FORSYTH BARR

NEW ZEALAND EQUITY RESEARCH

2 DECEMBER 2025

Building Sector
NZ Consents—Back on the Tools

ROHAN KOREMAN-SMIT, CFA
rohan.koreman-smit@forsythbarr.co.nz
+64 9 368 0085

PAUL LAXTON KORAUA
paul.koraua@forsythbarr.co.nz
+64 9 918 9234

ANNABEL HUTCHISON
annabel.hutchison@forsythbarr.co.nz
+64 9 918 9294

October was another solid month for residential consents, which were stable at 39.9k (seasonally adjusted and annualised). The recent lift in consents continues to be driven by high-density dwellings. While lower interest rates and improved housing affordability (broadly back to its long-run average) are likely spurring this uptick in consents, the picture remains clouded by elevated housing inventory, subdued net migration, and declining rents (a real-time housing supply/demand indicator). The trend in non-residential consents remains weak but sentiment has improved over recent months. Recent commentary from the listed building materials sector has highlighted stabilising-to-improving volumes but margins remain under pressure.

Residential consents stable at high levels

Residential consents largely held strong September's gains in October, easing -0.9% on the prior month to 39.9k (seasonally adjusted and annualised) and up +23.3% year on year. This remains firmly above the 30k–35k range of the prior two years. Detached dwellings declined -0.6% on the month but rose +14.7% year on year, while high-density consents fell -1.2% on the month (previously up +14%) but were still up +31.1% year on year. On a 12-month rolling basis, total consents were 35.6k, up +6.2% on the prior year. The 12-month rolling floor area consented is up +7% on the prior year and +22.9% for the three months to October. Floor area is a six- to nine-month lead indicator for demand in FBU's distribution and materials divisions, suggesting a lift in demand from 4Q FY26.

Non-residential still falling

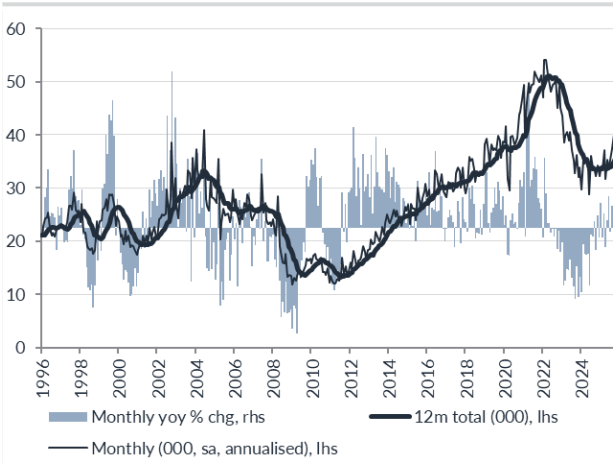
Non-residential consents remained subdued, with value consented down -6.7% on the prior year in October (prev. +47.0%). Non-residential consents can be more lumpy due to the larger project sizes. On a 12-month rolling basis, value consented is down -4.7% and floor area consented is down -6% on the prior year (prev. -1.9% and -6.1% respectively). Education and industrial consents are up on the prior year, but health, commercial, office, and retail remain down. Commercial construction intentions in the ANZ business survey remain positive as lower interest rates and reduced construction costs support project feasibilities, but industry anecdotes suggest tendering remains competitive, margins are tight, and regional variations are significant.

