COMBINED BUILDING SUPPLIES COOPERATIVE CBS CO-OP WWW.CBSCOOP.CO.NZ

FOR IMMEDIATE RELEASE

PRESS RELEASE

"Builders Are Carrying It — But They Can't Much Longer" – Fuel Costs Hit Breaking Point

A nationwide survey by Combined Building Supplies Co-operative (CBS) has revealed New Zealand builders are under immediate and growing pressure from rising fuel and freight costs — with clear signs the impact is accelerating across the industry.

The survey, completed by **hundreds of CBS members across the country**, shows **over 84% have felt moderate to significant impact from fuel price increases in just the past 30 days** .

CBS CEO Carl Taylor says the results reflect what builders are experiencing day to day.

"This isn't coming — it's already here. Costs are rising fast, and builders are the ones wearing it."

Where builders are feeling it most:

- **Travel to and from site (86%)**
- **Delivery and freight charges (49%)**
- **Supplier price increases (48%)**
- Flow-on impacts into subcontractors and plant costs

At the same time, **67% of builders say suppliers have already increased pricing or introduced fuel-related surcharges**, with some reporting increases ranging from **5% through to 30%+ across key materials and freight** .

Despite this, **over 60% of builders are still absorbing the cost increases**, with only a small portion fully passing them on to clients .

Builders responding to the survey were blunt:

INFO@CBSCOOP.CO.NZ
WWW.CBSCOOP.CO.NZ

“We’re trying to hold pricing, but it’s getting harder by the week.”

“It’s not just fuel — it’s everything that moves because of it.”

Taylor says a particularly concerning trend is emerging around fixed-price work.

“We’re hearing from builders who have locked in fixed-price contracts and are now being hit with rising costs they can’t recover.”

Some respondents warned of the real consequences:

“Businesses priced tight to win work simply won’t have the margin to cover these increases.”

“This could push companies that are already on the edge into liquidation.”

“Projects that were priced months ago are now at serious risk.”

Beyond immediate cost pressure, builders are increasingly worried about what comes next.

- **Profit margins (34%) and cashflow (20%) identified as the biggest risks**
- Growing concern around **project viability and winning new work**
- Overall concern levels sit heavily weighted toward the high end

Taylor says the industry is now entering a familiar and dangerous cycle.

“Costs are building quickly. Builders absorb it, margins disappear, and eventually it flows through into higher prices.”

He says the broader impact could be significant.

“You start to see hesitation — clients pause projects, pricing becomes harder to lock in, and confidence drops. That’s when activity slows.”

“Fixed-price contracts and rising fuel costs don’t mix — and right now, that pressure is landing squarely on builders.”

CBS warns that continued fuel volatility could undo recent signs of stability in the construction sector.

“We were starting to see some balance return. This risks pushing the industry back into a tougher position.”

The co-operative is continuing to monitor the situation across both builders and suppliers as cost pressures escalate.

ENDS

INFO@CBSCOOP.CO.NZ
WWW.CBSCOOP.CO.NZ

For media enquiries:
Carl Taylor
CEO – Combined Building Supplies Co-operative
carl@cbscoop.co.nz

021338306

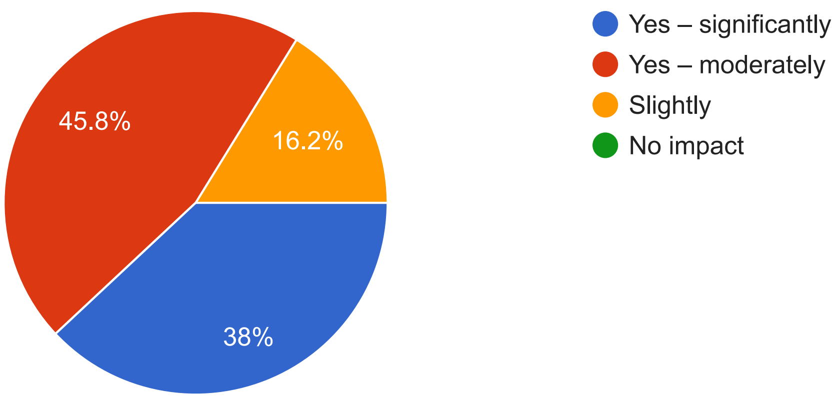
About CBS Cooperative:

