FORSYTH BARR

NEW ZEALAND EQUITY RESEARCH

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Building Sector
NZ Consents—Yet to Falter

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Residential consents were strong in April at 45.6k (seasonally adjusted and annualised). Given the delay between submitting and receiving consenting approval (roughly two months), we suspect these levels reflect pre-war applications when conditions were more supportive. There was also a large number of Auckland apartment consents. We expect geopolitical uncertainties, rising fuel costs, inflation concerns, and increased mortgage rates to weigh on consents over the coming months. Housing market activity has already slowed with a drop in sales volumes. Residential floor area consented (12-month rolling +16% year on year) typically leads Fletcher Building's (FBU) materials and distribution volumes by six to nine months. The May QVCostBuilder update indicated that the average price of a number of materials increased over the month, including ready-mix concrete (+4.1%), insulation (+4.7%), and plasterboard (+1.9%).

A step up in residential consents in April

Residential consents were strong in April, up +10.9% on the prior month to 45.6k (seasonally adjusted and annualised) and up +49.7% on the prior year. Residential consents had been broadly stable at *c.*40k since September 2025. Detached dwellings were up +6.1% on the prior month (previously up +0.6%) and up +39.4% on the prior year. High density was up +15.2% on the prior month (previously -2.6%) and up +59.7% on the prior year, including a big step up in Auckland apartment consents, which can be more lumpy. On a 12-month rolling basis, total consents were up +16.5% on the prior year to 39.1k, and floor area was up +16.2% year on year.

Non-residential still lagging

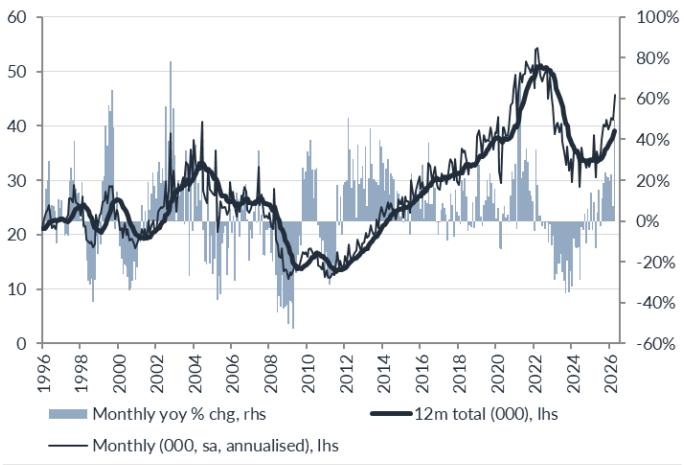
Non-residential value consented fell -14.8% on the prior year. On a 12-month rolling basis, non-residential value is down -0.4% and floor area consented is up +0.7% on the prior year (previously +1.2% and +8.3% respectively). By sector: accommodation and education increased on a 12-month rolling basis, while health, office, commercial, and retail consents declined. While non-residential activity can be volatile given the timing and size of projects, the general trend has been negative since late 2023. Industry anecdotes highlight that fuel cost increases have already led to project delays, with tendering remaining competitive and margins pressured.

Figure 1. NZ building consents (April 2026)

	1 month	3 months	6 months	Annual
Residential				
Consented dwellings (#)				
Detached houses ('000s)	20.8	19.9	19.1	17.9
Total ('000s)	45.6	42.8	41.5	39.1
yoy % chg				
Detached houses	39.4%	30.5%	24.7%	13.5%
Total	49.7%	25.1%	23.0%	16.5%
Total floor area	40.1%	22.2%	19.4%	16.2%
Non-residential				
Total (NZ$m)	655	2,209	4,190	8,856
yoy % chg	-14.8%	-1.9%	-0.8%	-0.4%

