

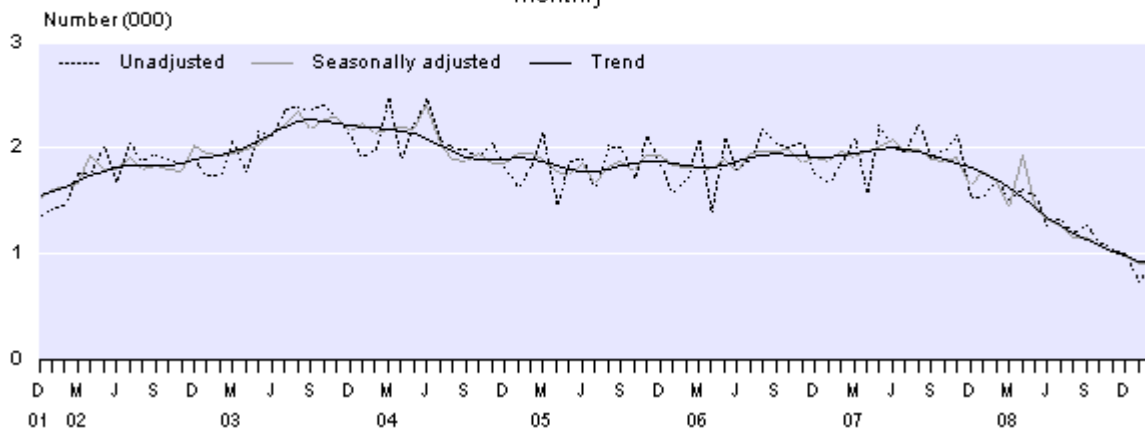
Embargoed until 10:45am – 30 March 2009

## Building Consents Issued: February 2009

### Highlights

- The trend indicates that the number of authorised new dwellings, excluding apartments, has continued to fall since June 2007.
- The seasonally adjusted number of authorised new dwellings, excluding apartments, rose 0.3 percent, but remains at a low level.
- 1,059 new dwellings were authorised, including 193 apartments.
- The value of consents issued for residential buildings was below the value of consents issued for non-residential buildings.

**New Dwellings Authorised**  
*Excluding apartment units*  
Monthly



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See also [Building Consents Issued: February 2009 – Media release.](#)

# Commentary

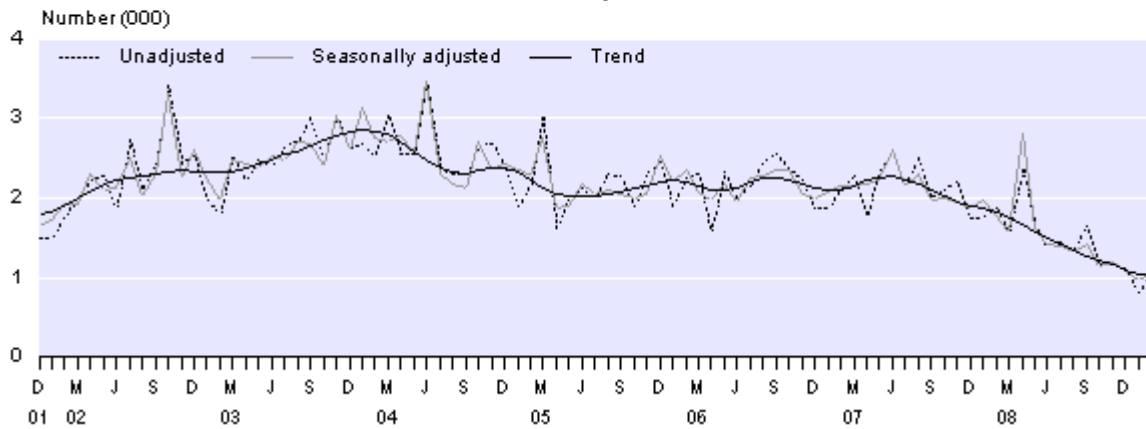
## Residential buildings

In February 2009, consents were issued for:

- 1,059 new dwelling units, including apartment units
- 866 new dwellings, excluding apartments
- 193 new apartments.

Apartments contributed 18 percent to the number of new dwellings authorised in February 2009, compared with a monthly average of 11 percent for the previous 12 months.

**New Dwellings Authorised**  
*Including apartment units*  
Monthly



The seasonally adjusted number of new dwellings authorised, including apartments, rose 12 percent in February 2009, after falling 13 percent in January. Excluding apartments, the seasonally adjusted number rose 0.3 percent in February 2009, but remains at a low level.

