



Christchurch

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State of the nation

Welcome to the Catalyst State of the Nation for February and what a month! The sun continues to shine on this side of the world and the cricket season goes on. The England team is currently touring and with both the 20/20 and One Day Series wrapped up it's onto the test matches. Andy and Phil are both avid cricket supporters and so enjoyed watching the runs flow at Eden Park whilst having a cool beer.

It hasn't all been sunshine this year and instead of seeing the usual lift in activity in February everything came to a shuddering halt with the news of the Mainzeal collapse. Mainzeal were one of the top three construction contractors in New Zealand, employing over 400 staff throughout the country. So far the reasons for the collapse are purely speculative but it is understood that involvement with the leaky building situation in Auckland had put a significant amount of pressure on the organisation. Most of the Mainzeal projects are on hold and will in time be taken up by other contractors along with many of the staff; however the shock of the collapse has spread throughout the construction and civil industry and continues to impact on a wider group.

Apart from the Mainzeal collapse the rest of the year has started pretty much as expected. January is always a very quiet time with many people taking time off for summer holidays and it is only in February that the year really begins. Mainzeal has increased the January hangover but as we head into March there are signs of activity in most sectors. The civil contractors are expecting a busy year in 2013 and although it may be April before we really start to feel it, most clients are optimistic and are looking at CV's in preparation for the future.

The construction sector has been rocked the most by Mainzeal and things have slowed whilst local candidates new in the market are snapped up. This trend won't last forever and when the Mainzeal projects are awarded to other contractors in March (hopefully) we will see business resume as normal. Although also affected by the Mainzeal fall out Sam is still seeing activity within the PQS sector as they prepare to work closely with developers in Christchurch. Finally the consultant engineers continue to have a very quiet start to 2013 but key specialisms such as civil geotechnical and seismic structural continue to be an ongoing demand.

Last Friday we commemorated the 2nd anniversary of the earthquake that caused so much damage to buildings and peoples lives and the government took the opportunity to change the focus of the city from a demolition project to a rebuild project. It seems bizarre that only after two years are we able to look at this project in terms of rebuild but I think this only goes to show how big the task ahead really is. I recently had a candidate visit Christchurch, mainly to interview and meet prospective employers but also to look for himself at what was going on. An avid follower of the newsletter and the blog he confessed to me that he was beginning to doubt that it was still as quiet as we were saying. Only when he saw the city did he firstly realise the scale of what needed to be done but also that we were right and that so far very little has really been done in terms of rebuilding the city.

One of our main tasks at Catalyst is to keep you informed with what is going on over here so that you are as prepared as you can be for when that opportunity comes along. To that end we have a new website, www.christchurchrebuild.co.nz, that will bring together all of the information we have relating to the city and the impending rebuild. It has a blog purely focussed on the city and related stories, and in time we will be adding videos and other documentation so that the site can be used as a one stop shop in preparation for your move. Alongside this new site we also have the Linked In groups, the Catalyst website and the Catalyst blog. As always we will keep you up to date with what's happening on this side of the world and in turn keep in touch with us and let us know where you are in your plans. If you're looking to visit, please get in touch before you book your flights so we can go through the process with you and if you've packed everything up and have a date to move, let us know so we can have things waiting for you.



Housing competitive, not desperate

Is there a housing crisis in Christchurch?

Examined statistics, attended open homes and spoke to experts and members of the public.

ANNA TURNER REPORTS

CHRISTCHURCH MEDIAN RENTS FOR THREE-BEDROOM HOUSE 2010-2013

	Burwood, Avondale & New Brighton	Sydenham & Woolston	Riccarton	St Albans	Addington & Hoon Hay	Cashmere	Broomfield to Halswell	Fendalton & Merivale	Avonhead	Redwood	
2009	280	305	300	330	320	315	300	300	350	342	310
2013	317	355	350	397	409	380	405	390	432	429	395