Source: Statistics NZ, Forsyth Barr analysis

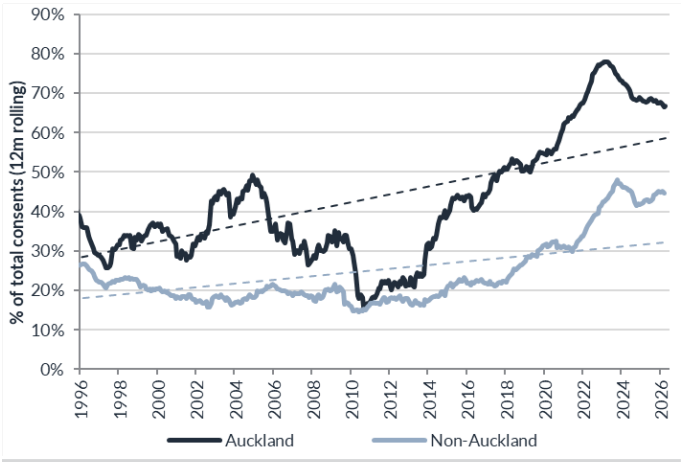
Figure 2. NZ residential consents



Source: Statistics NZ, Forsyth Barr analysis

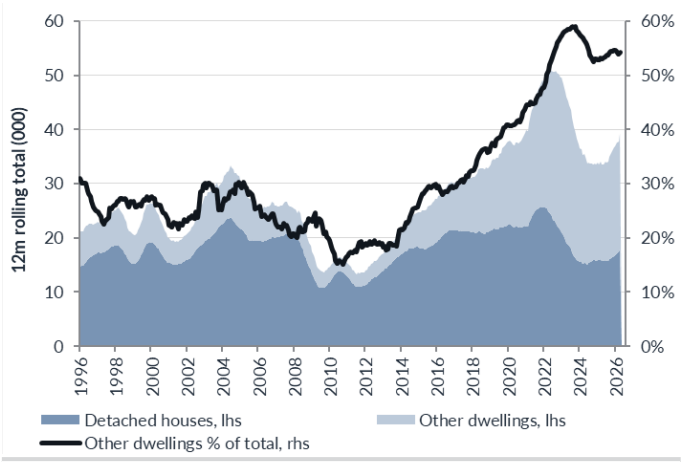
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Figure 3. % of residential consents multi-tenanted



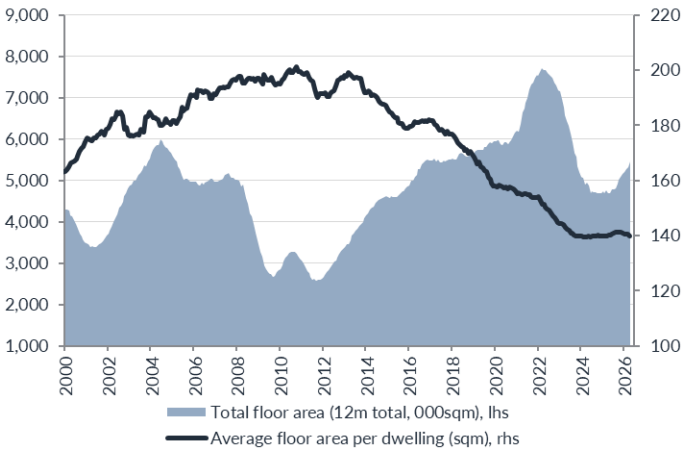
Source: Statistics NZ, Forsyth Barr analysis

Figure 4. NZ residential consents: houses vs other dwellings



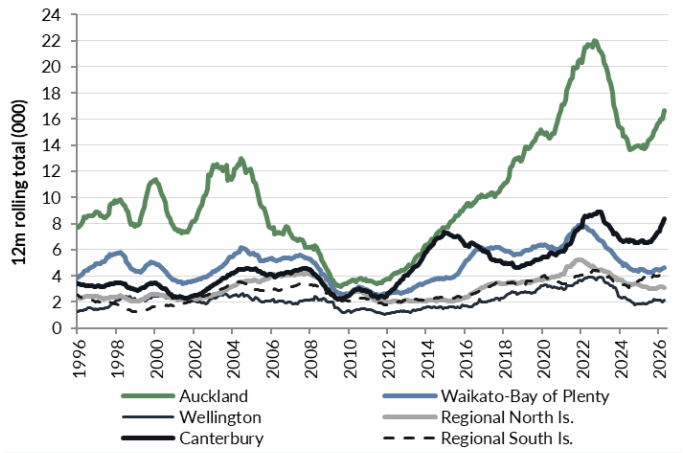
Source: Statistics NZ, Forsyth Barr analysis

