FORSYTH BARR

NEW ZEALAND EQUITY RESEARCH

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Building Sector
NZ Consents—Levelling Out

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Residential consents continued to moderate in July but remain at a solid *c.*40k (seasonally adjusted and annualised [s.a.]). Floor area consented was more stable with the decline in consents largely in more volatile higher-density dwellings. Floor area is a solid indicator of residential construction activity with a six-to-nine-month lag. Looking forward, we expect consents to continue to moderate over the coming months; mortgage rates have moved higher; migration and population growth remain low; housing inventory is elevated; and residential rent growth is subdued. For non-residential, the trend in consents continues to modestly improve off its lows. This is in line with the August reporting season, which highlighted a pick-up in construction activity from trough levels, but outlook statements were cautious on the second half of 2026 given ongoing macro volatility and the general election, with growth expected to resume in 2027.

Residential slightly down but still strong

Residential consents decreased slightly but were still strong in July, down -4.2% on the prior month to 40.1k (s.a. annualised) and up +10.9% on the prior year. Annualised consents have settled around the *c.*40k base level over the last nine months, peaking at *c.*45k in April. Detached dwellings were down -0.1% on the prior month (previously down -3.5%) and up +16.4% on the prior year. High-density was down -3.9% on the prior month (previously down -3.5%) and up +6.1% on the prior year. On a 12-month rolling basis, total consents were up +20.7% on the prior year to 40.9k and floor area was up +18.6% year on year.

Non-residential remains weak but is improving

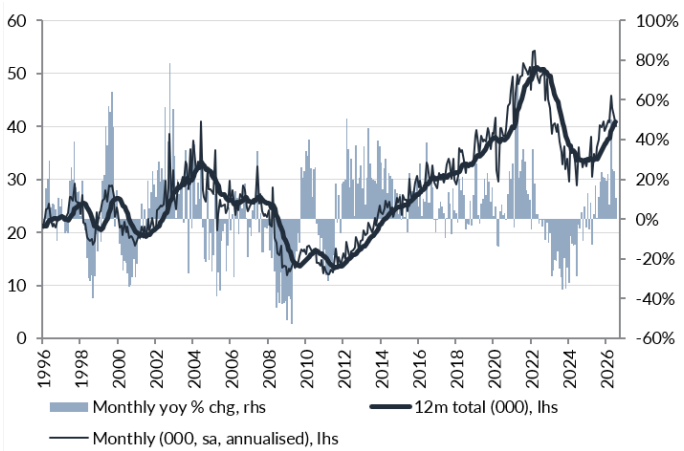
Non-residential had another solid month, with value consented up +6.0% on the prior year. On a 12-month rolling basis, non-residential value is down -2.5% and floor area consented is down -0.3% on the prior year (previously -2.9% and -1.4% respectively). By sector: accommodation and education increased on a 12-month rolling basis, while health, retail, and industrial consents declined. Recent months have highlighted an improving trend in non-residential consents.

Figure 1. NZ building consents (July 2026)

	1 month	3 months	6 months	Annual
Residential				
Consented dwellings (#)				
Detached houses ('000s)	19.5	19.8	19.8	18.9
Total ('000s)	40.1	41.8	42.1	40.9
yoy % chg				
Detached houses	16.4%	22.2%	26.1%	20.4%
Total	10.9%	19.8%	22.4%	20.7%
Total floor area	7.9%	15.8%	18.9%	18.6%
Non-residential				
Total (NZ$m)	730	2,221	4,430	8,826
yoy % chg	6.0%	-3.1%	-2.5%	-2.5%

