TONY'S VIEW SURVEY

Input to your Strategy for Adapting to Challenges

Feel free to pass on to friends and clients wanting independent economic commentary

ISSN: 2703-2825 2 March 2020

To subscribe to the free Tony's View weekly, email me…tonyalexander5@outlook.com
To enquire about having me in as a speaker, same address.

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.

Constraints of Labour, Credit, and Legislation

Many thanks to the near 450 people who responded with comments for this quarter's survey - not just the first 117 but those who responded after my "pull finger" email. I have summarised the results in some key categories just below. Then on the following 50 pages you will find tidied-up responses broken down into the following categories.

Accounting
Advertising and Marketing
Agriculture
Automotive
Business Advisory Services
Commercial Property
Construction
Education and Training
Energy
Engineering
Film
Finance
Financial Management
Food Processing
Forestry
Health
Heavy Equipment
Horticulture
Hospitality
Information Technology
Insurance
Landscaping
Legal
Local Government
Machinery including Electrical
Manufacturing
Miscellaneous
Offshore
Packaging
Product Design
Property Development
Recruitment
Residential Property Investments/Rentals
Residential Real Estate
Retail
Retired plus Aged Care
Tourism. Travel, Aviation
Transport and Storage

For most people, reading the following summaries will be enough. For another group focussing in on a sector of interest will hopefully yield insights and maybe confirm or challenge one's beliefs. And for some hardy people, the full 50 pages will be insightful bedtime reading. Most grammar errors have been maintained, but potential identifying comments have been scrubbed. You choose.

The overall themes to come through from the survey include the following.

1. Labour in NZ is in short supply and businesses are increasingly reliant on migrant labour made hard to get because of visa changes. Firms dependent upon Chinese work visa migrants risk production interruption in the short-term.
2. Banks have noticeably tightened up their lending criteria and processing times for mortgage applications have blown out because of staff shortages. Existing customers are being given priority over new-to-bank clients.
3. The Covid-19 outbreak is having a widespread negative impact in almost all tourism-related sectors plus forestry. Firms outside those sectors are concerned the temporary factory closures and disturbances to shipping schedules will impact on their ability to operate effectively in coming months. As is happening overseas, international business travel is being slashed.
4. There is very strong investor demand for commercial property, with mixed-use and offices most favoured, retail far less so.
5. Both investor and first home buyer demand for residential property have strengthened since last year's interest rate cuts. Prices are rising.

6. Tenancy law actual and proposed changes raising costs and reducing ability to remove unwanted tenants in an environment of rental property shortages, are on the brink of creating a low socioeconomic rental crisis previously unseen in New Zealand. Not only are many landlords planning to rent only to "worthy" tenants, some are planning tenancy terminations ahead of the legislation becoming effective if passed.

Accountancy
Accountants know virtually everything about their business clients and can give an early indication of developing issues which may ultimately stall economic growth. No such issues beyond virus worries appear in our survey. Getting funding from banks for small businesses and new ones in particular has become a large problem. Deepening compliance requirements are affecting sentiment somewhat. Accounting staff shortages are bringing increasing reliance on migrant labour on two-year visas. Clients are worried about virus impacts from a multitude of sources some specific to tourism, forestry, meat works, input supply, attending overseas events, and generally cash flows.

Advertising and Marketing
Although this is a sector which gets hit when the economy is weak, as yet there is no evidence of this in NZ though offshore clients are trimming already. Digital marketing is going strong.

Agriculture
Issues in finding and keeping staff appear as great as ever, leading to an increasing push into automation. However capital spending is being reined in with mainly "tyre-kicking" at the recent Waimumu Fieldays down south. As yet, although there are some concerns about meat works unable to take stock as quickly as before and prices easing amidst drought conditions in some locations, the general feeling is that this unique situation will be just temporary. Store lamb prices appear most hit by the current combination of factors, beef next. Dairy seems fine with regard to the virus, but concerns are very high regarding banks pulling credit, and a growing list of regulatory requirements and worries about anti-farmer views. Horticulture is reported in good shape. Wool prices may suffer if the Italian economy plummets as lower prices for Aussie fine wool shipped there lead to lower prices for NZ's more coarse product. The beekeeping industry has had a boom, and now the bust is expected to see some operators go out of business.

Automotive
Car sales still seem fine but there are concerns about a hit to come from two sources – a downturn in rental car fleet demand associated with weakening tourism, and businesses cutting back on leasing amidst belt-tightening. Leased freight transport equipment is being returned early.

Business Advisory Services
Similar to accountants regarding no obvious weakness signs largely with virus chatter still mixed. Concerns about business management expertise not being high enough, insufficient long-term focus and preparedness to pay for good advice rather than relying on number 8 wire thinking.

Commercial Property
This sector is quite busy on the back of strong demand from investors for property assets – which existing owners are reluctant to sell. Yields continue to fall (by and large) and more properties are being brought to the market via syndication to hungry investors. Retail properties are weak in many locations but mixed-use facilities are well sought.

Construction
The sector is very busy across virtually all types of activity, and expected to remain so, not least because of increased central and local government infrastructure spending. However, all construction types are constrained by banks pulling back credit availability, labour shortages, (increasing reliance on foreign labour) and material and component supply chains. Concerns are growing that the recent (temporary) closure of factories in China and ongoing shipping uncertainties will push out completion dates for some projects. Some projects rely upon Chinese labour which is still absent because of lockdowns and the ban on Chinese residents flying in direct from China.

Education and Training
In panic mode. The main concern is obviously students stuck in China and the revenue impact which if sustained is expected to lead to cost reductions in institutions which seem to have become highly dependent upon this income source. Some extra expense is being felt currently in hiring casuals to tutor students whilst still offshore.

Engineering
Businesses are quite busy and, in most cases, anticipating that as long as the pipeline of infrastructure projects planned by the government is steady, vital resources won't be lost offshore and engineering service requirements will remain good.

Finance (many real estate comments too)
This section is long and contains insights one does not usually come across in media and I recommend taking a look at the responses. In summary… Credit demand is strong but availability has declined as banks have tightened up criteria. Bankers need to keep more detailed diary notes of discussions with business clients and applicants. Demand for non-bank finance is soaring, especially from those on low to middle income, with low house deposits, or anything less than stellar in their background. Banks are taking a long time to process mortgage applications – reflecting severe staffing shortages. Existing customers are receiving priority over new-to-bank applications. Banks are going through applicant bank statements in detail to gauge serviceability, resulting in reduced amounts being offered to lend than a year ago. Affordability/ability to service a debt has become the binding constraint on loans, less so deposit size. Property development finance has become much harder to get. Bankers are paying more attention to commercial tenant prospects in property funding applications.

Food Processing
There has been a falloff in offshore milk powder orders. Meat companies are keeping an extremely close eye on the situation in China, but generally anticipate things improving soon.

Forestry
In contrast with the view that meat processing problems will ease soon, issues for forestry involving logging gang layoffs are expected to continue for much longer. This is because of a large build-up of logs on Chinese wharves.

Information Technology
This has long been a busy sector and remains so as businesses need to constantly upgrade their technology and new products are coming out all the time. Coronavirus is causing some problems involving important visits offshore, and delivery of equipment from Chinese manufacturers – or assemblers in other countries unable to get components for now.

Insurance
As for mortgage brokers and some others, the need to get a recognised formal qualification involving an extended period of study is seen as a bureaucratic hassle which is driving some older participants with experience from the sector.

Manufacturing
Finding staff remains a big issue for many firms. There are worries about factory closures in China delaying parts, however hopes that progressive restarting of factories already widely reported will continue apace. One issue is inability to supervise product quality in China because of the travel restrictions. Another is a desire to minimise the risk of being caught short by reducing advertising until the supply chain is back up and running. Some operators are hoping the lesson of high exposure to China might cause some buyers to switch back to buying NZ manufactured products.

Miscellaneous
A wide range of businesses covered with some interesting anecdotes you'll need to find for yourselves.

Offshore
I've included comments from people located offshore which might be of interest, especially given the virus outbreaks.

Property Development
The sector is very busy in Auckland and Wellington, and residential buyer interest is high. However, sales results are mixed from one development to the next. Developers widely report difficulties working with councils. Reporting of financing difficulties is noticeably less than in the earlier Finance section which mainly covered the home buyers.

Residential Property Investment and Rentals
Demand from investors is strong at the same time as there are deep concerns about the end of no-cause terminations and rolling of fixed tenancies to periodic. Owners are not just saying they will raise rents to reflect various cost rises, but will actively weed out any existing bad quality tenants they might currently have before the legislation becomes effective and it becomes near impossible to remove them. Once in place many owners plan only selecting proven good tenants. "Tenants not in work, tenants with bad credit

histories, tenants with young children and, solo mothers, amongst others, will now not be considered ". The changes are delivering some pricing power to the "good" people. But in an environment of worsening rental property availability this will throw even more people at the mercy of state housing services – if they can get them. By lifting the average quality of NZ rental stock, government policy will price it out of reach of many is a key underlying theme.

Residential Real Estate

A strong upturn in buyer demand has been underway since the interest rate cuts last year but stock is in short supply so prices are rising. Open Home and auction attendance and clearance rates are all well up. Demand from first home buyers is notably strong. But many are too optimistic in their assumed ability to get bank financing. The old days of easy credit availability have gone and meeting debt servicing criteria is hard. Demand is less noticeably increased for higher-priced properties. Banks are wary of properties requiring doing-up. As yet there are only a few mild signs of a few more vendors coming forward to take advantage of the increase in demand.

Retail

The surge in the housing market is not being accompanied by a surge in retail spending. Costs in the sector are rising, concerns are growing about product availability because of the virus, and sales activity is perhaps average overall though highly dispersed. It's very hard to make generalised comments for the sector.

Tourism, Travel, Aviation

A shock is running through the widely-defined travel sector generating layoffs and major cash-flow difficulties especially for businesses reliant on servicing the Chinese market. But generalised weakness outside that market is spreading. Campervans and rental car companies are being affected.

Transport and Storage

The coronavirus is affecting airfreight, road, and sea freight operations, generating considerable uncertainty about schedules, volumes, capacity availability, and pricing. In the words of an international freight forwarder "our forward orders for March have fallen off a cliff".

THE SUBMITTED RESPONSES

Accountancy

- Auckland. Things are a little quiet for this time of year, largely because we have over-resourced in preparation of a senior member exit at the end of next month. We aren't seeing any effects from coronavirus at this stage, as far as I am aware.
- I'm a small chartered accountant in Silverdale picking up a constant flow of clients from different sources. Very busy coming up to year end. Business results are a very mixed bag with some doing very well and others struggling even in similar industries. No sign of Corona virus or effects yet. Some business purchase activity. Rental clients haven't yet run for the hills over the new legislation on 90-day notice but some are talking about it.
- Accountant Christchurch. Been particularly busy year with no sign of slowing down in the next 12 months. Biggest issue we will face is staff recruitment as senior staff retire.
- I am a Chartered Accountant and am seeing clients within the hospitality industry (including suppliers) concerned about coronavirus. The suppliers within the hospitality industry with low margins relying on high turnover in particular. Clients within the property sector are showing mixed results. Clients with established history and goodish track record are ticking along. Newish clients are struggling with funding. Both are however concerned with demand in particular with first home buyers.
- There is a skills shortage for experienced auditors, certainly in Auckland. It takes 4 years of university training and then another 3 years professional training on the job (total 7 years) to become a qualified chartered accountant. Hiring of qualified and experienced auditors (mostly ca's) is increasingly done overseas, as we can't recruit enough skilled auditors locally. This is because experienced auditors' wages and conditions locally are typically lower than in commercial roles for a similar experience. Big4 firms are prepared to take a reduction in productivity and efficiency (e.g. training and enculturation, loss of client experience and relationships etc) in return for managing their direct cash costs (i.e. not needing to raise wages to retain and attract locals.) Migrants (long & short term secondees) are prepared to

accept the local wages offered as they receive benefits from our environment and lifestyle which are not available in their home labour markets. The big firms hire 100+ graduates locally on an annual basis and approximately 100% leave in the course of 3-5 years and they need to be replaced. This is predominantly being done from offshore now. Accordingly, a significant proportion of the big4 audit teams are staffed using migrant labour, a lot on short term (2 year) international secondments. I remember when I first became an audit manager in a big 4 audit firm in Auckland, I was the only 'kiwi' in group of 20+ managers (In context this was the size of the management group in just one of the audit divisions)! This has persisted in my current role in another of the firms where I think there maybe 1 or 2 other kiwis in a similar sized management group.

- Accounting – Auckland. Noticeable concern impacting clients who are having to attend overseas events. Large expo in Spain being cancelled due to concerns of outbreak a lot of uncertainty around it and being shifted later in the year.
- Things seems crazy busy due to getting closer to Financial year end (Finical accountant) – Financial Services in Auckland. Overall business is doing ok – outlook the grey clouds are getting darker – lots of legislation for our industry. Rental car business demand has softened and overall car sales are down. Coronavirus has no direct impact but could have flow on affects if other industries starting to struggle.
- We are accountants serving a broad spectrum of clients both north & south Islands. Mostly importers, distributors, wholesalers in wide variety of industries. Sourcing ex China has shot up the list in terms of risk. Even if supply re-starts soon, logistics of getting product out of China will lead to huge delays. Better to build supply-chain relationships elsewhere and reduce risk.
- Chartered accountant, Milford Auckland – no immediate effects on businesses from Covir19 but certainly a mood of concern & some fear. My industry keeps on keeping on. The rumours of the death of the CA are greatly exaggerated.
- There's a lot of activity going on down here in Dunedin at present! Most of my small business clients are busy and reasonably buoyant after negotiating the usual cash flow issues over the Christmas break. There's the usual competitive pressures in the retail sector of course. Cruise ships make a big difference down here as we're a much smaller city and I don't think Coronavirus will change things significantly for our tourism operators. Housing is a big issue as you will be aware. The hospital rebuild will bring renters and it's a strong landlord's market at present. We have a (possibly) higher proportion of older people facing housing difficulties too and there's just not the number of units/apartments etc to accommodate them. Plus, social housing needs are on the rise.
- Clients are still having difficulty getting funds from banks – although this is improving from 6 months ago. Debt servicing seems to be the key issue. Clients more active in both commercial property and residential property space. Revival of requests for advice around taxation of subdivisions – indicates property development increasing – Auckland UP. IRD transformation project (My IR) still has a lot of "bugs" - very difficult to get the IRD to deal with anything slightly complex. The cost of running an IRD dispute is ever increasing. IRD still taking the view that all leaky building claims are non-deductible. We have a number of cases at statement of position stage in the disputes process and it would be good to get a case through the courts. Compliance cost of loss ring-fencing rules is high (and likely outweighs any tax benefit of attributed losses). Coupled with additional landlord costs (insulation etc) property investor market will be feeling the pain. In addition, with 5 year bright-line rule, we can see more investors becoming traders. A lot of rogue IRD investigators who are actively going back beyond the 4-year time bar. Large number of IRD interpretation statements – a lot of commentary and legislative amendments around trusts. With AEIO, CRS reporting and foreign trust disclosure, watch this space for more IRD audit activity.
- Christchurch. The biggest issues for my SME client base are credit availability and increasing compliance costs. These issues are unchanged from the last survey. I have yet to see any economic impact from Covid-19 but I do not dismiss the impact of fear in the NZ Chinese community I interact with socially. My concern is, while some Asian countries such as China, South Korea & Singapore have the strong government & financial resources to fight the disease. However other countries (e.g. war-torn Syria) do not. This makes containment somewhat unlikely given we have strong international transport links and weak understanding of the disease.
- Gisborne. Clients in forestry sector and crayfish industry under incredible price pressure with not being able to get product into China. Sheep & Beef industry also seeing pressure at the killing end not being able to get stock into the works due to queues with the drought conditions compounding the lack of

ability to access key markets due to coronavirus. Honey industry was already going down the tubes before this virus hit - the impact on price this year what looks like bigger yields this season is going to cause concern. If only all our industry marketing teams were as smart as the Zespri team - sending free Kiwifruit (natural vitamin C capsules) to the hospitals in China with compliments of Zespri was a stroke of genius! This province is driven by a big pipeline from primary industry which directly feeds our local economy. When this pipeline stops flowing serious problems arise here very quickly. In December Gisborne was looking in the best shape since wool was selling for a pound per pound. Every sector here (with the exception of retail) was booming. With no exposure to the dairy sector in this region we represent the rest of NZ's export economy rather well and could be seen as the canary in NZ Inc's coal mine. Our canary is certainly not singing at present. This also brings out fears of increasing non-performing loans: The pipeline slowing in terms of people not being able to meet rent payments/ mortgage payments will impact on housing and consumer non-performing loans too which may see RBNZ thankful for increases in the capital adequacy measures it recently imposed. All-in-all this market boom has come to a grinding halt here in Gissy very quickly and clients are worried about the growth commitments recently made for new premises etc. Time to gather the cash, and prepare for some fast and hard decisions in terms of staffing and hunkering down.

- Auckland. Impact of Coronavirus - No immediate impact however clients are concerned on their existing and cautious about future investments in the tourism sector and destinations e.g. Rotorua, Queenstown etc
- Dunedin. Experienced staff is a concern – currently we need to hire two more, and will do so, but will pay well for it! We are paying current staff well over market rates to ensure they stay, plus provide extra benefits, like extra holidays etc. Red tape is driving us crazy, seems to have got much worse in last couple of years IRD new computer – will be good in the long run, but has also created a lot of extra work. Particularly correspondence with clients as IR have pushed much more of this onto tax agents – and tricky to recover a lot of this extra time. – we do try! Older clients and some trusts really having issues with IR not accepting cheques – so more time lost sorting out these type of issues. Once can argue they should have on-line banking, but not easy for some people. I suspect this has been done five years to early by IR & ACC etc. Most of our clients still pretty positive – except some tourist operators, and dairy farmers.
- Chartered Accountancy Auckland. Things have remained relatively buoyant across our client industries and in our own but we do make the following observations: Clients across the board are still concerned with the wage inflation created through the increases in the minimum wage. We have been regularly receiving notices of price increases from our suppliers – everything from office supplies to cleaning to IT and software. Some commercial landlords with tenants operating Chinese restaurants are being told by the tenants that they are unable to pay the rent due to empty restaurants
- We are a chartered accounting firm in central Akld. Certainly seeing more clients (esp. more sophisticated/wealthier ones) getting into investment properties. Most businesses seem to be going well, although getting good staff seems a common issue. Some evidence of a slight slowdown in construction for some players but not all

Advertising and Marketing

- Auckland based digital advertising agency servicing sme's nationwide. Generally, very busy at the moment. Some customers starting to raise concerns (especially those in Travel/Tourism related), but we are not seeing any pull back in budgets at this stage
- I have a business in the digital marketing sector in Auckland. What I'm seeing from my small corner of the world: There is good activity in business, with people wanting to undertake marketing activities and generally promote their businesses. This is not because they are struggling but because they have the money and confidence to do it. When times are tough, marketing/advertising spend is often one of the first things to get the chop, which seems counter intuitive but nevertheless it's often the reality. So, I see business confidence as being quite good and general marketing activity seems to support this.
- I work in an Auckland ad agency, where I am the Creative Director. All my client are multi-nationals which means I have to deal with clients in Melbourne, Sydney, Singapore and Chicago. Here's my interpretation of how things are: Advertising has always been one of those industries considered to be a canary in regards to recessions. At the moment budgets are being slashed in the drive for greater profit. Usually, this affects only ad agencies, but what I'm witnessing now is the withdrawal of offices

leaving only a thin line of Sales and Marketing to run the country. Similarly, running alongside this is a big turn to digital media. The lure of digital is because it's cheap, but it doesn't work very well by itself. So now I find clients in a death spiral of cutting costs and turning to digital for short term profit only to find that nothings working. This has all started to happen six months ago.

- Marketing. 2020 has started fairly strongly. Clients seem to be interested in making investments in growing their businesses further this year and spending the right money in terms of marketing and using efficient channels. We work with clients in the financial advice sector. They are quite focussed on regulatory changes. They all report busy times servicing their clients.

Agriculture

- Dairy farmers are pragmatically getting on with the job. Concern about the quality of labour as well as making better decisions on managing their own time more efficiently, is seeing a rising demand for automation. And those who have already automated parts of the business are doing more. The industry is mindful of the impact of Coronavirus but cautiously optimistic about the year ahead with a global demand/supply imbalance for product.
- Dairy Farm Servicing Business Southland/Otago – turnover steady on last couple years – few if any capital projects (new cowsheds) – lots of maintenance and small upgrade projects on Dairy farms – Data management, milk cooling, water/effluent management are key areas for growth. GDT down but "flow on" not apparent at coal face as yet – with pay out forecast over $7.00, then will be good for this business. Note – Waimumu field Days – best described as "flat" – not a lot of capital spending……lot of tyre kicking.
- I'm in the meat poultry industry. Corona virus has dropped beef prices at my mate's farm gate. That will eventually transfer through to prices in the shops which will in turn put downward pressure on an already depressed poultry price at the shop. The cost of compliance to constantly changing regulations requiring equipment and capital upgrade expenditure etc. The latest fad being free range chicken supply having to alter the sheds to accommodate this method is the name but one. The ever-increasing cost of energy electricity LPG etc. Had to do a minor repair on top of the silo that was previously done with an extension ladder in five minutes now requires the hiring of a cherry picker to do a five-minute job…… Ridiculous.
- Animal health. Cautiously optimistic. The dry has slowed production and more supplements are being fed. The value of capital stock remains high and the general outlook remains buoyant despite coronavirus upsetting demand to China.
- Our business was for sale and any potential purchaser and business interest in our property was absolutely killed stone dead by Labour.
- Impact from Coronavirus has proved trying times on farm here. North Canterbury farm not irrigated so in drought presently. Currently still running half of our lambs which normally would be gone in third week of January but due to schedule dropping significantly due to meat sitting on Chinese wharfs unable to sell then presently. Alliance is better to deal with than SFF as they have other markets so managed to get small number of old ewes away but still carrying bulk of them also. My understanding from rep is NZ has limited cooler and freezer space so cannot hold much more meat capacity as the moment. Also limited store market for animals until grapes are picked and bit more rain required in this area before lifestyle owners will want stores. Same with our calves selling privately rather than wait for drought sales. Initial results from manuka honey is good quality and kgs/hive but market flat at the moment due to China so will wait to sell once market settles. Rumours abound of a number of bee keepers who were new to the game going broke.... but will wait and see if this eventuates. The ASB bank is currently supportive and said we can hold until market settles but will wait to see how long this wait and see approach lasts. Indications are we still have to meet overdraft reductions but goal post just shifted to end of April.
- Agri – Otago. Farms feeling good about production outcomes for season, – no drought here!!
- Not feeling any effects regarding corona virus…. yet, watching the GDT with interest. More worried about external factors – govt compliance, drop in share and land prices, staffing an ongoing challenge. Lots of farmers just treading water at the moment with any surplus going into debt repayments. Not making any significant impact due to large borrowing, god help them when a $4.00/kgMS arrives.
- In the Nelson/Tasman region our focus is still on supporting our existing Agri customers whilst actively seeking new to bank SME and Housing opportunities.