Figure 5. NZ residential floor area consented



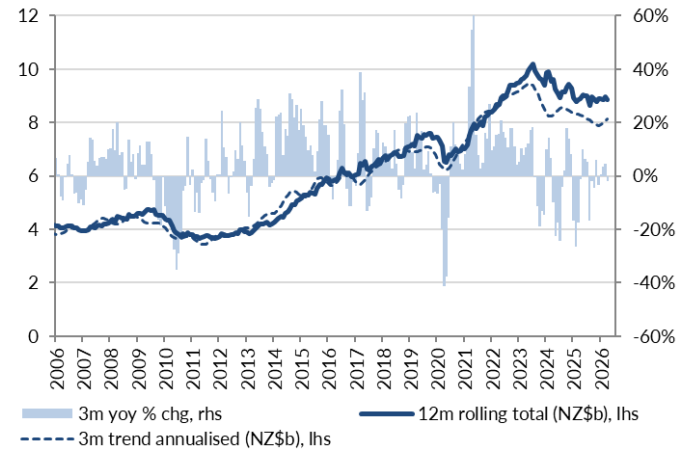
Source: Statistics NZ, Forsyth Barr analysis

Figure 6. NZ residential consents by region



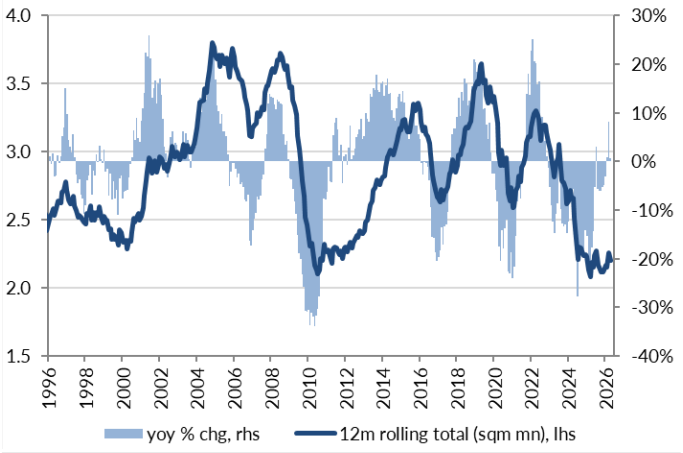
Source:Statistics NZ, Forsyth Barr analysis

Figure 7. NZ non-residential consents (value)



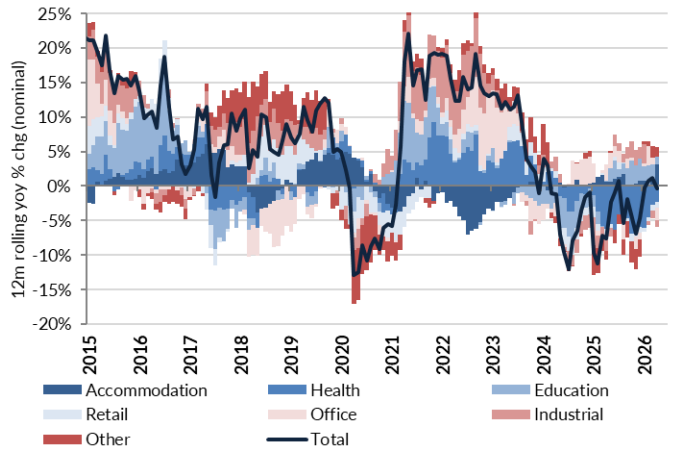
Source: Statistics NZ, Forsyth Barr analysis

Figure 8. NZ non-residential consents (sqm)