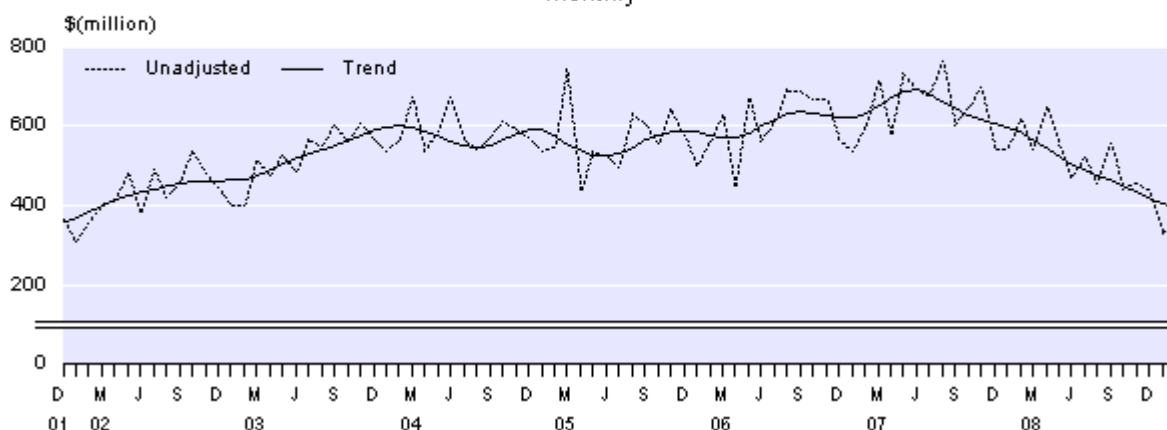
The trends for the number of authorised new dwellings, both including and excluding apartments, have fallen more than 50 percent since their recent peaks, both in June 2007.

The value of residential building consents was \$358 million in February 2009, a 42 percent decrease compared with February 2008. The trend indicates that the value has fallen more than 40 percent since the peak in June 2007.

### Value of Residential Buildings Authorised

*Including alterations and additions*

Monthly



For the year ended February 2009, residential building consents valued at \$5,766 million were issued, a 26 percent decrease from the February 2008 year.

## Regional residential results

In 13 of New Zealand's 16 regions, fewer new dwelling units were authorised in February 2009 than in February 2008. Numbers fell by 572 units (43 percent) in the North Island, and by 242 units (45 percent) in the South Island.

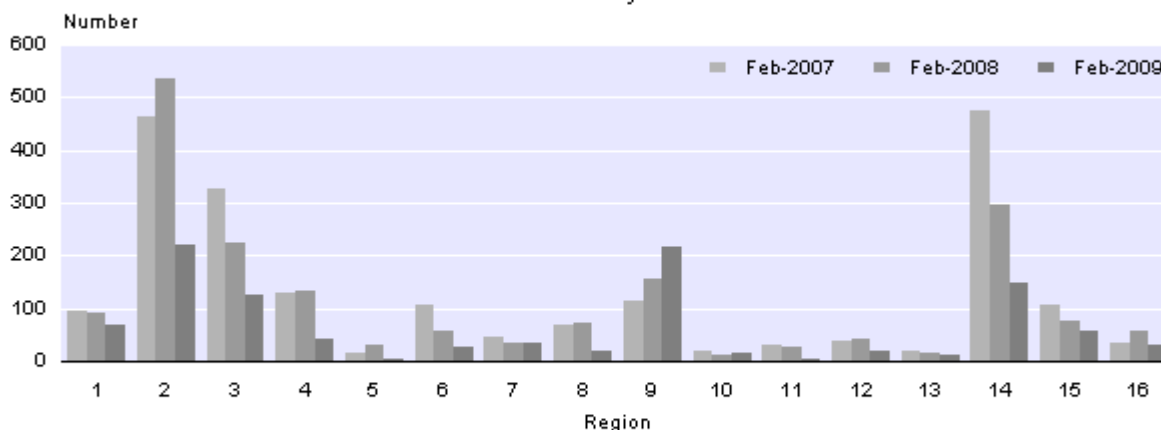
The highest regional numbers of new dwellings authorised for February 2009 were:

- Auckland, with 220 units, down 59 percent
- Wellington, with 215 units, up 39 percent (including 137 apartment units)
- Canterbury, with 147 units, down 51 percent
- Waikato, with 126 units, down 44 percent.