Source: Statistics NZ, Forsyth Barr analysis

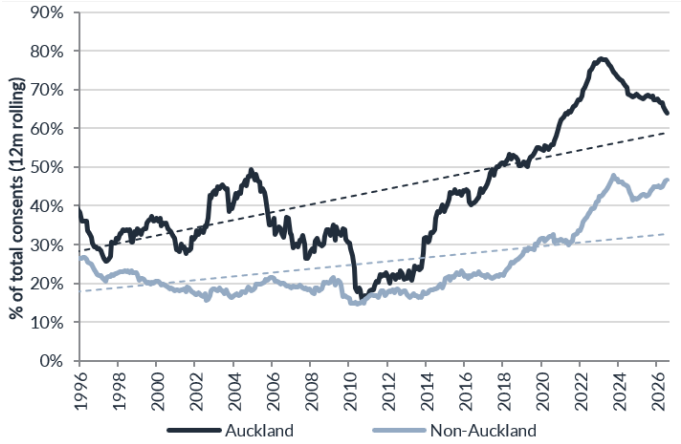
Figure 2. NZ residential consents



Source: Statistics NZ, Forsyth Barr analysis

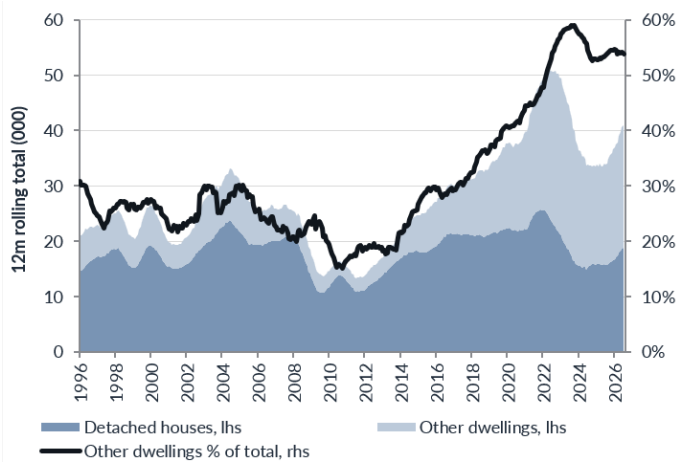
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Figure 3. % of residential consents multi-tenanted



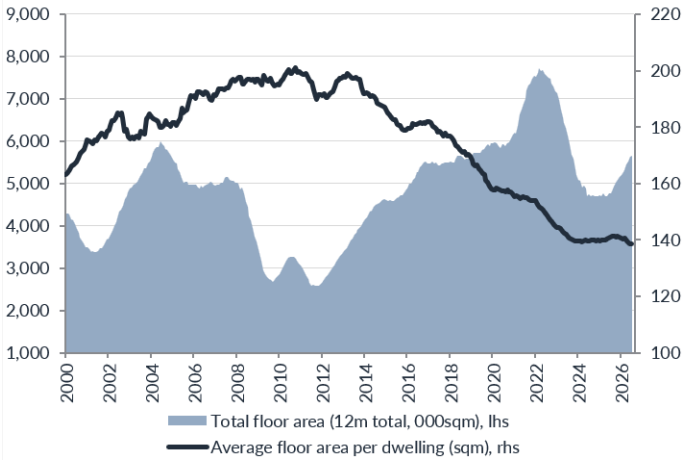
Source: Statistics NZ, Forsyth Barr analysis

Figure 4. NZ residential consents: houses vs other dwellings



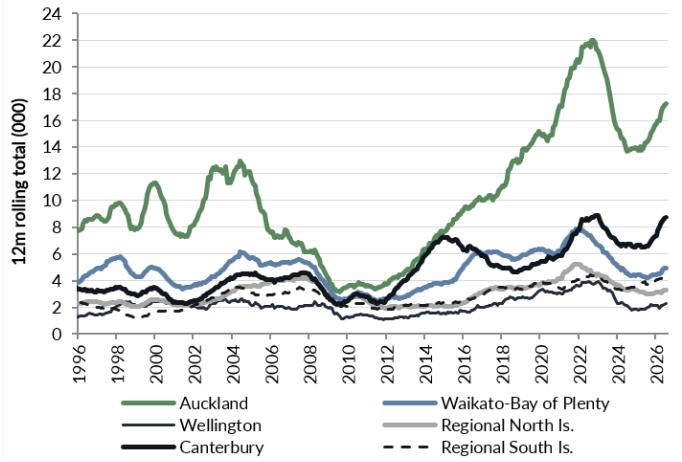
Source: Statistics NZ, Forsyth Barr analysis

