

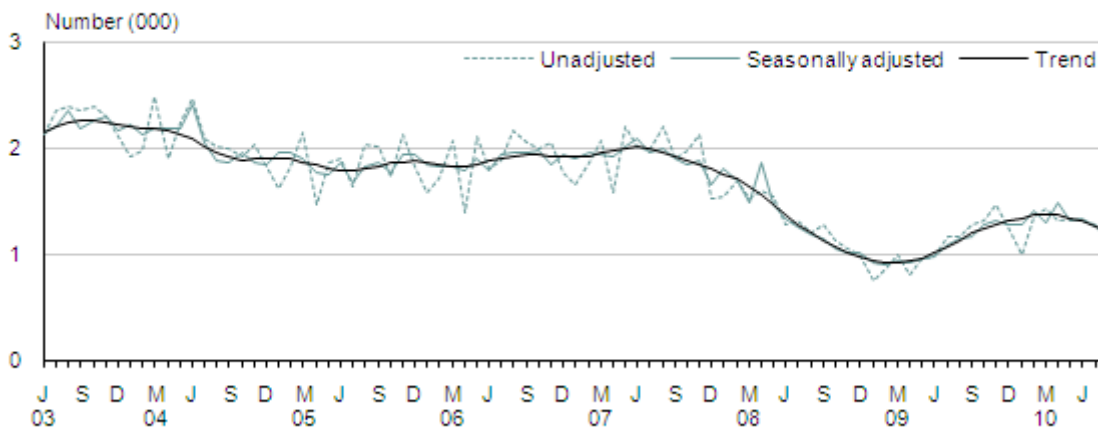
Embargoed until 10:45am – 30 September 2010

Building Consents Issued: August 2010

Highlights

- The seasonally adjusted number of new dwelling units authorised, excluding apartments, fell 8.9 percent.
- The trend for the number of new dwellings authorised, excluding apartments, has been falling since March 2010 (following increases that began in April 2009).
- 1,193 new dwellings were authorised, excluding apartments.
- 36 new apartment units were authorised.
- For August 2010 compared with August 2009, the value of residential building consents rose \$33 million (7.6 percent) and the value of non-residential building consents fell \$88 million (23 percent).

New dwellings authorised
Excluding apartment units
Monthly



Source: Statistics New Zealand

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30 September 2010
ISSN 1178-0231

Commentary

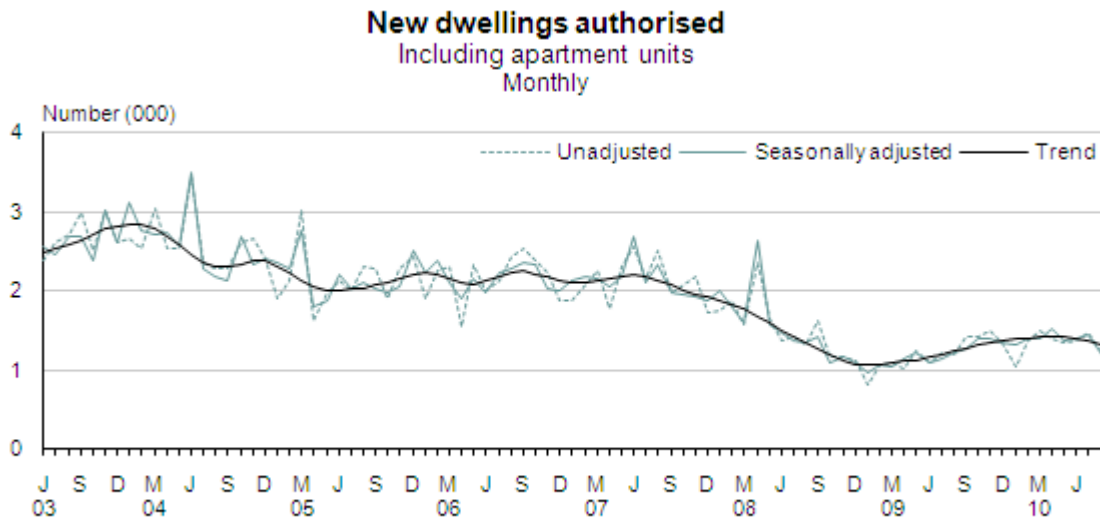
Residential buildings

Figures given are unadjusted unless stated otherwise. In August 2010 compared with August 2009, consents were issued for:

- 1,229 new dwelling units, including apartments, up 2.8 percent
- 1,193 new dwelling units, excluding apartments, up 2.4 percent
- 36 new apartment units, up 20 percent.

Apartments contributed 2.9 percent to the number of new dwellings authorised in August 2010, compared with a monthly average of 5.6 percent for the previous 12 months. Apartment numbers can vary considerably from month to month.

The seasonally adjusted number of new dwelling units authorised, including apartments, fell 18 percent in August 2010, following a 2.4 percent rise in July 2010 (when the highest number of apartments for more than a year was authorised). Latest figures indicate that the trend has fallen for the last four months, following increases that began in February 2009. As shown in the graph below, the trend level is 54 percent lower than the series peak in January 2004.