- In my Agri world it has been the second consecutive dry summer for my primary producers in the top of the south. 70-100mm of rain in Golden Bay over the past two weeks has improved the mood amongst my dairy customers there and in general they are in better shape than this time last season. The majority of my pip fruit growers around Motueka, Riwaka and the Waimea Plains are in reasonably good shape heading in to the 2020 harvest with many looking to start picking apples this week. There have been less constraints around irrigation this season. Based on recent conversations I would expect apple yields may be up on last season. News today that the Waimea Dam project is now facing in to a $25m cost overrun due to geological conditions on site is likely to throw fuel on the fire of this controversial project in our region. My Kiwifruit customers are reporting the crops are looking good. There is still appetite in our region for Zespri G3 licence this year which could drive the value even further north. Demand mainly coming from existing growers with Hayward Green they are looking to graft over to Gold. Hop customers in reasonable shape with many reporting that this season looks about 'average'. MyFarms large new hop garden in Tapawera is due for its first season/harvest this year and there are many eyes on the result there. The duration and impact of the Corona Virus is a hot topic as with everywhere else.
- I am in the Agriculture industry, based in Auckland but working across the country. Probably unsurprisingly, uncertainty is the biggest challenge I see for farmers and the agriculture support industry at the moment. While it is clear that farming practices are under more scrutiny and will be under increased regulation the specifics of this are currently unknown – while I have no specific data to base this on I get the feeling that as a result many in the farming industry are simply not doing anything because they don't really know which way to go and have too many day to day pressures at present to look at strategic opportunities. The effects of corona virus have not completely filtered through to the agricultural sectors I work in as yet, but no doubt there will be an effect, albeit unknown. Perhaps what many of those of us in the dairy industry have not yet considered is the effect of corona virus on shipping commodities like PKE, DDGS, etc. to New Zealand. Fortunately, we are at the back end of the dairy season with relatively limited demand, but if this continues for the long term, the availability and consequently price of those commodities may be affected.
- Drought and coronavirus are taking their toll on beef farming at present. Beef schedule $1.20per kg drop in the last 6 weeks
- Property Market- Hawkes Bay Residential, lifestyle and commercial properties still selling very strong. Rural values are mixed but generally positive. Sheep and Beef farms selling well particularly if well positioned neighbours are interested and have low debt and good cashflow. Strong demand from forestry sector for farmland with forestry generally outcompeting pastoral farmers on price in the Gisborne/Wairoa localities. Some Vendors have declined forestry offers as they don't want to sell to forestry.
- The coronavirus situation: there has been nervousness, and concern, about banks maybe not releasing funds to Chinese firms, and expected difficulties in shifting goods from the ports, but so far this doesn't seem to have had a major effect on the wool industry in NZ or Aust in terms of purchasing (and therefore prices) - there's some idea that Chinese industry is not expecting this to last for ever, and by the time the wool arrives in China, things should be on their way back to recovery. It's possible that there's some cheap shipping slots available, and as long as there's somewhere to offload at the other end, it's not exactly perishable? However, things could change if the current draconian controls on movement by Chinese regional authorities don't start to relax soon. The more recent outbreak in Italy hasn't yet hit the market commentators, but this might start to impact Australian wool sales - if that happens then NZ markets will also probably be affected (even though the two wool categories go to different market segments!) In other words, there's probably more water to flow under the bridge before the real impacts become known.
- I am a sheep & beef farmer in Canty. We are under pressure climatically, not unusual, but the one advantage of having 50% over capacity in our processing sector is that we can get stock killed within a couple of weeks. Not the case at the moment, especially around mutton. So, there are farmers holding on to non-productive stock & the values are dropping. Also, the case for prime lamb with a four week wait NI, two SI. Prices are OK historically, an 18kg prime lamb $125, about on 5yr average but if you are having to sell store lambs in the NI not so flash at $70, below the 5-year average. We are very much watching this space, 75% climate 25% corona.
- Commercial Beekeeper, large scale. Honey industry is not good at the moment to say the least. Bulk honey price is $3-$4 kg for white honey. Manuka prices I am not so sure about but what I am hearing

is NZ honey buyers are interested in purchasing Manuka honey but very few are committing to a sale. This may be because they are not sure what is happening in China. It costs about $4-$5 per KG to produce honey so as an economist I don't need to point out the problem here! There are too many beehives and too much honey being produced in NZ at the moment. Until this drops and some leave the market there will be casualties. Will take 2-4 years from now. You may be asking why can't we get rid of it offshore? We have priced ourselves out of the EU market… they don't want to know us and they have other cheaper honey coming in. US market is huge but slow to let new suppliers in. We sell most of our honey domestically in supermarkets… we have dropped our prices significantly however the supermarkets haven't matched this… no surprises there! Pollination contracts are good, though blackcurrant pollination has died a natural death… growers cannot compete with cheap blackcurrants coming in from Poland… bushes getting ripped out everywhere. A lot of nervous beekeepers out there who are not sure of their future! Those who have put away for a rainy day will be fine… those that haven't will be casualties.

- Veterinary. While we have had a strong 7 months, we are starting to feel the effects of the dry conditions and the nervousness of farmers is increasing. Store lamb prices have tumbled 50% (a combination of less feed and long delays for slaughter). Perversely this may increase our product sales with more mouths on farm i.e. more treatments for internal parasites, greater risk of facial eczema etc – time-will tell how the seasonal effects that drive these conditions prevail. Dairy farmers are very cautious for all the reasons you know – banks withdrawing credit facilities, dairy farmers feeling beaten up by this Government (water, carbon, nutrient management ….) and the flow on into the public's perceptions. Pet owners are much more positive – will the unease around decreased economic growth associated with COVID 19 unsettle this? Time will tell. We are holding a tight ship in terms of costs.
- Dairy farming business Waikato. Been a difficult period, banks not keen to finance this sector as they have in the past. Therefore, less people willing to buy farms, cows etc. Challenging times with corona virus (and not even any Mexicans drinking) potentially affecting milk price. Drought is a bad one, feed costs gone up. Compliance and regulations getting more and more restrictive. Despite this and what should be a good payout, biggest challenge seems to be staffing. Dregs of society types working or not working and damaging the operation of farms. Huge costs when you get a bad operator. Low interest rates helping. General feeling is that lots of farmers struggling. I feel like going to be more challenging times ahead with staffing, drugs, climate issues, lending restrictions, regional and national laws, ageing industry, eroding of land values.
- Farmers: having a very hard time of it, a lot have water issues, Cows are selling at the sales yards at up to $100 less that the meat schedule. Bull farmers are not happy and the younger ones have not been through this before, can't believe that they have to wait to get stock killed and that the price drops at the same time. Concern also over govt plans re water and environment, they not sure what they should be doing.
- Not too much change in the Dairy Farm Contracting sector for us since last time, just a continuation of the same where dairy farmers are holding their spending where possible. The change is a softening of the milk price expectation due to the Corona-Virus and the expectation of a softer period ahead. We are expecting a very quiet Autumn/ Winter this year.
- Mainly manufacture and supply products to Agriculture and Horticultural segment, but also to retail chains (big box stores) Business has been good through to end of 2019, though there is now a definite slowing from current drought conditions. Impact will likely last for 2-3 months. Coronavirus: Starting to impact on Raw Material supply, particularly materials sourced from Timber industry. Experiencing delays in both import and export container shipping.

Automotive

- I work in New Car sales. Sales still about the same, no sign yet of a slowdown though the ebullient days are past. Sales levels still good but seem to take a little more effort. No sign of a Corona visa effect as of yet.
- I'm in the Automotive industry, management - there's still plenty of work, I'm resigning and the biggest issue is it's very difficult to replace someone with my experience and we can't compete with the building industry for young talent, they have more capital to invest. We have the Sri Lanka boys but that's only a patch-up quick-fix. I'm focusing on my Rental Properties and some online work.

- I work in nationwide Car Transportation. We have capacity for 31,000 cars in storage, currently have 16,000. Market was down 5.3% last year and looked at start of year to be heading to be down a similar number, but corona virus may deeply impact tourist numbers. Also, the number 3 car brand just announced its closing! (Holden) Huge news. After 10 years of 7-13% growth we are now looking to stabilise. Used Imports cars look to be way down, but we only move new.
- I am in major national heavy vehicle rental & leasing business. This past summer has been lowest utilisation for many years. We have had ok numbers out of Auckland in December, but the rest of the country very poor. Past averages for good summer utilization would be in mid-80%s however in January we were lagging in the high 60%s and have only just crawled into the low 70%s. The feeling I have is NZ is over fleeted for the current freight task. We have seen much reduced demand for leasing product too. Although the past 5 years have had tremendous growth we are seeing a very real slow down. My estimate is 30% down on the highs of 2 years ago. A couple of reasons stand out: Increased competitive pressure. People seem less keen to make large financial commitments. Anecdotally around customers there is far fewer container movements hence reduced demand for container fleet solutions. Have been told This is due to export/import from China is dead. Rental equipment is the 1st to be returned when the pressure comes off. Another item of interest (or worry) is the amount of early returns we are seeing for lease gear. Large numbers being returned. Levels heading towards what was seen in 2009.
- Automotive, National Corona virus a threat to supply chain. Expect a negative impact as factories come back on line and the risk of being able to obtain shipping space priority. Currently not experiencing direct impact with sufficient safety stock, however has the potential to change week by week. Expect to find non-Chinese suppliers also impacted by their supply chain.
- Political u-turns on roading projects , electric car subsidies are positive but unsettling as it is apparent projects recently committed to could easily be slowed down post-election. Owners are supportive of NZ operations and willing to support positive business cases. End user customers appear positive, though reports of patchy sales.
- Automotive sector- Nationwide. Market is stable but business is certainly not as buoyant as it was under previous govt. Co-virus is certainly having an impact with many in our industry affected. Full extent of this is yet to be felt although this is likely just 6-10 weeks away…
- Auckland. New car parts. No impact from covid19 yet but it is coming. More impact from tolls IT issues. Sales buoyant.
- Auto accessories retailers are highly dependent on suppliers in China. Clients from this industry and building supplies importers have either cancelled on put on hold travel to China to attend expos or network with suppliers due to coronavirus.

Business Advisory Services

- I am Christchurch based & industry group is business advisor/director. No clients are exporters so no issues there. 2 are significantly reliant [50% of business] upon tourism market & both experiencing reduced demand – not real serious yet but 3-4 months of the same and it will be. Govt promotional initiative for boosting tourism is timely yet not exactly embraced by the industry.
- Service & manufacturing industry clients progressing unchanged & generally seeing growth in sales & profits. No affect yet from any issues with Chinese based inputs & I'm not seeing much discussion or consideration of this.
- I am involved with consulting work for several businesses and note that activity has dropped off and sentiment has changed from optimistic to pessimistic in the space of 3-4 weeks. Examples An investor client was going to bid aggressively for an industrial property on Auckland North Shore, had funding line arranged and registered valuations undertaken only to get cold feet and decide not to tender. Example a digital printing company in Auckland finding large retail clients pulling campaigns or reducing them dramatically. Example Myself 30 day European trip including 14 day cruise around the Med (all paid for) now seriously thinking of staying home regardless of risk of no refunds.
- I contract to a Govt department assessing small business start-up applications for a small grant and engage a couple of contractors to assist. I therefore read many business plans. Unexpectedly a client was impacted by the coronavirus having returned from Hong Kong and placed in isolation. This provided time to reflect on their idea and a decision was made to not move forward with their application. Various other people surrounding me are being implicated by the virus including inability to land imports and company directives stopping all unnecessary travel, domestic and international. Workflow for me is

strong with an inability to find suitable contractors that are skilled at in person interviewing, tying together the flow and structure of all business requirements and strong business report writing.

- I am a management consultant currently working mostly with small businesses in a number of sectors. Building industry, pharmaceutical, commercial and residential cleaning and home heating. Most of the small business do not think about the impact of coronavirus other than an occasional comment about the international impacts and they hope it doesn't get a foothold here. The small businesses are always worrying about cashflow, particularly the building sector where there's lots of work, lack of quality staff, increasing pressure by the staff on owners to pay more, with a lack of willingness from banks to lend money. Having said this, we're currently dealing with a number of clients who are good at their trade but who lack general business management skills putting them close to the edge of solvency and also suffering from poor paying customers. Our client customers are using our clients as their bank stretching payment out to 60+ days for all sorts of reasons. A need for our clients to focus on the business management/admin side of the business and try and find quality staff who will stick is becoming a distraction from the day-to-day delivery to their customers. Most of our small business customers are focussed short term and do not think hard about how their decisions will affect their mid-long term prospects.
- Business advisory services focussed on SMEs, Top of the South. The sector remains competitive, with a variety of sole practitioners competing against both each other and regional / second-tier accounting firms. Relationships and word-of-mouth continue to be the best marketing. Clients in niche primary industry and anything to do with property seem happiest to pay for expertise, and at the opposite end of the scale it's increasingly easy to draw a link between a number-8-wire mentality and a pending rationalisation of some small business. Smart operators who engage well with regional development agencies and / or chamber of commerce type organisations can access great small scale support for free simply via the networking. Kudos to the operator (even though that shrinks the potential client pool), and also the RDAs considering developing their own business models as a consequence (even though that will increase the competition). Clients who have to interact with local government dedicate a huge amount of time to compliance. No obvious coronavirus effects on my current client base, but much less talk around the water cooler about food and beverage industry expansion into China.
- I consult to a wide range of industries. Demand for my services continues to be strong. I personally have not noticed a down turn as a result of Covid-19, although it has impacted some of my clients, e.g. getting infant formula products into China over the last few months (possibly due more to Chinese New Year), and clients sourcing materials from China where it is proving more difficult to source.
- My industry is board/governance development. I work with boards around the country, Recently I made a decision to stop marketing, except for my website. And since then I have more work than ever. There is strong demand for board development, to face the world of changes, shocks, volatility, uncertainty, environmental challenges, compliance, and face all that while making a sustainable profit to fund the future. Fundamentally the need is for better decision-making in a world that is more complex than ever.

Commercial Property

- Professional Services (commercial property valuation). Auckland Busy with strong pipeline.
- I work in property in CHCH. First home buyer's market (under $600k mark) is very active at the moment! Commercial plodding along. Tightening of funds not suiting everybody. Lots of owner occupiers still in the market – particularly in industrial.
- I advise the listed property and funds management sector (with a real estate focus) and activity levels are strong with lots of deals and new product launches in the pipeline. This, combined with our annual 31 March panic rush, means that professional services in Auckland (specifically our tax service line) are running at full capacity.
- Commercial Real Estate Sales and Leasing with a focus on CHCH CBD Office leasing and retail development sales. Leasing is picking up, with the balance of power now moving towards equilibrium between Tenants and Landlords after 2-3 years of in favour of Tenants. Sales remain strong with good yields for Vendors, however they're not at the same level they were 18 months ago. Quality leased investment stock was previously dipping into the high 5%s and now we're seeing that struggle to get to 6%. This seems to be mostly due to difficulty obtaining finance, with clients who have substantial assets and cashflows being told no by their banks. Opportunity will come in the next year or two from Landlords with long-standing vacancies having to sell their buildings the cost of retaining them outweighs their

ability or desire to do so. Not much has changed since the last time I responded, although we are seeing the predicted shift in attitudes from Landlord's with long-standing vacancies towards selling beginning to happen. Yields have held steady and Coronavirus has had little effect on the markets so far, however if it starts to have an effect on interest rates then we would expect to see properties coming to market drop as yields push up.

- Commercial property sector in NZ. Shopping Centre and office buildings mainly in Auckland, Wellington and other provincial towns. Regional shopping centres in provincial towns are experiencing softening in cap rates. Office in all regions are experiencing tightening of cap rates. Retail assets classed as mixed use i.e. with office / residential / hotel development are faring better with flat to firming cap rates. No immediate impact from coronavirus seen in tenant retail sales, but too early to tell. We are monitoring as a risk.
- I am just about retired now, but what I can say is this; Property prices of commercial are continuing the upward slope, I bought one in 2011 (less than 12m and now at 19 m, another one 2015 at 4.7 m , now 8.5 m, recently one at 12.3 m, already 1 year later at 15.2 m. Bank yields of less than 2 to 2.5 % and mortgage rates at less than 4% promote property investments - and this will continue over next 2 or 3 yrs in my view. Yields at auction of 4.5% will be common and Vendors happy to sell.
- Industrial property owner and hands on property manager. Auckland, north shore. No effect yet from virus but since October last year definitely a slowdown in enquiry re industrial vacancy, properties in Wairau Valley in very short supply and yet agents report no serious calls on popular sizes 150 - 350 sq m last few months. Personally I am certainly looking at which of my tenants might be virus vulnerable, like kids entertainment, where parents might keep them home or Chinese importers and am keeping my powder dry and funds available just in case. Meanwhile enjoying the sun and lunches outside because this is the lucky country!
- Taihape. Commercial property hard to move due to earthquake strengthening requirements by council. Reports costing $7K- $12K just for the report !! So vendors not wanting to spend on the reports let alone the repairs.
- Auckland Commercial Property Valuation: Very busy. That has flowed on from last year for us though. Clients are busy buying and refinancing. Complaints of lack of listings to buy (at what they think is a reasonable price). The residential side has seen a jump in workload over recent months. Both sectors are pretty much at capacity. Difficult to find time to train anyone and also get work done. Market appears to be unaffected by coronavirus.
- Tauranga - Commercial property sales are happening, yields remain low, not sure of buying logic either long term growth expected or " I own that property" mentality.
- I am a commercial agent in Hamilton. There has been quite an uplift in leasing activity since the start of January 2020. Enquiry has been broad from national corporates and owner occupiers. Sales activity however, is low, as most commercial property owners are electing to hang onto commercial investments as the alternative uses (and yields) for their capital do not appeal. Hence, we have a situation where properties for sale are scarce. There is certainly plenty of people chasing the small amount of good quality stock that does hit the market, and we often get the comment that people are looking to get money off term deposits into property but they just can't find anything decent.
- I work in commercial property in Dunedin and invest/develop residential property in Auckland. Commercial property has seen good gains in values, strong/stable tenants, retail is challenging but still good turnovers with good operators providing the right product/service/value. In Auckland, there is demand for the build to rent product we are building from investors and tenancy managers to sign long leases. Finance is able to be obtained on good projects but I am most concerned with international ripples causing main banks to pull back or increase the equity requirements
- A comment on leasing in Canterbury and in particular retail - tenants are few and far between - the quality of tenant is still good however they are now asking for more from a landlord and it is difficult to keep rents at post-quake levels. This drop off has been noticeable since November 2019. The feedback from prospect tenants includes not sure of the future business therefore turnover is more difficult to predict. The one cost they try to have control on is rent. Decision making is taking longer. Growth towns such as Rolleston still command more than passing interest from tenants and rents hold up in these areas.
- I'm a full time commercial property investor with buildings in Penrose and Otahuhu. (I sold all my residential 18 mths ago). My tenancies cover a range of industries, including Automotive parts, kitchen manufacturer, Events stager, Tyre retailer and Spray/compressor equipment sales and service. Fully

tenanted at present, although it took longer than usual to replace a tenant in Penrose late 2019. There was soft tenant demand but strong owner/occupier and investor demand.

- Commercial Property Investments- No effect, though we have one lease renewal on 1 April. The particular tenant is our weakest and the bad news may push them to close down. Then it may be more difficult than normal to find a new tenant.
- Leasing activity in retail assets is hurting more (rent concessions etc), and this is starting to impact valuations Industrial market keeps getting hotter and is the standout favourite. Office is the second-most preferred asset, lots of foreign money coming over chasing Auckland office. Aussie banks are less willing to offer up funds, so starting to utilise Chinese banks. However, Chinese banks are very keen to grow their books in New Zealand which helps, particularly on industrial and office lending, and they do offer better pricing for debt.

Construction

- Residential development and construction. Banks are now restricting funding on land developments and have always been reluctant lenders to housing companies. We are also capacity constrained in labour, sub-trades and materials.
- I'm in the commercial construction business focusing on small projects (lots of them). Based in South Auckland. All is going well. We expect to continue to recruit and grow over the next year. Some of our materials suppliers are concerned about their supply chain due to the coronavirus.
- Construction industry, residential renovations, 5 employees. We started the year strong, consistent quoting and winning of work. 2-3months forward work for us which is good. At this point steady, no signs of cooling. No one is talking about the coronavirus in terms of our work or ability to get supplies. Still concerned about reports about the major economies cooling, the feeling is that inevitably what affects China will impact us.
- We design industrial and commercial buildings, let them out to tender, inspect, authorize payments etc for owners. We also provide structural design of beams, foundations, bracing etc for buildings designed by Architects and Architectural draughts people. Building in Christchurch is well on with transitioning from repairs to new buildings. There is not as much work due to the repairs tailing off. Christchurch has a lot of construction people from designers to tradespeople that took part in the recovery. Many of those have now departed. However, many found Christchurch a great place to live and therefore stayed. This results in more staff than Christchurch needs for the long term. To keep everyone employed we need the Government and City Council to hurry up with the new stadium, hospital rebuild, hospital carpark etc which were meant to be finished by now. Our competitors are reducing staff. We aren't, but are hunting out work very vigorously.
- We are a bit niche in that we contract to councils to process building consents, we also have inspectors and do a heap of work in the Auckland Council patch. We are still seeing high volumes of consents coming in. Interestingly for us (and I suspect councils) is that we can't rely on consent numbers as a good barometer any more. The consents are more complex now esp. Auckland market and involve multiple units. E.G Last calendar year we did a similar number of consents but 1000 more inspections for those consents (close to 20% increase)
- I am in the Structural engineering and Architectural design profession in Marlborough. Not impact from coronavirus yet. One of our clients sells Crayfish to China (99.5% of his business) and has had to let staff go because China is not importing.
- Plumbing and Electrical contracting generally busy around N.Z. but Christchurch not busy. Our company's biggest problem is finding tradesmen to hire. Nothing new there for you I know.
- Waikato Bay of Plenty Flooring Retail & Commercial. Usual sluggish start to 2020 for Jan & Feb. March & beyond is looking very positive - certainly much more positive than last year with CGT etc. Building (New Homes) and Construction (Commercial) is particularly buoyant & upbeat. Good solid levels of activity from Residential clients also. No issues with material supplies and emphasis on industry training & retention over the past four years is now paying dividends. Corona not expected to have a direct impact at the time of writing.
- Professional Construction Industry. Wellington. Have not received any indication from consultants or contractors of any effects due to Corona virus. However, It will take a while for any effects to actually spill over due to how inefficient the industry is I suspect.

- We are in Auckland and Construction. Workload is very high, with no signs of slowing down. Haven't seen any impacts from coronavirus.
- Residential Builder West Auckland for 40 years. Current workload down from last year and projected completions through to March 2021 down by 15% from current year. Enquiry level for new homes is still good though has dropped off from this time last year. Number of our regular subbies (carpenters and plumbers) are in a quiet spell at present. However with current interest rates, population growth and unitary plan changes we see no reason why enquiries and sales won't pick up again throughout 2020 – for us it's more a function of focus and time (as owners) to convert the enquiry
- I'm working predominately with tradies in Akl, Waikato, Tauranga, central north island and Wellington and not yet seeing any impact. I have one food retail client in Auckland cbd and they are seeing a slight impact they are putting down to corona - their contacts in Asian food outlets are feeling the pinch.
- Sector: Home Audio visual. Trends: Ubiquitous adoption of newly emerged devices and media services (e.g. connected home, smart TV/AV, access and security) across almost all demographics. Challenges: Home owners are increasingly aware of the benefits yet architects and builders are unwilling to provide for basic smart building elements in their builds (cost/complexity excuses). This myopia means we end up with another generation of buildings which are not fit for purpose. Opportunities: Are here for enterprising builders to package up and go to market with a "smart home ready" offering. It's not hard; provide basic Ethernet cabling for PoE and main network and energy devices, add locations for concealing Wi-Fi modems and boosters.
- We work in the area of advisory services around procurement and relationships based around collaboration. We are aligned with the Institute for Collaborative Working in the UK which has been in existence for 30 years. With recent initiatives – the Construction Industry sector Accord, Government Procurement rules and charter, the establishment of the Infrastructure Commission there is a common thread within all these around collaboration. As a result we are seeing an increased number of enquiries and with the Infrastructure project announcement we have already been engaged in assisting with the delivery of one of the projects. This year we are already ahead with a pipeline of work and we expect this to continue.
- I work for a builder in the high end residential $10m+ space in Queenstown. Definitely seeing fewer projects in the pipeline I think due to the foreign buyers ban. It's only taken until now to realise the difference as most of the projects were already in motion and or purchased prior to the ban have carried us through until now.
- Commercial construction sub-contractor – Wellington. Good levels of forward work orders at reasonable margins with next financial year looking strong. Some clients preferring to negotiate terms to secure resources. Constraints appearing in the material supply chain causing delays, however the greatest pressure remains labour shortages. No coronavirus impacts as yet but do expect minor disruption down the track with regard to product originating from China. We have work for more skilled staff today if we could find them. Have planned for increased levels of capital expenditure 20/21 to mitigate labour shortage and to remain competitive. Increased focus of employee wellness again this year as we compete to be the employer of choice in our region
- Plumbing Auckland, large construction contracts a nightmare, delays are costly, poor site project management. Lots of work around but working out who is good / profitable to work with is tough. Staff shortage of good plumbers.
- No large changes since November. Main challenge is locating skilled staff - still Although there seems to be a small easing in my Dunedin and Central building clients. Both have had builders contact them about employment.
- Things that I have noticed in residential construction industry in Auckland since the coronavirus from January: Lots of construction workers with work visas have stuck in China, it is getting harder to find the labour. I am surprised how many workers were on working visa in Auckland. Building materials are facing low stock, for example bench tops, tiles, bathroom wares, and locks. And have to consider purchase in advance for coming projects. Few suppliers have other factories in other Asian countries, Korea and Vietnam, but they need raw materials from China, so manufacturing has been affected as well. And to date, China factories seem to reopen slowly. (Got shown a lock factory no workers are allowed to contact each other for lunch then they have formed block seats for staff lunch).
- Construction, South Pacific region. We have started to notice the effects of the Corona-virus in the level of quarantine requirements regarding staff movement between the islands, and the movement of

materials out of China. This, in tandem with the measles health crisis in places like Western and American Samoa, has made normal inter-island business process more cost and time intensive.

