

Building Consents Issued: June 2013

Embargoed until 10:45am – 30 July 2013

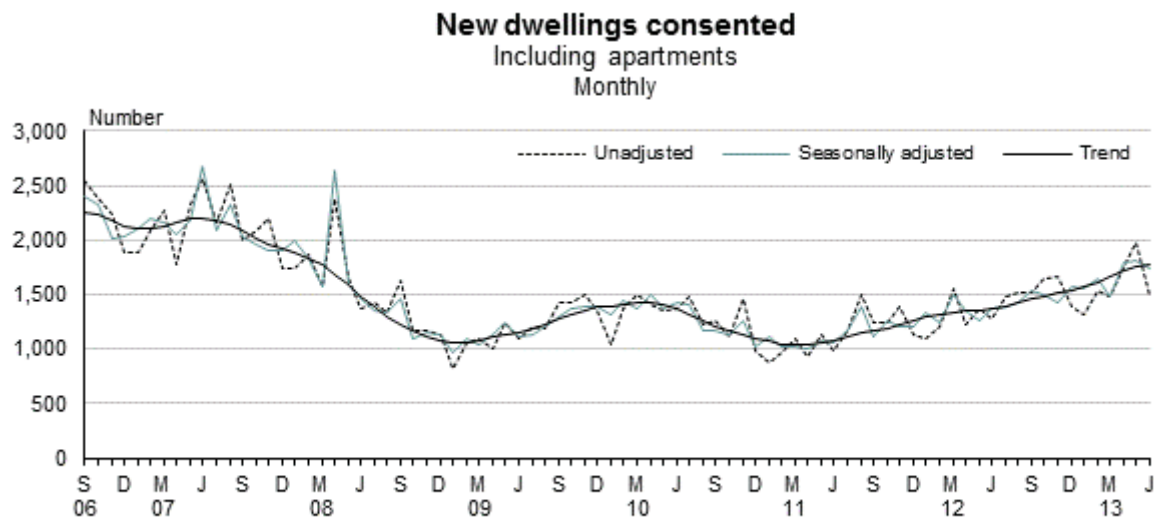
Key facts

In June 2013, building consents were issued for:

- 1,487 new dwellings, including apartments
- 160 apartments, including 39 retirement village units
- 1,327 non-apartment dwellings.

The seasonally adjusted number of new dwellings, including apartments, fell 4.0 percent.

The trend for the number of new dwellings, including apartments, increased for the 27th month in a row. The trend is now 73 percent higher than its historic low point of March 2011.



Source: Statistics New Zealand

In June 2013:

- Excluding apartments, the seasonally adjusted number of new dwellings fell 4.5 percent from May 2013.
- \$269 million worth of work on non-residential buildings was consented.
- The value of consents for all buildings was \$800 million.

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Acting Government Statistician

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Commentary

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- [New dwellings reach five-year high in June quarter](#)
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Figures given are not adjusted for seasonal fluctuations unless otherwise stated. Values exclude GST and are not adjusted for inflation.

New dwellings down slightly in June month

In the June 2013 month, 1,487 new dwellings were consented, including 160 apartments. Of these apartments, 39 were retirement village units.

There were 1,327 new non-apartment dwellings consented in June 2013.

The seasonally adjusted number of new dwellings, including apartments, fell 4.0 percent in June, following a 1.0 percent increase in May and a 21 percent increase in April.

The seasonally adjusted number of non-apartment dwellings fell 4.5 percent in June 2013, following a fall of 0.9 percent in May and a rise of 13 percent in April.

New dwellings reach five-year high in June quarter

Including apartments, 5,213 new dwellings were consented in the June 2013 quarter. This is the highest number since the June 2008 quarter. Excluding apartments, 4,620 new dwellings were consented, the most since the March 2008 quarter.

The seasonally adjusted number of dwellings, including apartments, rose 16 percent in the June 2013 quarter compared with the March quarter. The seasonally adjusted number of non-apartment dwellings rose 8.4 percent.

