First Impressions: NZ building work, June quarter 2026

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Building activity – June quarter 2026 (seasonally adjusted)

Total construction: +4.8% (previous: -1.5%), Westpac f/c: +1.0%

Residential building work: +4.8% (previous: -0.1%), Westpac f/c: +3%

Non-residential building work: +3.3% (previous: -2.1%), Westpac f/c: -1%

Building activity stronger than expected in the June quarter

Total building activity rose almost 5% over the June quarter. That was the first rise in total building activity in a year.

Under the surface, residential building activity has found a base and early signs of an upswing are forming.

Non-residential building activity also saw a solid rise, but we continue to think the risks on this front are to the downside.

June saw a 5% rise in residential building activity, underpinned by continued strong gains in Auckland and Canterbury.

After a sharp downturn in the wake of the pandemic, residential building has found a base. We're also seeing positive signs for the year ahead, with the number of new homes being consented up 21% over the past year. We expect that will see an upswing in home building taking hold through the back half of 2026, extending into 2027.

This is welcome news for the residential construction sector after a tough few years for many operators. However, we remain cautious about how large the upswing will be, especially given ongoing softness in the housing market, low population growth and upward pressure on borrowing costs.

Non-residential building activity was stronger than expected in the June quarter, rising 3%. That was the first rise since 2023. Again, gains have been centred on Auckland and Canterbury.

We remain downbeat regarding the near-term outlook for commercial construction. 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 that, the amount of planned work being consented has continued to ease back (though trends are mixed across segments). We expect further softness over the remainder of this year.

We're forecasting a 0.1% fall in GDP over the June quarter (out on 17 September). Today's result was a little firmer than expected. We'll take a closer look at how activity more generally has been tracking over the June quarter in our GDP preview report next week.

Browse topics

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