- Residential building contracts have lifted significantly over the last four months - including Dec-Jan which is normally a quieter period. That's all around the country for us although we have predominantly North Island exposure. Government HNZ contracts have not eventualised, though they had contractually committed to certain volumes. Even going so far as to telling the industry to scale up and bring on resources, and then not follow through with the actual contracts. They don't know what they don't know and aren't really willing to listen - as they realise that they don't have the skills to make the changes inside Kainga Ora/HNZ that are required. Anecdotally, finance is still very tight for residential customers and worse still for investors.
- We are a Christchurch based shower installation/repair contractor. The majority of our work is for the group house companies. The last 2 years have been tough since the heady days of the earthquake rebuild boom. We ended up with an oversupply of new homes. Spec house sales slowed so those guys pulled back. Some housing groups have informed us they have experienced a marked increase in enquires which has resulted in a 50% increase on last year in sales. We are ticking over but from the sounds of things, things are going to lift very soon. Here's hoping. We appear to have an unlimited supply of land for new homes especially in the Selwyn and Waimakariri districts. With the new southern and northern motorways opening this year those areas will continue to grow. No known effects from the Coronavirus yet but a fair amount of showers are manufactured in China so watch this space.
- I work in the construction industry in Chch as a building inspector. No direct effects that I am aware of as a result of coronavirus. Construction is still ticking along as usual, however the pace slowed down mid to late 2019 and has stayed at that same level since then. I see a lot less "spec houses" being built and sold, with the bulk of work now being group housing companies or small outfits doing new builds and renovations for clients. A lot of builders and architects I deal with frequently are always quick to ask if we at the council are still busy and if there is many new consents being issued. I am unsure of the exact stats but from what I am told there is still a lot of new consent applications being received and we are expecting the work load to stay steady.
- Auckland Construction. We are finding the market at the moment to be very varied in our clients perspectives on outlook. Some are very positive in attitude while others seem to just constantly be waiting for the downturn. Our view is that while returns on savings remain low, spending on construction will continue. This is also aided on the public projects side of things while Labour are in governance. Coronavirus is starting to have an impact although this is still very minor - deliveries of imported materials are beginning to sight the virus as reasons for delays but it is too minor to know whether this is an opportunistic excuse or genuine impacts.
- Gossip heard: Most townhouse building has stopped in Orakei as developers unable to bring in builders from China (via local architect).
- Working in the flooring industry we have been and are still very busy, we have in fact had an increase in schools wishing to spend more asap for install next school break.
- Construction Industry-Demolition and Asbestos Removal. Both our industries are busy but very hard to get semi-skilled and unskilled labour, have bought in quite a number from the Phillipines last year. They're great workers, polite, tidy and generally nice people. They know if they take on all our training that they will earn very good money. After two years can be quantified and earning enough money to apply for citizenship and bring their families over, this along with the help of HR division. We have also bought in a number of skilled supervisors and managers consultants from the UK and South Africa. These problems are throughout the country in all the branches
- I work for a tier 1 main contractor in civil construction in Auckland. The market is busy and still plenty of tendering out there. On project, Margins are tight as are the programmes. Resourcing competent labour (unskilled, skilled, supervision and management) is difficult. As with subcontractors they are all busy at the moment and want staff too, effectively from the same talent pools. We are definitely starting to see the effects of coronavirus. Steel orders are delayed with manufacturing stopped or severely reduced as with shipping. This will affect everything from structural steel, reinforcement steel to bolts and fasteners - particularly long lead time items. And when it all starts up again how important will orders in little old New Zealand be compared to orders from larger economies. Then how will these delays be handled by clients? Extensions of time without cost will be the likely result so the true final cost is something construction companies are gonna have to bare as well. Haven't seen any effect in the concrete / cement market as yet.

- Infrastructure management consulting working primarily in the NZ local government sector. The NZ local government sector is very busy with capital project delivery, and legislated compliance requirements. The upcoming water regulator and proposed industry reforms will add to workload. The sector is extremely short of skilled resources, and with pending retirements this is not going to get better any time soon. The reality is that this skills shortage is much wider than just engineering skills and is across the whole stack of skills needed to deliver public works services to our communities. This is becoming a core issue in our ability to sustainably deliver public works service levels in NZ and is projected to get progressively worse over the next decade. My business is at the peak workload of our three year legislative cycle, and of course recruiting suitably skilled and experienced staff remains an ongoing challenge.
- Civil Construction – CHCH and wider SI. Pretty consistent and solid tender opportunities in the wider SI, CHCH seems improved on 2019 but there are more players and margins are certainly thinner than they have been of recent times. There is still a fair amount of uncertainty around workflow consistency and budget problems persist for all local authorities. The private market is also consistent although heavily driven by lowest price offer rather than certainty of outcome and across both the private and government work we do pre construction planning is not strong.
- Housing Developer in Christchurch. Things in Ch Ch are not going too bad in the lower price bracket of units/housing ($450k to $550k). Over that things are slower to move, but still are moving along. The coronavirus is starting to show up in supply of products, simple things like door handles etc are stuck in China. The idea that we had a “just in time supply” might be coming back to bite us a bit and if it carries on we will see more of this.
- The results being released by public companies at a time of strong forward outlook for construction and infrastructure is scary. Rio Tinto reports $46.2m loss at Tiwai Point. Steel & Tube hopes major projects will support second half. NZ Steel earnings drop 82%. And then there was Fletcher Steel’s most recent results. And while I appreciate infrastructure work has stalled under this government up until January $12bn announcement, what of the construction pipeline of work which has been strong for last two years. I am prepared to ignore the Tiwai / NZAS result as they have other issues to grind… and most of their low carbon, high quality aluminium is exported - mainly to China. Rio Tinto is just doing what RT does to governments the world over in election year. And then we have the appalling record of our Wood processors - with plant closures in the last six months in Taranaki (2), Bay of Plenty, Putararu, Carters rationalising its production facilities and more plants under threat in Gisborne / East Cape. But we have some serious shit ahead of … are we on the brink of something really sinister with our construction / infrastructure being now dominated by international construction firms who draw their supplies from their international supply chains…rather than local manufacturers. And here was me thinking that Government’s Rules of Procurement were to give greater access for New Zealand business!
- Builders are struggling to find and retain staff (skilled and unskilled). They are prepared to train, supply tools/cars, assist with visas. They start taking on beneficiaries subsidised by WINZ. Feedback as to reliability of these people is not great – they either can’t handle early morning start, or don’t have “petrol money” to get to the site, call sick frequently, injure themselves with tools or claim ACC for back injuries from lifting.
- Industry – Electrical Contracting South Island. ChCh – Turnover down 60% on last year – have shed staff to cut costs. Still a reasonable turnover predominantly in Commercial – low margins and high risk. Dunedin – Turnover steady – steady business as reasonably diversified customer vase. Invercargill – A new Hotel being built and demo of CBD started – we are steady but have withdrawn tender for new Hotel as with an outside builder coming to town we think the risk is too high… Queenstown – lots of work if want it – main constraint is qualified staff who can run a site (decent foremen) – having to use qualified staff ex Invercargill and Dunedin. Again, low margins and high risk – only dealing with builders we have long association with…
- Building Company. Strong sales especially inquiry levels since the New Year. We are fully booked up for the next 12 months but will struggle for good subtrades in particular - Painters and tilers. Any one from Auckland wanting to paint or tile - I would give them free accommodation for a year - in a new home!!

Education and Training

- Tertiary student accommodation investor. Dunedin; very strong. Demand high, prices high, supply not increasing fast enough. Christchurch; soft. Uni reports growth, but price increases haven't followed through. My feeling is that supply has come on faster than demand.
- Corona virus has hit with $millions impact in the polytechnic sector. International student fees represent about 30% of international revenues in sector (15% at Manukau Institute of Technology).
- I work in Asset Management for Institutes of Technology & Polytechs. Most of them have stopped doing anything other than urgent maintenance while they wait to be told what's expected of them; despite a lot of soothing noises in the guise of updates from NZIST, nothing specific has emerged.
- Music education - we are busy, and have taken on a new teacher. Normally when the economy is busy we are slow, and booming in the recessions so this is new for us after 35 years in business. We have had some students leave because they are now working 10 -12 hours per day because their boss can't attract good employees. No Coronavirus effects here.
- I work in education industry. We have been affected by Coronavirus since students from China have not been allowed to return or come in Auckland. What we are doing now is hiring casual employees to help our students who are still in China on how they can cope with their studies. Hence, there is additional expense for us for hiring these employees who will act as 'tutors' for our students who are still based in China.
- Education sector, 12,000 students stuck in China – about 1/3 new students. Given further delay the likelihood they will go elsewhere (Northern Hemisphere Autumn) increases. Perhaps more importantly if the restrictions continue, our status/goodwill with China may wane. Flow-on effects/bull-whip are going to be high. For example, according to RNZ the normal 10 day wait for visas in Beijing (handling 10,000 a week) will grow to 6 weeks given the closure of the INZ office in Beijing. That will make things worse for both education and tourism.
- I'm in Higher Education. Lots of panic re Chinese students, but taking steps (teaching online) to mitigate the worst consequences. Nonetheless coronavirus will have an impact. Chinese students are about one third of NZ's international intake, I believe. But otherwise… things seem to be holding up for my institution (AUT), might not be so good for others.
- Executive leadership development space. From a business point of view, Coronavirus will have potentially significant consequences and rated a high impact risk. Consequences could range from 'nothing' to having a case declared in a venue we run our week long programmes locked down. We rely on people travelling (From aus and within NZ mainly but can include US and UK). An outbreak, let alone pandemic, would have huge consequences. The biggest threat since the GFC with possibly more significant short term consequences. Cash in the bank is worth more to is now than ever before - it will help with business survival. From an industry perspective, leadership is valued and being invested in. Teams and cascading organisation culture are front of mind. Many leaders are cooked - working long hours, tough business conditions, high expectations, low mojos.
- I work in the flight training sector: We're likely to see an effect from the CV due to a drop in international enrolments; at the moment we are around 90% domestic to 10% international and are wanting to grow the international market - looking to double or triple the numbers. . Following on from the above, the main reason we want to increase internationals is because it is very hard to make money (to invest in new infrastructure as much as anything else) from domestics. Key reasons being that aviation is a high cost environment with certain costs (e.g. AvGas) increasing markedly over the last couple of years, but the other reason is that for the student loan funded courses there is a very low fixed cap on course cost increases meaning we're unable to absorb all cost increases. . Student loan funding (which is used for the majority of our domestic students) remains capped countrywide, even with a wealth of evidence of a pilot shortage - the government is using some seriously out of date and incomplete data. On the bright side, we've been seeing a steady increase in the numbers of self-funding students.
- Education. Business as usual around these parts. Some stressed families trying to position themselves into the area for schooling but very limited options available. The last three years have seen enormous pressure on all schools across the Western Hills as young families flock into the areas. At my school this rapid enrolment growth is starting to stabilise (Mainly because there is very limited room to build new housing within my zone). Sister schools in the area have large developments pending and (as usual) quite slow response from the Ministry. There will be some interesting capacity situations in schools like Kelson where hundreds of new houses are in the pipeline. The lag in response time to develop school infrastructure can lead to compromised learning situations for considerable time.

Ministry also have a tendency to look at capacity across a region rather than in isolation. This means that some schools are at choking point whilst others not far away have empty classrooms. Ministry not keen to build new infrastructure in the busy schools when capacity is nearby. Some pretty tough zone rules are being applied to try and manipulate the population - but people don't like being forced.

- I am working in the tertiary education sector in Auckland. Due to the NZ coronavirus travel ban, about a couple thousand of Chinese students are unable to start the new semester. With a significant reduction of revenue the institute has just imposed a staff hiring freeze covering all new advertised academic staff, fixed term and casual contractors. The institute also frozen all non-essential overseas travel since a month ago.

Energy

- I'm in oil and gas, on mat leave at the moment but speaking to colleagues no real effects are felt yet, apart from the odd overseas training course being cancelled.

Engineering

- General engineering sector. We have two products in the final stages of development, i.e. have customers wanting to order but we can't finalise things until we get to China and do a final quality check on the products. One we believe will be on hold until we can get there, the other we may be able to go ahead without a visit but it's our preference not to.
- Wellington - Structural Engineering No obvious effects - maybe some steel procurement issues in the near future?
- I am in the structural engineering industry based in Christchurch. We are fairly steady for work in general. We are still mostly working on EQ repair and strengthening work although this has started to slow down compared to previous years. New designs for commercial and industrial seem to be hard to come by and competition is high for these jobs. The times we do get these jobs is usually because of long standing client relations. We still have plenty of residential design work coming in. Our industry doesn't appear to have been impacted by corona virus as of yet.
- We are a heavy engineering factory. Things are still strong with supplying for infrastructure projects. We still note a number of bad experiences e.g. quality issues, out of China which are being brought to us to fix. (Some people are slow learners.) There is still substandard non-compliant steel coming into the country. We get to see some of it and find that when it's tested, that the steel certificates often don't match the results of our testing. (I wonder when something important is going to break)
- No impact noted re coronavirus. Activity in CHCH feels like it is recovering although there are still severe constraints on developable land within the greater CHCH urban area. Much of it low lying TC2 / TC3 requiring ground improvement and suffers from services constraints. Cost of development too high! No such thing as an affordable house! No contribution from Govt. or TA's re development contributions tax circa $40k! Northern and Southern Motorway Projects coming to an end mid-year with no sign of infrastructure projects to keep the big guys, ticking over. Skilled labour and machines will be lost overseas. Waimakariri and Selwyn doing much better. Queenstown start up competing with poor service expectations coupled with low fees. Hokitika – steady diet of foundation investigation and structural design for new builds. Nelson – plenty of work opportunity in Land development and Infrastructure. Provincial Council's Queenstown, Nelson not resourced to grow into Cities! Skilled labour market tight everywhere!
- I'm in the engineering sector and this has had a strong outlook on the back of more certainty around government infrastructure spending plans. Coronavirus focus is mainly on keeping our people safe. But if the broader economic outlook deteriorates than I guess the government spending plans may become less certain or get pushed out.

Film

- Film Industry. Wellington based. Corporates setting up own in-house production companies to make content. Which is having a negative effect on some photographers with small studio spaces losing out on producing online content/adverts/promos. Auckland still busy with major productions, and regular commercial work, and will continue to do so on the back of LOTR's TV series. Wellington not so much, but short term ok. NZ Industry probably hamstrung in terms of quality studio space. Some noises in this area ... but no spades in the ground yet!

Finance

- Home loan finance. Since my return to work 4 February 2020 there has been a lot of enquiry from people wishing to purchase a home either to occupy or for investment. Difficult time to purchase with very active market and a shortage of listings.
- As a Banker we were slower than usual in Dec. But Jan and Feb really picked up.
- The banks are tending to be cautious and diary notes need to contain more detail than ever before. There probably is a growing market for non-bank lenders particularly with ex-pat Kiwis wanting to secure property for their eventual return home.
- I am a Mortgage Broker. My industry is going great guns! Money has never been cheaper but never more difficult to get and many Kiwis are finally waking up to the fact that there is no loyalty in banking. My industry is going through regime regulation changes so some of the old cowboys are expected to exit. People without a 20% deposit, low to middle income and/or adverse credit history will see a boom in the non-banking sector as the only option to get onto the property ladder. Future is positive, always is here in NZ as property ownership is in our DNA. Risks = Clients expect an answer ASAP, call it the 'Uber' world we live in and clients expect an answer right away. With lending being complex and a number of variables at play, I believe we will start to develop an attitude of the 'have' and 'have not'.
- I am a commercial banker and look after between 30-40 business customers that turnover between $5m and $30m. To the degree that this small sample size represents what's happening in the region the following comments may be helpful: I have had two customers go into liquidation in the past 12 months – one in food manufacturing and the other in-home based childcare. Business lending volumes are down materially YOY in the commercial sector. Good staff continues to be a main challenge for growing companies particularly in the or exposure to the construction industry.
- I'm a Mortgage Broker in Rotorua. Here the property market looks something like this: There are a very limited number of property listings in evidence presently. This has been the case too for pretty much the last 2 years. Plenty of activity though when something nice comes to market. A bit of a feeding frenzy when that happens!!! Multi offers a regular occurrence when a nice property hits the market. Vendors are achieving their sale prices and often above regularly. The Realtors are scrambling for new attractive listings but they are few and far between. The Housing NZ (Kaianga Ora) price cap for this region is $400k for existing properties and $500k for new builds. This only applies for First Home Grant applicants. And $400k is pretty much entry level for first home buyers so there is fierce competition in this price range as you might expect. Some lenders are experiencing very high lending volumes (not from this region) more so the big cities I would expect. This means some of the loan decisions are taking up to 10 days to have assessed and approved. This is hopeless for buyers wanting to sign Agreements with longer finance dates (needed to access Kiwisaver Funds and First Home Grants) Rents have increased as accommodation remains in short supply. There seems to be an acceptance particularly among younger people to carry high amounts of short-term debts, on Q Cards, Gem Visa loans, vehicle HPs and Harmoney Loans featuring mostly. We are evidencing some existing rental property owners divesting themselves of housing stocks as a result of both new and proposed Government reforms. These moves are creating some new properties for the market and opportunities for first home buyers. Banks are providing good interest rate pricing generally and good incentives, usually still in the form of cash backs. Banks are generally matching each other's special rates. I see more clients carrying out renovations or additions to their existing homes. Additional bedroom, additional garage, granny flats and general updates or deferred maintenance. The key issue for lenders presently is DEBT SERVICING and the lenders continue to review and tighten their models
- 20yrs experience in brokering industry and I feel volumes are normal for this time of year but banks turnaround times for loan approvals are extremely poor. Feel they are majorly understaffed. Concerned what they are going to do when the market surges as no contingency plan seems to be in place.
- Finance Industry. Auckland. Busy with enquiries and pre approvals which are all choked up at the banks who are taking up to 3 weeks to process applications. The better we get at technology the worse the banks get at delivering good service in a timely manner, to the point where it is now down right disrespectful to everyone involved. Years and years of banks retrenching staff numbers squeezing more

profit out of their stakeholders - clients and third-party business partners is now coming home to roost. We notice their staff are frequently on sick/stress leave!

- I am a mortgage adviser working across Auckland, but principally on the North Shore. Some major banks under pressure with volumes. All are slow. BNZ only accepting pre-approval deals for their own customers – staff doing weekend over time. ANZ 5-7 business days for an answer and own customers prioritised. They report that volumes are the highest they have seen.
- Westpac staff doing weekend over time. Interestingly Kiwi Bank looking to fully enter the market for Mortgage Advisers. Many clients missing out at auction, good numbers at open homes, lack of stock.
- Over 80% lending for residential customers is getting harder if you require funding and are new to bank. Turnaround times are increasing across the banks too – up to 8 days to process loans via brokers.. not sure if this is a capacity issue with a lot of internal structural changes having happened across a couple last year.
- Mainstream bank funding for commercial property continues to be in short supply due to capital constraints with bias being to fund development projects to churn what capital is available. Chinese banks have won at tender some large scale regional projects in competition with the established 4". Waikato banker.
- Countrywide as a location, residential lending across mainly non-bank sector. Banks continuing to lend in the sub 80% space very well and limited in the over 80% space, very strict criteria and getting stricter in the wake of the Royal Commission in Oz. Non-banks great in the investment lending space and over 80% based on commercial sense rather than tick box that the banks seem to do. Agents back to flogging by Auction, especially to first home buyers, which I feel is criminal! Development finance increasingly harder to get and more expensive. Coronavirus definitely having an effect, how long that lasts for and the end impact no-one knows
- I'm in Auckland, doing mainly residential mortgages. Seeing a good pick-up in the housing market, prices on the increase has put a bit of pressure on a handful of my clients who were out house-hunting with pre-approvals under their belts but making no attempt to buy and are now seeing prices move and more demand so are happily placing offers and looking to secure their purchase. I'm also wondering if some of this is due to a perceived opinion that we might be having a change of government later this year, so investors alike are buying again.
- Mortgage/insurance distribution and financial advice. We see continuation of the firm lending trend with key risk being banks' ability to lend (and access to wholesale funding). Many customers are taking on shorter mortgages. Arguably we are getting more vulnerable to a shock, if it comes (hopefully not). Insurance not doing as well – possibly as a result of low growth in real/disposable incomes. Customers' outlook appears positive overall, they are borrowing more, taking advantage of low interest rates.
- I'm an Auckland based Adviser seeing a huge increase in applications across the board. Mainly first home buyers as they fight to get on the property ladder with historically low interest rates making it slightly easier and more affordable than renting in some cases, certainly not all that's for sure. I am also seeing a huge increase in properties with unconsented works / the old "she'll be right kiwi attitude" is now starting to catch-up with people, banks are getting very selective in their approach, combine this with heavy regulation across a multitude of industries will make for very interesting next few years in my industry. Not seeing any effect with the coronavirus just yet mate - however time will tell.
- I'm an overqualified mortgage adviser with a finance and accounting degree and a CA. Buoyant is the word I would use to describe the property market. You would have seen the property market heat up at the end of last year in the figures and continued momentum this year however the evidence on the ground is much more profound. Pre-auction offers are standard fair with multiple bidders even with a pre-auction offer. That said, banks are still tight and any property/security with an S&P that has a whim of an excluding vendor liability clause is going to go nowhere fast. BNZ opening up to the resi investor market by aligning to O/O rates has resulted in them closing the door on high LVR for the moment, a capital trade-off? The other factor is I don't think the banks were expecting the uptick, or maybe not so quickly so turnaround times are slow. Clients always ask me what is going to slow things down? Elections, China vs US trade wars, virus? I think your models have employment and immigration at the top of the list.
- Finance & Mortgage Advisory Auckland. Currently there is a lot of new inquiries in the housing finance space with a lot more activity in the first home buyers as well as the investor space. But I am consistently finding the lending getting restrictive and stricter. The lenders are really looking through the banks statements and the declared expenses with a fine tooth comb and only approving reduced amounts so

although the servicing rate has gone down and we feel that the affordability should be better, the way the lenders now calculate the outgoings is different than what it was a year before and hence reduced amounts are approved. The turnaround times from application to approval is another factor which is creating a lot anxiety in customers and advisers.