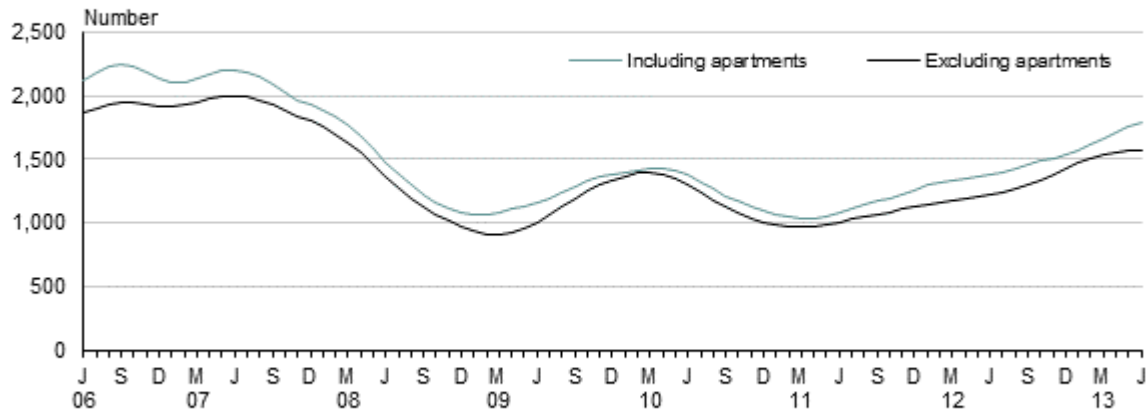
Trend for new dwellings continues to grow

Monthly trend numbers for new dwellings consented, both including and excluding apartments, have been rising since the most recent low point in March 2011, but the rate of increase, excluding apartments, has been easing in recent months. Trend figures, particularly for the latest months, may be revised whenever a new month is added to the series.

The monthly trend for new dwellings, including apartments, is currently 37 percent lower than its all-time peak in January 2004. This trend series began in January 1982.

The monthly trend for new non-apartment dwellings has increased 63 percent since the March 2011 low point. It is currently 31 percent lower than the all-time peak in September 2003. This trend series began in January 1992.

Trend for new dwellings consented Monthly



Source: Statistics New Zealand

The quarterly trend for the number of new dwellings consented, both including and excluding apartments, has been rising since its most recent low point in the March 2011 quarter and remains strong.

Auckland and Canterbury continue to lead new dwelling consents

Together, the Auckland and Canterbury regions consented 822 new dwellings, including apartments, in the June 2013 month, 55 percent of the national total.

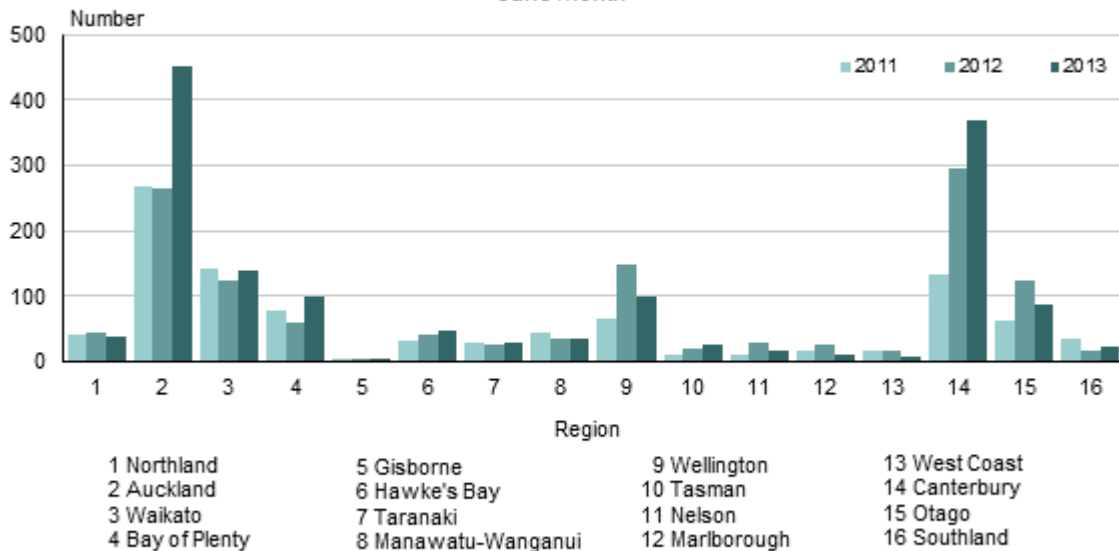
Compared with June 2012, the numbers in June 2013 were as follows:

- Auckland, **up** 189 to 453 (including 121 apartments)
- Canterbury, **up** 73 to 369.

Month-on-month comparisons for regional new dwelling numbers can be affected by large fluctuations in new apartment numbers.

