

Cost of Building Presentation to PINZ

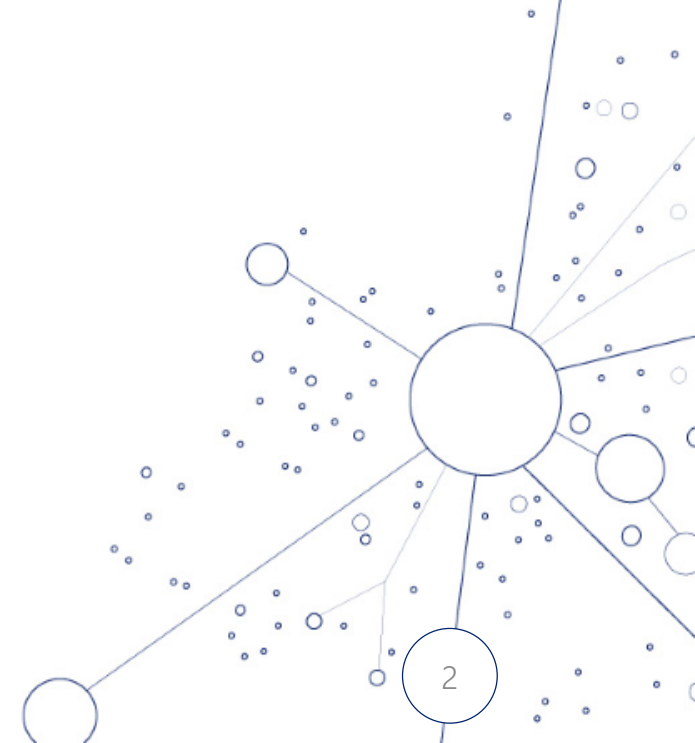
17th June 2022



Overview



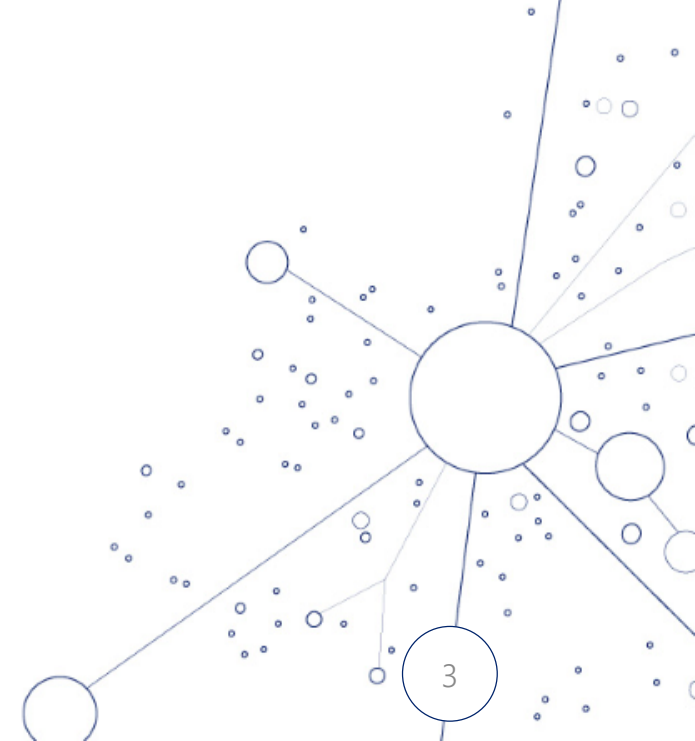
- Introduction
- QV and CostBuilder
- What is the cost of a building?
- Historic situation
- Current situation
- Future situation
- Other issues
- Questions?



Introduction



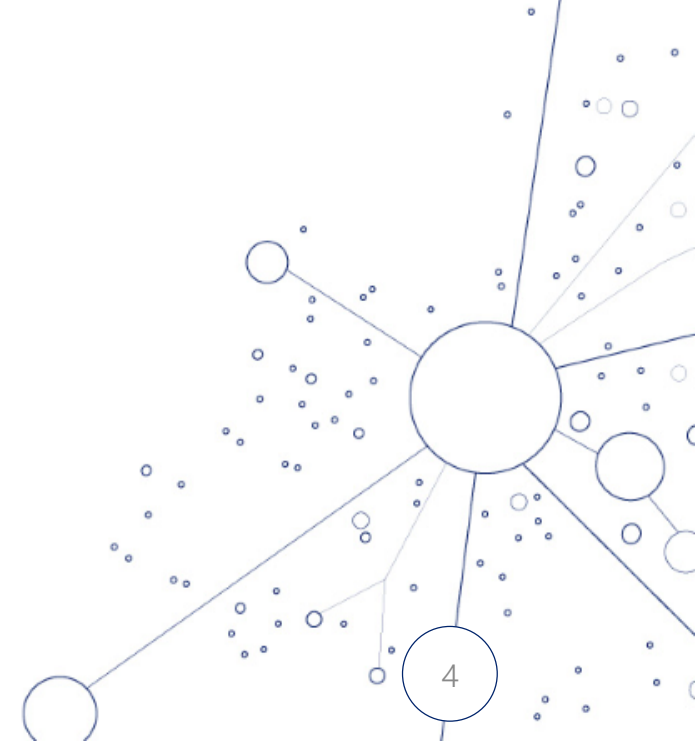
- CostBuilder QS
- QS for over 30 years
- NZIQS President



QV and CostBuilder



- QV is New Zealand's leading valuation and property services company (qv.co.nz)
- CostBuilder is a QV brand (costbuilder.qv.co.nz)
- [Special offer](#)



What is the cost of building?



- There are many facets
 - Land



What is the cost of building?




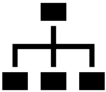


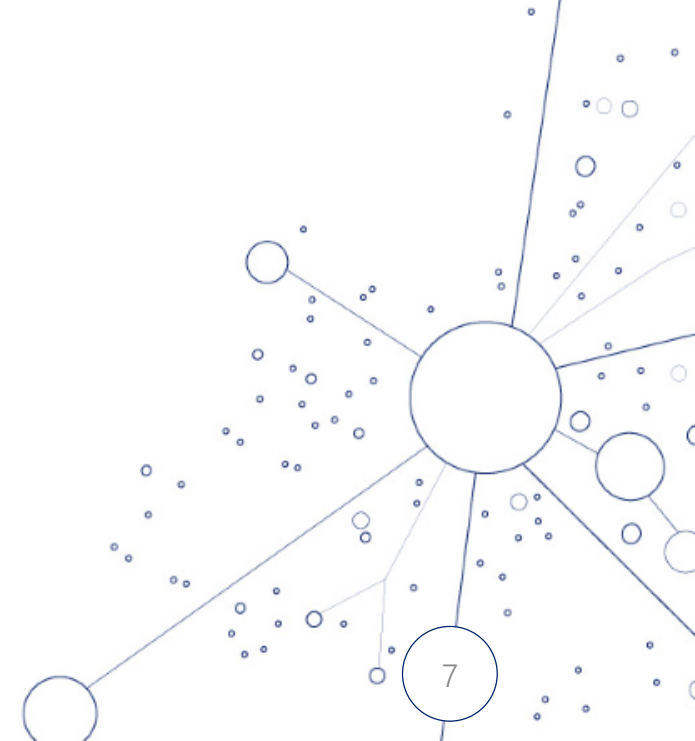
- Converting the land



What is the cost of building?



- Professional fees 
 - Architect 
 - Engineers 
 - QS 
 - PM 
 - Specialists
- Other fees 
 - Resource/Building Consent
 - Finance
 - Legal



What is the cost of building?



