

# Building Consents Issued: December 2013

Embargoed until 10:45am – 30 January 2014

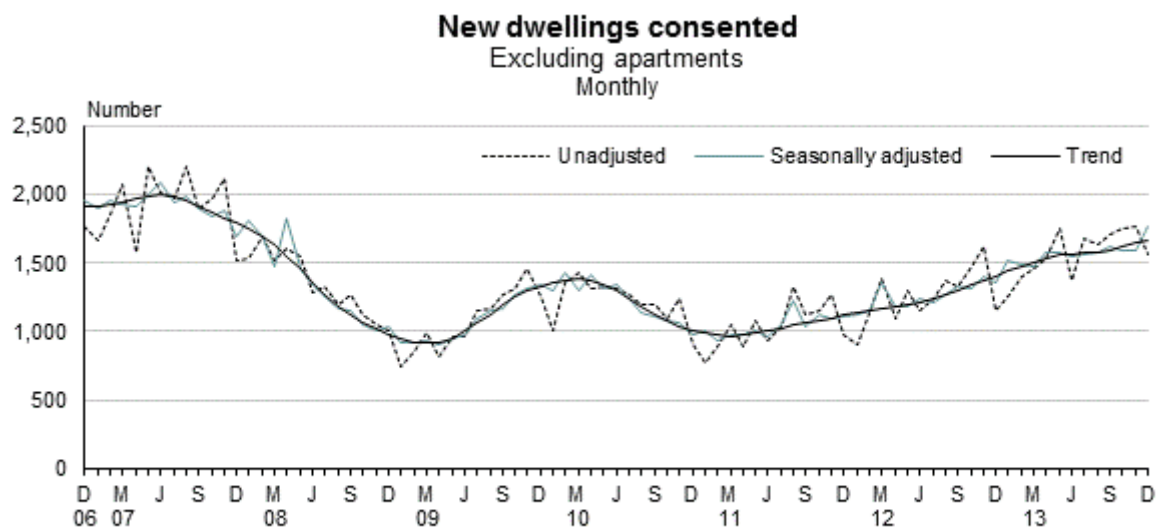
## Key facts

In December 2013, building consents were issued for:

- 2,035 new dwellings, including apartments
- 473 apartments, including 122 retirement village units
- 1,562 non-apartment dwellings.

The seasonally adjusted number of new dwellings, excluding apartments, rose 11 percent.

The trend for new dwellings, excluding apartments, is at its highest level since February 2008, and is 73 percent higher than the most-recent low point in March 2011.



Source: Statistics New Zealand

The unadjusted value of building work consented in December 2013 was \$1,066 million. This consisted of \$687 million of residential work and \$379 million of non-residential work.

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## Commentary

- Large rise in dwellings consented in December month
- Non-residential consents valued at \$379 million in December month
- Canterbury earthquake-related consents reach \$1.4 billion
- Over \$12 billion of building work consented in 2013
- Auckland and Canterbury show large annual increases in dwellings
- Annual non-residential consents value rises in most regions

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

### Large rise in dwellings consented in December month

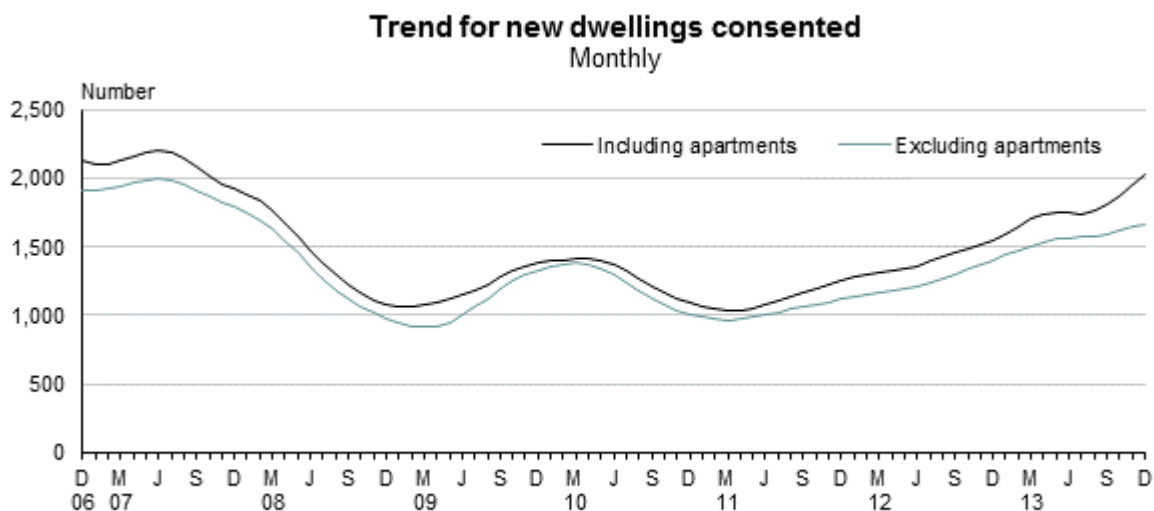
In December 2013, a total of 2,035 new dwellings were consented. This consisted of:

- 473 apartments, including 122 retirement village units
- 1,562 non-apartment dwellings.