New dwellings consented

By region
June month



Source: Statistics New Zealand

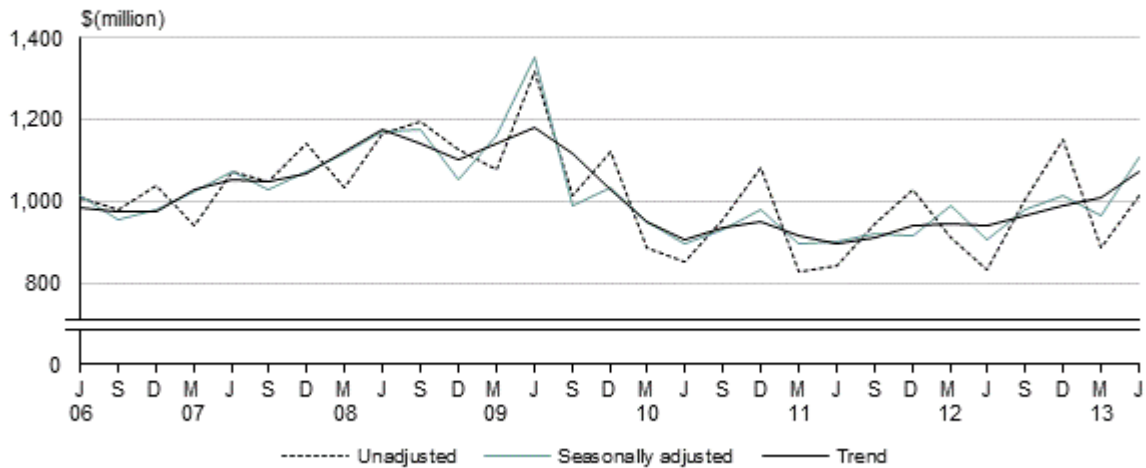
Value of non-residential buildings rises

The value of non-residential building consents was \$269 million in the June 2013 month, up \$14 million (5.3 percent) from \$256 million in June 2012.

The value of non-residential building consents in the June 2013 quarter was \$1,012 million. The seasonally adjusted value was up 15 percent from the March 2013 quarter.

The quarterly trend for the value of non-residential buildings has been rising for one year, and is at its highest level since the September 2009 quarter. Unlike the monthly series for non-residential building consent values, the quarterly series has a stable seasonal pattern. This allows a stable trend to emerge.

Value of non-residential buildings consented
Including alterations and additions
Quarterly



Source: Statistics New Zealand

Canterbury earthquake-related consents worth \$47 million in June

In the June 2013 month, the value of building consents identified as earthquake-related in Canterbury was \$47 million. This included:

- 53 new dwellings
- \$29 million of residential work
- \$18 million of non-residential work.

In the June 2013 quarter, the value of building consents identified as earthquake-related was \$155 million. This included:

- 166 new dwellings
- \$88 million of residential work
- \$67 million of non-residential work.

Since 4 September 2010, almost \$1.1 billion of earthquake-related building consents have been identified. This includes 938 new dwellings, of which 150 were relocatable units.

[See more about earthquake-related building consents in Canterbury](#)

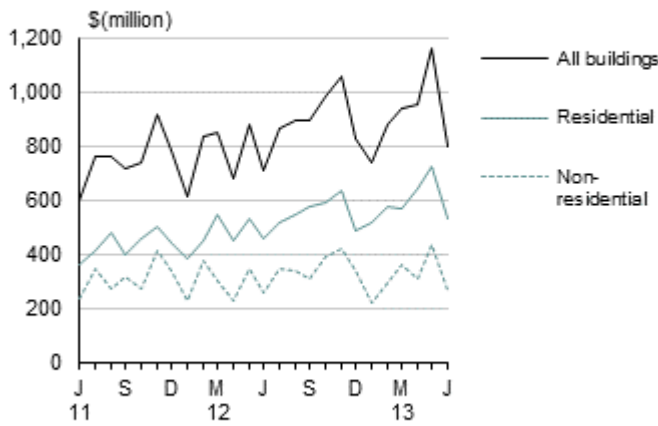
Quarterly trend for value of all buildings at six-year high

The trend for the quarterly value of all consented building work has been increasing for two years, and is at its second-highest level since the series began in 1993. The highest level was in the June 2007 quarter.

The value of all consented building work in the June 2013 quarter was \$2,914 million. The seasonally adjusted value of all consented building work rose 13 percent in the June quarter compared with the March quarter.

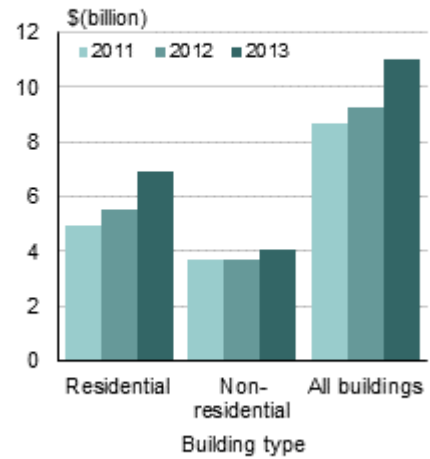
For the month of June 2013, the value of all consented building work was \$800 million.