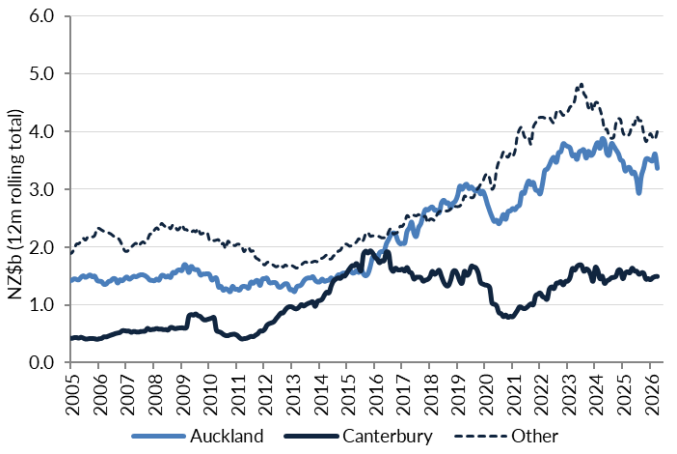
Source: Statistics NZ, Forsyth Barr analysis

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

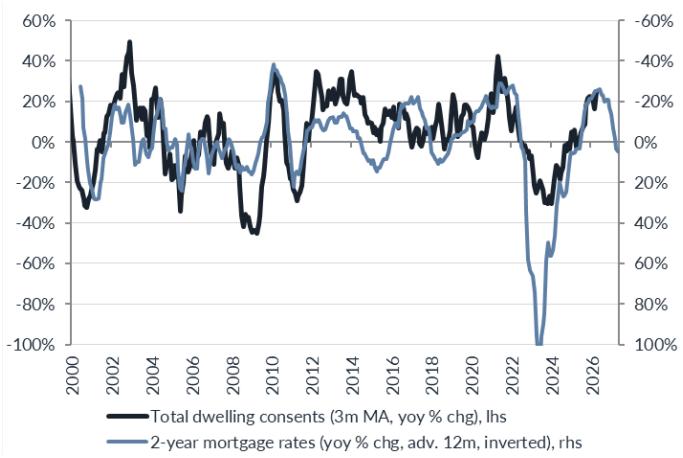
Figure 11. NZ building consents (April 2026)

	1 month	3 months	6 months	Annual
Residential				
Consented dwellings (yoy % chg)				
Auckland	71.6%	25.2%	25.2%	21.4%
Waikato-Bay of Plenty	26.6%	15.9%	10.8%	5.2%
Wellington	116.0%	-4.1%	-7.5%	13.3%
Regional North Is	-11.3%	-2.9%	7.6%	-1.8%
Canterbury	86.4%	70.3%	48.7%	16.5%
Regional South Is	0.6%	11.4%	8.0%	7.6%
Detached houses	39.4%	30.5%	24.7%	13.5%
Apartments	523.8%	32.1%	0.5%	27.1%
Retirement village units	-30.6%	43.5%	93.5%	13.0%
Townhouses, flats, units	38.5%	17.6%	18.9%	18.6%
Non-residential				
Regional (value) yoy % chg				
Auckland	-61.5%	-16.0%	0.3%	-0.3%
Canterbury	2.5%	15.3%	-7.4%	-4.0%
Other	47.6%	3.6%	1.0%	0.8%
Total	-14.8%	-1.9%	-0.8%	-0.4%
m2 (000)	200	658	1,131	2,202
yoy % chg	-20.8%	6.3%	7.9%	0.7%
Key sectors (value) yoy % chg				
Accommodation	924.8%	161.0%	129.4%	57.2%
Health	-48.2%	10.8%	-14.4%	-22.5%
Education	-50.8%	-1.3%	-10.5%	8.6%
Retail	-43.3%	-1.3%	4.7%	-7.9%
Office	-73.7%	-42.8%	-20.6%	-8.9%
Industrial	-4.6%	-24.7%	-16.1%	-3.7%