Figure 5. NZ residential floor area consented



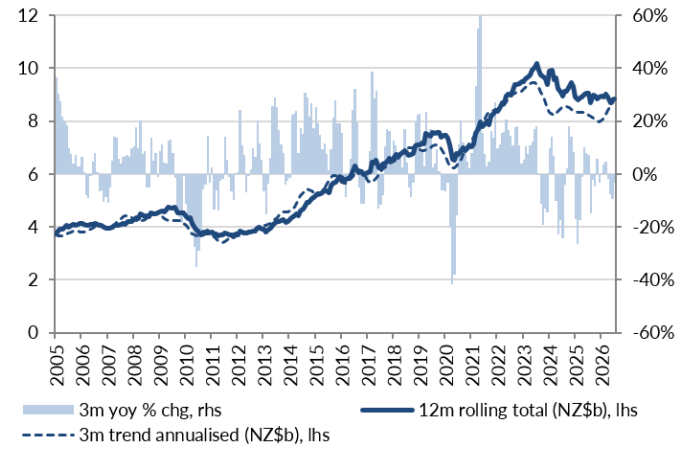
Source: Statistics NZ, Forsyth Barr analysis

Figure 6. NZ residential consents by region



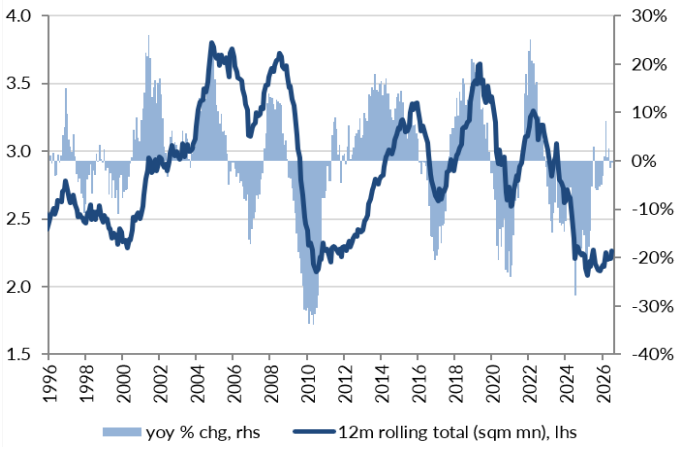
Source:Statistics NZ, Forsyth Barr analysis

Figure 7. NZ non-residential consents (value)



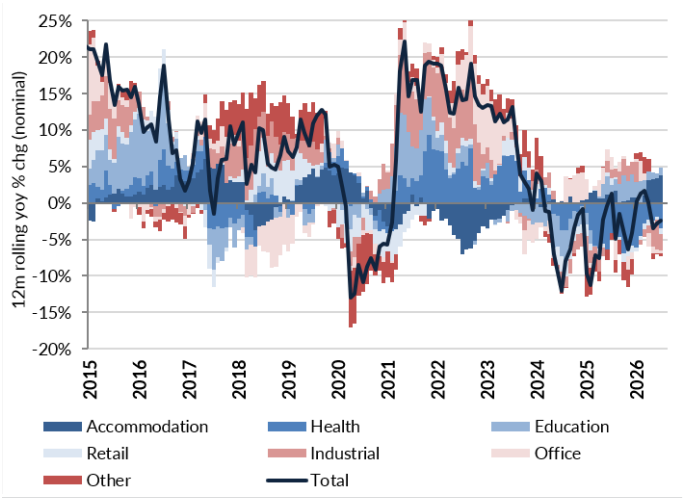
Source: Statistics NZ, Forsyth Barr analysis

Figure 8. NZ non-residential consents (sqm)



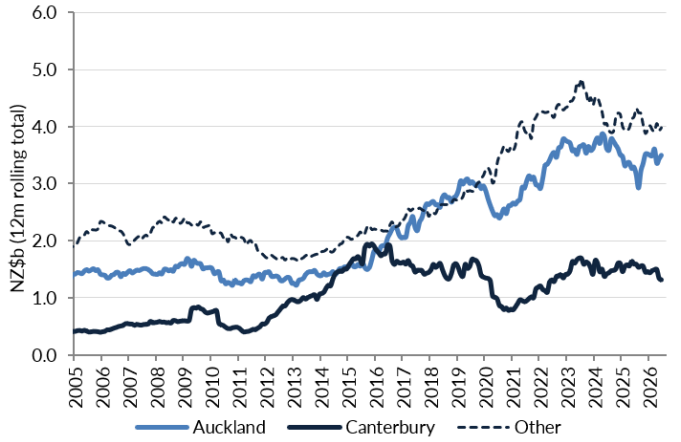
Source: Statistics NZ, Forsyth Barr analysis