- Building

- Labour



- Materials



- Plant



- FF&E

- Furniture



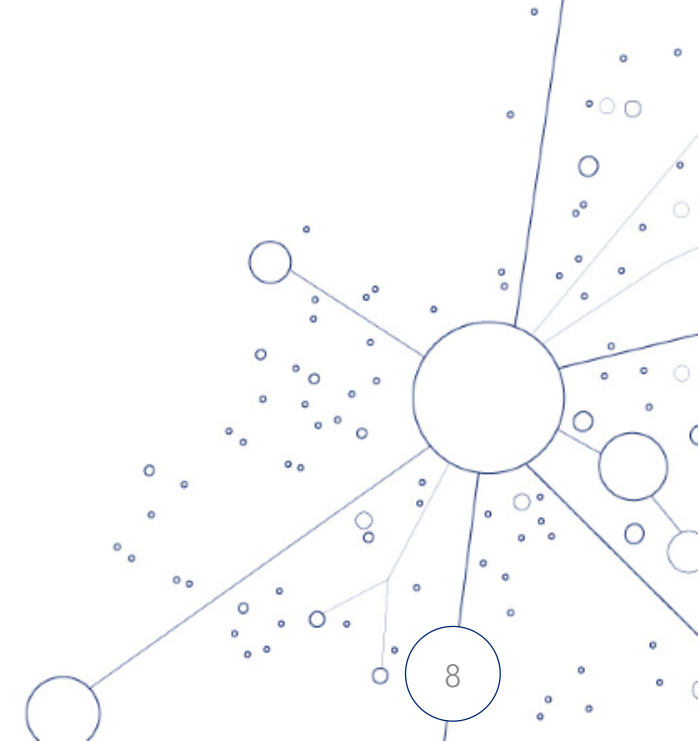
- Fixtures



- Equipment



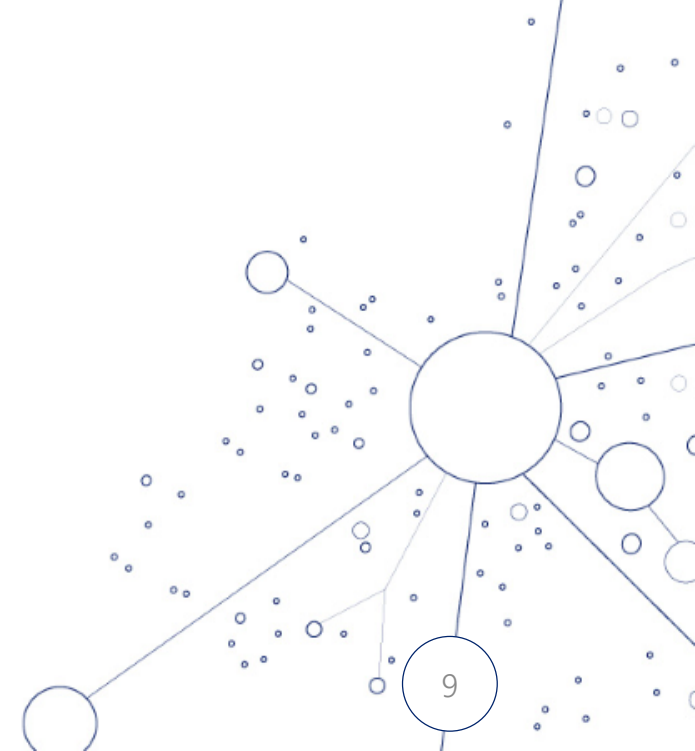
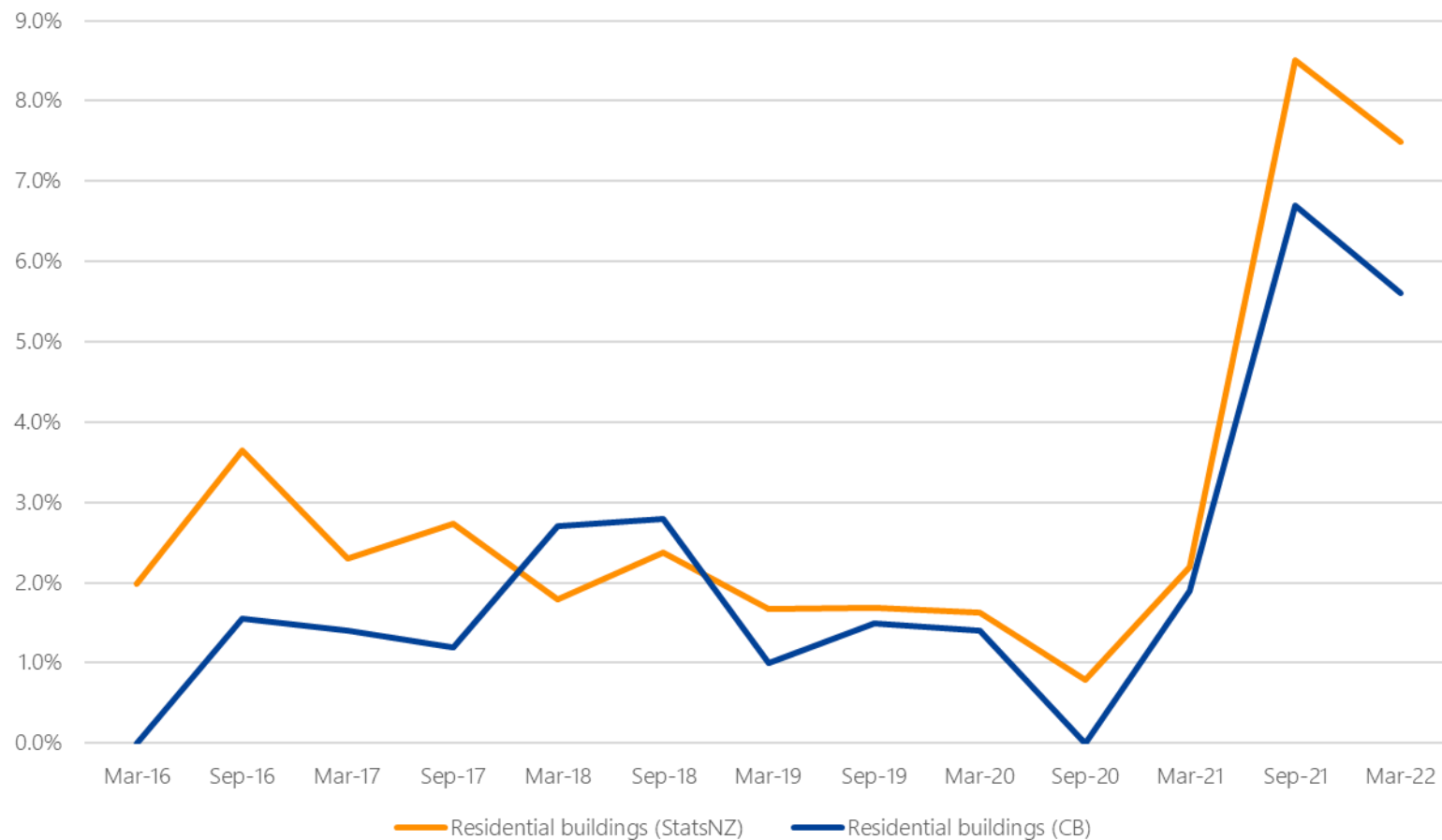
- External Works



