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Building Research Levy

2025

BUILDER SENTIMENT



EBOSS



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BUILDER SENTIMENT REPORT

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ABOUT EBOSS

Established in 2006, EBOSS connects building product suppliers with New Zealand’s architectural, design and construction community through their significant online product library, electronic publications, and industry events. EBOSS keeps the industry informed through their regular research programme, which includes past reports into BIM use in NZ and the Building Industry Supply Chain, biennial Industry Sentiment Reports, and the EBOSS Pulse report which summarises demand indicators for residential and commercial construction.

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THE SURVEY

The data for this report was gathered in May 2025.

Note: The ratings in some of the stacked bar charts may not add to 100%. This is due to rounding.

SUMMARY

This report extends on the 2024 builder sentiment survey. It includes responses from 431 builders from across New Zealand, working in both residential and commercial sectors.

The general picture is of an industry grappling with a challenging operating environment, particularly when compared to the recent consenting records. While demand is declining more slowly, stability is still some way off. Leads and project starts are expected to decline further, and holds and cancellations mean that some builders will continue to struggle with the pipeline over the next 12 months.

In fact, more than a third of construction businesses are significantly impacted by projects being put on hold, and a third are significantly impacted by project cancellations.

While larger firms are seeing early signs of recovery in leads and project starts, smaller businesses remain in survival mode. This gap underscores the importance of fostering resilience across all business sizes to ensure a balanced recovery.

Similarly, businesses focused on commercial work or those with a broader project mix feel more positive about the immediate future, whereas residentially-focused businesses continue to feel the pain of the current economic climate.

On a positive note, builder sentiment has improved. In 2024, 69% predicted worsening conditions, by 2025, this has dropped to 46%, with 40% now forecasting improvement. This shift in sentiment reflects growing confidence and a more balanced outlook for the industry.

While the average forward workload has dipped slightly — from 8.6 to 8.2 months — three in ten builders still have over six months of work ahead, and 17% report pipelines extending beyond a year. Builders with diversified offerings and those in regions like Auckland and Otago/Southland are better positioned for long-term stability.

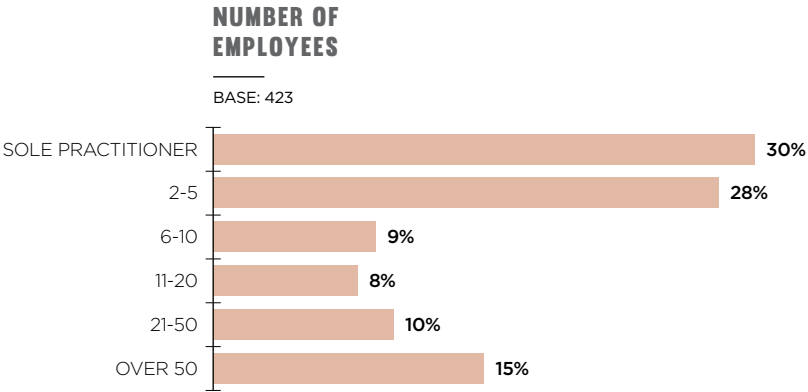
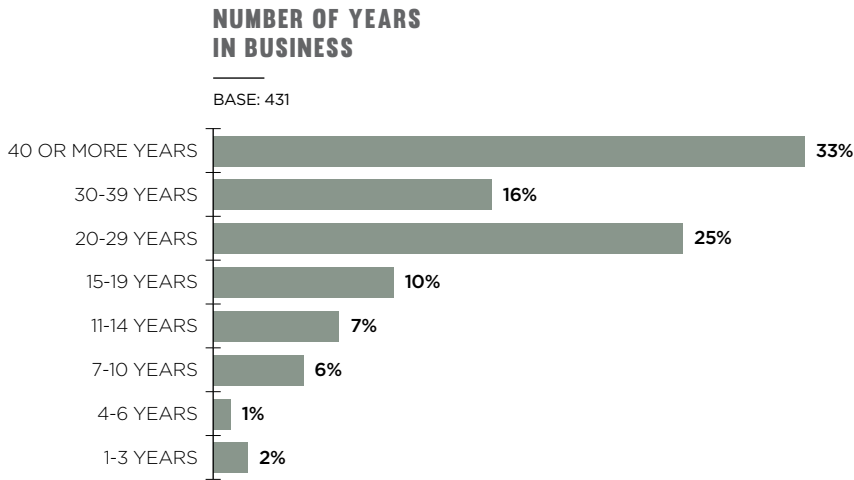
While a full recovery will take time, there's a growing sense that the worst is behind us.

WHO WE SURVEYED

Of the 431 builders who responded*

- 24% are LBP Carpenters
- 10% are LBP Site 1
- 10% are LBP Site 2 or 3
- 10% are Project Managers
- 5% are Other Builders
- 11% are Building Control Officers
- 4% are Quantity Surveyors

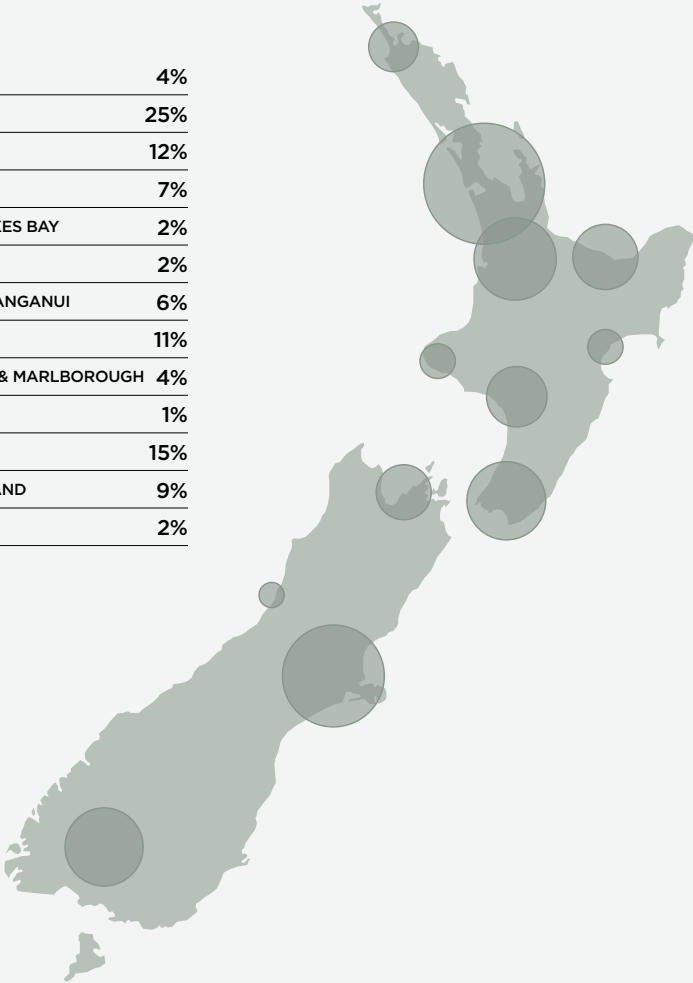
As in 2024, just over half of builders surveyed work in small businesses with five or fewer employees.



HOW THE SAMPLE WAS GEOGRAPHICALLY SPREAD

BASE: 423

NORTHLAND	4%
AUCKLAND	25%
WAIKATO	12%
BAY OF PLENTY	7%
GISBORNE / HAWKES BAY	2%
TARANAKI	2%
MANAWATU - WHANGANUI	6%
WELLINGTON	11%
TASMAN, NELSON & MARLBOROUGH	4%
WEST COAST	1%
CANTERBURY	15%
OTAGO - SOUTHLAND	9%
OTHER	2%



TYPE OF PROJECTS

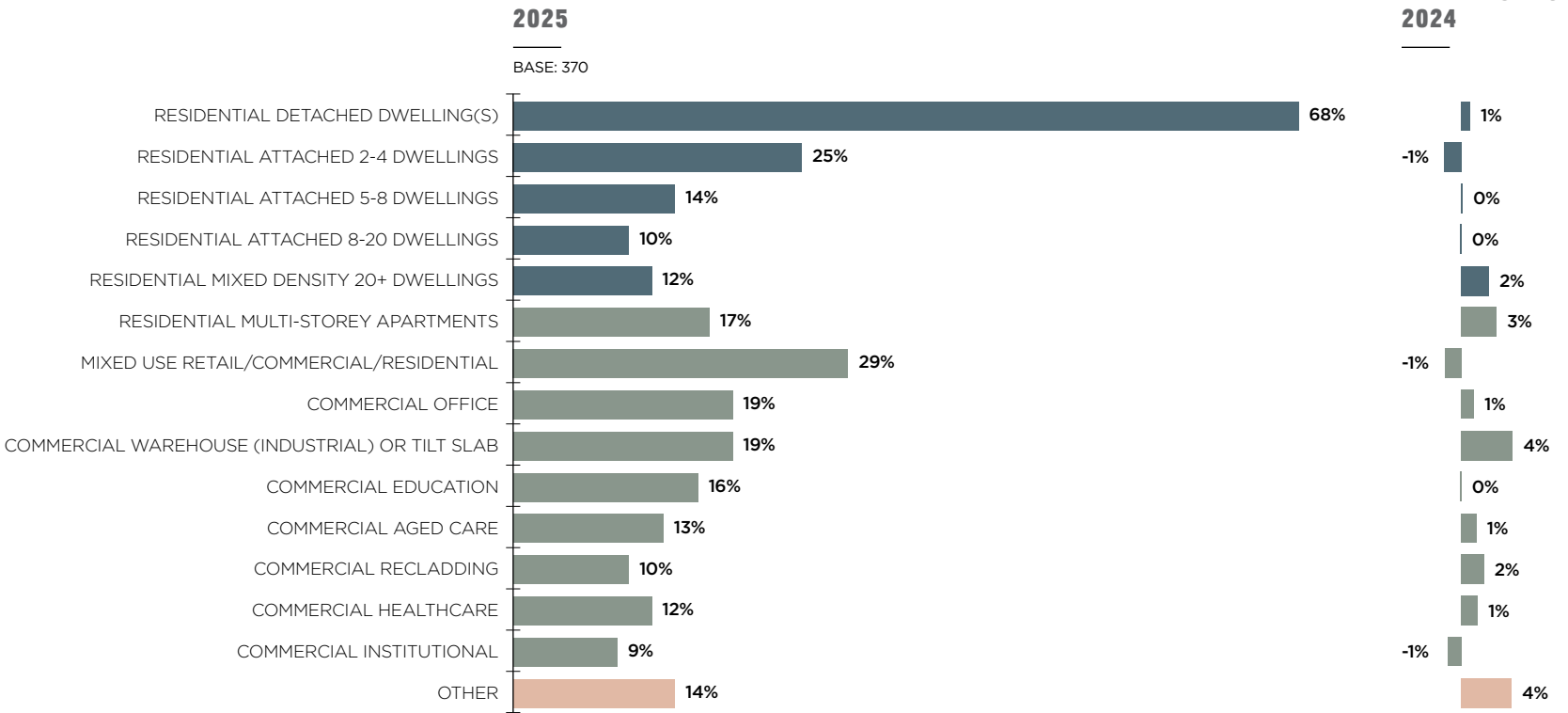
In 2025, 29% of all builders surveyed work on both residential and commercial construction. This is down from 35% reported in 2024.

The proportion working on commercial construction only has decreased from 17% in 2024 to 12% in 2025.

The proportion working on residential only is down from 48% in 2024 to 44% in 2025.

On average those who are doing commercial construction in 2025 work on 3.4 different categories of commercial projects. This is up from 3.1 categories on average in 2024.

Adaptability is becoming a key strategy in the current environment. Fewer builders are specialising exclusively in one area, and those still in commercial work are expanding their range to stay competitive.



Q: "WHICH OF THE FOLLOWING BEST DESCRIBES THE TYPE OF WORK THAT YOUR COMPANY TYPICALLY WORKS ON?"

SHIFTS IN DEMAND

Demand remains down compared to 12 months ago, marking the second consecutive year of decline. Net demand is at -33 (the proportion of positive less the proportion of negative ratings on the scale). However, this is a notable improvement from -55 in 2024, indicating a slowdown in the rate of decline.

Encouragingly, 22% of builders report increased demand over the past year, up from just 12% the year prior.

