



Funded from the  
Building Research Levy

2024

# ARCHITECT SENTIMENT

E

EBOSS



# CONTENTS

## ARCHITECT & DESIGNER SENTIMENT REPORT

02

**SUMMARY**

03

**WHO WE SURVEYED**

04

**THE SHAPE OF PRACTICES IS CHANGING**

05

**SHIFTS IN DESIGN DEMAND**

06

**NET SENTIMENT: CURRENT DESIGN DEMAND VS PREVIOUS YEAR**

07

**NET SENTIMENT: FUTURE DESIGN DEMAND**

08

**RESPONSES SUGGEST A K-SHAPED RECOVERY**

09

**NET SENTIMENT: INDUSTRY SITUATION**

10

**NET SENTIMENT: OWN BUSINESS SITUATION**

11

**CURRENT CAPACITY ARCHITECTS ARE WORKING AT**

12

**AVERAGE DESIGN PRACTICE CAPACITY**

13

**WEAKER PROJECT ENQUIRIES AND STARTS**

14

**PROJECT PIPELINE**

16

**CURRENT FORWARD WORK LEVELS**

18

**MANAGING THE BUSINESS**

19

**STAFFING LEVELS**

20

**BUILDING EFFICIENCY: WHERE SHOULD WE FOCUS?**

21

**BUILDING MATERIALS – INCREASING CHOICE**

22

**BUILDING MATERIALS – CHANGES TO SUBSTITUTIONS**

23

**A SHIFT TOWARDS MORE VALUE ENGINEERING**

### 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.

[www.eboss.co.nz](http://www.eboss.co.nz)

CONTACT: Matthew Duder  
Managing Director, EBOSS  
[matthew@eboss.co.nz](mailto:matthew@eboss.co.nz)  
+64 9 551 6902 +64 21 675 960

### THE SURVEY

The data for this report was gathered in May–June 2024.

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

# SUMMARY

---

**THE PAST YEAR HAS PRESENTED SIGNIFICANT CHALLENGES FOR DESIGN PROFESSIONALS, WITH DEMAND MARKEDLY REDUCED COMPARED TO A YEAR AGO AND THE MAJORITY ANTICIPATING THE CURRENT DOWNTURN TO PERSIST OR WORSEN OVER THE NEXT SIX MONTHS.**

In response to these conditions, architects are adopting strategies such as cost-cutting measures, refraining from staff replacement, intensifying focus on service delivery, and pursuing business opportunities more aggressively.

The impact of these challenges is particularly acute for both ends of the industry spectrum – from the smallest to the largest practices, albeit for different reasons. Larger practices attribute their difficulties largely to governmental policy changes at both central and local levels, alongside shifts in government spending priorities. In contrast, smaller practices are more affected by stringent lending regulations and fluctuating interest rates.

The construction sector has historically navigated through cyclical periods of prosperity and downturn. However, the current slowdown comes at a time when profit margins are already under pressure due to sustained increases in construction product costs throughout 2022 and 2023. While cost escalation has stabilised, prices have not decreased substantially, leading to market hesitation in starting new projects or advancing existing plans amidst economic uncertainty.

Without immediate support, the industry risks significant challenges and structural changes ahead.

## WHO WE SURVEYED

Of the 840 design professionals who responded\*

- 27% are architects
- 32% are architectural designers
- 15% are architectural graduates
- 14% are technicians or draughtspeople

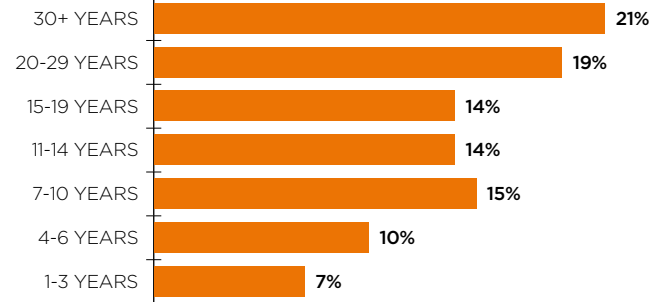
As in 2022, just under half of architects and designers surveyed work in small businesses with five or fewer employees.

The number of architects and designers who have been in the industry for 6 years or less has declined from 26% in 2022 to 17% in 2024.

\*The remaining include interior designers, engineers, landscape architects and architectural students.

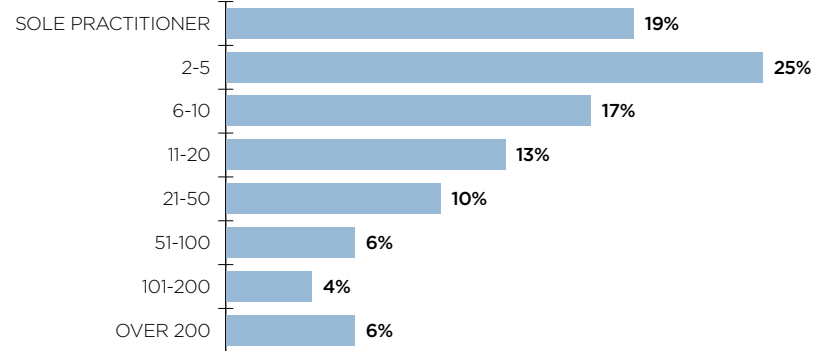
### NUMBER OF YEARS IN BUSINESS

BASE: 840



### NUMBER OF EMPLOYEES

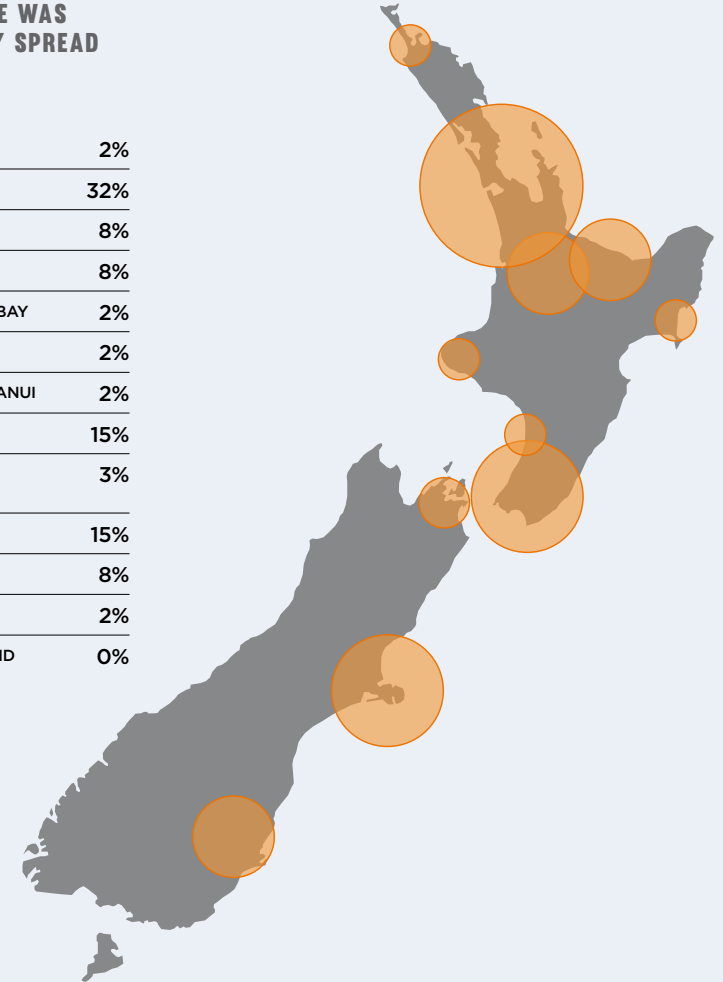
BASE: 670



### HOW THE SAMPLE WAS GEOGRAPHICALLY SPREAD

BASE: 670

NORTHLAND	2%
AUCKLAND	32%
WAIKATO	8%
BAY OF PLENTY	8%
GISBORNE & HAWKES BAY	2%
TARANAKI	2%
MANAWATU / WHANGANUI	2%
WELLINGTON	15%
TASMAN, NELSON & MARLBOROUGH	3%
CANTERBURY	15%
OTAGO / SOUTHLAND	8%
MULTIPLE LOCATIONS	2%
OUTSIDE NEW ZEALAND	0%



## THE SHAPE OF PRACTICES IS CHANGING

In 2022, there was a shift towards mid-sized practices, particularly those with 21-50 employees as practices geared up for unprecedented demand. However, by 2024, this trend has reversed. There is a decrease in the proportion of architects in practices with 21-50 employees, while the number of architects in smaller practices with 1-10 employees saw an increase with some design professionals choosing to go out on their own.

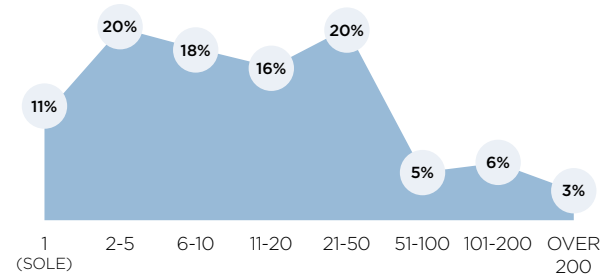
Among architectural designers, the scale of businesses is also shrinking. This shift is primarily from practices with 2-5 employees to sole trader practices with just one employee.

The changing shape of practices might be partially due to who responded this year, but is almost certainly driven by industry shifts over the last few years.

