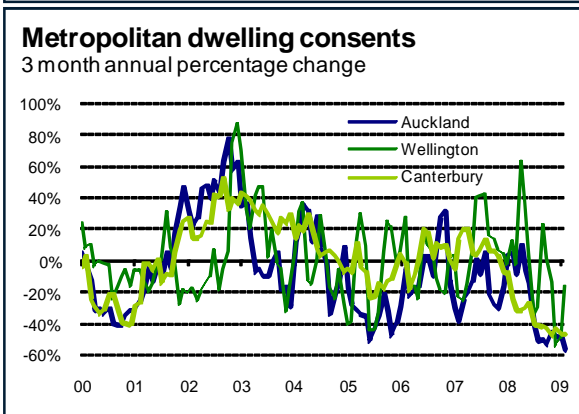
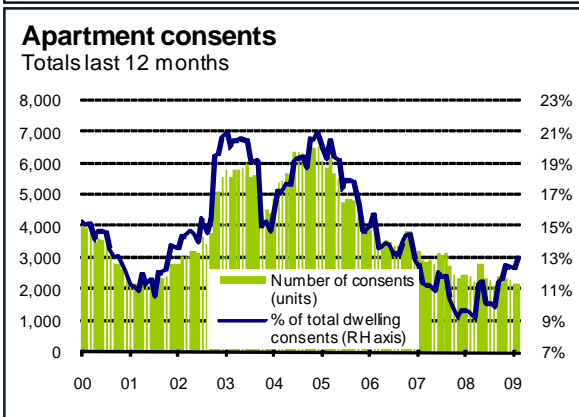
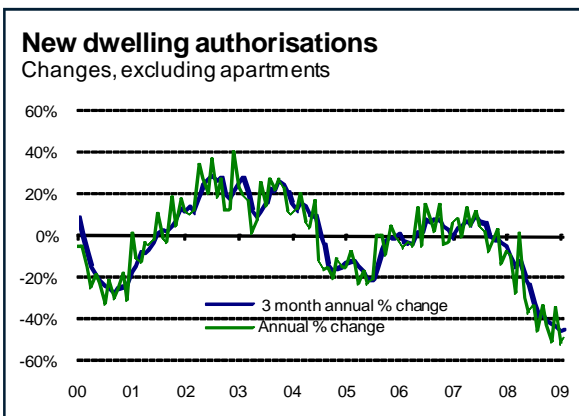


31 March 2009
February 2009 data

	Monthly		Year Ended	
	Feb-09	Jan-09	Feb-09	Jan-09
Total new dwellings	1,059	812	16,710	17,525
New dwellings excl apartments	866	745	14,528	15,363
<i>Annual % Change, excl apartments⁽¹⁾</i>	-49.1%	-51.6%	-36.4%	-33.2%
Seasonally adjusted, excl apartments	908	906		
<i>Monthly % Change⁽²⁾</i>	0.2%	-8.4%		

(1) Month on same month previous year, unadjusted (2) Month on previous month, seasonally adjusted
Data source: Statistics New Zealand



Residential developers in hiding

There was a total of 1,059 residential consents in February, boosted by a small spike in apartment consents. Non-apartment consents remained weak in February, down 49% from a year earlier. Funding for property developments remains very difficult to secure, and we expect little improvement in residential consents over the next 9-12 months.

Building consents have almost ground to a halt in some regions, with the Hawke's Bay, West Coast, Tasman and Nelson regions all recording fewer than 20 consents for the month of February. Over the three months to February, non-apartment consents in Wellington fell 50% compared to a year earlier, Canterbury fell 47%, and Auckland fell 50%.

There were 193 apartment consents during the month of January, 137 of which were in Wellington. Although the underlying trend in apartment consents remains weak, it is possible that we will continue to see some large projects over the next few months as cashed-up developers take advantage of spare capacity in the building sector. However, the urban apartment market remains well supplied and we don't see scope for a significant pick-up in demand for apartments over the next year or so.

The biggest issue for the building sector this year will be opening up lines of funding for larger developments. Current low levels of building consents mostly reflect demand from individuals and small-scale developments. With the finance company sector decimated, we expect funding constraints to keep residential consent numbers low over the next year.