- Mortgage Broker – Queenstown lakes. We are finding demand very steady and are as busy as we have been. The business is currently expanding to create additional capacity. Further to this, we are doing more & more with the non-banks as the banks reduce appetite for out the box application's or anything that doesn't quite fit policy. Bank turnaround times is back over a week across the board, and house prices look to be on the rise, with multiple bidders at recent auctions. People are still looking further afield for a cheaper home and spend more to commute back to town for work. No major effects of the coronavirus, however, we did get a land development deal decline noting the below; "I don't think it is for us, value really depends on r/c being granted, who knows how long coronavirus is going to be around and what long term effect this will have, govt has stopped overseas buyers etc, think we will give it a miss."
- Banking – for new customers to my bank the book is closed for development, commercial property and rural sectors [just looking after existing customers] – I have seen a lift in other Bank development customer's touching base wanting to know what rates I can provide [state no problems with existing providers but just checking] so perhaps the market is moving closer to our interest rate levels in this space. I am told the 2 & 3rd tier lenders are getting overrun with enquiry but I assume most will stick to their knitting – borrow at 5% and lend small loans 8% or pre sold developments at 12%.
- Muted demand for new money. Coronavirus effects being felt through the forestry harvesting industry although to different levels. A level of uncertainty in tourism and support industries although Chinese tourists don't contribute significantly to bed nights in this region. Recent rain welcome but not really enough to break developing drought conditions. No real benefit identified from the latest handout from Central Government.
- I am a Mortgage Adviser in the South Auckland area. Customer enquiries for lending have increased since Christmas and continue to be strong, Real Estate agents are still lacking the number of listings they require so is a seller's market as seen in the housing market sale prices trending upwards. I am receiving more enquiries from First Home Buyers who are starting to change their way of thinking to, I need to get on the property market now instead of waiting to see if there is a Housing Slump. New builds are tending to be the point of difference with low deposit clients being able to obtain funding up to 95% on Turnkey deals through some lenders...I have also had questions recently discussing what the impacts Coronavirus will be on the property market so this is something clients are thinking about and making decisions based on where they see interest rates by the end of this year and next. There is a lot of interest in adding value to existing dwellings to provide a house for children who are struggling to enter the property market, these are deals that cannot normally be entertained by a major bank due to the parents sometimes not having the ability to service debt and major banks accessing parents being added as joint borrowers as almost a 3rd party/guarantee transaction now frowned upon for obvious reasons when the parents biggest asset is at stake. These deals are where the non-banks are coming into play and providing funding until said development is complete and kids can then finance the development through a major bank on a separate title and completed house.
- I am a Mortgage Adviser based in Whangarei. Upcoming changes to licensing is creating tension due to the unknown, personally I don't think it will be too big of a change and it's always good to review what my business is doing. Smaller part time advisers will struggle and its likely there will be some consolidation going on with people leaving the industry. The banks seem to be failing miserably with customer service which proving to be great for our business! Biggest news lately is Kiwi Bank opening its doors to advisers later on this year, so long as they put in the correct resources to manage that properly I wouldn't be surprised to see a large increase in Kiwi Banks market share in the next few years. Large increase in Aussie based 'specialist' lenders coming into the market although most are cherry picking their clients, they are looking for clients that only just fall out of main bank criteria and have plenty of equity. I find most clients come up with a solution and stick with main banks instead of going to secondary lender and higher rates/fees.
- Plenty of other lenders out there looking at real out of the box lending too… so long as you have equity. Here in Whangarei we have a severe shortage of properties for sale, I have never had so many pre-approvals in place, so although very busy there isn't a lot settling at the moment. All sections of the market are busy but more so in the first home buyer range. We are still getting lots of young couples

moving into Whangarei who are bringing skills and vibrancy to town… it's just hard for them to find a house to buy at the moment. General feeling around town is one of positivity: Hundertwasser building is coming along nicely, new hotels are getting ready to be built, government spending is getting a major boost with new roads etc. lots of old older commercial buildings are getting redeveloped/replaced and there is plenty of work available for people that want it. Even the closing of the mill hasn't been too much of a major, I have spoken to a couple of staff there and they already have worked lined up to go to when the door closes at the mill. All we need is a spot of rain to fill the water tanks and to keep the farmers happy

- Commercial lending. Demand not what it was late last yr. Number of smaller requests coming through but reduced number of larger deals. Most of the things that we are looking at have some issues to mitigate – these days nothing that fits within all the tram lines. Clients still appear reasonably confident although still unsure about the current govt but at the same time most National supporters have reservations about current National leadership & ability of same. Clients appear to be accepting of pricing increases for commercial property lending & rationale for same. We have lost one but not unhappy about that. Still strong demand for good quality commercial property and strong demand in residential.
- I am a mortgage broker working out of Auckland. Busiest start to the year in 10 years. Last year I saw 1st home buyers increasing, followed by investors late in the year. This trend has continued in 2020 with the addition of existing home buyers looking to climb the property ladder. Banks are back-logged with loan applications. Starting to hear banks talk about margin squeeze and therefore not discounting as heavily. Swap rates are steady so maybe they are struggling to attract Term Deposits. No effect from Coronavirus noticeable yet.
- We are a 2nd tier funder in Chch – we are being kept pretty busy with deals that the Banks won't look at or can't fund. Chch seems pretty positive and buoyant – I think people are encouraged by the new developments going on e.g. Riverside Market, and the Convention Centre which is progressing well. Hospo continuing to struggle though as we just have too many eateries! So some of the ones which did nicely post the quakes are closing their doors now. Still quite a lot of 'as is' resi properties being repaired and on-sold and it seems that (in a general sense) the housing market in the $400k - $800k bracket is quite competitive. I have been to a few open homes lately and some have been crawling with 50 people! Places in the price range seem to be selling if priced appropriately.
- Mortgage business - I had an ANZ assessor call me, 5.30pm last Saturday - said he was working seven days at the moment to keep up with demand. I commented on this to an ASB assessor today - and he said they were about to be offered overtime (a rarity in his view) to keep up with applications. I am in a mortgage advisers fb group - and there has been comment (i.e. complaints) re banks turnaround times - specifically BNZ and Westpac, so suffice to say - it is a busy market. I understand Barfoots have 50 auctions this month brought forward with pre auction offers (as per Barfoots agent in my BNI group this morning).
- Rental Property Sales and Mortgage Broking – Auckland. Coronovirus has made xero impact on us. Despite the general real estate environment, we are still a bit slow off the mark this year. Investors are shy (thanks to Labour no doubt and their plethora of landlord-bashing initiatives) which bodes poorly for this government trying to deal with their housing shortage. Additionally - we made 23 leads over one period last week (talking to people about purchasing a rental property) however after running them through our bank calculators, we had to cull 17 as they did not qualify. Very tough getting finance for buyers at present, particularly investors (unless you are a surgeon!)
- Mortgage Broking Tauranga. It's flat out across all segments – From what I am seeing, there is very strong demand from borrowers looking to leverage their existing family home which now has considerable equity resulting from the growth in value over recent years. There is strong competition for the first home buyer in the $500-650K range and a focus on getting to know agents to help ensure early access to upcoming releases to the market – or miss out in a multi-offer scenario As a result of the above, there is a fair bit of pressure in the application process and turnaround times have been pushed out with some lenders in recent weeks/months – albeit urgent deals are still able to be prioritised, there is little spare capacity in the machinery Tauranga/Mt Auction clearance rates at 42. Experienced investor client trying to buy in Gisborne missing out as properties are going for well over any value estimations.
- Commercial Property Finance (LNI and Canterbury) enquiry remains strong across all price brackets with a sustained level of often optimistic interest from those tenants who fancy the prospect of owning

the roof over their head. This group is motivated by 'cheap money' and the activity these transactions create, much like first home buyers in the residential market, seeds the levels above. Buoyed by the historic low yields, owners of lower end commercial property are taking the chance to upgrade. Banks are taking a stronger than usual interest in the strength of the tenant's business and forecasts for the sector in which they operate. Well located, multi-use, light industrial – lets chat. Strip CBD provincial retail – good luck. Residential sub-division. So many contributing factors conspiring to make access to finance a challenge. A massive regional variation notwithstanding, most first tier financial partners appear to have fully utilised current capital allocations.

- I manage a private asset finance company based in Auckland but service all of NZ. Bread and butter is individuals/self employed who require vehicle finance. Approx 8,000 active loans. Only aware of two existing clients who have lost their employment because of coronavirus. Both employed in the forestry industry. We stopped financing utes/farm equipment to the dairy sector after ANZ agribusiness pulled out. Going forward any one employed through the forestry sector will be differed. Regulatory wise it has been a lot of work with the incoming credit code, new FAP licensing and the commerce commission being very active with finance companies. On the flip side we have started doing more mortgage business, assuming it is a flow on from the LVR restrictions. But I thought we would have seen this activity earlier on. 99% of declined applications is because of affordability. Blue collar middle income couples or families on decent income who live in Auckland seem to be really struggling more so than the previous 5 years.. Saw the herald article about kiwsaver hardship withdrawals on the rise which makes complete since from what we get across our desk.
- We are mortgage brokers but also deal with a large number of small businesses. Residential property market in Nelson is strong and my guess is there will be a large increase in the median prices as very little lower priced stock, lots of higher priced stock and the higher priced stock is selling readily at good prices. Real estate agents report plenty of activity including listings coming on but also still selling quickly. Not as frantic as it was last year and I would describe it as more rational but still strong. The year seems to have started strongly and has built up some momentum. No obvious reason why.
- I'm involved in mezzanine finance for property development based in Auckland but look at things nationwide. This year has started positively with a good level of inquiry. Anecdotally, developers have been achieving presales recently which is something that was more challenging in the second half of last year, this is a necessary step for the developments to be viable. It is apparent that banks have tightened on their lending and more developers are looking to non-bank lenders. No coronavirus effects have been seen but developers and contractors are watching the impact that it will have on their procurement of materials out of China (be it delays or products not being available).
- I'm with a small Non-Bank Deposit taker in Chch, predominantly business and property funding. The new year for us started slowly, especially compared to Jan 2019 but activity ramped up noticeably in late Jan and continues this month. Definitely seeing more development type deals for both residential and commercial property and smaller subdivisions which in the past we would expect the Tier 1 Banks to have picked up. Property market remains busy, we are not seeing any issues with the resale/refinance market as projects are completed. The building clients we deal with are largely targeting purchasers looking at their 2nd or 3rd homes and they are experiencing steady demand. Hospitality is certainly down but this is seen to be due to an oversupply of outlets – every new building seems to think it should have a coffee shop, bar or restaurant or all 3. We are not interested in new hospitality ventures whether they be new or proven operators, the market is just to fickle.
- I work as a residential lender in Queenstown. Due to capital constraints and a shift in focus to residential lending – my space has become easier. The market has also been busy with activity since late Jan and if there were enough stock coming to market – there would be quite a few transactions – that said supply is on the increase with perception of higher prices being achieved again especially with home and income type properties. Corona virus – certainly a factor with businesses here – tourism has not died on its ass but seems to have suffered a bit and maybe will get worse. Also talk of preparation for virus to arrive in NZ and anticipation of empty supermarket shelves etc.
- We make loans and investments alongside business owners that fall outside the main bank boxes. It seems demand is still strong for funding solutions in that space. Many small business owners are finding access to bank funding is very hard. Low yield investment options seem to be encouraging more/new entrants into the alternative finance market. Some funding packages we have seen presented look like some of the poor quality loans that we saw pre-GCF. It is fascinating to see. Also, seems to be more

demand from investors seeking yield. But options for quality investments at decent yields seem limited for retail investors. Wholesale investors are getting access and good returns.

Financial Management

- As with others I'm seeing a certain amount of uncertainty around coronavirus and global trade vis a vis the China/US trade war. In times of uncertainty my experience tells me that interest rates tend to remain on the low side. I'm also tending to advise clients to keep a relatively short-term focus (12,18,24 months) as with today's digital and technological focus things can move very quickly as they did with the GFC.
- Financial advice industry. Location Christchurch. Seeing some flow on effects into global investments from the coronavirus. Mostly a lot of questioning around the spread and how much more downward pressure it could place on markets. Obviously there has been coverage around what different governments have put in their plans etc to deal with the impacts of the coronavirus. Interesting to note, when the coronavirus first came to light the markets dipped before recovering. Now with the virus spreading to other areas there is further downward pressure.. It's a wait and see what happens really here. Doesn't seem to be impacting on the mortgage side of my business at all…
- Family office (mainly passive investor, investing locally and globally) view here. Things still looking ok but significant concerns about the Covid19 implications on supply chain/demand/future growth/earnings. Commentary is just starting to factor this in but it could be far reaching in our view. Safe to say that cutting interest rates will not make any difference if this thing really takes hold.
- So what are we seeing in the local funds management industry at the moment? Well big news on the data security breach at a KiwiSaver provider… I think generally speaking there is a lot of attention on KiwiSaver at the moment giving its growing importance to Kiwis, currently $65 billion in AUM. There is a lot of work being done around whether the strategies are suitable (e.g. the Default review), fairly priced (i.e. members are getting value for money) and resilient (i.e. what will happen in the event of a significant market sell-off etc.). And this will no doubt prompt investigation into operations, security etc. From a broader industry perspective, the wealth management industry seems to be in rude health with low TD rates, rocketing house prices and strong equity markets contributing to v. strong growth at the main brokers and fund managers. (One proviso here, it seems that the large players in this space are better placed than the smaller guys as there are lots of new regulations to contend with.) Our investors are mainly institutional and their concerns centre around what next in the light of record stock prices, high valuations, ultra-low interest rates and now coronavirus to contend with. Accept lower returns or take on more risk through higher equity allocations or investment in new asset classes (infrastructure, PE, alternatives etc.)? There seem to be plenty of worries on the horizon, but last night excluded, markets have marched higher… there are a lot of market participants that believe a proper correction is due.
- I'm a Financial Adviser in Auckland. Things are pretty steady for us in the insurance industry. Our clients are mostly driven by changes in personal circumstances. Buying or selling a home/investment property, marriage or divorce, and birth of a child so things are fairly constant. The virus hasn't had an impact other than a conversation starter about Medical Insurance.
- Wellington. Investment Management. KiwiSaver flows continue; strong returns up to late Feb, with no signs of Coronavirus withdrawals. This may all change as more media stories appear, particularly around market pullbacks.

Food Processing

- Milk powder blending and packing. Export orders have significantly decreased in a number of countries due to Covid-19. This is causing challenges around staffing, inventory and planning. Local market is variable. Recent GDT declines have thrown up some purchasing opportunities. Retail market okay but hearing that the restaurant side is a bit quiet.
- We are a small beef processing export plant employing 200 staff including casuals. Whilst we are not caught up to much with product being held on ships waiting to be unloaded in China compared to the bigger operators, we are feeling the pressure from farmers as the big dry bites and their incomes being eroded by the day as America, our main market, has let the price free fall as a result of limited competition. Can't say I blame the Americans as they have been the main driver of our Beef Industry for the last 40-50 years with the 213 thousand tonne quota tariff free. The Chinese started buying early last year and by the end of May had become our main market for beef. This season has a boom bust

feel to it. Since China's involvement in our industry compliance at plant level has introduced a whole new series of cost. Negotiations on the meat industry's behalf for access to China by MPI in Wellington, who totally lack any commercial savvy, have cost the industry a fortune. A cost the farmer ultimately bares.

- Exporting (90%) kiwi made pet food to Asia, US, Australia. High growth across markets (average 60% yoy growth), but especially China. We are a pinnacle brand now in China. No real Corona virus effect so far, but would be naive to think there won't be some slowdown. We are still shipping. Ours is not frozen or perishable product, so if there is a bit of delay at Shanghai port this will translate into later customer payment, but we are only expecting the delay to be around 2-4 weeks at this point. Our understanding from our China distributor is they are operating but in a restricted way. Online sales going ballistic locally there. And pets owned by wealthy folks still need to eat..
- Our meat processing company is sending regular updates; they are dealing with the challenges of COVID-19 on a regular basis to minimise the wider impact on farmers, employees and customers. They still have good access to most markets and good success in finding alternative markers for many products that were destined for China. They are processing stock in line with orders received but may need to change procurement patterns for the time of year whilst recognising farmers' climate-related processing needs, i.e. the boner cows coming on stream that will affect the beef kill. That happens every year – the dairies muscle in and make a big noise and we beefies get pushed around. China does have some unique product requirements that can't be redirected but I read in the Farmers Weekly today that 'some importers are prepared to place large orders for prompt delivery though port congestion, particularly at the larger ports like Shanghai and Tianjin poses real problems for shipping schedules. Logistics problems have resulted in shipping companies applying a surcharge to China shipments while insurers are not prepared to cover non-arrival of consignments. These factors must reflect in schedules. The four major exporters don't appear to have any concern about the longer-term effect on beef and sheep meat prices, which have settled at a sustainable level still considerable better than the historical average.' Bull has dropped 20c this week.
- Meat Export. Currently there is a waiting list to get stock killed but signs are that it is becoming more current with some plants less than a week's wait. The price being paid to farmers has dropped and is continuing to drop. We will need China to start buying big volumes again for the price to go back up. Freezers are full requiring careful management of production. Staff are under pressure with a lot of unknowns, this is when good training and systems pays off. Water issues; we have been asked to reduce water use by 20% at one plant as the town has less than two month's supply. Good staff hard to get, when we do get them we make sure we look after them. China - a bit of a mess, was at its worst two weeks ago, containers due to go to Shanghai were off loaded in Hong Kong, we stopped China production. We are still getting paid so no cashflow issues to date and not expecting any issues going forward. This week things started to change for the better, Shanghai port has started to clear frozen meat, we now getting Chinese customers placing orders so looking to restart China production. We will take a hit in the dollar value of sales this quarter and I expect some impact in the next quarter. Travel: I am about to put all overseas business travel on hold to be reviewed monthly. Personal travel, have cancelled a five week trip by the wife and I to Italy. Were to go in late May. Hearing from the Bank that balance sheet strength will be key requirement for borrowing going forward and that there is a tightening re bank leading coming later this year.

Forestry

- My digger contractor who does a lot of work with logging companies says his business has not been affected down here near Wellington, still full speed.
- Northland. Lot of forestry workers stood down completely or on part time.
- Bark growing media company, not too effected by Covid19 yet but I think there's a bark shortage looming.
- My colleague was speaking to a local logging contractor earlier this week and he said management were shedding staff due to 6.2 million cube of logs already stock piled in China ! So yes our area is already beginning to feel the effects of Covid 19 Virus.
- Forestry sector. Impact of Coronavirus causing market turmoil across the forestry sector. Log inventory at ports in China has risen to over 6 million m3. Average monthly offtakes from the ports in China are typically 2 million m3 but currently nothing is moving. Big concern is ships due to arrive in China shortly

may not be able to discharge logs. February is basically a write off and March not looking much better. Sawmills in China are still mainly all closed. Some regions producing at 10% but basically the industry has stopped! Only positive is shipping rates have plunged. Next biggest log export destination after China is Korea (oh dear!!). Harvesting crews producing at 80% however largely manageable at the moment given crews generally on reduced production due to fire risk. Aside from Coronavirus, beetle damaged salvage volumes arriving in China from central Europe likely to weigh on supply for a while yet.

- Commercial tyre wholesale shops have had a huge reduction in sales as forestry contractors are very nervous re export timber slow down.
- As a North Island wood processor our outlook remains solid for the foreseeable future. While there is some softness in China sales / prices (not a large part of our business) this is probably more related to the lumber coming out of Europe into China than covid-19, other markets are holding up well. As yet log supply has not been disrupted (by covid-19) and there is no indication that this will change in the very short term.
- I'm based in Nelson and work with customers in plant intensive industries such as forestry, civil contracting and transport. The coronavirus is having a definite impact on the local forest industry, although not to the same degree as other more export orientated regions. Nelson/Marlborough is fortunate to have a large portion of the logs harvested here processed in the region, at various sawmills and other wood manufacturing plants. Still most local logging crews are on reduced production levels (ranging from 60% - 80% of usual levels) and some have been laid off permanently. This is having a flow on effect to related businesses such as log cartage and equipment suppliers. There is a lot of uncertainty and investment decisions are being postponed as businesses focus on immediate cashflow.
- Industrial Saws and Knives for the timber industry (we operate in NZ, Australia and Canada) – in NZ the industry has changed a lot over the last 5 years with many closures of milling plants and change in processes where sophisticated millers have brought servicing in house. The recent fires in Australia saw an uplift in business as mills focused on the burnt logs which require more servicing of blades / saws due to the carbon damaging the steel. There have been several significant closures of mills in the last 3 months which is a continuation of the consolidation of the industry.

Health

- Sports muscle skeletal clinic. Staffing is an issue - shortages and tough immigration laws, that seem to make small business pay more etc. ACC still pays poorly and appear to have had changes with position statements being produced, with more paperwork and restriction – i.e. clinic owners not having any members of family or "friends" to not be treated by the clinic owner but also any member of staff ...?
- Tough on rural clinics. We have still to hear re the ministry re Corona virus - but we await! Patients are concerned by Tourism - so a tightening of the belt, while we continue a building boom .. hotels everywhere and we remain unsure where the workers will stay or come from with immigration changes.
- Health/wellness sector- 4 chiropractor, 4 counsellors, acupuncture & massage. Income down about 15% for Nov-now from last year. No coronavirus issues
- Workplace healthcare in the Auckland region. 20 years of owner operation in the same business providing services for (mostly) medium and large (by NZ standards) businesses. A large part of our business is providing flu vaccinations in Auckland workplaces. We are receiving lots of questions re Coronavirus and Coronavirus vaccines. We won't know for sure until late May, however, we are expecting a greater number of people to receive flu vaccines in 2020 than in previous years as vaccinations / Coronavirus are constantly in the media. That is, for us "all publicity is good publicity" when the publicity is related to vaccinations…
- I work in Hospital. Busy as usual. Patient volume still high. In China people were urged to stay home, this creates huge demand for food/meal delivery labour while other sectors have huge surplus of labour due to companies not open. A quick app to allow companies to share "workers" was created timely by private company so this unbalanced of workforce was partially resolved.
- I work in the Health and Safety Space - training across NZ - with mainly large national corporates No noticeable impact on our work load from the Coronavirus yet. I suspect it will go one of 2 ways for our business. Because we are 'non - urgent spending' they will limit any spending that isn't necessary and we will as a result be quieter OR they will envisage things will pick up again and use the downtime in production to get in training they otherwise have not had time for - and hence we will have a busy time.

- Medicine in Ponsonby. Busiest Jan and Feb ever so far. Number of Chinese patients down on last year.
- I'm in Healthcare - a GP. No change in our business due to coronavirus at this stage. Certainly some unease, and queries around personal protection equipment and making this more available to primary care. Of course likely to get very busy if it starts to spread in the coming months. I'm hoping it will be managed prior to our winter flu season, but only time will tell.
- Health care. Turnover: slightly up, demographics? Business Confidence: moderate, uncertainty re government policies particularly if re-elected. Profitability: slightly up. Staff: Costly and time consuming firing non-performing staff. (generation x,y.z seems entitled to create a workplace to suit their lifestyle). Outlook next 12/12: steady.

Heavy Equipment

- We import heavy machinery and parts from Europe, Asia and America. We supply excavators, dump trucks, rollers, crushers and screens NZ wide to Construction, Forestry and Quarrying largely. In CY19 we saw the total market for Heavy Equipment drop by approx. 17% from an all-time high in CY18. This was largely a result of business confidence and infrastructure projects coming to an end. While this year is still likely to be in the top 5 of best years, we are all over stocked due to the lead times being as long as 6-9 month for some machinery. This is a low margin industry so the additional hit of the lower wood price and coronavirus effect will mean we are in for a tough period in CY20. The forestry industry is taking a big hit at the moment and I have concerns that the broader public really don't understand the potential impacts of this for NZ. There is a lot of smaller operators going bust right now. As for COVID-19 we are starting to see the larger corporates asking about our supply chain for wear parts and spares. Essentially, we get a lot of spare/ wear parts out of Europe and the US but the raw products all come from China. The current restrictions are starting to have an effect on the supply of spare parts, and as parts stocks around the globe dwindle it is likely the manufacturing of new equipment will also be affected. Even for the equipment is manufactured in Europe and America most of the small components are produced in China. We are expecting the hang-over from this to last a while. Even if China went back to full manufacturing today there will be a catch-up period.

Horticulture

- Lots of positives. Zespri doing a great job creating demand ahead of supply, growing conditions have been good despite the drought, unsure of the outfall of coronavirus yet.
- We are in the horticultural post-harvest technology industry. Based here in NZ with manufacturing split between NZ and China. The China factory is back to work 10 days ago, with suppliers starting to come back online. The impact to delayed shipments is too soon to know as the Shanghai ports are massively back-logged. Business continues to be active regardless of the Coronavirus. Maybe it is too early to tell what the impacts on orders will be but so far things are looking okay. Certainly the main concerns are normal competitor issues.

Hospitality

- Waikato / Taupo. Visitors numbers have fallen in the last three months. Overseas visitor Groups down by around 25% in and around Taupo. Bad weather in the latter part of December and early Jan did have an effect on visitor numbers. Coronavirus issue mainly affecting larger Group hotels who cater more for Chinese Tour groups. The roll-on effect is those Group Hotels are reducing room rates to hopefully gain more NZ domestic travellers at the expense of locally based smaller accommodation motels / hotels. Local adventure operators are starting to suffer due to the fall off of visitors. Similar to other parts of the country. Local District Council bodies trying to drum up tourist visitors but without much luck - do not think they have the "know how" to action such strategies. Interesting to note that my recent visit to Auckland - Newmarket / Parnell - not many dinners visiting Asian Restaurants. A lot empty. Also the nail painting, massage and take-a-ways of Asian outlets seem very down on customers.
- Hospitality. Costs are increasing, mainly payroll and rents. The minimum wage increases are starting to impact, mainly because of the relative impact on workers earning up to $25 per hour. Some occupations i.e. chefs are in real demand and getting even higher wages. At the same time the Dept of Immigration is making it harder to bring in workers in areas of skill shortages. Companies have been

able to pass these cost increases on but there is a lot of competition out there and it will be harder to pass future cost increases on.