DEMAND VS 12 MONTHS AGO

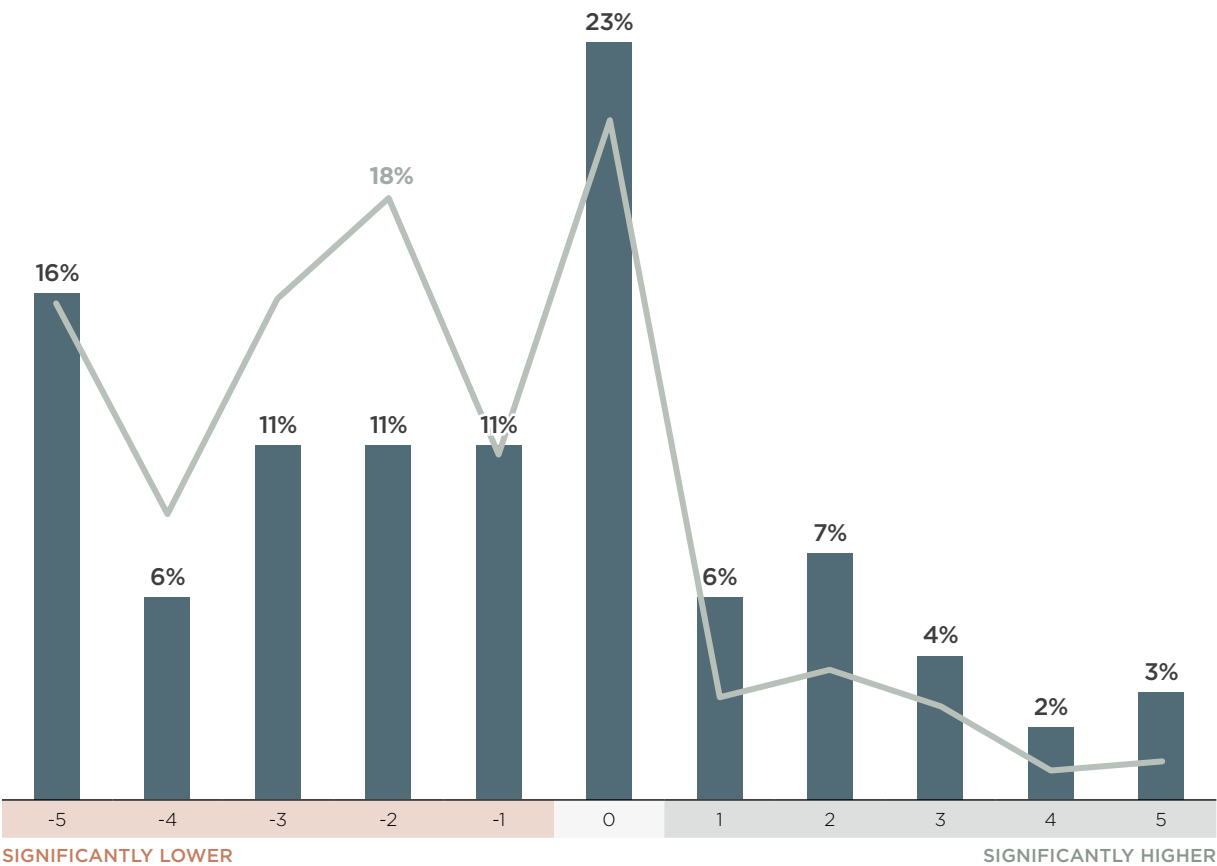
BASE: 322

2025
Net -33

2024
Net -55

(CALCULATED SCORE:
% Higher combined
- % Lower combined))

2025 2024

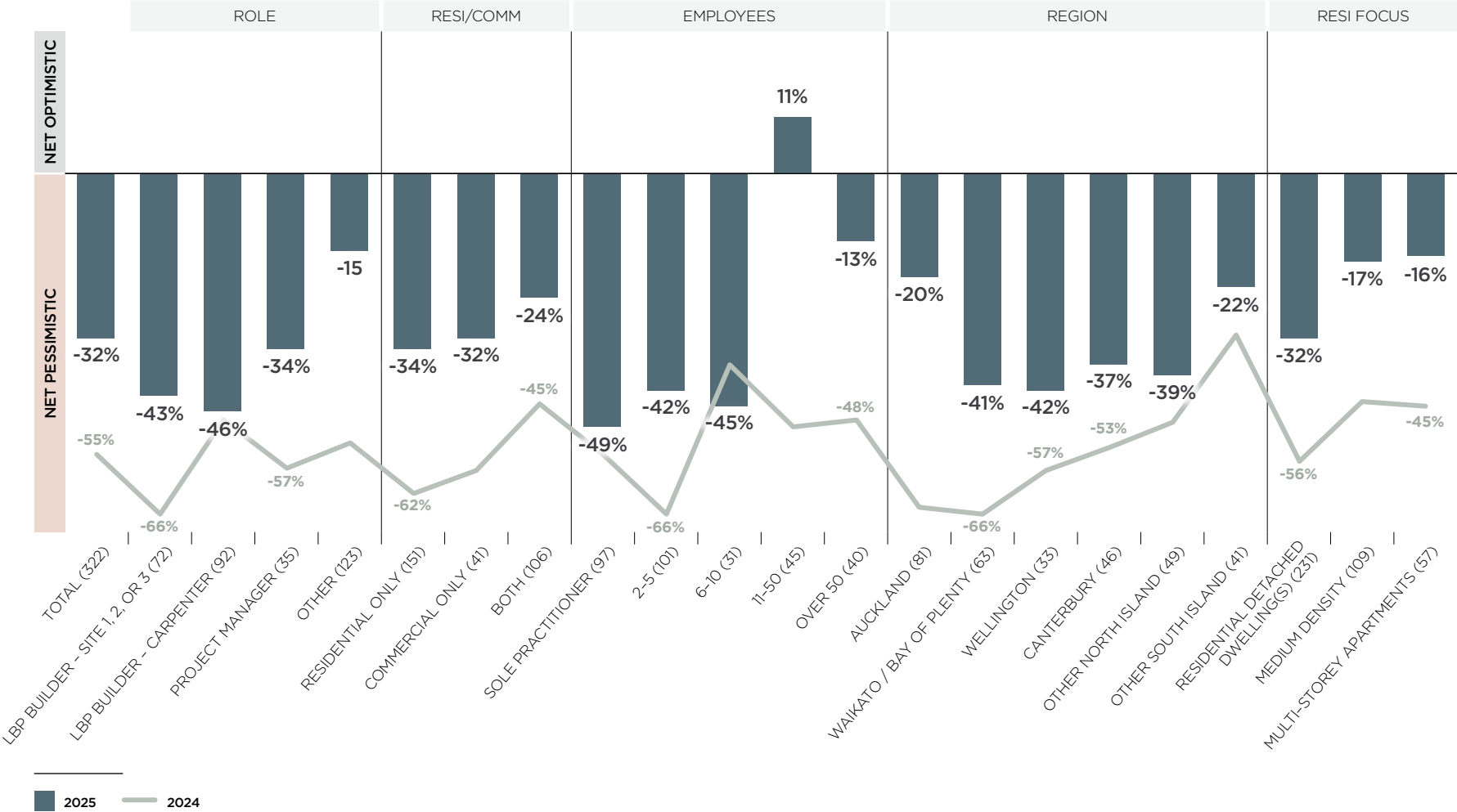


Q: "HOW HAS THE DEMAND FOR WORK AT YOUR BUSINESS CHANGED COMPARED TO THE SAME TIME LAST YEAR?"

NET SENTIMENT: DEMAND VS SAME TIME LAST YEAR

Net sentiment is a score of sentiment based on the net proportion selecting positive minus the net proportion selecting negative. It enables us to track sentiment over time.

Larger businesses (11-50 employees) have gained the most ground, going from net -49 in 2024 to +4 in 2025. However, the situation has worsened for businesses with 6-10 employees going from net -39 in 2024 to -56 in 2025. Firms with 10 or fewer employees combined have a net score of -45, an improvement from -58 last year.



BUSINESS & INDUSTRY SITUATION

Views on the industry situation are split, with 46% expecting worsening conditions while 40% anticipate improving conditions.

By contrast, in 2024 69% predicted worsening conditions and 22% predicted improvement. This marks a shift toward cautious optimism compared to a year ago.

INDUSTRY SITUATION

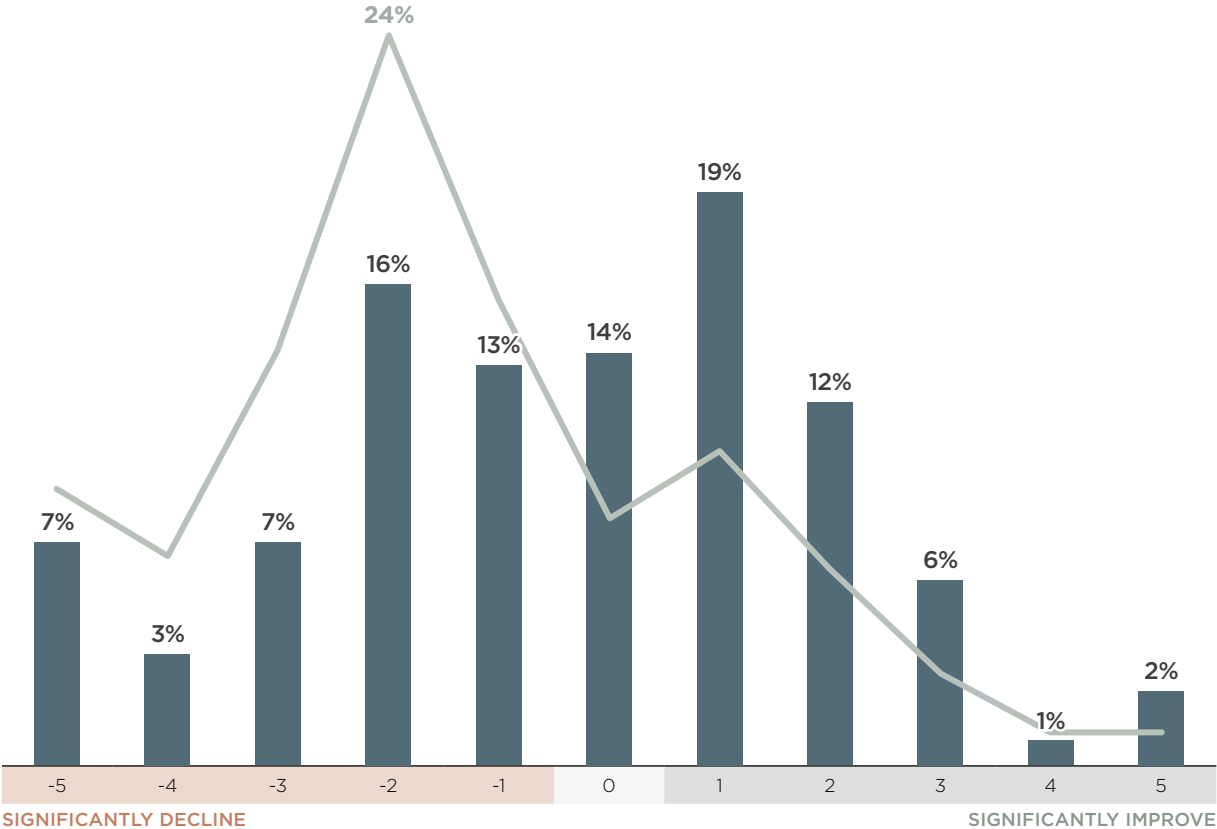
BASE: 281

2025
Net -6

2024
Net -46

(CALCULATED SCORE)

2025 2024

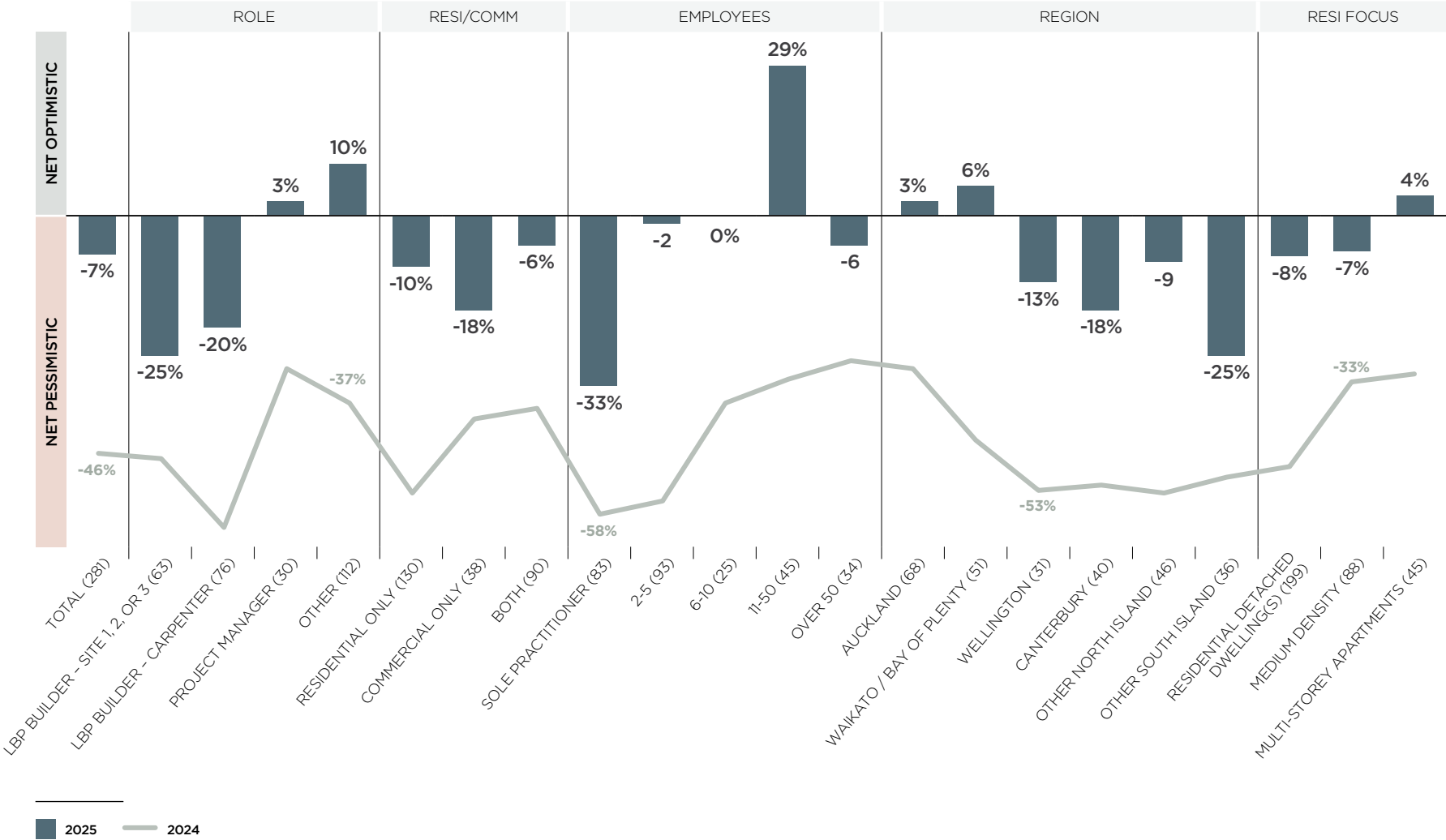


Q: "HOW DO YOU ANTICIPATE THE OVERALL CONDITION OF NEW ZEALAND'S CONSTRUCTION INDUSTRY WILL CHANGE IN THE NEXT 12 MONTHS?"