### ARCHITECTS IN 2022

BASE: 157

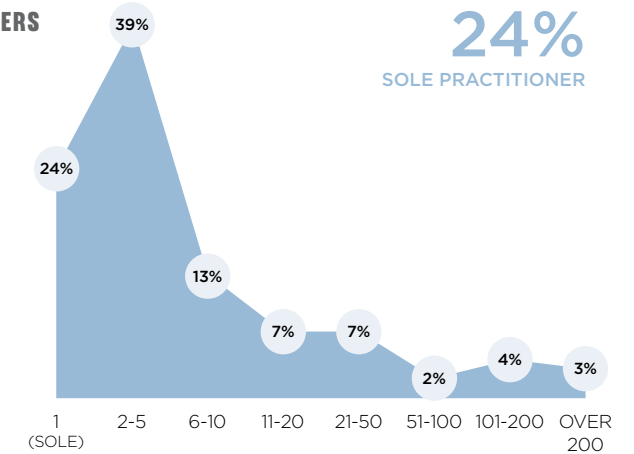
49%  
1-10 EMPLOYEES



### ARCH. DESIGNERS IN 2022

BASE: 227

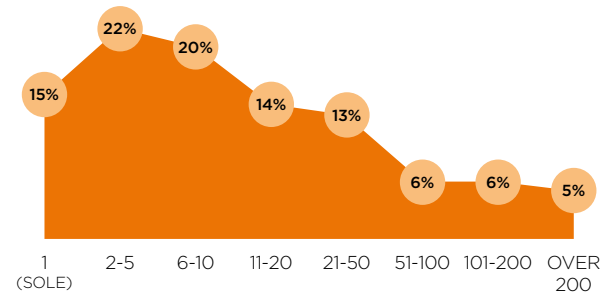
24%  
SOLE PRACTITIONER



### ARCHITECTS IN 2024

BASE: 184

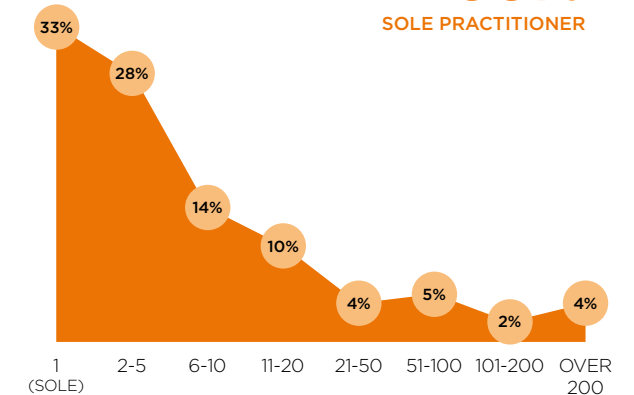
57%  
1-10 EMPLOYEES



### ARCH. DESIGNERS IN 2024

BASE: 231

33%  
SOLE PRACTITIONER



## SHIFTS IN DESIGN DEMAND

Demand for design services is down compared to this time last year, with net demand at -36 (the proportion of positive ratings less the proportion of negative ratings on the scale). For the most part, demand appears to be only slightly down, as evidenced by the bulk of negative ratings being in the -1 or -2 categories. However, one in ten architects and designers report that demand is significantly down.

A quarter of design professionals say that demand is up compared to last year, and 31% expect demand to increase in the coming six months. However, 40% anticipate that demand will continue to decline over the next six months, with a net score of -9 for immediate future demand.

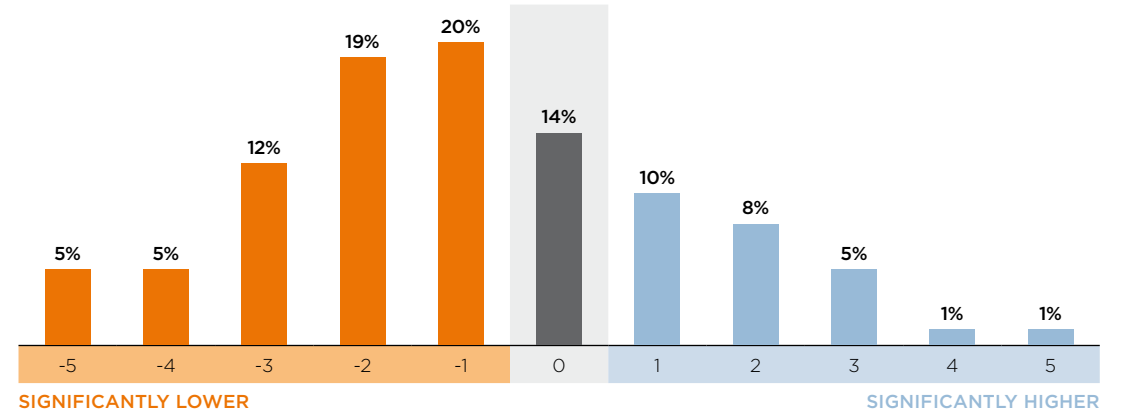
### DEMAND NOW VS 12 MONTHS AGO

BASE: 670

# Net -36

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

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



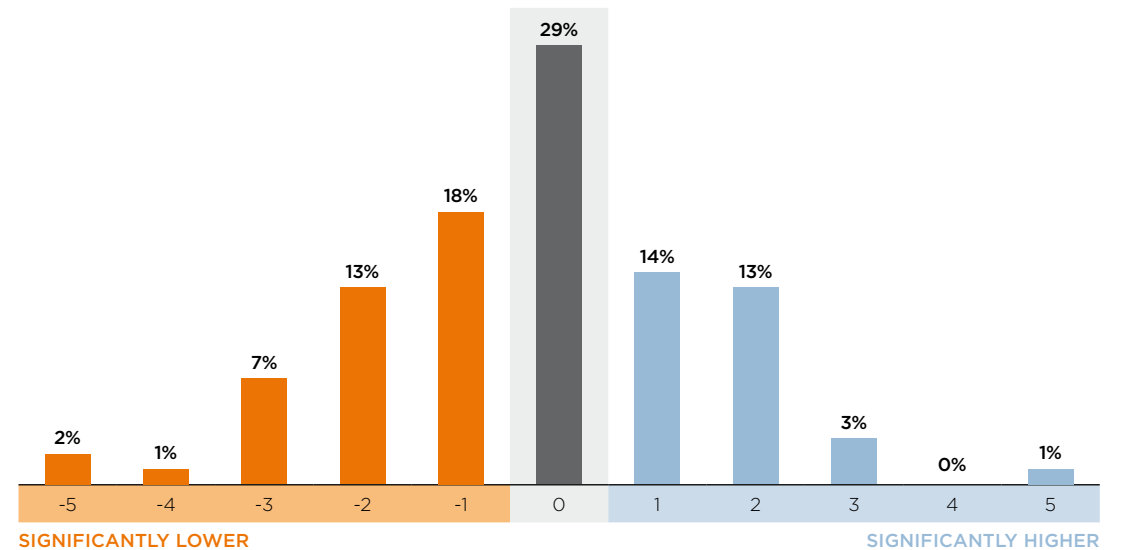
### ANTICIPATED DEMAND, NEXT 6 MONTHS

BASE: 670

# Net -9

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

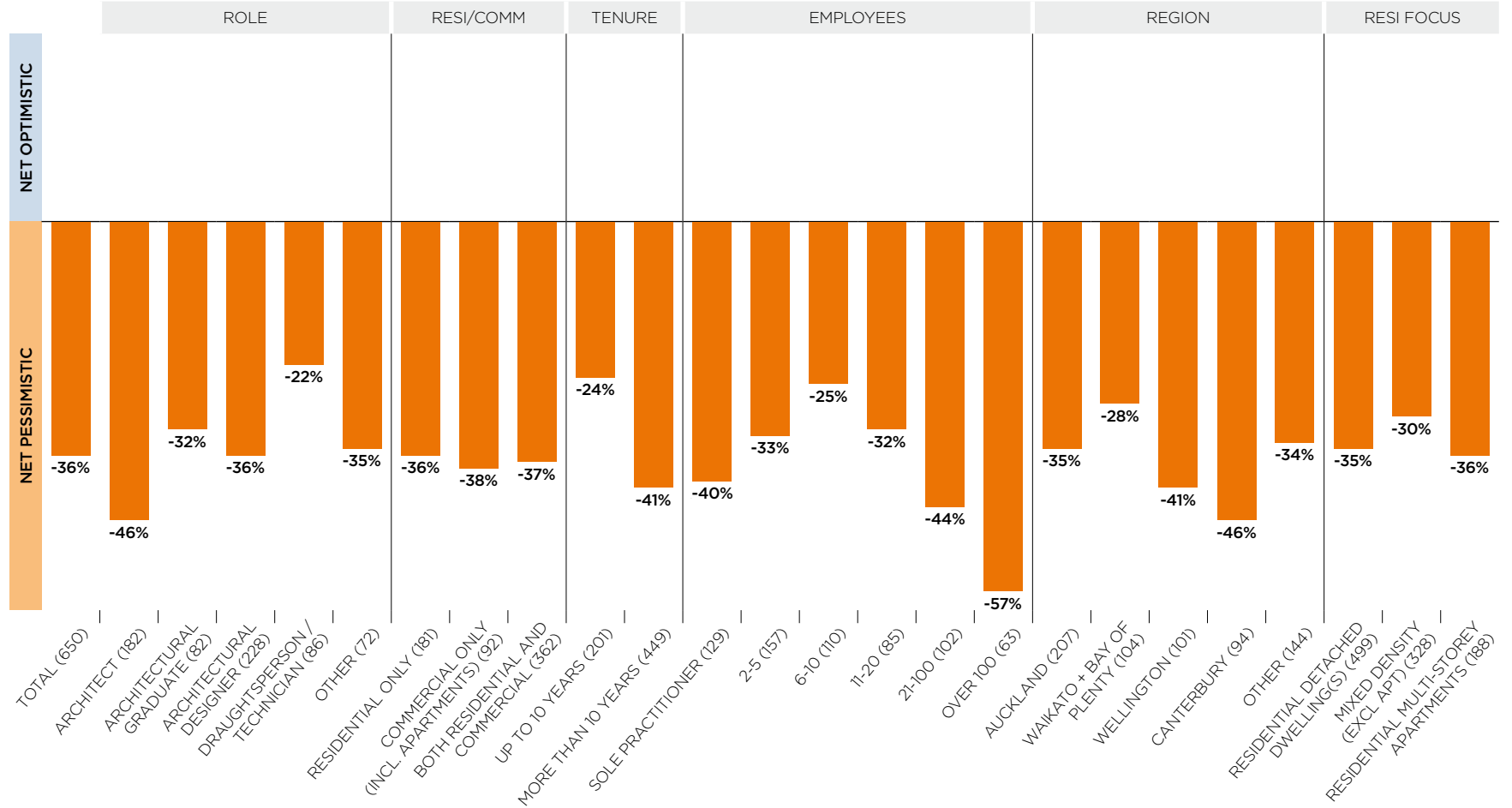
Q: "LOOKING AHEAD TO THE NEXT SIX MONTHS, HOW DO YOU ANTICIPATE THE DEMAND FOR WORK AT YOUR BUSINESS WILL CHANGE COMPARED TO CURRENT LEVELS?"



# NET SENTIMENT: CURRENT DESIGN DEMAND VS PREVIOUS YEAR

Note: Net Sentiment is a score based on the net proportion of respondents selecting positive sentiment minus those selecting negative sentiment. This metric allows us to track sentiment over time. This note applies to the following pages as well.

