

Prior to COVID

- NZ Construction industry was still booming and riding a high wave
- Construction Sector Accord – established in 2019 by 13 sector leaders from across industry and government to tackle challenges facing the sector including skills and labour shortages, unclear regulations, a lack of coordinated leadership, an uncertain pipeline of work and a culture of shifting risk

26 March 2020 Level 4 Lockdown – 4 weeks

28 April 2020 Level 3 Restrictions (most constructions sites operating) – 2 weeks

- Pessimistic approach to projects taken by most Clients putting majority of new projects on hold
- Most regions expected a 20-30% drop in workload
- Hotel developments have been postponed indefinitely
- \$1.2 billion redevelopment of Auckland Airport's domestic terminal, and upgrade the international arrivals hall was shelved
- \$3 billion shovel ready fund established by Government – mainly infrastructure projects that were approved & allocated fund.
- The Wellington region (capital & government city) experienced a surge in Consultant QS workload post lockdown

13 August 2020 Level 3 Restrictions (most construction sites operating) (Auckland) – 2.5 weeks

- There is a slowdown in turning around vacant existing office spaces
- Significant commercial projects will become completed over the next few months leaving a large workforce available

Overall

- Cautious approach from Clients committing to new projects on a reduced scale – a wait and see approach
- We are anticipating a quiet last quarter to 2020
- Still a reasonable amount of new tendering and RFP projects out there
- Sub Contractor and Main Contractors are now desperately trying to fill order books
- We are hoping the industry doesn't adopt a race to the bottom price approach that put business under
- To add to the uncertainty we are having a Government General Election in October 2020 which could change plans if another party were in Government