Figure 1. NZ building consents (October 2025)

	1 month	3 months	6 months	Annual
Residential				
Consented dwellings (#)				
Detached houses ('000s)	17.6	17.7	16.9	16.2
Total ('000s)	39.9	39.2	36.9	35.6
yoy % chg				
Detached houses	14.7%	10.7%	5.1%	1.9%
Total	23.3%	17.6%	11.5%	6.2%
Total floor area	22.9%	19.9%	13.2%	7.0%
Non-residential				
Total (NZ$m)	872	2,416	4,667	8,891
yoy % chg	-6.7%	-4.6%	-0.1%	-4.7%

Source: Statistics NZ, Forsyth Barr analysis

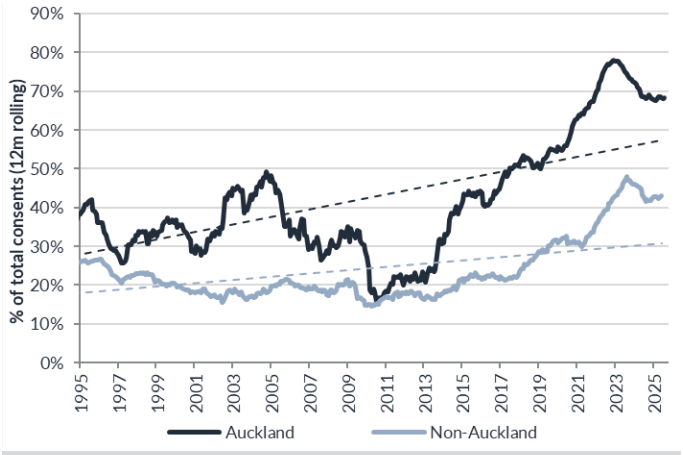
Figure 2. NZ residential consents



Source: Statistics NZ, Forsyth Barr analysis

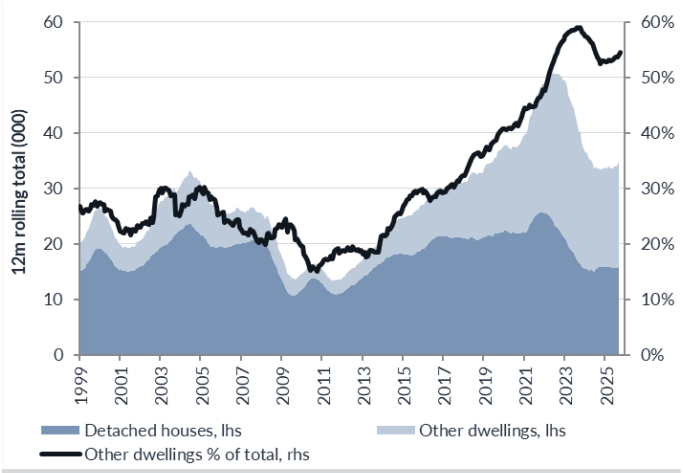
This publication is not for reproduction, public circulation or the use of any third party (whether in whole or in part) without the prior written consent of Forsyth Barr Limited.

Figure 3. % of residential consents multi-tenanted



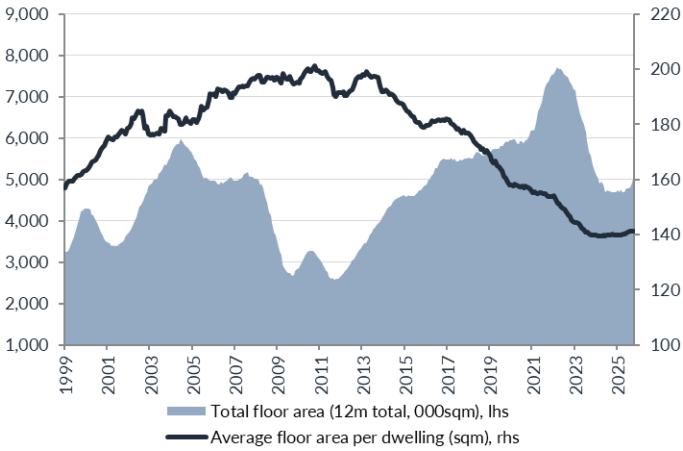
Source: Statistics NZ, Forsyth Barr analysis