The Combined Building Supplies (CBS) Cooperative is a New Zealand-based organization that leverages the collective purchasing power of its members in the construction industry to secure significant discounts on building materials. By uniting over 2100 builders, electricians, plumbers, painters, and other construction tradies, CBS enables its members to access discounts ranging from 5% to 50% across a network of over 30 suppliers nationwide.

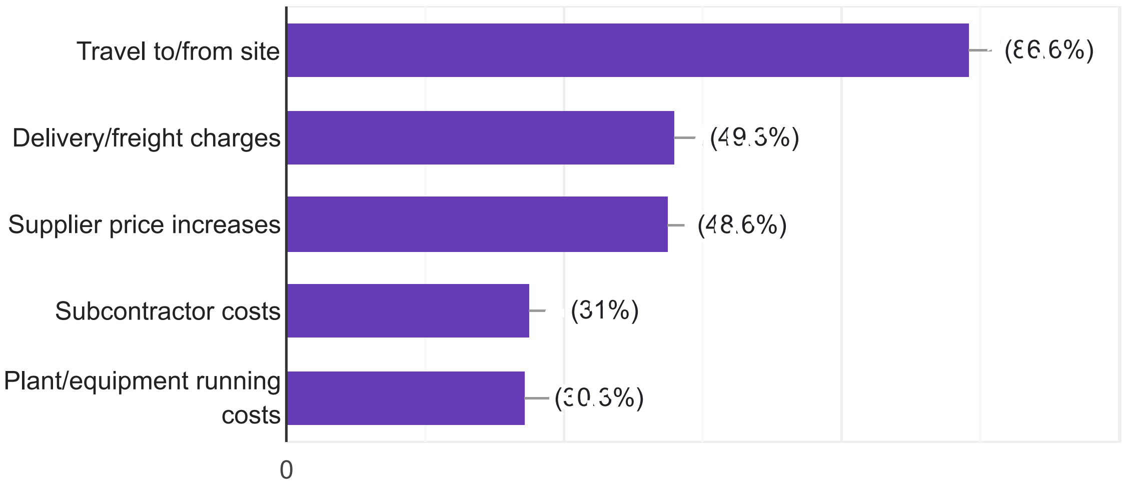
For more information, please visit: www.cbscoop.co.nz

Impact Survey: Rising Fuel and Freight Costs

Have rising fuel costs impacted your business in the past 30 days?

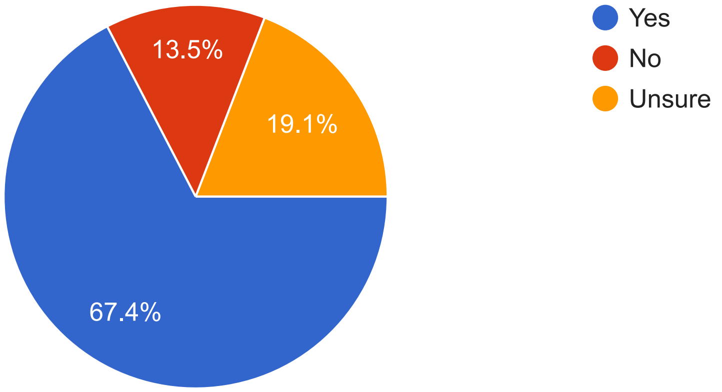


Where are you feeling the biggest impact? (Select all that apply)



Have any of your key suppliers increased pricing or introduced new surcharges specifically due to fuel costs?

