



## Du Val Group collapse makes an impact on insolvency stats this quarter.

In the last quarter (July - September), there have been 827 insolvencies, a 17% increase since Q2 and a 47% rise compared to the previous year, with 266 additional cases. The outlook remains unchanged from the last quarterly report, with insolvencies expected to continue to increase for the next six months.

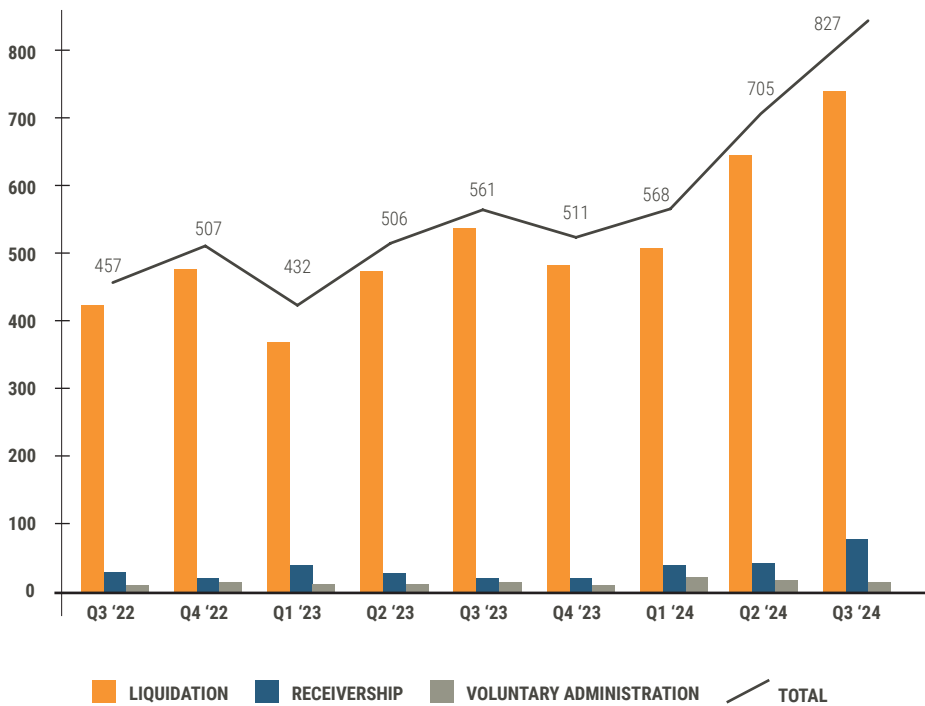
Despite positive economic indicators like a third drop in the OCR and banks reducing their loan rates, business recovery may lag. It's possible that full recovery won't be seen until Q4 of 2025.

Last quarter saw a notable rise in receiverships, largely due to the 62 companies of the Du Val Group being placed into receivership by the FMA. This highly publicised event stands as one of New Zealand's largest corporate failures, impacting investors, home buyers, and commercial lenders. While the Du Val collapse is unlikely to significantly affect

other developers or the broader property market, it serves as a cautionary tale and one that may influence buyer behaviour in the short to medium term. It also underscores the necessity for thorough due diligence by investors and lenders.

A closer examination of the industries most impacted by business failures this quarter reveals significant increases in insolvencies within Finance & Insurance, Business Services, and Property & Real Estate when compared to the same period last year.

### INSOLVENCIES BY QUARTER



## Business downturn doesn't have to mean business failure

Slowing cash flow and business uncertainty often signal early signs of business failure. Yet, with strategic and timely intervention, challenging market conditions can be addressed and liquidation avoided. Having an insolvency expert by your side can make the difference if you are hoping to avoid liquidation.

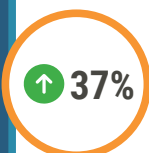


Read the full article [here](#).