Information Technology

- IT support to SME in the mid north and busy, busy, busy. Businesses are spending on upgrading computer equipment. All clients are busy in their respective trades, but complaining about no workers available to hire. Margins are shrinking. No apparent issues with the Corona Virus at this time.
- We are in the IT sector and have been extremely busy for the last 8 months.
- Industry: IT (ERP and services) Location: Auckland based but cover all of NZ. Still a lot of activity as businesses are looking to replace old systems and to do digital transformations to modernise and try and get a competitive advantage.
- IT sector in Auckland – Software and Software Services. No effects from Coronavirus at this point – things are ramping up for the year as customers look for more efficiencies – good staff hard to come by but a lot of below average people applying for work – a lot of applicants from overseas, a small number are of very good quality but most not worth the risk. Traffic in Auckland is driving staff to move out of Auckland, getting around and parking is a nightmare so staff have had enough and can buy a house in the regions. Traffic is having an impact on Auckland staff but we are getting them to work from home a bit more now to reduce the hassle of travel. We can see a time when AKL based staff will work from home 3+ days a week due to the traffic nightmare which seems to have no hope of improving under the current regime.
- We are a software development and Cloud based solution provider. We are based in Auckland with offices in Wellington and Melbourne. We provide digital solutions for document creation, storage and delivery. Business is good to strong with a lot of demand and seemingly good budgets at prospects for new solutions in the next 1-3 years. There is little price pressure currently (although I have heard that Sky TV procurement department has just been audited by a third party and ALL contracts will be up for review with an intention of saving 10-20% across the board). We are not seeing and do not anticipate seeing COVID-19 impacts, although we may curtail international travel if reported cases continue rising.
- IT services sector Wellington. Business as usual at the moment for me but we are waiting for a couple of Apple Mac laptops and I've been told by the supplier that the factory/warehouse they come from is near Wuhan and that everything there is closed. He said he's seeing the same thing with all Apple products at the moment. He has pushed out the ETA on the order by a couple of weeks but the reality is he has no idea when they'll arrive.
- IT Auckland. Self-employed contractor. IT contract market in my specialty area (software testing) is buoyant with several contracts available daily and calls from recruiters requesting my availability, which is great! Contract rates also up which implies demand is up.
- IT, normal, Wellington, public sector. No corona virus effects seen, more hand sanitiser in the office though.
- ICT. Coronavirus – We are a Japanese owned company. Our country manager was meant to be in Japan this week for Management Meetings – this trip was cancelled by the company. No travel insurance cover due to Japan not being a no fly zone! So we take a hit on the flights + accom etc. My head of IT was meant to be going to Japan in March for an annual IT conference (internal), this has been postponed. No insurance again but I think we have been able to postpone flights and are just out of pocket for a rebooking fee. One NZ staff member was holidaying in China last month – so he is back in NZ so under self-quarantine for 2 weeks (basically working from home) Client impact – as I understand it we have a large order of equipment being ordered from Japan – which is at risk of delays – which could impact our financial result this financial year (if order doesn't arrive, we can't deliver and charge client and can't book revenue…). Just a risk at this stage. But worth about $400k.
- I am in the telecommunication sector based in Wellington and we do have the impact of coronavirus on equipment delivery from China for future technology upgrades.
- Auckland. Software and Services. Overseas utilities. Our customers are predominately overseas. At the moment our orders are healthy and staff are stretched to complete the orders. Coronavirus is just starting to impact trading, in January we had been given warning of delays for hardware supplied out of China. In the last week we are seeing potential customer delays in areas directly affected by the coronavirus, where the customer's staff are being asked to work remotely and projects potentially put

on hold. There is likely to be more focus on delivering projects remotely rather than travelling to customer sites.

- I'm a public sector IT executive. We are seeing extreme skilled labour shortages at the moment, for example roles going unfilled for four months. This week we interviewed a candidate in Liverpool who is shifting to Auckland for career advancement (he also considered London but wasn't happy with the lifestyle trade-offs). The interesting part of this is IT project staff are considering Auckland to offer better career opportunities than the north of England. That would have been unheard of 10 years ago.
- Data Analytics, Hamilton, (1) hard to find good staff (2) companies want to make better use of data but struggle to define clear objectives and plans. Something new, the 80/20 rule is so obvious in regards to people, 20% of staff produce 80% of the results. Too often the efforts and results of these people go unnoticed and unappreciated until they're gone.
- IT Industry; Major Government agency; Wellington; - Not seeing any slowdown in IT; Skill shortage is the constraint as usual;
- IT managed services and solutions provider, Wellington region. B2B 95%+ We experienced a lot of growth last year due to referrals and networking/bold calling and on the back of improved online presence (and happy clients of course). Increased FTE's by about 30% (only 2.1 – but sounds better as a percentage) Since about Sep 19 though, lots of work from existing clients upgrading their fleets of PCs and servers. Reason is that Microsoft stopped proving updates and support for Windows 7 PC operating system (and the server version Server 2008 R2) from 14 Jan 20. We are a part of an alliance of similar regional IT companies nationally, and others are experiencing same. Some businesses still have Win 7, and this is a security and operational risk for them as any newly discovered security flaws will not be patched.
- IT Services – Auckland. No change from previous, things chugging along nicely. There is more focus on Cyber Security but like insurance generally, it is only wanted after they have been hit. Then no problems in being willing to pay for things to be fixed quickly so they can get back into business. It frequently costs at least 4 x as much to fix (often way more let alone the impact on their business and reputation) once they have been attacked and often businesses can't fully recover and are out of business within 6 to 12 months. We are holding an education cyber-security event in Akld late March and lots of interest but slow in people actually signing up to attend. Again, everybody is interested but we all think we are too small, not important etc for the Hackers to target us. Wrong - it is a matter of when not if you will be hacked
- Auckland. IT industry. Things currently very busy, more so with international clients than NZ clients. Some projects are being delayed due to product dependencies of items in China unable to be supplied

Insurance

- I am in the Insurance Industry-Fire & General. Have been since 1972. No surprises here to you -we are finding it much harder to attract good staff. Experienced people are moving around as a result of extra pay. The FS regulations are making it much tougher as well-although I have spent nearly 50 years in the industry & have all qualifications (by Exam) if I do not attain a level 5 degree? by 2022 I will not be able to continue in a client facing role. The powers that be are not grandfathering any past qualifications. The new requirements (in my opinion) really have no bearing on what I do. Most guys my age (67) are either selling their business or simply retiring. A great loss of experience but seems to be the way of things today. Premiums are also increasing of course as a result of global & local losses. And of course no cover for known events (Coronavirus).
- I am in the insurance sector as an adviser in Wellington and the main issue we have is progressing with the regulation set out with the law changes last year. Sales are up year on year in both life and Fire and general. First home buyers are struggling to take extra insurance as there are spending every last dollar on getting into the house. No issues from coronavirus in my sector so far.
- Fire & General Insurance. Standard issues as I think most financial sectors at the moment, regulation changes being the big one. Getting minimum qualification requirements etc being brought in which is good but no recognition for prior qualifications and experience, very frustrating for people like myself who've been through the effort of obtaining qualifications and now mean nothing. Likely to see a fair few older people in industry retire over next couple of years I believe so will be a big loss of knowledge. We are also being lumped in with the life insurance sector which isn't necessarily fair (very different issues around commissions etc than what our side of industry gets). Generally underwriters tightening

up on specific risks, especially high fire risks (for example insulated panelling) extremely hard to find underwriters for. Good staff hard to find and with new regulations it won't get easier as won't be able to train people on job (they basically won't be able to speak to clients / give anything remotely resembling advice until they have finished qualifications).

Landscaping

- The landscape industry is looking good for us, still plenty of work and getting lots and lots of enquiries coming in, still find it difficult to find staff but that issue has been around for some time now. Currently no issues regarding the Corona virus, fencing materials and paving seems to available ex stock although I expect at some point there will be supply issues. Only received 1 email regarding possible supply issues and had to do with pool fencing. January is normally a negative month for us but this year it's not, healthy start despite 2 short expensive months for businesses.
- Residential landscaping in Auckland. Plenty of inquiry for medium to high-end gardens. Staff can't be found for love or money. Construction cost keep rising as does the cost of operating a business. Construction as a whole seems to be getting more and more inefficient and we are trying to combat lack of productivity with longer working hours. That will fail us. Effects from the virus, none so far but overseas material orders (tiles) look like as if they will slow down. Importers have warned us to double check availability.

Legal

- Legal Industry, Wellington. The outlook seems to be little change. There is no indication that conveyancing will change. My clients (law firms) are involved in estate and trust law, family law, criminal law and general practice. The profitability of my client practices does not appear to be under threat. The firms practicing family and criminal law struggle to varying degrees with the vagaries of legal aid and its low level of profitability.
- Legal. Wellington. Busy. No coronavirus effects, but several clients have raised it as an issue likely to effect supply of materials in the very near future.
- We're a law firm based in Ponsonby, Auckland. Currently extremely busy with property transactions and enquiries - this has been sustained since about October 2019 and no sign of easing up (in fact the opposite). No apparent effects from Coronavirus, other than one employee having to self-quarantine and work from home after returning from China.
- Asset and estate planning work lines are strong and will be even stronger this year as the new Trusts Act 2019 implementation date of January 2021 approaches. This new legislation amongst other things requires trustees to disclose to beneficiaries of the trust concerned the fact that they are beneficiaries of the trust, and the nature of the trust's assets and investments. We have quite a few clients with serious wealth in family and investment trusts, who generally speaking don't particularly wish to tell their even adult children just how much is salted away, and who don't look forward to being told how the funds should be invested (or distributed!). Property work has been quieter for the last 18 months or more than for the three or four years prior. Two or three years ago, we saw the Auckland residential market in particular hugely affected by the turning off of capital flows out of China. More recent restrictions upon non-New Zealand citizens or non-permanent residents buying residential property have further constrained demand. In the last three or four weeks we think there has been a greater number of new sale and purchase agreements for residential property coming into the office. It's too early to tell if that's a trend that will be sustained for a period in 2020. In commercial property, builder clients tell us their margins are under huge pressure (as they are in residential property). It's not unusual to see clients who have purchased residential apartments off the plans being told by the developer that the project isn't going to proceed after all. With commercial investment property, it seems good listings have long been scarce - good luck trying to find a quality investment property in the $2 to $5 million range. For law firms, the manner in which we practice here in New Zealand is changing fast, particularly in terms of the additional administration work required by Government of practising lawyers. This has grown significantly in the last three or four years and is impacting upon our bottom line. I'll mention just two of the recent requirements. The first is the information the Government now requires us to gather about sellers and purchasers of property and populate into an online portal for the Government. The second is the compliance requirements arising from recent anti-money laundering (AML) initiatives.

AML legislation requires lawyers (together with banks, financial advisers, accountants and real estate agents) to identify their clients and often, to verify the source of the client's wealth or of the client's funds for a particular transaction. That doesn't sound particularly onerous, but it can be.

Local Government

- I work for the local government in Auckland in the horizontal infrastructure sector. There continues to be a struggle to find experienced project managers/engineers in New Zealand on the contractor, consultant and client side. However as a recruiter I have noted a significant surge of applications of overseas candidates looking to emigrate to New Zealand from countries in Europe (e.g. Spain, Portugal, UK), USA and South America (Brazil, Argentina, Chile) besides the usual applicants from Philippines, South Africa, India etc. The local industry professionals continue to churn through the industry going through the merry go round of rotating within the limited market.
- Local Government. Auckland. Urban Regeneration. Complex operating environment. High risk of local govt getting crowded out by central government.
- Public infrastructure Auckland. The market is very buoyant with no slowdown in sight. Good quality suppliers (both consultants and contractors) are hard to find and expensive to hire. Finding experienced people to work client side is increasingly difficult and our good staff are being offered step changes in salaries to move. It all reflects the growing pains Auckland has been experiencing for the past 5 years (some would say 10).

Machinery including Electrical

- I work in a business that imports, sells & services high end machine tools. Think Laser cutting machines, CNC Milling machines. On the CNC side where machines sell for 100 – 250k business is good, decision making lead times short ~ 2 – 3 months and machines installed this year have been the best for 5 years. No post-Christmas slump. High end laser machines, sales are slow. Investment is in a 5 year cycle, with NZ firms typically holding onto machines 'too long' ie 7 – 10 years compare this with the average in Germany of 3years. These machines then cost more in repairs and are less energy efficient than newer models, which are 10% faster but hey my current machine is paid for so it must be better! No coronavirus effects as of yet.
- Invested in NZ & Australia in Forestry (manufacture saws & knives) doing ok actually now exporting to Canada. Revenue half what it was 8 years ago but profitable .
- I am in the electronics component distribution industry – coronavirus apparently slowing some of our deliveries and lead times going out (but this could just be a way of getting more orders by way of an excuse), the market is flat to slightly up in component sales, but interest in machine learning and edge inference is growing (and free of corona virus) this is our growth path for '20 and '21 for Aus/NZ.
- We import marine electronics. Because of China closedowns we have a number of orders for product that we can't fulfil this month. Fortunately most of our competitors will be in the same boat, though they may hold a few weeks' more stock than us. Sales for ANZ region likely to be down >20% this month as a result. All of our main suppliers have reopened, still ramping to full capacity and all have lots of backlog. Unfortunately you only need to be short one part to stop a product being shipped. Our main issue in NZ is staff retention, particularly software but also seeing challenges in customer service. Weak NZ dollar keeps the cost of our services (labour) to the parent low, flip side to that is that our local sales results appear low too.
- We are a European equipment manufacturer, dealing with public and private sector in NZ and Australia. We are as busy as ever, with enquiries and sales exceeding levels of previous years. One of our larger customers is in "for sale" mode, and this has caused a flurry of interest from the Private Equity companies trying to snag a bargain. In my experience, the PE companies try to increase the bottom line with a minimum of capital expenditure. This should not affect our 2020 year result, as our equipment has a manufacturing time of 18-20 weeks, however it will affect 2021 . The only Coronavirus impact we are seeing is from some of our Chinese sub-suppliers.

Manufacturing

- Unrest due to CV but steady, 5-10% actual unrest on deliverables for our required stock supply to clients. 50-80% Perceived unrest by clients. Manufacturing effect will be felt if China is not truly 100% active by 1 April.
- Involved in Manufacturing, property, IT and financial services - as director / owner. Manufacturing main issue is still staffing - availability improving, attitude almost universally sad. When we hire sons/nephews we get a good attitude - social pressure from family no doubt. Social welfare system is turning into a feast for couch potatoes and gamers - no discipline, no pressure, no expectations from the authorities to work and earn their keep. Coronavirus is becoming a bit of an issue - we source some low-tech components from China - fortunately a double order in December sees us right for a few months. Any significant items ex China we will wait for things to settle down. No sales to China - so no problems there. General concern we have at Board level is the sense of fear building leading to what might become irrational and foolish behaviour. I think keeping calm and hoping for the best and planning for the worst is the way to handle what appears to be a virulent flu bug. Credit restraint still on but loosening a bit in mortgage area for sound applicants. Property - standing room only at auctions and solid prices for good properties. Discriminatory market in a good way.
- ADInstruments makes and sells medical instruments for the Research and Education markets globally, based out of Dunedin. Our China business has been brought to a standstill as our customers (universities) are closed and our team is working from home. We will miss 2-5 months sale revenue, China is 9% of total company revenue. Nearly all our components are sourced from China. We have good stock of most items but that depends on how long it takes for factories to get started again. There are really tough processes for them to go through to open up, and factory owners may choose to stay closed until risk is lower. A stock out from running out of essential components would stop the company. Otherwise business is pretty good in Europe and in US. South America is tough again, partly due to the currencies there being weak against the USD, partly from funding pressure. China had been great, and the rest of SE Asia had been solid. India and Middle East are well back on last year, but all of those feel like normal variations in funding and tenders rather than any underlying trends. Generally we expect modest revenue growth this financial year.
- Manufacturing company based in PN for export. We are finding things to be same as last year, difficult for a little NZ company to compete on the world stage, and picking round the edges for things the massive multinationals are not interested in. Despite this, we are still here and have been for 25+ years. There are potential big contracts on the horizon but as contracts can take many months to negotiate there's nothing agreed yet. As for the effects of Coronavirus, we have heard today that with the factories slowly reopening in China, our delayed products are being released and thankfully will be here before they impact on production. We are just hoping this makes everyone else wary of contracting with the Chinese companies we compete with so we can take advantage and win some more contacts.
- Wood products business. Major issue is supply of quality logs for processing and Coronavirus impacting exports to China is a major factor. That's probably the headline stuff – the rest is business as usual.
- Manufacturing furniture, fittings and equipment in China for hotels in NZ. Based in Auckland. Experiencing a double whammy from the Caronavirus: Supply Side: The extended closure of our Chinese factories has delayed a current project. This will have a negative effect on cash flow. Also, the travel restrictions to China mean I cannot oversee the manufacturing. The costs of sending material there for the project have escalated significantly, which will reduce the margin on the project. The factory closures and travel restrictions are also making it difficult to work on, and start new projects. I plan to go to China as soon as the travel restrictions are lifted to ensure we remain as close to the front of the cue as the factories come back on stream and face increase demands on their capacity from global customers. Demand Side: Most of our hotel customers have had large tour group cancellations. This has resulted in them delaying planned upgrades, reducing our order intake. A further blow to cashflow and income. We are looking at other sectors and have interest, but as stated above, not being able to get over to our suppliers to discuss face to face is limiting our ability to respond to these opportunities. A number of our key suppliers have commenced production this week, just not the ones we need at the moment.
- Wholesale non-ferrous metals supply – nationwide. A game of two halves. Provincial NZ has not started up after Xmas. Activity and forward orders low. Lack of primary industry capex spend – few projects. Pessimistic. Auckland remains buoyant with good order levels and outlook remains positive. Not as

primary focused. Optimistic. Corona virus will impact supply for sure, starting next month with first lot of delays in supply of orders. Manufacturers largely saying business as usual but hard to get quality responses and a lot of normal contacts still away. I don't think they know the full impact themselves yet. Anything that is labour reliant is going to be impacted.

- We are furniture manufacturers based in Greymouth suppling retailers throughout NZ. This year has started off steady, on par or slightly above last year (calendar year) Our key competition is imported furniture, there is a lot of talk in the market place about what effect the coronavirus will have and I think it is causing retailers to think twice about their supply chain, as yet it is not having any noticeable effect.
- Manufacturing – drop in FX of NZ-USD on material imports will cause price increases in coming months once it bottoms out. Trying to hold out and wait to see what wage inflation will be with next round of Min Wage impact. Likely to be much higher now as most factory staff are now close to min wage after 3 years of 6-8%+ increases. Export sales are going Ok with FX price looking better.
- Distribution of specialty ingredients to manufacturing (multiple sectors) across Asia Pacific.
- Manufacturing: Home appliances. Sales are still tracking along well in NZ and AUS, in line with strong levels of new home construction. Those with out of date product designs that have not kept up with modern style trends and energy efficiency technology are finding themselves losing market share to those that have done that well. Finding additional factory staff to fill new orders is not a constraint, for those companies who have invested in clean modern premises and LEAN manufacturing principles that empower workers and put them in control of improving their own environment. No effects of coronavirus yet. Some materials in the supply chain which come from China could slow (or stop dead) some manufacturers soon if they can't get critical components into the country.
- Manufacturing and wholesaling of, import of hard flooring and commercial carpet products, export of carpet to related businesses in USA and Australia. We had a good 2019 financially in NZ but struggled a bit in Australia. Dec/Jan, which are traditionally quiet months were quite good for us in NZ but well down in Oz. Feb has slowed down considerably in NZ and not improved much in Oz. We are cautiously optimistic with regard to 2020 provided Corona virus can be sorted out soon. We import some of our raw materials from China and are diverting this to other suppliers in different parts of the world (including Italy until yesterday). There is a greater cost but hoping for better quality to offset the increased cost. A lot of our imported finished product comes from China and this is delayed. This will impact or business in the next month if the problem is not sorted and it is not possible to change this supplier. This is a concerning. Access to reliable production staff is a problematic and an ongoing concern, even though we pay the living wage as a base starting rate.
- Christchurch: Manufacture – Blinds/Shutters/Awning/etc. Right now we are feeling pretty tough. Only got good sales – by good we compared against last year which is the worst time after GFC – at the beginning of the year then recent sales is below average. Now our factory is planning another redundant 4 staff (out of 28 staff in total). Coronavirus Effect: Most booking from Chinese tourists cancelled for our home-based AirBnB. Talked to an Australian supplier yesterday who went through an almost empty international terminal of Melbourne Airport with empty carpark.
- Auckland based kitchen design, manufacturer and installation company. So far this year we have seen very good interest in numbers of new leads from customers wanting new kitchens designed and installed. Our industry has a seasonal pattern which spikes in spring and the lead up to Christmas. New leads are currently as high now as they were in spring. Interesting, I am fielding a number of calls from independent kitchen installers looking for contract work. This usually is a sign that their supply of work is slowing (bit of a canary in a mine sort of indicator for me). We haven't seen any negative effects as yet from the corona virus. Some suppliers (not any of our as yet) have issues releases to say they are experiencing delays in arrival of their orders from China.
- Just an FYI, as an importer the virus will affect us in about 8 weeks with production from not only China but also from Europe. We have pulled advertising thru the period April /May so as we do not stimulate sales. I am currently looking at a 15% decline in sales volume etc thru the course of 2020. It's not great as the effect of the component manufacturing will affect everyone.
- Sector is Windows and doors manufacturing. Currently all glass coming out of China is being held in port for 2 extra weeks, so lead times for manufacture have increased by 2 weeks minimum.

Miscellaneous

- In the data and analytics space, businesses I am talking to are struggling to get funding to invest in resourcing to unlock the potential of their data. They are more prepared to dip their toes in and do a proof of value on a project/contract basis. There is also high demand for business analysts, indicating businesses want to invest into digital transformation but need to get the tech in place so are some ways away from reaching better data maturity.
- I am a contract project manager based in Auckland but managing projects in other parts of NZ and occasionally Australia. My focus is on business system implementation and process improvement projects. My perception is that many companies have put a hold on starting capital projects - significantly fewer jobs are being advertised on Seek, the ones that are advertised are open only for a few days or are getting withdrawn. The feedback I have received from agencies and companies is that many companies have funding approved by the relevant boards from projects but that they don't want to start the projects now. It appears that many companies are adopting a wait-and-see attitude in case a cash crunch forces them to halt the projects. Even large projects that are in flight or in the initial stage are being restructured or slowed down / delayed through 'restructuring' or 'additional analysis'. From my perspective a very definite slow down / halt in projects across several, if not all, industry sectors.
- Something last week comes to mind re Corona Virus – One of our Body Corporate Managers reported that one of her large buildings (200 units plus) and which has a very a high number of Chinese tenants as occupies, there was some concern noted by the Building Manager that many of those tenants are presently lying around their apartments self-quarantining. This has resulted in other residents of the building being very mindful of dirty lift buttons and portal entrances as they come and go so the Building Manager has been extra vigilant. It also impacts on trades like fire compliance and WOF being able to undertake their compliance work inside apartments as these are a no-go zone until those self-quarantining come good.
- I'm in the portable cabin rental business in the BOP where business remains strong, demand for cabins is out stripping supply. No one driver of demand just the same really, housing shortage, higher housing rental prices and the resultant over-crowding of whanau homesteads.
- I think the district (Nelson Tasman) is humming as it has a very diverse make up of industries, so if one is down there are others that carry the district through. I heard a comment from a saw miller "that if the logs aren't going to China they will be able to supply local demand". Building is booming and as we tap into the lifestyle blocks we see a lot of development taking place. Infrastructure (roading hospitals)are struggling to keep up with growth in the district. Our visitor numbers are not affected as we get mostly American and European tourists here.
- Appliance Compliance Testing, Auckland. Some clients struggling to get sample and production product out of China, as employees needing permit to work and in some cases staying home. Business has softened just a little after initial post-new year bounce in January, general nervousness felt due to Covad19.
- From the Napier region we are still seeing good activity whilst the sun is shining. Cruise ships continue to dock and there hasn't been a noticeable increase in shops for lease. Residential property sales are doing well with available stock turning over in good time. Logs on the docks at the port have increased (with nowhere to go whilst China is closed for business). Haven't heard of any issues for local businesses procuring Chinese stock yet - there are whispers though as local inventory runs down.
- My industry is going extremely well, that's because I'm in the Police Force in Hamilton. Lol. It's always busy for me, no matter how the economy or coronavirus scare. On the coronavirus though we have seen a lot of H&S documents go out outline what we should do if we were to encounter anyone with symptoms etc and extra PPE gear being made available if we need it.
- Security installation industry, Christchurch flat sales wise, Wellington and Auckland still growing. Starting to get some product supply issues blamed on Corona virus. Hard to find quality employees.
- My industry (blockchain and Crypto) is doing really well currently - we are a safe haven asset class largely. We are based in Auckland. We are seeing virus affects- our Japan team are now meeting exclusively digitally with clients. Been some bump in asset prices.
- I am in marketing for a market-leading nursery goods brand based in New Zealand, who produce in PRC. I am also a field marketer for our Asian region (my markets of primary focus are Singapore, Hong Kong, Taiwan, Malaysia, Japan and Thailand). I am seeing a broader business impact - planned new launches have all been pushed back about 2 months due to factory halts in PRC, And our PRC based team have been on extended leave - impacting the customer service ticket queue as those ticket

requests get reallocated to a different region. In my field marketing activity, I have personally felt the effects of slower ordering by my accounts, a slow of travelling by customers, a struggle to sign up influencers (we practice influencer marketing) as they are keen to promote, but do not want to leave the house, and therefore cannot get content. We are going to shortly be launching a new travel themed collection and I am anticipating some struggles in my region for this to get traction in the short term. I had planned for an in-market event in Singapore for Feb 22nd (weekend just gone) but had to postpone until further notice when code orange was applied by the Singapore govt. My colleague who is the sales lead for this region received requests from accounts to send in masks if can could acquire them (we can't). Some of our Asian accounts rely heavily on baby trade shows, and have had them either cancelled, postponed until further notice or moved to an "online baby show" - this in mainly in Singapore. So this is all flowing onto our day to day - especially mine and the rest of team Asia but the moving of new product launch schedules effects every part of the business.

