

Residential Building Supplies Market Study

Recommendations

Competition for the supply and acquisition of key building supplies is **not working as well as it could** if it was easier for building products to be introduced and for competing suppliers to expand their businesses.

Key building supplies are used to build the major components of residential buildings – the foundation, flooring, roof, walls and insulation.

Improving competition for key building supplies

The best options for improving competition involve **improving the conditions for entry and expansion, making entry easier for building products and expansion easier for suppliers** without compromising the core objectives of the building regulatory system.

Recommendations to enhance the regulatory system

1. Introduce competition as an objective to be promoted in the building regulatory system.
2. Better serve Māori through the building regulatory system.
3. Create more clear compliance pathways for a broader range of key building supplies:
 - Update and develop more Acceptable Solutions and Verification Methods
 - Expand the range of product certification schemes that can issue product certificates deemed compliant with the Building Code
 - Investigate reducing further barriers to certification and appraisal
 - Develop guidance for key building supplies that identifies the appropriate Building Code clauses and possible means of proving compliance.
4. Explore ways to remove impediments to product substitution and variations:
 - Explore ways to reduce specification by brand
 - Increase flexibility in the MultiProof scheme.

Recommendations to support sound decision making

5. Establish a national system to share information about building products and consenting.
6. Establish an education and mentoring function for building consent authorities.
7. Develop and implement an all-of-government strategy to coordinate and boost offsite manufacturing.

Recommendations to address strategic business conduct

8. Promote compliance with the Commerce Act, including by discouraging the use of quantity-forcing supplier-to-merchant rebates that may harm competition.
9. Consider the economy-wide use of land covenants, exclusive leases and contractual provisions with similar effect.