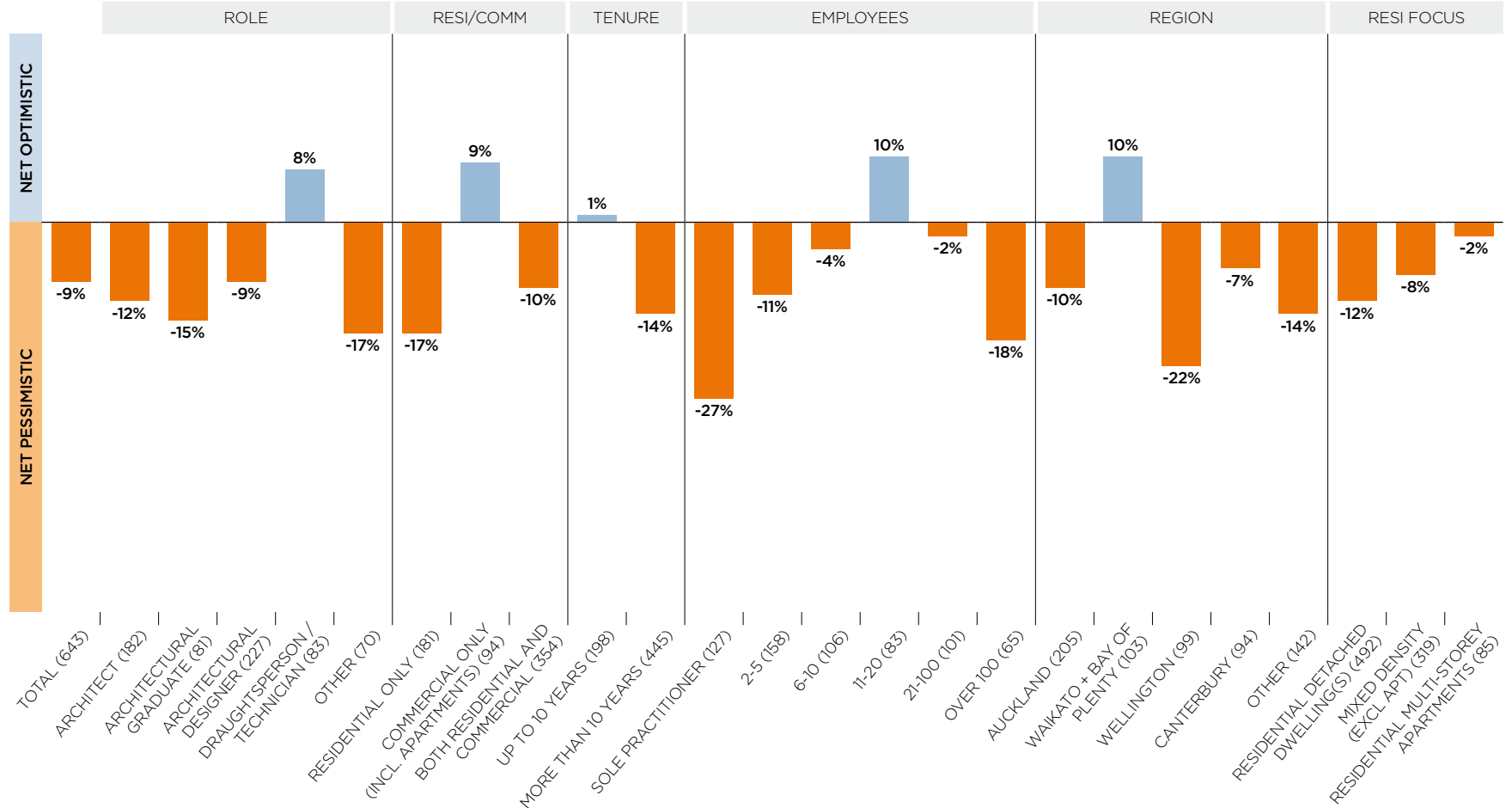
The smallest and largest practices are more likely to say that demand is down compared to a year ago. In particular, practices with over 100 employees show a net sentiment score of -57. However, these larger practices tend to characterise business as only slightly down (rating of -1 on the scale), whereas smaller practices are more severely affected, often rating the decline between -3 and -5.





# NET SENTIMENT: FUTURE DESIGN DEMAND

Practices focused on commercial work, mid-sized businesses, and those based in Waikato and the Bay of Plenty are more positive about the future. In contrast, sole practitioners, practices with 100+ employees, and those primarily focused on residential work are more likely to expect the slow down to continue into the next six months.



# RESPONSES SUGGEST A K-SHAPED RECOVERY

Architects and designers anticipate an improvement in their own business situation over the next 12 months, outperforming the industry as a whole as it continues to face challenges.

Much of this sentiment hinges on their perceived influence over their own business outcomes, contrasting with the more daunting task of stimulating overall sector demand. This points to a K-shaped recovery with some firms rebounding and others struggling due to a lack of structure, networks or capital.

When asked what they are doing in response to the current market conditions, key strategies include reducing staffing levels, diversifying into new sectors, intensifying marketing efforts, and prioritising client relationship development.

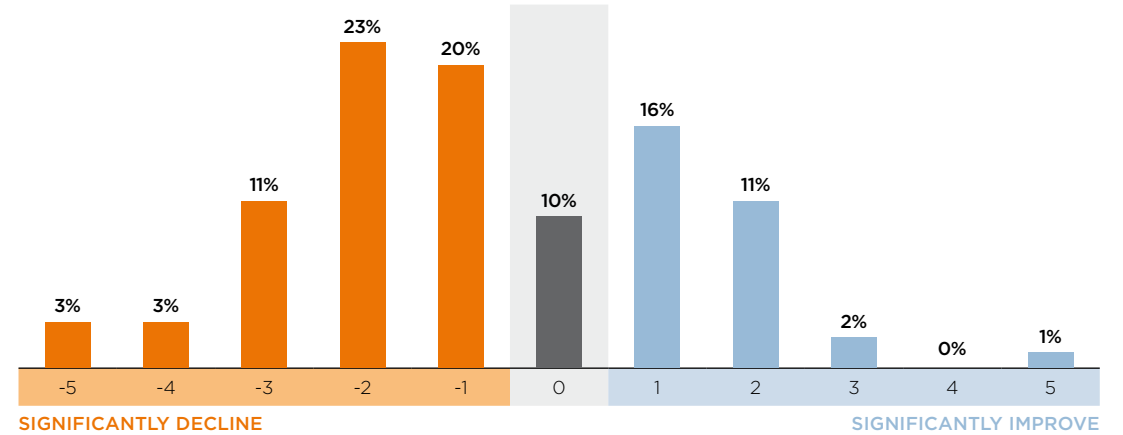
## INDUSTRY SITUATION

BASE: 670

### Net -30

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

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



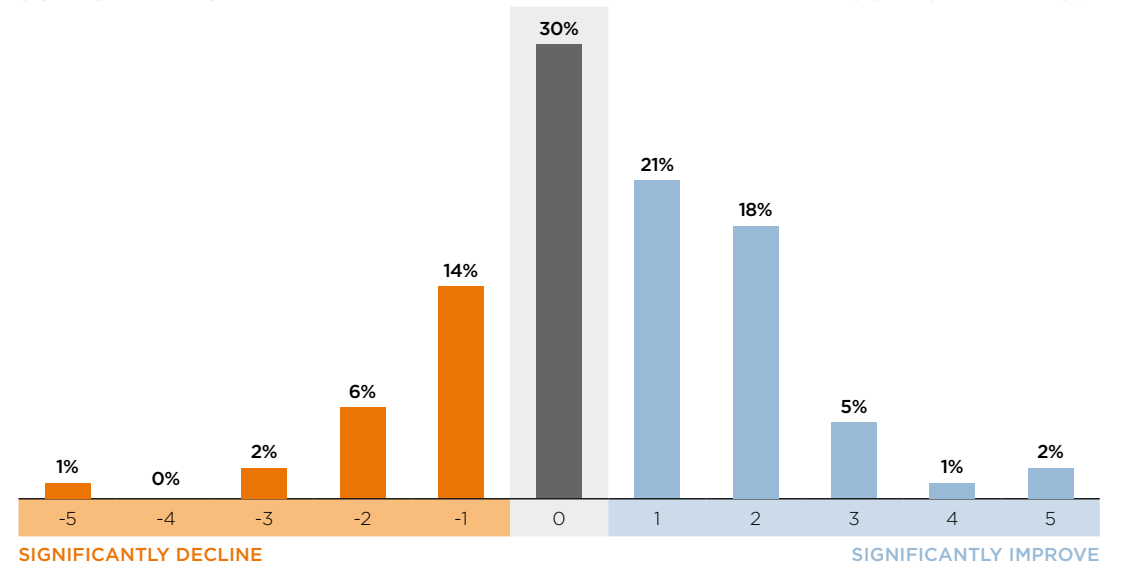
## BUSINESS SITUATION

BASE: 670

### Net +23

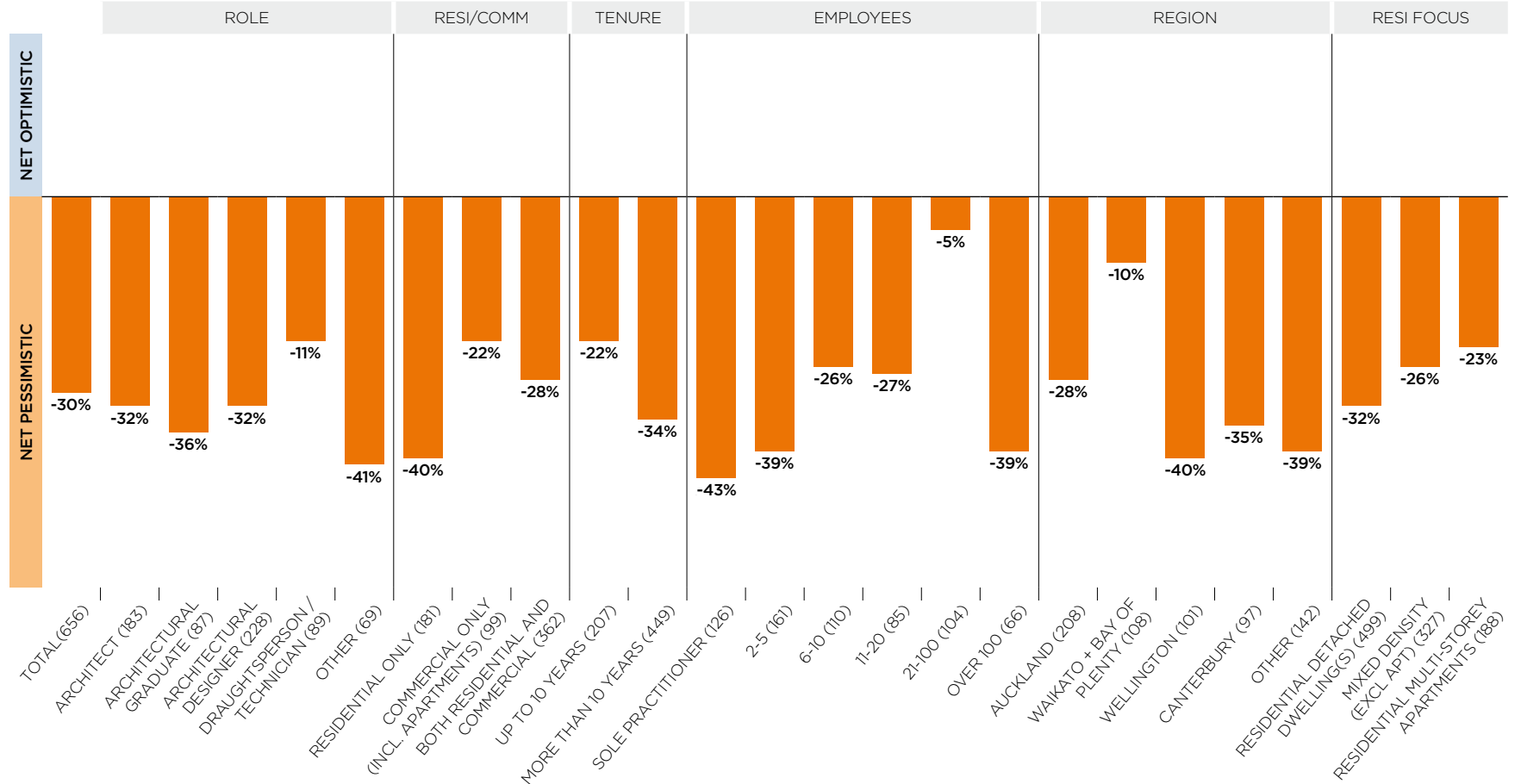
(CALCULATED SCORE: % Higher combined minus % Lower combined)

Q: "HOW DO YOU ANTICIPATE THE SITUATION OF YOUR BUSINESS WILL EVOLVE OVER THE NEXT 12 MONTHS — DO YOU EXPECT IMPROVEMENT, DETERIORATION, OR STABILITY?"



