

Embargoed until 10:45am – 30 September 2008

Building Consents Issued: August 2008

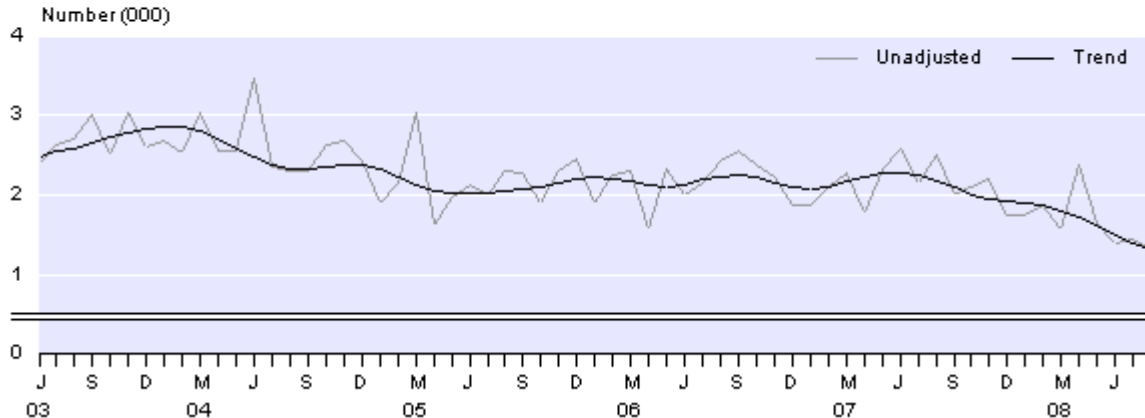
Highlights

- The trend for the number of new dwellings, including apartments, has been falling since mid-2007.
- This trend has fallen 42 percent since then.
- 1,328 new dwellings, including apartments, were authorised in August 2008.
- Residential building consent values totalled \$457 million.
- Non-residential building consent values totalled \$362 million.

New Dwellings Authorised

Including apartment units

Monthly



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See also [Building Consents Issued: August 2008 – Media release](#).

Commentary

Seasonally adjusted series

Movements in the monthly series for seasonally adjusted dwelling numbers for March to June 2008 should be treated with caution. During this period, these series exhibited greater variability than usual. This was due to the high number of dwellings, particularly apartments, authorised in April 2008, and because of the impact of Easter being in March this year instead of April.

Residential buildings

In August 2008, consents were issued for:

- 1,328 new dwellings, including apartments, the lowest monthly total since December 2000
- 1,204 new dwellings, excluding apartments
- 124 new apartment units.

The trend for the number of authorised new dwellings, including apartments, has been falling since mid-2007, and has fallen 42 percent since then.

In August 2008 compared with July 2008, the seasonally adjusted number of authorised new dwellings, including apartments, fell 7.9 percent. Excluding apartments, the number fell 8.9 percent.

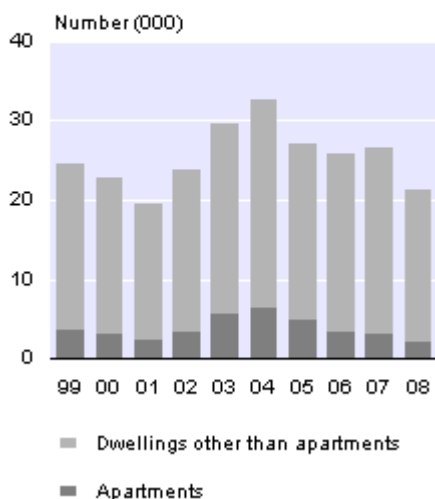
For the year ended August 2008, compared with the previous August year, the authorised number of:

- new dwellings, including apartments, fell 20 percent
- new dwellings, excluding apartments, fell 18 percent
- apartments fell 33 percent.