Value of buildings consented
Including alterations and additions
Monthly



Source: Statistics New Zealand

Value of buildings consented
Including alterations and additions
Year ended June



Source: Statistics New Zealand

For the year ended June 2013, compared with the year ended June 2012, the value of building consents increased for:

- all buildings, **up** \$1,743 million (19 percent) to \$10,982 million
- residential buildings, **up** \$1,407 million (25 percent) to \$6,930 million
- non-residential buildings, **up** \$336 million (9.1 percent) to \$4,052 million.

Data for building consents is obtained from all territorial authorities in New Zealand. All territorial authorities provided a complete dataset for the June 2013 month.

For more detailed data, see the Excel tables in the 'Downloads' box. For a complete list of statistics available, refer to the 'Building Consents – BLD' category under 'Industry sectors' in [Infoshare](#).

Definitions

About Building Consents Issued

Building Consents Issued contains statistics on the number, value, and floor areas of residential dwellings and the value of non-residential buildings by region and building type. Values include goods and services tax and are not inflation adjusted. Buildings are classified according to their main intended function or functions. Subsequent changes in function will be recorded in the statistics if new consents are issued.

More definitions

Domestic outbuildings: includes new construction, alterations, and additions to garages, glasshouses, and sheds on residential sections.

Non-residential buildings: includes new construction, alterations, and additions to industrial, commercial, and other non-residential buildings such as schools, hospitals, and libraries. Barracks, hostels, prisons, serviced apartments, workers' quarters, and other accommodation buildings are included.

Residential buildings: includes new construction, alterations, and additions to dwellings (houses, flats, and apartments) and domestic outbuildings.

Territorial authorities: are defined under the Local Government Act 2002 and related amendments. There are 67 territorial authorities, comprising 13 cities, 53 districts, and 1 territory.

Earthquake-related building consents in Canterbury: building consents issued in the Canterbury region and identified (primarily by the issuing authorities) as being earthquake-related.

Not all earthquake-related consents can be identified. For example, if a new house (to replace a damaged house) is built at a different site, the new house might not be identified as being earthquake-related.

Note: Excludes seismic strengthening work and demolitions.

Related links

Upcoming releases

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[The release calendar](#) lists all our upcoming information releases by date of release.

Past releases

[Building Consents Issued](#) has links to past releases.

Related information

[Earthquake-related building consents in Canterbury](#) summarises Canterbury consents identified as earthquake-related. This table is updated monthly.

[Value of building work put in place](#) statistics estimate the actual dollar value of work put in place on construction jobs within New Zealand (quarterly). It includes information by building type, and deflated values.

Data quality

This section contains information that does not change between releases.

- [Data source](#)
- [Survey errors](#)
- [Coverage](#)
- [Interpreting the data](#)
- [More information](#)

Data source

Data for building consents is obtained each month from all accredited building consent authorities (ie territorial authorities). Statistics NZ compiles information from all building consents issued each month if:

- they are valued at \$5,000 or more
- they are not predominantly for demolition work.

Survey errors

Sample errors

Because the survey has 100 percent coverage of the target population, there is no sample error.

Non-sample errors

These errors can occur when there is incomplete or incorrect information on consent forms, or when information is incorrectly delivered, interpreted, or classified. While much effort is made to minimise these errors, they will still occur, and it is not possible to quantify their effect.

Coverage

Scope

Only construction work that requires a building consent is included in these statistics. Some civil engineering works, such as roads, require resource consents but not building consents, so are excluded.

The scope of work requiring a building consent is determined by the Building Act 2004. Its main parts came into force in 2005, replacing the Building Act 2001. The new act introduced measures to provide greater assurances to consumers, such as registration of building consent authorities, and the licensing of building practitioners. The act was reviewed in 2009. The review broadened the scope of work that may proceed without a building consent (see [Schedule 1 exemptions](#) for changes to the Building Act 2004, on the Department of Building and Housing's website, effective from 23 December 2010).

The Canterbury Earthquake Recovery Authority has legislative powers to undertake work without a building consent. For example, demolition work and temporary repairs.

Statistics NZ excludes consents that are predominantly for demolition work, and consents valued below \$5,000.

Changes in coverage

The building consents included in this release have changed over time. The list below highlights the key changes.

1996 From the June 1996 month, consent values for multi-purpose buildings are coded to one or more of the most appropriate building types. Before this date, multi-purpose buildings were classified separately.

