.

We expect to see adjustments of construction start dates in the months to come, with some projects being accelerated to take the place of others which are delayed.

	Number of projects affected to 30 June
Planned/Tendering projects start date postponed	313
Planned/Tendering projects put on hold	29
Commenced projects will finish later than expected	66
Cancelled due to Covid-19	8

Newly reported in June

We saw 757 new pipeline projects in June total value \$2,740m.

Compared to May: 67 (-8%) fewer projects & \$1,621m (-37%) less value.

Compared to June 19: 2 (0%) changed projects & \$1,388m (-34%) less value.

We categorise these 757 projects into the following sectors:

1-30 June 2020	Number of New Projects	Value of New projects (\$m)
Residential	175	\$398
Commercial	136	\$542
Education	109	\$242
Health	27	\$28
Industrial	27	\$132
Mixed Use	17	\$672
Sport	42	\$27
Civil	222	\$693
Heavy Industry/Energy	2	\$6
Total	757	\$2,740

The size of the New Zealand planned construction work pipeline as at 30 June 2020

	Number of Projects	Value of projects (\$m)
Residential	3,043	\$72,414
Non-residential buildings	6,469	\$81,823
Infrastructure	5,225	\$69,554
Total	14,737	\$223,792

» Overview – Central Government

The Auckland pipeline has 683 central government projects valued at \$36b. In the last year the number of planned central government projects has grown by 21% & value by 18%.

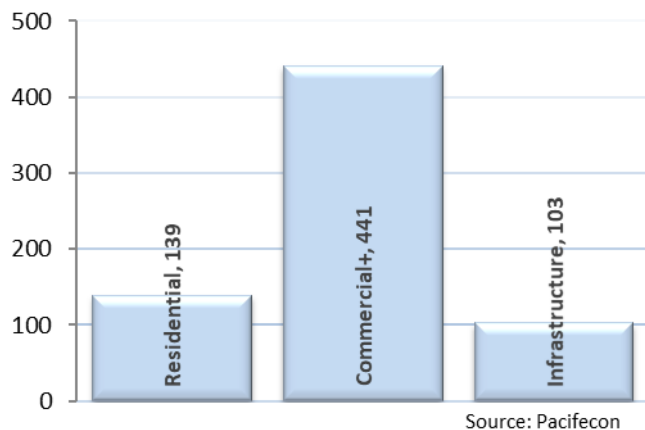
The highest value central government funded projects likely to start in 2020: transport, water, health, public housing, education.

Some of the high value projects across the country funded by central government likely to start within the next year:

- E8015 \$109m Auckland, Safety improvements to SH 22 from Drury (at SH 1 interchange) to Paerata.
- W2719 Construction on a new link road between Matakana Road & State Highway 1 will support the significant population growth expected in the Warkworth area.
- AC1138 The Ministry of Housing and Urban Development (HUD) purchased 9.69 hectares of land across four sites in Ōtara, Auckland for a future residential development. This will allow the current owners Manukau Institute of Technology (MIT), to complete their own transformation plans. This includes the refit of facilities at Ōtara’s North Campus and the development of a new Tech Park across the road from their Manukau campus – AB9911, AC8405, AA6678, AF2525.

What are the proportions of the different types of Central Government work planned across the country?

Number of Central Government projects in Auckland pipeline by Construction Sector



Source: Pacifecon

Value (\$m) of Central Government projects in Auckland pipeline by Construction Sector



Source: Pacifecon

Key:

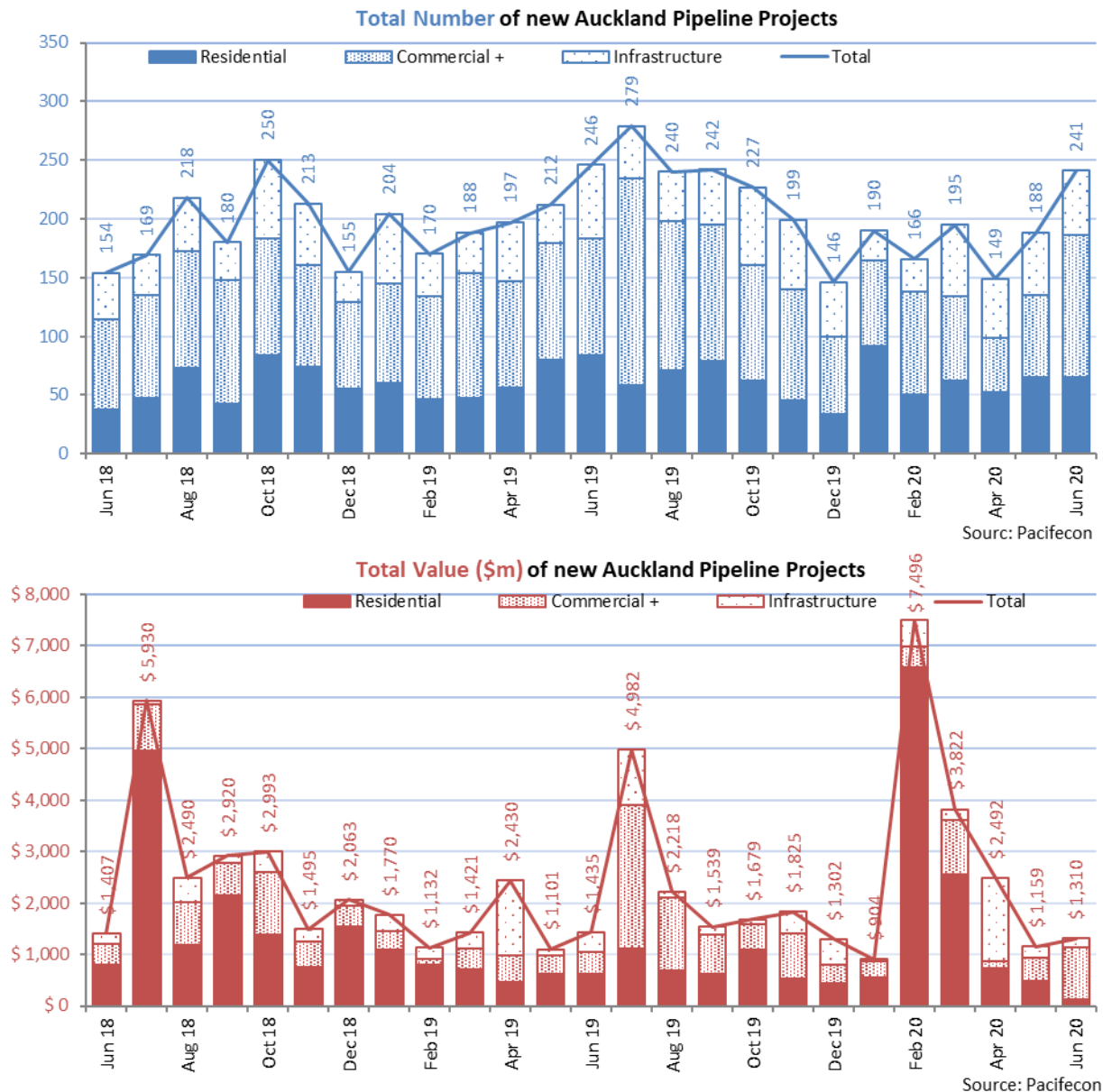
Residential: all types of residential buildings: detached, townhouses, apartments, retirement.

Commercial +: Commercial, Education, Health, Industrial, Multi-category, Sport.

Infrastructure: Civil & Heavy Industry/Energy

See page 13 for more details on featured project AD4151 – NORTH AUCKLAND LINE UPGRADE.

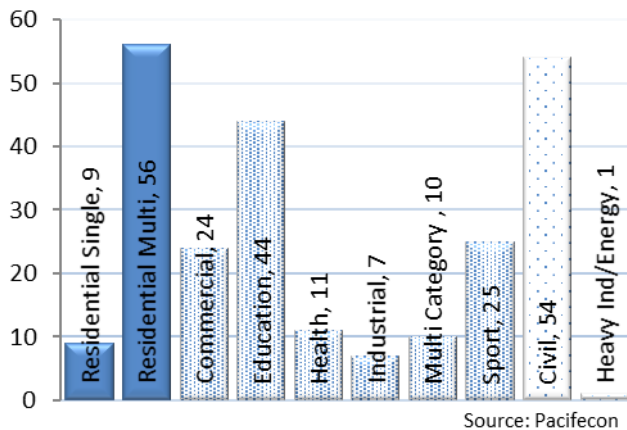
» New Projects to the Pipeline



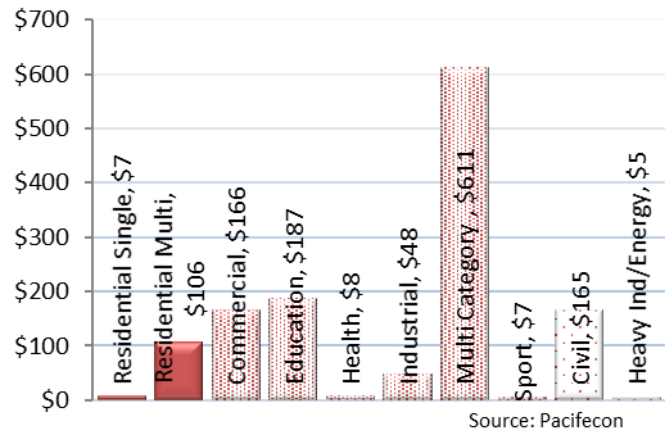
In June there were 241 new projects to the pipeline to a value of \$1,310m.
 Compared to May: 53 (28%) more projects & \$152m (13%) more value.
 Compared to June 19: 6 (-2%) fewer projects & \$128m (-9%) less value.

The spike in February 2020 was due to AE6056-AE6067 \$6b, 10,000 homes as a part of a wider redevelopment on a brownfield site.