NET SENTIMENT: INDUSTRY SITUATION

Net sentiment is a score of sentiment based on the net proportion selecting positive minus the net proportion selecting negative. It enables us to track sentiment over time.

Businesses with 11-50 employees are the most optimistic about the industry's outlook over the next 12 months, while sole traders are the most pessimistic. Regionally, builders in the North Island are more balanced or optimistic whereas those in the South Island have a far more pessimistic outlook.

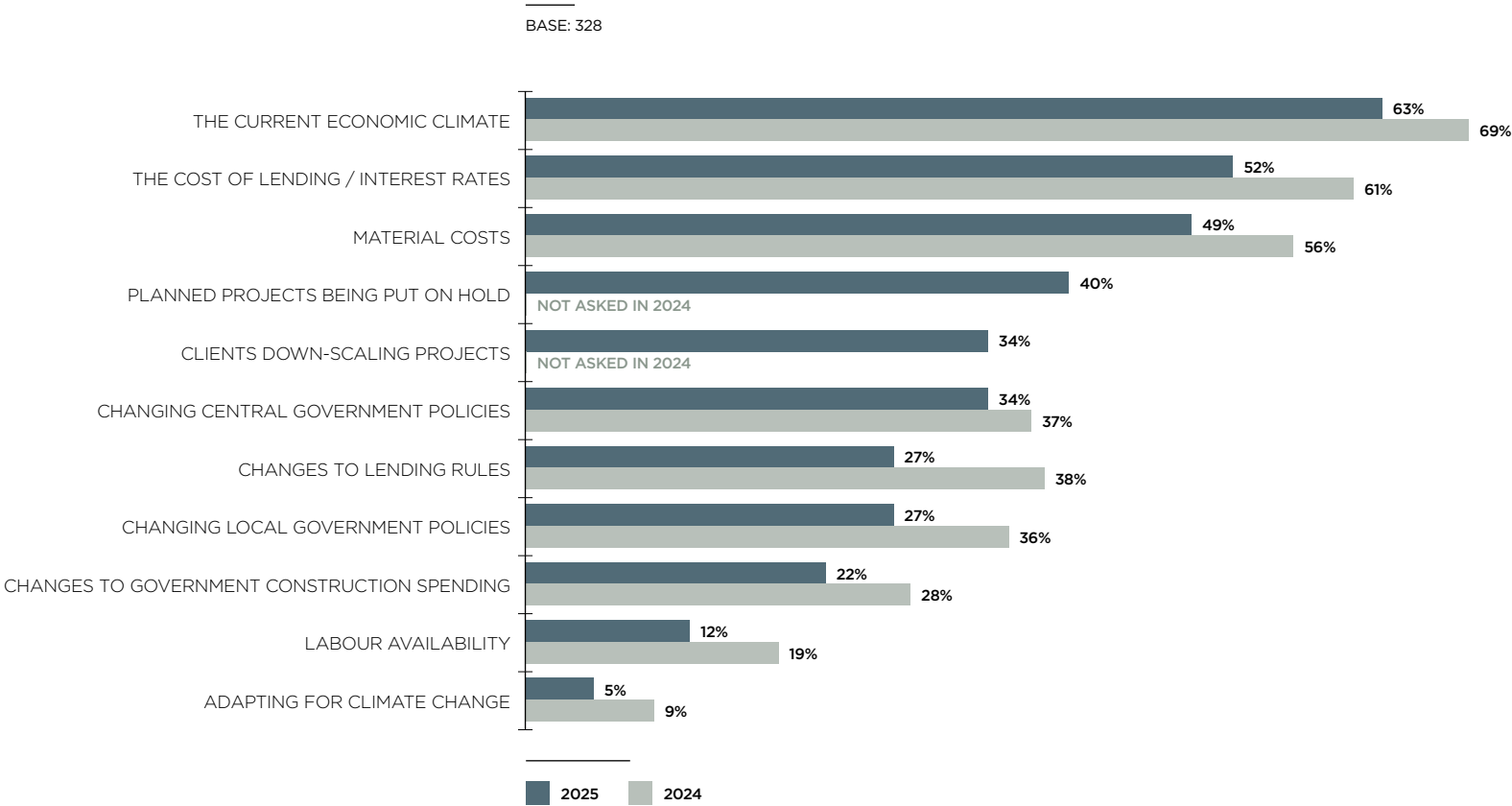


WHAT IS IMPACTING BUILDERS?

We asked builders what factors they think will have a significant impact on their business over the next year. Overall concern has eased since 2024, particularly around lending rules and government policies which are now seen as less pressing issues.

The current economic climate remains a key concern — in particular, smaller businesses and those focused on residential work are more likely to say this will have an impact on their operations.

Larger businesses and those focused on commercial work are more likely to select projects being put on hold as a concern — 55% of those who do solely commercial work identified this as an issue.



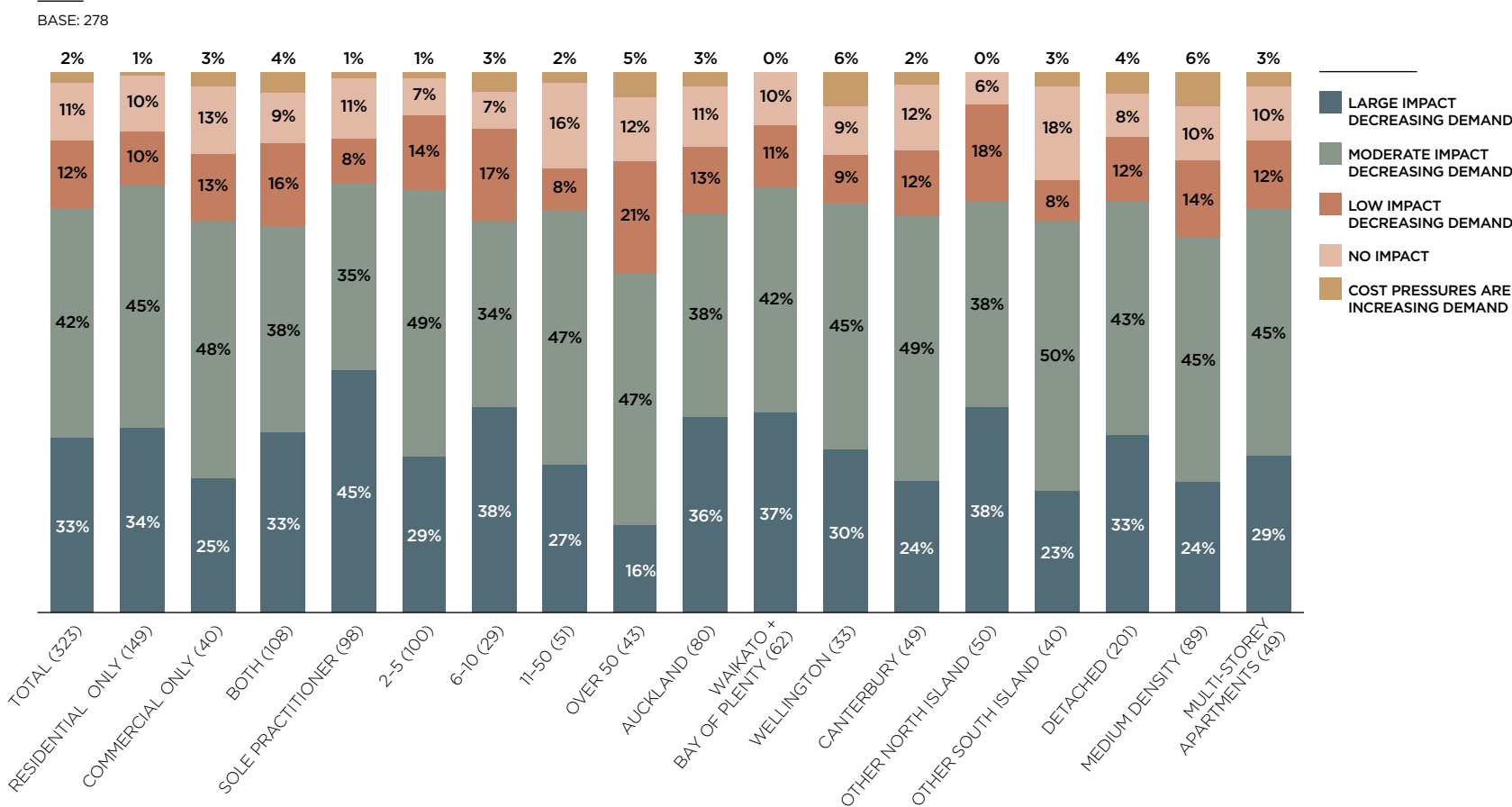
Q: "WHICH (IF ANY) OF THE FOLLOWING DO YOU THINK WILL HAVE A SIGNIFICANT IMPACT ON YOUR OWN BUSINESS SITUATION IN THE NEXT 12 MONTHS?"

COST PRESSURES

A new question was added in 2025 focused specifically on the impact of cost pressures on demand.

One third of builders say that cost pressures are having a large impact on demand, while a further 42% say they are having a moderate impact.

Builders focused on residential work, in smaller businesses, and those based in Auckland were more likely to report that cost pressures are having a noticeable impact on demand.



Q: "TO WHAT EXTENT WOULD YOU SAY COST PRESSURES ARE IMPACTING THE DEMAND FOR WORK?"

CONSTRUCTION PIPELINE: LEADS & PROJECTS STARTS

Net sentiment is a score of sentiment based on the net proportion selecting positive minus the net proportion selecting negative. It enables us to track sentiment over time.

The net position on new projects and leads remains negative, suggesting challenging conditions in the near term. Larger businesses look to be bouncing back sooner; those with 11-50 employees are the most likely to say that project starts and enquiries have increased compared to a year ago.

HIGHER RATING = EASIER CONDITIONS

LEADS & ENQUIRIES

BASE: 281

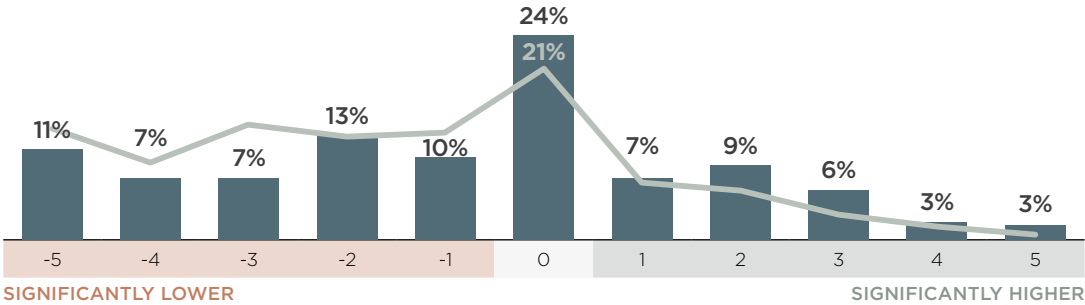
2025
Net -19
(CALCULATED SCORE)

PROJECTS STARTING

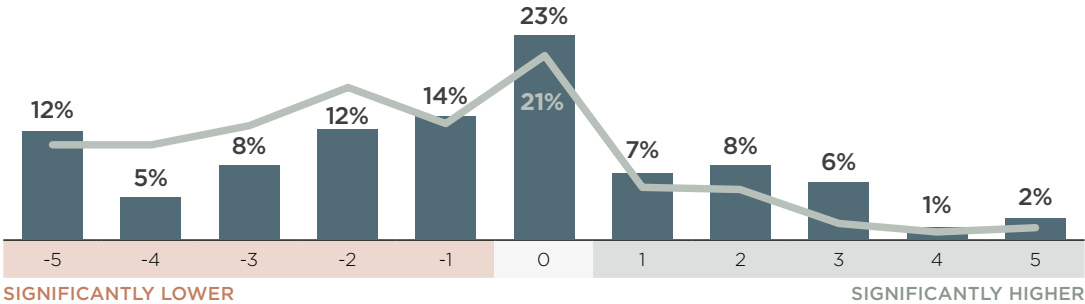
BASE: 281

2025
Net -26
(CALCULATED SCORE)

THE NUMBER OF NEW LEADS AND ENQUIRIES COMPARED TO 12 MONTHS AGO.



