FORSYTH BARR

NEW ZEALAND EQUITY RESEARCH

4 MAY 2026

# Building Sector
## NZ Consents—Room to Build


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Residential consents remained resilient in March, marking a seventh consecutive month at *c.*40k (seasonally adjusted and annualised). Interest rate increases through early 2026 have likely tempered the steady momentum in consents observed over recent months (Figure 12). Net migration looks to be picking up from recent lows, but housing market activity remains muted and residential rent growth remains subdued. Non-residential consents appear to be stabilising. Consenting data is supportive of a pick-up in volumes in Fletcher Building's (FBU) materials and distribution over the next six to nine months, though we note ongoing macroeconomic uncertainties will likely further delay the recovery. FBU's 3Q26 volume update highlighted some improvement in volumes but also ongoing competitive margin pressure, and noted early signs of a softening in demand and project delays.

### Residential tapering off slightly

Residential consents softened slightly in March, down -1.2% on the prior month to 40.4k (seasonally adjusted and annualised) though still up +7.5% on the prior year. Annualised consents have settled around *c.*40k in recent months. Detached dwellings were up +0.2% on the prior month (previously +4.2%) and up +22.7% on the prior year. High-density was down -2.6% on the prior month (previously +1.5%) and down -3.6% on the prior year. On a 12-month rolling basis, consents were up +11.0% on the prior year to 37.8k, while floor area was up +11.6% on the prior year.

### Non-residential more positive... for now

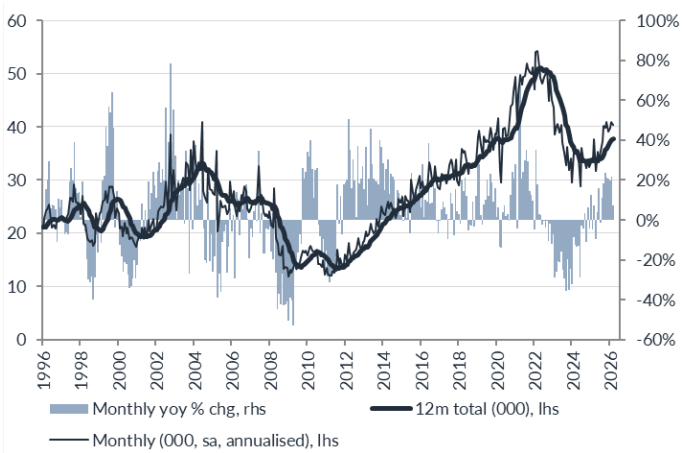
Non-residential appears to be stabilising, with value consented up +14.8% on the prior year and 12-month rolling basis value up +1.2% and floor area up +8.3% on the prior year (previously +0.7% and -0.8% respectively). By sector, accommodation and education consents increased on a 12-month rolling basis, while health and retail declined. Farm building consents were notably strong, up +133% on the prior year and up +75% on a three-month rolling basis, likely supported by Fonterra payouts. Non-residential activity can be volatile given the timing and size of projects, but the general trend through the first quarter of 2026 has been positive, though this largely preceded current geopolitical tensions.

**Figure 1. NZ building consents (March 2026)**

| | 1 month | 3 months | 6 months | Annual |
|---|---|---|---|---|
| **Residential** | | | | |
| **Consented dwellings (#)** | | | | |
| Detached houses ('000s) | 19.4 | 19.1 | 18.5 | 17.4 |
| Total ('000s) | 40.4 | 40.4 | 40.2 | 37.8 |
| | | | | |
| **yoy % chg** | | | | |
| Detached houses | 22.7% | 22.5% | 20.8% | 9.2% |
| Total | 7.5% | 16.0% | 18.8% | 11.0% |
| Total floor area | 9.9% | 13.9% | 16.9% | 11.6% |
| | | | | |
| **Non-residential** | | | | |
| Total (NZ$m) | 862 | 2,162 | 4,407 | 8,970 |
| yoy % chg | 14.8% | 4.6% | 0.4% | 1.2% |