Source: Statistics NZ, Forsyth Barr analysis

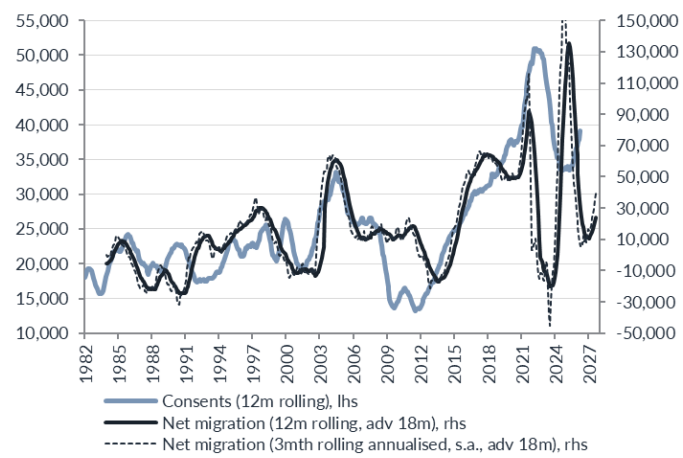
Charts of Interest

Figure 12. Mortgage rates continue to rise



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

Figure 13. Migration is trending more positively



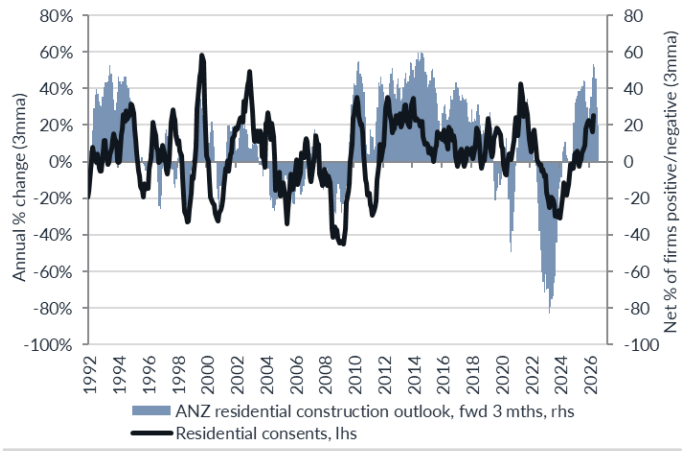
Source: Stats NZ, Forsyth Barr analysis

Figure 14. Housing turnover has slowed



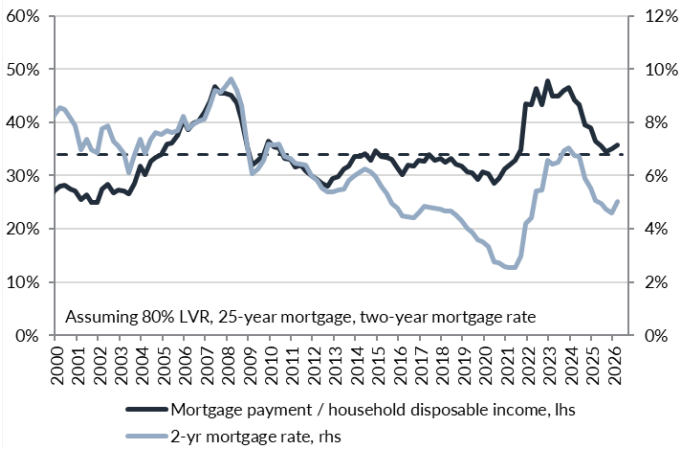
Source: REINZ, Stats NZ, Forsyth Barr analysis

Figure 15. Residential construction outlook remains positive



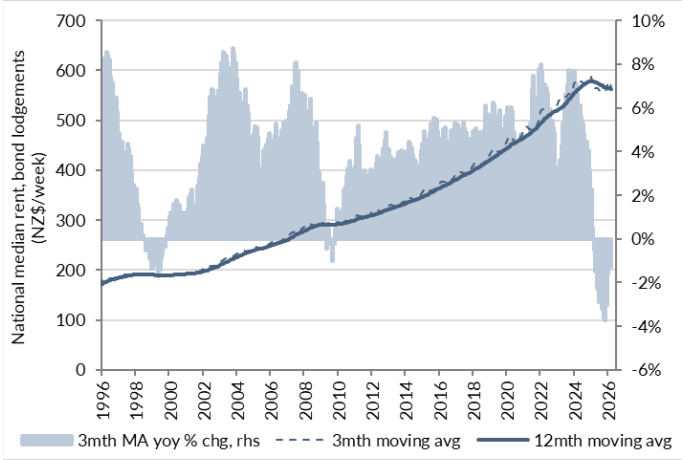
Source: ANZ, Stats NZ, Forsyth Barr analysis

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



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

Figure 17. National rents continue to soften



Source: Stats NZ, Forsyth Barr analysis

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