THE NUMBER OF NEW PROJECTS STARTING COMPARED TO 12 MONTHS AGO.



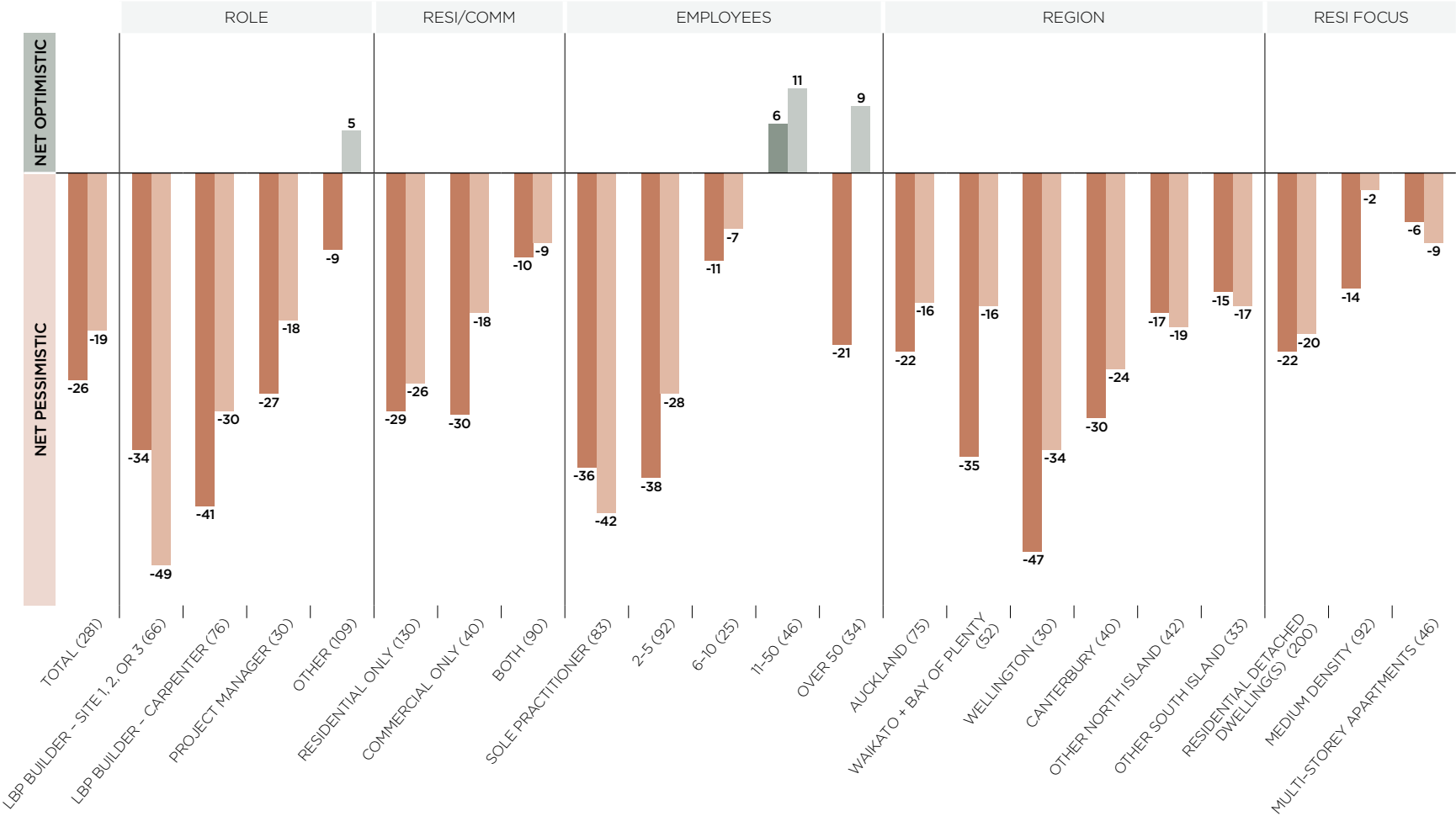
Q: "PLEASE RATE THE CURRENT STATUS OF YOUR BUSINESS IN EACH OF THE FOLLOWING CATEGORIES."

BUILDER PIPELINE: PROJECT STARTS & LEADS

Net sentiment is a score of sentiment based on the net proportion selecting positive minus the net proportion selecting negative. It enables us to track sentiment over time.

Larger construction firms are beginning to see a rise in enquiries, while sole practitioners and small businesses continue to face a net decline in pipeline activity for the near term.

- NET OPTIMISTIC
- PROJECT STARTS
- LEADS & ENQUIRIES
- NET PESSIMISTIC
- PROJECT STARTS
- LEADS & ENQUIRIES



Q: "PLEASE RATE THE CURRENT STATUS OF YOUR BUSINESS. THE NUMBER OF NEW LEADS AND ENQUIRIES COMPARED TO 12 MONTHS AGO / THE NUMBER OF NEW PROJECTS STARTING COMPARED TO 12 MONTHS AGO."

CONSTRUCTION PIPELINE: PROJECT HOLDS & CANCELLATIONS

Net sentiment is a score of sentiment based on the net proportion selecting positive minus the net proportion selecting negative. It enables us to track sentiment over time.

Around two thirds of builders have seen project holds and cancellations either decline or remain stable between 2024 and 2025. While this may indicate some easing in the pipeline, it may also be reflective of an overall lower volume of projects. Half of builders surveyed say that project starts and enquires are down compared to 12 months ago.

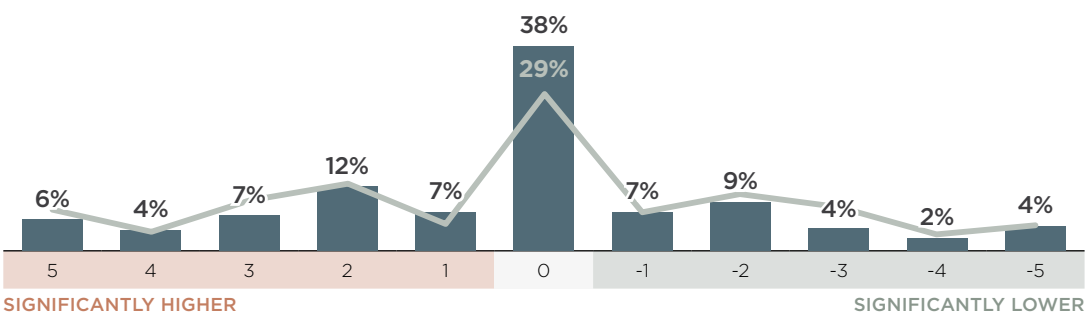
HIGHER RATING = TOUGHER CONDITIONS

PROJECTS BEING PUT ON HOLD

BASE: 281

2025
Net +8
(CALCULATED SCORE)

THE NUMBER OF PROJECTS BEING PUT ON HOLD COMPARED TO 12 MONTHS AGO.

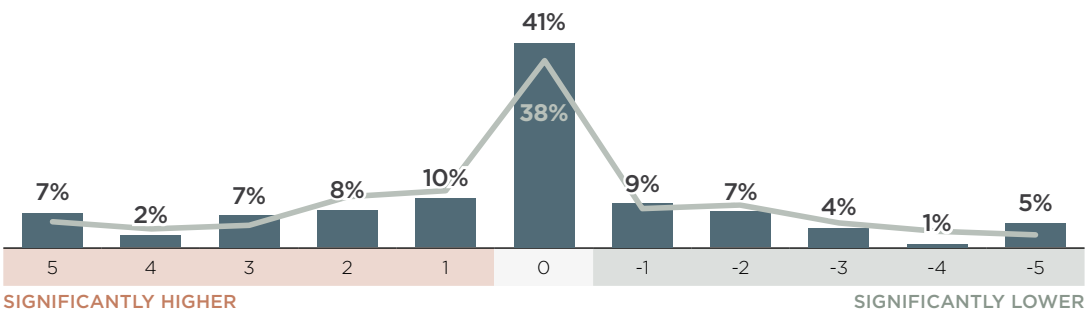


PROJECTS BEING CANCELLED

BASE: 281

2025
Net +8
(CALCULATED SCORE)

THE NUMBER OF PROJECTS BEING CANCELLED COMPARED TO 12 MONTHS AGO.



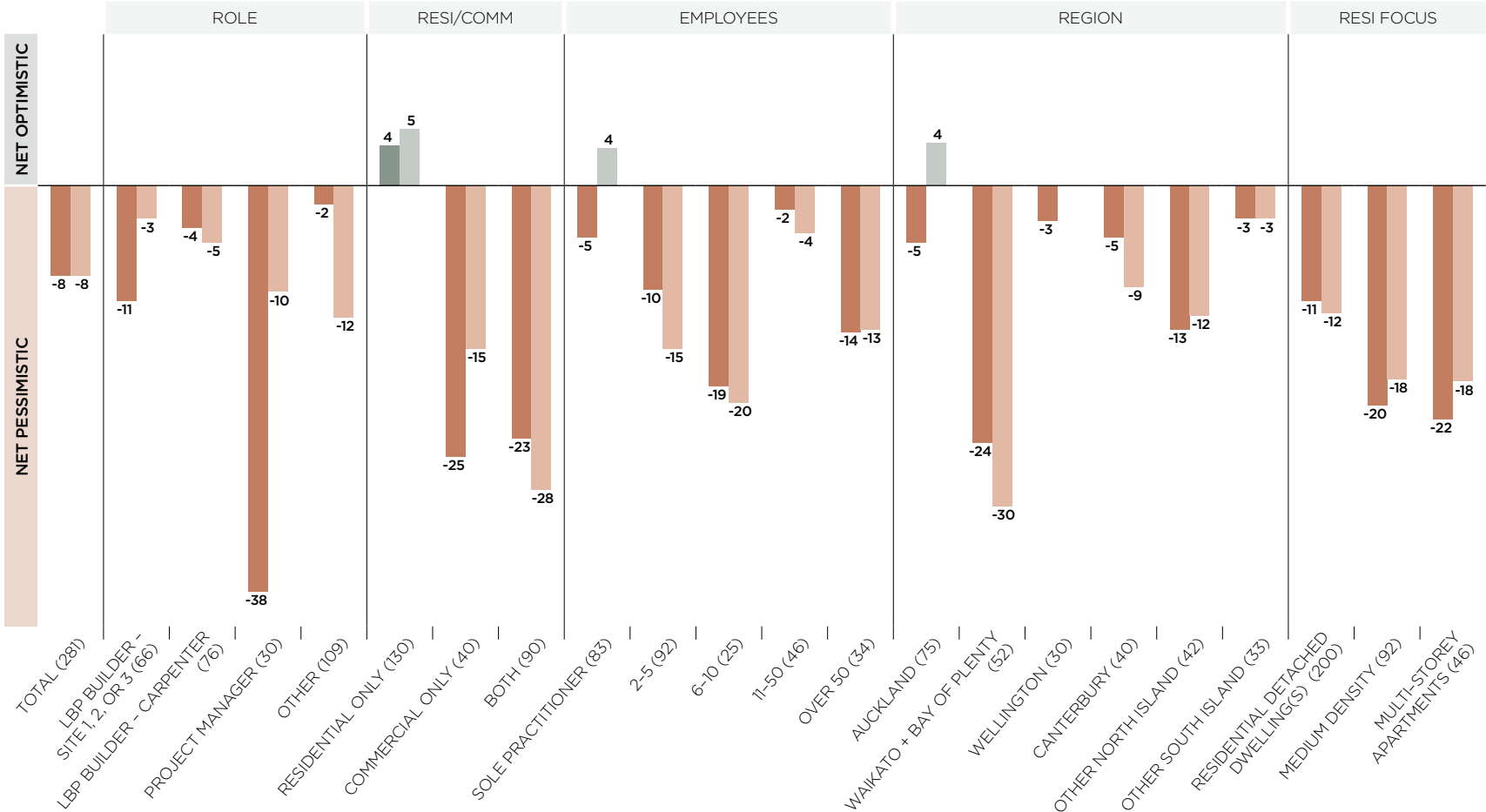
Q: "PLEASE RATE THE CURRENT STATUS OF YOUR BUSINESS IN EACH OF THE FOLLOWING CATEGORIES."

