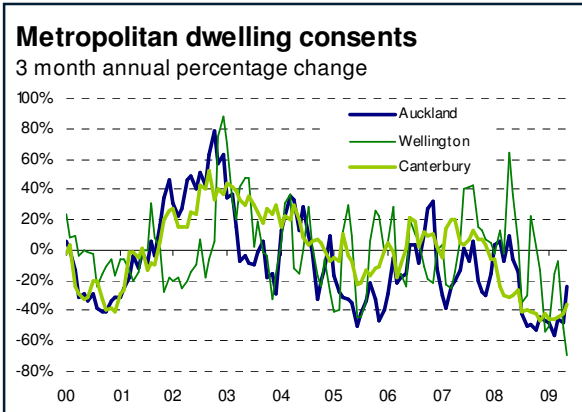
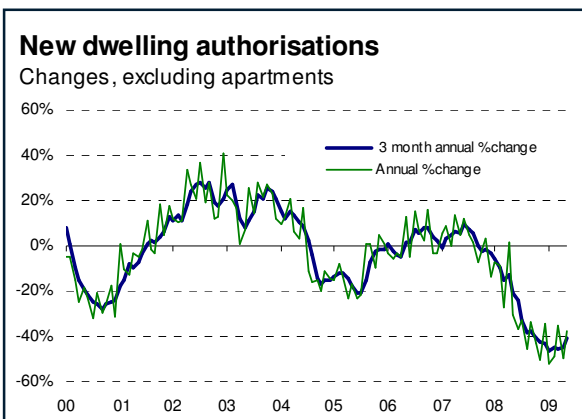




	Monthly		Year Ended	
	May-09	Apr-09	May-09	Apr-09
Total new dwellings	1,238	1,009	14,455	14,870
New dwellings excl apartments	963	810	12,621	13,206
Annual % Change, excl apartments ⁽¹⁾	-37.8%	-49.4%	-41.7%	-40.8%
Seasonally adjusted, excl apartments	922	952		
Monthly % Change ⁽²⁾	-3.2%	4.5%		

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



Residential building hibernates for the winter

In May, the total number of dwelling consents rose 3.5% on April (seasonally adjusted) to its highest level since September 2008. However, this lift was primarily the result of an increase in apartment consents. When apartments are excluded, dwelling consents declined 3.2%. With financing conditions remaining tight, any near-term recovery in dwelling consents is likely to be moderate.

Over the three months to May, non-apartment consents in all of New Zealand's 16 regions were down on a year earlier. The steepest declines were recorded in Nelson (down 73% on a year earlier) and Gisborne (down 56%).

There were 275 apartment consents over the May month, the largest monthly total since September 2008. The vast majority of these consents was in Auckland (223). The 746 apartment consents approved over the past year is the second lowest annual total since November 1996. The difficulty associated with sourcing finance for large projects will continue to hamper apartment construction over the rest of 2009.

Even with house prices stabilising and house sales recovering, the unwillingness of banks to provide loans for building projects, and the limits associated with other sources of funding, implies that residential building consent approvals will remain historically weak over the remainder of the year.