# NET SENTIMENT: INDUSTRY SITUATION

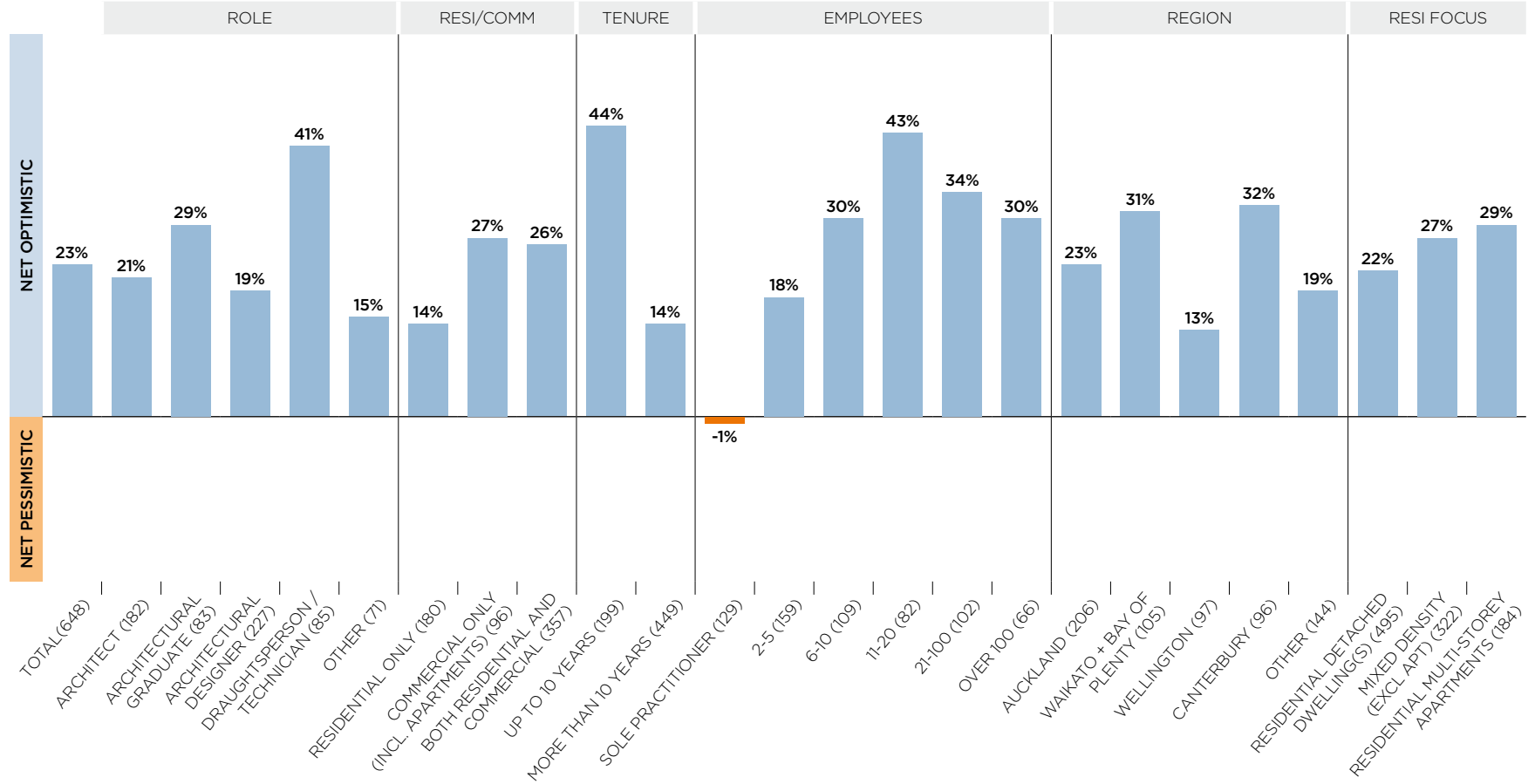
Once again, the smallest and largest practices anticipate a challenging next 12 months for the industry. Design professionals working in the residential sector are more pessimistic compared to those in the commercial sector. Specifically, Wellington-based architects and designers exhibit the most pessimistic outlook.



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

# NET SENTIMENT: OWN BUSINESS SITUATION

Mid-sized practices, particularly those with 11-20 employees, are the most optimistic about the year ahead for their own business. Architects in Waikato, the Bay of Plenty, and Canterbury are generally predicting a better year ahead compared to professionals in other parts of New Zealand.



Q: "HOW DO YOU ANTICIPATE THE SITUATION OF YOUR BUSINESS WILL EVOLVE OVER THE NEXT 12 MONTHS — DO YOU EXPECT IMPROVEMENT, DETERIORATION, OR STABILITY?"

## CURRENT CAPACITY ARCHITECTS ARE WORKING AT

Over the past three surveys, we asked architects and designers about their current capacity levels relative to the resources available in their business at those times.

Workload has decreased from 87% capacity during the peak of the 2022 boom to 77% in 2024. Specifically, the percentage of architects and designers reporting they are at 100% capacity has halved since 2022, while those operating at 50-74% capacity have more than doubled.

What this is likely to mean is a continuation of practice shrinkage. Our 2024 data indicates that practices are contracting, with more individuals opting to work independently. The current workload levels, coupled with plans to downsize staff in response, suggest a potential increase in the number of sole practitioners and new small businesses emerging in the industry.

