

# Building Consents Issued: September 2013

Embargoed until 10:45am – 31 October 2013

## Key facts

In September 2013, building consents were issued for:

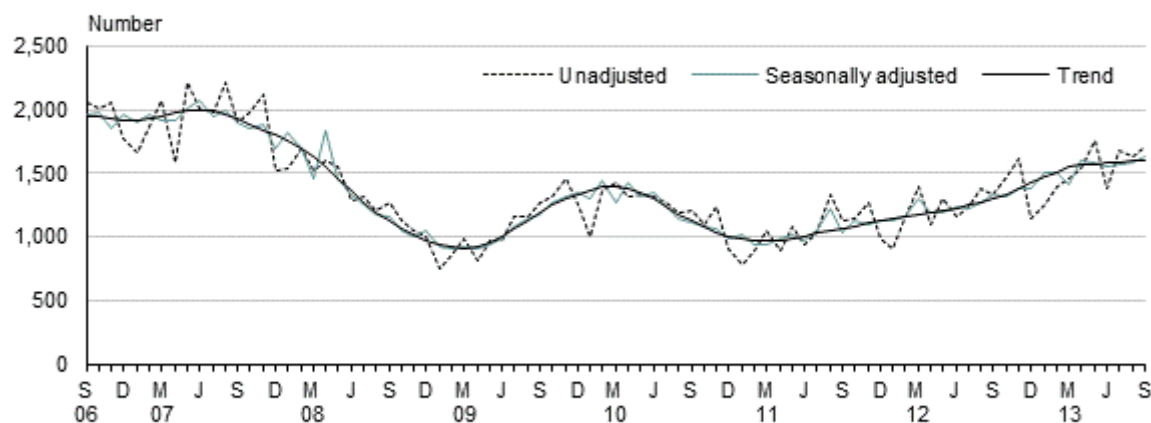
- 1,860 new dwellings, including apartments
- 156 apartments, including 97 retirement village units
- 1,704 non-apartment dwellings.

The seasonally adjusted number of new dwellings, excluding apartments, rose 2.6 percent from August 2013.

The trend for the number of new dwellings, excluding apartments, is now 66 percent higher than its most recent low point in March 2011, but the rate of increase has been easing in recent months.

The unadjusted value of building work consented in September 2013 was \$1,057 million – \$715 million of residential work and \$342 million of non-residential work.

**New dwellings consented**  
Excluding apartments  
Monthly



Source: Statistics New Zealand

Liz MacPherson  
Government Statistician

31 October 2013  
ISSN 1178-0231

## Commentary

- Monthly new dwelling trends easing
- Number of new dwellings up from 2012 in most regions
- Highest recorded number of new dwellings in Canterbury
- Non-residential building work valued at \$342 million
- Canterbury earthquake-related consents worth \$60 million in September
- Value of all buildings over \$1 billion
- Quarterly trends for value of building work increasing

Figures given are not adjusted for seasonal fluctuations unless otherwise stated. Values include GST and are not adjusted for inflation.

### Monthly new dwelling trends easing

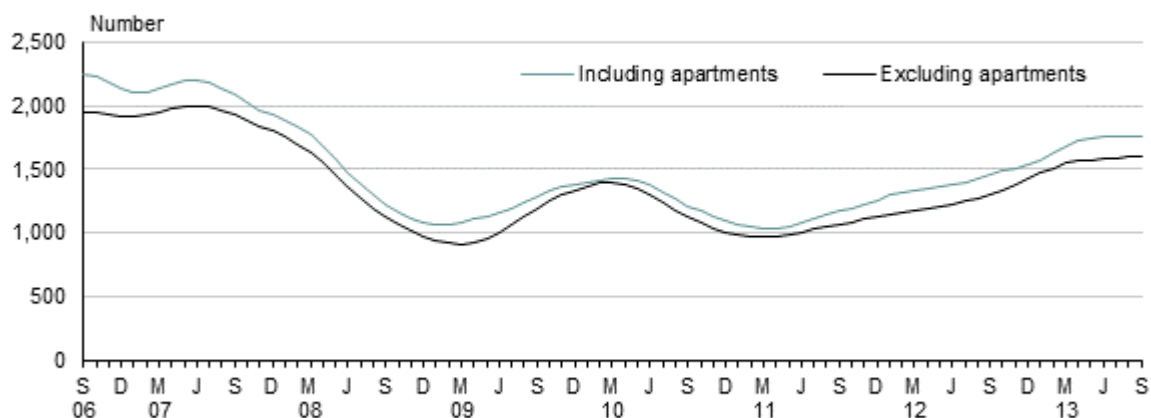
In September 2013:

- 1,860 new dwellings were consented, including 156 apartments. Ninety-seven of the apartments were retirement village units.
- 1,704 new non-apartment dwellings were consented.
- The seasonally adjusted number of new dwellings, including apartments, rose 1.4 percent.
- The seasonally adjusted number of new dwellings, excluding apartments, rose 2.6 percent.