Source: Statistics New Zealand

Excluding apartments, the seasonally adjusted number of new dwellings authorised in August 2010 fell 8.9 percent, to the lowest monthly number authorised for more than a year. This follows a fall of 6.0 percent the month before.

The trend for the number of new dwellings authorised, excluding apartments, has been falling since March 2010, following increases that began in April 2009. The current level is 39 percent lower than the recent peak in June 2007, before the recent economic downturn.

The value of residential building consents was \$473 million in August 2010, and is up 7.6 percent compared with August 2009. The trend has been falling since March 2010, and the level is 32 percent lower than the recent peak in June 2007.

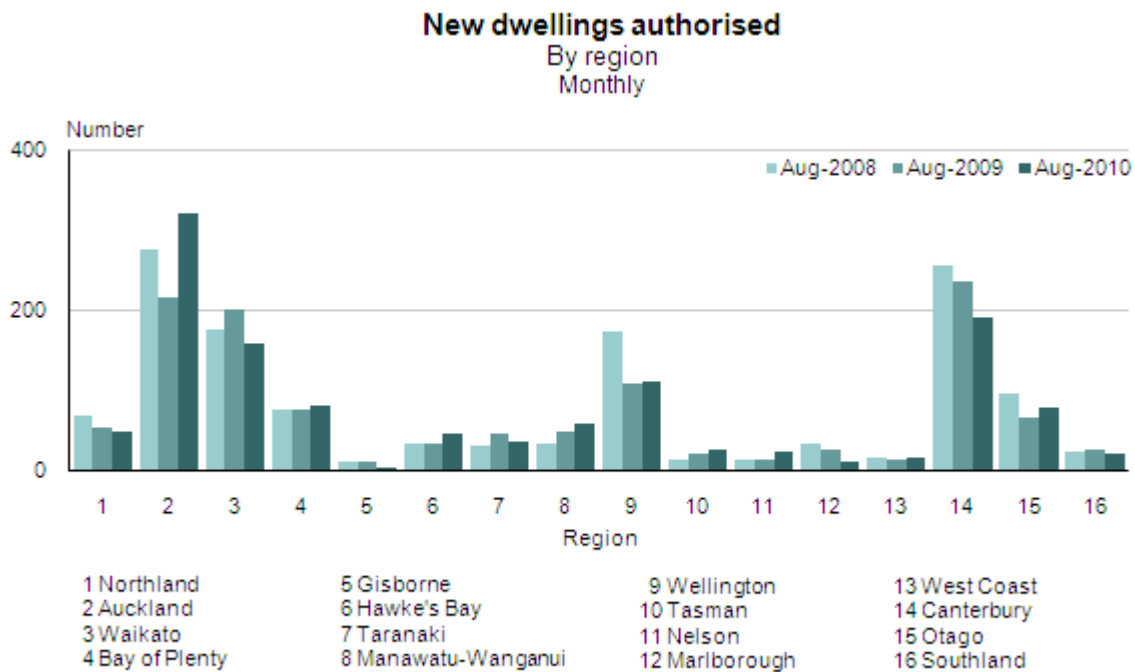
Regional residential results

More new dwelling units were authorised in 9 of New Zealand's 16 regions in August 2010 compared with August 2009. In August 2010, numbers rose by 68 units (8.6 percent) in the North Island but fell by 34 units (8.5 percent) in the South Island.

The three regions with the largest changes from August 2009 were:

- Auckland, **up** 105 units to 321
- Canterbury, **down** 44 units to 191
- Waikato, **down** 42 units to 158.

This release covers consents authorised in the month of August, before the earthquake in Canterbury on 4 September 2010.