Number of NEW Pipeline Projects by Sector Jun 20



Value(\$m) of NEW Pipeline Projects by Sector Jun 20



Residential Buildings

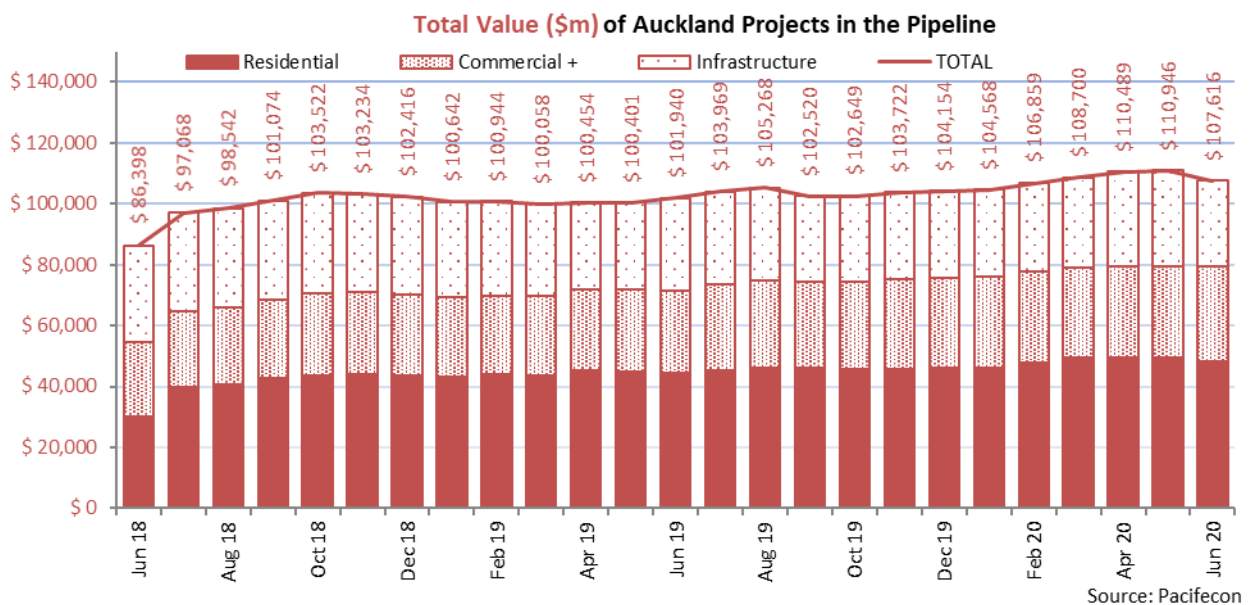
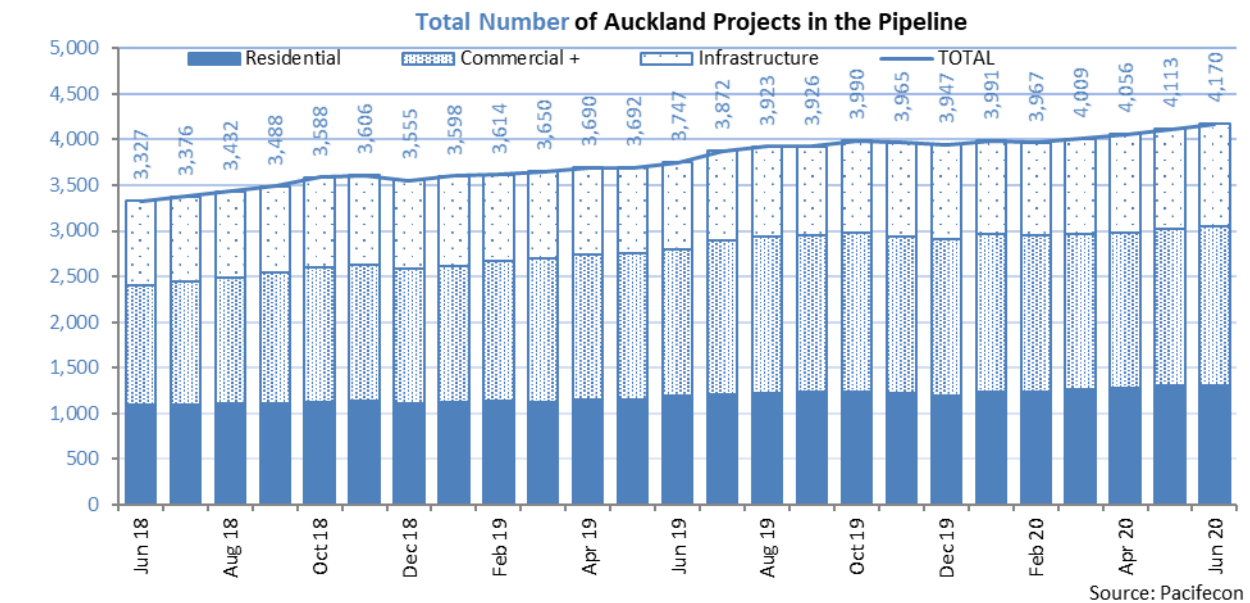
Multi residential, 56 (86%) of new residential pipeline projects made up \$106m (94%) of the value.
 Single residential, 9 (14%) of new residential pipeline projects made up \$7m (6%) of the value.