Figure 4. NZ residential consents: houses vs other dwellings



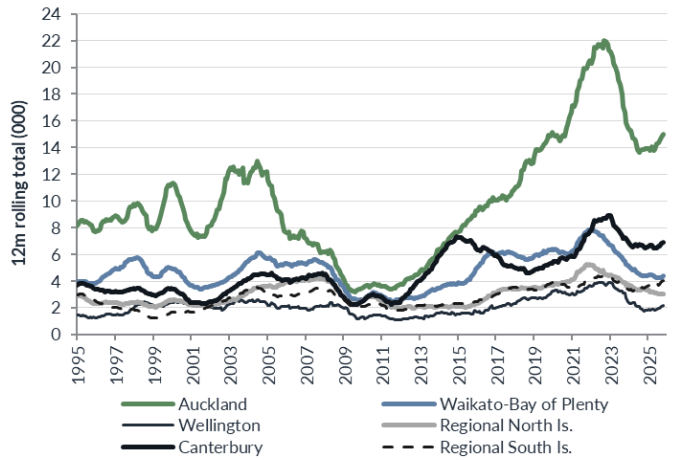
Source: Statistics NZ, Forsyth Barr analysis

Figure 5. NZ residential floor area consented



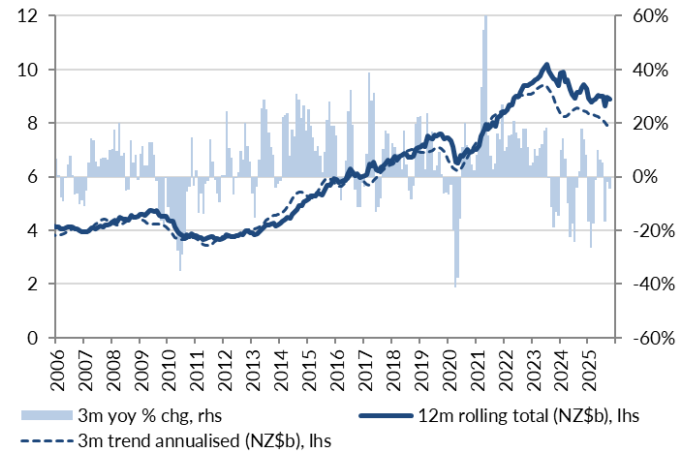
Source: Statistics NZ, Forsyth Barr analysis

Figure 6. NZ residential consents by region



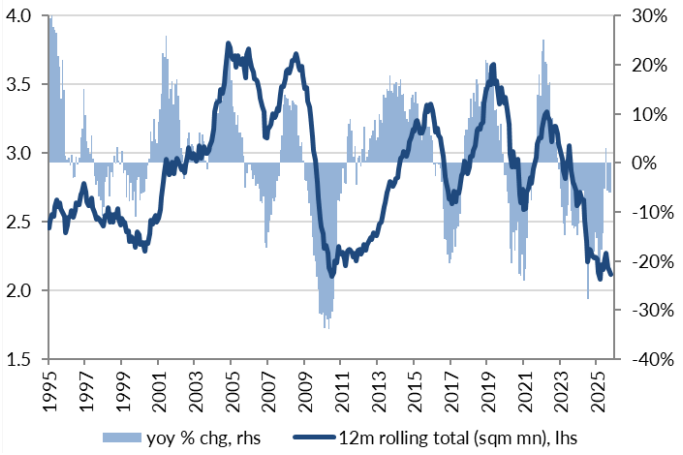
Source:Statistics NZ, Forsyth Barr analysis

Figure 7. NZ non-residential consents (value)



