

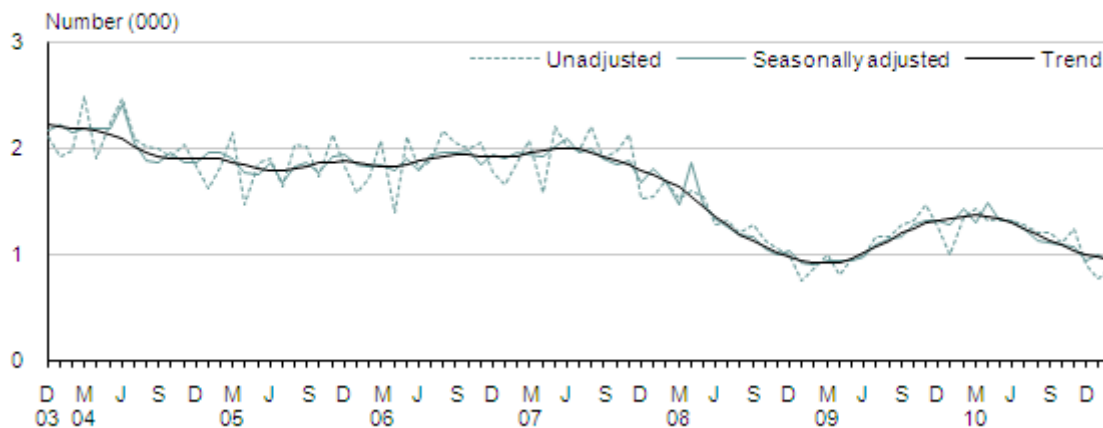
Building Consents Issued: February 2011

Embargoed until 10:45am – 30 March 2011

Highlights

- The seasonally adjusted number of new dwellings authorised, excluding apartments, fell 7.8 percent from January. This brings the level to the lowest point since February 2009.
- The trend for the number of new dwellings authorised, excluding apartments, has fallen steadily in recent months, declining 31 percent since the recent peak in March 2010.
- 89 new apartments and 884 other dwelling units were authorised.
- For February 2011, compared with February 2010, the unadjusted value of residential building consents fell \$96 million (20 percent), and non-residential building consents fell \$60 million (19 percent).

New dwellings authorised
Excluding apartment units
Monthly



Source: Statistics New Zealand

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Commentary

Building consent values include goods and services tax (GST), which increased from 12.5 percent to 15 percent from 1 October 2010. It is not possible to separate the impact of this change on building consent statistics.

Figures given are unadjusted unless otherwise stated.

Residential buildings

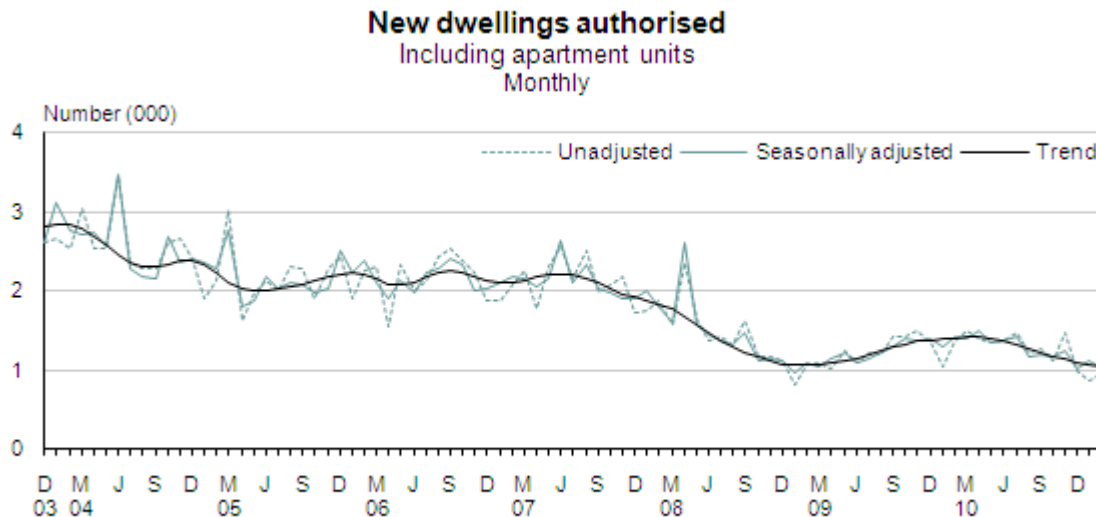
In February 2011, compared with February 2010, consents were issued for:

- 973 new dwelling units, including apartments, **down** 29 percent
- 884 new dwelling units, excluding apartments, **down** 35 percent
- 89 new apartment units, **up** 76 units.