BASE: 670

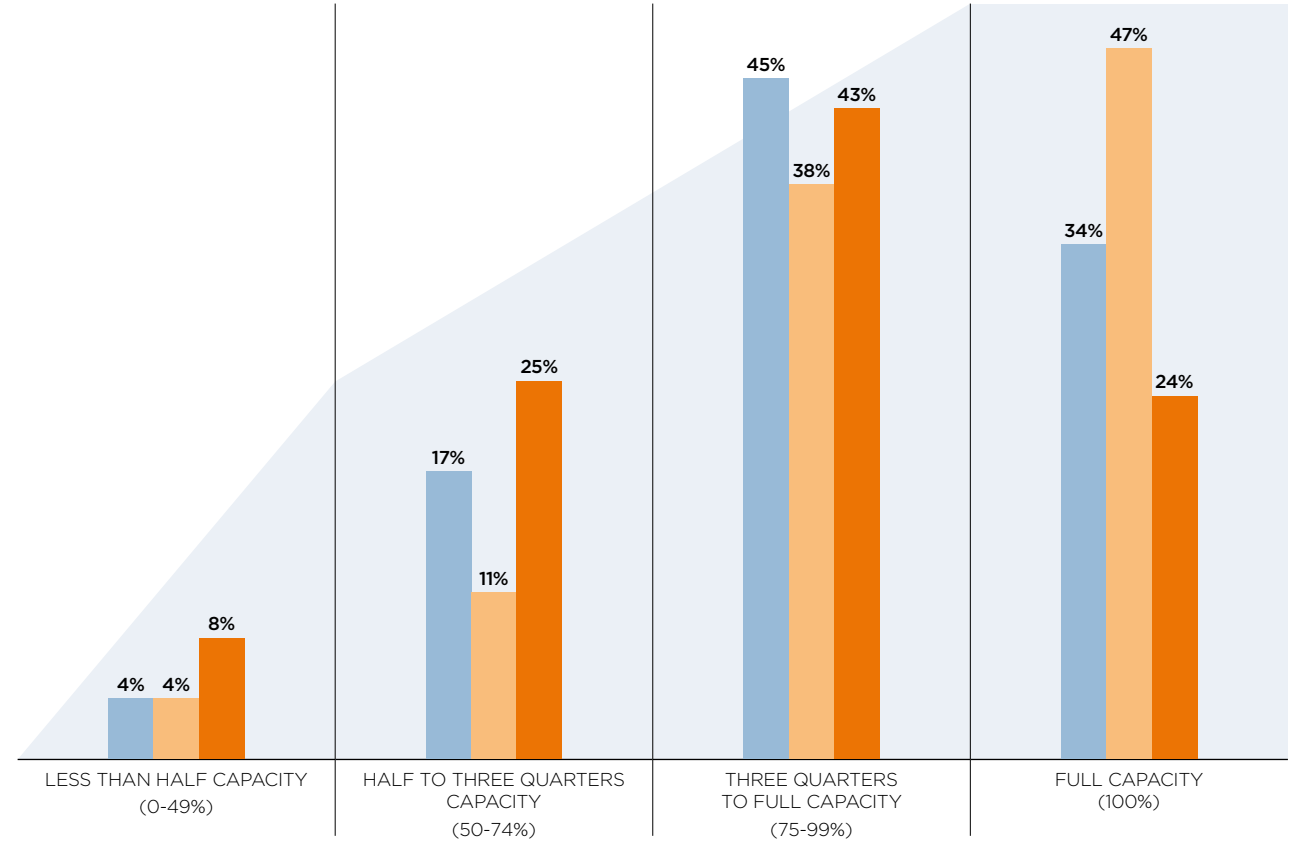
### CAPACITY ON AVERAGE

85%

87%

77%

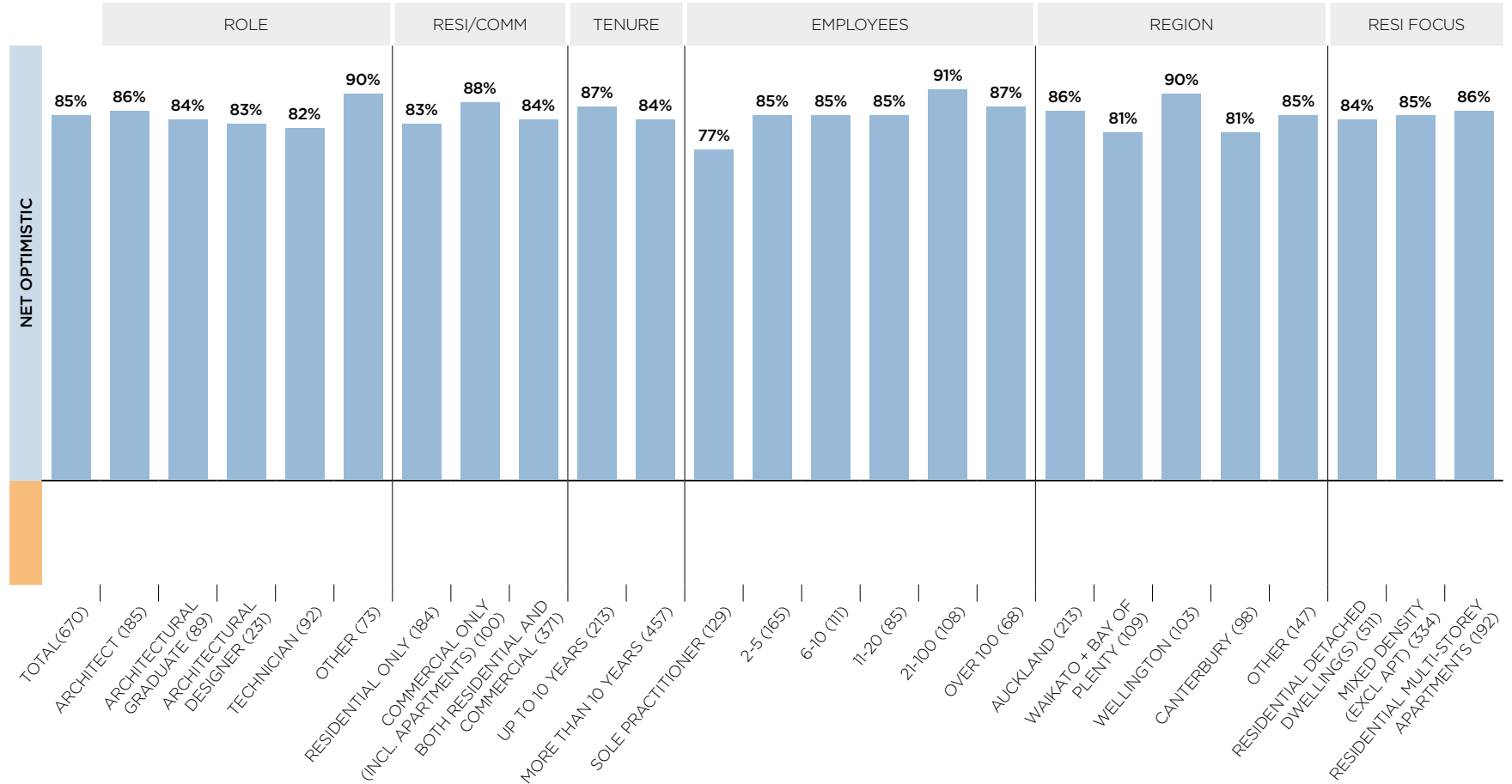
2020 2022 2024



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

# AVERAGE DESIGN PRACTICE CAPACITY

While commercial and larger practices are experiencing more challenging conditions, they currently maintain a higher workload. Due to the extended timelines typically seen in commercial and large scale projects, the impact of demand issues on actual work capacity is expected to be felt over a longer period rather than immediately.



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

# WEAKER PROJECT ENQUIRIES AND STARTS

More than half of the design professionals surveyed reported an increase in projects being put on hold compared to twelve months ago. Those operating in the commercial sector are particularly affected by these delays and cancellations.

In addition, the net outlook on new projects and leads is negative, reflecting a challenging market in the near future. A total of 57% of architects and designers report fewer project starts compared to twelve months ago, while 53% indicate a decrease in leads and enquiries. This sentiment is consistent across all design professionals and areas of focus.

This suggests that the pipeline from design to construction is expected to contract over the next six to twelve months.

## HIGHER RATING = TOUGHER CONDITIONS

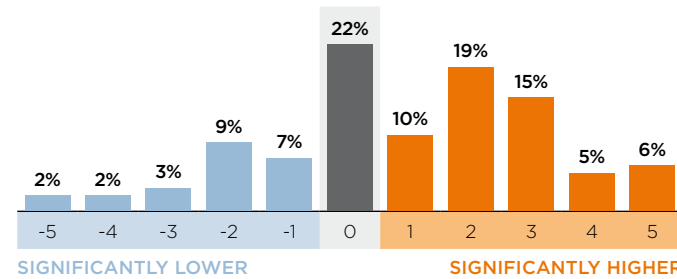
### PROJECTS BEING PUT ON HOLD

BASE: 670

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

**Net +32**

(CALCULATED SCORE)



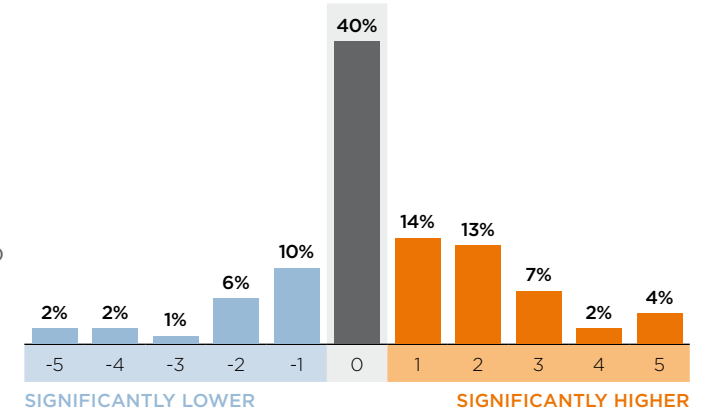
### PROJECTS BEING CANCELLED

BASE: 670

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

**Net +20**

(CALCULATED SCORE)



## HIGHER RATING = EASIER CONDITIONS

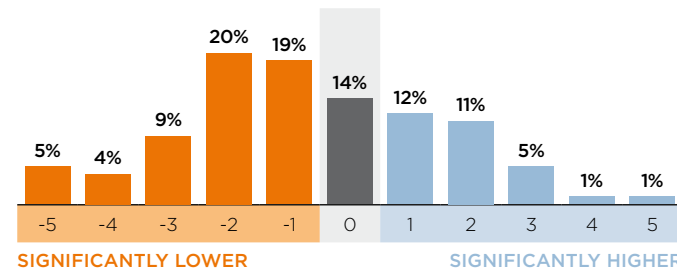
### PROJECTS STARTING

BASE: 670

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

**Net -27**

(CALCULATED SCORE)



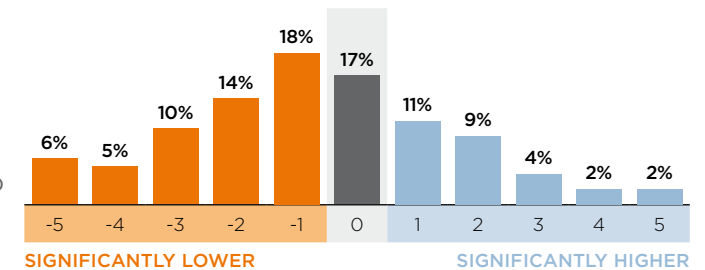
### LEADS & ENQUIRIES

BASE: 670

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

**Net -26**

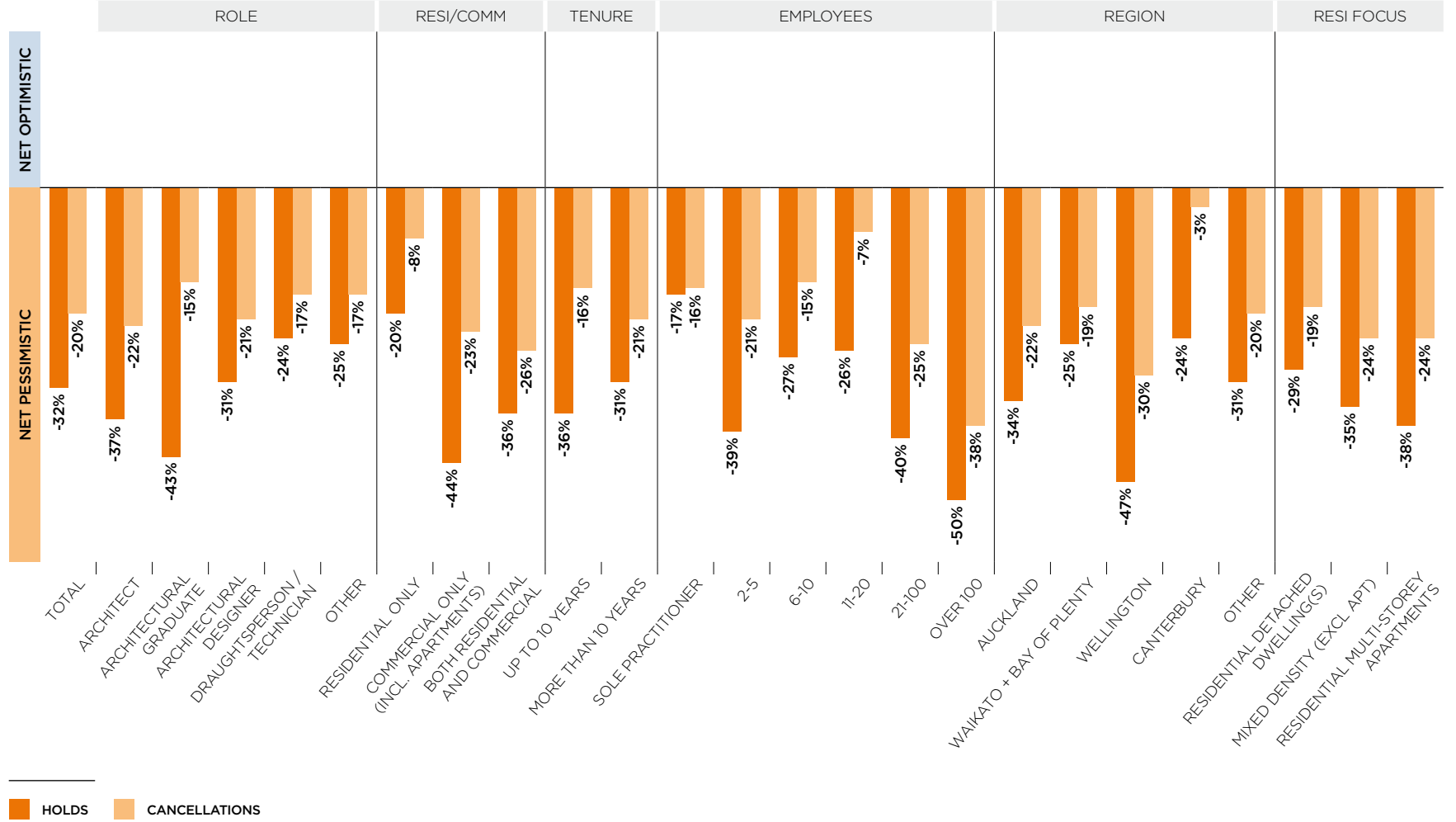
(CALCULATED SCORE)



Q: "WE ARE KEEN TO UNDERSTAND CHANGES IN DEMAND, SPECIFICALLY IN TERMS OF PROJECTS BEING DELAYED OR CANCELLED VERSUS THE INFLUX OF NEW PROJECTS AND LEADS. PLEASE RATE THE CURRENT STATUS OF YOUR BUSINESS IN EACH OF THE FOLLOWING CATEGORIES."

