

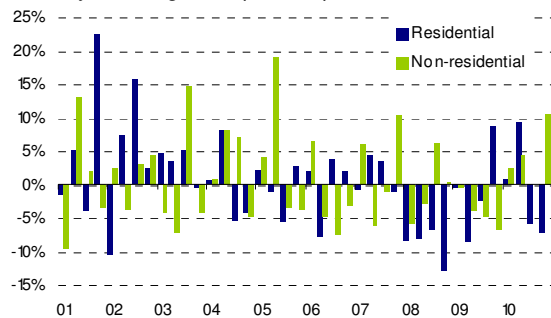


	Quarterly % change(1)		Annual % change(2)	
	Dec qtr	Sep qtr	Dec qtr	Sep qtr
Residential work put in place	-7.1%	-5.9%	-3.8%	13.0%
Non-residential work put in place	10.6%	0.1%	19.2%	0.0%
Total work put in place	1.1%	-3.2%	6.7%	6.5%

(1) Quarter on previous quarter, seasonally adjusted (2) Quarter on same quarter previous year, unadjusted
 All data is deflated to remove price distortion. Data source: Statistics New Zealand

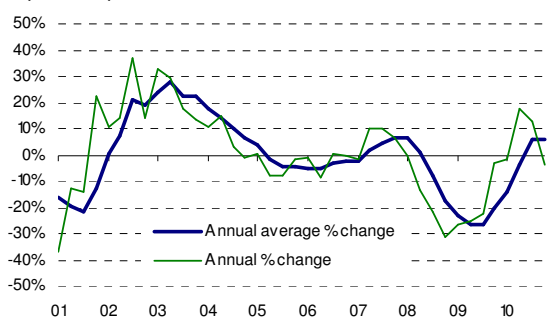
Work put in place (seas adj)

Quarterly % changes, Sept 1999 prices



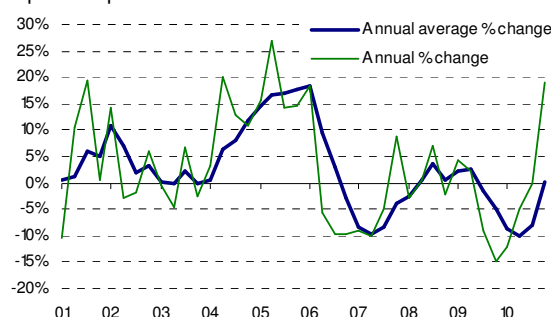
Residential work put in place

Sept 1999 prices



Non-residential work put in place

Sept 1999 prices



Non-residential bounce, residential slump

The total volume of building work put in place rose 1.1% in the December quarter (seasonally adjusted). This small increase hid a substantial compositional difference in building activity – with non-residential building rising strongly, while residential work slumped. This trend is expected to continue throughout the next year.

Residential work put in place was expected to be weak, following the sharp drop in residential consent numbers during the December quarter – and it did not disappoint, with the volume of activity down 7.1% from September.

The value of residential work put in place in the December quarter was down by \$49m from a year earlier, with new dwelling work falling by \$54m.

The volume of non-residential work put in place rose sharply in the December quarter, rising 11% from September – the fourth consecutive quarterly increase. Although non-residential work was expected to keep rising from its low level, the December increase was larger than expected.

Relative to a year earlier, five of the six non-residential building types recorded an increase in the value of work put in place. The largest increases were in miscellaneous buildings (up \$101m) and hospital and nursing home work (up \$74m).

Non-residential building activity appears to have found a base, and is expected to strengthen further during the next year as firms make up for the low level of investment since 2008. Residential construction is struggling with low house sales and weak house prices, and with these factors unlikely to change in the near term we expect residential building to remain soft this year.