BUILDER PIPELINE: PROJECT HOLDS & CANCELLATIONS

Net sentiment is a score of sentiment based on the net proportion selecting positive minus the net proportion selecting negative. It enables us to track sentiment over time.

In 2024, Waikato and Bay of Plenty builders bucked the trend on holds and cancellations, however in 2025 they are the region most likely to see these increase. In contrast, Auckland and Wellington have both started to ease, with a net decrease in cancellations.

As in 2024, residential activity is less impacted by holds and cancellations, remaining relatively stable year-on-year. Commercial projects are more likely to experience more frequent delays, holds and cancellations.



Q: "PLEASE RATE THE CURRENT STATUS OF YOUR BUSINESS. THE NUMBER OF PROJECTS BEING PUT ON HOLD COMPARED TO 12 MONTHS AGO / THE NUMBER OF PROJECTS BEING PUT CANCELLED COMPARED TO 12 MONTHS AGO."

CURRENT CAPACITY BUILDERS ARE WORKING AT

Average workload has decreased slightly from 67% in 2024 to 64% in 2025. While a quarter of builders are operating below 50% capacity, many still maintain steadier pipelines. Builders with lower workloads are more likely to cite the economic climate as a key factor and are seeing higher rates of project cancellations.

“IT IS PROVING VERY DIFFICULT TO MANAGE EFFECTIVE FORWARD PLANNING AS PROJECTS CONFIRMED PREVIOUSLY ARE CONTINUOUSLY BEING MOVED OUT. WE HAVE CONFIRMATION OF THREE PROJECTS DUE TO START NOW DELAYED 4 MONTHS AND WE’RE NOW LEFT SCRAMBLING FOR FILL-IN WORK.”

CAPACITY ON AVERAGE

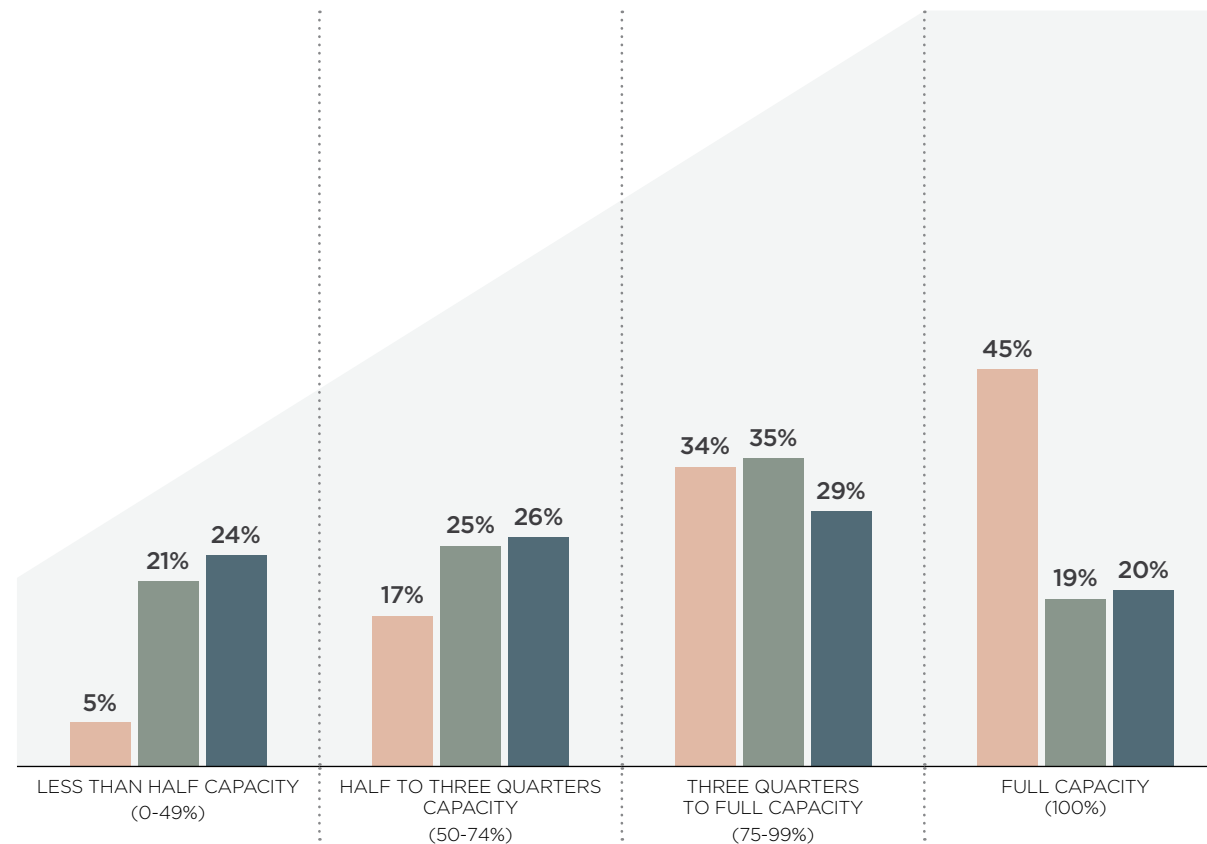
BASE: 347

64%

67%

83%

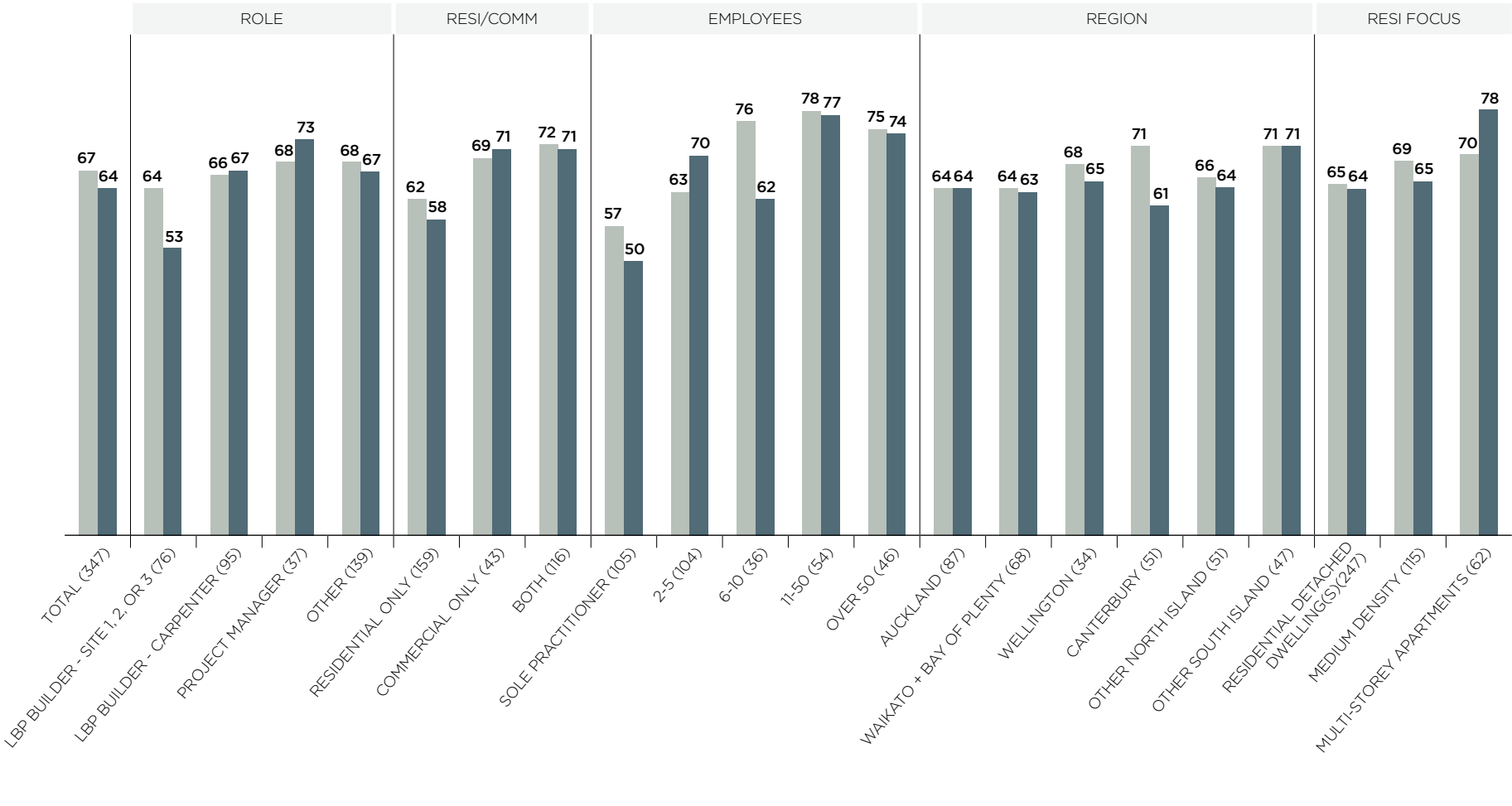
2025
2024
2022



Q: “CONSIDERING THE RESOURCES AVAILABLE WITHIN YOUR BUSINESS RIGHT NOW, PLEASE ESTIMATE YOUR BUSINESS/PRACTICE WORKLOAD AT PRESENT.”

BUILDER AVERAGE CAPACITY %

Sole traders and mid-sized businesses (6-10 employees) are more likely to be at operating at lower capacity. As in the previous year, builders focused solely on residential work tend to have lower workloads compared to than those involved in commercial or mixed projects.



Q: "CONSIDERING THE RESOURCES AVAILABLE WITHIN YOUR BUSINESS RIGHT NOW, PLEASE ESTIMATE YOUR BUSINESS/PRACTICE WORKLOAD AT PRESENT."

AMOUNT OF FORWARD WORK

Forward workload has eased slightly, from 8.6 months in 2024 to 8.2 months in 2025. While three in ten builders have three months or less of work ahead, 17% report pipelines extending beyond a year. Builders with shorter pipelines are more likely to focus solely on residential detached housing and cite the economic climate and rising costs as a key challenge. They are also more likely to say that cost increases are having a significant impact on demand.

Those with a year or more in the pipeline tend to have a more diversified offer across the commercial spectrum, and are often based in Auckland or Otago/Southland, suggesting that broader capabilities and location may support greater resilience.