- National level pet food industry. We are importers of pet food and have forex cover for the next 3 months. Things were starting to look pretty for us until Coronavirus hit. Sales are still increasing but our input costs are 80% driven by forex rates, so if this NZD drop is protracted we will have to trim most of our fat in about 3 months' time before our current cover expires.
- Boatbuilding Auckland, busy
- Horse racing in Auckland. Things are reasonably good, Covid19 has had us see some bookings (events) being postponed, market is strong (NZ based) particularly with Akl. venues being limited at present. Racing is tough
- Funeral Directing Christchurch We are a Labour intensive business , based on face to face relationships and trust. Has become more difficult to recruit good people , with a high cost of training and development , typically 2 or more years before new staff are productive. We have a rigorous recruitment process. Funeral Directors on average have an older workforce, just noticing the influence of the millennials and their different approach versus historical service culture of funeral directing requiring 24/7 support for families and the care of their loved ones. With on-call rosters , after hours, cover on weekends and public holidays. Pricing and information power of the internet means families wish to have more of a hand in a funeral , which is something we embrace , as it provides them greater opportunities to have significant forms of remembrance. However with personalisation comes increased costs to serve with bespoke offerings and a lower margin. Cheap money with business bank leading at around 3 – 5% we are using this opportunity to develop and invest in Systems (Software) to improve business intelligence and productivity tools and complimentary offerings for alternative revenue streams to lift margin
- I'm in the payments industry. Key challenges we see is the subdued growth in payments volume due to lower tourism (inbound and outbound), weakening of GDP forecasts, exchange students not being let in and the flow on impact of exports not moving.
- I have clients based in NZ as well as Australia. Majority of the work based all over NZ over the last decade or so. Solely valuing tangible assets of businesses, across a wide spectrum of industries. Not buildings or land. For many years, business has been quite prosperous 10-11 months of the year. Slowing in the last 2-3, I'd be open to say this due to current government not supporting the SME's or lack of being proactive within the business community of NZ.
- With 2020 being year of an election, as in previous election years, the start of the year slows due to uncertainty. Companies defer committing to capital expenditure, therefore holding off engaging Valuers etc. Valuations for insurance purposes continues strongly year to year, predominantly for larger corporate companies.
- We run a consulting firm specialising in sustainability. We're seeing a lot of new clients interested in developing coherent and more strategic responses to sustainability issues / non-financial value drivers; and growing interest in good non-financial reporting using the GRI Standards and <IR> Integrated Reporting frameworks. Whilst there is a strong focus on measuring / managing carbon, there is also an increasing understanding that other environmental and community impact issues pose potential risks to social licence and talent attraction / retention.
- Architecture in Auckland CBD. Business is good.
- An industry conference which was due to take place in SE Asia has just been cancelled. And personally I'm not in a rush to get on a plane to go anywhere; internationally or domestically.
- Business outlook in the Manawatu is quite buoyant on the back of continual residential property value increases and proposed large scale infrastructure work in the region – the new Gorge road, new rail

hub adjacent to the city, and Ohakea base and Linton Army Camps expansions and upgrades. A lot of the demand is from clients looking to cash in on the shortage of residential properties, within infill builds and small subdivisions rife. Lending demand is steady at Commercial level but very strong in the business sector with the local managers writing record levels of new loans. Worry about the virus impact is starting to surface, particularly with any client connected to or servicing the forestry sector. It is becoming an increasing topic with the balance of clients as to the potential for a general downturn, and that is where their worries lie.

- Music Industry. Busy period for live shows and events. Been a very good few months for the promoters. Streaming continues to increase. The shut-down/relative unfashionability of other methods of music distribution eg CDs, vinyl, digital downloads etc ensures this.

Offshore

- Based in Shanghai in executive search. I've spent 3-4 weeks staying at home in our apartment only leaving to get groceries and go for walks. We've been working from home for 2 weeks and today (Monday 24 Feb) many of our staff are back in the office. When I went out for a walk on Saturday, Shanghai is still pretty quiet with about 30% of general foot traffic and about 70% of retailers open. Food service and entertainment has been majorly impacted by the coronavirus with most places closed across the country – this is a major impact for many F&B companies from NZ as they do not have direct to consumer channels i.e. ecommerce or even retail – they rely on wholesalers/distributors and those distributors sell into food service channels. eCommerce is up and people are eating from home – some companies are doing well out of it. Cash flow is starting to be an issue for some companies as people are still paying wages, rent and other expenses but have limited income. Things could get bad in the next couple weeks if there's not some sort of pick up. For my side, many companies have put recruitment on hold, cancelled or delayed decisions due to not being able to physically meet candidates. This is worst for mid to junior levels and less impacted with senior roles or areas of high demand.
- No significant UK impacts from coronavirus yet in the City of London, however the ever-changing updates in Italy are potentially a sign of things to come if/when London has a few cases arise... House prices seem to be increasing (headlines anyway) in the UK; post-election and post Brexit. Maybe a Tory-lead news story however! Excuse my cynicism :)
- I work in the critical infrastructure sector in the UAE. More focus is being placed on departments to justify their requirements in order to get a final investment decision. Materials procurement is proceeding on current requirements rather than placing a larger order for current and future projects. I am also a partner in an entertainment/events company https://www.theaviator.co.nz/, we are only in the infancy but our business is growing - as you would hope and expect!
- A quick summary from here in Singapore (technology/consulting business, but more a general overview): Business now starting to get seriously disrupted by COVID-19. Strict precautions have been rolled out by the government (and the general feeling is that they are doing a very good job) and the initial paranoia / panic-buying has calmed down. However, travel limitations are increasing with APAC becoming more and more isolated from interactions with the rest of the world. More recently other regional limitations (eg, Thailand companies restricting visitors from Singapore) are being rolled out too. Difficult to see things reverting to normal for at least 3 - 6 months, and already signs that companies will be significantly cutting back budgets for FY2020.
- I work in the oil & gas distribution sector in Canada. Have seen no effect of Covid-19 on business here except the odd person wearing face masks on flights, though I do not have a view of product volumes. More noticeable effects from current protests and the government's policies and priorities.
- Based in Singapore. Mixed disruption to date. On sales side of the business we have seen little impact to orders other than a few delays here and there. On the supply side, some factories in China are still closed or are closing, while others have been ramping up production after long delay after Chinese New Year break from virus contingencies. Around the region things are starting to heat up with effects of virus, particularly Korea and Japan. Many offices beginning to implement work from home schemes. In Singapore many companies split staff into two groups who alternate home/office every 2 weeks and cannot work together. Singapore government taking working from home very seriously to ensure continuity of business. One foreigner visited casino during home office and had work visa revoked and banned from ever working in Singapore again. Transparency and integrity of reporting is thought to be

an issue reflected by Singapore high level of transparency of cases while Indonesia and Vietnam governments are reporting very few, if any cases.

- I'm Europe-based and work in the shipping industry. A tough start to the year with freight rates down and frequent northern Atlantic storms causing big delays. At the same time bunker prices were much higher due to new sulphur emissions standards. Since coronavirus we have seen bunker prices falling sharply.
- Fiji, Bottled water. Coronavirus – we rely heavily on technical support for the servicing and support of our equipment. Technician availability reduced due to quarantines after visiting countries with virus along with Technicians based in those countries. We also support some raw materials from factories in China and their timely supply is at risk due to the factory closures. Environmental pressures – currently produce in PET plastic. Significant consumer and government pressure to move away from plastic to alternative packaging and/or increase recycled content. Issue is that there is not enough rPET to meet demand. rPET pricing escalating, PET pricing reducing.
- In terms of coronavirus, the hospital I work in (Saudi) is considering implementing a travel ban on all employees for travel outside of the kingdom of Saudi Arabia. The majority of nurses working are non-Saudis therefore they travel back to their countries of origin frequently. The impact of this decision (if it is passed) could see a surge of resignations and will impact the system in terms of operating capacity.
- I'm a kiwi based in Singapore. The Construction and Engineering industry here is very stable. So far we have seen no impact from the Cronovirus - other than team splitting and reduced staff movement. However, there is some anticipation that a greater impact is coming. From disruption in supply chains leading to construction delays and conservative decision making/stalling on investment while people wait and see what's going to happen globally. However, govt here has been very quick to act and thrown mass resources at eliminating it locally - which seems to be working. So general feeling here is cautious but generally positive and improving.

Packaging

- China is the biggest packaging market in the world. All brand owner and retail customers are struggling with supply of key food service materials like trays, cutlery, plates, napkins etc. There has also been a big 2-week strike in the Finnish paper industry this winter, although continuity of supply was not unduly affected which suggests slack demand. Overall, we are looking at stagnant demand but cheaper raw material supply, meaning good profits in the short-term.

Product Design

- Clients are confident and signing off design quotes, new client growth is high.

Property Development

- I'm involved in residential property development in Auckland. The sales outlook for this year is very positive for our affordable product, between $1M-$1.5M, but it's still challenging for our top product, between $2-4M. Our projects are based in Auckland's more expensive suburbs. We have not noticed the effects of the bank capital rules and tightening of credit so far, but we are expecting this to become an issue in the coming months. No impact from coronavirus so far and it's difficult to forecast the potential impact on Auckland housing, but my guess is positive and negative forces will balance out.
- Business: Property investment, Auckland, Christchurch, Wellington. Challenges: Credit; we've recently moved from NZ to US for work and although our salaries are higher and our LVR is a conservative 60-65%, the loan amount we are pre-approved for has dropped significantly and there's not a lot we can do about it.
- Auckland, Residential Property Development. Things are busy. The Sales market seems to have picked up, we launched a new project in Mid-November and despite Xmas arriving quickly we sold down all 25 (non-KiwiBuild homes in a matter of 8 weeks (incl. Xmas etc), and arguable if we had more we would have kept on selling. Our KiwiBuild announcement happened Mon 17th Feb, and we had fast and early interest in the 36 KiwiBuild homes in the project. Consultants and contractors are all busy. Council and bureaucracy are still the areas where things get bogged or slowed down. There seems to be an ever-growing amount of bureaucracy for everyone to attend to, making everyone busier, but the outcomes

aren't increasing despite being busier. Coronavirus. There are some reports of items to be imported into the country could be delayed as a result of various parts of China shutting down and the like. But we are yet to see any of that transpire in actual effects due to our shipments not yet being ordered etc. There appears to be a lot of disruption to travel, those to China and some that were to travel from China.

- Land development consultancy in Canterbury. Industry has lifted over the last 6 months, but this might be due to Summer months, rather than a longer term lift. No coronavirus effects.
- Residential developer & builder in Auckland. We saw a strong end to 2019 from a sales perspective, this has not continued through to the first couple of months of 2020. Still have strong numbers through show homes however conversion numbers are way down. Couldn't put this down to effects of coronavirus just yet, will see how the next few months pan out.
- I work for a company that does residential subdivisions and it is still boom times. No one seems worried about C-Virus. May it keep going!
- Small time rural subdivision in the Manawatu (12 sections) Only advertising on Trademe so interest is slow. Not going to pay an Agent for doing nothing, and expecting to get 5%. 4 buyers to date have all been young couples in their late 20's. Two new cars, happy to pay 250-300k for a section and spend a further 450k on a house. And still going out for their latte's of a Saturday morning Not at all like us 30 years ago, living in a garage and saving hard Young people now certainly have a different view of debt
- I am in the land development and building industry, based in Tauranga. We have noticed a lift in sales and an increase in prices from spring through to now. We are not seeing an effect from coronavirus. We are not noticing a shortage of labour or contractors in our sector. This could largely be to there being a land shortage so there is less stock coming to the market.
- Property development and construction, Hamilton. Business is going well for us. We have recently added to the team and are advertising for more staff now. We have work ahead of us for at least 12 months. Councils are difficult to deal with. Engineers are slow. Red tape grows with each development. Projects which used to take 5 months now take 11-12 months to complete. Foundation requirements for possible liquefaction in event of an earthquake are huge, expensive and time consuming. As a county we are pouring billions into the ground on a punt that what we are doing might actually help in an earthquake, there is no proof, it's a complete punt. After 16 years of doing the same thing day after day, we have efficient effective web based systems. We love technology and use it automate and streamline wherever possible. The frustrating thing is that increased regulation means despite being more efficient our costs are still rising
- My business partner and I are property developers, specialising in town houses around Wellington cities suburbs. We are not big time developers. Current project is 7 units. In Wellington we are experiencing very high demand for quality affordable properties. No sign of a slowdown. Bank rules are a hindrance to starting projects and we expect to see the second tier lending market to grow this year. We are concerned about future supply issues due to the Coronavirus.
- We are property developers focusing on industrial developments in Auckland. Having had our best ever finish to 2019 we are seeing strong leasing and sales enquiry returning since Waitangi day. We haven't experienced any specific issues with Covid 19 however we do have a number of previous purchasers who's dealings in China have ground to a complete halt. They have no stock and none arriving for the foreseeable future. Interesting discussing with them the mood on the ground in China right now and its nothing short of panic for small export businesses. The red tape alone to get business up and running is proving incredibly difficult let alone the supply chain and export logistics. One previous purchaser advised that face masks are selling for $50 each and he can't get enough to satisfy the Chinese officials to reopen his business at ANY price.
- I'm in the residential property development sector. We are very busy. This year 2020 seemed to start faster than previous years, there was no gentle wind up after the holiday break and many people I've talked to say the same. Mood is very positive re building and being able to sell more houses. But cost and capacity continue to be an issue. We are working actively to change the way dwellings are built to improve productivity, which in the residential build industry is terrible and decades out of date. In the ground infrastructure in our projects (mostly brownfeilds) is terrible and lot of money needed to repair, replace, build new infrastructure and capacity for the growing city. Local councils can't fund all of it. We'll have to solve this if we're going to grow the density and provide for our long term future. Particularly Auckland.

Recruitment

- Recruitment, Auckland. Very busy, especially in support roles within Accounting where there seems to be an over-supply of candidates. But a real lack of good tradies, especially electricians.
- Recruitment Sector, Australasia, little to no effects of Coronavirus. Our clients in the Retail Tourism sector have obviously noted a decline, problems getting stock out of china and low tourism spending.
- Recruitment/labour hire sector. Busy at the moment. No effect due to coronavirus.
- Strong end to 2019 and strong start to 2020. Good levels of activity permanent and contracting markets although everyone having to work a lot more for less. Significant pressures on margin for PSA work causing howls of outrage across industry and questions starting to be raised whether it is sensible to sign up to PSA models at all. Transactional inhouse recruitment models that are unsustainable and seem the wrong vehicle to appoint human beings to roles (e.g. increased use of AI or automation to screen candidates means lack of human factor and acknowledgement of human relationships that are the core of values alignment and have inevitable impact on retention, engagement, performance etc . Increased competition from internal recruitment teams. Increased candidate activity – more active job seekers on our market. Happily, better rigour driven by our industry body RCSA as they increase quality of their offering. Increased awareness of mental health and the impact of those issues on our industry. More compliance and more to come. Watching Australian market trends with increasing concern

Residential Property Investment/Rentals

- Property Investor – Wellington and Horowhenua Area. Mainly active in the Horowhenua area at present and it is flat out. I'm seeing 10-15 groups at most open homes and many properties are getting multiple offers. As a result, many properties are selling very quickly and for very good money. I'd expect significant price increases to show through before mid-year.
- The residential tenancy amendment bill- removal of the 90-day notice is very off putting for me to keep my lower end rental properties. If tools are taken away from us landlords, I'll be selling a few properties and the Govt can deal with these problem tenants and I'll just focus at the top end rental market.
- The good is the low interest rates. The ugly is the government is putting on anti-landlord regulations, landlords will increase rents to recoup the costs, and will not select "trouble tenants" and sell if the "90 days termination" is removed. Coronavirus should have less effects to landlords, hopefully
- I am a landlord.... needless to say, the ongoing assault on our industry by poor governmental policy, has taken home ownership out of our hands and given it to the tenants.... they are systematically destroying long term residential property investment. The taking away of the 90 notice does not make any sense....85% of NZer's are housed by private landlords....of which most do an amazing job...3% of tenancies end in a 90 day notice to some of the worst tenants....why would you take that away from the owners and the neighbours......they are proposing to put the insulation up again....3rd time...the defunct government need to get on with what they should be doing and build social housing and leave industry alone...oil and gas, farming...!!
- I am a long-term residential property investor. Recently I re-let a house in Orewa. No shortage of tenants applying and my property manager was able to pick the best of the applications, with a 5.6% increase in rental income compared to the departed tenant. Turnover of tenancies is much lower now that 10 or 20 years ago. As an aside, I would observe that it's a disgrace the government keeps picking on professional property managers for criticism. The many managers I deal with, in three of New Zealand's largest property management companies, have been nothing short of professional at all times. Despite the above example, rents, which started rising 12 months ago, have recently stabilised in my experience. However, with house prices still rising around the country I am expecting further rent rises in the next 12 months.
- We provide long term rental accommodation in Dunedin. High demand, compliance costs, higher rates and insurance, and high prices for newly purchased rental housing, are all contributing to pushing rents up. If you have held on to good quality rentals and bought many years ago, returns are extremely good in this low interest environment. Tenants are beginning to downsize or share accommodation with family or friends or increasingly requesting council/government housing. All this demand is before the hospital rebuild starts and other large projects such as the waterfront development. I would suggest the boom in Dunedin will last many years.
- Location is Manukau. Fully time property trader and investor. Extremely busy at the moment and the market has picked up significantly. Seeing a lot more auctions as a result so buying stock in a hotter

market becomes increasingly more difficult. However, selling them is easier with far more motivated buy enquiry and agents alike.

- As a landlord/property investor, the big issue is the government regulations both passed and currently under discussion. Related to this is some politicians' view that investors should not make profit from housing, that we should instead be their tool to achieve their social housing objectives. We would be making positive cashflow and start to make a living if it weren't for all the heat pumps (three this month, about 10 last year), insulation, extraction fans, ground vapour barriers etc. they keep ordering us to get. Any other industry is commended for profitability...
- Auckland CBD rental market. As far as international students concern who they cannot return to their rentals... I have rental properties likewise my friends. I have been also in touch with a couple of Rental Agents. Just at Volt Apartment block in Auckland CBD, they say, there are some 30 vacant apartments with tenancy agreements. Students cannot come back due to the travel ban. Agents cannot collect rent because the students are not here. No one can evict them, as this is not seeming fair & lengthy process with Tenancy Tribunal work. I am less exposed as I have chosen to provide to working couples, mainly with NZ PR or Citizens over the years. Auckland CBD apartment rental market. Generally speaking, before the virus, I'd say it's taking longer to rent apartments in Auckland CBD. You may have a look at the numbers of apartments built vs required in CBD at some stages. I recall a journalist asked John Key re his plans of reducing House prices in Auckland and he said if 1st home buyers could not buy Houses in Auckland then they should try buying apartments and start on the property ladder. Rent values are holding up ok though. May be just tenants are more picky and more of them moving to surrounding area such as Northcote, Grafton, Mt Eden etc as the rent is slightly less. CBD is defiantly more quiet than last year this time. There are more shops for renting too. Even on Queen St. It reminds me 2008 when walking around in CBD.
- Landlord – properties in Tasman and Christchurch. Rental market is strong i.e. good. No effect from Coronavirus as yet. Am re-letting one at present and instructed property manager to be ultra-careful in tenant selection process (due to proposed changes in termination of tenancies)
- Credit restraint still on but loosening a bit in mortgage area for sound applicants. Property - standing room only at auctions and solid prices for good properties. Discriminatory market in a good way.
- I am a property investor, currently looking for a do-up up to $700k, went to an open home in Mt Roskill, there were many people milling around at the first open home and the agent said there were already 3 offers on the unit - a very old, run down house and has asbestos + a stream right next to it. Auckland market is definitely heating up, but for how long with the threat of the virus. I had to cancel my trip to Hong Kong for my mother’s funeral end-February, will attend virtually instead, and put all my overseas trip on hold until all clear. Yes, the effect of the virus is quite big.
- A week ago, we did open home to find the new tenant for our rental property. We were surprised to see about 75-80% of the applicants are looking for a new place due to their landlord selling up. One of my colleagues is also selling her investment property. So I believe the new regulation is just too much for some landlords. They’d rather cash up and leave the market. We feel really sorry for the people going around looking for places. Every house ads there are at least 15-20 application coming through. Bit overwhelming really.
- My industry is rental housing. My wife and I have 5 rental houses in Rotorua, Palmerston North and Tauranga. Our bank has decided that as I am over 65 and my part time job is managing rentals, I no longer have enough non-rental income for them to lend me money. Over the past 5 years or so they have cost me at least a $1 million in unrealised capital gains and developments of property. It would appear that once over that arbitrary age limit, we become non-people. incapable of continuing to run the successful business we have run since 1985. So we're looking to change our banker, but our finance broker seems fixed on them, so we're looking to change him possibly also. We are also looking to sell the 2 Rotorua properties because Rotorua tenants seem to have no idea how to look after a house. Hopefully when that happens later this year, we will be able to repay loans and have 3 rentals plus our own house mortgage-free. Our children are also interested in property investment, so we're investigating going into partnership with them so we have the capital base while they have the non-rental income to allow a joint rental property investment venture.
- I am a Nelson residential landlord. I have 12 tenancies (I have had these more than 10 years): Much of the recent legislation I agree with (e.g. insulation standards), Some sound great, but in actual fact have been both difficult and expensive to implement (the range-hood requirement requiring a whole new kitchen layout, & the bathroom ventilation where the electrician can't access the surfeits for the vent -

and the room already has an open-able window and shower dome.) However the loss of the 90 day no-fault notice (with associated loss of fixed term tenancies), is a huge NO-NO. It means I am shifting from providing tidy, average rental properties at median rents to top-grade rentals at upper-quartile rents. This means I am minimising the risk of anti-social tenants that I can't get rid of, and only taking top tenants with great references and no credit problems. In order to do this I have sold two properties as too difficult to upgrade for my desired market, upgraded two properties (at $50,000 each), and am demolishing one property and rebuilding new. The advantage to tenants is that they will be getting lovely as-new properties. The disadvantage to tenants is that they will face a much higher bar to get in and be facing higher rents.

