

# Residential Building Supplies Market Study

## Draft recommendations

Our preliminary view is that 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.

Below is a summary of **our draft recommendations for improving competition**. We are seeking feedback on our preliminary findings and draft recommendations.



### Draft recommendations to enhance the regulatory system

1. Introduce competition as an objective to be promoted in the building regulatory system.
2. Better reflect a Māori perspective in the building regulatory system.
3. Create more compliance pathways for a broader range of key building supplies.
4. Explore ways to remove impediments to product substitution and variations:
  - Explore ways to reduce specification by brand
  - Increase flexibility in the MultiProof scheme.
5. Investigate whether the barriers to certification and appraisal can be reduced.



### Improving competition for key building supplies

We believe 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.

We have identified a range of draft recommendations to improve competition and further contribute to the shared objectives of delivering safe, healthy, durable, and affordable housing for New Zealanders.



### Draft recommendations to support sound decision-making

6. Identify and develop methods to centralise information sharing about key building supplies:
  - Establish a national building products register as a centralised repository for sharing information about building products and consenting
  - Establish a building consent authority centre of excellence to facilitate a better co-ordinated and enhanced approach to consenting and product approval processes.

### Draft recommendations to address strategic business conduct

7. Promote compliance with the Commerce Act, including by discouraging the use of quantity-forcing supplier-to-merchant rebates that may harm competition.
8. Further consider the economy-wide use of restrictive land covenants and exclusive leases.