

NEW ZEALAND
**EMPLOYMENT
MARKET REPORT 2024**

PROPERTY & CONSTRUCTION

Property & Construction

The Market

In the property and construction sector, 2023 started with moderate confidence but as the year progressed, conditions became more challenging. Heading into 2024, the private sector is feeling optimistic about the year ahead as the new coalition government has signalled its openness to public-private partnerships for its Transport for the Future Investment program.

Last October, within its commentary on the New Zealand market, Infrastructure Australia's Infrastructure Pipeline Report highlighted that the new coalition government was facing a triple challenge - a growing population, a pressing need to deliver disaster recovery, and an infrastructure deficit. Additionally, flooding and national disasters have led to a shuffling of budgets for new projects to help with the recovery.

There is no doubt that for many in property and construction, 2023 was a challenging year with restructuring and job losses in the market. Smaller developers suffered the most as they faced high interest rates and constrained finances, making it difficult to get projects off the ground. While margins were not increasing, the cost of materials continued to rise, leading to cost inflation and limiting the potential for growth.

In the property and construction employment market, there is a shortage of civil engineering skills. Employers are struggling to find project engineers and intermediate project managers, with some skilled talent planning to relocate overseas for greater opportunities and to broaden their experience. For projects in Auckland, attracting engineers to the city was challenging due to the higher cost of living. However, there was plenty of work in the regions with candidates being offered substantial salaries; sometimes reflecting a pay increase of up to 30% to work on projects in smaller regions of the South Island.

Employers

Last year, employers were seeking candidates who not only met the required qualifications but also fit well into their company culture. Having broad experience working on diverse projects allowed businesses to extract more value from their new hires. However, job seekers with such highly sought-after experience were scarce. In a candidate and skills-short market, employers in the property and construction industry had to act fast when hiring.

Employers offered a range of bonuses and benefits to attract top talent including company vehicles, insurance, increased contributions to KiwiSaver, relocation packages, and bonuses based on personal and company performance. In some cases, employers were also open to providing increased leave after a certain tenure.



55%

of Property & Construction Employers' workforce increased in size in 2023



52%

of Property & Construction Employers found that candidates' salary expectations have generally been higher than market rates



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Job Seekers

Over the past year, more job seekers have been open to hearing about new opportunities however there was little movement from role to role due to economic uncertainty. Prioritising stability, many job seekers preferred to stay in their roles. Although some considered new roles, it was not uncommon for a candidate to change their mind during the recruitment process after receiving a counteroffer from their current employer.

Individuals searching for jobs in the property and construction industry tend to have strong connections within their field and conduct extensive research before considering a new job opportunity. They are selective about the companies they choose to work for and consider the organisation's reputation and proven experience as key factors before making a decision.

Favouring the lower cost of living and lifestyle in more rural areas, Auckland's property and construction workforce is experiencing shortages as potential employees based outside the city are hesitant to move. Moreover, many people are relocating to other parts of the country. A similar scenario is being observed in Wellington where individuals are moving to the surrounding regions whereas those based in Christchurch are moving throughout the South Island. Salary expectations remain high and often a 10-20% increase is required for job seekers to switch roles, however the market isn't increasing at that rate. After a couple of years of inflated rates, contractor rates are becoming steady, with minimal increases. Additionally, permanent role salaries are stabilising.

The most popular benefits for job seekers depend on the region and the project. Some job seekers prefer employers to fly them in and out rather than relocate them. Other benefits more often expected include tools of the trade, a truck or a car, and gym membership subsidies.

The Year Ahead

In 2024, there is hope that interest rates will decrease, leading to more development. Infrastructure Australia predicts that there will be an increase of over 130% in demand for infrastructure workers in New Zealand by mid-2026. It suggests that attracting capital and labour will require a combined effort from both the public and private sectors. New Zealand will need to compete with Australia's infrastructure plans which are set to increase in the next five years along with their likely need to draw talent from New Zealand.

As the cost of living continues to rise, we expect slight increases to salaries, bonuses, and non-financial incentives. We anticipate that there will be a continued shortage of skilled workers throughout 2024, and employers may need to be more open to recruiting people from overseas. This will require them to become accredited employers in the Accredited Employer Work Visa programme, something that needs to be planned for well in advance.



Challenging or interesting work

is a more important factor than salary/remuneration for Property & Construction Job Seekers when accepting a new job offer



81%

of Property & Construction Employers expect that the size of their workforce will increase or stay the same in 2024

Property & Construction Salary Guide

| | AUCKLAND | | WELLINGTON | | LOWER NORTH ISLAND | | CHRISTCHURCH | |
|----------------------------------|----------|------|------------|------|--------------------|------|--------------|------|
| | Low | High | Low | High | Low | High | Low | High |
| CONSTRUCTION ROLES | | | | | | | | |
| Contracts Manager | 120 | 180 | 125 | 180 | 85 | 130 | 100 | 140 |
| Supervisor/Site Manager | 110 | 150 | 100 | 145 | 80 | 120 | 90 | 120 |
| Construction Manager | 150 | 210 | 150 | 200 | 120 | 160 | 150 | 200 |
| Project Manager | 95 | 220 | 95 | 220 | 80 | 160 | 90 | 180 |
| Project Coordinator | 70 | 95 | 70 | 110 | 55 | 80 | 65 | 90 |
| Estimator | 85 | 160 | 90 | 150 | 70 | 150 | 80 | 150 |
| Quantity Surveyor | 100 | 170 | 90 | 165 | 80 | 150 | 90 | 150 |
| Engineer - Civil | 80 | 170 | 75 | 150 | 80 | 130 | 70 | 150 |
| Engineer - Structural | 80 | 160 | 75 | 160 | 80 | 130 | 75 | 150 |
| Programme Coordinator | 85 | 110 | 75 | 110 | 60 | 80 | 65 | 90 |
| PROPERTY ROLES | | | | | | | | |
| Residential Property Manager | 75 | 120 | 65 | 115 | 65 | 80 | | |
| Development Manager | 140 | 180 | 130 | 170 | 85 | 130 | | |
| Commercial Property Manager | 100 | 180 | 95 | 165 | 80 | 120 | | |
| Facilities Manager | 85 | 140 | 85 | 150 | 75 | 100 | | |
| Facilities Coordinator/Assistant | 65 | 85 | 65 | 85 | 60 | 75 | | |
| Asset Manager | 145 | 180 | 130 | 180 | 85 | 110 | | |
| Maintenance Supervisor/Manager | 85 | 105 | 85 | 115 | 75 | 100 | | |