New Dwellings Authorised

All regions

Year ended August

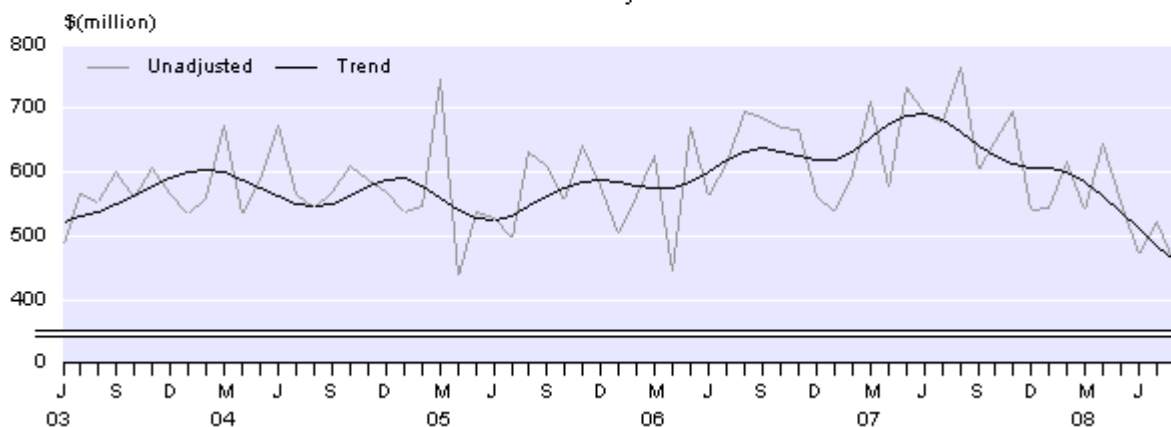


The value of authorised residential building consents was \$457 million in August 2008 (a decrease of 40 percent compared with August 2007). This is the lowest monthly total since April 2006. The trend has also been falling from the peak in June 2007.

Value of Residential Buildings Authorised

Including alterations and additions

Monthly



For the year ended August 2008, residential building consents valued at \$6,834 million were issued, a decrease of 13 percent from the August 2007 year.

Regional residential results

In all of New Zealand's 16 regions, fewer new dwellings were authorised in August 2008 than in August 2007. Numbers fell by 923 units in the North Island and by 257 units in the South Island.

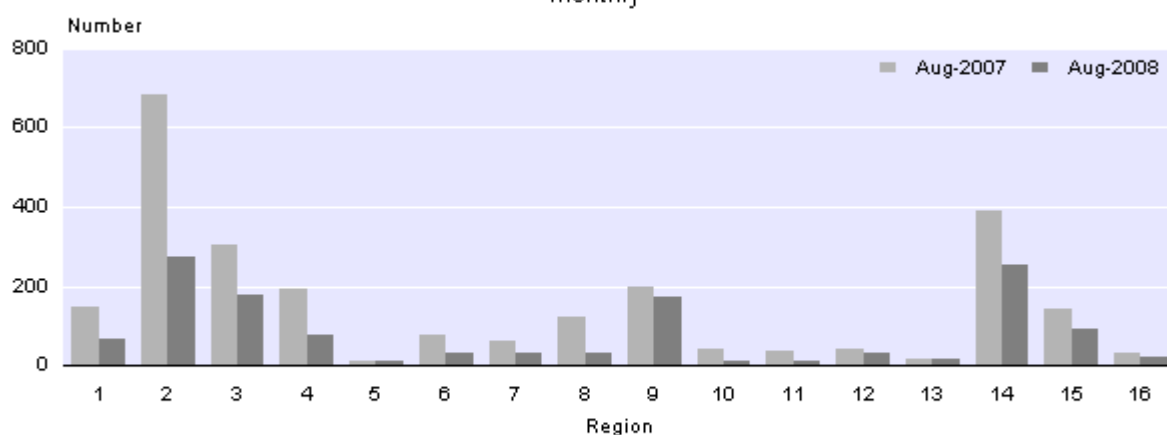
The largest regional decreases were:

- Auckland, down 405 units, to 276
- Canterbury, down 137, to 255
- Waikato, down 127, to 176.

