FORSYTH BARR

NEW ZEALAND EQUITY RESEARCH

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Building Sector

Ready-Mix Concrete—Will Take Longer to Set

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Ready-mix concrete (RMC) production had a steady start to 2026 with volumes in the March quarter up +2% on the prior year. The South Island offset weakness in Auckland. Normal lags from consenting to activity suggest RMC volumes should see a residential driven pickup over the year, though we note ongoing macroeconomic uncertainties will likely further delay a meaningful recovery. Increased mortgage rates will likely weigh on recovering residential building consents over the coming months. Non-residential activity has begun to stabilise, with numerous fast-track approvals coming through, and the infrastructure pipeline is building but these projects will take time to translate from early-stage works into meaningful demand for concrete and steel.

An average start to 2026

RMC volumes for the March quarter were 0.87mm^3, down -1% quarter on quarter (seasonally adjusted) but up +2% on the prior year. Regional performance was mixed. Canterbury increased +5% on the prior quarter, though this was offset by Regional North Island (-28%) and Wellington (-2%), whilst Auckland, Waikato–Bay of Plenty, and Regional South Island were broadly flat. On a 12-month rolling basis, RMC volumes fell -4% year on year to 3.66mm^3. The South Island outperformed, with growth in Regional South Island (+4%) and Canterbury (+3%) partly offsetting declines in Wellington (-11%), Regional North Island (-7%), Auckland (-7%), and Waikato–Bay of Plenty (-4%).

Next quarters likely to remain soft

Given that much of this data predates recent geopolitical tensions, the market's focus will be on the extent to which the fuel price shock could further delay a recovery. February reporting season and recent volume updates suggest there were signs of stabilisation prior to the conflict in the Middle East. FBU has stated that it has already seen some signs of easing demand and project delays, with some slab pours (largely in multi-unit residential developments) in the June quarter being cancelled. Non-residential consents have stabilised, and while residential consents have picked up, higher mortgage rates will likely weigh on activity.

Fletcher Building market share momentum easing

RMC volumes suggest Fletcher Building (FBU) has lost some minor market share in its concrete businesses, Firth and Golden Bay. This likely reflects its higher weighting to the North Island, where activity has been more sluggish. At its 3Q26 volume update, FBU noted that concrete was one of the divisions in which competitive margin pressures remain most prevalent. This modest recent share loss follows a period of strong relative outperformance. We assume FBU has actively leaned on pricing to defend volumes through the downturn, enabling it to hold ready-mix and cement volumes broadly flat despite a -4% year-on-year contraction in market volumes over the past 12 months.

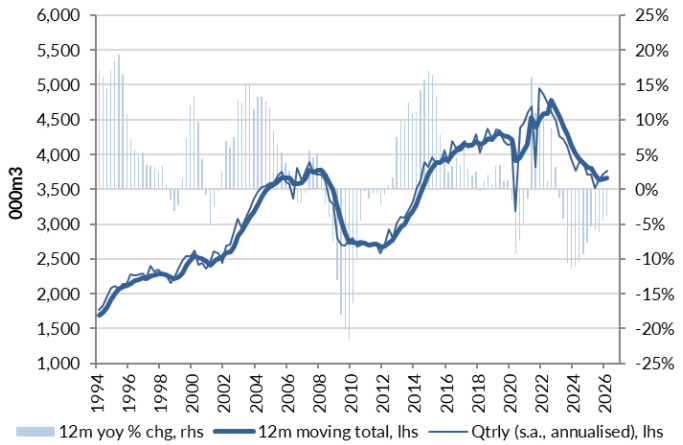
Figure 1. NZ ready-mix concrete production

000m^3	1Q26	4Q25	Quarterly change (s.a)	1Q25	Annual change	12m total	Annual change
Auckland	230	344	-1%	319	-28%	1,282	-7%
Waikato-Bay of Plenty	140	156	1%	135	4%	580	-4%
Wellington	38	45	-2%	38	-2%	163	-11%
Regional North Island	134	149	-28%	131	2%	564	-7%
Canterbury	156	161	5%	134	16%	631	3%
Regional South Island	101	116	0.2%	97	4%	440	4%
Total	**870**	**971**	**1%**	**855**	**2%**	**3,659**	**-4%**