Source: Statistics New Zealand

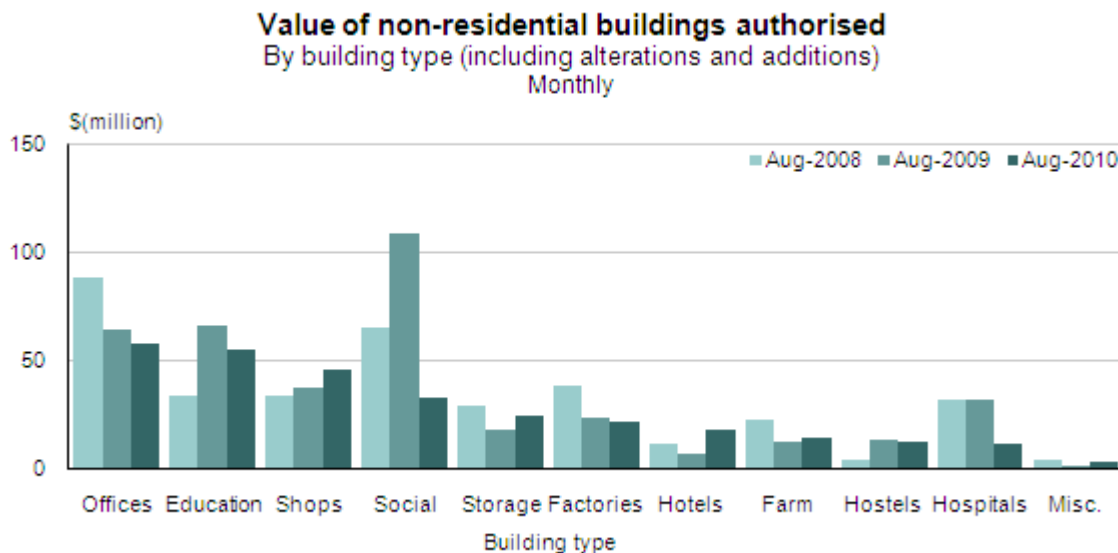
Non-residential buildings

The value of non-residential building consents was \$296 million in August 2010, down 23 percent compared with August 2009. Six of the 11 building types recorded decreases in the value of consents in August 2010 compared with August 2009.

The largest decreases were:

- social, cultural, and religious buildings, down \$77 million (several indoor sports facilities were authorised in August 2009)
- hospitals and nursing homes, down \$20 million
- education buildings, down \$11 million.

The largest increase was for hotels and other short-term accommodation, up \$11 million.



Source: Statistics New Zealand

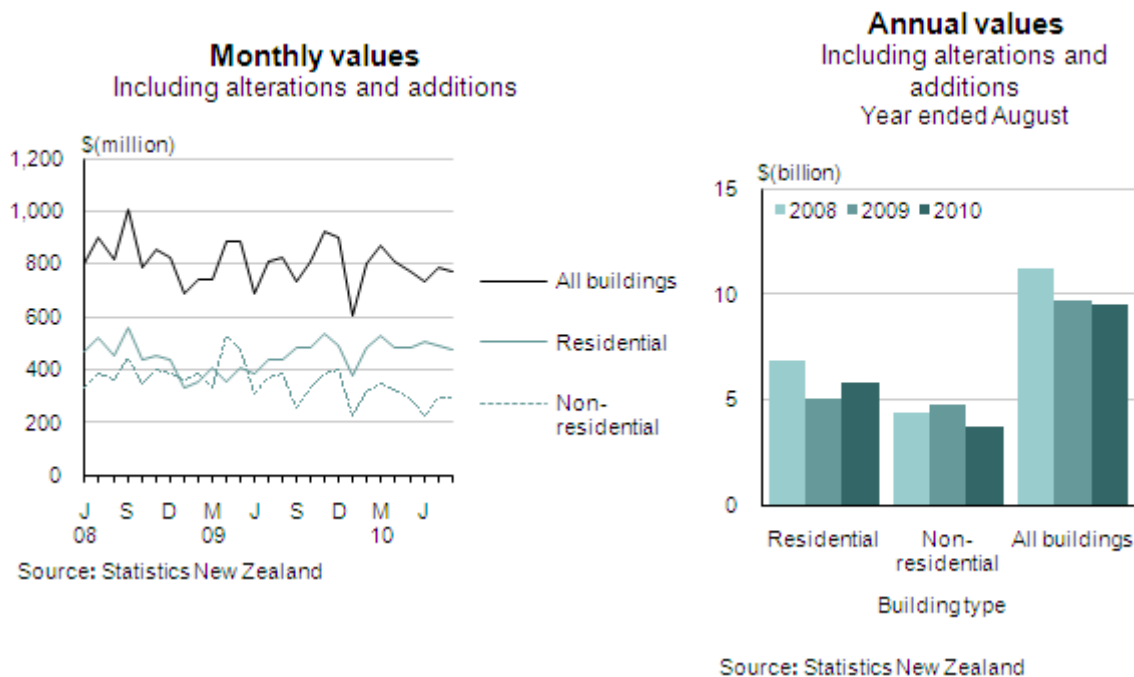
As shown by the dark bars in this graph, the three largest contributors to the value of non-residential building consents authorised for August 2010 were:

- offices and administration buildings, at 19 percent
- education buildings, at 19 percent
- shops, restaurants, and taverns, at 15 percent.

The monthly trend series for the value of non-residential buildings has been removed from the tables and Infoshare for further analysis. The trend series is estimated after the removal of consents valued at \$25 million or more and Statistics New Zealand is reviewing this practice. The monthly series is available on request.

All buildings

In August 2010, the value of consents issued for all buildings was \$769 million, a 6.6 percent decrease compared with August 2009.



For the year ended August 2010 compared with the year ended August 2009, the total value of consents issued for:

- all buildings was \$9,514 million, **down** \$229 million (2.4 percent)
- residential buildings was \$5,819 million, **up** \$802 million (16 percent)
- non-residential buildings was \$3,695 million, **down** \$1,031 million (22 percent).

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Next release ...

Building Consents Issued: September 2010 will be released on 29 October 2010.

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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Timing

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

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