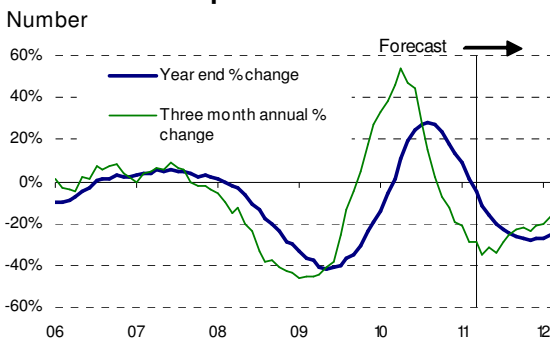




### Forecast of non-apartment dwelling consent numbers

	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Monthly forecast	1,016	771	989	863	947	1,003	874	842	978	733	629	781
Annual running total	13,552	13,014	12,670	12,217	11,894	11,704	11,376	11,119	10,853	10,677	10,529	10,427
Annual % change	-29%	-41%	-26%	-34%	-25%	-16%	-27%	-23%	-21%	-19%	-19%	-12%
Year end % change	-4%	-11%	-16%	-21%	-23%	-25%	-26%	-27%	-28%	-27%	-27%	-25%
<i>Latest detailed forecasts (March 2011)</i>												
Three month total	3,069			3,112			3,432			3,567		
Year ended total	13,944			13,098			12,865			13,180		

### Growth in non-apartment consents



### Rough March for residential consents

Our early estimate from What's On indicates that there were 1,016 non-apartment dwelling consents issued in March. Although the February Christchurch earthquake will have reduced consent numbers, even accounting for this nationwide residential building remains very soft.

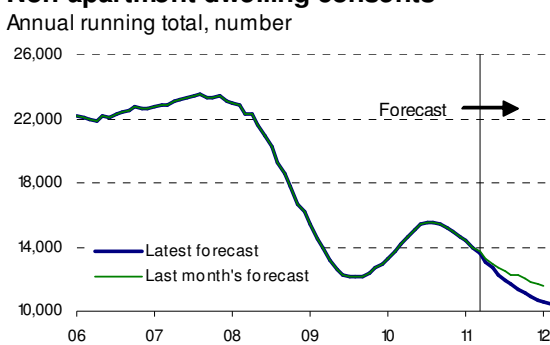
Our model's outlook for the next year has eased again this month – with 1,000 fewer consents expected in the year to January 2012. However, the model is taking the current drop in consent numbers following the quake as permanent, and as a result is overstating the weakness in residential building throughout the next year.

We do not expect consent numbers to fall as far as our model is suggesting during the next year, due to a gradual improvement in economic conditions and credit availability.

Even so, an uncertain housing market and difficult economic conditions suggest that there will not be much in the way of a recovery in consent number during 2011 – with only just over 13,000 consents being approved in the 2011 calendar year.

*Consent estimate for the latest month is provided courtesy of [Whats On Report](#).*

### Non-apartment dwelling consents



The model forecasts the number of non-apartment dwelling consents over a 12-month horizon. The inputs to the model include our forecasts of mortgage interest rates, net migration and the Tobin's q ratio. The results produced by this model aim to show how the latest data is likely to alter our outlook for residential building activity. Please consult our detailed building forecast (released three times per year) for definitive forecast numbers and explanation. The model's average forecast error is +/- 5.5%, or about 100 building consents per month. A thorough explanation of the model and its forecasting ability can be found at [www.infometrics.co.nz/article.asp?id=2572](http://www.infometrics.co.nz/article.asp?id=2572).