CHRISTCHURCH MEDIAN HOUSE PRICES 2010-2013

Average decrease or increase	Arundel, Basley, Bromley & Linwood	New Brighton/ North Beach	Sydenham & Waltham	Riccarton	St Albans, Shirley, Richmond & Taittington	Hallswell, Hillmorton & Hornby	Central City	Beckenham & Lower Cashmere	Addington, Somerfield, & Spreydon	Hei Hei & Sockburn	Fendalton, Sum & Merivale	Avonhead	Burnside & Bryndar	Belfast, Shagstone & Paparua	Redcliffs & Sumner	Hill suburbs	Harbour-side
Past 3 years	17.5% \$45,000	24.3% \$72,250	27.5% \$81,764	18.7% \$80,000	14.1% \$45,000	1.2% \$4500	44% \$122,500	17.1% \$74,750	2.7% \$8250	25.8% \$77,000	15.2% \$86,000	10.7% \$41,250	12.7% \$41,750	15% \$48,500	19% \$81,544	31.7% \$150,000	10.7% \$40,000
Last year	1.3% \$3000	29.3% \$92,000	2.3% \$5000	18.7% \$55,000	18.8% \$57,500	12% \$51,077	8.4% \$31,000	8% \$31,500	3.7% \$11,250	19.5% \$61,250	9.2% \$48,500	11.7% \$44,625	3.5% \$12,750	6.4% \$22,500	11.7% \$53,544	NOT AVAILABLE	13.2% \$48,500

Difficult, pressured, heated – yes. But a crisis where ordinary people can't buy or rent homes and flats and many homeless are roaming the streets or living in cars – No.

Those are the findings of a two-week investigation by The Press.

High and average income earners were simply in a more competitive market, with people having to pay more and make an offer faster to get a house.

People on low incomes and benefits, as usual, were suffering the most, The Press inquiry found.

Residential property prices were up across the city since the earthquakes – but not outrageously – and the number of homes being sold was at a level similar to before the earthquakes.

Figures from the Real Estate Institute of New Zealand (REINZ) showed median house prices across Christchurch city have risen 8 per cent from January 2010 to January 2013. The median house price in January 2013 was \$28,800 more than in January 2010. Median house prices in Auckland rose 13 per cent in the past three years and the median price of an Auckland house sold in January 2013 was almost \$60,000 more than it was in January 2010.

Timaru's median house price rose 20.4 per cent from January 2010 to January 2013, while on the West Coast the median rose 10 per cent.

Earthquake Recovery Minister Gerry Brownlee told The Press he would say Christchurch had a housing crisis only when "people simply have no alternative for somewhere to live".

"There are alternatives out there at the moment. There is simply no evidence of a housing crisis in Christchurch."

Independent Property Managers Association president Martin Evans said "prices have gone up, but there are still houses available".

The Press investigation found Christchurch's rental market was closer to crisis than the property market.

Tenants Protection Agency manager Helen Gatonyi said many of the issues of substandard housing and poor access to housing were there before the earthquakes.

"There have always been these issues around housing and people who are living in houses of a poor condition. There have always been people living in garages and sleepouts. It's not new. It's just more visible now and people have to live in that kind of housing for longer than they did before the earthquakes because there are fewer options," she said.



Housing competitive, not desperate – article continued from page 2

Trade Me figures showed in Christchurch the average rent was up 26 per cent between the last quarters of 2012 and 2011.

Nationally, rents went up almost everywhere – rents were up 7 per cent and 5 per cent in Dunedin and Hamilton respectively – but Christchurch had the biggest increase.

The central city showed the highest increase in average rent – at 26 per cent – while average rents in Riccarton and St Albans were up 21 per cent. At the same time, supply in Christchurch was down 18 per cent from the same period in 2011 and the number of inquiry emails Trade Me received per property was up 22 per cent.

Despite the increases, Harcourts Holmwood property manager Bridgette Tapley said the market was “not in as bad a state as people thought”.

Rumours about the rental market were creating unnecessary panic, she said. “People ring me every day in a panic when they don’t need to be. Rents haven’t really gone sky-high. People are just panicking and deciding it’s too hard before they even try to get a rental. I have a nice property for \$400 a week that I simply can’t rent.”

Kennard Real Estate director Colin Lock said the rental figures in Christchurch were “misleading”.

“If you take a snapshot of all the figures across the whole rental market you’d think rents had gone through the roof. There’s two distinct markets – people renting fully-furnished properties at a higher price for a short time and people renting properties longterm for lower prices,” Lock said.

His own rentals had gone up an average of 11 per cent in the year to January 2013.

“My insurance has virtually doubled and my rates are up. The tenants aren’t being ripped off by the average landlord.”

Independent landlord Pam Shadbolt raised her rents about 8 per cent since the earthquakes, but believed it was fair considering increases in insurance and rates.

“I have some long-term tenants in there that I don’t want to lose. I am fair with my rents – I don’t want to be at the top end of rents or the bottom. I have heard stories that some people are playing the market hard, though.”



Christchurch’s rental rises, however, do not seem out of sync with the rest of New Zealand.

Source: The Press, February 2013



Brain gain NZ

Where does New Zealand fit in to the scheme of things when compared against the rest of the world?