### New Dwellings Authorised

*By region*

Monthly



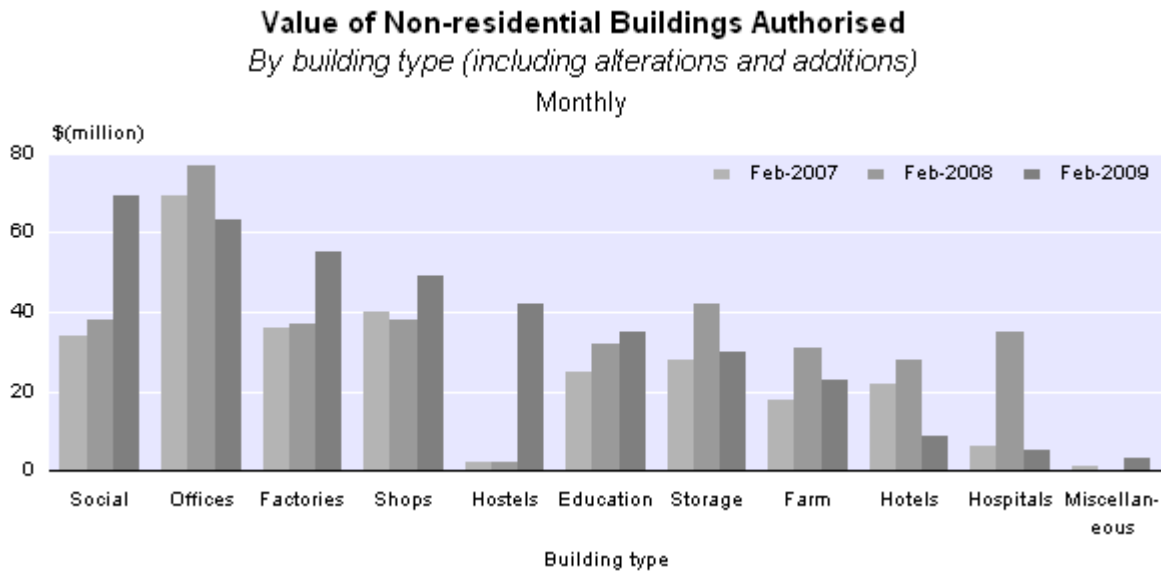
1 Northland	5 Gisborne	9 Wellington	13 West Coast
2 Auckland	6 Hawke's Bay	10 Tasman	14 Canterbury
3 Waikato	7 Taranaki	11 Nelson	15 Otago
4 Bay of Plenty	8 Manawatu-Wanganui	12 Marlborough	16 Southland

## Non-residential buildings

The value of non-residential building consents was \$382 million in February 2009, an increase of 5.9 percent compared with February 2008. Six of the 11 building types recorded increases.

The largest changes for February 2009 compared with February 2008 were:

- hostels and boarding houses, up \$41 million
- social, cultural and religious buildings, up \$31 million
- hospitals and nursing homes, down \$30 million.



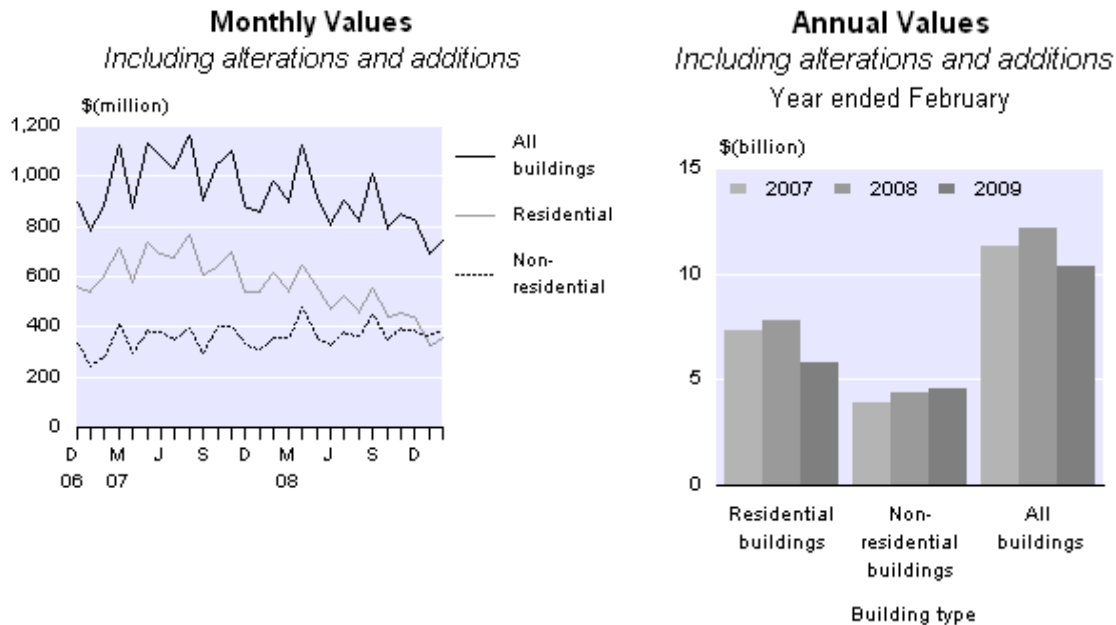
The three largest contributors to the value of consents authorised in February 2009 were:

- social, cultural and religious buildings, at \$69 million (with one consent contributing just over 80 percent to this amount)
- offices and administration buildings, at \$63 million
- factories and industrial buildings, at \$55 million.

## All buildings

In February 2009, the value of consents issued for all buildings was \$740 million, a decrease of 24 percent compared with February 2008.

In February 2009, the value of consents issued for residential buildings (\$358 million) was below the value of consents issued for non-residential buildings (\$382 million). This also occurred in January 2009 and before that in June 1998. In the 12 months before February 2009, the average monthly contribution of residential buildings to the value of all buildings was 57 percent.



For the year ended February 2009 compared with the February 2008 year, the total value of consents issued for:

- all buildings was \$10,358 million, down \$1,794 million (15 percent)
- residential buildings was \$5,766 million, down \$2,035 million (26 percent)
- non-residential buildings was \$4,592 million, up \$241 million (5.5 percent).

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**Next release ...**

*Building Consents Issued: March 2009* will be released on 30 April 2009.

## **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 – February
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