- We are semi-retired, empty-nester, Mum & Dad Landlords. Living Auckland's North Shore. Rental prices steady with slight increases on yearly renewals . Keeping ahead of new Healthy Homes standards is a focus for us. Costs not currently passed directly to tenants with huge price hikes. Keeping houses immaculately clean and well maintained even if not fully renovated seems to attract a high calibre of tenants for us and plenty of choice. Fixed Term tenancies of 1 year term. Have already in 2016 & 2018 sold older rental stock in troublesome areas and held onto cash. With low interest rates on Term deposits we are looking to re-invest in the local Property market with a new build with the intention of it being a long-term rental. Happy to re-invest if government rules don't put too many ridiculous restrictions on landlords.
- I'm self-funded retired with rentals in Auckland, Matakana, Kapiti, Nelson. We have just re-let 3 places in the past 2 weeks - 1. 3 bed upmarket beachside home in Auckland - strong but minimal selection - let to a single 50's male $4000/month. 2. 4 bed lifestyle property in Matakana - good response, let to a 30's couple $3000/month. 3. 2 bed beach front Kapiti apartment - massive response, big demand, let to a single 60's male $2500/month. With the pending tenancy changes we are taking NO risks and selecting 100% what's good for us which is a shift away from our normal process. Coronavirus - The only effect we see are friends changing or cancelling travel plans. We have been advised a forestry block we have due for logging next year will probably be deferred unless markets/volumes return to normal this year.
- I have been trying to buy more properties since mid-last year when buying conditions were very good. Getting the finance is the biggest challenge for me, with the LVR's and also high 'applied interest rate' when banks are calculating my servicing ability. Over the past month or so there seems to be increased activity at open homes and auctions, particularly from first home buyers that seem to have renewed enthusiasm, possibly in part due to (apparently) a recently lowered 'applied interest rate' that effectively gives them more to spend. General water cooler chat seems that people have more confidence that the property market is going to grow again in Auckland, so they want to buy and make the most of potential house price inflation. Biggest problem for them is the low rental yields available when purchasing a regular house/unit/apartment.
- Property sector Christchurch and Auckland. We are experiencing a lot of growth in our business and industry, and see lots of property investors coming in to the market. We are seeing some property investors ask about coronavirus, but generally we are not seeing anyone worry too much, or put off decision making because of it.
- We are Property Managers on the North Shore of Auckland. Enquiries are strong this time of year though not multiple applications, the PM's have to work hard to let properties. It is much better than the last quarter of 2019 that was hard work and in some cases we had to drop rent levels slightly to achieve a result. This year 2020 we are aiming and achieving 3-5% rental growth. Government regulations and law changes are a challenge. Its negative for Investors and makes a lot of extra work for PM's. How this plays out over next few years especially the no clause 90 day notice we will have to see. I feel this will be very negative for Landlords and they will question their investments.
- I'm a secondary Science & Maths teacher and am in the process of purchasing a second investment property in Christchurch. With an interest rate of 3.39% and a gross-yield of over 6% that seems to make sense. The recent pay-rise helped with securing the necessary lending.
- Residential property - rents are rising a bit faster than usual and the prospect of higher interest rates seem to be fading a little. House prices seem to be rising in general and any capital gain will be tax free. All of which is good. Despite that, this is one area I'm seriously thinking about exiting. I've also had a great run of tenants but, despite all that, all the forthcoming changes plus the amount of cost and time I have to spend on insulation, heating, etc, well it may be time to sell them all and put it into the sharemarket! Which may not be the best overall result for me but will be a hell of a lot less stressful.

- We have had rentals for the last 40 odd years with only occasional bad experiences, and we can see opportunities in the industry for those that stay involved. However, we can also see the opportunities for large amounts of grief to be piled upon our shoulders by rogue tenants cunningly disguised as people with good moral character, should the ability to remove tenants without reason be taken away from us. While we sold for lifestyle reasons with this property, should our very good tenants in our HB property, (who are on their 2nd 2 year contract), vacate we will not be risking any other tenancies and will likely sell. (our properties are and always have been well maintained and tidy, and meet current healthy homes standards)
- Rental properties Wellington: Reasonable increases in rents in Wellington in 2020, strong demand for properties, good capital gains, focus is on quickly reducing debt to increase cashflow. Dealing with barrage of new government compliance costs; as a chair of a building with 70 owners I will be outlining the extra demands and suggesting that owners factor these costs into future rent increases. No free lunch if costs are shifted to owners!
- We have historically been a little lax about tenant quality. We have always completed all the usual checks such as employment, convictions and credit and we have required written references. But in the past two and half years we have paid much more attention to prospective tenants. The new legislation will, we expect, make it difficult (if not impossible) to remove delinquent tenants. Tenants not in work, tenants with bad credit histories, tenants with young children and, solo mothers, amongst others, will now not be considered. We are not social housing providers (that is now clearly a government responsibility).
- I'm a landlord, with 13 units across the north island. Interest rates are trending down, maybe on its way to zero... Investors bidding trends up as a result. Australian syndication now being reported, to fill the gap left by previous overseas investors. Rates trending up - and brace yourself for when the guilt-driven impulsive "climate emergency" spending starts, we might see double digits soon, with very little tangible return! Rents are flattening out - because tenants with good track records have caught on, realizing they are now the commodity, and they are resisting higher rents. Landlords' bluff may have been called on that one...
- As a residential property investor, things in our sector appear fairly rosy at present, given the reported rise in house prices, and also the high demand for rentals, and rising rents. I am very concerned about the potential proposed tenancy changes. The only thing I am really concerned about is the proposal to stop being able to end a tenancy without giving a reason. If you give a reason then presumably you have to provide evidence, which could be very difficult to get legally. I have never needed to do this up till now, and hope I don't in the future, but it gives me some reassurance to know I can if I need to. This is unlikely to cause me to quit property, however it makes me think about ending my current tenancies, renovating my places to a high standard, and being able to be Very Fussy about who I let them out to.
- I'm disappointed about the change in ring-fencing rules, and not being able to offset my investment property losses against my earned personal income. I have approximately 100K of losses lodged with IRD NZ.
- Wellington house and rental property values keep going up as do rents - on average $20-30/room this year. Not good for the renters out there. The new rules proposed around ending fixed term tenancies with no reason plus tenants being able to decide to move to periodic leases at end of fixed term is a huge negative for many reasons and will negatively impact renters and landlords as they work out ways to circumvent the impacts of this.
- I have residential property investments and am actively preparing to divest myself of problematic tenants ahead of the anticipated law change. A dwelling that is located in an area that is more likely to attract future undesirable tenants we'll either sell or look to enter into an agreement with a social housing provider. Then the tenants are their problem and the provider is responsible for fixing any damage, getting rid of rubbish left behind etc.

Residential Real Estate

- Real estate sector it is extremely busy with properties selling very fast. Prices rises outstripping rents and yields have dropped. This started after the September easing of rates and serviceability testing rates. There are more buyers in just about every market. No obvious impact from the virus yet, however I imagine that will take time to flow through and perhaps some other negative economic reports will in turn impact real estate. Since KiwiBuild has been effectively scrapped the conclusion is that there is no supply glut on the horizon. Labour is doing nothing to make housing cheaper.

- Northland Rural Real Estate. No easy jobs but still going okay. Mainly smaller blocks. Residential is strong compared to a flat previous 6 months. Still lower sales numbers than last year but momentum definitely strongly up.
- Real Estate based in Whangarei. Residential and lifestyle blocks. Busy market $750,000 and down. Higher priced improving. Auckland driven. Enquiry has changed from predominantly local to predominantly Auckland. Investment type open homes full of Aucklanders. Company set new record for signed offers on one property last week with 10. Note: even in the higher priced properties $1,000,000 plus, a lot of our Auckland buyers (roughly 30./.) are keeping their Auckland property and using the equity. This is going to further impact Auckland supply.
- Have been looking around for city fringe property to buy with the kids and there has been a definite forming and lots of people coming to the open homes no doubt fuelled by rising rents, a low interest rate forecast and the fact that building is hard to get consent and costs look to be only going one way.
- In residential/lifestyle real estate in P North, listings short, turnover fast, days on market 25 in 2019 (28 for 2018). Around 360 for sale this time last year, around 230 currently and 1/2 will have contracts on them. Median currently $500k, was $406.5 Jan 2019
- I am a real estate agent on the North Shore of Auckland, Greenhithe to be precise. Although we are seeing more buyers around, prices are certainly not yet rising at this stage and the market is still sticky, with lowish sales volumes (9 per month last 3 months compared to over 20 at the height of 2016) and not moving quickly at all. Auction clearance rates are a little better though and there is a more positive vibe about. But that is like saying it is now grey where it was black a year ago. All that has happened is the media reports have encouraged vendors to start getting greedy again, at their peril. I think banks are still controlling lending tightly and that is keeping prices down. However, bargain time is over for buyers, unless you want a shack. It is still hard work to get a sale of any kind across the line and many vendors are still disappointed in what the market delivers - generally prices have not reached 2016 levels again or near it. New homes built with the Chinese market in mind - huge, many bathrooms etc - are really struggling to get sold. And monolithic cladding of any kind is again a cause for huge concern for buyers and very hard to move, whatever the condition or date. I wish the media could also emphasise the risks for other types of cladding too! Not noticing any coronavirus effects yet.
- Continued on aggressively since I first detected the upsurge in late October. Auction rooms packed and hard to get into the room. Strong bidding but not like the heydays of 2015 to 2016. Lots of Chinese buyers back signalling what I predicted last year. That it would take them about 1 year to get used to the new rules and set up systems to divert funds through New Zealand resident Chinese. That combined with lower for longer interest rates and no capital gains tax on the horizon. New builds selling strongly now in the 1.3 to 1.5 range which is the marginal cost of new housing supply in Auckland.
- Very strong in valuations. Lots of capital looking for a home. China/HK and Sing feeling Corona already. We have had a few things postponed but nothing obviously. Airports quieter (Akld and Sydney) last week. Still lots going on. Macro picture for NZ positive relative to rest of world.
- Auckland residential real estate. Bloody strong market. Buyers everywhere. roughly 50/50 owners/investors. We are seeing 4 times the amount of pre-auction offers accepted than 6 months ago.
- I work selling residential real estate all over Auckland. Residential market activity seems to have really picked up over the last two months. We are getting record numbers of groups through open homes. One tender we held a couple weeks ago had 13 unconditional tenders and an auction had 10 bidders in the room with 9 additional phone bidders with the property selling much higher than the reserve. My office colleagues are all reporting the same activity. Definitely feels like the buyers have a fear of missing out mentality.
- We are off plan apartment sales and rentals team based in Ponsonby Auckland. We have noticed a summer bounce in the market with increased buyer enquiry. Rentals are full with recent occupation of movie workers e.g. Lord of the Rings. We expect rentals to tighten as Americas cup draws nearer. We have even been affected positively by coronavirus as a spike demand for short term rentals from Chinese tourists stuck here. Discussions over Xmas with Australians holidaying in Auckland because Aussie was burning indicates some would consider NZ as a place to move to if the fires continue. Long term prospect of capital growth looks sound.
- Local market in Dunedin still in a good mood due the local factors [hospital re build etc] – lots of non-Chinese tourists around. Residential market still hot – a trend of lots of out of towners [mainly North

Islanders] at open homes recently seeking owner occupied places – perhaps our population pressure will increase.

- I am in the property industry. We are seeing an increase in valuation requests, mainly for new houses, values are showing signs of starting to lift and a large company who are doing new build developments in Takanini have told us they are lifting prices on new build listings by 5%. A lot of work for first home buyers/kiwi build. No coronavirus issues yet in this industry.
- Retirement housing selling well in Auckland & Northland .No visible Corona virus issues.
- I'm a real estate salesperson in Taihape and my colleague and I are very busy with offers on our comparatively low prices for residential property compared with most of the rest of NZ. Average 3 bedroom house price is $200K - $280K in Taihape! Definitely picked up sales with out of town buyers as well as locals and investors looking for good returns. Buyers not buying unless rock bottom prices on those as they will be taking on those costs. Also lots of our deals are falling over due to finance. Mostly due to servicing. This is extremely frustrating for us as well as our vendors and buyers. Even more frustrating, buyers are being turned down if the property they want to buy needs work. Vendors who can't afford repairs end up sitting on properties they just can't sell. And this is when housing is in short supply.
- Auckland. Over the past month or so I have seen a huge increase in activity and properties are moving very quickly and are accelerating in price again at a large rate of knots. I haven't seen the coronavirus affecting my sector and activity from first home buyers through to luxury properties is frantic and I am struggling to keep up with the demand (although there is definitely still a surplus demand over supply, which is fuelling the fire)
- I'm a Real Estate Agent in Wellington covering the Jvile to Pukerua Bay Area. In brief the market is still strong with more buyers than sellers. It's rare to not get multiple offers on properties. Investors appear to be back in the market. I just sold a 2 flat property in Tawa and we presented 15 offers to the vendor. Interest is strong across the board from first home buyers and above.
- I am in real estate for 23 years now and (think) could recognize patterns when they start showing. At the end of July last year I noticed a sharp increase in activity level in the area where I work : Glendowie , St Heliers , Glen Innes, Kohimarama (The Bays), towards Remuera. It was after Capital gain tax idea was gone and interest rates were historically law. Activity level increased, days on the market shortened which produced steady increase of prices by December. It was clear market is on the move. January was slow, there were no new properties on the market and left over buyers from 2018 and 2019 started panicking afraid they have missed the market. February is very busy. It is the lowest end of the market working well. In these areas it is anywhere from $600,000 - $1,200,000 but with amount of pre-auction offers and multiple offers all around Auckland, just slightly lower up to $1 mill market is very active. At this stage we do not see medium price bracket working as well. Firstly , there is not enough properties like that on the market so people who sold at low end are lacking choice so we cannot certainly say what is coming next. I assume like in most cycles , it will flow through in higher ranges , maybe not as fast within traditional 3 years cycles. This depends as well on what Coronavirus is going to do and when it will stop. At this stage there is no obvious brakes but I hear more buyers mentioning that fact with hope it will stop the prices going up. I try to draw back on my experience and say to buy when they find a suitable property and have money to buy. Some listen and some do not and will learn the hard way .There is more sellers getting concerned about it as well, together with elections later in the year so not easy to get properties to sell. We will probably see effects in few more months when we learn in more detail how the virus affected economy.
- Residential property Tauranga. Most listings are going multi offer and some are selling above listed price, demand in excess of supply albeit supply is still low.
- Bay of Plenty real estate is slow at the top end above $1.5 m, normal in the $800 - $1.3 m range and active in the $600 - $800 range. Buyers are pretty relaxed and under no real pressure to act. So far "what virus?"
- Still plenty of first home buyers but many I see do not have sufficient incomes to meet Auckland's high prices with all lenders requiring higher incomes with less than 20% deposit and not enough of them accepting new clients to the bank.
- Wellington -2020 has been an interesting start to the year, my business partner and I have about 10-12 listings ranging from $350,000 to $2,000,000 and we are not seeing quite the momentum from 2019 flow through to this year yet, this is likely because of seller versus buyer expectations. However the lower end of the market (first home buyers) appears to be going nicely however mostly small apartments

or further out from the city centre. We have seen stock levels increase somewhat, however not the buyer urgency that generally follows, typically when stock levels increase so does the buyer activity, i.e. for every listing there is a buyer. We have probably spoken to more investors so far this year than we did the last quarter of 2019, which might just be the fact that investors have concluded via the Healthy Homes Act that you can no longer continue as a slumlord anymore, which is really quite good as Wellington housing stock is mostly well past it's use-by date and is craving for improvement, however this is only going to work with sellers expectations adjusting to market realities or them doing the work themselves. Sellers seem to have based their expectations this year based on the property value increases they witnessed, read and watched last year via the media. Some comments we are hearing at viewings are; the market is too over heated, the price is too high, we're waiting for prices to fall, we're not prepared to do that much work and similar.

- The auctioneers called in 33 pre-auctions last week, compared to 4 for the same week last year so a very active market and 90% of pre-auctions selling for more than the opening bid."
- I work as a property valuer in Auckland- no coronavirus effect yet. I mostly work around the inner city, NorthShore suburbs and Warkworth , increase in enquiries and demand in all these areas are driving prices up again. What surprised me that even in Warkworth we can feel the affect- normally it takes longer for Warkworth to catch up , but not this time around.
- I run a valuation and property consultancy in Auckland and we are flat out. Turning so much work away as do not have the resources to complete the business offered. Primarily residential Val's but with a fair chunk of commercial work as well. Trying to recruit, but qualified valuers are impossible to find. The provincial valuers we have are busyish, but nothing like Auckland. We also have structural engineering, architects/design and building consultant services. They are busy, but not to the same degree as the valuers. The property market is on a roll and demand is good. Super low interest rates are a key. Almost all our valuation work is for bank lending.
- Real Estate in the distorted Christchurch market continues to be hard. Extreme listing shortage and heaps of mainly weak buyers. I wish someone could really analyse what's going on here. It's like a malaise that persists after the quakes but 2000 salespeople has flooded the market so many are semi starving with about 600 sales a month in Christchurch. Everyone is getting onto Facebook with ads.
- I work in the middle to upper end real estate sales in central Auckland (mostly central West - the greater Ponsonby area). Buyers have been very active since late last year with a lot fewer 'stale listings'. I do think that vendors are being more realistic too, there is simply more of a genuine motivation from both parties. I haven't personally noticed a change because of Coronavirus but that could be yet to come as it is being talked about. Our Chinese-kiwi colleague has suggested that it may have a slightly positive affect on prices as Chinese residents who have NZ residency are talking about returning. Developer stock sales picked up a bit towards the end of the year but seems to have quietened off slightly since. Friends of mine who work in short-term corporate rentals have said that business has picked up significantly because of Coronavirus due to visitors extending their stay in NZ instead of returning home to China.
- Property valuer based in Auckland (both residential and commercial), we are very busy with a lot of activity been seen over a range of property types.
- Remuera, Parnell, Newmarket, Grafton, Epsom mainly. Properties have been selling extremely very well. Multiple buyers and not much stock to choose from. Auctions last weekend for our group were at 100% sold on both days. We are starting to see pre-auction offers (and often more than one in succession) not all at a level sellers are happy to sell at but colleagues in my office have had a couple pre-auction offers where sellers have been happy to sell and then achieved much more when the auction was brought forward - on the two occasions I am aware of so far, both properties were sold to the original offeror for more than their pre-auction offers - demonstrating higher interest at auctions with more bidders and healthy competition. Good solid homes are fetching good prices - i.e. 2 bedroom brick and tiles are very sought after (downsizes and first home buyers competing). In hindsight there has been a marked lift from November last year (which is when my colleague and I noticed there was a step change in buyer interest). At this time however, stocks were light and we had more buyers than sellers - creating a strong sellers' market which currently prevails, as far as we can tell. It feels like more sellers are bringing their properties to market as at February and it doesn't feel like we are seeing any effects of the coronavirus at this time. Or not in our neck of the woods!!
- Professional landlord/property investor. Things reasonably steady. Difficulty in obtaining credit for Commercial buildings – risk off with the banks. Res not too bad but has been easier in past. Healthy

Homes standard is a positive for those who gear up for it. Keeps properties up to date and of good standard. Will help to increase rents for those of standard. Also good for tenants. There is likely to be more G changes in rules for tenancies. Go with the flow and keeping abreast gives a competitive edge. Chch currently undervalued compared to rest of the country.

- Market is going good and increased in the past 6 months with non-residents of Kiwis and Australians residing in Australia purchasing for lifestyle (Queenstown and Wanaka) or rental return (Dunedin, Napier and Hastings the most popular location). Many ex pats purchasing where they originally are from in NZ and envisage returning to NZ sooner rather than later cause of bushfires earlier in the year.
- I cover primarily lifestyle / rural. We've got a high end property. I am surprised at the interest; primarily Chinese (kiwi), and kiwis. It's been on the market a week and we've had 5 Chinese groups through, and 2 Kiwi groups. Auckland / Rodney district. A colleague had an open home on a lifestyle property she had 100 groups through the first weekend of open homes. I've never heard of those numbers in rural. (Coatesville + Auckland / Rodney). Sold a residential 2 bed unit Orewa at Auction. One bidder only. Most buyers were conditional. Coatesville has seen a lot of subdivision using TTR (transferable titles), due to high volumes available we've seen the prices drop in the area, and an increase in buyer interest / sales on 1 ha blocks (note buyers are looking for the ability to put a minor dwelling on which necessitates a minimum of a hectare) hence sections under 1 ha in this area are having a tendency to sit.
- Residential real estate in Wellington. In my opinion the market is as hot as it was in 2016 when things took off like a rocket. Prices are rising again, first home buyers are scrambling for affordability but remain committed to purchasing, despite high prices, presumably at least partly because rents are also very high, making renting equally unappealing. Investors are also more active than they have been for several years, as lower interest rates presumably make up for the increasingly regulated market we seem to be heading towards.
- Real estate agents and mortgage brokers are very busy, I heard of ANZ credit assessor who has been working 7 days a week at the moment.
- First home buyers - Many migrants among my contacts, who lived in NZ for 5 years or more were able to buy their first home last year. These are families with children, with good savings habits, stable income and Kiwisaver. They were either locked out of housing market previously, or didn't want to move to lower decile areas. Those with smaller household income (up to $130k p.a.) were able to buy apartments in Hobsonville or Kiwibuild. Those with higher household income ($130-$200K p.a.) were able to buy in Auckland's North Shore or Silverdale/Whangaparaoa/Orewa where decile 9-10 schools are and access to good secondary schools. Many more contacts (mainly first home buyers) are house-hunting or are in the process of obtaining finance at the moment.
- The real estate market is in good heart here in Christchurch and good prices are being paid. Good quality buyers in the market but we are hampered by a shortage of housing stock. Large numbers at open homes in sought-after suburbs and competition is helping to secure some premium prices.
- Coronavirus is certainly being talked about but generally not seeing an effect yet. It is having an effect on travel plans though and a lot of people are planning to stay closer to home during their holiday breaks.

Retail

- We have 4 months stock as of 1 March, new orders are in place to start today with a partial Chinese work force back active. I want to believe China will meet time lines but I don't. Stand by for actuals over the coming month for all Chinese reliant manufacturers.
- Shopping Centre operator in Greater Christchurch ($50m value). Trade for good retailers continues to grow, almost a positive effect as our customers seem relieved to be a world away from the coronavirus. Business owners still very reluctant to invest more with NZ and worldwide uncertainty predominant.
- Coronavirus is affecting fabric production in the apparel sector, especially out of China. However, it's effects could widen with factory workers being isolated at home in other countries who are alternate sources of production. Retail sector quiet and having to deal with rising costs (e.g. wages, rent) against soft consumer demand since Boxing day. Government policy has not helped the retail sector at all.
- I am an importer and distributor of hand tools based in Wellington but with National distribution. Our largest customers are retail hardware chains such as Mitre 10, Bunnings and Placemakers. Profitability is very hard work at the moment. Our customers are very reluctant to accept price increases and on

our cost side, costs only seem to be increasing. (Rent, wages, cost of goods / NZD). Coronavirus looks like it will affect up-coming shipments which may result in out of stocks and therefore impact sales. We are monitoring this very closely and at the moment it is a day by day proposition.