Historic situation



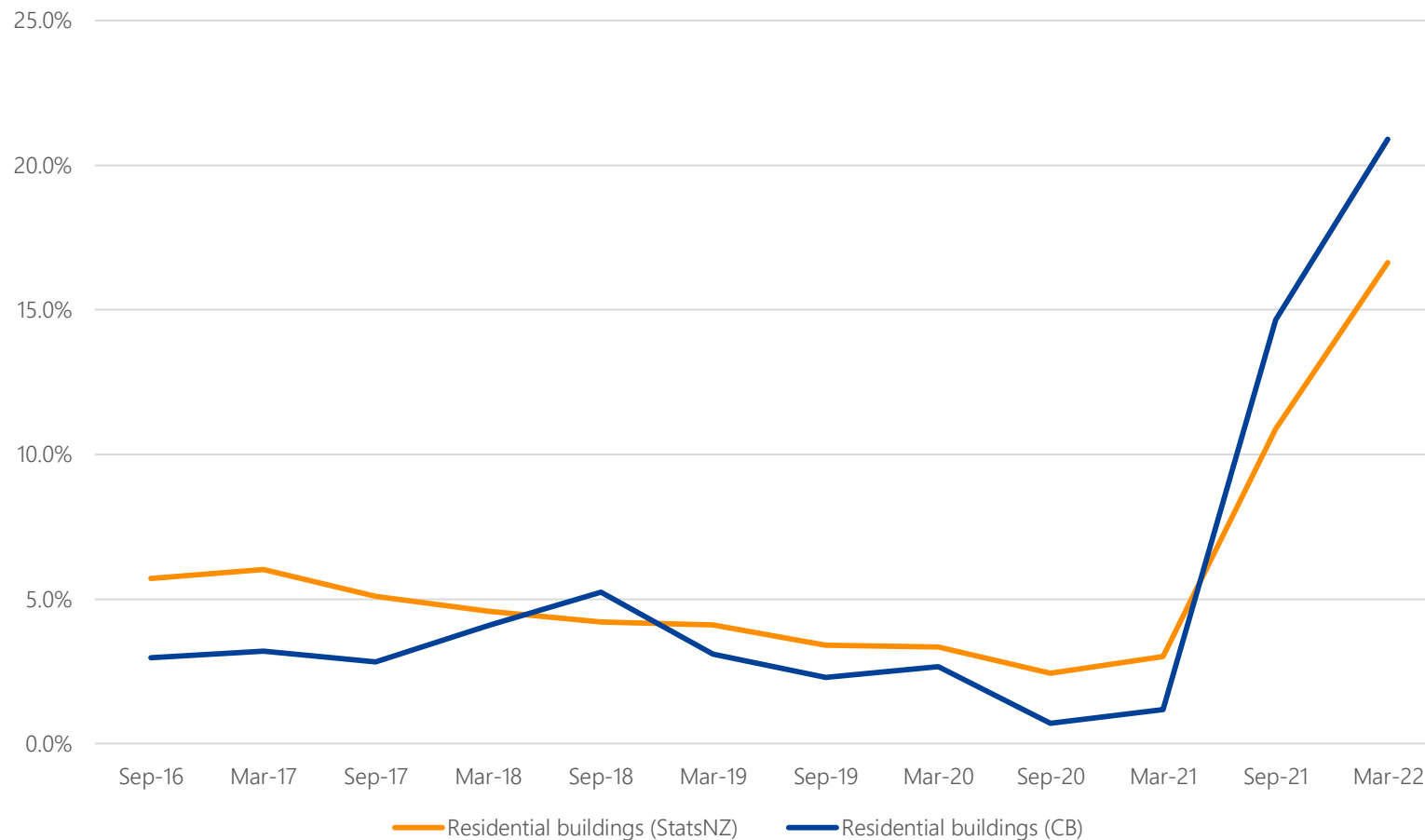
- Residential building cost inflation – Six Monthly



Historic situation



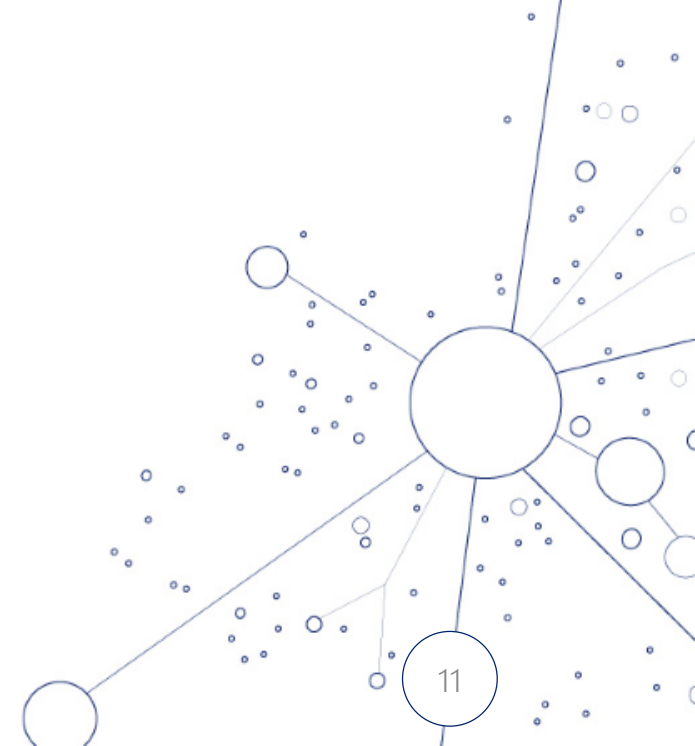
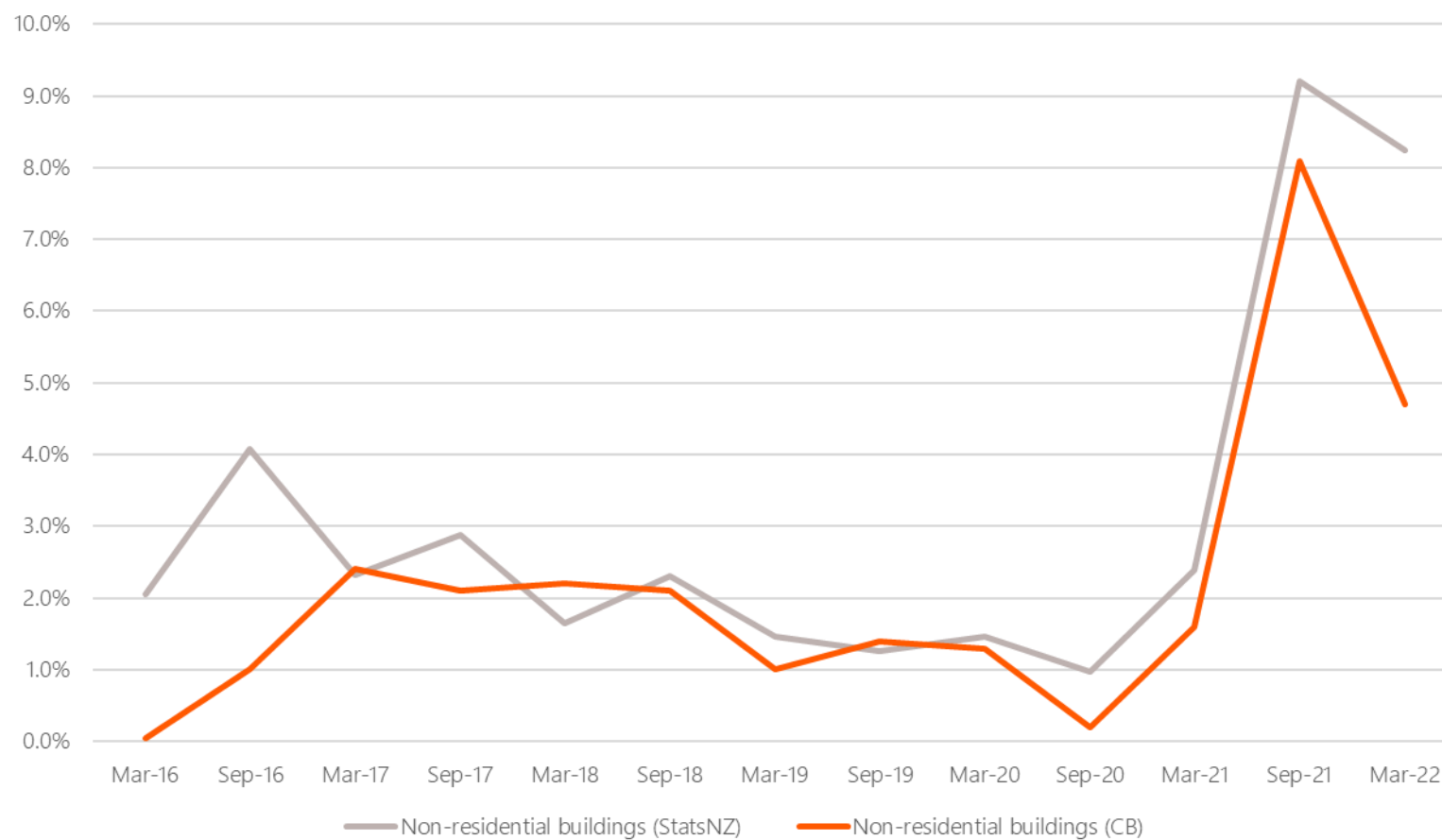
- Residential building cost inflation – Yearly