# PROJECT PIPELINE: HOLDS AND CANCELLATIONS

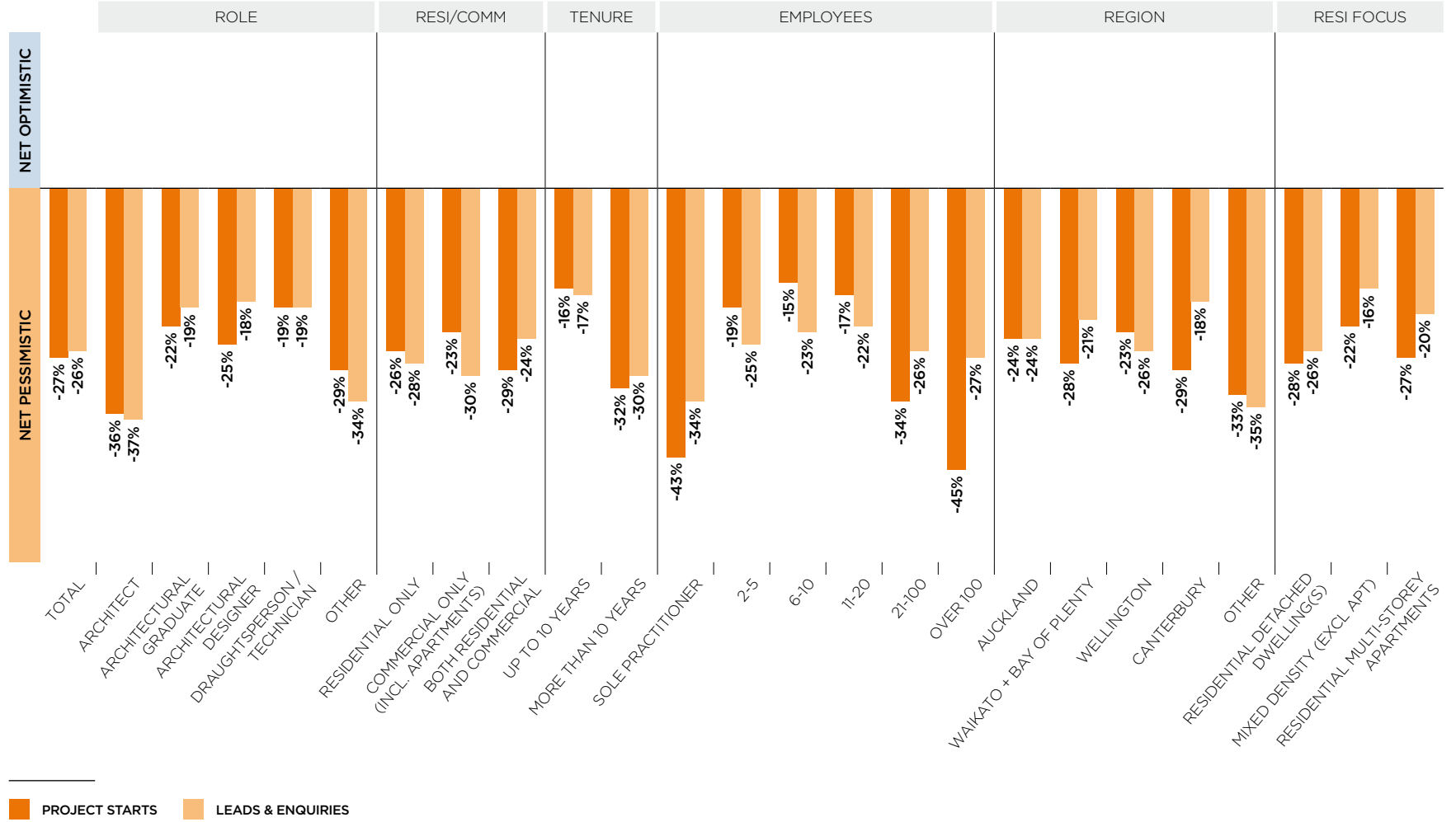
Those focused on commercial work and the largest practices are most likely to have experienced an increase in project holds and cancellations. Holds are also more prevalent among architects than architectural designers. Once again, Wellington-based designers are facing more challenges, with a higher net level of holds and cancellations compared to other regions.





# PROJECT PIPELINE: PROJECT ENQUIRIES AND STARTS

As indicated earlier in the report, the smallest and largest practices are more likely to report a decrease in demand compared to a year ago. Consequently, these practices also exhibit the highest net pessimism scores for project starts and new leads.



## CURRENT FORWARD WORK LEVELS

Another question we have asked in the past three surveys concerns the amount of forward work in terms of months.

Of particular concern is the significant increase in the proportion of architects and designers with less than three months of work — more than tripling from 6% in 2022 to 21% in 2024.

The design industry now has on average 7.5 months of forward work, influenced heavily by the relative strength of larger commercial projects. The issue of forward work is more pronounced among those focused on residential projects, with an average of 5.7 months ahead compared to 9.4 months for commercial projects.