Some of the high value projects entering the pipeline in June were:

- AF6208 \$140m, full redevelopment of 10 storey university building.
- AF6916 \$100m, residential development 236 homes in 5 x 6-8 storey apartment buildings.
- AF7353 \$100m, mail processing/distribution warehouse.
- AF7808 \$100m, mixed use development 4 apartment blocks + commercial spaces.
- AF7714 \$75m, future development Warkworth.
- AF6516 \$120m, retirement village, 98 apartments, 45 aged care beds (included dementia level).

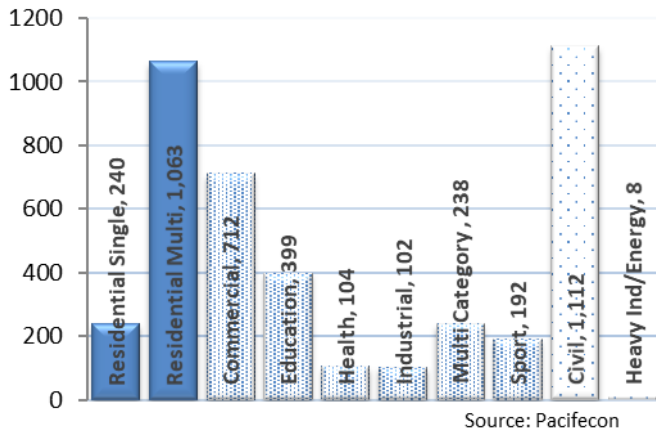
For a full list of new projects relevant to you, please contact your account manager or
projects@pacifecon.co.nz

» In the Pipeline – Early Planning, In Planning, Tendering

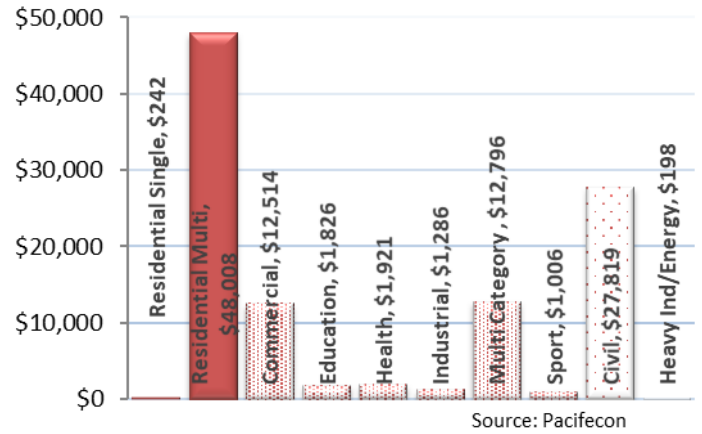


In June there were 4,170 projects in the pipeline to a value of \$108b.
 Compared to May: 57 (1%) more projects & \$3,331m (-3%) less value.
 Compared to June 19: 423 (11%) more projects & \$5,676m (6%) more value.