Historic situation



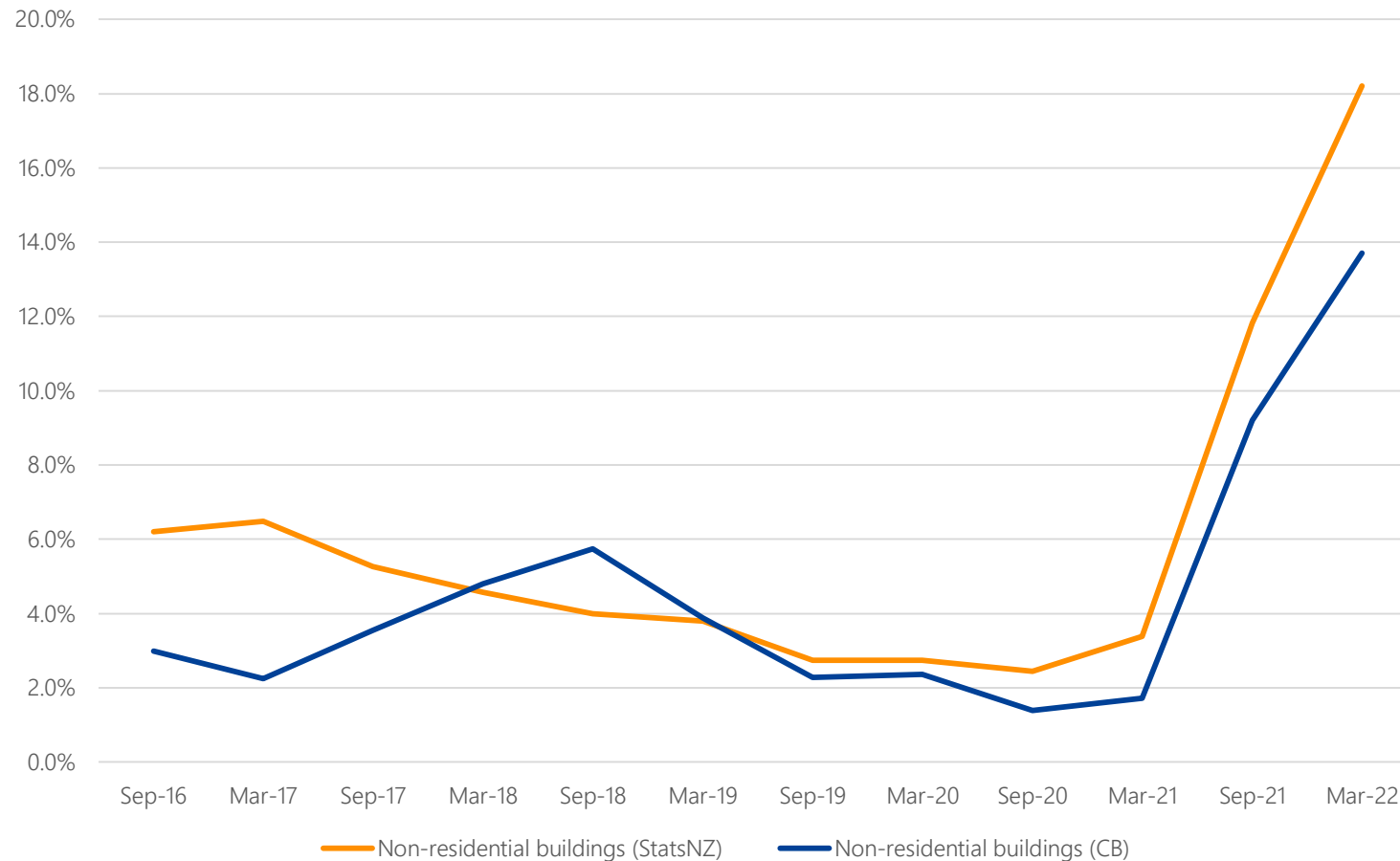
- Non-Residential building cost inflation – Six Monthly



Historic situation



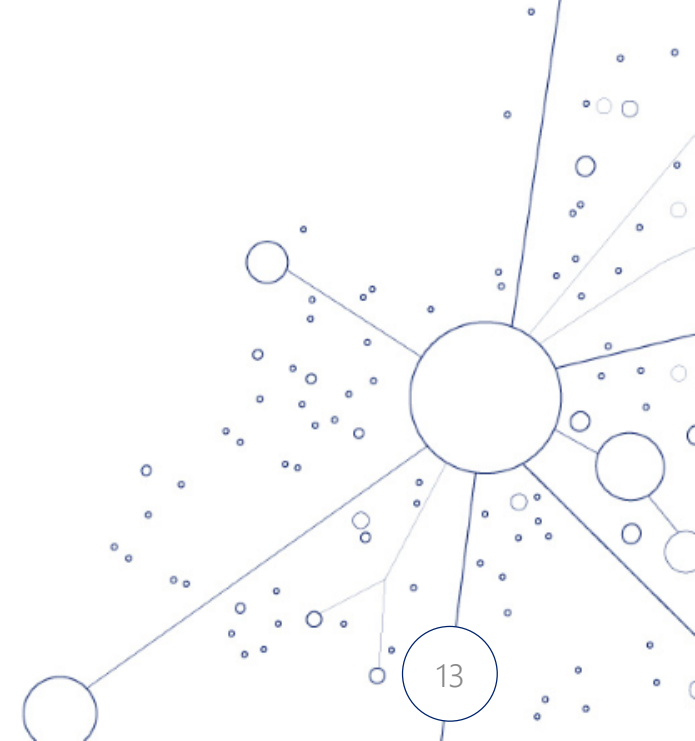
- Non-Residential building cost inflation – Yearly