Source: Stats NZ, Forsyth Barr analysis. Note: s.a = seasonally adjusted

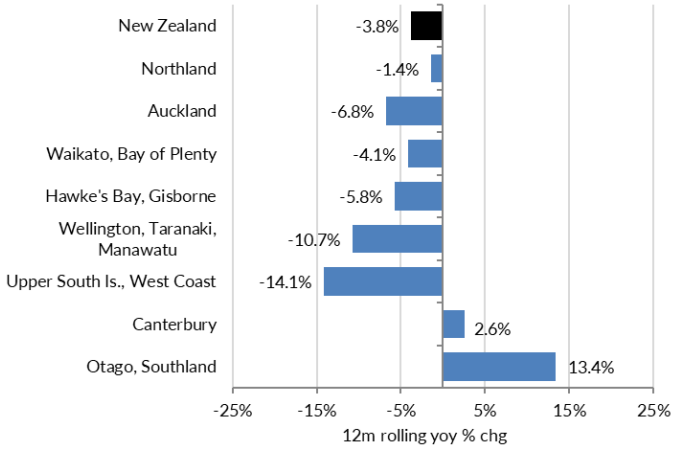
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Figure 2. NZ ready-mix concrete production



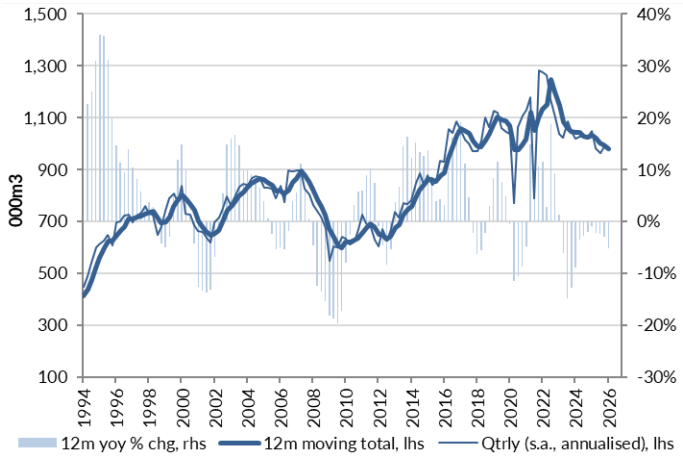
Source: Statistics NZ,Forsyth Barr analysis

Figure 3. Ready-mix concrete production 12m rolling yoy % chg



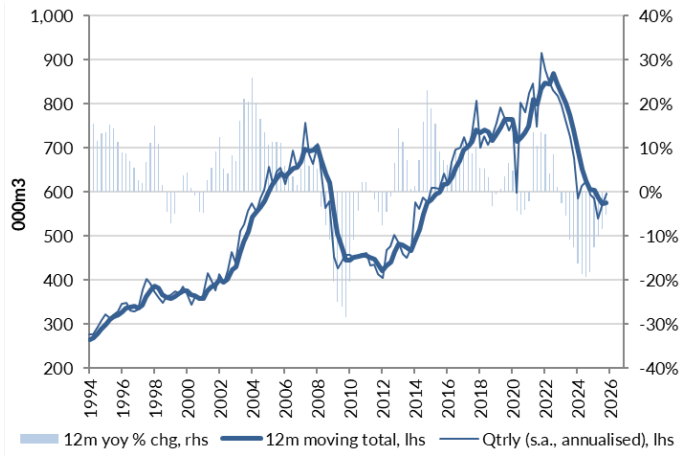
Source: Statistics NZ, Forsyth Barr analysis

