

## Cobalt Market Update NZ - 2015

Cobalt Recruitment has seen a significant increase in activity across the property, construction & engineering recruitment markets over the last 12 months. It has been an exciting year with an already significant and still growing pipeline of both major infrastructure and building projects and an enthusiastic transactional environment in the real estate sector. This activity is fuelling business growth and is the driving force behind employer demand for talent. Please keep reading for more detailed specialism updates:

### Construction

The construction industry in New Zealand is continuing to ride the success of the local economy with noticeable increases in commercial construction activity in Q1 of 2015. The growth in the construction industry is not only driven by Auckland and Christchurch but a number of the smaller regions along with Wellington, which has put further strain on an already exhausted local talent pool.

The focus in Christchurch has shifted from residential to commercial construction in the CBD where the soil has been turned on a number of large government initiated projects. This continued government support for the city has provided much needed confidence for the private sector which is also committing to large commercial and retail development in the city.

Auckland continues to be New Zealand's fastest growing region with an accelerating net migration rate driving consumer demand and project activity. Auckland's growth has put extra strain on key infrastructure with the responsible public sector bodies recently announcing major rail and roading projects for the city. Most notably the \$2.8 billion Inner City Rail Link.

The surge in large commercial construction across the board has seen an increased demand for more senior level professionals who have a proven track record on major projects. Areas of demand include Senior Quantity Surveyors and Commercial Managers along with Senior Project Managers and Project Directors.

The emphasis being placed on the pre-construction skill-set is also an area to highlight, which gives strong indication to the level of project activity expected for the rest of 2015 and into 2016.

### Engineering

Following an early year lull, the Engineering sector in Auckland has resumed where it left off in 2014 with most consultancies reporting that there is an abundance of work in the market. There is a feeling of optimism and any hesitation on hiring that has existed in the past, certainly seems to have disappeared.

The main areas in demand have been consistent with the past 18 months. This includes Intermediate to Senior Civil Land Development and Intermediate to Senior Structural Engineers. Building Services Engineers and Geotechnical Engineers are not in as high demand. However, this does seem to be trending upwards again.

The availability of strong candidates has further tightened, making resourcing for projects increasingly difficult. With the current market conditions predicted to continue through 2015 and in to 2016, how consultancies attract the necessary talent to deliver projects will become an increasingly important question. Proactive employers with a clear hiring objective with firm recruitment time frames are more likely to enjoy success in hiring than those who aren't properly prepared to hire.

### The power of people





## Specialism Overviews

### Architecture

While the demand for architects slowed down during the economic recession, this has now dramatically shifted to surging demand for architectural skills. The two biggest industry drivers at the moment are the continuing population growth in Auckland, and the after-effects of the earthquakes in Christchurch and the surrounding Canterbury region.

Combined with the ongoing activity in Auckland, employers are predicting 'strong growth' for architectural jobs between 2015/2016. Outside Christchurch, it is anticipated that the recovery in the construction industry will be led by Auckland. With Auckland's population already topping 1.5 million and the impact of projected future growth, there is significant forward work flow for the architectural sector, particularly in multi-level residential and the commercial and retail sectors.

The key demand areas for this year will be Registered Architects, Graduate to Intermediate Architects, Senior Architectural Technicians and Intermediate Architectural Technicians. There is also a desire for candidates with ArchiCAD, Revit and BIM experience. Our clients who are prepared to move quickly and offer strong salary package incentives are certainly enjoying greater success with their hiring than those who are less proactive.

### Power & Energy

The Power and Energy sector in New Zealand has recently come out of a long period of substantial capital spending meaning that with the improvements in technology energy, demand is now flat. The Oil & Gas sector has also been affected by commodity prices and a lack of new oil discoveries, however this has meant that both industries have looked at maintaining and improving current assets to either improve maintenance and reliability in the power industry or make modifications to oil & gas infrastructure to increase output or extend the life of existing oil & gas fields.

Skill sets still in high demand are electrical engineers working in specialist roles like primary and secondary systems design, civil/structural engineers for areas like transmission line engineering and substations. Other needs still exist for experienced process engineers, mechanical engineers and related sub-disciplines for the Oil & Gas industry as increasing or maintaining production becomes a key focus for the industry.

Auckland and Christchurch see continued demand but Wellington is seeing a surge in requirements meaning that businesses in the capital feel more confident again after a few years of slow growth.

For the remainder of 2015, we expect to see demand for skilled staff in both sectors continue, predominantly fuelled by returning Kiwis and imports from OECD countries. A new discovery in any of the permits recently issued for exploration in the Oil & Gas sector would also boost the local economy, although a long-term outlook is required as planning, design and build of this sort of infrastructure is normally a 5-10 year plan.

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## Specialism Overviews

### Property

Recruitment activity in the Property sector has heated up through the first quarter of 2015. Most of the hiring activity is based in Auckland but there are also strong signs of life in Wellington and Christchurch.

One of the key features of the current recruitment activity is that this hiring is for new roles that didn't exist before the global financial crisis (GFC). The resource capacity that was created through the GFC has finally been absorbed meaning we have moved beyond recovery and in to a growth phase. That's an exciting concept to consider. We have essentially recovered the ground that was lost and are now forging ahead into positive new territory.

However, the expanding property sector job market is putting pressure on the existing talent pool. The contraction of the property sector during the GFC not only reduced the number of roles available but also the number of new participants in the sector.

Supply is not keeping pace with demand in a number of skilled areas. Valuations, Development Management, Analytics, Property Management, Asset Management, Facilities Management and Strategic Property Consultancy are all areas that we are receiving regular instructions for.

### Business Support

As businesses have grown by adding to their professional headcount, they have seen increased pressure on their business support functions. We have continued to diversify to meet the needs of the New Zealand markets with a recent addition of our Business Support division. Since launching, we have experienced demand for Personal Assistants, Office Managers and Team Assistants. If you need assistance with any business support requirements, don't hesitate to get in touch.

## Did you know?

- Cobalt has a network of 14 offices so can assist with attracting overseas talent.
- Cobalt recently expanded its team with an office in Wellington.
- We recruit for business support professionals from our Auckland office.

### Contact Us

Please contact your nearest team to discuss these trends in greater depth or to learn about other market insights offered by Cobalt Recruitment.

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