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

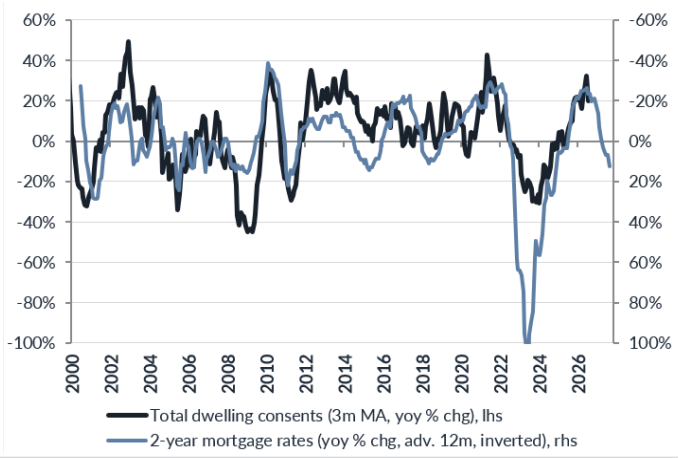
Figure 11. NZ building consents (July 2026)

	1 month	3 months	6 months	Annual
Residential				
Consented dwellings (yoy % chg)				
Auckland	12.1%	14.7%	19.7%	20.3%
Waikato-Bay of Plenty	3.1%	29.7%	22.5%	16.2%
Wellington	36.1%	36.1%	14.2%	17.3%
Regional North Is	15.7%	27.3%	13.2%	9.2%
Canterbury	12.5%	18.4%	40.6%	20.7%
Regional South Is	-16.1%	21.8%	16.5%	18.0%
Detached houses	16.4%	22.2%	26.1%	20.4%
Apartments	2.1%	-31.7%	6.4%	10.5%
Retirement village units	-65.2%	-3.4%	15.6%	13.7%
Townhouses, flats, units	10.9%	25.6%	21.7%	23.5%
Non-residential				
Regional (value) yoy % chg				
Auckland	-1.6%	20.6%	-0.1%	10.7%
Canterbury	8.6%	-40.6%	-14.6%	-16.7%
Other	9.6%	-2.8%	0.2%	-6.8%
Total	**6.0%**	**-3.1%**	**-2.5%**	**-2.5%**
m2 (000)	214	631	1,288	2,266
yoy % chg	41.3%	11.3%	8.7%	-0.3%
Key sectors (value) yoy % chg				
Accommodation	95.9%	81.3%	123.2%	65.0%
Health	-55.7%	-30.0%	-18.3%	-33.2%
Education	-2.9%	-1.9%	-1.6%	8.4%
Retail	-8.9%	-1.1%	-1.2%	-8.6%
Office	5.7%	15.2%	-18.7%	-2.3%
Industrial	50.3%	-3.3%	-14.7%	-7.4%