These were higher-than-usual numbers for a December month. As a result, the seasonally adjusted number of new dwellings rose:

- 7.6 percent including apartments (following a 12 percent rise in November).
- 10.7 percent excluding apartments (after no change in November).

The trend for new dwellings, including apartments, is at its highest level since September 2007, and is 98 percent higher than the series minimum in March 2011. However, it is still 29 percent below the series maximum in January 2004.



Source: Statistics New Zealand

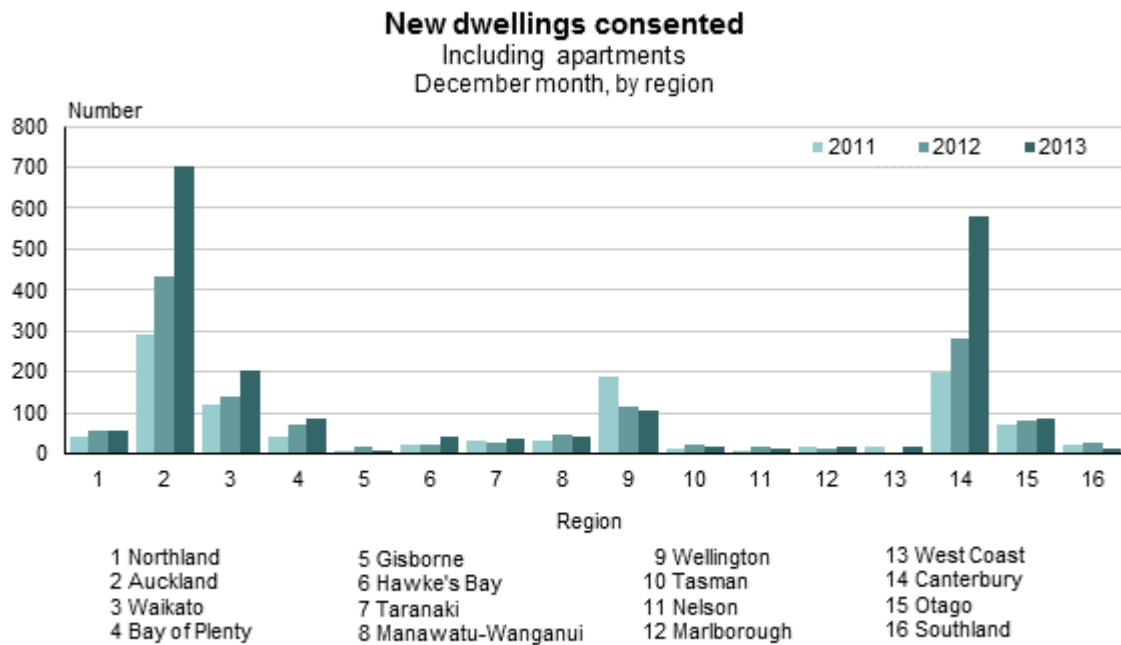
The trend for new dwellings, excluding apartments, is at its highest level since February 2008, and is 73 percent higher than the most-recent low point in March 2011. However, it is still 26 percent below the series maximum in September 2003.

Note: Seasonally adjusted and trend figures, particularly for the latest periods, may be revised whenever a new month is added to the series.

### Auckland drives apartments increase

In December 2013, 473 new apartments were consented across four regions. Most of these were in Auckland, where 397 were consented. December was the second consecutive month with a high number of consented apartments.

Note: Apartment numbers usually fluctuate from month to month.