Copy



Please provide an indication of the magnitude of supplier cost increases (e.g., average percentage increase over the last month).

10%

5%

15%

20%

10

3%

30%

10/15 PERCENT

30% on plastics, 30% on fuel, 10% on components

5 - 9%

aggerate up 10%

7%

20 percent

Varies by % to signaling increases to come

5 to 8 percent

20% across the board

Not sure

nil at present

We ship internationally so we’ve incurred huge cost and timeline issues

Higgins Concrete

2 to 3K

unsure

6-12%

3% min 10-15% average

FAF has increased to 26%

4-5%

50%

6% wad the highest ive recived

All pvc pipe and fitting going up by 29%

10 - 20%

Yet to have the charges added to our invoices

10 to 20 percent

5-15%

Diesel has increased by $1pr litre along with RUC charges makes it expensive

Haven't noticed

10-15%

None yet

35-45%

Not sure yet, but expecting itll be big.

15-20%

FAF has doubled on freight, other suppliers $500 fuel surcharge per order

Not started yet

4%

10-20%

15%

None yet but expecting incoming increases as diesel price increase works through supply chains.

Fuel costs 30% up

McKeown's has more than doubled the cost of diesel

Full cost has doubled and might be looking to get diffrent vehicles to compensate increases

Delivery 5% to 15%

10 to 15%

7-15%

90 percent

8.5%

5- 10%

15% seems to be a common number

From 7-30%

not sure

50% increase

I use to be $110-$120 now im $150-$160

We use 250 litres of 91 petrol and diesel each week. Costs have risen from $450pw to now nearly $800pw

6 - 10 %

2%

7.7 %

40 percent

30%-50% increase this week

30-50%

Not sure yet

Don’t know yet but have been informed that the pricing I have is being revised and will be updated in the next few weeks. Makes it hard to quote.

3-6%

Concrete is main one

5% on digger operation costs. Fertilizer increases.

Slight increase

Our main equipment delivery provider has increased costs by about 3-5%

25%

ipex 29% Marley, Higgins $10.50 m3 etc

23% increase to delivered fees

6

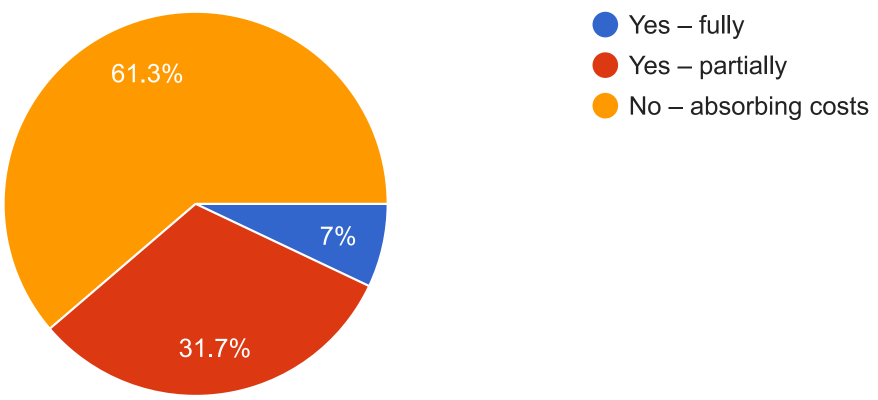
Still minimal, apart from fuel prices, but noticeable