Source: Statistics NZ, Forsyth Barr analysis

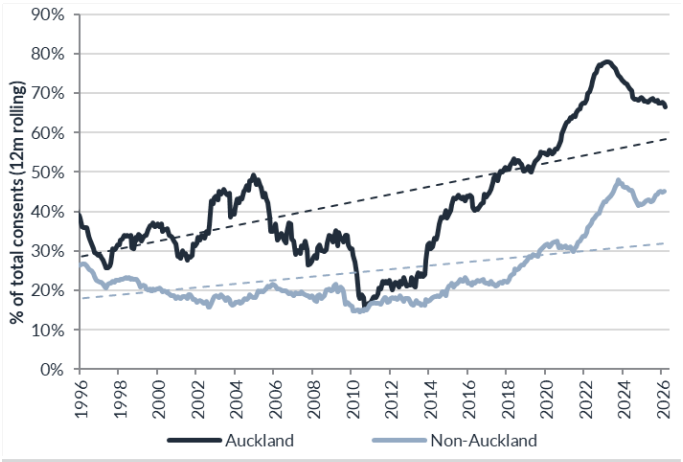
**Figure 2. NZ residential consents**




Source: Statistics NZ, Forsyth Barr analysis

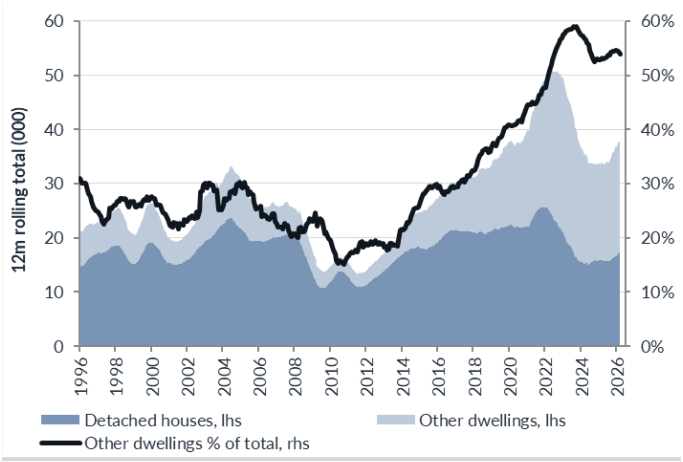
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### Figure 3. % of residential consents multi-tenanted