Number of Pipeline Projects by Sector Jun 20

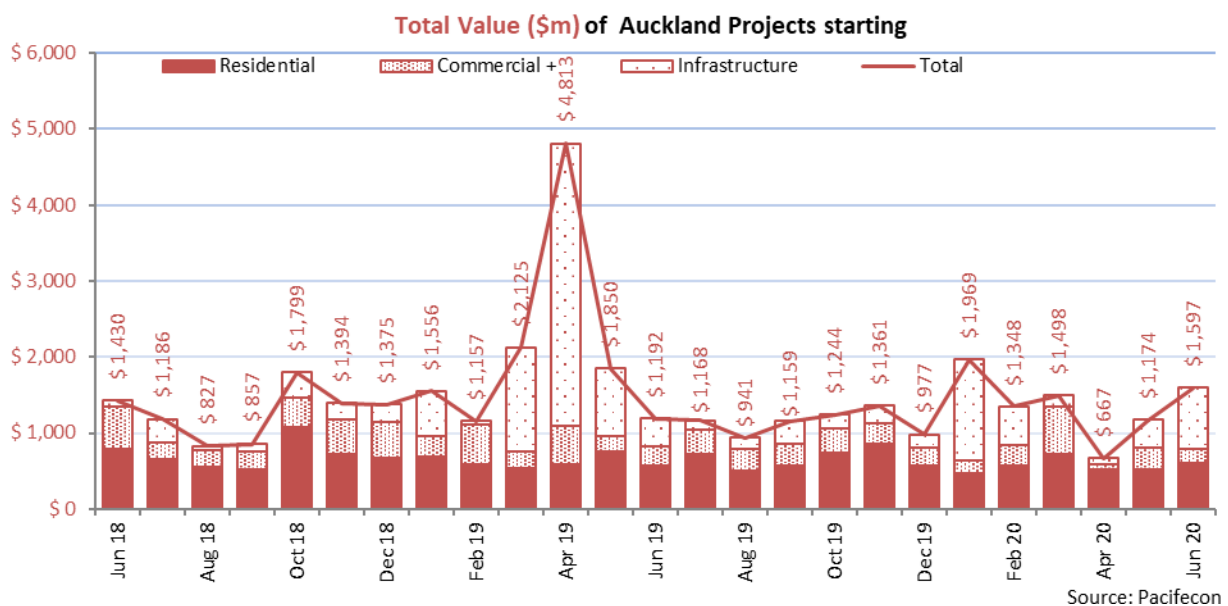
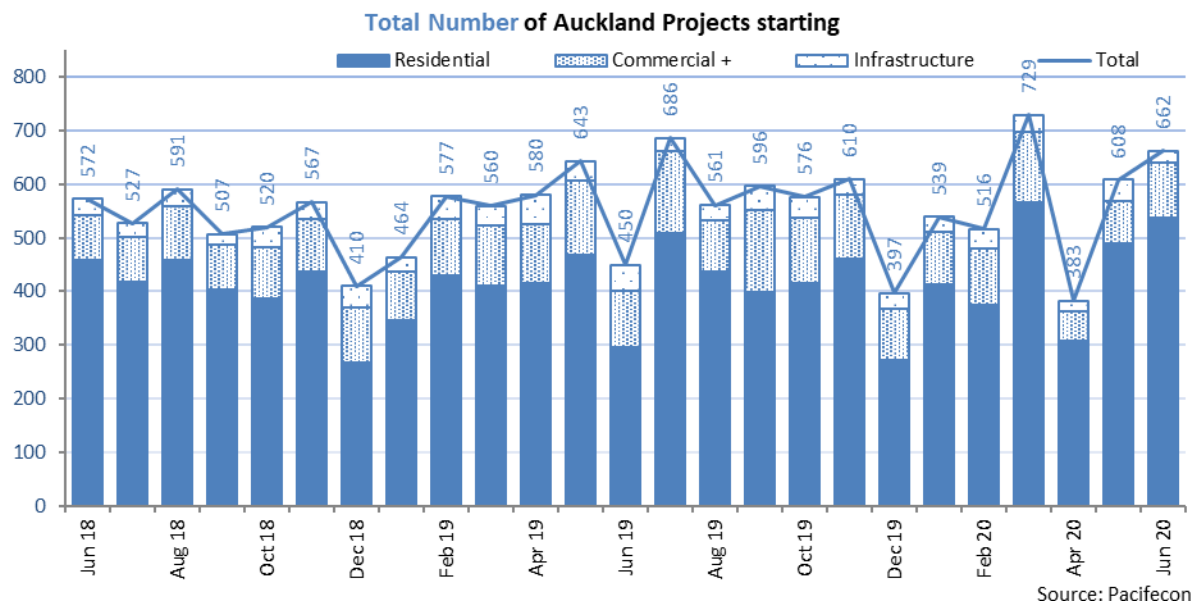


Value(\$m) of Pipeline Projects by Sector Jun 20



» Projects starting

Please note - Projects starting, projects that are under contract & likely to start within the next 0-9 months; projects at stage Commencing.



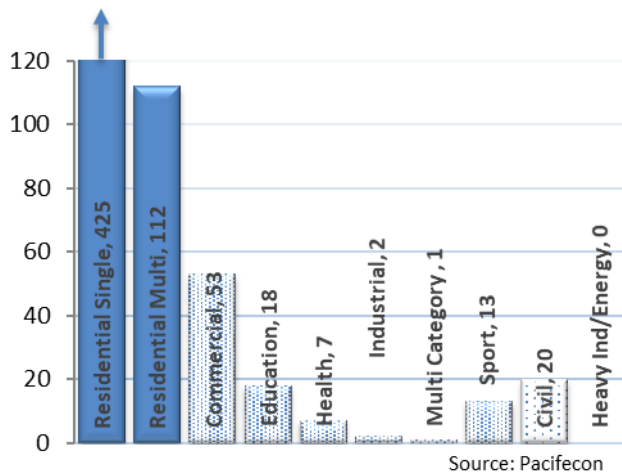
In June there were 662 projects starting at a value of \$1,597m.

Compared to May: 54 (9%) more projects & \$422m (36%) more value.

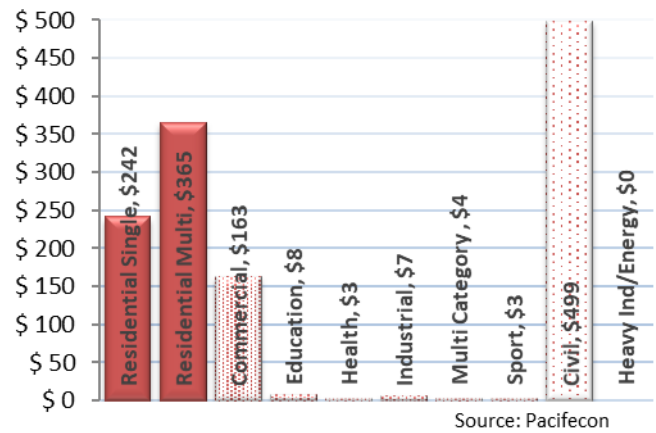
Compared to June 19: 212 (47%) more projects & \$405m (34%) more value.