The monthly trend for new dwellings, excluding apartments, is easing. It is at its highest level since March 2008, and is 66 percent higher than the most recent low point in March 2011. The trend is still 29 percent below the series maximum in September 2003.

The monthly trend for new dwellings, including apartments, is also easing. It is 70 percent higher than the series minimum in March 2011, but is still 38 percent below the series maximum in January 2004.

**Trend for new dwellings consented**  
Monthly



Source: Statistics New Zealand

The quarterly trends are still increasing.

Trend figures, particularly for the latest periods, may be revised whenever a new month or quarter is added to the series.

## Number of new dwellings up from 2012 in most regions

Thirteen of the 16 regions consented more new dwellings, including apartments, in September 2013 than in September 2012.

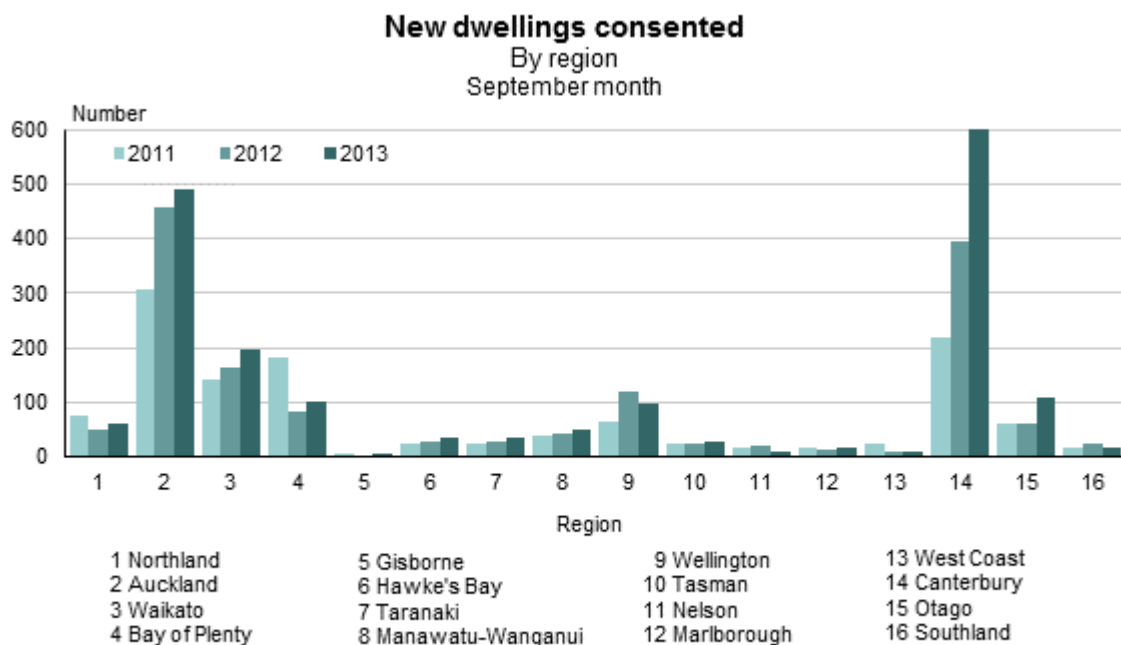
The greatest regional changes were:

- Canterbury, **up** 203 to 599
- Otago, **up** 47 to 109
- Waikato, **up** 33 to 198
- Auckland, **up** 31 to 489.

The changes in regional apartment numbers from September 2012 to September 2013 were:

- Auckland, **down** 77 to 44
- Canterbury, **up** 64 to 101
- Wellington, **down** 17 to 11.

Apartment numbers usually fluctuate from month to month.



Source: Statistics New Zealand

## Highest recorded number of new dwellings in Canterbury

In Canterbury, 599 new dwellings, including 101 apartments, were consented in September 2013. This is the highest number on record for Canterbury. It includes:

- 309 new dwellings in Christchurch – the highest number on record for Christchurch city and the former Banks Peninsula district
- 120 new dwellings in Selwyn
- 115 new dwellings in Waimakariri.