Current situation



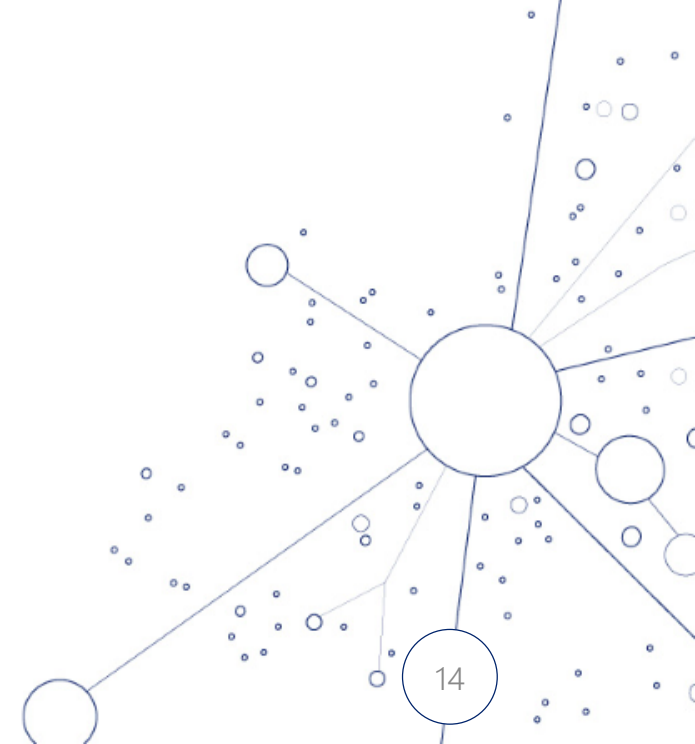
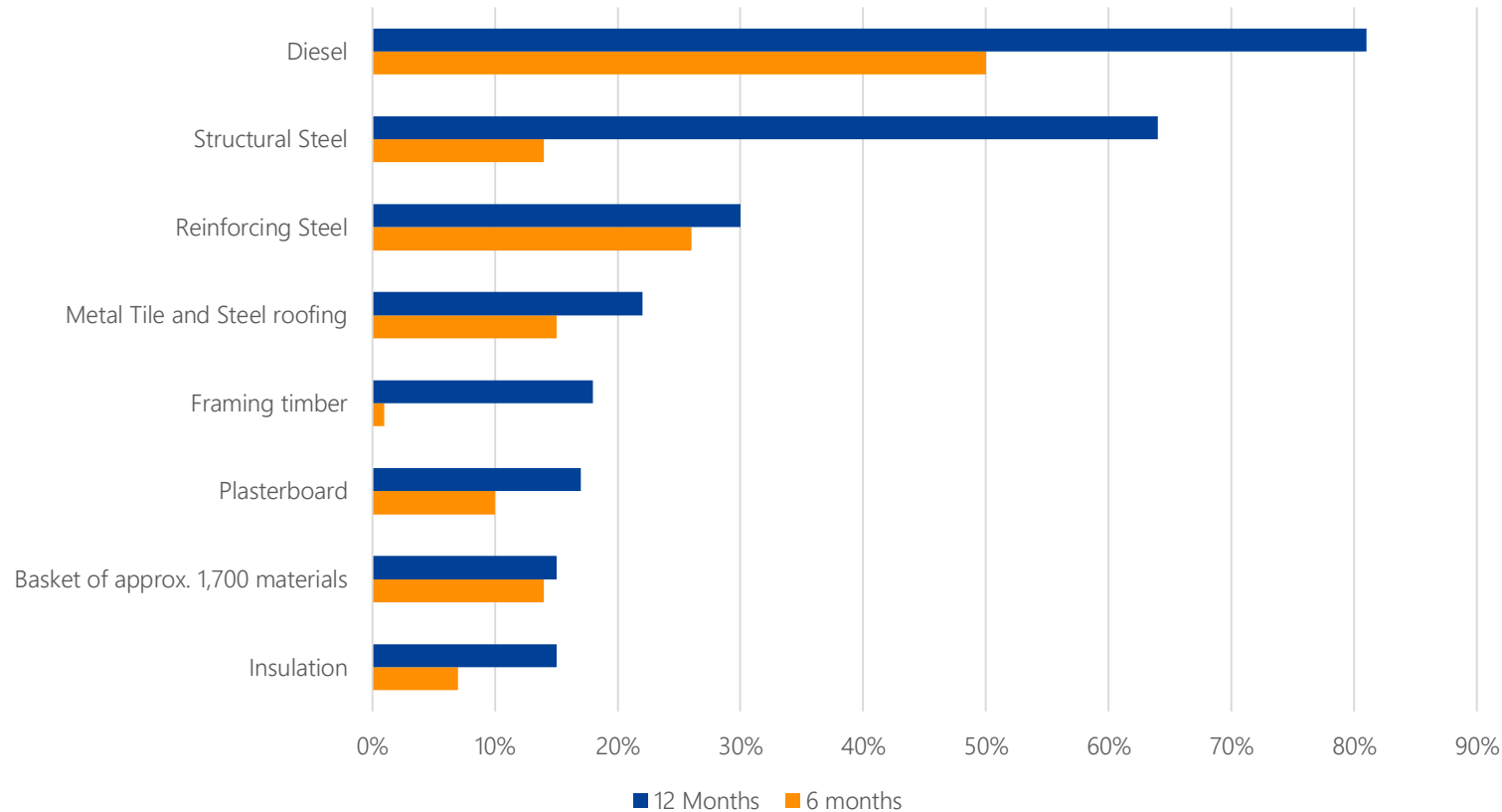
- Supply issues
- Freight costs
- Russia/Ukraine
- Interest Rates
- Material & Labour Inflation



Current situation



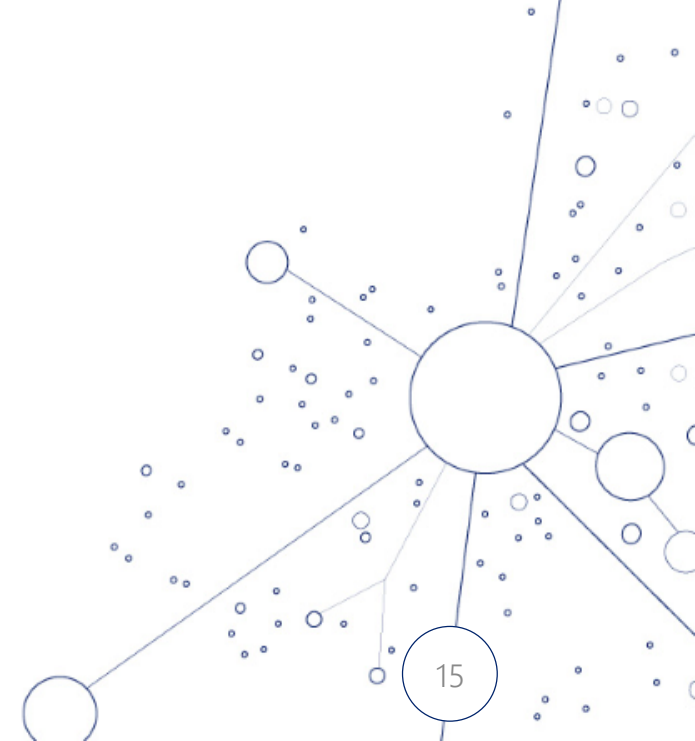
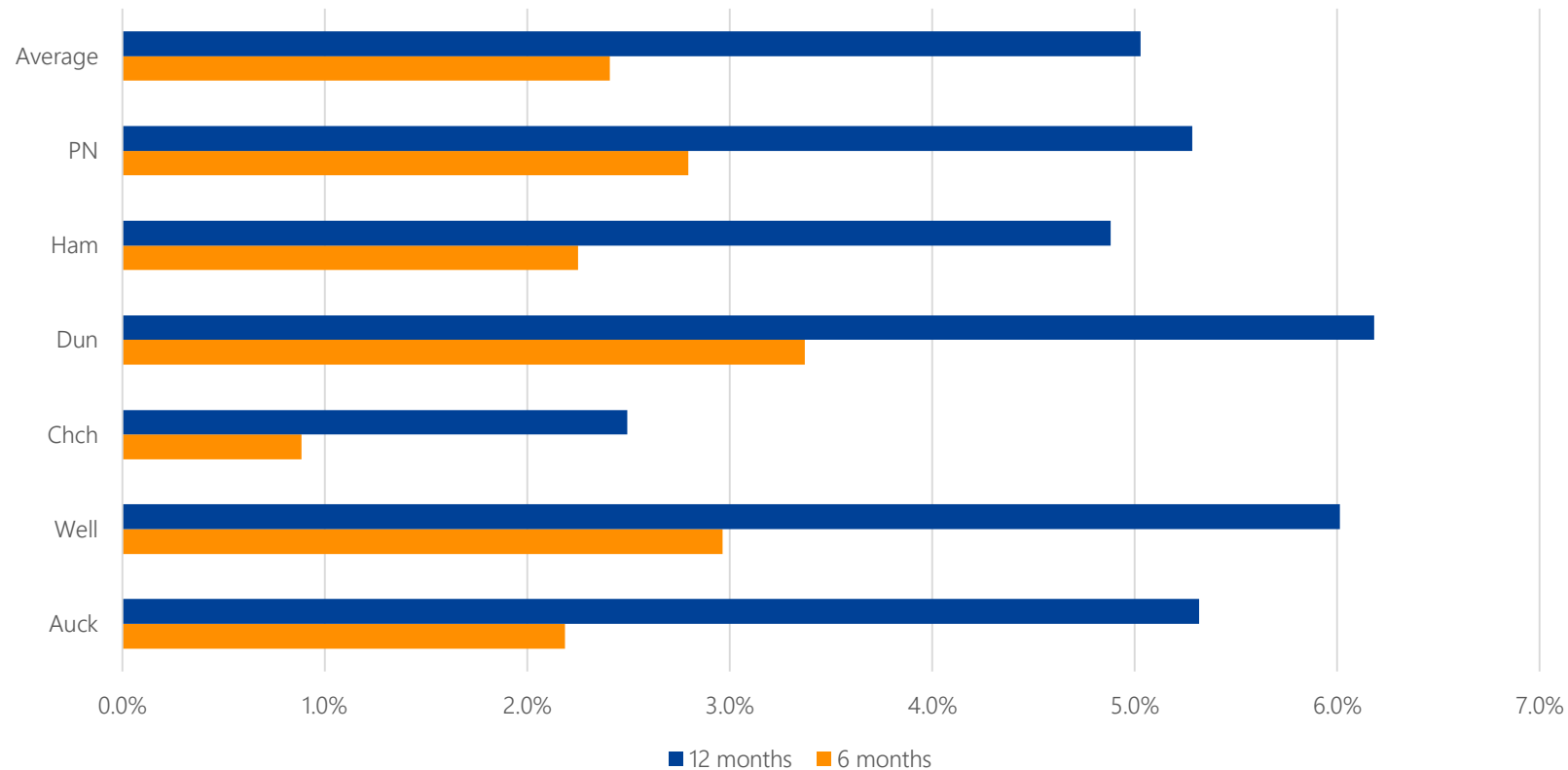
- Materials to April/May 2022