The spike in April 2019 was due to M0321 \$700m Upper Harbour Highway Motorway to Motorway & other high value projects starting.

Number of Projects starting by Sector Jun 20



Value(\$m) of Projects starting by Sector Jun 20

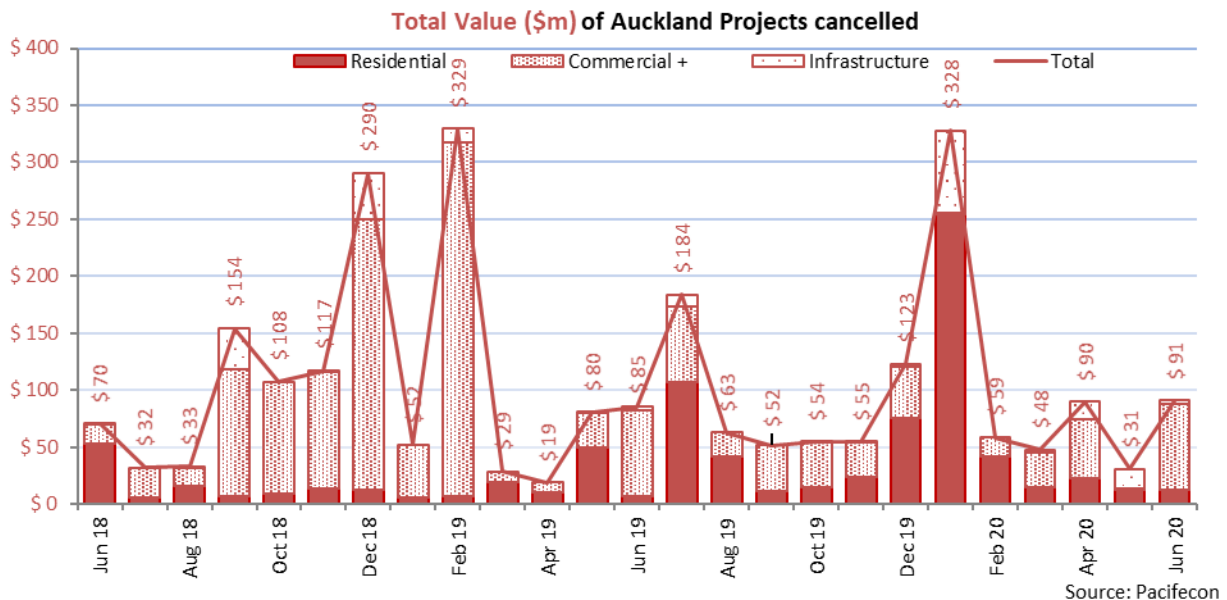
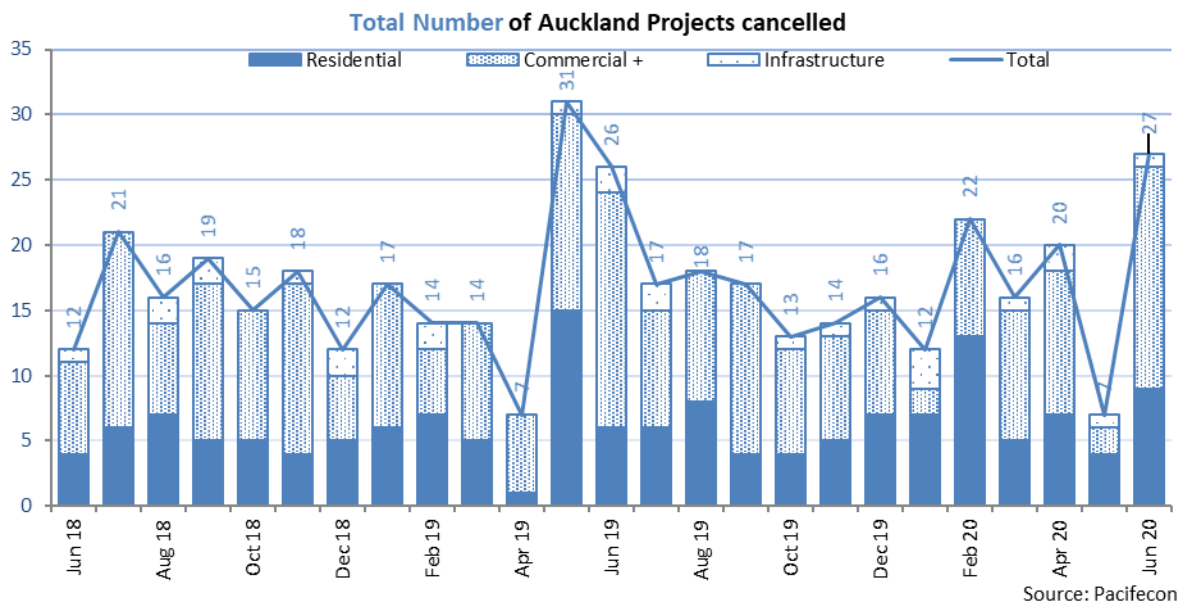