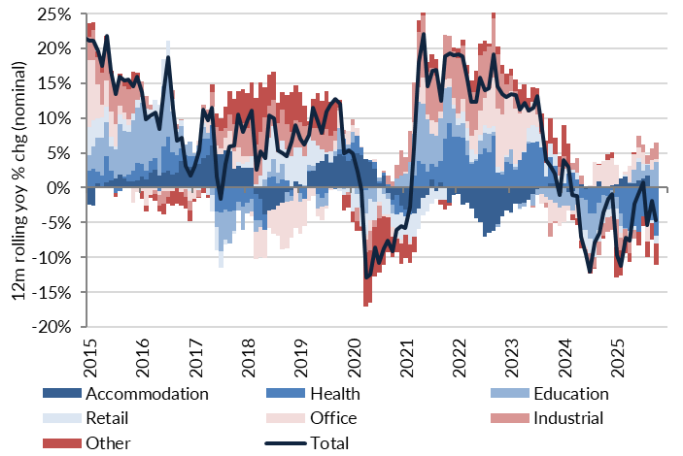
Source: Statistics NZ, Forsyth Barr analysis

Figure 8. NZ non-residential consents (sqm)



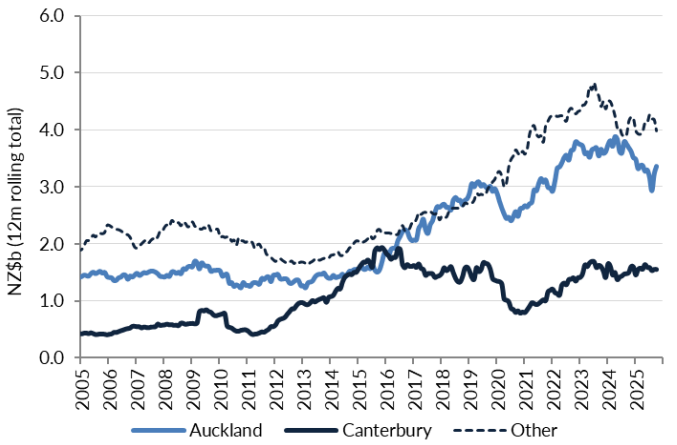
Source: Statistics NZ, Forsyth Barr analysis

Figure 9. NZ non-residential consents by sector



Source: Statistics NZ, Forsyth Barr analysis

Figure 10. NZ non-residential consents by region



Source: Statistics NZ, Forsyth Barr analysis

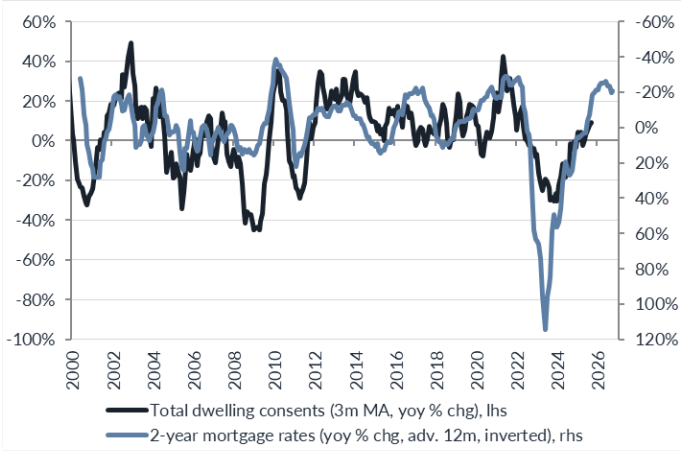
Figure 11. NZ building consents (October 2025)