Tony Alexander, Chief Economist of BNZ has published his first issue of 'Brain Gain NZ' a new monthly publication with the aim of boosting NZ's growth potential through better connectivity with Kiwi expats. There are clearly many similarities between Kiwi expats and potential migrants as both sets want to be here!!

The document is full of statistics – as you would expect from an economist, but it definitely helps you gain an idea of the economic climate.

One of the really interesting articles is all about NZ Expat and Global Surveys. We always keep an eye on a range of these, but Tony has added more. A précis is listed below along with the industry standard Mercer index.

- Mercer – Quality of Life 2013
 - mercer.com/qualityoflivingpr#city-rankings Auckland has slowly moved up the rankings to 3rd, with Sydney at 10th and Wellington at 11th. Top five best cities in the world:
 1. Vienna, Austria
 2. Zurich, Switzerland
 3. Auckland, New Zealand
 4. Munich, Germany
 5. Vancouver, Canada
- Mercer – City Infrastructure Ranking
 - mercer.com/qualityoflivingpr#personal-safety Auckland ranks 43rd (just above Birmingham and Glasgow)
- Mercer - Cost of living
 - mercer.com/costoflivingpr#City_rankings With Sydney (11) Melbourne (15) Perth (19) Canberra (23) and Brisbane (24) all ranked as more expensive than London (25) with Auckland jumping 62 places last year (due to our strong Kiwi \$) to settle in at 56th on the list
- NZ features as being 7th best out of 80 countries surveyed in what the Economist Magazine “the World in 2013” publication calls the “Lottery of Life” – essentially measuring which country is able to best provide opportunities for a healthy, safe and prosperous life in years to come. To put that in to context; Switzerland came first, the USA came 16th and the UK 27th.

- NZ is seen to be the 1st freest country out of 123 countries in the Fraser Institute Human Freedom report, and ranks 4th in the Heritage Foundation Freedom index out of 185 countries surveyed. What do these two surveys together mean? In a nutshell that in New Zealand, if we want to put our mind and skills towards profit-making use, then we can to a large degree do what we want.
- In stark contrast to the point above, the Bloomberg Innovation Index only rates us 28th out of 50 other countries in terms of innovation. So even with success as being one of the freest countries in the world, our ability to be innovative doesn't appear to measure up. Again putting it in perspective USA came first in the innovation ranks. Its not that we don't come up with good ideas – our city of Hamilton is widely regarded as being the 'city of the future' and home to many of NZ's science research facilities – Kiwis after all are renowned for having that “number 8 wire - can do mentality”. Perhaps we're just not as good as the US at getting those ideas patented and off the ground (Ed.)
- NZ's Government ranks as being number 1 when it comes to being the most open when it comes to budget documents, out of 100 countries surveyed.
- The Chinese Luxury Travel Awards have named New Zealand as its top destination for 2013 while at the same time voting our Auckland International airport as the best in the world!

For the full document that covers other topics including the NZ Housing market, labour market, migration flows, and interest rates click on the link below:

tonyalexander.co.nz/topics/brain-gain-nz/brain-gain-nz-brain-gain-nz/



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Brian Douglas

Case study of moving to NZ

Current Employer: TM Consultants – Christchurch

Brian made contact with Catalyst at the end of March 2012 in search of opportunities that would utilise his experience as a Seismic Structural Engineer and allow him to return to New Zealand to live. Brian had as part of his undergraduate degree in 1986 spent 6 months studying at the University of Auckland and had fallen in love with all that New Zealand had to offer. An interview was arranged through Catalyst with TM Consultants in Christchurch, a job offer followed shortly thereafter, and Brian arrived in New Zealand in mid-September of 2012.

What inspired you to consider moving to New Zealand?

I had travelled around most of the North Island in 1986 and I really enjoyed it then.

Has New Zealand lived up to your expectations?

It has, although the South Island is quite a bit different from the north island.

How has your life changed since moving to New Zealand?

I'm a lot busier.

What one thing would you have done differently?

On a personal note I would not have shipped as much over, but live and learn.

What one thing do you wish you had known about before moving?

It was stressful finding housing. I would have spent a little more time looking before I had come over.

What advice would you pass to someone commencing the process?

Be prepared for a lot of work.

Looking back with hindsight, do think you have made the right move for you and your career?

I think it's a very good move. The New Zealand codes are "rawer" than their US counterpart. It's also interesting to see how buildings are constructed over here.

Useful Facts:

1st Interview to offer	6 days
Offer to arrival	12 weeks, 2 days
Time since arrival	166 days