Some of the high value projects starting in June were:

- M3951 \$371m, rail electrification.
- AE7309 \$302m, electrical asset maintenance – Vector.
- M3324 \$62m, Matakana Link Road.
- I3132 \$60m, retail development up to 8 storeys, includes bulk retail.
- X6493 \$45m, stage 2 of apartment complex. Approx 90 apartments over 7 storeys.
- AF3197 \$30m, safety improvements to SH 16 Brigham Creek to Waimauku - Stage 1, Huapai to Waimauku.

For a full list of commencing projects relevant to you, please contact your account manager or
projects@pacifecon.co.nz.

» Cancellations



27 cancellations in June, total value \$91m.

Compared to May: 20 (286%) more projects & \$60m (193%) more value.

Compared to June 19: 1 (4%) more project & \$6m (7%) more value.

The highest value projects, which will no longer proceed:

- Q1585 \$35m, rest home, site sold to new developer.
- S6349 \$10m, industrial development, site sold to new developer who is not proceeding with previously proposed development.
- AC5849 \$10m, houses, owner has decided not to proceed.

All other projects \$6m or less.

» Featured project – NORTH AUCKLAND LINE UPGRADE

RAILWAY

NORTH AUCKLAND LINE UPGRADE

Stage:	Commencing	Update:	12
Est. Start Date:	Jun 2020	Project ID:	AD4151
Our Estimate:	\$356,000,000	Date:	05/06/2020
Location:	Whangarei		
Description:	<ul style="list-style-type: none"> • (82-1) Work now commencing Jun 2020 for proposed maintenance & improvements to the North Auckland rail line (NAL) between Swanson & Whangarei. • \$94.8mill funding from the Provincial Growth Fund announced Sep 2019 for crucial maintenance. • Additional \$109.7mill funding announced 30 Jan 2020: \$69.7mill for lowering tracks in the 13 tunnels between Swanson & Whangarei, reopening the currently mothballed rail line between Kauri & Otiria & building a container terminal at the Otiria rail yard in Moerewa; \$40mill to purchase land along the designated rail route between Oakleigh & Northport/Marsden Point. • KiwiRail intend to establish a project office in Albany, for the duration of the project, along with site offices in strategic areas along the NAL which will be closer to the work fronts. • (LUS60346710) Resource Consent granted for geotechnical investigations to inform the design & consultation for bridge replacement. • (Manukau BCO10305015) Building Consent issued end Apr 2020 for alterations to form separate male & female washroom facilities on the NAL (\$150K). • Indicative cost estimates: Track renewal \$40-50mill; Bridge replacement \$15-20mill; Tunnel repairs \$7-10mill; Drainage improvements \$7-10mill; Slope stabilisation \$3-5mill; Vegetation control \$1mill; Whangarei Rail Yard improvements \$2-3mill. • The upgrade work aims to increase capacity of the line, catering for 18 tonne axle loads, DL Class locomotives & allow for Hi-cube IMEX freight containers that will eventually feed the IMEX handling terminal at Otiria. • Phase 1 of the scheme requires the renewal of 6 existing bridges & modification of 13 tunnels to allow for track lowering. • The Northland Line is expected to be able to carry Hi-cube containers between Whangarei & Auckland by the end of Dec 2020, with all work on the line expected to be completed in 2021. • Work packages: [Tunnels] Design complete Apr 2020 AD9389. • Construction underway for (Category 1) track lowering (incl drainage); (Category 2) track lowering with geotechnical improvements; (Category 3) track lowering with structural improvements AE6092. • Indicative timeline: Tunnel design complete Apr 2020; Tunnel construction Jun-Dec 2020. • [Bridges] Design complete (Package 1) Bridge 88 AD8487; (Package 2) Bridge 89 AD8502; (Package 3) Bridge 100 AD8508; (Package 4) Bridge 116 AD8516; (Package 5) Bridge 126 AD8523; (Package 6) Bridge 168 AD8532; Bridge ECI underway AE0425. Indicative timeline: bridge RC lodged 28 Feb 2020; bridge design complete 7 Apr 2020; bridge RC granted end May 2020; bridge construction Jun 2020-Dec 2020. • [Track] deferred maintenance works to be undertaken by Kiwirail; where there are isolated sections of track to be designed around the bridges/tunnels, these will be tendered as part of the main works in that area. • Work packages for civil works (embankments/ drainage/ vegetation clearance) & 		

yards will be open tendered on GETS if required.

- Consultants & contractors added.
- Marsden Point Rail Link **D9441**; Pile Casing supply **AE7969**; Ballast Supply **AE5892**; Kauri to Otiria upgrade **AE8137**.