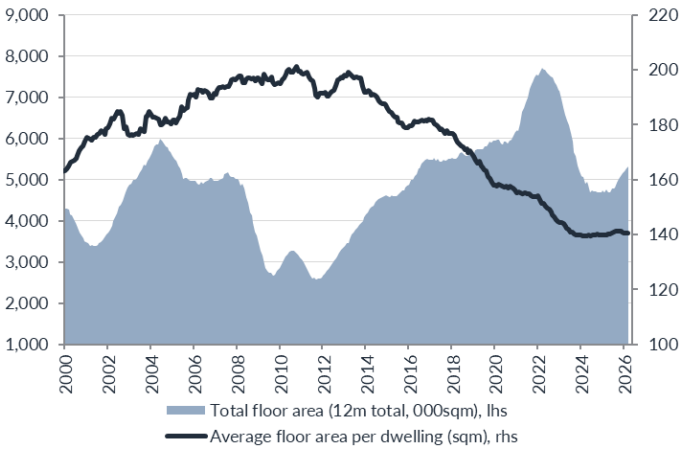

Source: Statistics NZ, Forsyth Barr analysis

### Figure 4. NZ residential consents: houses vs other dwellings



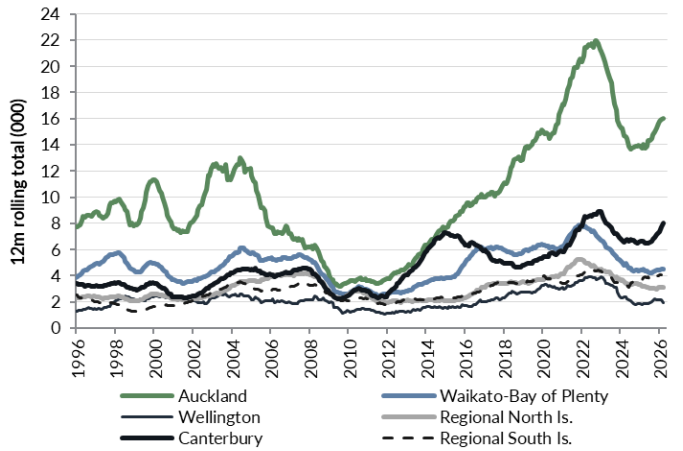

Source: Statistics NZ, Forsyth Barr analysis

### Figure 5. NZ residential floor area consented



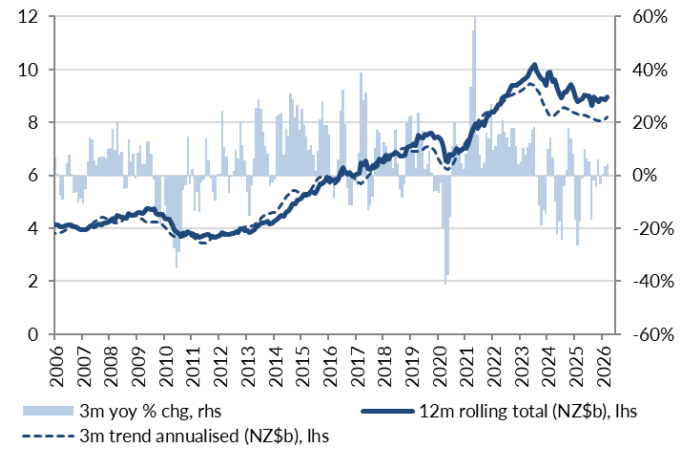

Source: Statistics NZ, Forsyth Barr analysis

### Figure 6. NZ residential consents by region



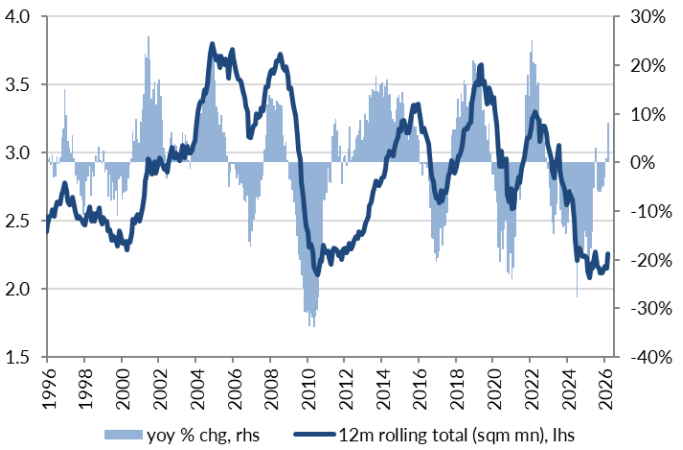

Source:Statistics NZ, Forsyth Barr analysis

### Figure 7. NZ non-residential consents (value)



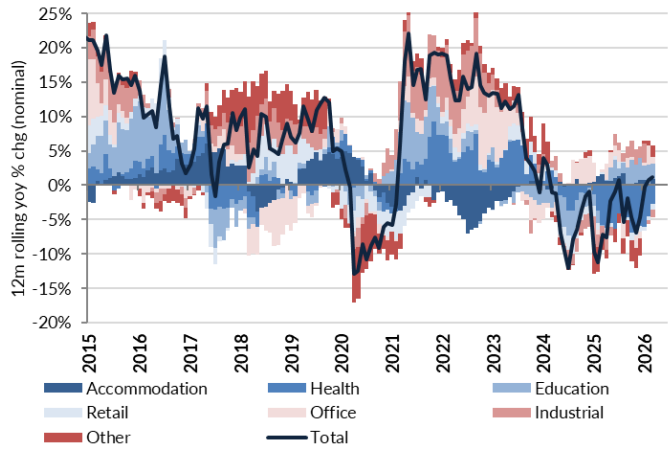

Source: Statistics NZ, Forsyth Barr analysis

### Figure 8. NZ non-residential consents (sqm)



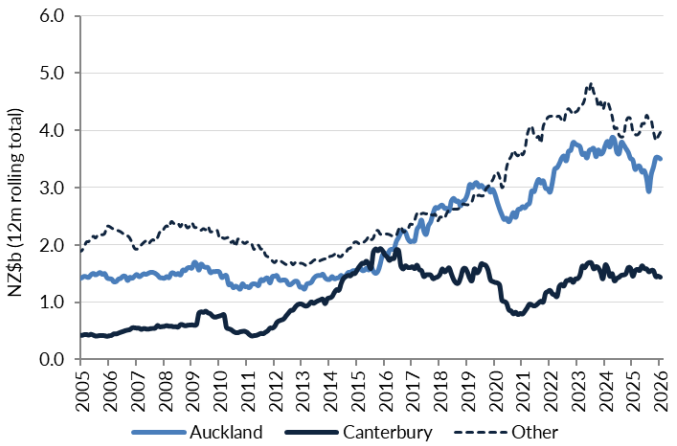

Source: Statistics NZ, Forsyth Barr analysis

### 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

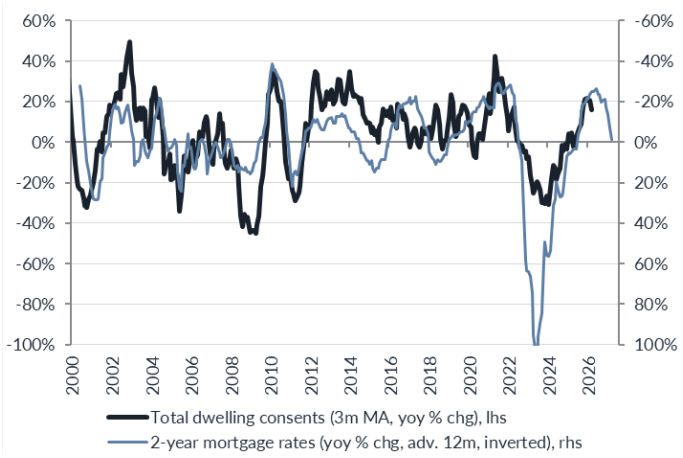
### Figure 11. NZ building consents (March 2026)

| | 1 month | 3 months | 6 months | Annual |
|---|---|---|---|---|
| **Residential** | | | | |
| **Consented dwellings (yoy % chg)** | 0.8% | 10.6% | 17.8% | 13.8% |
| Auckland | 10.9% | 7.0% | 12.0% | 1.1% |
