

Media Release

For immediate use

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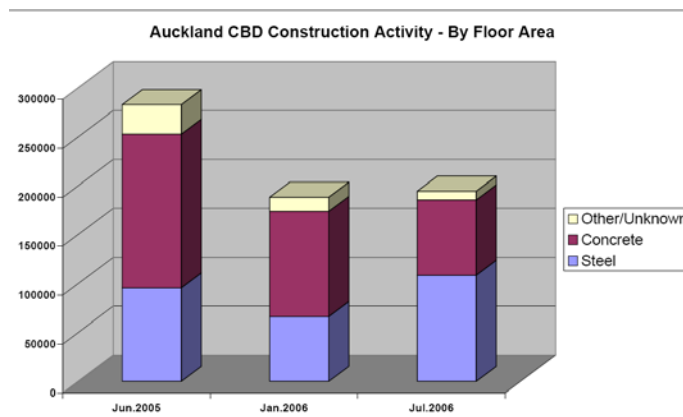
Structural Steel grows its market share

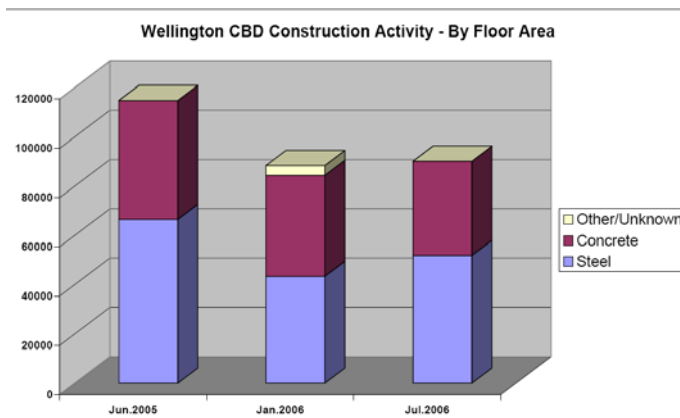
The latest CBD Construction Survey, conducted every six months by Steel Construction New Zealand Inc., (SCNZ), shows that structural steel is growing its share of the market in both Auckland and Wellington.

The survey, a snap shot of buildings under construction, measures the percentage floor area of buildings with predominantly structural steel frames.

The figures for January 2006 marked a bottoming out of the slow down that started in 2005. In Auckland, the percentage was 35%, improving to 39% in July, with overall construction activity increasing by 3% by floor area. In Wellington, the percentage improved from 49% to 58%, with overall construction activity increasing by 2% by floor area.

(Floor area is measured by Gross Floor Area as defined in Rawlinsons Construction Handbook. Area refers to suspended slabs only and excludes the ground floor and the roof.)





Commenting on the results, the Manager of SCNZ, Mr Clark Hyland, said that although the trend is stronger in Wellington than it is in Auckland, the indications are that Auckland will emulate the capital.

“The structural steel sector has achieved high capacity, largely because of the considerable capital investment made by the steel constructors. Computer Numerically Controlled (CNC) beam-lines and plasma arc cutting techniques are just two factors that enable increased fabrication throughput. Most SCNZ steel fabricators have their own erection teams and achieve high levels of Just-in-Time efficiency. And when they are engaged in multiple projects, they often form joint ventures to avoid delivery delays.”

There’s another factor contributing to the sector’s performance; steel constructors (who both fabricate and erect) are adding the value of their practical knowledge to the engineers’ designs. Clark Hyland says the steel constructors of today usually employ their own teams of detailers, many of whom have served their time in steel fabrication workshops. Not only does this give them first-hand knowledge of welding and buildability, but it also gives them insight as to where best to splice steel beams. This is often a key consideration for speed of erection as well as safety.

The SCNZ Chairman, Mr Greg Jensen, made this comment: “We’re seeing a change away from the old perception that steel was an expensive construction material. Put to the test, the economics of steel construction in New Zealand today deliver so many financial advantages that the misconception about cost deserves to be debunked. One has only to count the growing number of exciting steel structures, from the 17-storey Holiday Inn in Wellington to the Grand Atrium project of the Auckland War Memorial Museum, to realise that our country’s structural steel sector has acquired a high degree of capability and sophistication, which is increasingly reflected in its growing market share.”

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