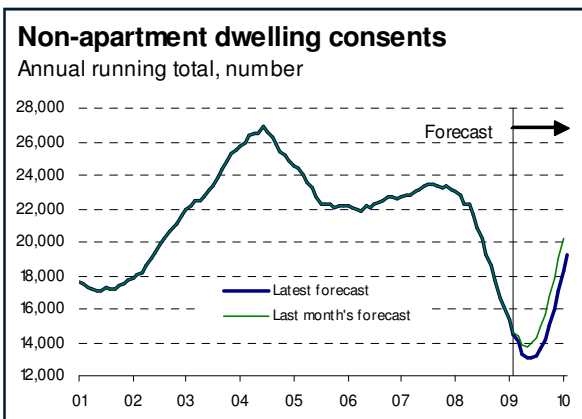
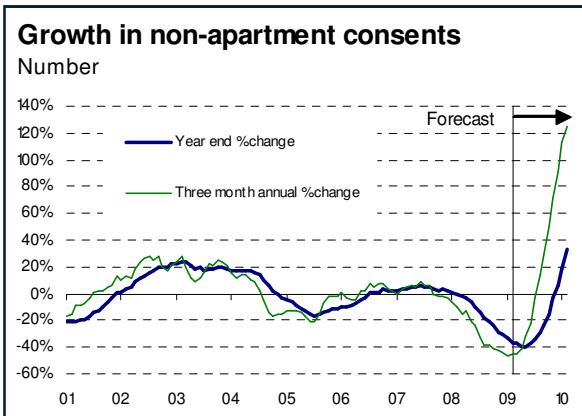




Forecast of non-apartment dwelling consent numbers

	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Monthly forecast	1,020	922	1,259	1,269	1,485	1,581	1,862	1,985	2,036	2,071	1,862	1,938
Annual running total	14,031	13,351	13,062	13,052	13,215	13,591	14,185	15,046	16,030	17,100	18,217	19,289
Annual % change	-33%	-42%	-19%	-1%	12%	31%	47%	77%	93%	107%	150%	124%
Year end % change	-37%	-40%	-40%	-38%	-35%	-29%	-24%	-15%	-4%	6%	19%	33%
<i>Latest detailed forecasts (March 2009)</i>												
Three month total	3,128			3,218			3,974			4,029		
Year ended total	14,528			13,317			13,496			14,349		



Nightmare March for residential building

Residential building activity deteriorated sharply in March, with What's On figures suggesting that there were only 1,020 consents issued. Given that March is typically a strong month for consents, this result is significantly weaker than the already soft January and February months.

The sheer decline in consent numbers over the first quarter of 2009 exceeded our already negative forecasts by nearly 500 consents. Furthermore, because of this weak result our model has revised down its outlook for the year to January 2010 by over 2,000 consents.

Overall, the March What's On figures suggest that there is some further downside risks to our forecasts for residential building activity.

We are still confident that the cumulative impact of a stabilisation in house prices and dramatically lower interest rates will see building consents begin to pick up over the second half of 2009. However, the pick up will not be as dramatic as our short-term consent model is currently suggesting.

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.