

# NZ building activity grows for fifth quarter in March

Friday, 3 June 2016, 11:36 am

Article: [BusinessDesk](#)

by Paul McBeth

June 3) - New Zealand building activity grew for a fifth quarter in the March period as Auckland dominated construction for both residential and commercial construction.

The volume of building work put in place rose a seasonally adjusted 5.3 percent in the three months ended March 31, accelerating from a 2.8 percent pace in December and the fastest growth since March 2014, Statistics New Zealand said. Of that, the volume of residential activity rose 5.5 percent and non-residential 5 percent.

Compared with the March quarter last year, the value of building work put in place climbed 15 percent to \$4.45 billion, while on an annual basis, it was up 9.5 percent to \$17.16 billion. The value of building new residential dwellings climbed 19 percent in the quarter to \$2.36 billion for an annual increase of \$8.8 billion in the year.

Auckland building work accounted for 35 percent of the value of all work in New Zealand, rising 26 percent to \$1.57 billion in the quarter from March 2015. On a seasonally adjusted basis, residential building work in the city was up 13 percent and non-residential rose 7.2 percent.

"Auckland residential construction topped \$1 billion for the first time in the March 2016 quarter, with another half-billion of non-residential work," business indicators senior manager Neil Kelly said. "Every week this quarter about \$120 million worth of building work was put in place in Auckland."

The country's biggest city has been struggling to keep pace with an expanding population's demands for housing, especially after the collapse of the finance sector last decade left a gap in funding new developments and because of record high net migration. Government data this week showed there were 9,353 new residential building consents for Auckland in the year through April, still less than the 13,000 needed to meet the growing population.

Today's figures show building activity was up across the country, except in Canterbury, where the value fell 0.6 percent to \$1.08 billion in the March quarter from a year earlier. Construction in Christchurch and its surroundings has been sustained by the rebuild of the city from a series of earthquakes in 2010 and 2011. While it remains high by historical standards, that activity has passed its peak.

Commercial building work accounted for 38 percent of non-residential activity in the quarter at \$615 million, up 32 percent from a year earlier, while farm building activity shrank for a third quarter, dropping 30 percent to \$58 million as the rural sector remains pessimistic in the face of weak commodity prices.

(BusinessDesk)