| Waikato-Bay of Plenty | -49.7% | -33.7% | -10.7% | 3.8% |
| Wellington | 5.3% | 4.4% | 7.7% | -0.5% |
| Regional North Is | 57.9% | 50.5% | 38.5% | 11.0% |
| Canterbury | 21.6% | 23.8% | 12.3% | 8.6% |
| Regional South Is | | | | |
| | 22.7% | 22.5% | 20.8% | 9.2% |
| Detached houses | -46.5% | -18.1% | -28.6% | 6.1% |
| Apartments | 64.9% | 89.5% | 93.5% | 8.1% |
| Retirement village units | 7.2% | 7.5% | 18.9% | 14.1% |
| Townhouses, flats, units | | | | |
| | | | | |
| **Non-residential** | | | | |
| **Regional (value) yoy % chg** | 47.5% | 12.2% | 28.8% | 7.2% |
| Auckland | 13.3% | 8.0% | -7.5% | -5.4% |
| Canterbury | -6.7% | -2.5% | -14.1% | -1.4% |
| Other | **14.8%** | **4.6%** | **0.4%** | **1.2%** |
| **Total** | | | | |
| | 270 | 617 | 1,099 | 2,255 |
| m2 (000) | 63.4% | 24.2% | 10.2% | 8.3% |
| yoy % chg | | | | |
| | | | | |
| **Key sectors (value) yoy % chg** | | | | |
| Accommodation | 186.7% | 68.7% | 52.0% | 16.1% |
| Health | 76.0% | 11.6% | -23.2% | -24.9% |
| Education | 3.7% | 2.6% | 16.8% | 15.8% |
| Retail | 24.4% | 20.0% | 6.5% | -7.8% |
| Office | -46.6% | 9.1% | -7.3% | 5.3% |
| Industrial | -13.1% | -26.3% | -14.5% | -3.6% |