Current situation



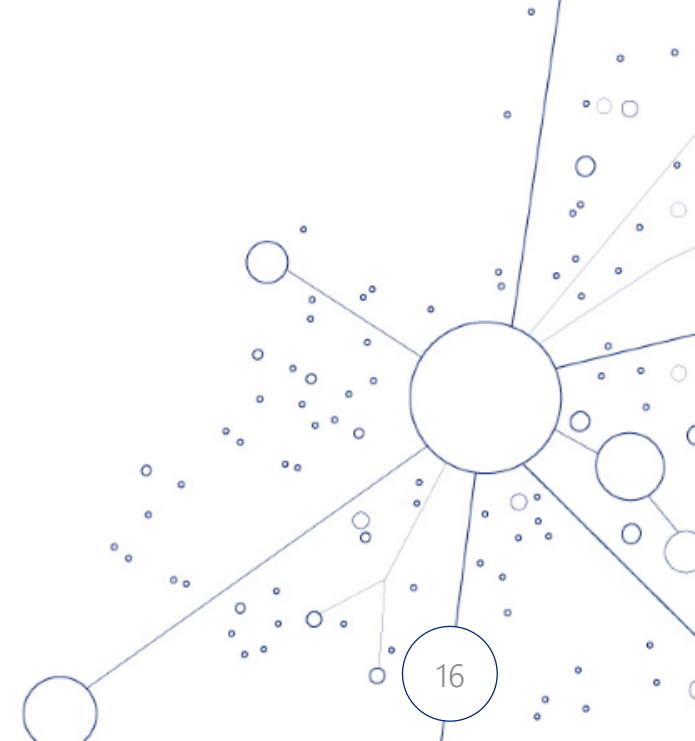
- Labour to May 2022



Current situation



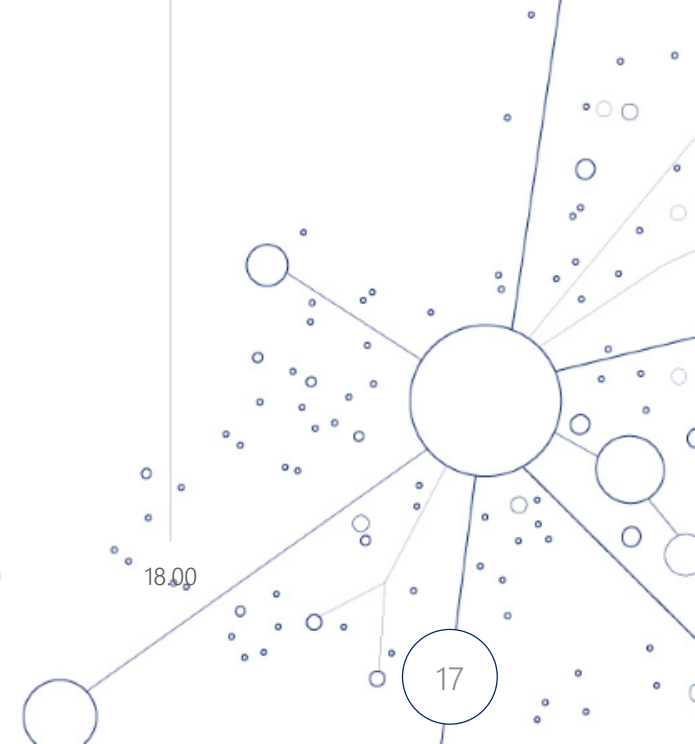
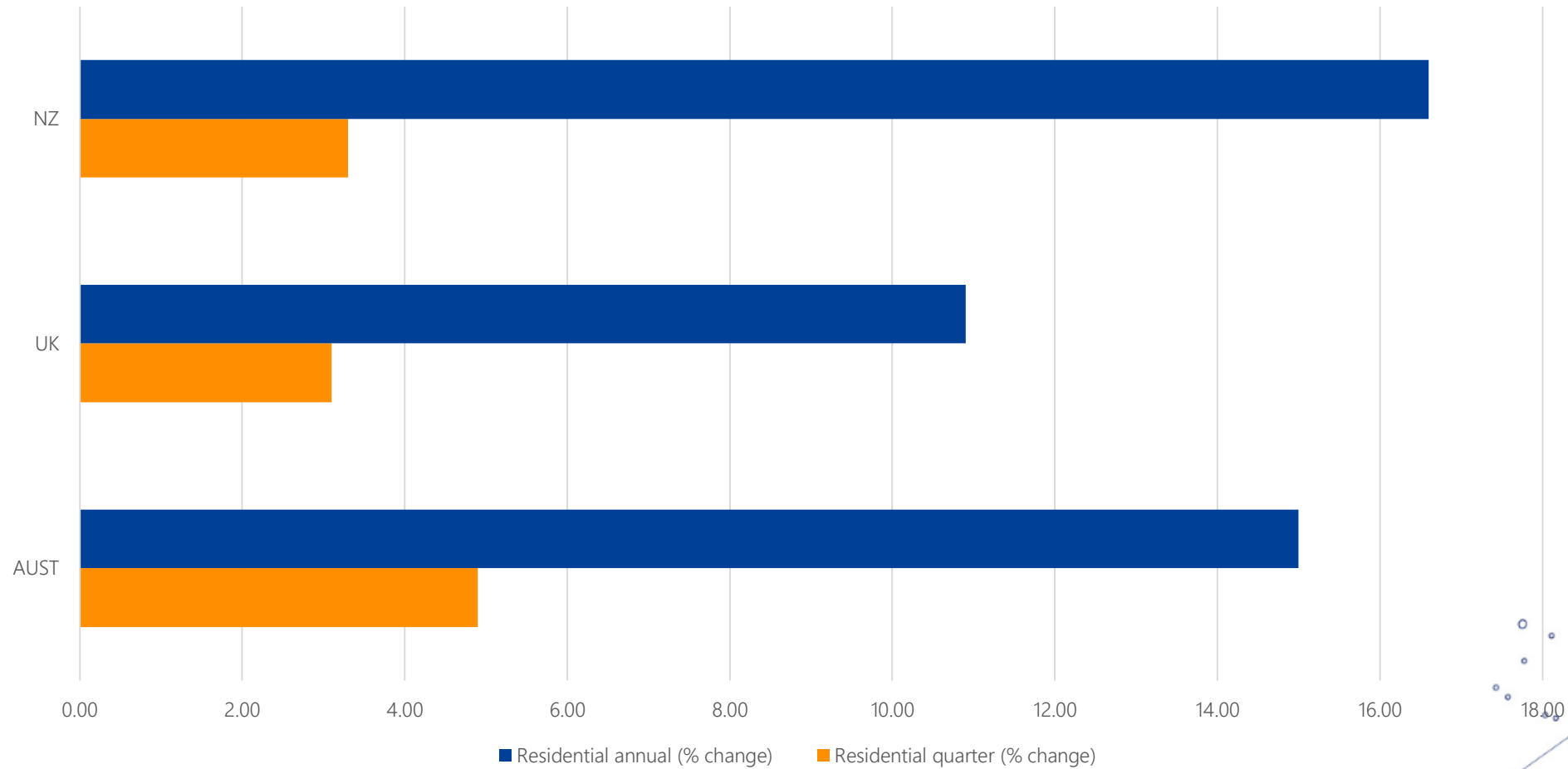
- International – Residential (to March 22)
 - Australia
 - 4.9% in quarter
 - 15% in the year
 - UK
 - 3.1% in quarter
 - 10.9% in the year