Source: Statistics New Zealand

### Christchurch drives increase excluding apartments

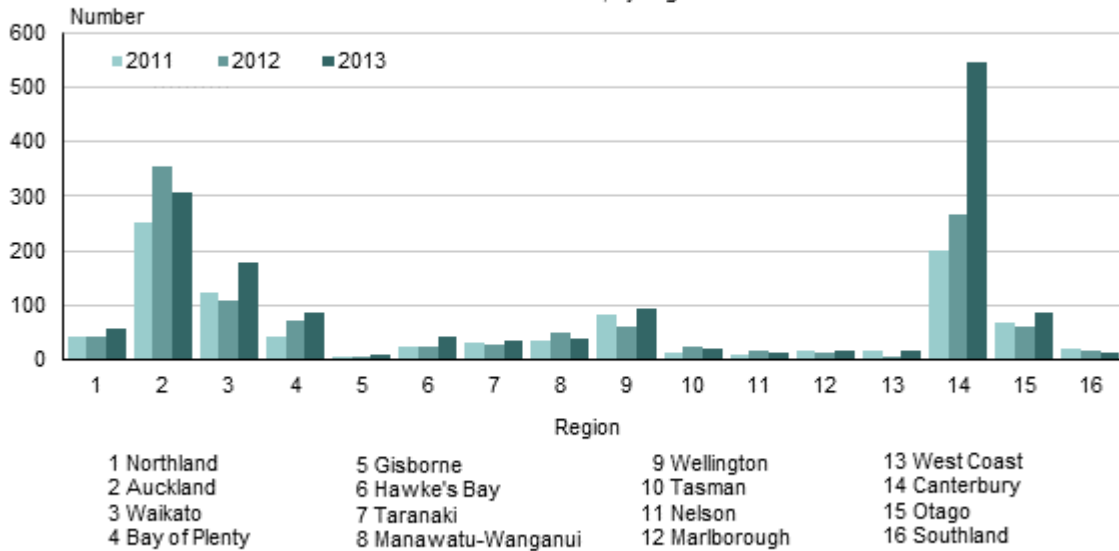
Excluding apartments, 11 of the 16 regions consented more new dwellings in December 2013 than in December 2012.

The regions with the greatest movements were:

- Canterbury – **up** 276, to 544 (driven by an increase of 225 in Christchurch)
- Waikato – **up** 69, to 178
- Auckland – **down** 49, to 307.

### New dwellings consented

Excluding apartments  
December month, by region



Source: Statistics New Zealand

### Non-residential consents valued at \$379 million in December month

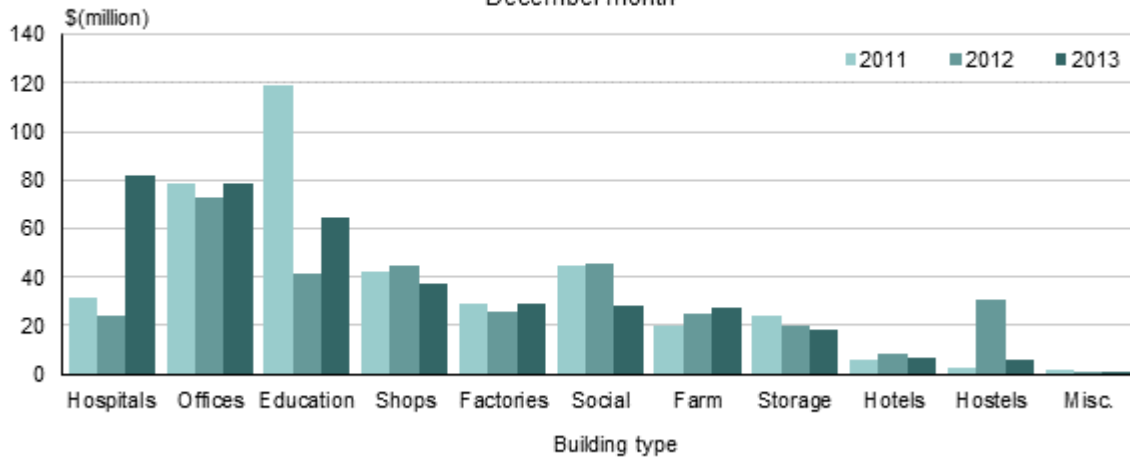
The value of non-residential building work consented in December 2013 was \$379 million. The largest contributors, by value, were:

- hospitals and nursing homes – \$82 million (22 percent of all non-residential buildings)
- offices and administration buildings – \$79 million (21 percent)
- education buildings – \$65 million (17 percent).

The value of building consents for hospitals and nursing homes was up \$58 million in December 2013 compared with December 2012. This increase was largely driven by a consent for a hospital in Christchurch.

### Value of non-residential buildings consented

By building type (including alterations and additions)  
December month



Source: Statistics New Zealand

## Canterbury earthquake-related consents reach \$1.4 billion

Since 4 September 2010, \$1,443 million of building consents have been identified as earthquake-related. This includes consents for 1,321 new dwellings.

Not all earthquake-related consents can be identified. For comparison, the total value of building consents in Canterbury from September 2010 to December 2013 is \$7,220 million. The total number of new dwellings consented in Canterbury over this period is 13,067.

