First Impressions: NZ building consents, July 2026

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Residential consent numbers (July month): -4.3%, previous: -3.7%

Residential consent numbers (12 months to July): +20.7%, previous: +19.4%

Non-residential consent values (12 months to July): -2.5%, previous: -2.8%

Non-residential amount of floor space consented (12 months to July): -0.3%, previous: -1.4%

Dwelling consent levels still elevated despite slipping in July.

Despite nudging back in July, the outlook for residential building activity over the coming year continues to look firm.

Residential building consent numbers fell 5% in July. That's well within the bounds of the normal month-to-month swings we typically see.

Stepping back and looking at the longer-term trend, the outlook for home building remains positive. Over the past 12 months, just under 41,000 new dwellings were consented. That's the highest level in three years.

Looking across the country, the lift in planned building work continues to be heavily centred on Auckland (where consent numbers are up 20% over the past year) and Canterbury (up 33%). However, we're also seeing planned building activity rising in many other regions, with much of that work related to medium density developments.

We expect the rise in consents will flow through to a lift in home building activity through the latter part of this year, continuing into 2027.

However, we remain cautious about how far building activity will rise and how enduring the upswing will be. While consent levels are elevated, the number of new projects being approved each month has been flattening off since May. In addition, we're hearing increasing concerns about increasing build costs and rising interest rates, along with continued softness in the housing market. We're also seen continued low levels of population growth, and a large increase in the number of available homes over the past few years. That combination of factors signals some increasing headwinds for the residential construction sector over the coming year.

Non-residential activity continuing to look soggy

In the commercial space, planned work is continuing to ease back. While the amount of industrial / storage space in the works has been more resilient, the amount of new office space in development has been easing back and retail space in development remains low.

With sluggish economic conditions and ongoing uncertainty about the economic outlook, developers and occupiers are likely to remain cautious about committing to major capital expenditure in the near term.

Consistent with those trends, we expect the upcoming building work survey (out Friday) will show that non-residential building activity fell again in the June quarter, continuing the trend seen over the past two years.

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