1993 From the January 1993 month, building authorisations have been applied for under the building consents system administered by territorial authorities. Before this date, applications were made under the building permits system. The building consents system has wider coverage than the building permits system. The additional coverage includes some government building (particularly work on education buildings), and on-site drainage and reticulation work.

1989 From the September 1989 month, consents below \$5,000 are excluded.

Boundary changes

2011 From 1 November 2010, part of the former Franklin district moved from the Auckland region to the Waikato region. This change is included in building consents data from January 2011.

2010 On 1 November 2010, the new Auckland Council came into being from seven former cities and districts (see table 4). Before November 2010, the Auckland region (see table 3) can be used to approximate the new Auckland Council.

Seasonally adjusted series

Seasonal adjustment removes the estimated impact of regular seasonal events, such as summer holidays and pre-Christmas purchasing, from statistical series. This makes figures for adjacent periods more comparable.

The seasonally adjusted series are re-estimated monthly when each new month's data becomes available. Figures are therefore subject to revision, with the largest changes normally occurring in the latest months.

The X-12-ARIMA seasonal adjustment program, developed at the U.S. Census Bureau, is used to produce the seasonally adjusted and trend estimates.

Trend estimates

Trend estimation removes the estimated impact of regular seasonal events and irregular short-term variation from statistical series. This reveals turning points and the underlying direction of movement over time.

The trend series are re-estimated monthly when each new month's data becomes available. Figures are therefore subject to revision, with the largest changes normally occurring in the latest months. Revisions can be large if values are initially treated as outliers but are later found to be part of the underlying trend.

The X-12-ARIMA seasonal adjustment program is used to produce the seasonally adjusted and trend estimates. Irregular short-term variation is removed by smoothing the seasonally adjusted series using optimal weighted moving averages.

To reduce distortions, the monthly trend series for the value of non-residential buildings is estimated after removal of consent values of \$25 million or more between January 1990 and December 2005, and of \$50 million or more from January 2006. However, non-residential building consent values are still volatile with no stable seasonal pattern, and therefore a stable trend for this series is slow to emerge.

[Seasonal adjustment in Statistics New Zealand](#) has more information.

Interpreting the data

Figures for new apartments are compiled from consents that have 10 or more new attached dwellings (flats or apartments). If there are fewer than 10 flats or apartments on a consent, they are treated as being dwellings other than apartments. Apartment numbers often show large fluctuations from month to month and, unless removed from dwelling figures, can mask underlying movements.

Values for new buildings include conversion costs. For example, if a hotel is converted to apartments, these are treated as new dwellings in the statistics. Consent values for new buildings sometimes include the cost of demolishing or removing the previous buildings.

Some consents, particularly for large projects, are issued in stages across more than one month. Value data is collected at each stage but floor areas and dwelling or building counts are normally recorded at the first large stage of the project. This difference in timing can affect calculations of average prices.

Trading day adjustments

An aim of time series analysis is to identify movements that are due to actual changes. Seasonal adjustment is done to remove systematic calendar-related variation. Specific adjustments can be made to remove variations due to trading day differences and moving holidays, such as Easter, which are not accounted for in a standard seasonal adjustment.

Some of the apparent movement in building consent figures is due to trading day differences between months. For example, a month with four weekends will have more trading or working days than a comparable month with five weekends. This can affect monthly figures, even though there may be no difference in the length of the month or difference in the rate at which consents are issued. Trading day effects, when estimated to be statistically significant, are quantified and removed. This is trading day adjustment.

Since 1998, trading day adjustments have been made to the building consents series during the seasonal adjustment process. Since May 2004, an improved method has been used. At present, there is no adjustment to remove the effect of moving holidays such as Easter.

Trend estimates versus month-on-month comparisons

Trend estimates reveal the underlying direction of movement in statistical series. In contrast, comparisons of unadjusted data between one month and the same month in the previous year/s do not take account of data recorded for the intervening months, and are subject to one-off fluctuations. Reasons for fluctuations include changes in legislation, economic variables such as interest rates, and trading day composition of months.

More information

[See more information about Building Consents Issued](#)

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Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Building consents issued – June
2. Number of new dwellings consented
3. Number and value of new dwellings consented, by region
4. Number of new dwellings consented, by selected territorial authority area
5. Value of building consents issued, unadjusted and trend values
6. Number of new dwellings consented, quarterly
7. Value of building consents issued, quarterly unadjusted and trend values

Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

Use Infoshare

For this release, select the following category from the Infoshare homepage:

Subject category: **Industry sectors**

Group: **Building Consents - BLD**