



03 JUL, 2024

Stop the boom and bust

Northern Advocate, Whangarei Northland

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Builders keen for Govt help to smooth industry troughs

Denise Piper

Northland builders are riding out a downturn in construction and say they would love to see the Government help to smooth out the industry's boom-bust cycle.

The number of new building consents in Northland, for the year ending May, is down 29% on 2023.

The drop is greater than for New Zealand as a whole, which saw new building consents down 23% on 2023, according to figures released by Stats NZ yesterday.

The biggest concern about the downturn is losing experienced builders who are hard to replace, said Darrell Trigg, managing director of Northland commercial building company Trigg Construction and director of the Registered Master Builders Association.

"People bail out to other industries, or move to Australia or other places [in New Zealand].

"It takes four years to train someone and another couple of years for them to get really good experience.

"It's quite a difficult conundrum – all of us are really committed to training but we can only train when

there's something to do."

Trigg said for a number of years, the industry had been calling on the Government to smooth out the boom-bust cycle by bringing forward some of its own projects when there is a gap.

In Northland, upcoming Government projects include the \$759 million Whangārei Hospital redevelopment, Project Pihi Kaha.

The key part of the project, the acute services building, is due to be built between 2026 and 2030.

Master Builders chief executive

continued on A2



Simon Crawford from Whangarei's Bella Homes says business is slowing and it would be great if the Government could help by bringing forward some of its major projects. Photo: Michael Cochrane



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Page 2 of 2

Boom & bust: Builders want Government help to smooth troughs of construction industry

continued from A1

officer Ankit Sharma said the project would be significant, as it was expected to add \$233m to regional GDP and create more than 2700 jobs.

Other big projects include Kainga Ora's \$146M-a-year Northland build and an extension to Kaikohe District Court.

Private projects also in the mix could include a new Millennium & Cophorne hotel on Dent St and the Ōrūku Landing conference centre, hotel and marina.

Simon Crawford from Bella Homes agreed building work was slow in Northland and a project such as the Whangārei Hospital redevelopment would help the industry significantly if it could be brought forward.

"A big piece like that would employ local builders – if residential is quiet those builders will apply and it keeps them in the trade."

Crawford, who is the Northland representative on the Auckland Master Builders Association board, said the current downturn was particularly hitting contract builders who work for group housing outfits.

Sub-trades, such as electricians and plumbers, are also noticeably quieter and chasing work, he said.

With no problems with the supply of building products, all of this means customers who are ready to build can get their jobs done quite quickly, he said.

The residential market in Auckland is starting to pick up again, which is good news for Northland as the area usually follows behind the Super City, Crawford said.

Northland MP Grant McCallum planned to talk with Housing Minister Chris Bishop about smoothing out some of construction's ebbs and troughs this month.

McCallum said the Government also wanted to make it easier for people to build more houses, to help

fill the housing deficit.

These changes include fast-track consenting and reviewing the Resource Management Act, along with supporting community housing providers to build more social houses, he said.

The coalition Government has also changed rules to make it easier for Kiwi builders to use building materials approved by overseas jurisdictions, McCallum said.

Matt Hatchard from Russell company Hatchard Builders and NZ Certified Builders said while some Northland builders may be experiencing a downturn, he was still seeing demand for high-end work.

While he agreed bringing Government projects forward could help the industry, he thought a bigger help would be removing the administration builders have to do – such as health and safety administration.

Hatchard said the proposed relaxation of rules for granny flats 60 sq m or smaller would be a good option for Northland families trying to get ahead.

But some builders are concerned about taking on the liability for the building, and he warned it won't be cheap for people, given they can't build it themselves.

Hospital redevelopment staged over many years

The \$759m Whangārei Hospital redevelopment, which addresses many years of underinvestment, will be done in stages over several years, a Health NZ

Te Whatu Ora spokesperson said.

The whānau house will be completed this year and the child health centre, due to be finished in 2026, is going through tender.

The acute services building, which includes a new emergency department, is still going through detailed

design.

The building timeline will be confirmed in 2026 when the detailed design is released.

Kaikohe court to be extended by 10%

The Ministry of Justice has already seen strong interest from contracting firms in a project to extend Kaikohe District Court.

The project will see a 131 sq m extension built at the back of the existing building, extending the court by 10%. Water storage will also be increased to help during droughts, said deputy secretary corporate services Kelvin Watson.

The ministry is going through a tender process at the moment so the budget remains commercially sensitive, he said.

Building work is expected to start in September and the work will take about nine months.

The court will remain open during the build and work may need to be staged, Watson said.

More social houses being built by Kainga Ora

State housing landlord Kainga Ora is continuing with its \$146m-a-year build programme in Northland.

In March, the *Northern Advocate* outlined plans for 400 new homes in the region.

Since then, Kainga Ora has added more projects including 71 houses undergoing resource consent:

- six homes Steere Pl, Tikipunga
- 32 homes McKinnon Cres, Otangarei
- 18 homes Kamo Rd, Te Kamo
- 15 homes Donald Rd, Kaitiāia.

Construction has now started on the 95-home Kauika Rd development in Whangārei's Avenues.

The project is expected to be completed late next year.