12% increase in cost of good compared with same month last year

6%

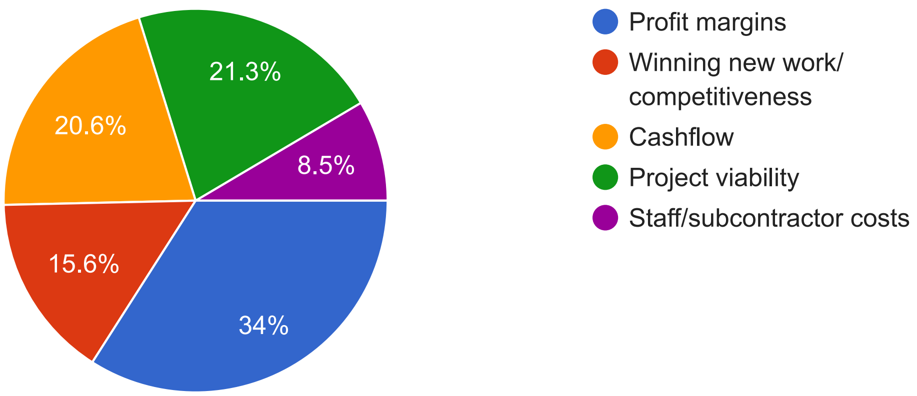
Are you currently passing increased costs onto clients?

Copy



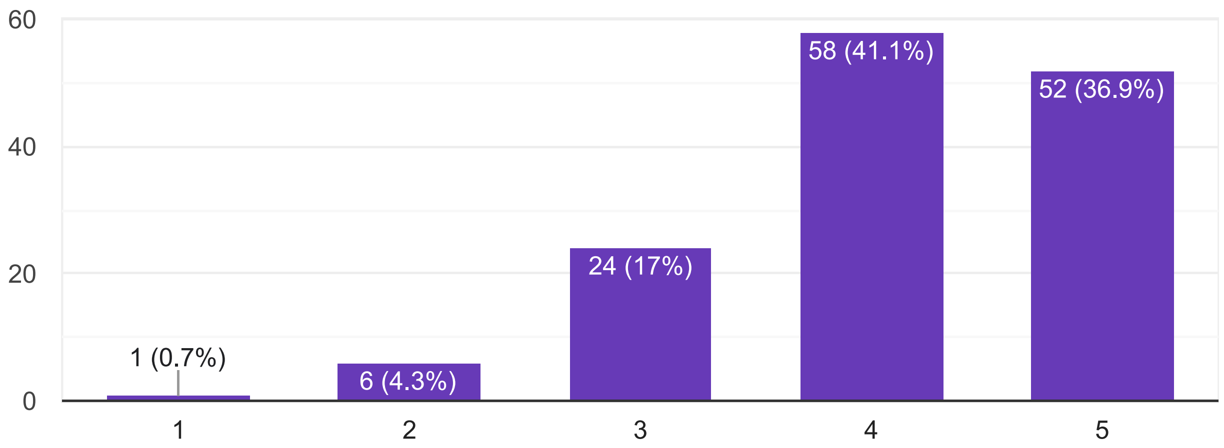
If fuel and freight costs continue to rise, what is your biggest concern for the next 6 months?

Copy



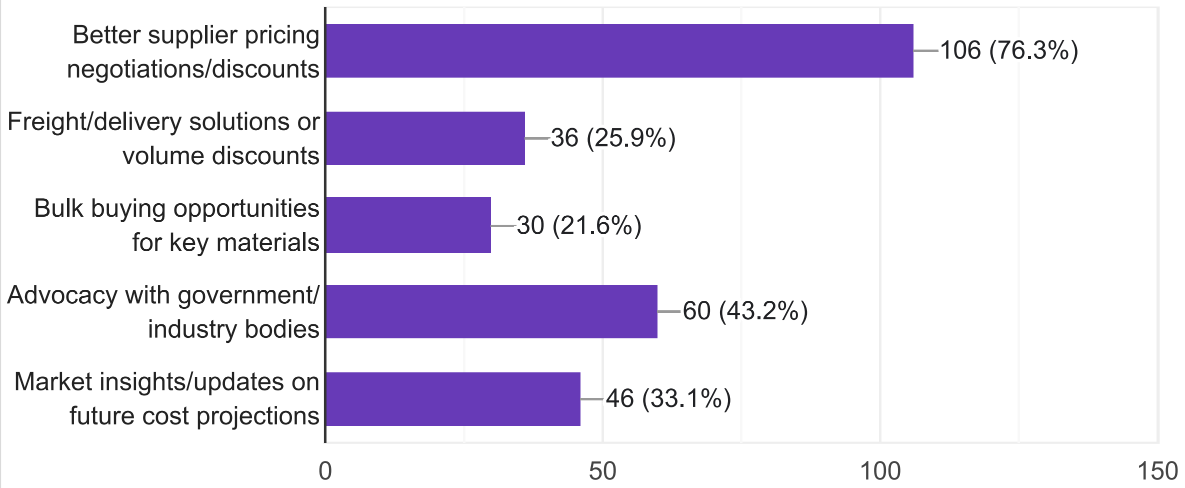
How concerned are you about the future stability of fuel and freight costs? (1=Not concerned, 5=Extremely concerned)