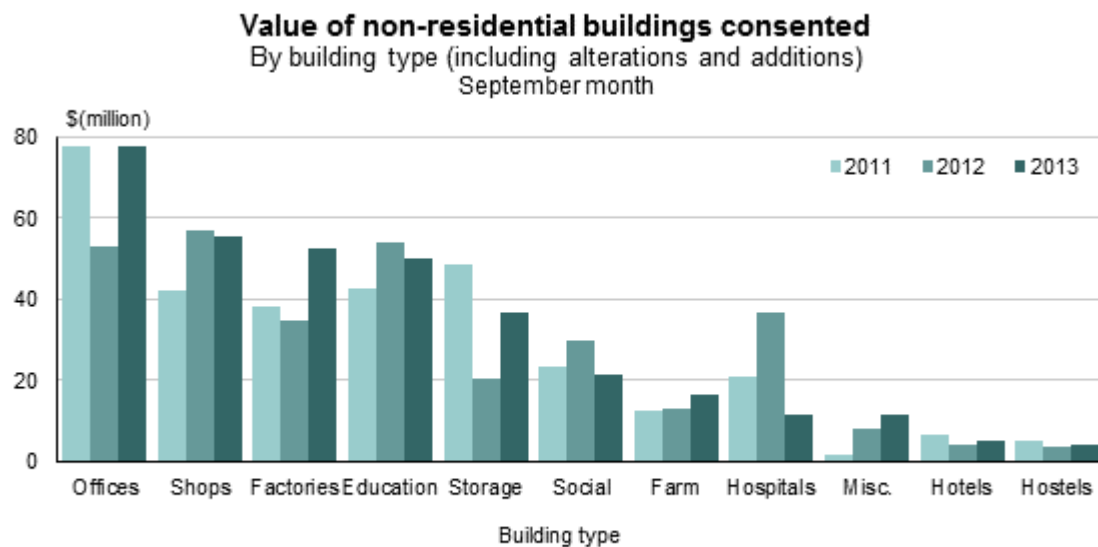
The current Canterbury series begins in April 1990. The previous Canterbury series, which is comparable, begins in April 1976.

The Christchurch, Selwyn, and Waimakariri series began in April 1990.

## Non-residential building work valued at \$342 million

The value of non-residential building work consented in September 2013 was \$342 million. The largest contributors, by value, were:

- offices and administration buildings, \$78 million (23 percent of all non-residential buildings)
- shops, restaurants, and taverns, \$55 million (16 percent)
- factories and industrial buildings, \$53 million (15 percent)
- education buildings, \$50 million (15 percent).



Source: Statistics New Zealand

## Canterbury earthquake-related consents worth \$60 million in September

Since 4 September 2010, \$1,283 million of building consents have been identified as earthquake-related. This includes consents for 1,101 new dwellings, including apartments.

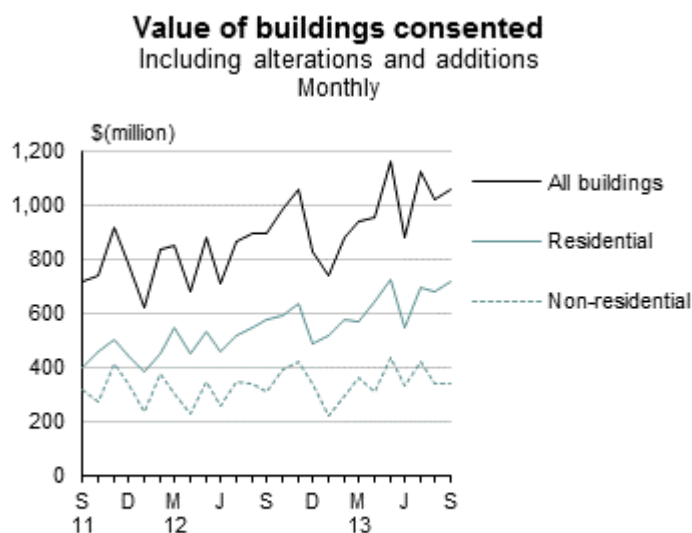
In September 2013, the value of building consents identified as earthquake-related in Canterbury was \$60 million. This included:

- 42 new dwellings
- \$29 million of residential building work
- \$30 million of non-residential building work.

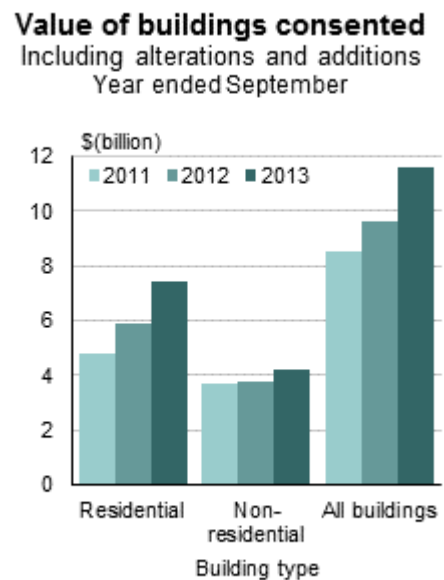
[See more about earthquake-related building consents in Canterbury](#)

## Value of all buildings over \$1 billion

The total value of building work consented in September 2013 was \$1,057 million.