Current situation



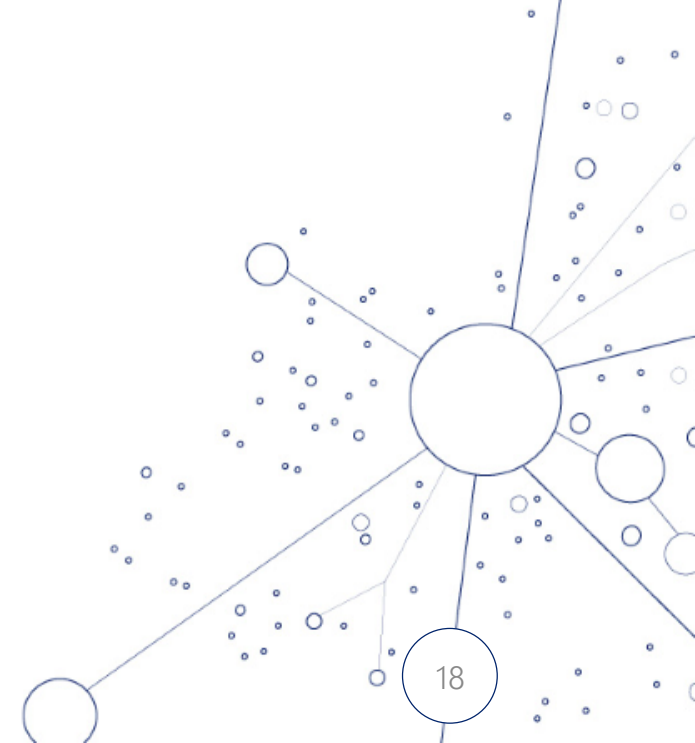
International - Residential



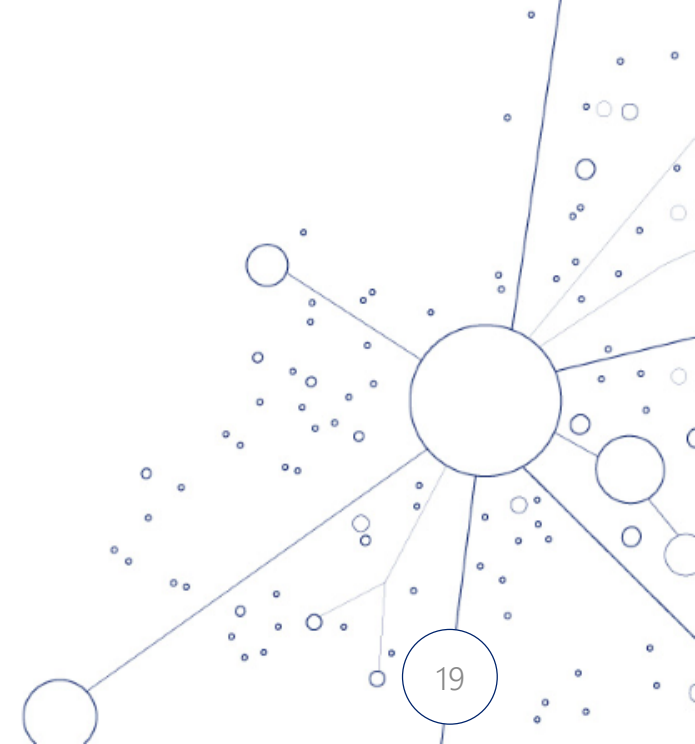
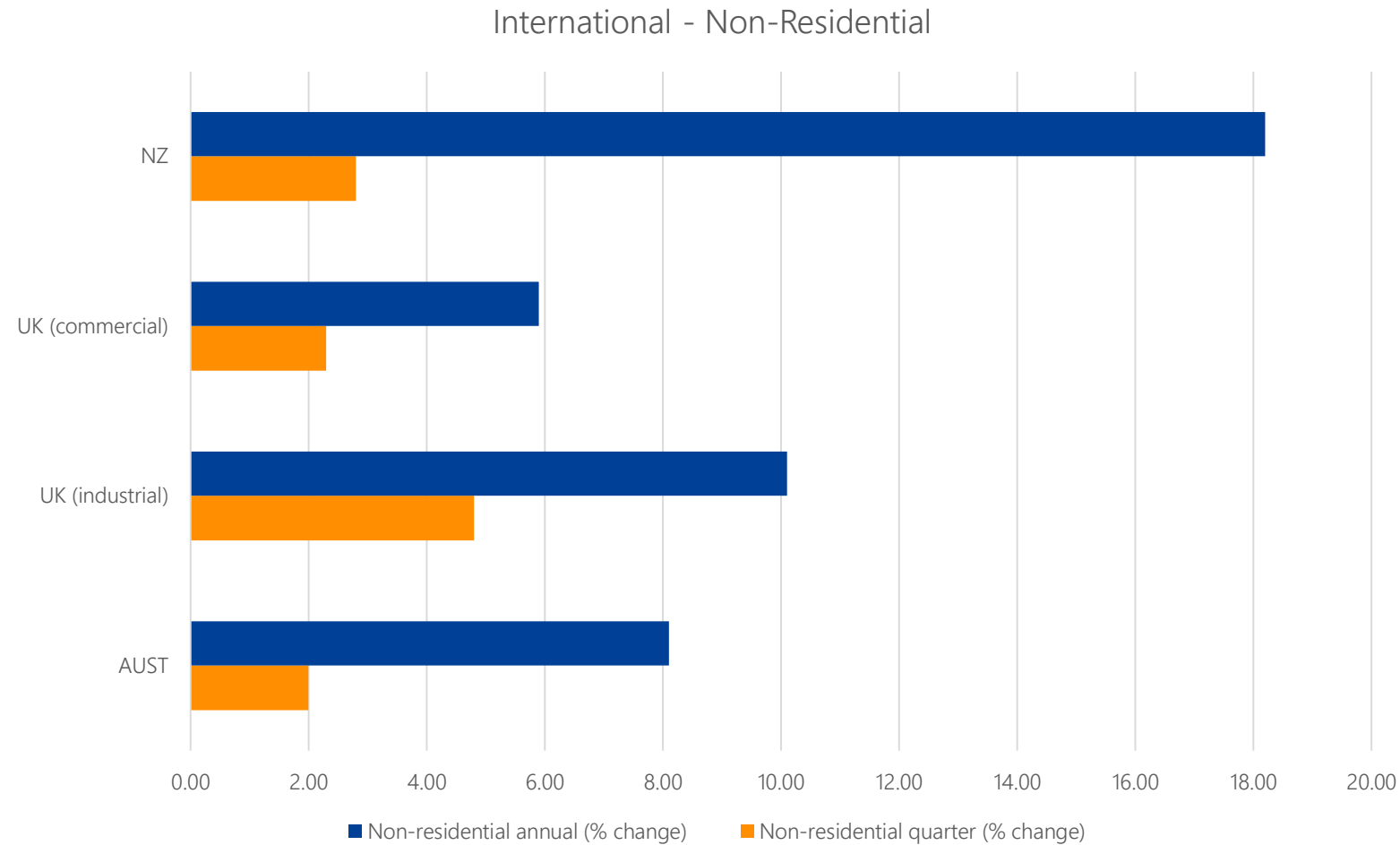
Current situation