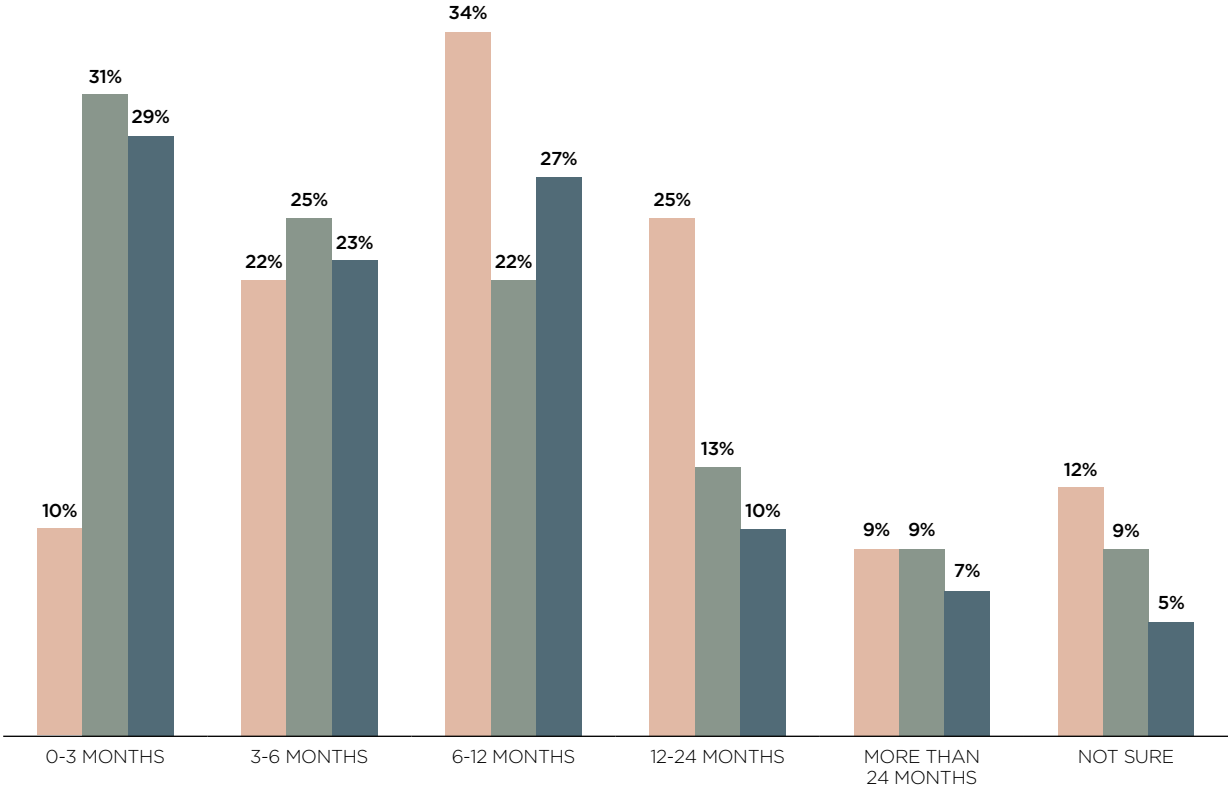
BUILDERS

BASE: 312

8.2 MONTHS

8.6 MONTHS

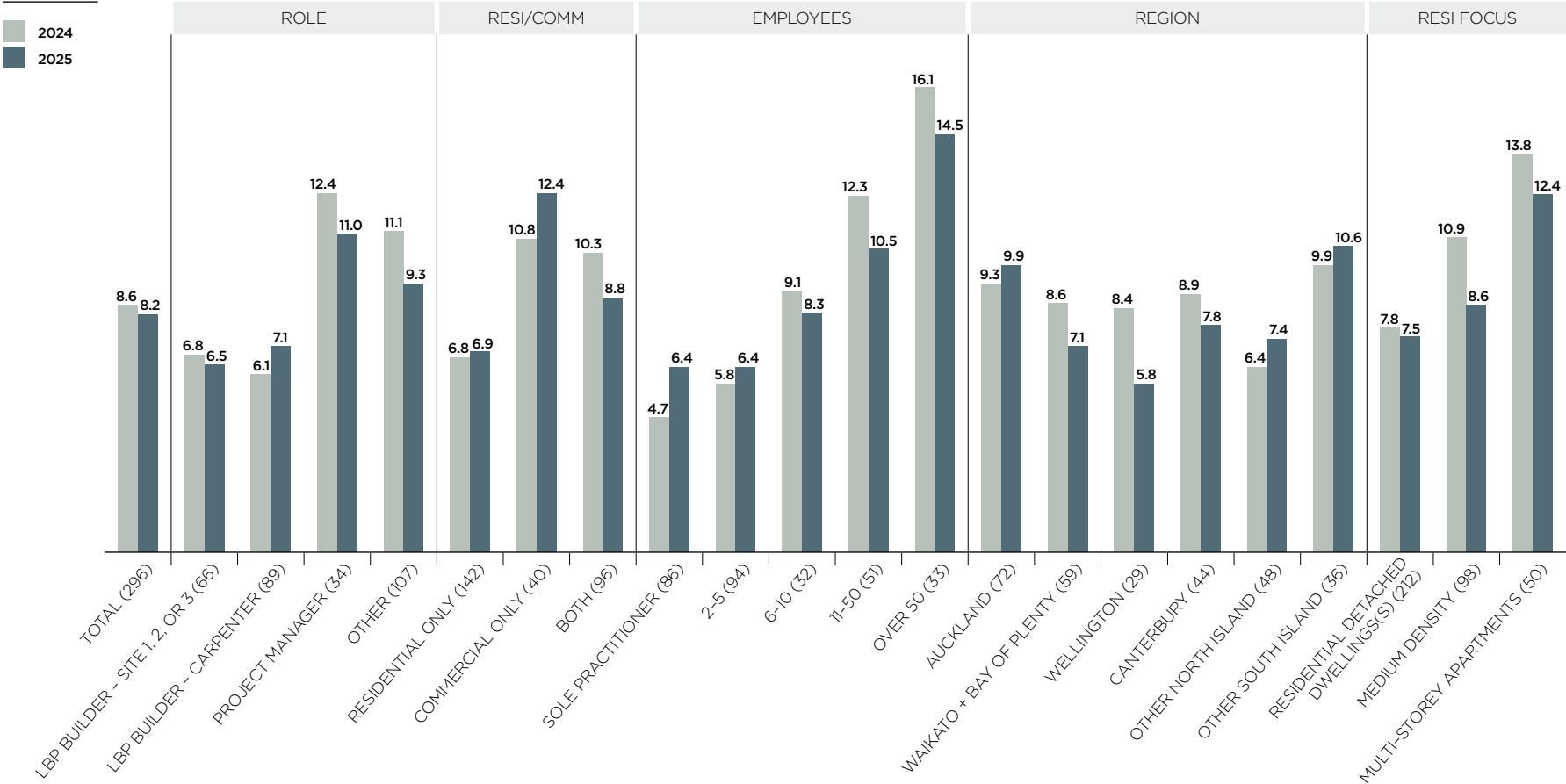
11.2 MONTHS



Q: "HOW MUCH FORWARD WORK DOES YOUR BUSINESS HAVE ON ITS BOOKS?"

BUILDER AVERAGE AMOUNT OF FORWARD WORK

As in 2024, sole traders and smaller builders have a shorter pipeline ahead of them. Larger firms have seen the most notable drop in forward work from 16 months to 10-12 months, but still retain a comparatively strong pipeline.

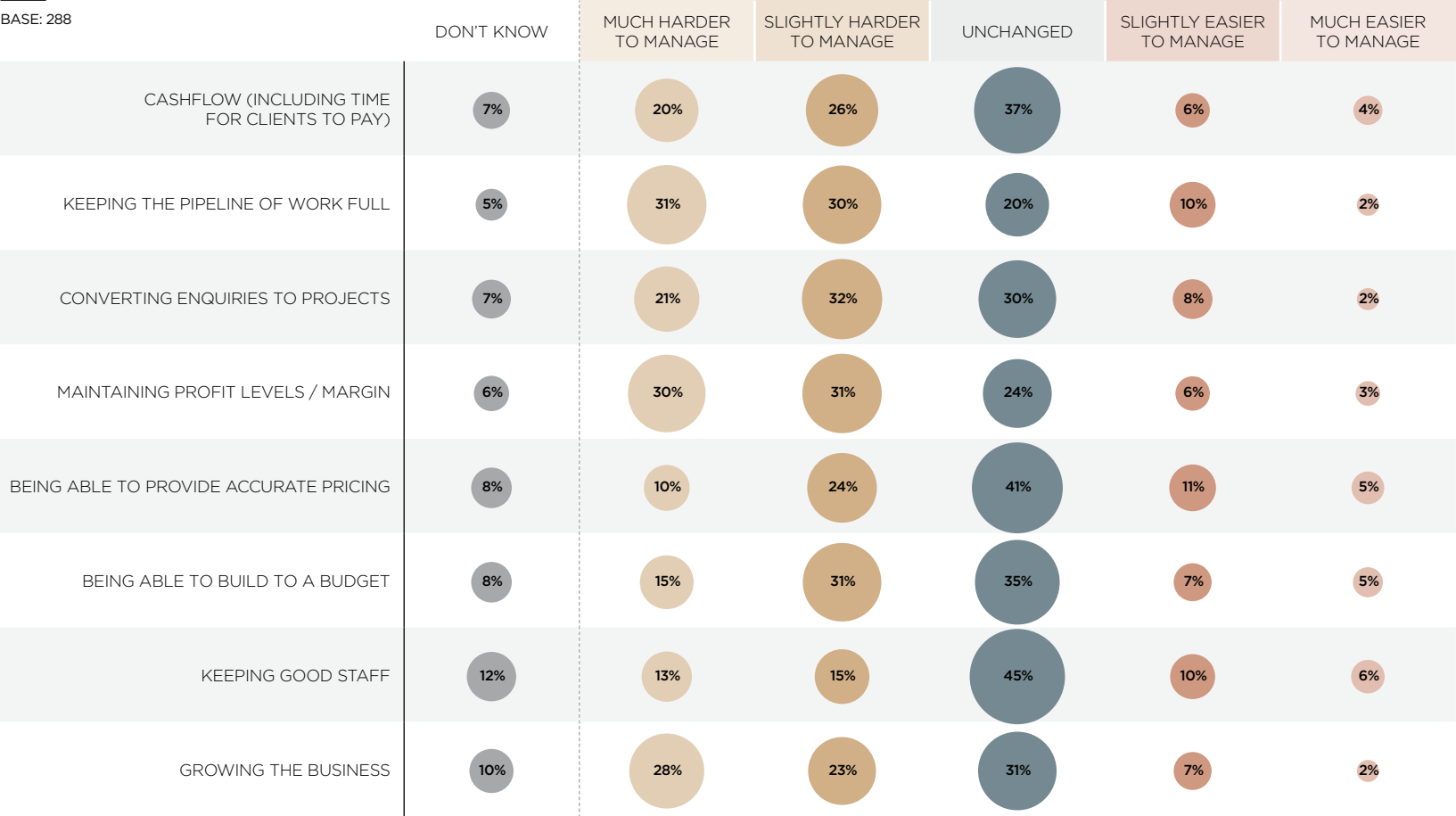


Q: "THINKING ABOUT YOUR BUSINESS, HOW MUCH FORWARD WORK DO YOU CURRENTLY HAVE ON THE BOOKS?"

MANAGING THE BUSINESS

Almost all aspects of managing a construction business are more challenging compared to 12 months ago. In particular, maintaining margin and keeping the pipeline full were issues cited by six in ten builders.

Staff retention remains one of the more stable aspects of running a construction business, with most builders saying this has stayed the same. Builders are also more likely to say maintaining accurate pricing has become easier in 2025 (16%) compared to 11% in 2024.



Q: “FOR EACH OF THE AREAS LISTED, PLEASE ASSESS WHETHER THEY ARE EASIER OR MORE DIFFICULT TO MANAGE NOW COMPARED TO 12 MONTHS AGO.”

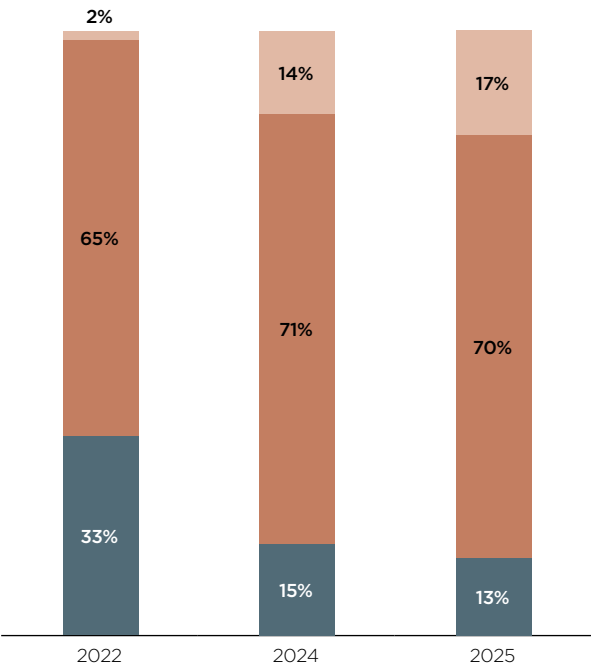
STAFFING LEVELS

One in six builders say they have more staff than needed for current and future demand, reflecting a weaker pipeline for builders in 2025. However, 26% say they don't have enough staff to meet future demand as the pipeline starts to improve.

24% of builders are looking to hire over the next 12 months, and of those, three quarters (75%) expect to experience difficulties finding good staff — especially qualified tradespeople.

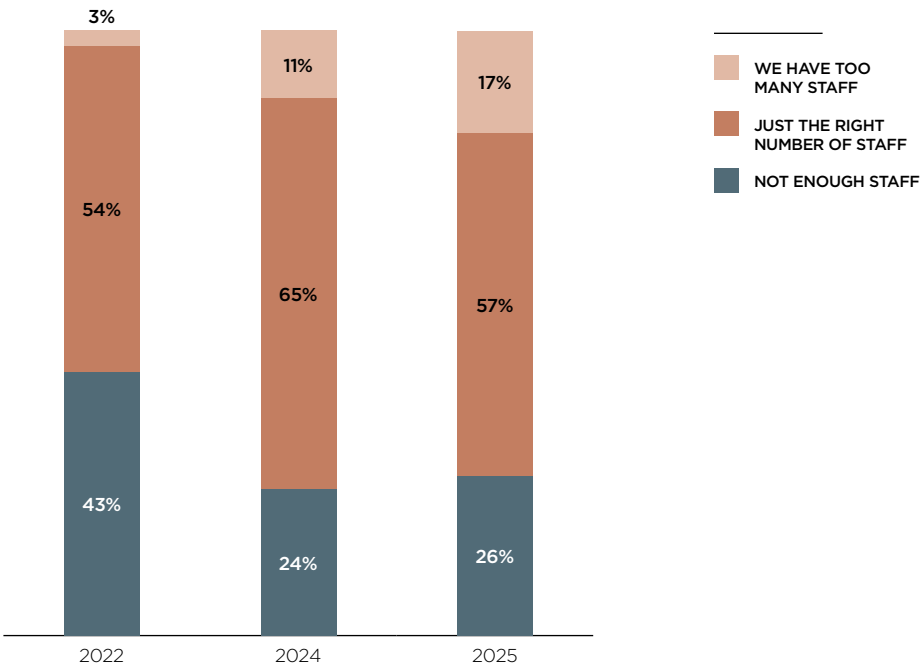
TO MEET CURRENT DEMAND

BASE: 256



TO MEET FUTURE DEMAND

BASE: 256



Q: “WHICH OF THE FOLLOWING BEST DESCRIBES YOUR STAFF LEVELS WITH REGARDS TO BOTH CURRENT AND FORWARD WORK DEMANDS?”