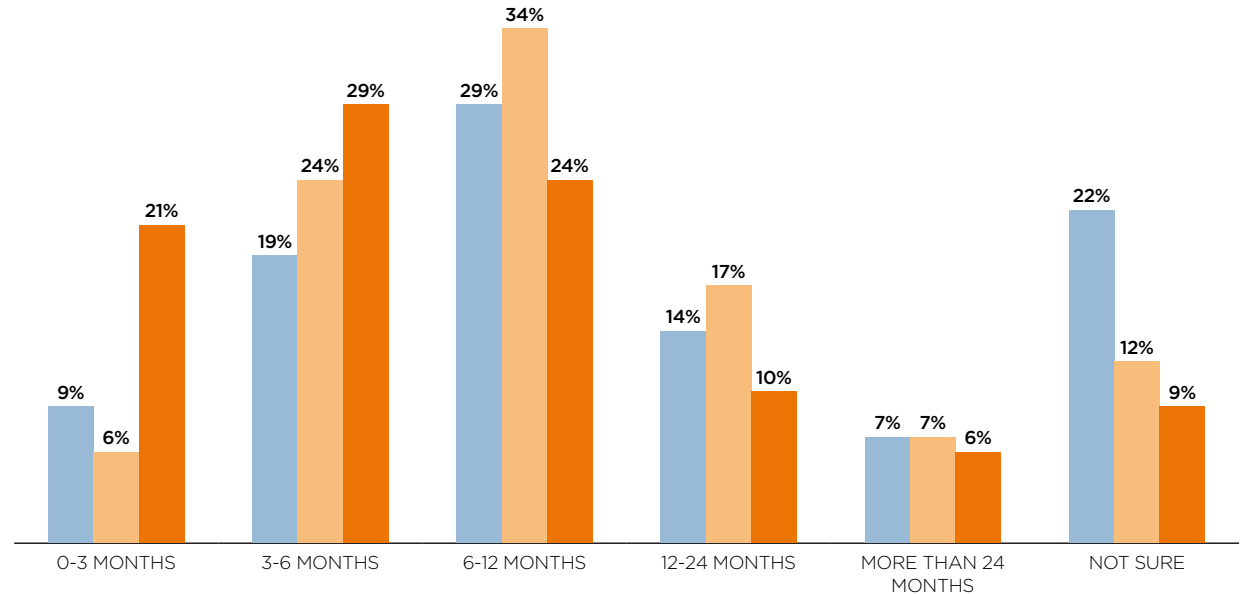
BASE: 670

## AVERAGE FORWARD WORKLOAD

8.2 MONTHS

9.5 MONTHS

7.5 MONTHS

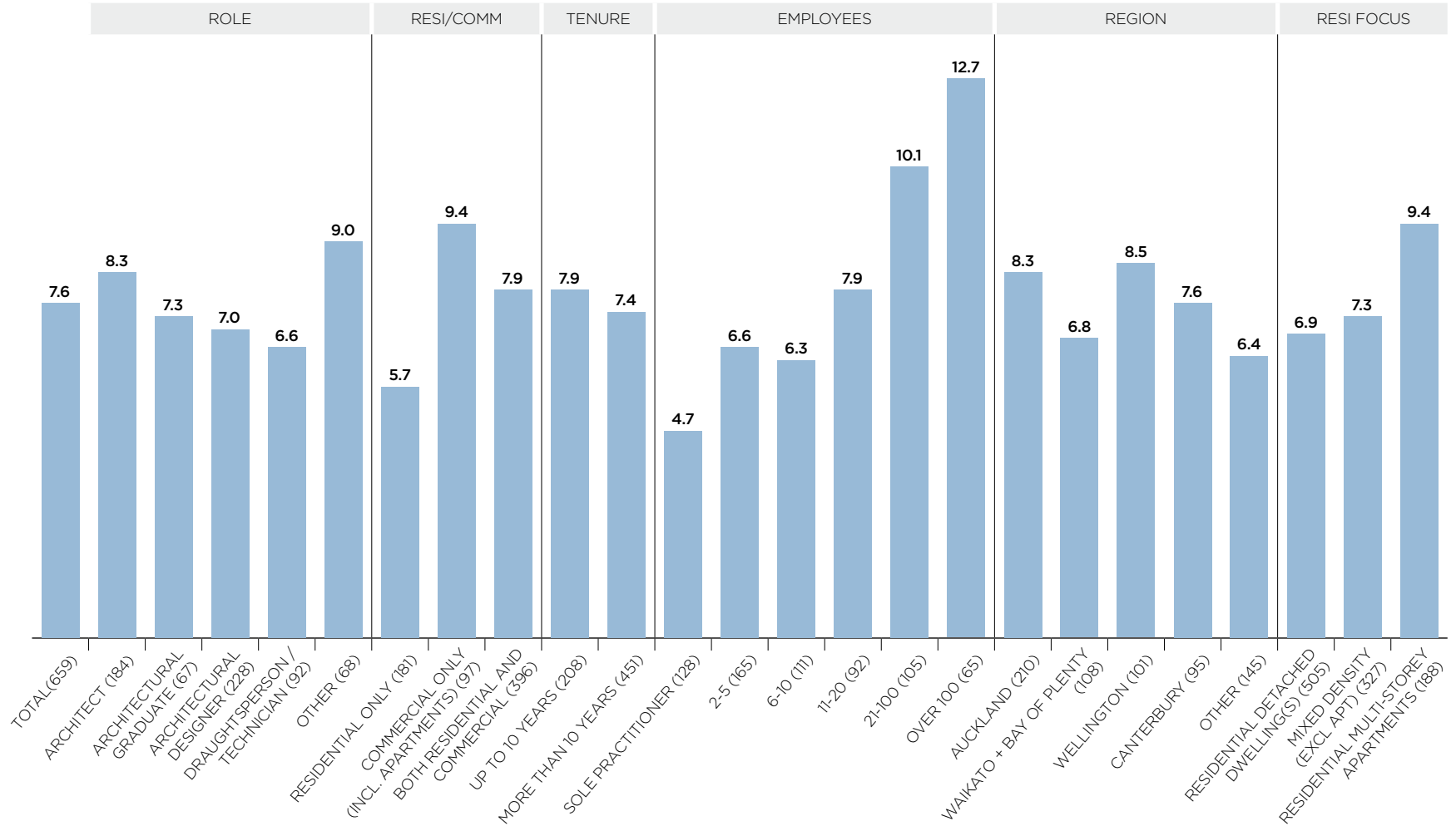


2020 2022 2024

Q: "THINKING ABOUT YOUR PRACTICE, HOW MUCH FORWARD WORK DOES YOUR BUSINESS/PRACTICE HAVE ON ITS BOOKS?"

# AVERAGE FORWARD WORK IN MONTHS

Once again, larger practices and those focused on commercial work have the largest forward workload. However, as previously noted, the current challenging conditions will likely affect the future pipeline more than the current workload, given the extended duration of larger projects.

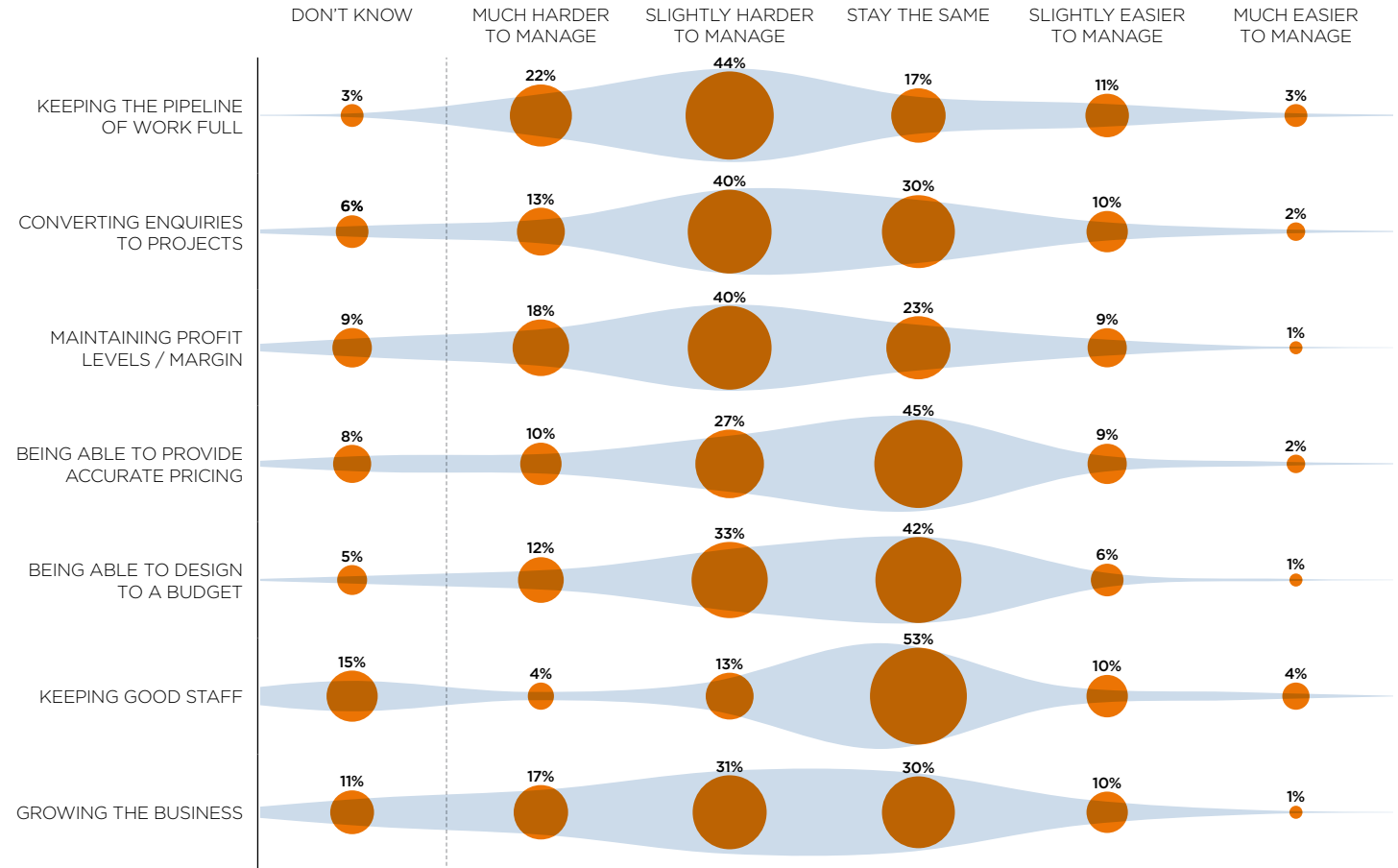


Q: "THINKING ABOUT YOUR PRACTICE, HOW MUCH FORWARD WORK DOES YOUR BUSINESS/PRACTICE HAVE ON ITS BOOKS?"

## MANAGING THE BUSINESS

It is becoming increasingly difficult to maintain the pipeline and convert enquiries. With practices well below capacity, profit levels will only be squeezed further. One positive aspect is that retaining good staff is less of a concern.

BASE: 670



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

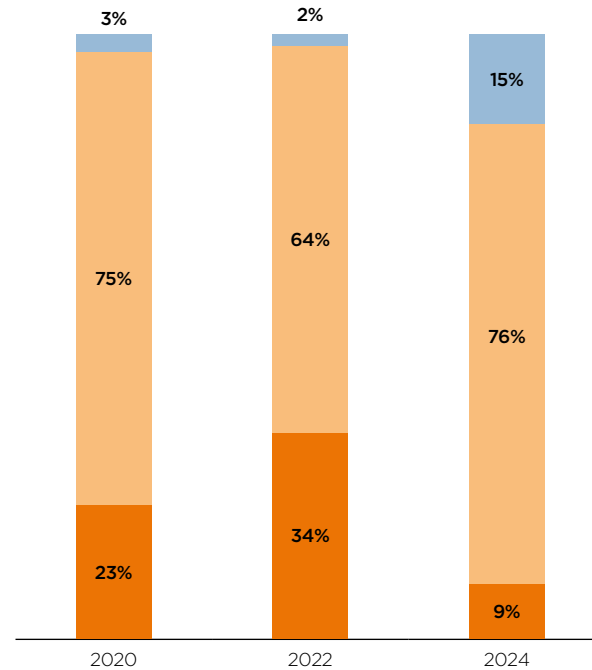
## STAFFING LEVELS

One positive aspect of the current market conditions is the easing of staffing issues. In 2022, at the peak of the post-Covid boom, one third of architects reported not having enough good staff to meet current demand. This figure has dropped to just 9% in 2024.

Similarly, the balance of staff to meet future demand is yet to stabilise. After many firms have restructured, there are still a further 13% indicating they now have an excess of qualified staff. For architectural practices that are in a position to hire, the quality of the candidate pool has significantly improved since 2022.

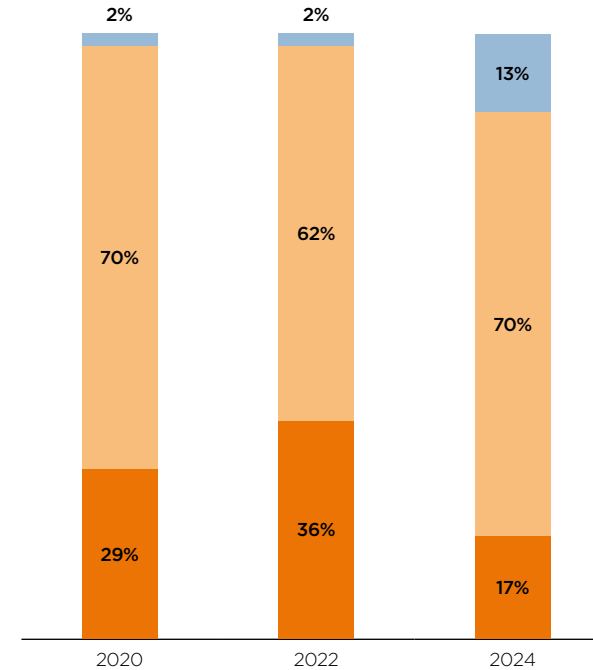
### TO MEET CURRENT DEMAND

BASE: 670



### TO MEET FUTURE DEMAND

BASE: 670



- WE HAVE TOO MANY STAFF
- JUST THE RIGHT NUMBER OF STAFF
- NOT ENOUGH STAFF

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

## BUILDING EFFICIENCY: WHERE SHOULD WE FOCUS?

Stats NZ reported that it took 569 days to build a stand-alone home in 2023. In response, we added a new question to our survey focusing on identifying inefficiencies in the completion of residential projects. Architects and designers identified council compliance as being the largest area contributing to inefficiency and delays. However their responses suggest that there are a wider number of industry factors holding them back. They critique their own industry, suggesting design and documentation can be improved, and suggest that onsite experience needs to be addressed along with greater advancements in product design.

There is a clear understanding that the system must work together efficiently, as inefficiencies are not solely attributed to one area. As one design professional put it: 'Well-designed and documented projects will expedite council approvals, ensure accurate pricing, and facilitate smooth construction.'

Many respondents who provided additional comments emphasised the necessity of embracing innovative methods and materials, such as prefabrication and factory-built homes, to enhance efficiency.

