

Building Consents Issued: July 2014

Embargoed until 10:45am – 29 August 2014

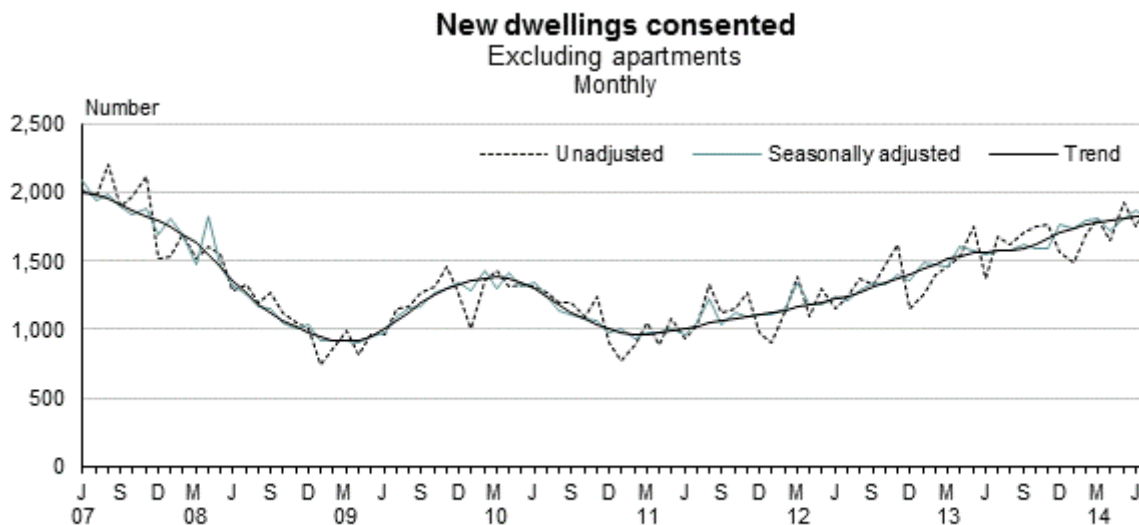
Key facts

In July 2014, building consents were issued for:

- 2,282 new dwellings, including apartments – the highest monthly number since April 2008
- 373 apartments, including 219 retirement village units
- 1,909 non-apartment dwellings.

The seasonally adjusted number of new dwellings consented, excluding apartments, fell 2.0 percent.

The trend for the number of new dwellings, excluding apartments, is at its highest level since October 2007, and is 90 percent higher than the most-recent low point in March 2011. However, it is still 19 percent below the series peak in September 2003.



Source: Statistics New Zealand

The unadjusted value of building work consented in July 2014 was \$1,388 million – the highest ever value. This consisted of:

- \$876 million of residential work (the highest ever value)
- \$512 million of non-residential work (the second-highest ever value).

However, these value series are not adjusted for inflation.

Liz MacPherson, Government Statistician
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Commentary

- Unadjusted number of new dwellings consented at six-year high
- Number of consented dwellings down in 10 of the 16 regions
- Non-residential consents valued at \$512 million in July
- Canterbury earthquake-related consents total almost \$2.1 billion
- Consents for all buildings total almost \$1.4 billion in July

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

Unadjusted number of new dwellings consented at six-year high

In July 2014, 2,282 new dwellings were consented. This is the highest unadjusted monthly number since April 2008. It comprised:

- 373 apartments, including 219 retirement village units
- 1,909 non-apartment dwellings.

Including apartments, the seasonally adjusted number of new dwellings consented rose 0.1 percent.