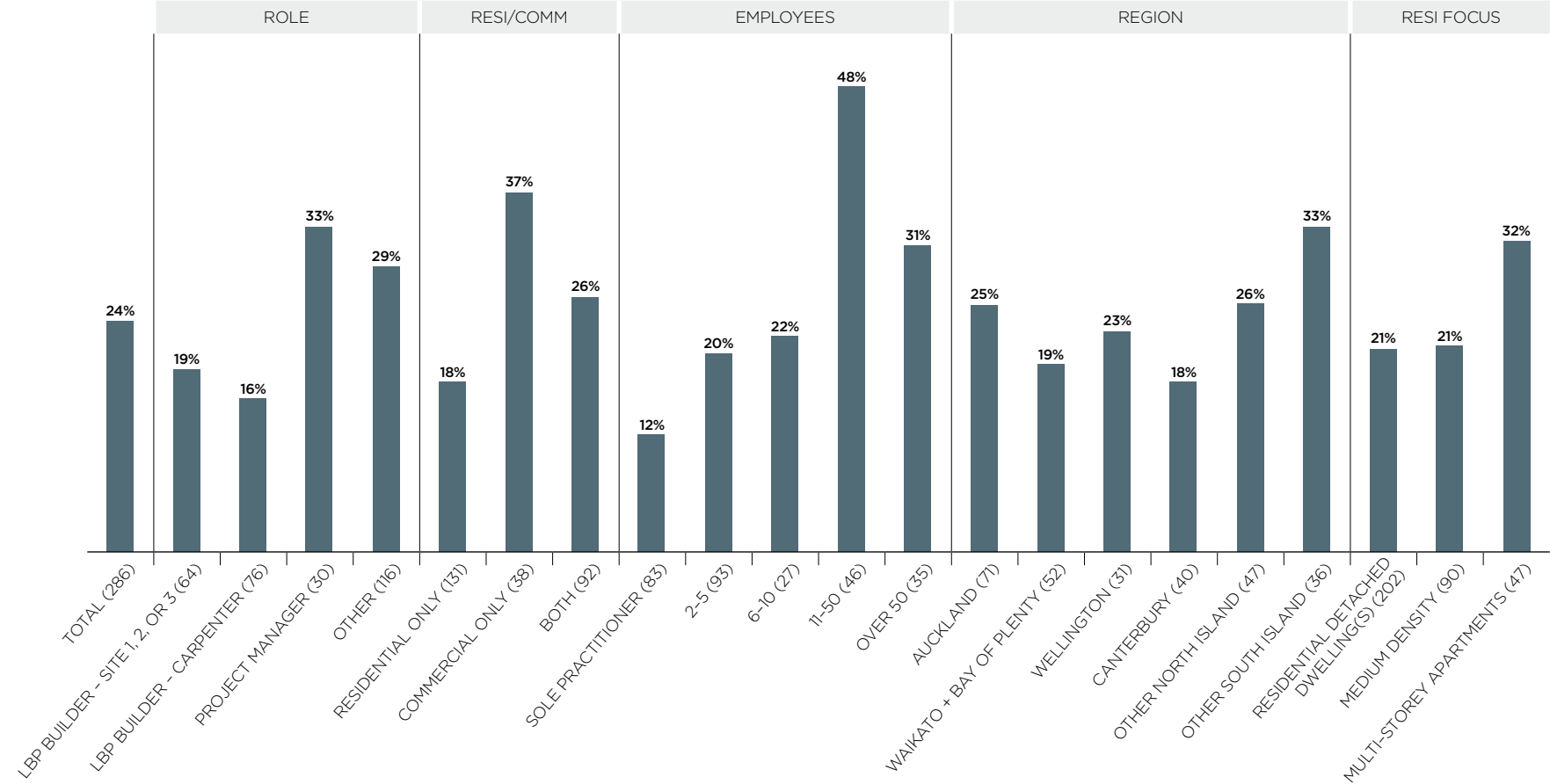
FUTURE HIRING

Businesses with 11-50 employees are the most likely to be looking to hire, which aligns with their higher volume of work and more positive outlook compared to other businesses.

Hiring intention is also stronger among businesses working in commercial construction and multi-storey apartments.

Builders looking to hire staff expect to do so within the next six months — 51% said they'd hire on this timeframe, 25% said they were looking to hire now, and 24% said they'd hire in 7-12 months.

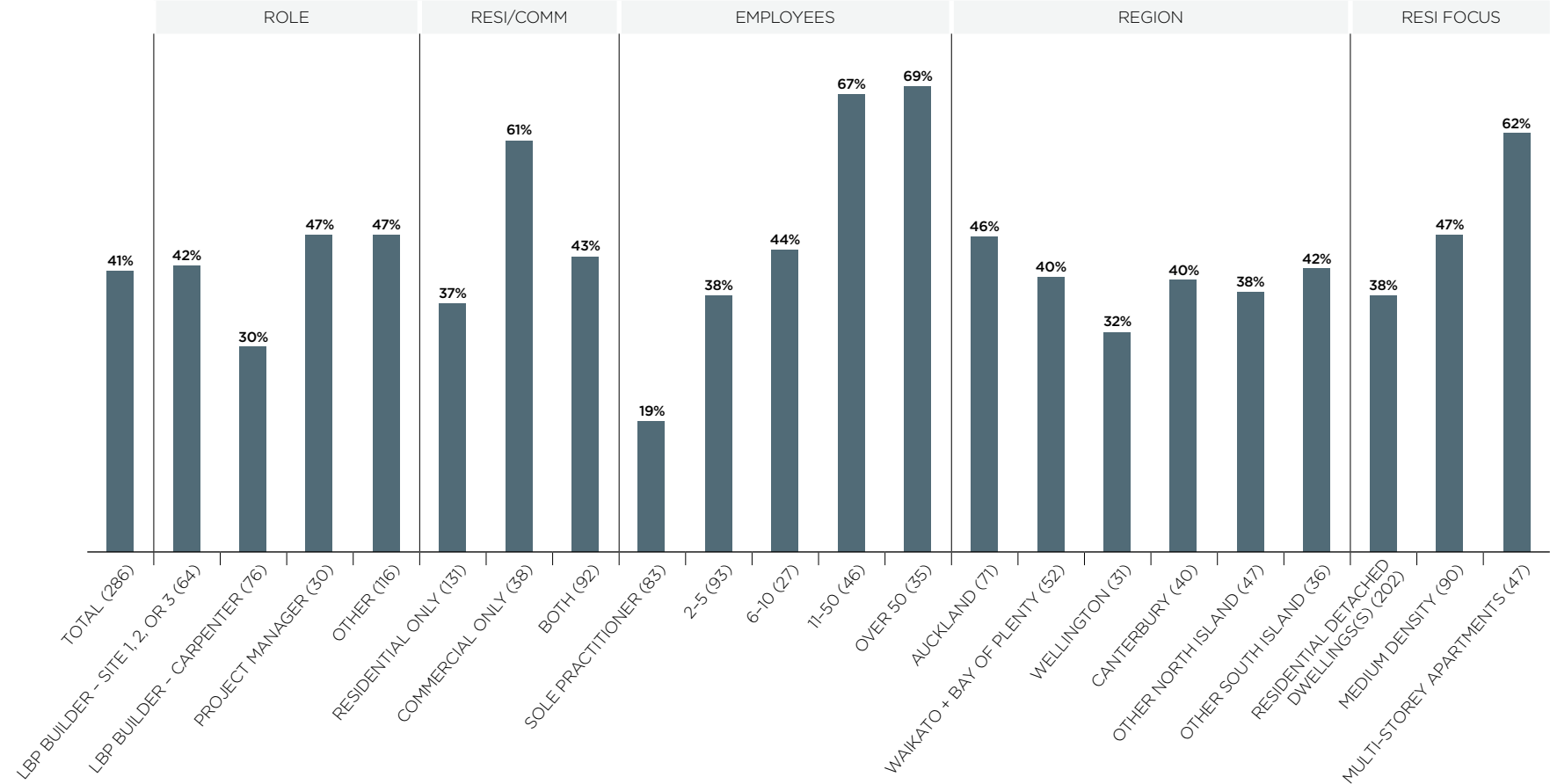
Those hiring staff are most often looking for qualified trades (60%) or apprentices (34%), though 25% are looking for admin staff and 21% are looking for labourers.



Q: "ARE YOU LOOKING TO HIRE STAFF IN THE NEXT 12 MONTHS?"

LOSING STAFF

Four in ten building businesses lost skilled staff in the last 12 months. This rises to 68% of businesses with more than 10 employees. Those in commercial construction were more likely than their residential peers to lose staff.



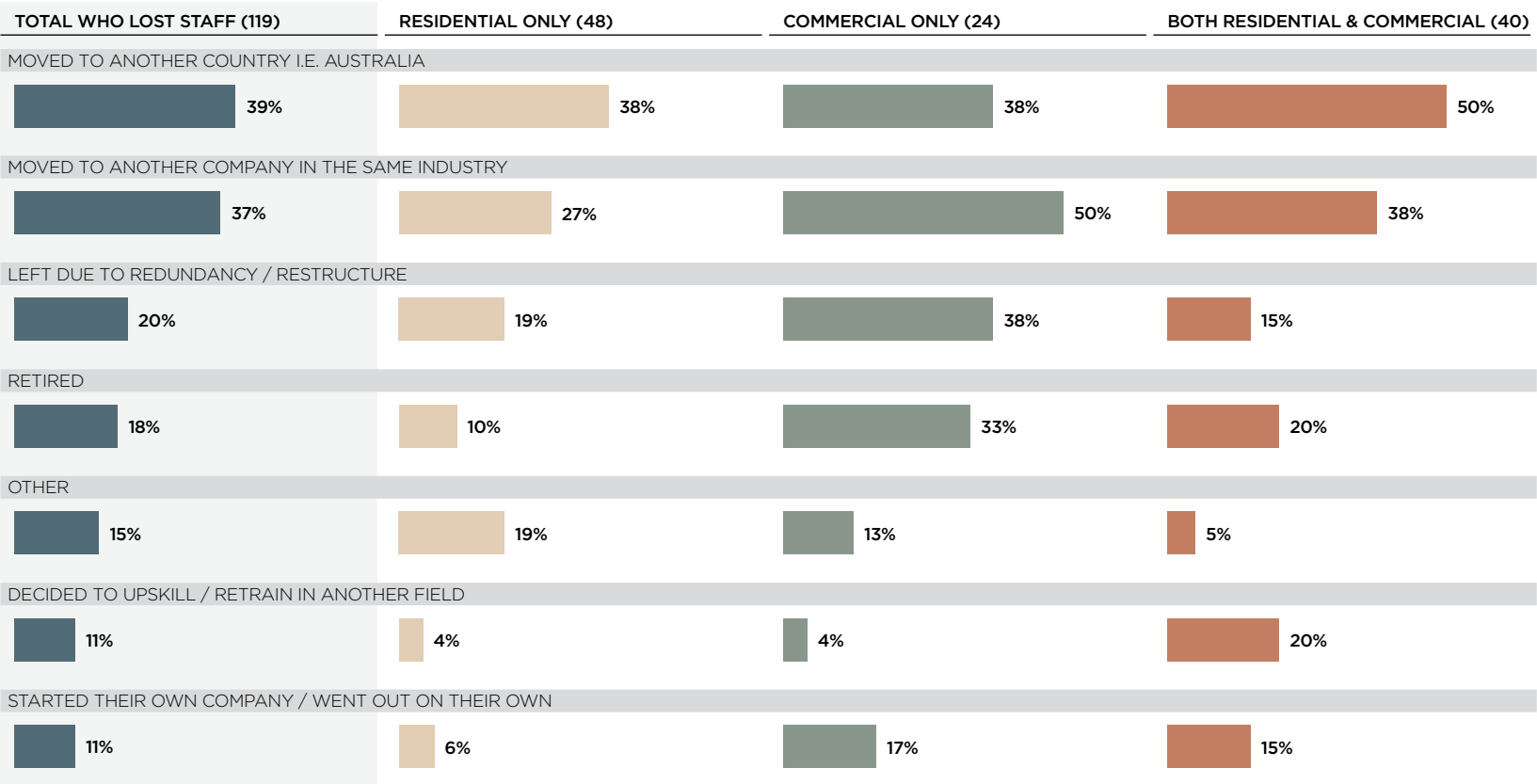
Q: "THINKING ABOUT THE LAST 12 MONTHS, HAVE YOU LOST ANY SKILLED STAFF IN YOUR COMPANY?"

LOSING STAFF

The reasons for staff losses differ between residential and commercial sectors. In commercial construction, redundancies and staff moving to other companies were more common, while in residential, workers were more likely to have moved overseas.

Builders in Waikato and the Bay of Plenty were the most likely to lose staff to overseas departures, with 52% of those who lost staff citing this as the reason.

