

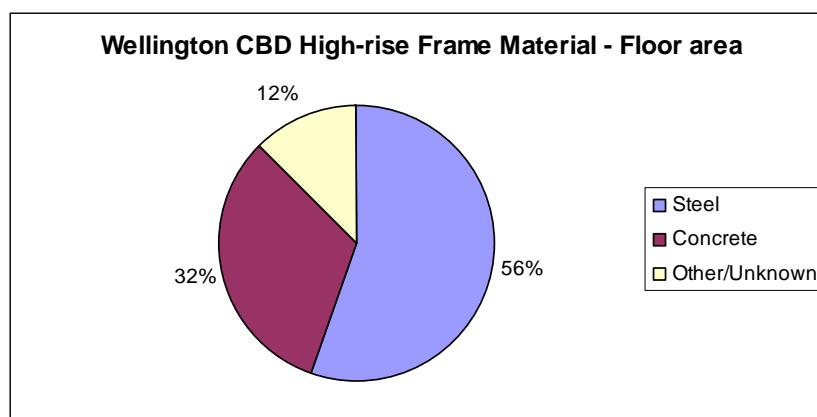
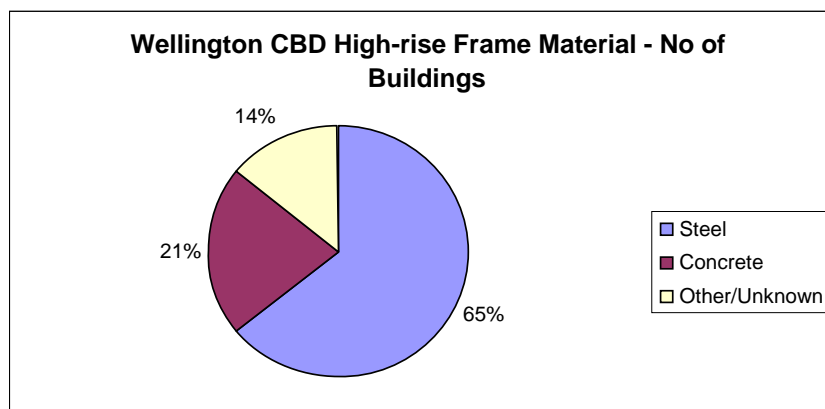
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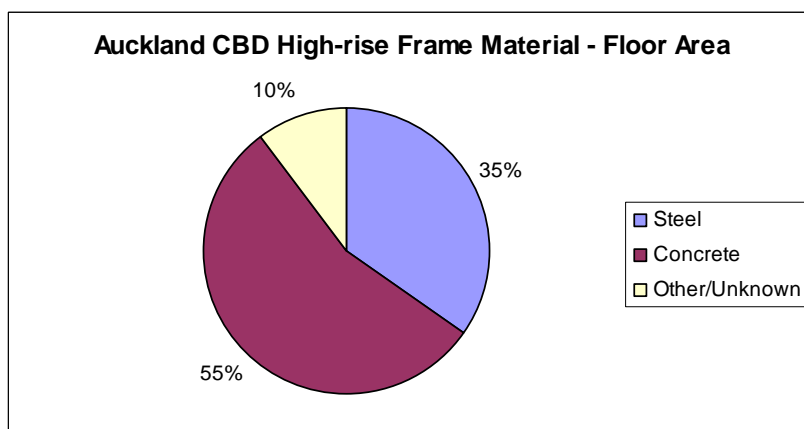
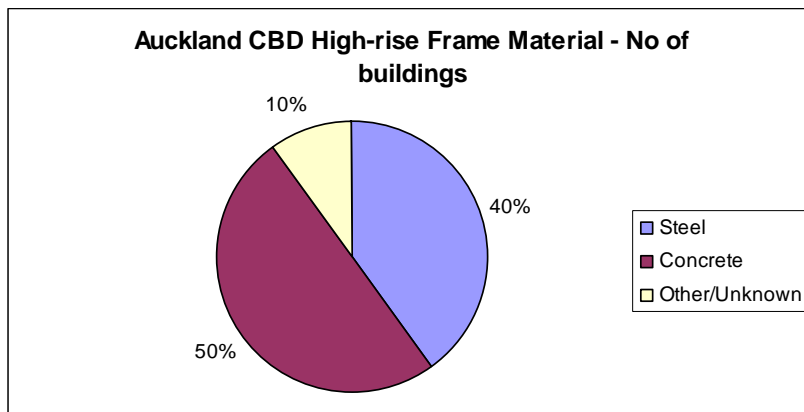


Steel forges upwards in building construction

Two construction snapshot surveys in Wellington and Auckland have confirmed that steel is growing as the high-rise building material of choice.

Conducted by Steel Construction New Zealand (SCNZ), the surveys focused on the CBD's of the two cities, identifying high-rise buildings under construction by type, deck, frame and floor area. The results showed that in Wellington, of the 14 buildings in the survey, 65% had steel frames equating to 56% by floor area. In the Auckland survey of 20 buildings, 40% had steel frames equivalent to 35% by floor area.





The snapshot was taken towards the end of June this year and included only those buildings at which cranes were still operating. All buildings of three storeys and higher were included.

There are no signs of activity slowing down in this sector of the construction market. Reports from property companies such as Bayleys indicate that demand for apartment accommodation in the Auckland CBD will begin to slow only after 2006, when it is expected to consolidate with a relatively constant inventory.

Meanwhile, Bayleys reports that Auckland's office vacancy rate is now below 10.5%, while in the Prime Market (Premium and Grade A) there is no space of any significance for expanding companies to move into.

The figures for Wellington reflect a higher use of metal deck flooring, which makes for lighter construction, an advantage in a city prone to high seismic activity.

Wellington City Council has a history of applying strict design parameters for architectural styling, which appears to be influencing the types of structure being built. Auckland's mayoral taskforce on urban design has just recently been convened.

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