- International – Non-Residential (to March 22)
 - Australia
 - 2% in quarter
 - 8.1% in year
 - UK
 - (Industrial/Commercial) 4.8%/2.3% in quarter
 - (Industrial/Commercial) 10.1%/ 5.9% in the year



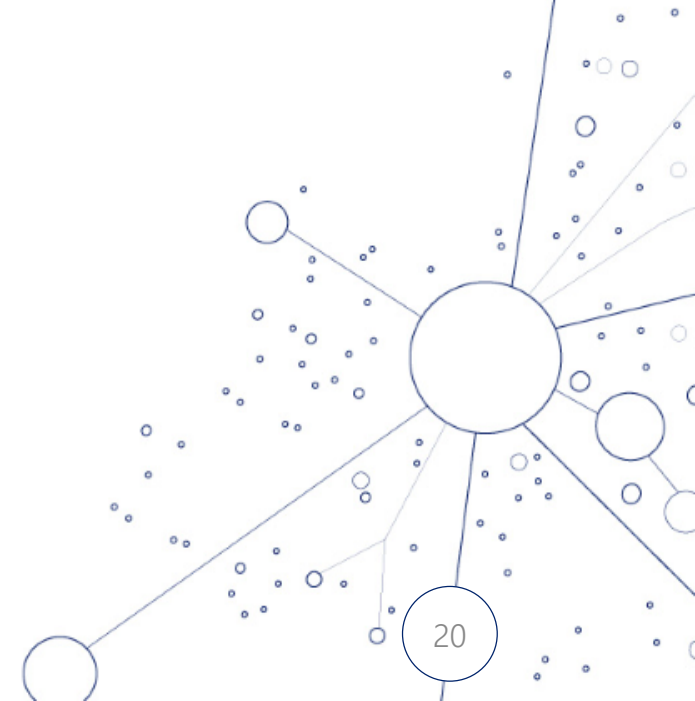
Current situation



Current situation



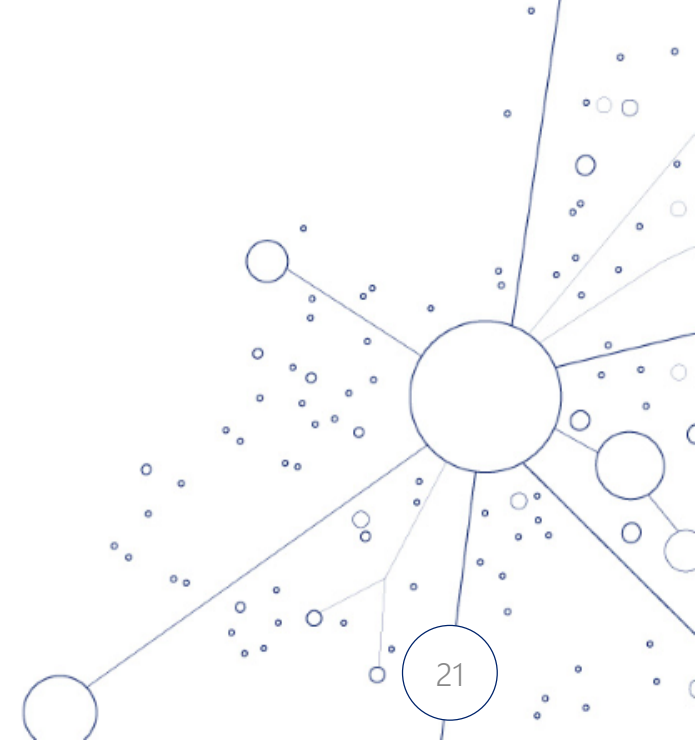
- Solutions
 - Buying early
 - Signing contracts
 - Allowing off-site payments
 - Including cost escalation within Contract



Current situation



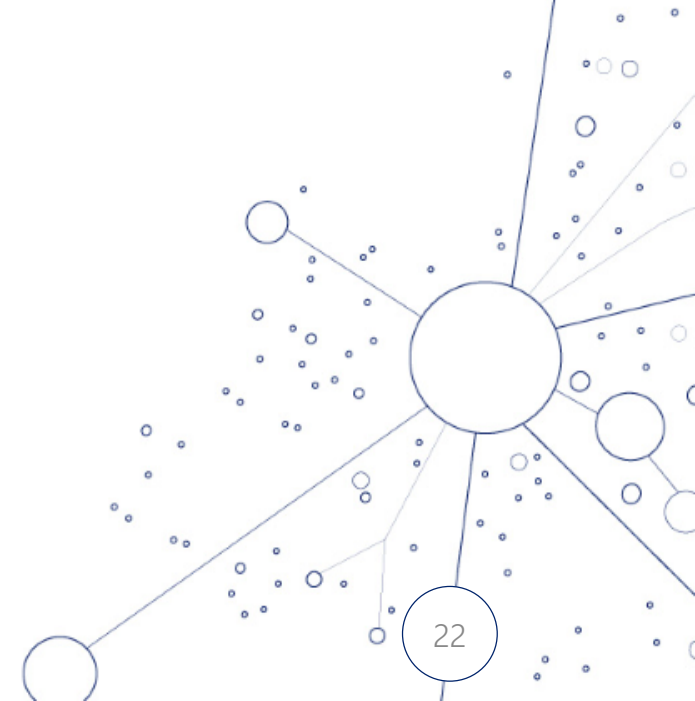
- What is the cost of building?
 - Residential – between \$2,150 and \$3,250/m²
 - Caveats!
 - Value v Cost to build?



Future situation



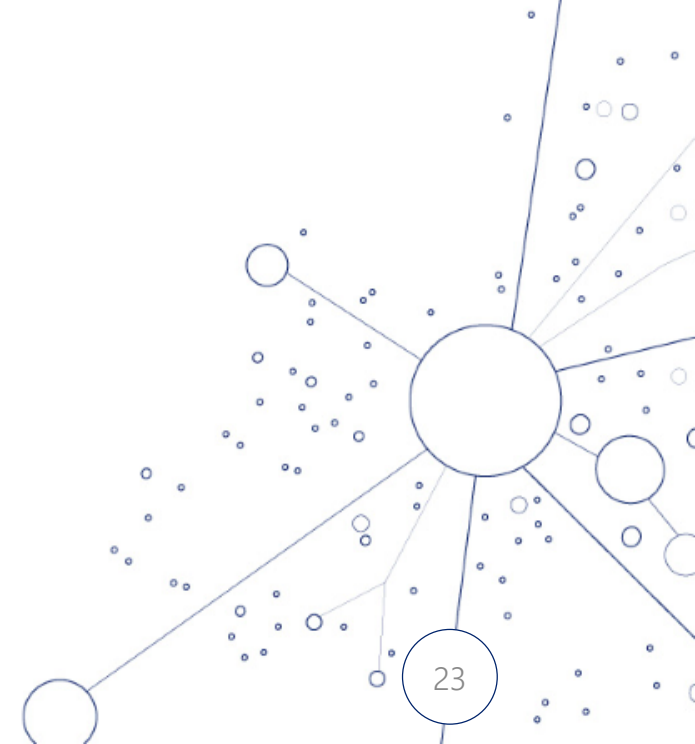
- Hard to predict
- No different?
- Weekly update on material cost increases
- Labour shortages
- Gib still an issue



Other Issues



- Carbon footprint
- Changes to NZS:3910 Contract
- Liquidations





Questions?