New Dwellings Authorised

By region

Monthly



1 Northland	5 Gisborne	9 Wellington	13 West Coast
2 Auckland	6 Hawke's Bay	10 Tasman	14 Canterbury
3 Waikato	7 Taranaki	11 Nelson	15 Otago
4 Bay of Plenty	8 Manawatu-Wanganui	12 Marlborough	16 Southland

Non-residential buildings

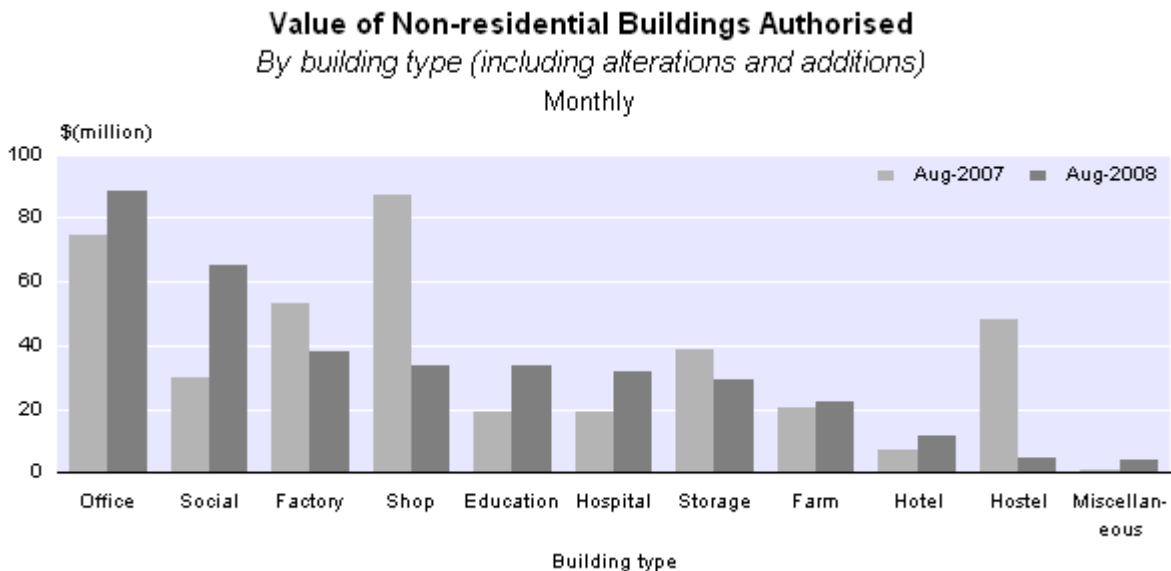
The value of authorised non-residential building consents was \$362 million in August 2008, a decrease of 8.9 percent compared with August 2007. Four of the 11 building types recorded decreases in the value of consents.

For August 2008 compared with August 2007, the largest changes were:

- shops, restaurants and taverns, down \$53 million
- hostels and boarding houses, down \$44 million
- social, cultural and religious buildings, up \$36 million.

The largest contributors to the August 2008 value of consents were:

- offices and administration buildings, at 24 percent
- social, cultural and religious buildings, at 18 percent
- factories and industrial buildings, at 11 percent.