Spec:

- Upgrade/replace 54km (of 181km) of NAL track; replace 50K sleepers; add 50K CM ballast; replace 6 (of 88) bridges; repair 13 tunnels; clear clogged drains & culverts; stabilise 9 embankments; control vegetation along the line; improvements to the Whangarei railyard

Developer:	<u>Ministry of Transport [WLG]</u> PO Box 3175, Wellington, 6140, Phone: 04 472 1253
Developer:	<u>KiwiRail [WLG]</u> PO Box 593, Wellington, 6140, Phone: 04 498 3000
Developer:	<u>KiwiRail [AKL]</u> Private Bag 92138, Victoria Street West, Auckland, 1142, Phone: 0800 801 070
Project Manager:	<u>Frequency Projects Ltd [AKL]</u> 6 Nikau Street, Eden Terrace, Auckland, 1021, Phone: 09 620 4890
Engineer:	<u>Frequency Projects Ltd [AKL]</u> (Project Planning Engineer) 6 Nikau Street, Eden Terrace, Auckland, 1021, Phone: 09 620 4890
Consulting Engineers:	<u>Holmes Consulting [AKL]</u> PO Box 90745, Victoria Street West, Auckland, 1142, Phone: 09 965 4789, Email: <u>auckland@holmesgroup.com</u>
Consulting Engineers:	<u>Tonkin & Taylor [AKL]</u> PO Box 5271, Wellesley Street, Auckland, 1141, Phone: 09 355 6000, Email: <u>akl@tonkin.co.nz</u>
Consulting Engineers:	<u>Tonkin & Taylor [WHG]</u> PO Box 1261, Whangarei, 0140, Phone: 09 438 9055, Email: <u>kennedycivil@xtra.co.nz</u>
Cost Management:	<u>Bond Construction Management Ltd</u> (High Level Cost estimate) 49B Main Highway, Ellerslie, Auckland, 1051, Phone: 09 579 2940
Architect (Landscape):	<u>Novo Group</u> PO Box 365, Christchurch, 8140, Phone: 03 365 5570, Email: <u>info@novogroup.co.nz</u>
Resource Management:	<u>Novo Group</u> PO Box 365, Christchurch, 8140, Phone: 03 365 5570, Email: <u>info@novogroup.co.nz</u>
Contractor:	<u>Fulton Hogan Ltd [AKL West] (Civil North)</u> 47 Airdrie Road, Ranui, Auckland, 0612, Phone: 09 831 0107, Email: <u>info@fultonhogan.com</u>
Contractor:	<u>HEB Construction Ltd [AKL]</u> PO Box 226, Drury, Auckland, 2247, Phone: 09 295 9000, Email: <u>enquiries@heb.co.nz</u>
Contractor (Supplier):	<u>Clements Contractors Ltd</u> (Ballast materials) PO Box 10124, Te Mai, Whangarei, 0143, Phone: 09 434 4949, Email: <u>info@clementscontractors.co.nz</u>
Contractor:	<u>United Civil Construction Ltd [AKL]</u> (Bridge replacement) 318 Neilson Street, Penrose, Auckland, 1061, Phone: 09 634 4578, Email: <u>auckland@unitedcivil.co.nz</u>
Contractor (Supplier):	<u>Busck Prestressed Concrete Ltd</u> (Concrete sleepers) PO Box 310, Whangarei, 0140, Phone: 09 438 3059, Email: <u>info@busck.co.nz</u>

» Notes regarding the Data

This report is based on projects known to Pacifecon & other publicly available information. All projects are continually reviewed & updated, changes to \$value of projects within the pipeline are reflected in the figures.

Trend lines are shown as dotted lines.

For graphs including past \$\$, all \$\$ are in \$ of the day, no adjustments have been made for inflation.



Residential: Apartments, Townhouses/Terraces/Units, Detached Houses, Retirement Villages. In general, we do not report Building Consents with minor alterations or new dwellings less than \$200,000.

Commercial+: Non-residential buildings: Commercial, Education, Health, Industrial, Multi-category, Sport.

Infrastructure: Civil & Heavy Industry/Energy

In the Pipeline: projects at any of the following stages: Early Planning, In Planning, Tendering.

Projects starting: projects that are under contract & likely to start within the next 3 months; projects at stage Commencing.

Projects cancelled: our policy of trying to identify projects at the earliest possible stage may mean plans do not always proceed as expected.

With the release of local government Ten-Year Plans, Pacifecon introduced a stage: 'Capital Intentions' to cover these more general statements of proposed forward capital expenditure. These \$amounts are not included in our pipeline of forward work - they are more strategic than specific construction work, but they will be on our research radar & will be reported once projects are approved by councils.

Australian project coverage: In 2012 Pacifecon expanded their coverage to include Australia through a Strategic Alliance with Cordell Information. Contact us now on projects@pacifecon.co.nz or call us on 09 445 0345 to discuss Australian project information.

All reasonable care has been taken in gathering, compiling & furnishing the information specified herein, but Pacifecon (NZ) Ltd. will not be responsible for errors, omissions, inaccuracies or lateness or liable for any claims, actions or suits arising directly or indirectly there from.

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