Source: Statistics NZ, Forsyth Barr analysis

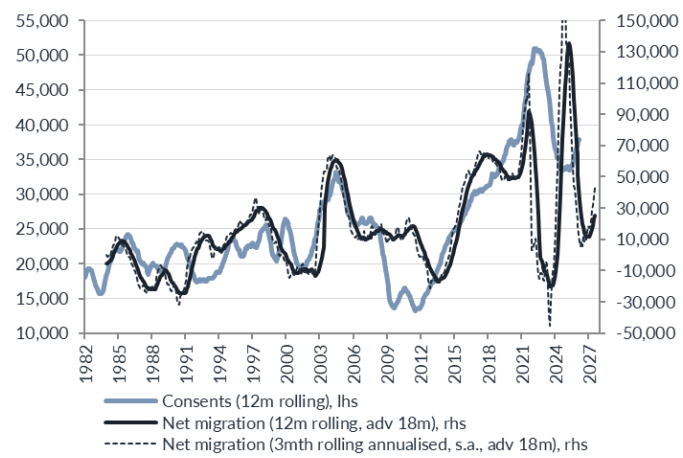
# Charts of Interest

### Figure 12. Interest rate increases are starting to flow through




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

### Figure 13. Migration picking up from lows



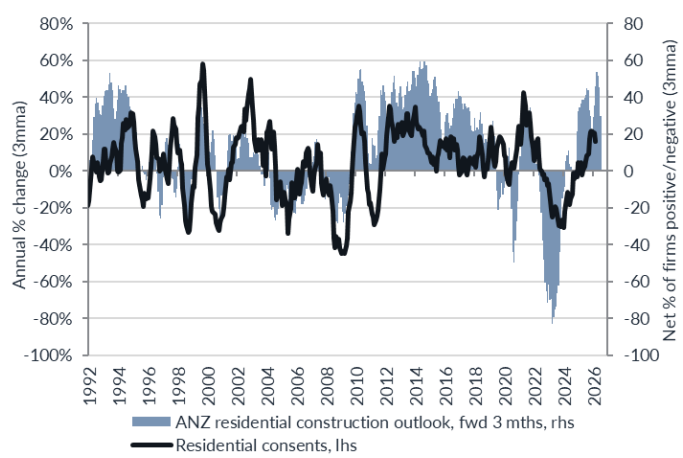

Source: Stats NZ, Forsyth Barr analysis

### Figure 14. Housing turnover still slowing



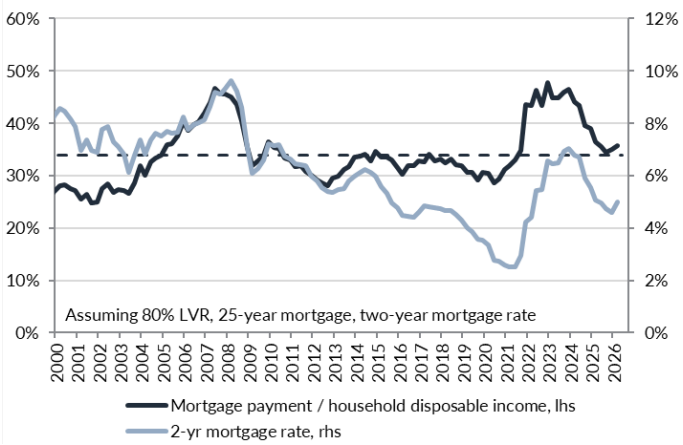

Source: REINZ, Stats NZ, Forsyth Barr analysis

### Figure 15. Resi outlook turned increasingly negative in March



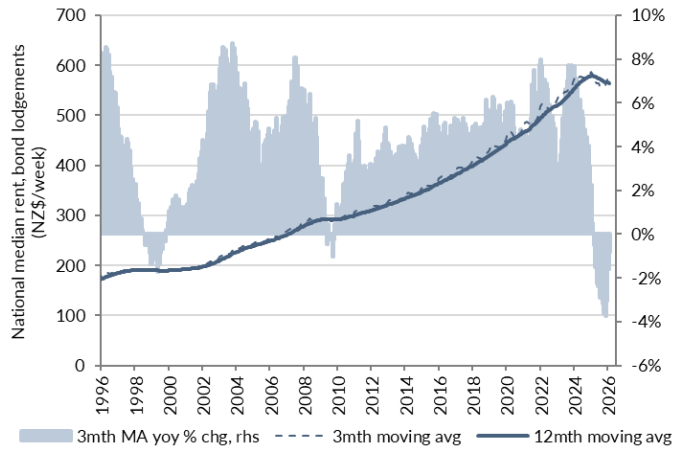

Source: ANZ, Stats NZ, Forsyth Barr analysis

### Figure 16. Affordability back above its long-run average




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

### Figure 17. National rents continue declining




Source: Stats NZ, Forsyth Barr analysis

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