Copy



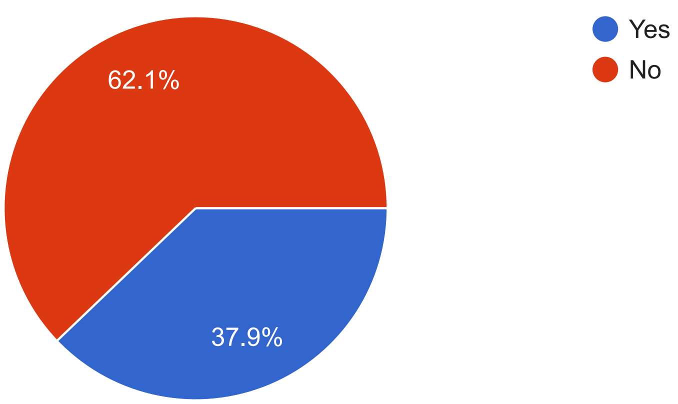
What would help your business most right now from CBS to mitigate the impact of rising costs?

Copy



Would you be willing to participate in a brief follow-up discussion (5-10 minutes) to share more detail on your situation?

Copy



What are we not seeing that we should be aware of?

Nothing

Actual fuel availabilty not just price rises.

Fuel was purchased at a far lower rate than currently being sold, this should be more regulated.

Staff not being able to come to work due to fuel cost & supply

The builders are wearing the costs which are being passed on from subcontractors

The cost to deliver existing projects

The crude price hss dropped well down from the high why are we not seeing that reflected. We have already had clients pull out of jobs due to the increase in cost of living and feel we will be in another recession over the next 18 months

Not that you are “not seeing anything” but more e a desire to better understand the truth. I feel politics are creeping in and clouding the messaging.we need clear honest

i think you have it covered

No major impact at this time but may reduce further work as inflation bites harder

Rise in business running cost, insurances, etc

The big picture what is the real problem and how is this going to end

unsure

It's not the price increase it's the gap to any alternative that has changed. Diesel is unaffordable now yet it's what we all run

Northland is experiencing hogher costs due to flood damage. Alternate routes adding ip to 1hr drive time to sites adds to the pressure on costs

Posible stacking of price/costs as products and services move up the supply chain

Not sure as yet as this is still early days

You are doing more than most folk and honestly reaching out like you are as well as continuing to offer more suppliers is more than most businesses. Keep it up and yes, alas prices are going up but that is around the world in ALL businesses so it is just a rising tide that the world WILL adjust to.

I’m sure you aware of it but my concern would be for the companies that have priced work that not yet started and have no allowances within their terms to cover themselves for the price escalation. We can absorb cost fluctuations to a point before it hits cash flow. Those that are pricing tight to win work simply won’t have the fat in their to cover much of any price rises.

Hopefully businesses learnt from the Covid Saga. I see this accelerating any businesses already on the edge into liquidation.

Ensuring suppliers reduce their prices as soon as oil price / pressures abate. They seem to raise them when fuel prices were stable at the beginning of the Trump conflict

Customers also impacted so have less to spend

.