Source: Statistics NZ, Forsyth Barr analysis

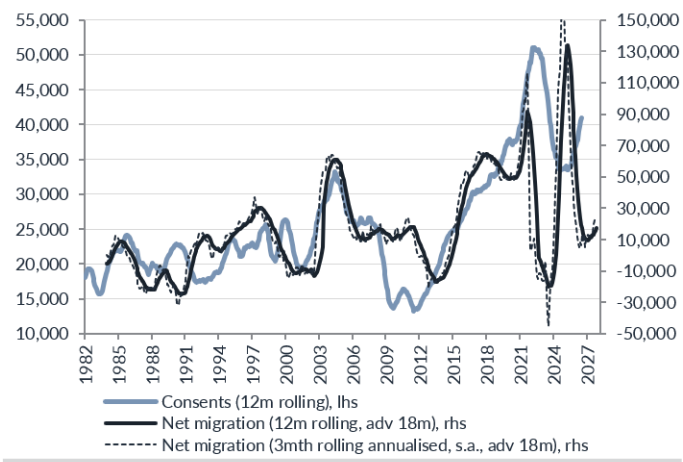
Charts of Interest

Figure 12. Interest rate growth has accelerated



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

Figure 13. Migration remains subdued



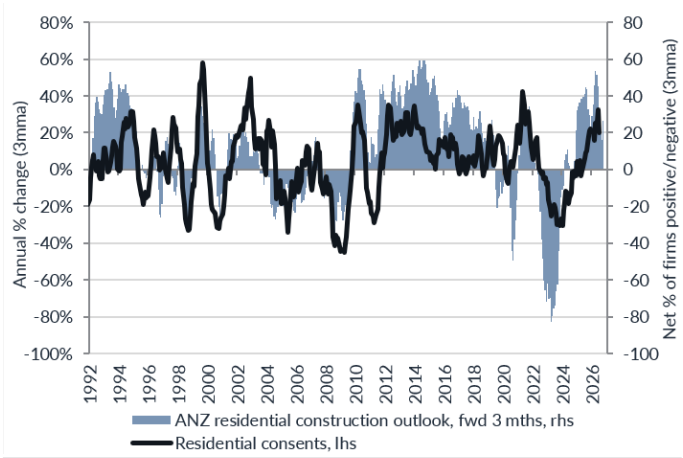
Source: Stats NZ, Forsyth Barr analysis

Figure 14. Housing turnover remains sluggish



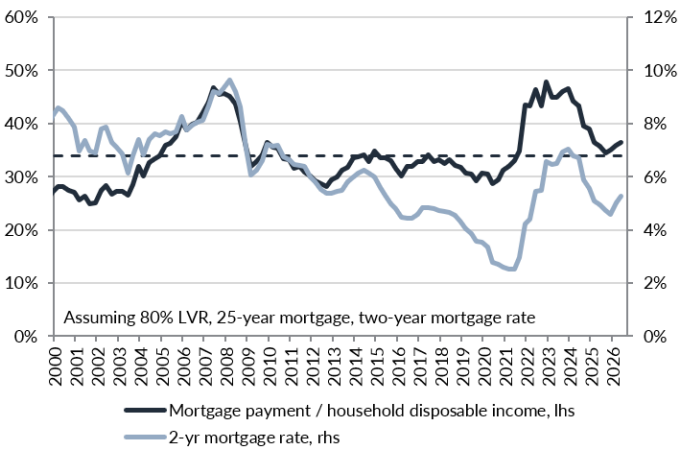
Source: REINZ, Stats NZ, Forsyth Barr analysis

Figure 15. Residential construction intentions have recovered



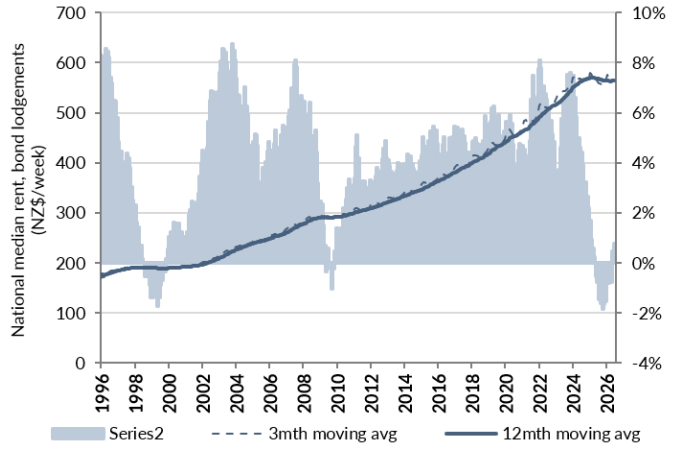
Source: ANZ, Stats NZ, Forsyth Barr analysis

Figure 16. Affordability is back above the long-run average



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

Figure 17. National residential rent growth remains elusive



Source: Stats NZ, Forsyth Barr analysis

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