	1 month	3 months	6 months	Annual
Residential				
Consented dwellings (yoy % chg)				
Auckland	21.0%	17.6%	17.8%	8.3%
Waikato-Bay of Plenty	32.3%	13.8%	-0.1%	-0.4%
Wellington	107.2%	73.4%	44.8%	24.7%
Regional North Is	-6.6%	-4.2%	-9.4%	-11.4%
Canterbury	20.9%	19.9%	12.0%	6.2%
Regional South Is	26.9%	34.6%	7.1%	15.7%
Detached houses	14.7%	10.7%	5.1%	1.9%
Apartments	6.0%	74.8%	70.7%	54.1%
Retirement village units	12.3%	-41.0%	-26.5%	-30.4%
Townhouses, flats, units	37.3%	30.7%	18.3%	9.9%
Non-residential				
Regional (value) yoy % chg				
Auckland	49.3%	19.3%	-0.7%	-8.8%
Canterbury	-1.8%	-9.2%	-0.5%	3.5%
Other	-37.1%	-24.4%	0.7%	-3.9%
Total	**-6.7%**	**-4.6%**	**-0.1%**	**-4.7%**
m2 (000)	168	505	1,071	2,119
yoy % chg	-16.5%	-23.3%	-5.9%	-6.0%
Key sectors (value) yoy % chg				
Accommodation	-14.9%	-32.0%	-4.1%	5.2%
Health	-39.9%	-48.8%	-25.8%	-46.1%
Education	129.2%	72.1%	33.1%	30.3%
Retail	-37.1%	-32.5%	-17.9%	-11.5%
Office	-17.4%	14.1%	1.0%	1.9%
Industrial	11.9%	8.7%	11.1%	8.7%

Source: Statistics NZ, Forsyth Barr analysis

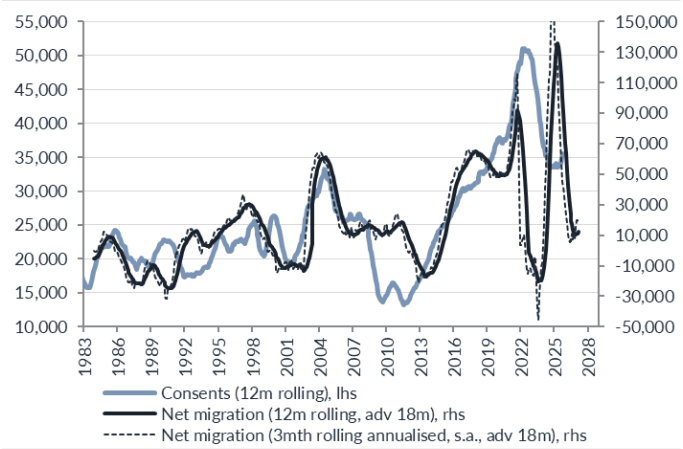
Charts of Interest

Figure 12. Interest rates have fallen significantly



Source: interest.co.nz, Stats NZ, Forsyth Barr analysis

Figure 13. Migration remains subdued



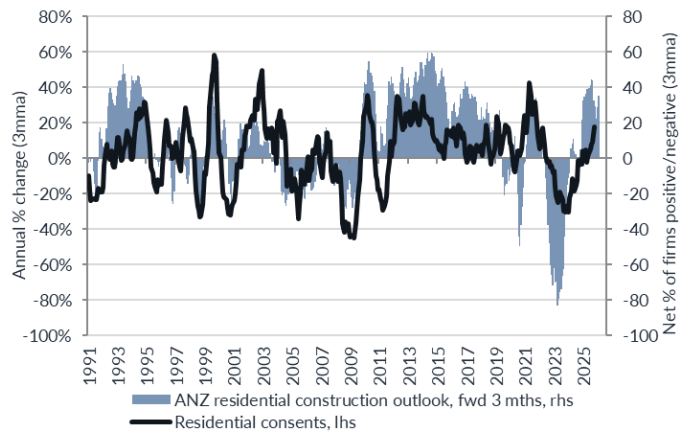
Source: Stats NZ, Forsyth Barr analysis

Figure 14. Housing turnover up from cyclical lows



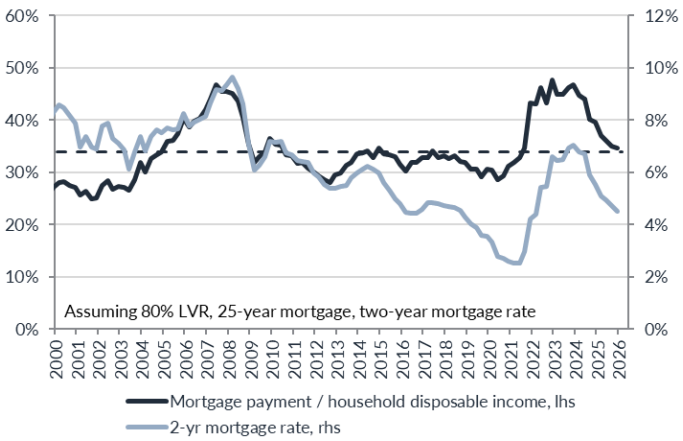
Source: REINZ, Stats NZ, Forsyth Barr analysis