Businesses clipping the ticket and blaming fuel price for increases

Winter

Our Government's total incompetency (not current Gov alone - is on-going issue!) in not ensuring NZ has 3-6 months worth of FUEL reserves and not just 20-26 days worth of reserves! We are an island - we should be able to stay operations even if no supply coming out way for months.

Panic

What happens if we have NO diesel

not sure

Potentially fuel restrictions

Due to the rise in costs. My fuel card is maxed out.i will need to increase the limit. Its a mobil card theough the coop. Can you help?

Customer hesitation to press go on projects - similar to what we experienced going into Covid

Cost of materials & freight have not increased yet, But are coming, most freight is just recovery of cost not Gouging where as material increases you won't know.

RUC needs to be cut like they did in Covid

Subcontractors and other tradea are increasing their price or lvying fuel cess.

Mid-term economic impacts across the board if global tensions continue

Alot of talk about fuel prices, im worried about potential stagflation.

Cost of Petrol, creating hurt for our installers in terms of living costs.

Back in the late 70s they had car less days which might return.This will impact alot of things.

Prices are rising on already made off shelf products.

Too many to explain in detail.

Bussinesses using the fuel excuse to make more profit

It's a crystal ball in terms of how the Middle East war and fuel crisis will play out but soon as we see a number of suppliers and contractors passing on costs the flood gates will open and we may see a similar situation to covid where inflation gets out of hand

Businesses going broke on fixed price contracts

Potentially business just using this war as an excuse to rise prices

Not sure what you’re seeing

If they prioritise who gets Fuel, and we are not part of it so have no fuel then we will be out of business pretty sharp.

Nothing that I can i. Totally beyond the control of our country

Just bullshit tax

Google Michael Yon. He is one of a number of people who. I follow. With 40 years experience studying geopolitical things, he says: 1. Wars grow in very unpredictable ways. 2. They ALWAYS go for longer than initially indicated. Eg Iraq, Bush said "in and out in ten fays". Five years later.. My business has been in aggressive growth mode for the last four years, with my most recentbusiness acquisition being just 8 weeks ago. As of tomorrow my business is being advertised for sale.. hoping to recover the 200k that I have invested in buying 5x small businesses, whilst it is worth something to sell!

Na

Not much

Projected work thats been priced and accepted prior to starting.

You see probably seeing more than I am

People putting up costs above what their actual cost is

The major drop of work especially small towns

RUC discount for businesses would be great.

You are seeing everything that’s happening right now questions were great

Landed fuel prices have not risen as much as the price has at the pump. The profit margins of fuel importers have steadily risen since 2007 with out any war excuses. The price the government adds on top of this is going to cripple the economy and cause hyperinflation on top of the hyperinflation caused buy lockdowns and other poor decisions. The government needs to stop taking more and more from the public. The profiteering needs to stop.

Non essentials not being reduced: e.g sport/rec, we must supply farmers and producers first

Taking the opportunity to put prices up that are not effected by fuel costs

I renovate properties but have paused. We also farm. Those replies relate to farming ops. I have stopped removating for the moment as i am not seeing the margins for me to want to flip houses. (15 yrs in business). Am watching careful and protecting capital and reducing all costs. I don't have any financial interest costs but i am still extremely wary and watching how things roll. Waiting for aome opportinities for cheaper housing purchases which shoulr show soon in the market

Nol

nothing, you are onto it.

We going to run out of diesel in nz

continuous vicious rises within next 2 months

(customer) buyer intent

The government needs to lower the feul tax rate because as the price increases so does the tax intake.

you will know but the fuel price increase with RUC on top makes for a 50ct/km travel for FUEL ALONE. It have to up it 30%, and counting. local travel charge was 35$, now 50$ (within town, out of town is per KM/ by arrangement)))

No fuel is bigger then losing quotes it underpins our entire economy without it what’s the alternative?