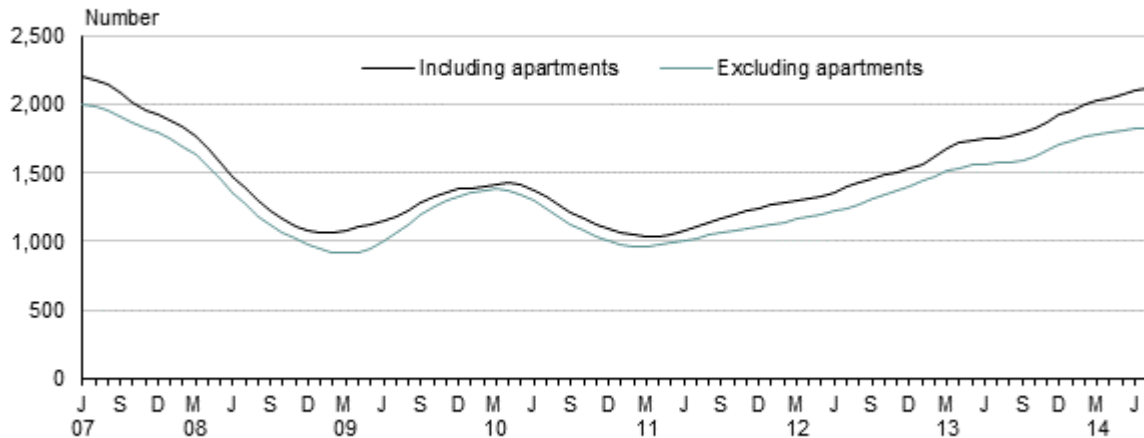
Excluding apartments, the seasonally adjusted number of new dwellings consented fell 2.0 percent, following larger rises in the previous two months.

The trend for the number of new dwellings, including apartments, has more than doubled since the series minimum in March 2011. The trend is at its highest level since August 2007, but is still 26 percent below the series peak in January 2004.

Excluding apartments, the trend is up 90 percent from the most-recent low point in March 2011. It is at its highest level since October 2007, but is 19 percent below the series peak in September 2003.

Since the low point in March 2011, the trend including apartments has generally been increasing at a higher rate than the trend excluding apartments.

Trend for new dwellings consented Monthly



Source: Statistics New Zealand

Number of consented dwellings down in 10 of the 16 regions

Ten of the 16 regions consented fewer new dwellings, including apartments, in July 2014 than in July 2013.

The region with the largest decrease was Wellington – down 50, to 119. No apartments were consented in Wellington in July 2014 (compared with 71 in July 2013).

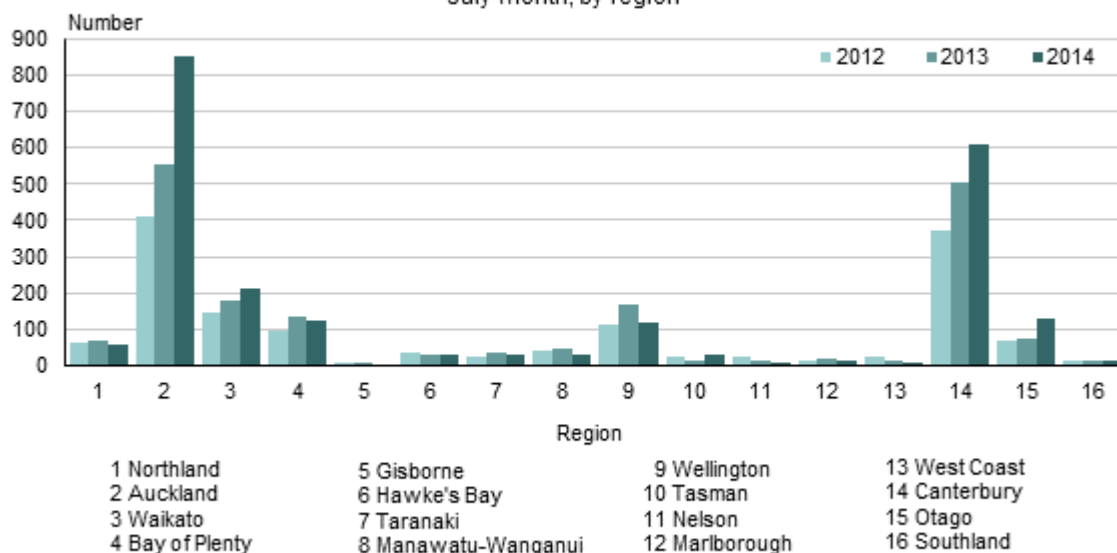
The regions with the largest increases were:

- Auckland – up 293, to 849 (including 235 more apartments)
- Canterbury – up 102, to 609 (including 25 fewer apartments)
- Otago – up 60, to 132 (including 10 apartments).

Apartment numbers usually fluctuate from month to month.

New dwellings consented

Including apartments
July month, by region



Source: Statistics New Zealand

Non-residential consents valued at \$512 million in July

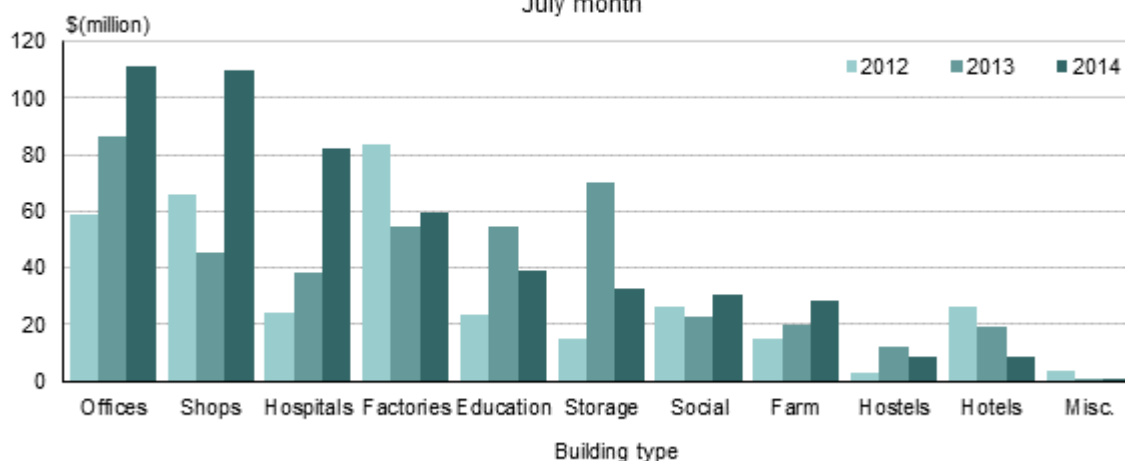
The value of non-residential building work consented in July 2014 was \$512 million. This is the second-highest ever value, but is not adjusted for inflation. The highest ever value was \$530 million in April 2009. The third-highest ever value was \$490 million in June 2014.

The territorial authorities that contributed the most to the value of non-residential building work consented in July 2014 were:

- Christchurch city – \$154 million
- Auckland city – \$104 million
- Wellington city – \$32 million.

Compared with July 2013, the largest non-residential increases in July 2014 were for shops and hospitals. These increases were driven by supermarket and hospital consents in the Canterbury region.

Value of non-residential buildings consented
By building type (including alterations and additions)
July month



Source: Statistics New Zealand

Canterbury earthquake-related consents total almost \$2.1 billion

Since 4 September 2010, \$2,072 million of building consents have been identified as earthquake-related. This includes consents for 2,236 new dwellings.

Not all earthquake-related consents can be identified. For comparison, total figures for Canterbury from September 2010 to July 2014 were:

- \$9,690 million of building consents
- 17,109 new dwellings consented.