BASE: 591



*Remove councils from the equation, allow more innovation, systems, materials and construction, [plus] reinvent health and safety rules."*



*People use council compliance as an excuse. More often than not it's poor documentation holding up the initial processing. On-site is a contractor question. Our reliance on detached dwellings; light timber framing; and doing the bare minimum performance doesn't help."*



**74%**  
**COUNCIL COMPLIANCE**

e.g. the time taken to get building consent, approval and costs associated



**58%**  
**DESIGN**

e.g. improving design detailing and designers considering real-world challenges, designing for more efficient construction



**47%**  
**ONSITE EXPERIENCE / TRAINING**

the skill level of staff



**47%**  
**PRODUCT**

products that enable more efficient construction



**40%**  
**DOCUMENTATION**

the level of documentation provided and required

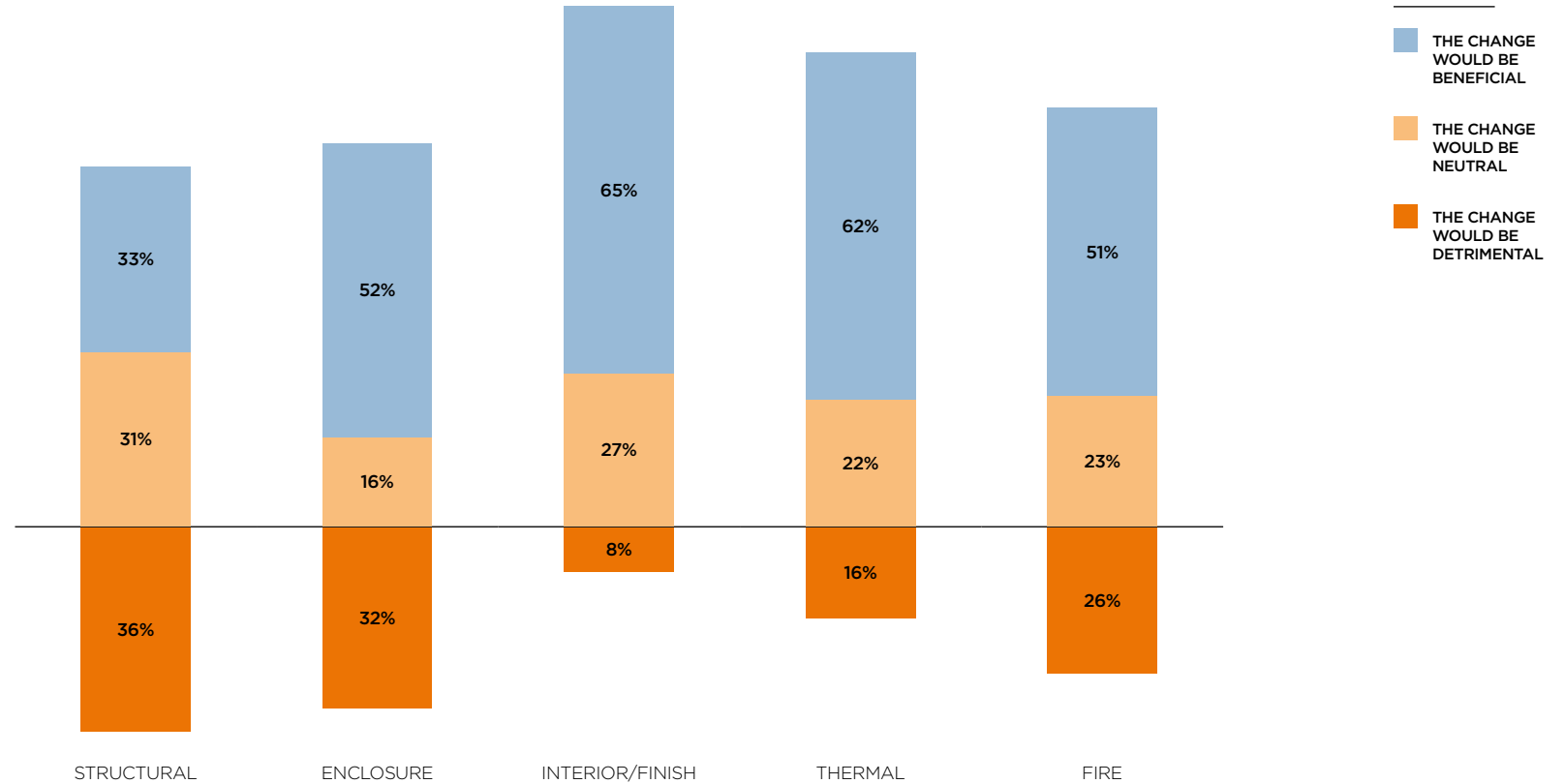
**Q: "IN 2023 THE AVERAGE STAND-ALONE HOUSE TOOK 569 DAYS TO BUILD (STATSNZ). AS AN INDUSTRY WE NEED TO RETHINK HOW WE APPROACH THE BUILD PROCESS TO DRIVE GREATER EFFICIENCY IN OUR BUILD PROGRAMME. WHICH AREAS WITHIN THE BUILD PROCESS OFFER THE MOST OPPORTUNITY TO INCREASE EFFICIENCY TO PRODUCE BETTER BUILD OUTCOMES AND MORE EFFICIENT CONSTRUCTION?"**

## BUILDING MATERIALS — INCREASING CHOICE

Another new question in 2024 focused on the proposed changes to the Building Act, specifically the removal of the requirement for local certification.

Architects and designers are generally confident in the industry's ability to deal with wider choice and compliance pathways for interior products, as well as thermal and fire products. They clearly have much greater concern for the design and delivery of structural and enclosure design. The government should pay close attention here, to ensure that the industry's delivery of structural performance and weathertightness is not compromised.

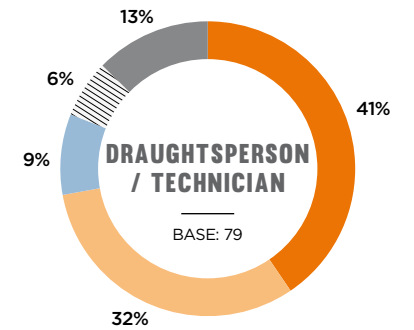
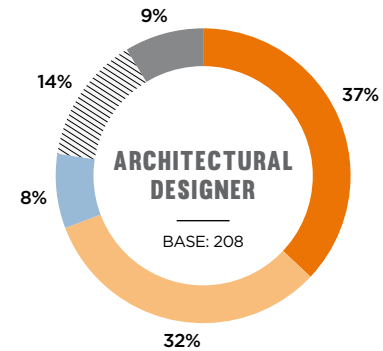
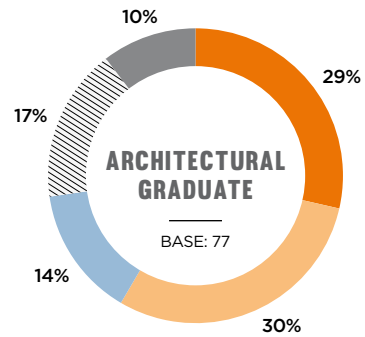
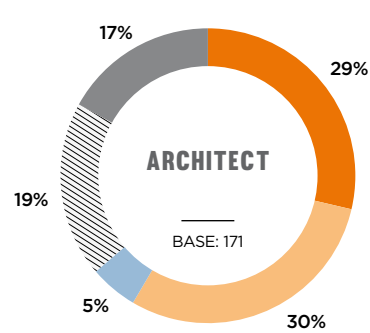
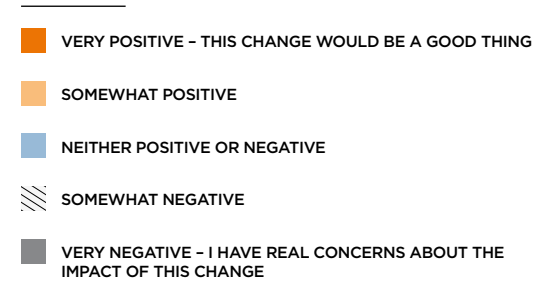
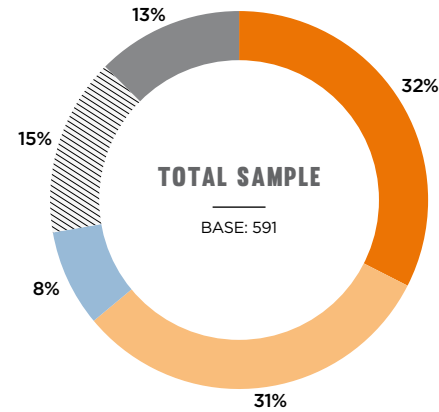
BASE: 588



Q: "THE GOVERNMENT INTENDS TO MAKE CHANGES TO THE BUILDING ACT TO INCREASE CHOICE OF BUILDING PRODUCTS AVAILABLE IN NZ. THIS WOULD ALLOW BUILDERS AND DESIGNERS TO CHOOSE OVERSEAS PRODUCTS FROM 'TRUSTED' JURISDICTIONS, REMOVING THE NEED FOR BUILDERS AND DESIGNERS TO VERIFY THE STANDARDS. THIS WOULD REMOVE MANY PRODUCTS REQUIRING LOCAL CERTIFICATION OR TESTING TO DETERMINE COMPLIANCE WITH OUR BUILDING CODE AND CLIMATE. WHAT IMPACT DO YOU THINK THIS CHANGE WILL HAVE ON EACH OF THE PRODUCT CATEGORIES BELOW?"

## BUILDING MATERIALS — CHANGES TO SUBSTITUTIONS

Another new question was added regarding changes to legislation aimed at making substitutions easier for builders and trades. This change is generally perceived as a positive development, although only one third of respondents view it as very positive. Architectural designers and technicians are more inclined than architects and graduates to view these changes positively.



Q: "HOW WOULD YOU FEEL ABOUT CHANGES TO LEGISLATION MAKING IT EASIER FOR BUILDERS AND TRADES TO CHOOSE AND USE ACCEPTABLE SUBSTITUTES?"



## A SHIFT TOWARDS MORE VALUE ENGINEERING

Within the sentiment survey, there was a question about how architects and designers are adapting to the challenging market conditions. Among various responses, one significant consideration is the potential for increased value engineering, which should be weighed alongside the provision of cost information.

A number of design professionals talked about working hard to ensure they are cutting the costs of materials in order to meet client budgets and ensure builds will go ahead — keeping their pipeline full.



---

*Coming up with ways to reduce the cost of builds, e.g. reducing dwelling sizes, uninsulated garages, reducing the amount of glazing and selecting cheaper cladding materials.*

---

*Cost reduction throughout all projects specs reduced.*

*Develop new strategies and methods to add value to clients while reducing construction costs to make new projects more feasible.*

---

*Value engineering to reduce costs of construction.*

*Exploring a broader range of products across various price points as alternatives in case projects exceed clients' budgets.*