In December 2013, the value of building consents identified as earthquake-related in Canterbury was \$59 million (of a total of \$352 million for Canterbury in December). This included:

- 78 new dwellings (of 581)
- \$44 million for residential building work (of \$200 million)
- \$14 million for non-residential building work (of \$149 million).

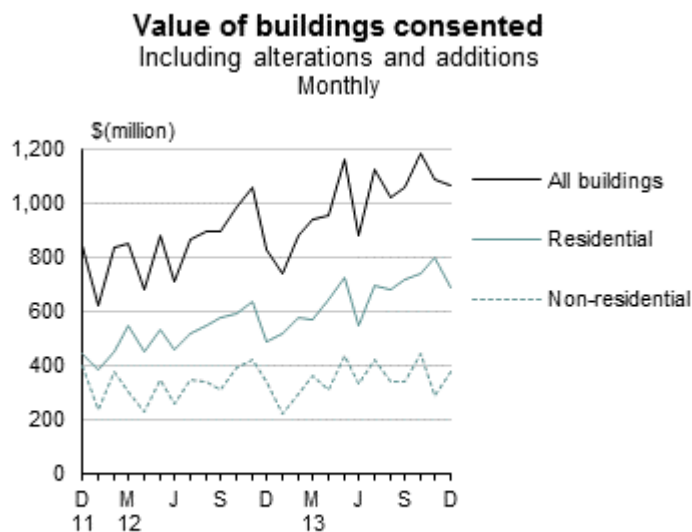
[See more about earthquake-related building consents in Canterbury](#)

## Over \$12 billion of building work consented in 2013

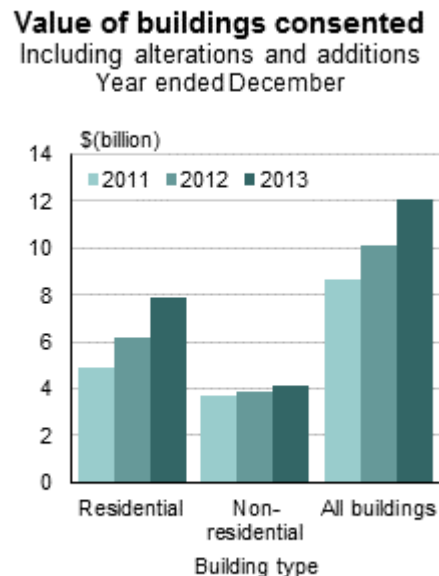
The total value of building work consented in the year ended December 2013 was \$12,081 million.

In 2013, compared with 2012, the value of building consents increased for:

- all buildings – up \$1,999 million (20 percent) to \$12,081 million
- residential buildings – up \$1,728 million (28 percent) to \$7,905 million
- non-residential buildings – up \$270 million (6.9 percent) to \$4,176 million.