Figure 15. Residential construction intentions positive



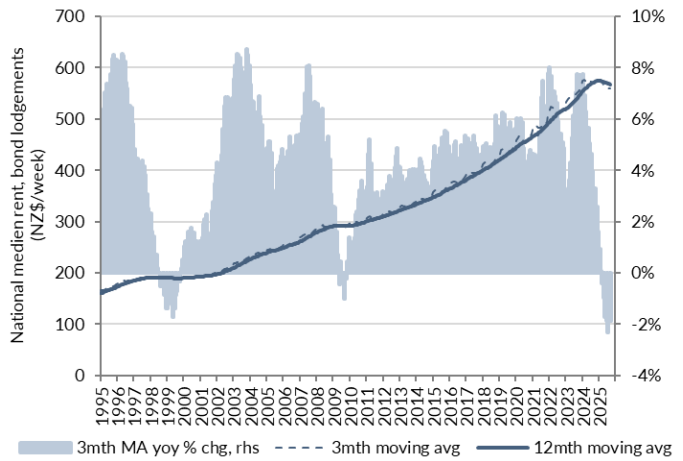
Source: ANZ, Stats NZ, Forsyth Barr analysis

Figure 16. Affordability back in line with long run average



Source: Stats NZ, RBNZ, interest.co.nz, Forsyth Barr analysis

Figure 17. National rents declining



Source: Stats NZ, Forsyth Barr analysis

Disclosures

Important information about this publication

Forsyth Barr Limited ("**Forsyth Barr**") holds a licence issued by the Financial Markets Authority to provide financial advice services. In making this publication available, Forsyth Barr (and not any named analyst personally) is giving any financial advice it may contain. Some information about us and our financial advice services is publicly available. You can find that on our website at www.forsythbarr.co.nz/choosing-a-financial-advice-service. Please note the limitations in relation to distribution generally, and in relation to recipients in Australia in particular, as set out under those headings below.

Any recommendations or opinions in this publication do not take into account your personal financial situation or investment goals, and may not be suitable for you. If you wish to receive personalised financial advice, please contact your Forsyth Barr Investment Adviser.

The value of financial products may go up and down and investors may not get back the full (or any) amount invested. Past performance is not necessarily indicative of future performance.

Forsyth Barr's research ratings are OUTPERFORM, NEUTRAL, and UNDERPERFORM. The ratings are relative to our other equity security recommendations across our New Zealand market coverage and are based on risk-adjusted Estimated Total Returns for the securities in question. Risk-adjusted Estimated Total Returns are calculated from our assessment of the risk profile, expected dividends and target price for the relevant security.

As at 1 Dec 2025, Forsyth Barr's research ratings were distributed as follows:

OUTPERFORM	NEUTRAL	UNDERPERFORM
43.4%	41.5%	15.1%

This publication has been prepared in good faith based on information obtained from sources believed to be reliable and accurate. However, that information has not been independently verified or investigated by Forsyth Barr. If there are material inaccuracies or omissions in the information it is likely that our recommendations or opinions would be different. Any analyses or valuations will also typically be based on numerous assumptions (such as the key WACC assumptions); different assumptions may yield materially different results.

Forsyth Barr does not undertake to keep current this publication; any opinions or recommendations may change without notice to you.