Figure 4. Auckland ready-mix concrete production



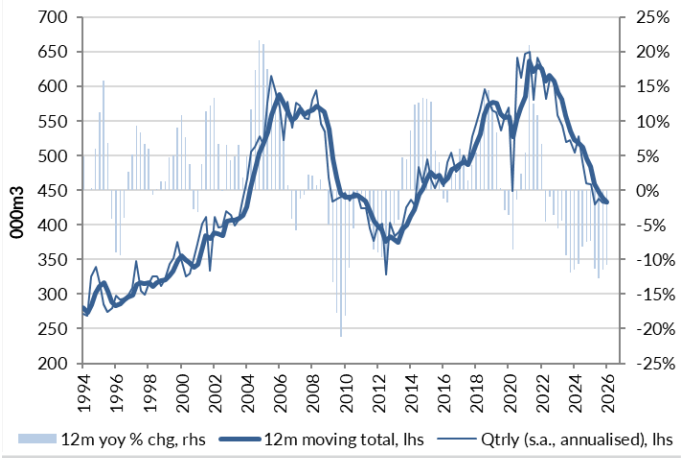
Source: Statistics NZ, Forsyth Barr analysis

Figure 5. Waikato-Bay of Plenty ready-mix concrete production



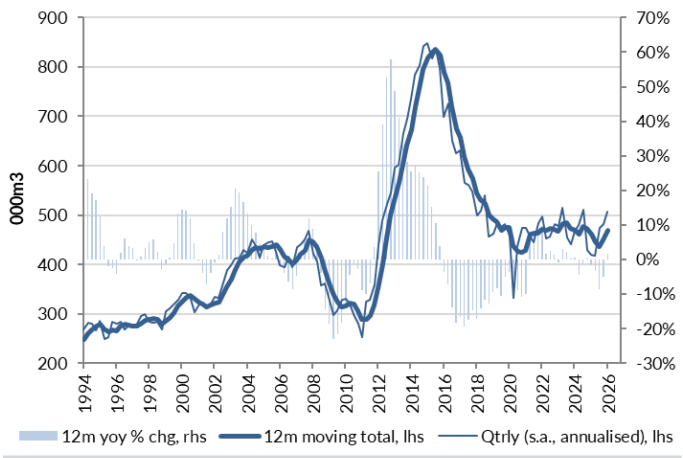
Source: Statistics NZ, Forsyth Barr analysis

Figure 6. Lower North Island ready-mix concrete production



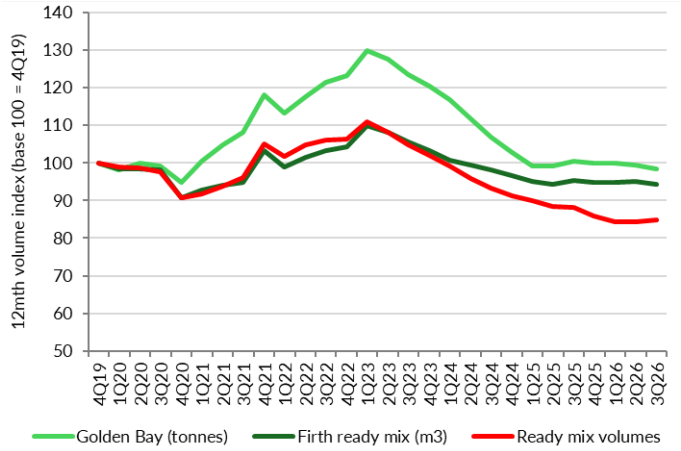
Source: Statistics NZ, Forsyth Barr analysis

Figure 7. Christchurch ready-mix concrete production



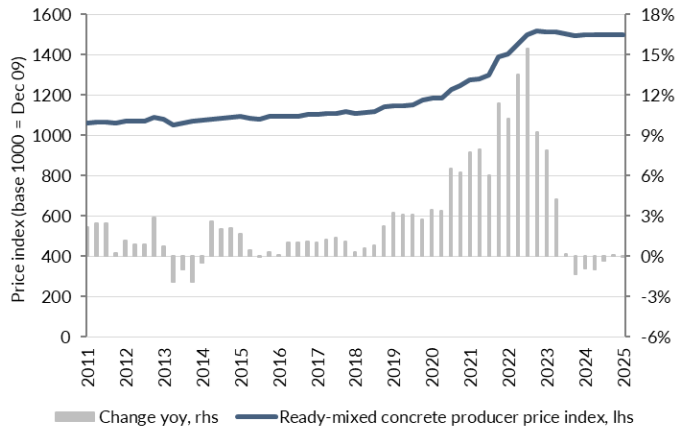
Source: Statistics NZ, Forsyth Barr analysis