Source: Statistics New Zealand



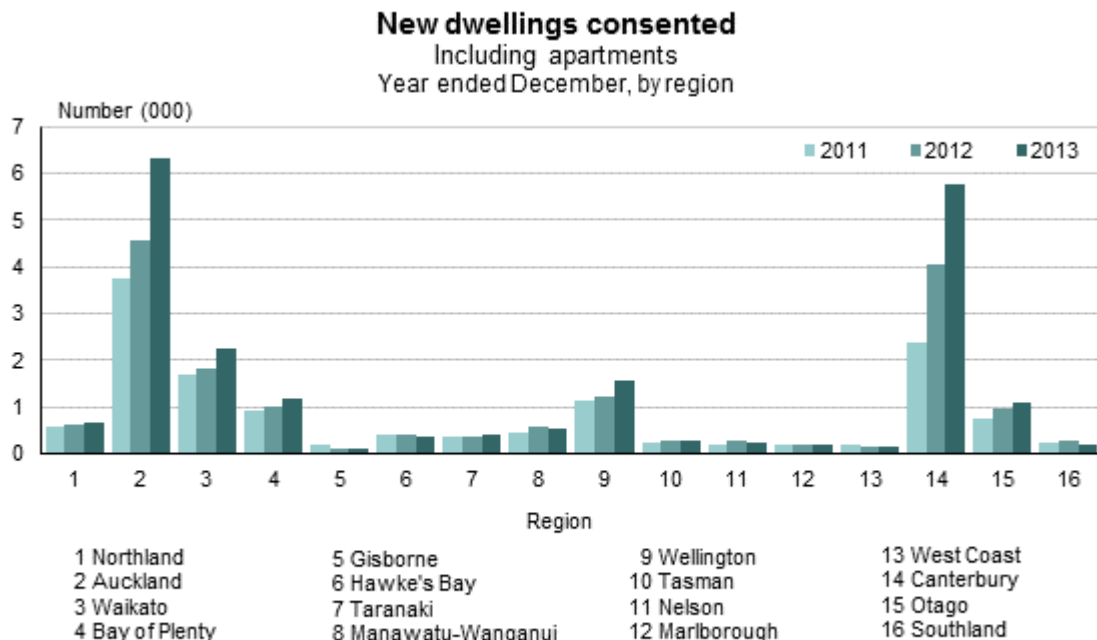
Source: Statistics New Zealand

## Auckland and Canterbury show large annual increases in dwellings

Nine of the 16 regions consented more new dwellings in 2013 than in 2012.

Including apartments, the regions with the largest increases were:

- Auckland – up 1,727 (38 percent) to 6,309
- Canterbury – up 1,725 (43 percent) to 5762
- Waikato – up 441 (24 percent) to 2,245
- Wellington – up 338 (27 percent) to 1,573
- Bay of Plenty – up 205 (21 percent) to 1,200.



## Highest annual number of new dwellings since 2007

Nationally, 21,300 new dwellings were consented in 2013 (up 4,371, or 26 percent, from 2012). This was the highest number since 2007.

The annual number has been rising since 2011, when 13,662 new dwellings were consented – the fewest since the series began in 1966.

High points in the series include:

- 31,423 new dwellings in 2004 (a 30-year high)
- 39,766 new dwellings in 1973 (the series maximum).

## Annual non-residential consents value rises in most regions

In 11 of the 16 regions, the total value of consented non-residential building work was higher in 2013 than in 2012.

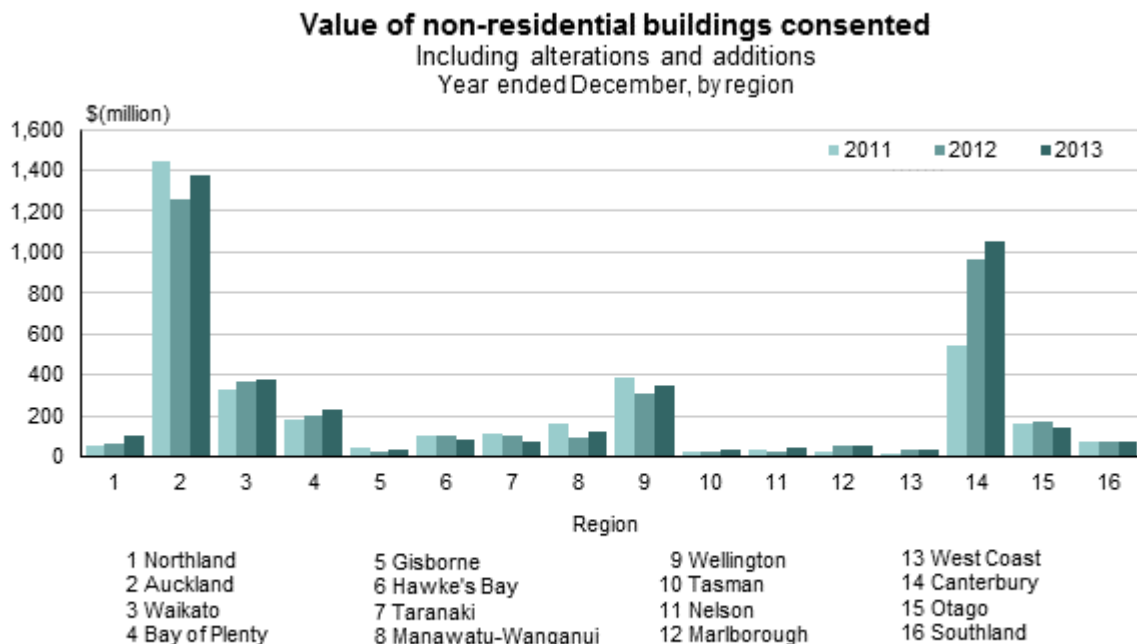
The regions with the largest increases were:

- Auckland – up \$114 million (9.0 percent) to \$1,372 million
- Canterbury – up \$87 million (9.0 percent) to \$1,056 million
- Northland – up \$41 million (62 percent) to \$107 million
- Wellington – up \$33 million (11 percent) to \$347 million.

The regions with the largest decreases were:

- Taranaki – down \$29 million (27 percent) to \$77 million
- Otago – down \$29 million (16 percent) to \$147 million.

Building consents value data is 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.

**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.

**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: January 2014* will be released on 28 February 2014.

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### **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 – December
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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