In giving financial advice, Forsyth Barr is bound by duties under the Financial Markets Conduct Act 2013 ("**FMCA**") to:

- exercise care, diligence, and skill,
- give priority to the client's interests, and
- when dealing with retail clients, comply with the Code of Professional Conduct for Financial Advice Services, which includes standards relating to competence, knowledge, skill, ethical behaviour, conduct, and client care.

There are likely to be fees, expenses, or other amounts payable in relation to acting on any recommendations or opinions in this publication. If you are Forsyth Barr client we refer you to the Advice Information Statement for your account for more information.

Analyst certification: The research analyst(s) primarily responsible for the preparation and content of this publication ("**Analysts**") are named on the first page of this publication. Each such Analyst certifies (other than in relation to content or views expressly attributed to another analyst) that (i) the views expressed in this publication accurately reflect their personal views about each issuer and financial product referenced; and (ii) no part of the Analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that Analyst in this publication.

Analyst holdings: For information about analyst holdings in a particular financial product referred to in this publication, please refer to the most recent research report for that financial product.

Other disclosures: Forsyth Barr and its related companies (and their respective directors, officers, agents and employees) ("**Forsyth Barr Group**") may have long or short positions or otherwise have interests in the financial products referred to in this publication, and may be directors or officers of, and/or provide (or be intending to provide) corporate advisory or other services to, the issuer of those financial products (and may receive fees for so acting). Members of the Forsyth Barr Group may buy or sell financial products as principal or agent, and in doing so may undertake transactions that are not consistent with any recommendations contained in this publication. Other Forsyth Barr business units may hold views different from those in this publication; any such views will generally not be brought to your attention. Forsyth Barr confirms no inducement has been accepted from the issuer(s) that are the subject of this publication, whether pecuniary or otherwise, in connection with making any recommendation contained in this publication. In preparing this publication, non-financial assistance (for example, access to staff or information) may have been provided by the issuer(s) being researched.

Corporate advisory engagements: For information about whether Forsyth Barr has within the past 12 months been engaged to provide corporate advisory services to an issuer that is the subject of this publication, please refer to the most recent research report for that issuer's financial products.

Managing conflicts: Forsyth Barr follows a research process (including through the Analyst certification above) designed to ensure that the recommendations and opinions in our research publications are not influenced by the interests disclosed above.

Complaints: Information about Forsyth Barr's complaints process and our dispute resolution process is available on our website – www.forsythbarr.co.nz.

Disclaimer: Where the FMCA applies, liability for the FMCA duties referred to above cannot by law be excluded. However to the maximum extent permitted by law, Forsyth Barr otherwise excludes and disclaims any liability (including in negligence) for any loss which may be incurred by any person acting or relying upon any information, analysis, opinion or recommendation in this publication. Nothing in this publication should be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from doing so, or to engage in any other transaction.

Distribution: This publication is not intended to be distributed or made available to any person in any jurisdiction where doing so would constitute a breach of any applicable laws or regulations or would subject Forsyth Barr to any registration or licensing requirement within such jurisdiction.

Recipients in Australia: This publication is only available to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001 (Cth) ("**wholesale clients**"). In no circumstances may this publication be made available to a "retail client" within the meaning of section 761G. Further, this

publication is only available on a limited basis to authorised recipients in Australia. Forsyth Barr is a New Zealand company operating in New Zealand that is regulated by the Financial Markets Authority of New Zealand and NZX. This publication has been prepared in New Zealand in accordance with applicable New Zealand laws, which may differ from Australian laws. Forsyth Barr does not hold an Australian financial services licence. This publication may refer to a securities offer or proposed offer which is not available to investors in Australia, or is only available on a limited basis, such as to professional investors or others who do not require prospectus disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) and are wholesale clients.

Terms of use: Copyright Forsyth Barr Limited. You may not redistribute, copy, revise, amend, create a derivative work from, extract data from, or otherwise commercially exploit this publication in any way. By accessing this publication via an electronic platform, you agree that the platform provider may provide Forsyth Barr with information on your readership of the publications available through that platform.