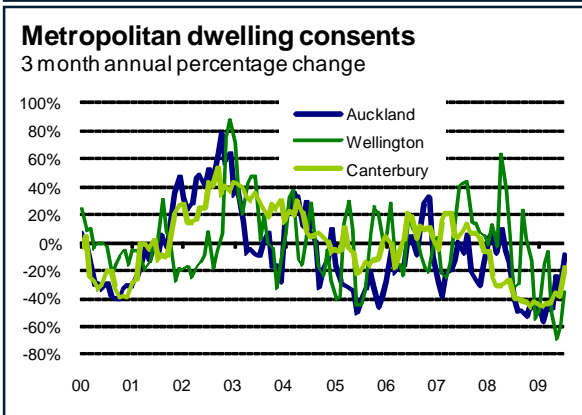
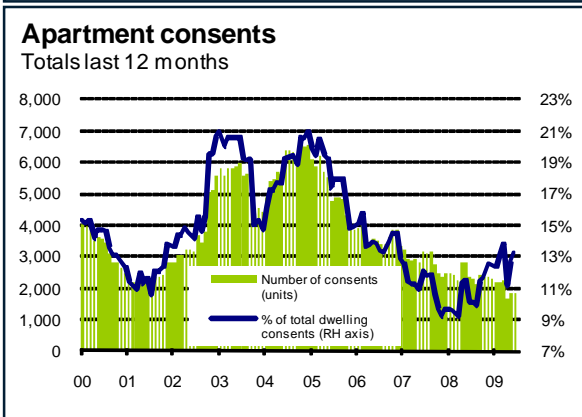
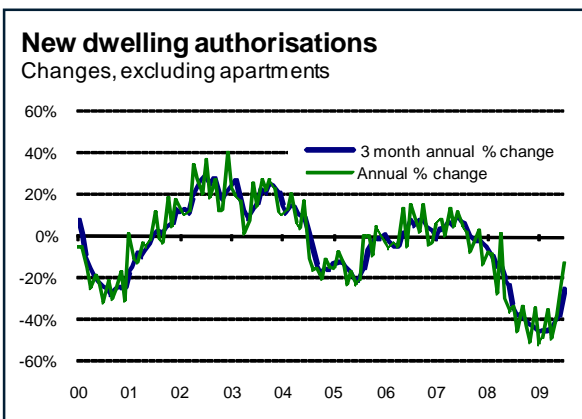




	Monthly		Year Ended	
	Jul-09	Jun-09	Jul-09	Jun-09
Total new dwellings	1,214	1,100	13,954	14,175
New dwellings excl apartments	1,159	967	12,309	12,309
<i>Annual % Change, excl apartments⁽¹⁾</i>	-12.3%	-24.4%	-40.0%	-41.1%
Seasonally adjusted, excl apartments	1,075	967		
<i>Monthly % Change⁽²⁾</i>	11.2%	3.9%		

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



Boost for residential building

Non-apartment consents increased 11% during July (seasonally adjusted), the second monthly increase in a row. Consents are now at the highest level since September 2008, but remain almost 50% lower than mid-2007 levels. We expect building activity to pick up gradually over the rest of 2009, but a lack of finance for developments will see consents remain low in absolute terms.

Over the three months to July, Marlborough was the only region to experience an increase in non-apartment consents compared to a year earlier (up 5.2%). Consents in Auckland fell 27% during this period, Wellington fell 23% and Canterbury fell 18%.

There were 55 apartment units approved during July, with 34 in Auckland, 11 in the Waikato, and 10 in the Hawke's Bay. With credit conditions tight, this will have a disproportionate impact on apartment consents over the next 1-2 years.

Strong sales volumes and a return to positive price growth has provided a big boost to confidence in the housing market. But whether this will translate into a significant pick-up in building consents hinges on the availability of finance. Banks are traditionally reluctant to lend to developers, and the range of alternative financing is now severely limited. Although we expect building activity to improve further over the next few months, it will take at least 3 years to catch up with underlying demand.