In July 2014, the value of building consents identified as earthquake-related in Canterbury was \$126 million (of a total of \$464 million for Canterbury in July). This included:

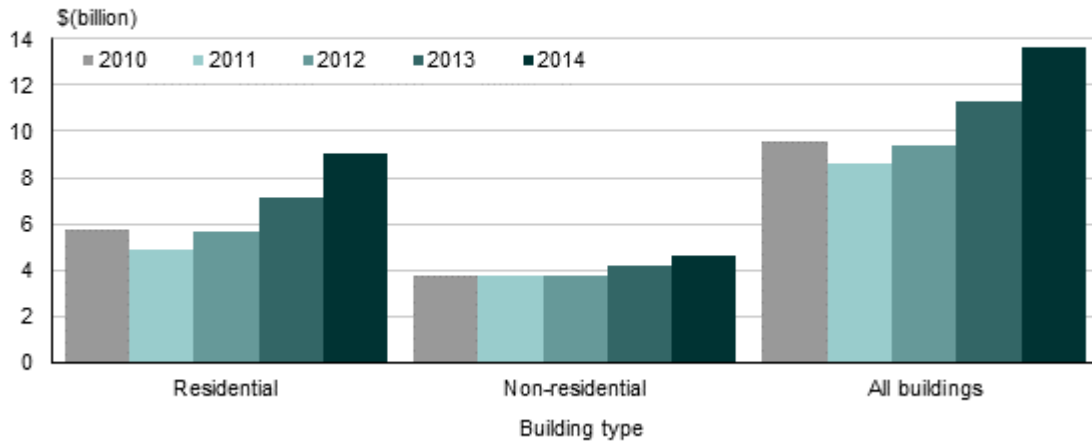
- 148 new dwellings (of a total of 609)
- \$84 million for residential building work (of \$244 million)
- \$42 million for non-residential building work (of \$211 million).

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

Consents for all buildings total almost \$1.4 billion in July

The total value of building work consented in July 2014 was \$1,388 million – comprising \$876 million of residential work, and \$512 million of non-residential work.

Value of buildings consented Including alterations and additions Year ended July



Source: Statistics New Zealand

For the year ended July 2014, compared with the year ended July 2013, the value of building consents increased for:

- all buildings – up \$2.4 billion (21 percent) to \$13.7 billion
- residential buildings – up \$1.9 billion (26 percent) to \$9.0 billion
- non-residential buildings – up \$0.5 billion (11 percent) to \$4.7 billion.

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.

Earthquake-related building consents in Canterbury: are 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.

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 – 13 cities, 53 districts, and 1 territory.

Related links

Upcoming releases

Building Consents Issued: August 2014 will be released on 30 September 2014.

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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

We obtain data for building consents from all accredited building consent authorities (ie territorial authorities) each month. We compile information from 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 we make much effort to minimise these errors, they will still occur, and we cannot quantify their effect.

Coverage

Scope

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

The Building Act 2004 determines the scope of work requiring a building consent. 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.

We exclude 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 June 1996, we code consent values for multi-purpose buildings to one or more of the most appropriate building types. Before this date, we classified multi-purpose buildings separately.

1993 From January 1993, 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 September 1989, we exclude consents below \$5,000.

Boundary changes

2011 From 1 November 2010, part of the former Franklin district moved from the Auckland region to the Waikato region. We include this change 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 effect 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.

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

Trend estimates

Trend estimation removes the estimated effect 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.

We use the X-12-ARIMA seasonal adjustment program 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, we estimate the monthly trend series for the value of non-residential buildings after removing 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

We compile figures for new apartments 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, we treat them 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, we treat them 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. We collect value data 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, 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 has 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.

We quantify and remove trading day effects when they are estimated to be statistically significant. We don't 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](#)

Statistics in this release have been produced in accordance with the [Official Statistics System principles and protocols for producers of Tier 1 statistics](#) for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

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Contacts

For media enquiries contact:

Neil Kelly

Christchurch 03 964 8700

Email: info@stats.govt.nz

For technical information contact:

Mark Darbyshire or Danielle Barwick

Christchurch 03 964 8700

Email: 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 – July
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

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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Group: **Building Consents - BLD**