Figure 8. FBU cement and ready-mix volumes vs the market



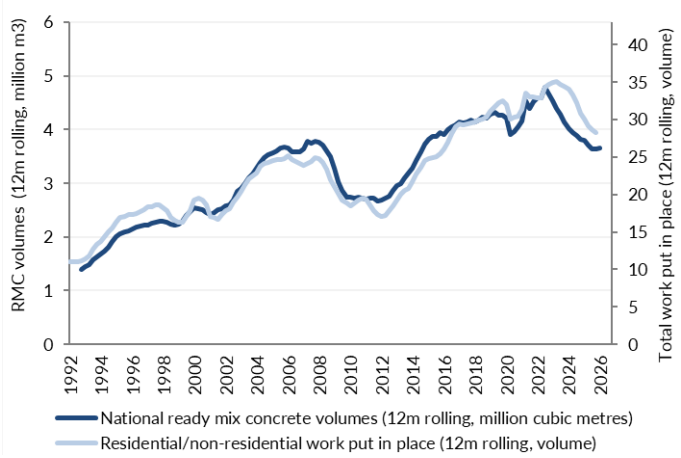
Source: FBU, Stats NZ, Forsyth Barr analysis

Figure 9. Ready-mixed pricing has flatlined



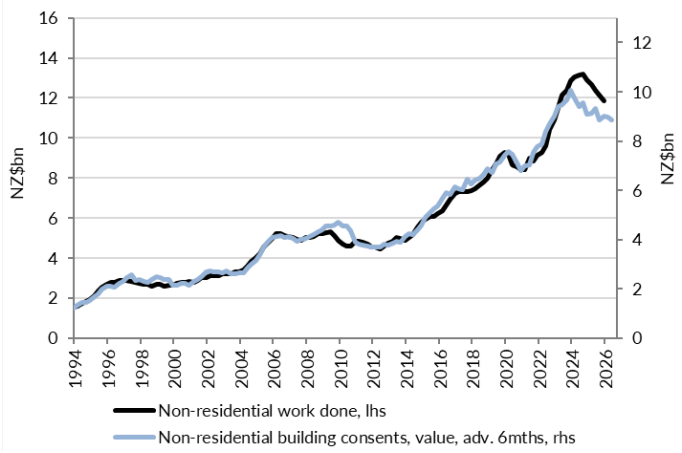
Source: Stats NZ, Forsyth Barr analysis

Figure 10. Work done vs concrete volumes



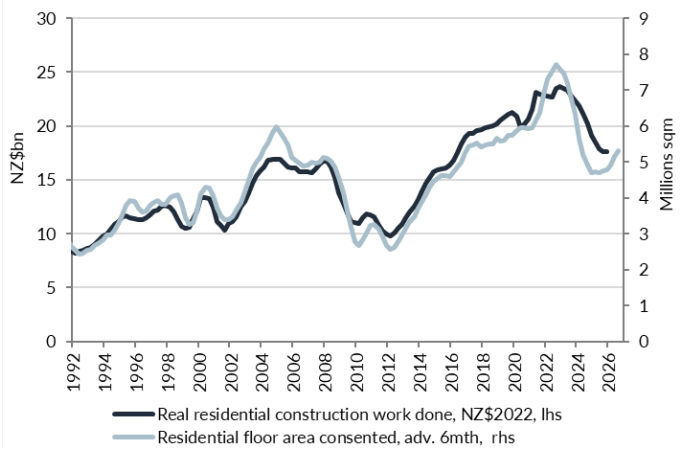
Source: Stats NZ, Forsyth Barr analysis

Figure 11. Non-residential work done vs consents



Source: Stats NZ,Forsyth Barr analysis

Figure 12. Residential work done vs consents



Source: Stats NZ,Forsyth Barr analysis

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