Salary range in NZD \$'000s



About Madison

Madison was established in 1998 and is part of the Accordant Group, the only New Zealand recruitment company listed on the NZX. We operate across seven key locations in Auckland, Hamilton, Tauranga, Wairarapa, Manawatū-Whanganui, Wellington and Christchurch.

What We Do

Madison works across almost all industry sectors, with clients that range from small start-ups to global blue-chip corporates, large public sector and not-for-profit organisations. Our track record includes full-service recruitment covering temporary, permanent and contractor needs across the following sectors:

- Accounting, Banking, Finance and Insurance
- Business Support and Administration
- Business Transformation, Programme and Project Management
- Contact Centre and Customer Service
- Engineering
- Government and Policy
- Human Resources and Recruitment
- Industrial
- Marketing and Communications
- Procurement and Supply Chain
- Project and Volume
- Property and Construction
- Sales and Relationship Management

Within these disciplines, we recruit for the full range of positions from entry-level through to executive appointments. Depending on our clients' needs, our recruiters will deliver an end-to-end solution or unbundle the recruitment process to supplement the expertise and resources you have in your organisation.

How We Do It

Because we have a broad focus, but we are staffed by specialist recruitment professionals, we're able to offer the combined benefits of breadth, reach and personalised, expert service. Collaboration, sharing, building a real relationship and true partnerships are what set us apart. Not only do we understand New Zealand, but we have been specifically built and grown for this market.

Support & Partnership

We offer specialist consulting services to support our client organisations' talent lifecycles. Some of the key services we deliver via workshop, training or coaching include:

- Talent development
- Assessment centre design
- Outplacement services
- Psychometric profiling & skills testing
- High performance profiling

The Accordant Group

Delivering recruitment, resourcing and people solutions across New Zealand

Madison is part of the Accordant Group, which is the only staffing provider listed on the NZX. The Group comprises five businesses: Absolute IT, AWF, Hobson Leavy, JacksonStone & Partners and Madison Recruitment. Accordant Group's capability spans all levels and aspects of commercial and industrial recruitment services, including permanent roles, temporary assignments and contractor placements. In addition to this, in 2019 Accordant established The Work Collective, a social employment initiative.

To find out more, visit accordant.nz

Absolute IT is a specialist agency that operates solely in the tech and digital market, recruiting permanent and contract IT professionals.

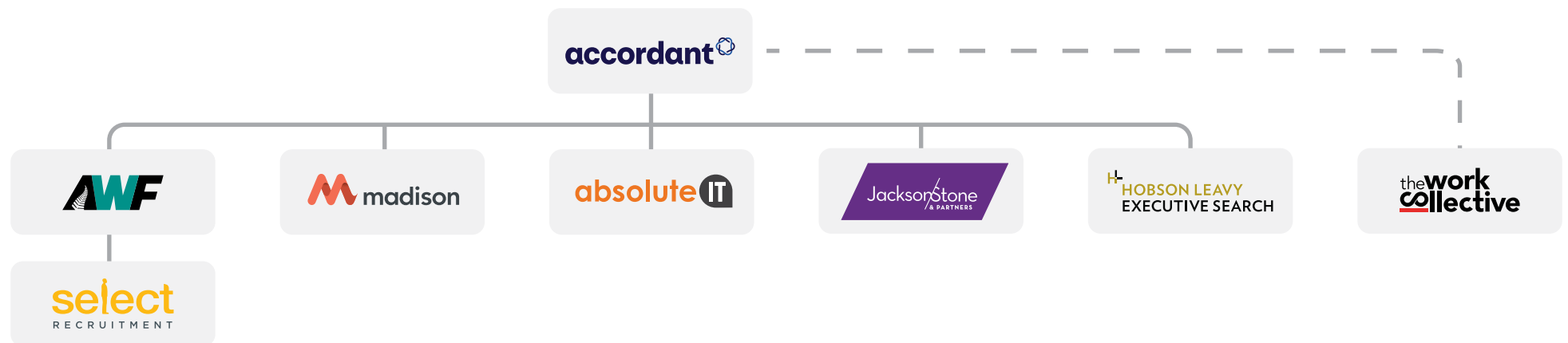
AWF provides labour hire and recruitment services from 21 branches across the country including Select Recruitment in Dunedin.

Hobson Leavy is a retained executive search firm with an extensive track record in both the public and private sectors, successfully appointing some of New Zealand's most senior leaders at Board, CEO and Executive level.

JacksonStone & Partners is one of the most experienced executive search, recruitment and contracting agencies in New Zealand, covering all disciplines up to chief executive and board appointments across the private, public and not-for-profit sectors.

Madison recruits temporary, contract and permanent staff for a broad range of clients and industries in the commercial and government sectors.

The Work Collective, our social employment initiative is supported by each of our businesses and focuses on helping people with barriers to employment find meaningful work opportunities.



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To find out more about Madison and our services,
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