Source: Statistics New Zealand



Source: Statistics New Zealand

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

- all buildings, up \$1,955 million (20 percent) to \$11,610 million
- residential buildings, up \$1,522 million (26 percent) to \$7,394 million
- non-residential buildings, up \$433 million (11 percent) to \$4,216 million.

## Quarterly trends for value of building work increasing

In the September quarter, the total values of consented building work were:

- all buildings, \$3,196 million (the highest ever)
- residential buildings, \$2,091 million (the highest ever)
- non-residential buildings, \$1,105 million.

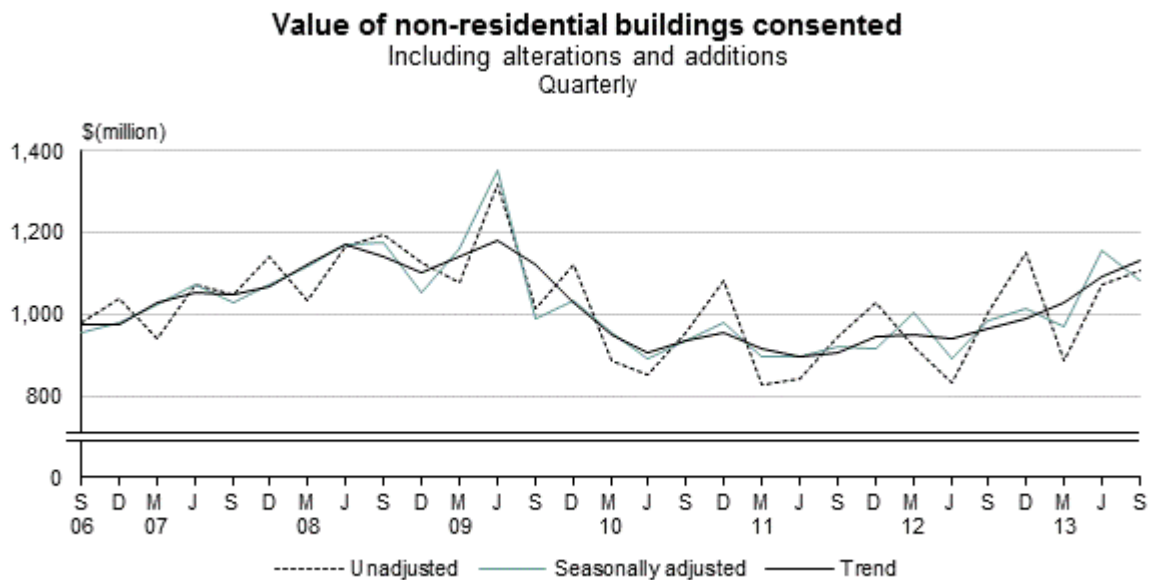
In the September quarter, the seasonally adjusted movements in the value of consented building work were:

- all buildings, **down** 1.5 percent
- residential buildings, **up** 2.4 percent
- non-residential buildings, **down** 6.6 percent.

The quarterly trends for the value of consented building work are all increasing:

- all buildings, at the highest ever level, up 55 percent from the most recent low point in the June 2011 quarter
- residential buildings, at the highest ever level, up 75 percent from the most recent low point in the June 2011 quarter
- non-residential buildings, up 20 percent from the most recent low point in the June 2012 quarter.

The values of building work are not adjusted for inflation.



Source: Statistics New Zealand

Data for building consents is obtained from all territorial authorities in New Zealand.

For more detailed data, see the Excel tables in the 'Downloads' box.

## 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**

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### **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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## Revisions

Additional information from Auckland and Christchurch cities has affected the January 2012 data. The main changes are shown in the tables below.

<b>Revised value of non-residential building work consented in January 2012</b>				
<b>Geographic area</b>	<b>Series reference: BLDM.</b>	Value \$(million)		
		Published on 29 February 2012	Published on 31 October 2013	Increase
Auckland region	SHO3202	83.5	83.8	0.3
Canterbury region	SHO3213	48.4	55.9	7.5
New Zealand	SHO32RZ	226.4	234.2	7.8

<b>Revised New Zealand value by building type for January 2012</b>				
<b>Building type</b>	<b>Series reference: BLDM.</b>	Value \$(million)		
		Published on 29 February 2012	Published on 31 October 2013	Increase
Shops, restaurants, and taverns	SDI92MZ	48.9	49.2	0.3
Offices and administration buildings	SDJ92MZ	34.9	42.4	7.5

## Contacts

**For media enquiries contact:**

Blair Cardno

Christchurch 03 964 8700

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**For technical information contact:**

Mark Darbyshire or Danielle Barwick

Christchurch 03 964 8700

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**For general enquiries contact our Information Centre:**

Phone: 0508 525 525 (toll-free in New Zealand)

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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 – September
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:

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