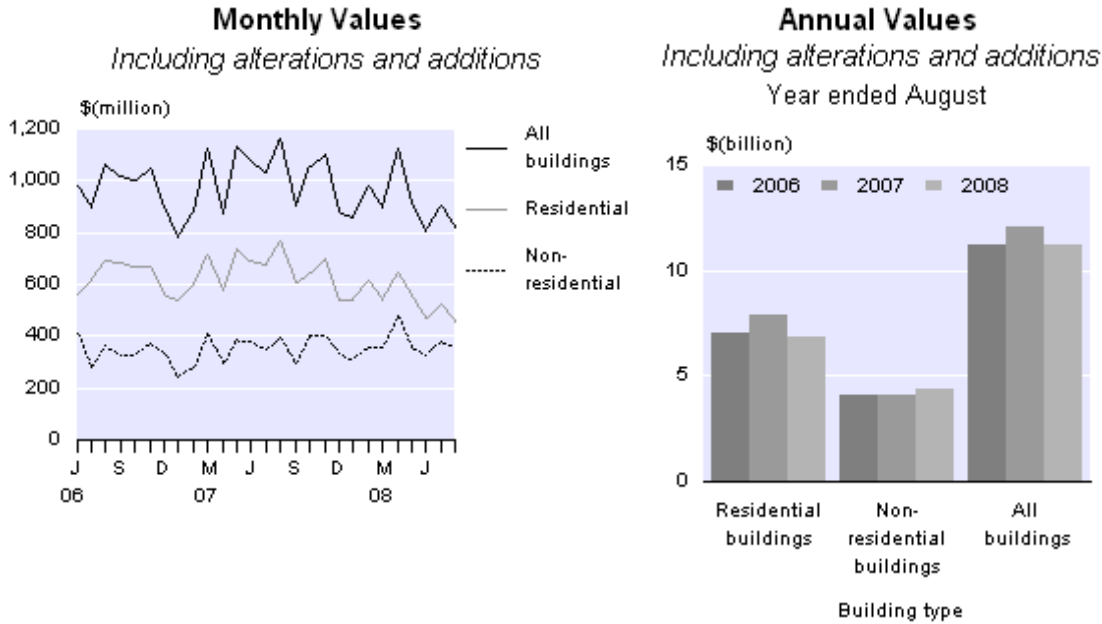


For the year ended August 2008, non-residential building consents valued at \$4,380 million were issued, an increase of 6.0 percent from the August 2007 year.

All buildings

In August 2008, the value of consents issued for all buildings was \$819 million, a decrease of 30 percent compared with August 2007.

Residential buildings contributed 56 percent to the total value of all buildings in August 2008, while non-residential buildings contributed 44 percent. For the previous 12 months, the average monthly contribution of residential buildings was 62 percent.



For the year ended August 2008, the total value of consents issued for all buildings was \$11,213 million, down \$795 million (6.6 percent) from the August 2007 year. For the latest year, the value of consents issued for residential buildings fell \$1,041 million, while the value for non-residential buildings rose \$246 million.

Revisions

Building consent statistics for six months (October 2007, December 2007, and April–July 2008) have been revised to include late data from Auckland and Christchurch cities. The table below summarises the changes made to unadjusted data.

Revisions to Building Consents Issued									
Month	New dwellings			Total residential buildings			Total non-residential buildings		
	Number of units			\$(million)					
	Previous	Revised	Change	Previous	Revised	Change	Previous	Revised	Change
Oct-07	2,085	2,087	2	646	647	1	381	404	23
Dec-07	1,738	1,739	1	539	542	3	331	336	5
Apr-08	2,373	..	..	645	..	..	468	478	10
May-08	1,653	..	..	553	..	..	350	355	5
Jun-08	1,362	1,380	18	455	470	15	313	331	18
Jul-08	1,410	1,435	25	491	521	30	349	383	34

Symbol: .. not applicable

Previous figures were published on 29 August 2008.
Revised figures are published on 30 September 2008.

These changes have had a minor impact on the trend series and the seasonally adjusted series:

- The overall direction and level of the trends have not altered – the trends for the number of new dwellings and the value of residential buildings have both been falling since June 2007.
- Changes in the seasonally adjusted series are within the normal variation expected from adding a new period of data.

It should be noted that the number of new dwelling units for August 2008 was the lowest monthly total since December 2000.

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Next release ...

Building Consents Issued: September 2008 will be released on 30 October 2008.

Technical notes

Data source

Data for building consents is obtained each month from all territorial authorities. Values include GST and are not inflation adjusted.

Coverage

From September 1989, consents below \$5,000 are excluded. Under the building regulations effective from 1 January 1993, building authorisations are 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.

Classification of building types

A building is classified according to its main intended function. Some consents are for a building that may have more than one purpose (such as a shop/office building). Before June 1996, these consents were classified to a separate multi-purpose category. From the June 1996 month, the floor area and value of a consent for a multi-purpose building is split between each of the building's main functions. When sufficient detail cannot be obtained, the building is classified according to the predominant function of the building.

Figures for new apartments are compiled from consents that have 10 or more new attached dwelling units (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.

Staged consents

Some consents, particularly for large projects, are issued in stages across several months. 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.

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. To reduce distortions, the series for non-residential buildings is estimated after removal of large consent values of \$25 million or more.

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.

Further information on [seasonal adjustment](#) is on the Statistics New Zealand website.

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 might 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.

For more information, see the [link](#) from the Technical notes of this release on the Statistics NZ website.

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Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

1. Building consents issued – August
2. Number of new dwelling units authorised
3. Number and value of new dwelling units authorised, by region
4. Number of new dwelling units authorised, by selected territorial authorities
5. Value of building consents issued, unadjusted and trend values