- Retail Industry , only thing to note from role experience is constrained supply of tech hardware begging to be an issue
- We are an online retailer of coffee capsules covering NZ homes and business. Gut feel is that last six months it's costing more to get customers and costing more to get them to buy again. Customer loyalty is harder to achieve if at all. I wonder if people are so conditioned now to "traditional" online marketing techniques – mainly being chased via email and google tracking – that it's now accepted practice to just take the most current and/or best available offer at the time when they are ready to purchase. The days of "I always shop with Tony because he always sees me right" may be passing? We also feel that people are spending a little less and being slightly more cautious about spending. Is the growth in Buy Now Pay Later (BNPL) a good thing? Or is it putting out unsecured credit into the hands of people that don't quite understand the pay later bit. And that we may be storing up a zitty consumer liability for a downturn? No effect from virus yet (albeit we are looking up the supply chain as all roads lead to China right?). More feel that the drought is relevant at the moment.
- I am building a house. Tiling and bathroom suppliers have been telling me that they are expecting delays from suppliers from China. Not sure if anybody else is finding the same but if they are, this could have an effect on inputs for building houses. One of my really good friends is a travel agent with house of travel. She tells me her market has just about died. Guess that is to be expected. This will have a big effect on her income as she is purely commission based paid. Clearly that's going to affect what she spends.
- I am in the Pharmacy business. Dispensing revenue in our business continues to grow steadily, but the retail pharmacy dollar we compete with supermarkets and other outlets for is becoming increasingly hard to achieve. There has also been the arrival of Chemist Warehouse into the NZ market who are very good at what they do which is discount. Se we have pressure on the top line from increased competition resulting in lower margins being achieved, and increased costs through increasing wages and other compliance costs. So we are heading for a crash in the middle resulting in it becoming difficult to maintain our past levels of profitability.
- Importing & Wholesale Sporting Goods – tough market – smaller retail stores are starting to fall over or just not selling when owners retire – so consolidation is happening the market to the bigger format stores. Coronavirus is impeding imports either via shutdown of manufactures in China/Korea or delays in freight. Will be 5-8% price increases in Apr/May due to FX changes.
- Woman's Fashion Shop (More designer labels) in Invercargill. Business is not affected by the virus as the clientele base in the main are local Southland residents with some out of town sales to resident NZer's. Unlike Central Otago where I suspect (from reading) the drop in tourist numbers will be having a significant effect on businesses whereas this business does not rely on the tourist market. Sales on a comparative basis with last summer are only slightly down compared to the previous year and that is probably attributable to a very average summer here in the south.
- Outdoor Sports Retail / Wholesale / Government product. Following applies to Retail / wholesale. December - Average - Notably the family camping sector a lot slower than previous years. January - Slower than usual - as above the family camping market not producing what it has in the past. February - slow start picking up as we head to the end of the month. Definitely a slowdown, we depend on discretionary income and we are hearing that Taxinda is taking this from people's pockets and I would have to agree, also hearing a lot of complaints about the price of everyday groceries (not our field) from friends and associates, people do feel good about interest rates but are also saying that lending criteria has become more difficult and everything is being determined on cash flow and not security. Government Product - We have had a good year to date though there seems to be a brake on spending for defence, I believe budgets have been re-allocated which causes a few issues - other business finding similar issues
- Kitchen Appliances. Outlook: We are a 100% NZ owned company focusing on quality at an affordable price, and backing it with an industry leading 7-year warranty. We hold a sustainable position in what is a relatively steady market. We are helped by tough economic times because this tends to lead to people looking past the "aspirational brands" and focusing more on value for money. Coronavirus: We are in the same boat as the rest of our competitors, with the majority of our product now being manufactured in China. In many ways the timing of the outbreak was a blessing as we have a robust S&OP process

that ensures we are well stocked heading into Chinese New Year. We will potentially experience additional delays ranging from 2-6 weeks depending on which factory/region.

- Central Southland ... Gift/Decor. 30 yrs in business. Dire times. Started slipping spring 2018. Steadily worse through last year. Began to feel much like 2007 as we headed towards the GFC of 2008. (My industry feels it first).
- We run a group of 10 Japanese restaurants and retails in Christchurch, Dunedin & Queenstown. We don't see much effects in terms of sales in Dunedin and Christchurch where the locals are our main customers. However, we see 5% drop to last year across our Queenstown stores. This may be caused by the virus but it is hard to tell the virus is the main cause as the downturn in tourism industry has been expected. We also see more competition down there too. Apart from the hospo business, we also have a portfolio of residential and commercial properties and see no effects from the virus. There used to be at least a couple of commercial buildings for sale on the market in George St, Dunedin and Esk St, Invercargill. However, there are no stocks available now and our agents are busy saying no to those who look for spaces.
- I am frontline retail, books, gifts, toys, also have Post and AA agencies. I'm an employee not the business owner, though. Otago. (Franchise) Times are tough, online and red shed competition reducing foot traffic it seems weekly. Covd19 impact, supply side currently, waiting for some stock. May have an upside if China shutdown continues as people perhaps forced to shop at physical stores.
- Auckland Central city fringe, book retailing (Independent bookseller). 2020 turnover steady to date, consistent with last couple of years. Understand that reprinting in China of some titles is delayed because of coronavirus disruptions.
- Fashion Retail North Island. Hard to maintain last year's sales in spite of great weather. Worries about the incoming pandemic won't be helping customers to spend. Some supply problems for rest of this season expected out of China following slow and uncertain returns from Chinese New Year, though these haven't flowed through to us yet. Factories hungry for next seasons orders. Can they deliver? What about their supply chains?
- Importer of Chinese made toy/game components: I work with several small factories, most of which are reportedly back online, but it not yet clear what capacity they have to actually manufacture and deliver. Finding that responses are slower and somewhat non-committal. One of my suppliers is still offline - radio silence – very unusual. Factories keen to say all is OK, but it isn't so easy to get comfort /proof. Luckily we re-stocked before their holiday.
- Import and wholesale in the office products & stationery sector. 75% of our product comes ex-China. Expecting stock shortages to hit us from April. Factories coming back on line slowly. As an example a major factory has advised overnight they are at 60% capacity. Another is running at 35%. Some anecdotal evidence of shipping lines and ports adding new fees…..opportunistic it seems! Also word that major shipping lines are/will move to smaller vessels on the ex-Asia routes so this may cause capacity problems when production is back in full swing.
- Some paving suppliers (porcelain tiles) good supply now and containers on the way to NZ but there will be a delay at some point. Steel fencing supplier, current stock is allocated to projects. Factory in China is back at work but at 50% capacity, so shortages are here and will be here for some time. Maybe a chance to sell more NZ produced materials as long as they can get or have raw product available.
- Pharmacies in Napier and Taupo. Napier all three attached to GP practices, all experiencing organic growth, no positive or negative impact from Covid-19 on revenue, other than facemask sales, a lot of public interest and conversations though. Taupo - three attached to GP surgeries, so as above, plus one large retail focused business that relies on inbound visitors, both domestic and international, we have seen no effects on our retail revenue or customer numbers at this pharmacy.
- We're a long-established online retailer of mainly natural health, beauty and eco living products, the largest online player in our vertical. Things in the ecommerce industry are probably going ok, but it's pretty tough in the natural health/dietary supplements industry. Locally, us and others are battling hard to get to grips with the launch of Aussie behemoth, Chemist Warehouse. They're at 12x stores, and aiming for another 10x this year, plus critically for us, launched their online store in December. I have 'heard' that the 'typical' multiple of EBIDTA being applied on the sale of a typical neighbourhood pharmacy has roughly halved pre/post CW's starting to ramping up. Export sales of NZ natural products to China also well down last couple of years – see e.g. Comvita or Blackmores performance as indicative. All in all – it's a tough space – margin pressure is constantly increasing, and I'd expect to see some consolidation and/or failures over the next year or two. Covid-19 – yes we are seeing some

impact. We have early warnings of suppliers running out of stock of certain lines soon due to both some packaging and raw materials used in manufacture being currently unavailable from China. On the flipside, we are starting to sell more immune boosting supplements such as vitamin c – which we attribute to this. All in all, we'd expect a significant, negative impact if the supply chain for natural products continues to be further disrupted.

- I'm in the liquor industry as a major supplier to all operators – Bars, Restaurants, Hotels, Lodges, Retail Stores and Supermarkets. We have noticed a dramatic drop in sales in the On-Premise segment (hospitality) - The ethnic restaurants and late night bars / clubs have been hit the hardest. – over 40% down in the last 6 weeks. Tourism locations are down around 20% with local accounts flat. A surge in retail sales – (people entertaining at home) – though this has also benefited with the shift of "Mindful" drinking that the on-premise market has been slow to adapt to.
- We're based in Auckland and sell stationery and fabrics to the wedding industry internationally via our online shop. Our customers comprise approx. 75% retail buyers, 25% wholesale. We aren't experiencing any slowdown (yet). Our sales are up by low double digit percentage points on last Feb.
- My wife's business is Skincare, botox, appearance medicine etc. Her revenue in January was down on the previous year, whereas February was slightly ahead. She understands a lot of her colleagues are quiet as well. Normally this is down to clients paying off the Christmas credit cards and back to school bills. Revenue normally doubles in March when her year starts to kick in. Even though it is quiet women (and some men) are still spending money on their skin and appearance.

Retired plus Aged Care

- Retired - Hawke's Bay. Low term deposit rates an obvious issue which were about 50% of our retirement investments. Over past year reduced term deposits by $850k; wife has reluctantly again purchased a rental property and both using KiwiSaver as a vehicle for exposure to equities. Of group of eight mates (average socio-economic group) meet Friday nights for a couple of drinks; two in early seventies still continue to work in tourism sector as much for lifestyle reasons (as does wife) but are scaling back, and another - not too long after separation - reluctantly working out of necessity. Most of group have an overseas trip once a year.
- Our "Industry" is Charity-sector, providing affordable (heavily subsidised) housing for independent elderly people of limited means. We are based in Christchurch. Post-Christmas we have had increased enquiries from people seeking to access our waiting list for affordable, elderly-accessible housing. Though this increase frequently happens at the beginning of a New Year, this year seems to have been particularly busy with new enquiries. Perhaps this is reflecting the increasing cost of renting, with older people not able to afford retirement villages, yet wanting to remain independent with the comfort of neighbours close to hand. Coronavirus is currently being taken very seriously by our organisation as some of our funding comes from investments. The flow-on effect of coronavirus on the world economy would likely lead to the charity having reduced income in the near future. However, these actual effects of coronavirus are not being felt – yet. If coronavirus reaches New Zealand there is also concern around the health of our residents and team. We are implementing ways for our team to work from home if necessary.
- I don't own the business but work in elderly care home and hospital. We are busier than ever and have waiting lists. In the last two years we have had some empty rooms up until now. No effect except we have noticed and fliers out and more hand sanitizer stations.
- Aged Care—Auckland. Cost pressures—particular competing with the DHBs for Registered Nurses. Care givers wages continuing to rise through previous pay equity agreement. Other groups not in RNs or Caregivers group demanding maintenance of previous hourly rate relativity. Government funding for aged care residents not recognising this cost inflation. Larger Retirement Village/Aged Care providers cross subsidising these cost increases from property development profits. COVID-19—concerns if currently constructing retirement villages/aged care facilities that future supply chain issues out of China for building supplies/electronic components may impact construction timelines.
- I'm in aged care – Auckland region and no real changes from six months ago in terms of occupancy for care homes but sales of independent units and villas has been slow for the last six months. Corona virus hasn't been an issue other than preparation for if it hits NZ
- Retirement Villages (we operate in NZ and UK) – as you know the RV industry is very much linked to the residential housing market (purchasers of RV homes typically sell their home to buy the RV home).

For Auckland the residential market in 2019 was very slow with depressed prices and a disconnect between what purchasers were willing to pay and vendors willing to sell for, which meant that many transactions did not complete. This changed markedly in the summer months with the housing market picking up and many of those transactions now completing.

Tourism, Travel, Aviation

- Out-Bound Travel: *Virus wobbles*. Sales this month down 50%, Last year was outstanding and 2020 looked to be even better until the Beervirus. Flygskam: Not an issue in NZ although we are seeing a move by increasing number of clients to *tread more lightly*. Maybe travel less, but for longer and with ethical suppliers. Enquiry still strong as incredible offerings out there now with amazing product, fares including likes of Business class to Europe being half what it used to be and that is on top quality carriers! Bookings as mentioned for many are on hold till Coronavirus settles down into just another influenza. Next three months: Most likely will get worse, Italy going offline we hear today etc. Next six months. The hysteria will be over and Kiwis can't live without overseas travel so there will be a catch up later in the year but then again there is an election. We would suggest everything you hear from politicians will be lies so you may as well take August/September/October off and avoid the pain! Bookings will bounce back, prices will be exceptional, in fact they already are and seasoned travellers are simply moving destinations to first world countries and or short haul Pacific - Australia - Domestic. PS: For every person who starts to book online we are finding one decides to use an agent: Global issues: Strikes/unrest/Natural disasters although we don't like them still show the value of a good agent who shouldn't cost any more than booking direct.
- We have already had significant business impacts from Corona Virus. We have a whole crew base in Shanghai who essentially have no work as we have halted flights. This is obviously directly impacting our revenue, within minimal (at this stage) reduction to our cost base. We have also reduced capacity to HK, and I suspect more impacts will soon be announced. The reductions we are seeing will flow on into NZ as a whole, impacting tourism and hospitality. We have pandemic planning well in place, with regular meetings. This could flow on to talking significant cost reduction steps in NZ and overseas. Min wage – we have some base rates that are quite low, but the employees covered enjoy very generous allowances on top of these. The min wage increases will make what is already uncompetitive package structures, even more uncompetitive. Again, this could lead to us being forced to take cost reduction steps.
- Had a campervan client had 7 cancellations due to Coronavirus, but is still 95% booked out through April, another Asian tourist operator is barely feeling the effects as they diversified into Korea & Australia in the last 24m.
- On coronavirus one friend who is a top scientist and spends a good part of the year at international conferences says he will not be travelling overseas this year, not only because of the risk of the disease but equally because of the risk of being caught up in quarantine measures. Similarly, for another friend who was planning a trip home to Iran.
- Tourist based and dive educational business Waikato region. Good summer with our traditional NZ tourist market and Jan figures around the same as last year. Good tertiary student numbers in our first intake for the year. Seeing our traditional European and American travellers now. No impact to us with Corona Virus other than opportunities for cheap dive travel short notice deals with Chinese cancellations elsewhere.
- As a holiday park in Qtown we are busier than ever this month. A handful of cancellations but otherwise bad weather further south has folk staying longer. Concern amongst staff re where to go for their own holidays and to be sure can get back into NZ. Slowness of Immigration procession doesn't help either. Within other family businesses common sense workers – who want to work - extremely hard to find. Lack of staff is threatening business staying business. Plenty of work just no staff.
- West Coast SI Hotel. Feb/Mar Coronavirus cancellations $75,443 – approx. 10% of revenue for those 2 months.
- Inbound tourism (wholesale), northern Europe, groups and FIT's. Biggest season in 7 years, timing of CVirus late in the season meant we got away with it this year (no cancelations). More interesting will be the flow of enquiry/bookings for next NZ summer season, at this stage still receiving enquiry but see risk of it failing to convert to confirmations later in the year depending on how things play out. Weather related cancelations down south have had an impact, mainly increased operational costs (re-routing

etc). Analysis of enquiry levels for 20/21 summer season at at today shows 30% down on enquiry level same time last year.

- We are in tourism accommodation in Golden Bay (Tasman). Business is down this year due to two factors: The Takaka Hill is still not fixed, requiring traffic lights with lengthy delays (up to 12 minutes). Increased competition from ad hoc AirBnb (particularly in baches), which do not have the overheads of legitimate businesses. There is little effect from Coronavirus, as most of our guests are from the US or Europe.
- Based in Wanaka, and involved in property and used to own a lodge so understand tourism. Coronavirus is having effect with certain tourism business, over the past 5 years Wanaka has become more reliant on the Chinese market. With property, things have slowed. The perfect storm of little titled sections has been replaced with people trying to flick titled sections they don't want and being gobsmacked at the price it now costs to build houses in a Wanaka. If anything this is pushing people towards buying finished product.
- I am in the aviation industry, and this has been heavily hit by the Coronavirus; more so for the Company I work for given we're located in close proximity to China, and have a large portion of our business into, out of, or over Mainland China. This has had a huge impact on revenue, and has followed on from the rioting in Hong Kong which we saw during the last six months of last year and had an impact on the business. Prior to that things were starting to look pretty good! I would anticipate that the Coronavirus is of limited duration, touch wood, and typically as during things like SARS and MERS in the past, the upswing is often disproportionately larger than the correlating downturn. As such, it'll be a tough quarter or two however I would expect this time next year, the picture to be rosier. Hopefully.
- Rental car business demand has softened and overall car sales are down. Coronavirus has no direct impact but could have flow on affects if other industries starting to struggle.
- Tourism in Dunedin stashing any cash they have to survive planned 12 months of reduced cashflows – Queenstown will be affected but has a spread into other markets and perhaps Australians will come back to the market instead of going into Asia. Was in Rotorua recently and that market relies more heavily on China – I understand a number of Chinese owned tourism operators have closed shop already.
- I work in the wholesale souvenir market. Feedback from Reps is the roads are very quiet and retailers are cautious about stocking up. Normally Feb is still high season but retailers seem to be conservative and reducing stock levels now for the winter. Feedback from Chinese suppliers is many are just getting back to work now. We will have delays on stock ordered because of coronavirus without a doubt - in some instances we will be out of stock of some items. One of our staff members returned from a trip to India on Sunday - she was shocked how empty Hong Kong airport was - normally a very busy hub of travellers, now there is hardly anyone there, shops shut, just a few restaurants open. The main mood of our industry is one of uncertainty. We will be taking a conservative approach and watching labour & stock levels while we gauge what impact coronavirus has on our business and industry.
- Economy campervan rental (smaller campers) seeing minimal / if any impact to bookings at this stage. Our company approx 1-2% Chinese based travellers. 50% Europe / 20% US & Canada so will be interesting to see how it rolls out over the next 6 months and any impact on bookings for next season. Bookings typically 2-3 months in advance. Connecting flights have been our biggest challenge to bookings to date. With most bookings being pushed back or flights re-routed and 1 cancelled. Our adventure tourism partners are feeling the pinch, particularly in the deep south after flooding and dead CNY. Anecdotally the rental car industry has taken a big hit which might impact smaller / highly geared players. Some of the loss in incoming travellers was picked up with extensions to existing bookings for those that were unable to get back to China.
- We operate in the B&B accommodation sector close to Hobbiton. We've had a strong season, with 12 months occupancy 4% higher than last year, and average room rate up 3%. Forward bookings are tailing off, however, and are down 11% for the next 12 months compared to same time last year (but the majority of our bookings come within 3 months of stay). We are seeing fewer Asian guests, but there's more Americans and Europeans.
- In the King Country Tourism sector — a remote lodge. Demand is very strong and we are 18-20 % up on last year. 90% domestic. Hard to find good NZ staff. No negative coronavirus effects at present. Maybe the C effect will push domestic / leisure tourism up
- High end transportation / touring – small niche business based in central North Island. As I approach end of financial year, numbers will be showing we're up about 15% on last year. That is pleasing,

however I am very concerned about the knock on impacts of coronavirus. Immediate impact is not evident as we don't work in the Asian markets, however I am cautious that should a situation like what has just happened in Italy, were to happen in Australia or New Zealand, that we will see forward bookings for the next 12 months not eventuate as they usually would. Q1-Q2 is when we get most booking enquiries for the summer, so May – August will be incredibly telling as to how the mind set is placed by those considering NZ as a destination to visit. I am preparing for a forced downturn. I have postponed plans for purchase of new vehicles this year, until we are clearer of prospects which we hopefully will have a better view mid year as to potential outcomes. Essentially in a holding pattern right now to see what happens.

- We are in Fiordland, tourism based. Milford has been affected by weather more than covid19. The lack of Chinese does not appear to have affected many locally owned business, most accommodation is still being booked up and people are staying longer. It appears to me smaller businesses are actually benefiting from the increased availability of accommodation with visitors staying longer. A few large operators are affected but by and large the weather has caused more issues.
- As location goes were talking about from the Kaipara to Ruapehu and coast to coast in the freshwater fishing and gamebird hunting industry. With the lack of rain streams are very low and thus licence sales have taken a hit (7-8% on last year) with retailers informing sales on gear down likewise. Outside hunting season at the moment so no info. As regards coronavirus, trout fishing attracts a high percentage of overseas anglers and thus expect licence sales to take an even bigger hit as travel restrictions take hold.
- Wanaka - Tourism (Air BnB) - Bookings down probably 10% compared to 12 months previous. No Chinese visitors in 2020, who normally number 10% of our bookings, so no cigar for working out the correlation! Wanaka town is also definitely quieter with no Chinese tourists, though still reasonably busy - just not its usual manic self.
- Managing 50 holiday homes. We have had 4 cancelled bookings from Coronavirus which have been filled quickly due to this being the peak season for accommodation.

Transport and Storage

- I am a Credit Controller for a New Zealand-wide Transport business. I look after the South Island and I can see things slowing down all over. Christchurch seems especially hard work as there is a lot of competition for work. Money still coming in quite well at this stage.
- I work in the Freight and Logistics industry located at Auckland Airport. We mainly handle Import/Export Air and Sea freight, primarily from China. Coronavrius is definitely making an impact in our industry/sector - with business down and also having an impact on cash flow etc. News reports also confirm this as many ports in and out of China are shut.
- We are an Auckland based transport company, we cart anything import and export based Auckland local area with approx. total staff of 52. Up until mid-last week we have been reasonably busy, this week has quietened down dramatically with both import and export, sea freight and airfreight. As an example a large exporter we deal with who manufacture commercial air-condition units have more or less ground to a halt, reason being all their componentry is from China. We usually expect some down turn this time of the year with the Chinese New Year but it is certainly noticeable this time around. On another note, good staff, (drivers mainly) are extremely hard to find, there are a few young ones coming through but they have little to zero experience. We have had a policy of bringing young ones through but are certainly running out of the older experience drivers to train accordingly. The young ones we do get have an expectation for renumeration that only comes after they have been trained, they also have lack of discipline re attendance! Re vehicle replacement with new trucks and so forth, the pricing is very good, I suspect this is low inflation and where the NZ dollar sits? Fortunately our cash flow is very healthy currently so at this stage in a good position to hold out for a reasonable period until things pick up again. (Hopefully this will be weeks and not a few months)
- Self-Storage Industry - Major Operator Excellent occupancy rates remain in both major cities and regional areas , however some price concerns starting to emerge as people sense a slowing up is coming and downsizing or reassessing whether they continue to store long term. We are helping by the housing crisis limiting both purchases and renters finding a place, hence they stay longer with us!
- We are a very small International Logistics provider based in Canterbury. This time of year is traditionally quite for imports but now significantly more so as a result of the virus . Especially ex China

of course, however there are flow on effects to other trade lanes. The number of sailings from China to Australia & NZ has been cut back because there is not sufficient cargo to make them viable. When the factories re open and supply chain is " back to normal " there will be pressure on space and hence freight rates will increase (which is unusual in the first half of the year)

- We are international freight forwarders and whilst business has been good up until now (FEB) our forward orders for March have fallen off a cliff! So has the global shipping according to the Baltic dry index down to 504 from a high six months ago of 2500!
- We have a storage business and lease and sell shipping containers. Whakatane Bay of Plenty. The biggest problem for us at the moment is supply because of corona virus. Not only shipping containers but refrigeration gear for our freezer boxes also. I have strong customer enquiry but can't supply freezer gear. Containers are getting expensive and in short supply. We also have commercial property and a share portfolio. I have lost confidence in the markets and our broker and am in the process of retiring the portfolio and now actively looking for more commercial property. Would not touch housing with a 50 ft bargepole because of tenancy law change.
- Have seen some downward pressures on prices from the retailer due to other competitors dropping prices, however the big unknown is the impact we will see with many China Paper mills off line. This may drive Tissue price back up. Imported product is currently a risk but not a direct impact. As our product is transported by Barge to port, we are not impacted like otherwise with truck driver gaps in the main centres. The bigger impact we have is coastal shipping. With ships from Auckland to Christchurch/Dunedin usually being on a final leg from China, there is a significant gap in capacity, forcing us to use road, increasing our cost significantly to distribute. We are still facing challenges with labour, however recent changes to 5 year visa's mean our industry is now including on the shortage list. The issue we have is the wage required to qualify in our industry is higher than the collective rate for our existing staff, so we either have our staff here trying to get Visa's on a higher wage than a number of our resident employees, or we increase everyone's pay for parity. This is driving up wages, and reducing margins in a space that is already a low margin offering. With the extra pressure on road freight, what is concerning is before the extra requirement we were already seeing significant problems in the road network with a number of suppliers. It appears a shortage of quality drivers + increase in quantity is causing significant issues. This I suspect will only get worse.
- We own an independent self-storage business in Tauranga and are positive about the future for our business (irrespective of the growing number of storage facilities springing up in the Western BOP - and in other regions). Significant growth in demand over the last 5 years has meant we have doubled our capacity. Our view is that the self-storage market will continue to grow – in line with population growth (and the inevitability of more intensive development, i.e. smaller dwellings on more compact lots). However, our business still needs to fight for the right to satisfy the increase in demand by providing consistently exceptional customer service, maximising efficiencies, and continually reviewing our strengths, weaknesses, opportunities and threats

This publication is written by Tony Alexander, independent economist, apart from survey comments submitted by survey respondents. You can contact me via LinkedIn or email tonyalexander5@outlook.com 027 317-5474