BASE: Companies who lost staff



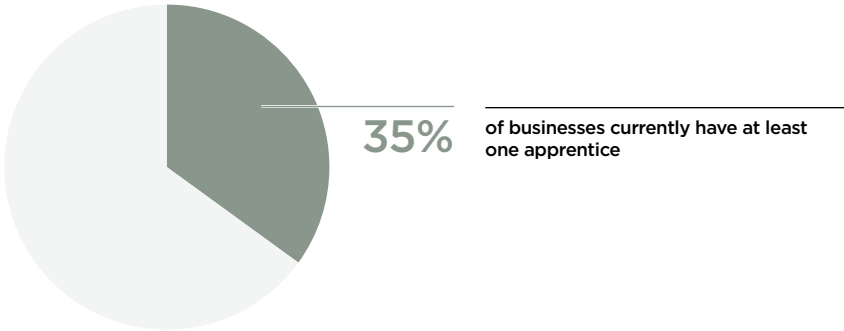
Q: "IF YOU LOST SKILLED STAFF OVER THE LAST 12 MONTHS WHAT WERE THE REASONS FOR THEIR DEPARTURE?"

APPRENTICES

Over one third of construction firms have taken on at least one apprentice, with an average of 3.6 apprentices among those that do. Larger firms and those in commercial construction are more likely to take on higher numbers.

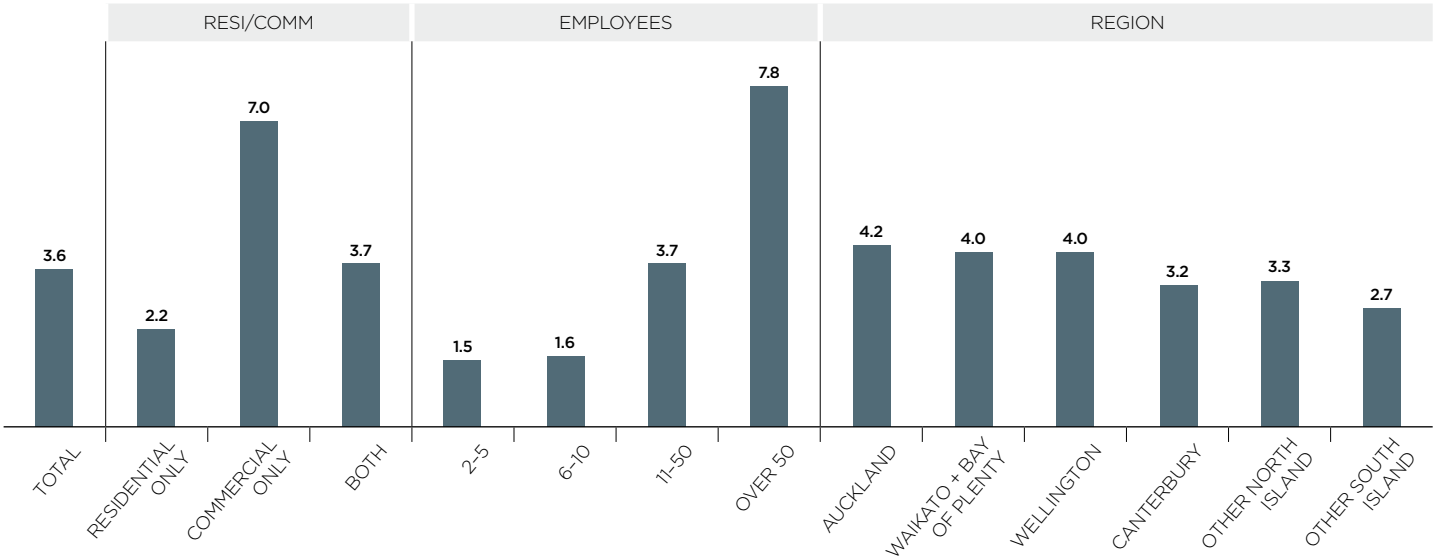
When we ask all businesses about the availability of good apprentices at present, while 30% say there are sufficient or more than enough available, 38% say there are not (the remaining 32% are unsure). The proportion who say there are not enough rises to 41% among those who currently employ at least one apprentices.

BASE: 286



AVERAGE NUMBER OF APPRENTICES PER BUSINESS THAT HAS AT LEAST ONE

BASE: 96

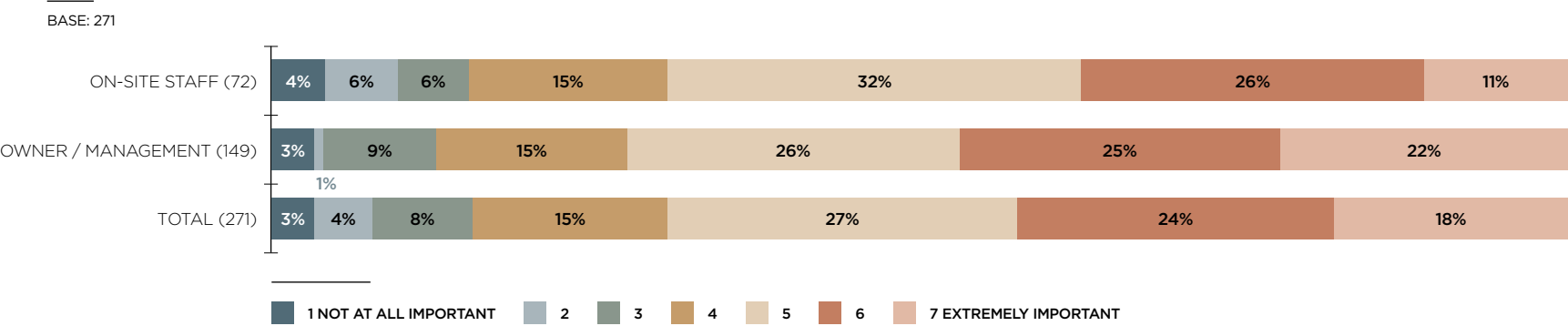


Q: "DOES YOUR BUSINESS CURRENTLY HAVE ANY APPRENTICES AS EMPLOYEES OR CONTRACTORS?"

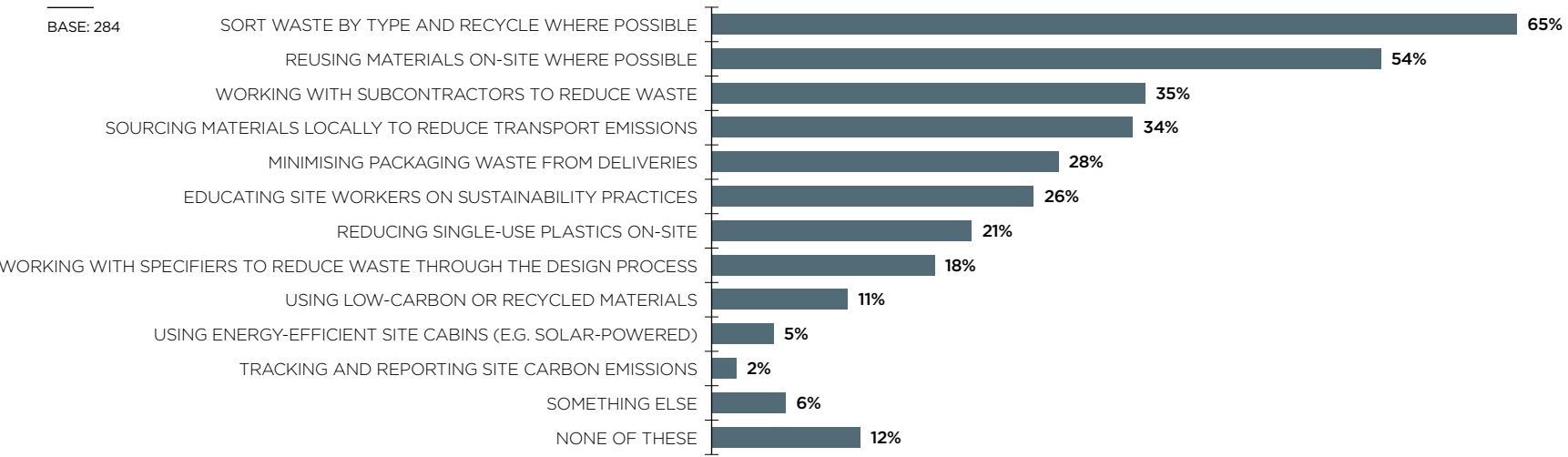
SUSTAINABLE BUILDING PRACTICES

42% of building businesses rate waste reduction as at least very important on their sites. This increases to 47% among business owners and managers, but drops to 37% of on-site staff — indicating a misalignment in waste as a priority.

When asked about on-site waste and sustainability practices, sorting waste and reusing materials emerged as the most common activities. On-site staff were more likely than owners or managers to report sorting waste (75% vs. 63%). Commercial-focused businesses tend to be more engaged, undertaking an average of 3.7 activities compared to 3.0 among residential-focused businesses.



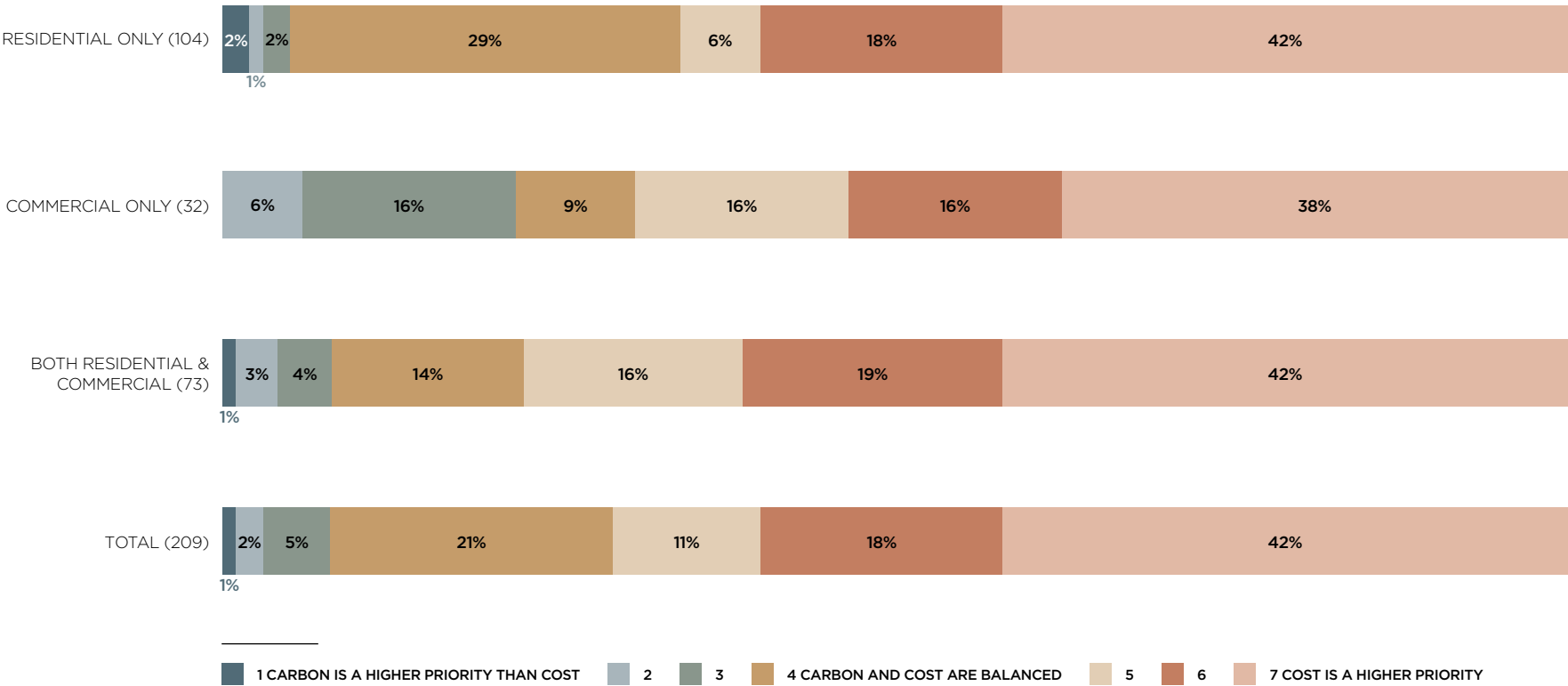
Q: “HOW IMPORTANT IS THE TOPIC OF SITE WASTE REDUCTION TO YOUR BUSINESS?”



Q: “WHICH, IF ANY, OF THE FOLLOWING SUSTAINABILITY MEASURES DO YOU USUALLY ADOPT ON YOUR SITES?”

CLIENTS CONSIDERATION OF CARBON

A new question introduced this year explored the trade-off between carbon and cost. In the current climate, cost clearly dominates, with 71% of businesses identifying it as the higher priority, and only 9% prioritising carbon. However, carbon holds greater weight in commercial construction — 22% say it outweighs cost for their clients, while another 22% say the two priorities are balanced.



Q: “IN DESIGN, SPECIFICATION, AND CONSTRUCTION, CARBON AND COST OFTEN INVOLVE TRADE-OFFS. THINKING ABOUT YOUR CLIENTS OVER THE PAST 12 MONTHS, WHERE WOULD YOU PLACE THEM ON THIS SCALE?”