### LIQUIDATIONS

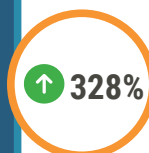
YEARLY COMPARISON  
Q3 2023 - Q3 2024



Q3 2023	534
Q3 2024	732
<b>+ / -</b>	<b>+ 198</b>

### RECEIVERSHIPS

YEARLY COMPARISON  
Q3 2023 - Q3 2024



Q3 2023	18
Q3 2024	77
<b>+ / -</b>	<b>+ 59</b>

### VOLUNTARY ADMINISTRATION

YEARLY COMPARISON  
Q3 2023 - Q3 2024



Q3 2023	9
Q3 2024	18
<b>+ / -</b>	<b>+ 9</b>

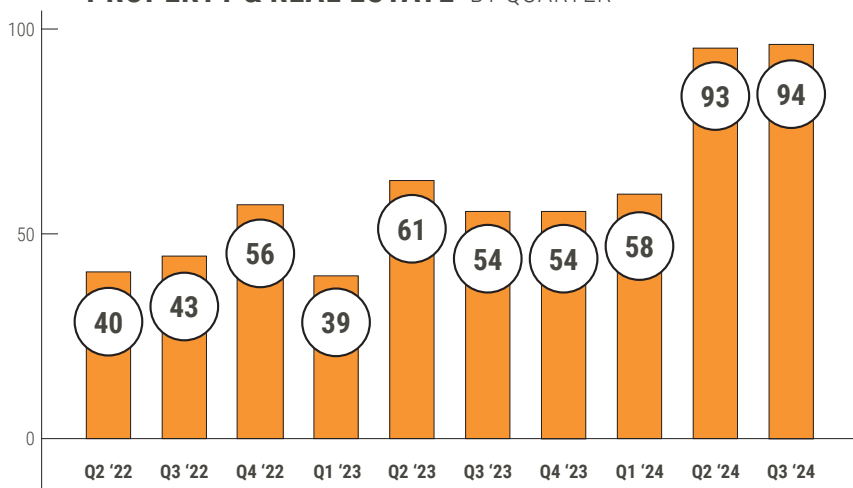


**Insolvencies have risen significantly within the Property & Real Estate sector, with a 74% increase from the same time last year and a marginal 1% rise compared to last quarter.**

This sector encompasses businesses relating to property development, sales, and rentals. Notably, insolvencies involving the development group Du Val account for about a quarter of this sector's total. Other affected businesses are primarily development companies. The current market conditions have been challenging for developers, with homes selling more slowly, therefore tying up liquidity.

This trend also impacts related sectors, with Finance & Insurance insolvencies on the rise. Many businesses in these sectors operate through holding companies linked to property developments, reflecting the interconnected nature of these industries.

**PROPERTY & REAL ESTATE BY QUARTER**



INDUSTRY	Q3 2023	Q3 2024	+ / -
FINANCE & INSURANCE	21	44	110%
PROPERTY & REAL ESTATE	54	94	74%
TRANSPORT & DELIVERY	22	35	59%
CONSTRUCTION	136	215	58%
BUSINESS SERVICES	62	92	48%
FOOD & BEVERAGE	45	60	33%
RETAIL TRADE	57	51	-11%

**QUARTERLY TRENDS**

**Again, we have seen a spike in insolvencies this quarter, with an increase in both receiverships and liquidations.**

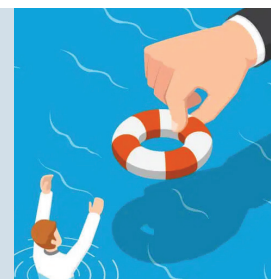
Receiverships increased by 328%, with 77 recorded this quarter compared to 18 last year. Liquidations hit 732, compared to 534 in the same period last year (up 37%), and voluntary administrations (VAs) have doubled when compared to the same period last year, up from nine to 18.

**The trend for the past year has seen an increase in insolvencies each quarter, and we expect this to continue at least until the middle of next year.**

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- ✓ **We're approachable, caring and down-to-earth.** This is what our clients say they like about us.
- ✓ **We work with businesses of all shapes and sizes** anywhere in NZ.



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