Consents for apartments accounted for 9.1 percent of the number of new dwellings authorised in February 2011, compared with a monthly average of 6.4 percent for the previous 12 months. Apartment numbers can vary considerably from month to month.

The seasonally adjusted number of new dwellings authorised (including and excluding apartments) fell in February 2011 – this follows similar sized rises in January 2011, and larger falls in December 2010. The trends for both series continue to decline:

- The trend for the number of new dwellings authorised, including apartments, has declined 26 percent since the latest peak in April 2010.
- The trend for the number of new dwellings authorised, excluding apartments, has declined 31 percent since the latest peak in March 2010.



Source: Statistics New Zealand

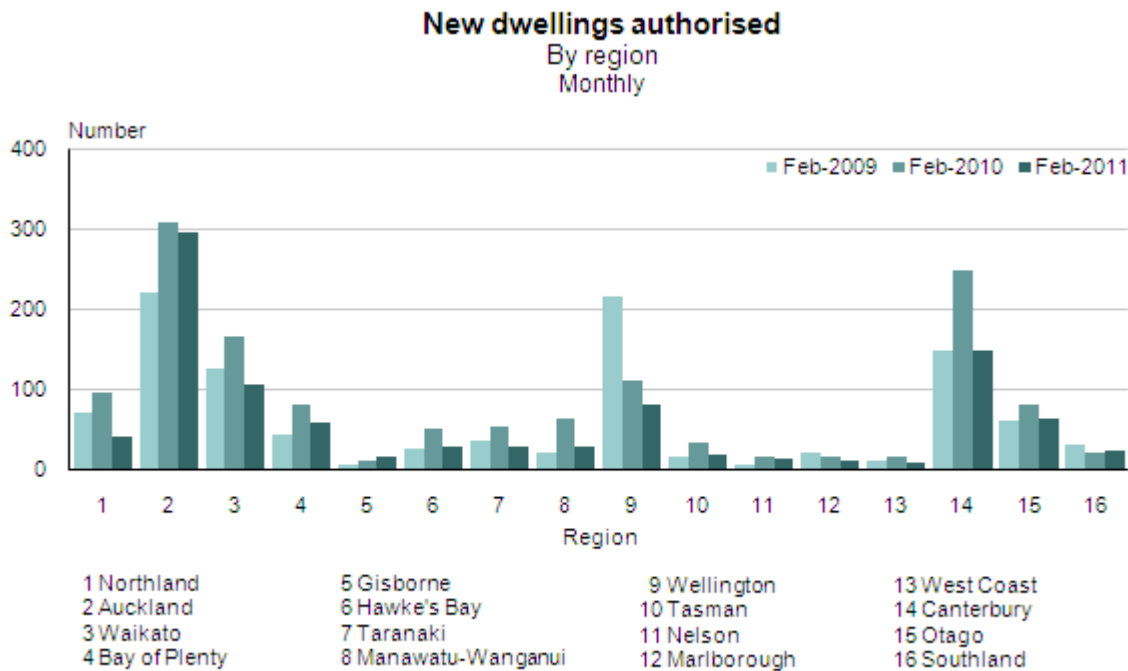
The value of residential building consents was \$389 million in February 2011, down 20 percent compared with February 2010. The trend has been declining since April 2010 – falling 21 percent since then.

Regional residential results

Fewer new dwelling units were authorised in 14 of New Zealand's 16 regions in February 2011 compared with February 2010. In February 2011, numbers fell by 254 units (27 percent) in the North Island and by 148 units (34 percent) in the South Island.

The three regions with the largest decreases from February 2010 were:

- Canterbury, down 101 units to 148 (it is not possible to say how much of this fall is due to the earthquake on 22 February, but all consents authorised during the month have been included)
- Waikato, down 59 units to 107
- Northland, down 53 units to 42.



Source: Statistics New Zealand

In Canterbury, 16 consents relating to the previous earthquakes were identified, including three new dwellings. The total value of these 16 consents was \$2.6 million.

Building consents are often used as an early indicator of building activity. The extent of the damage to Christchurch and surrounding areas following the earthquake on 22 February means the relationship between consents and activity may change, even at the national level.

Changes to Auckland region

On 1 November 2010, the new Auckland Council came into being. This council replaces both the former Auckland Regional Council and all or part of seven territorial authorities – all the North Shore, Waitakere, Auckland, and Manukau cities, the Rodney and Papakura districts, and part of the Franklin district, are included in the new council area.

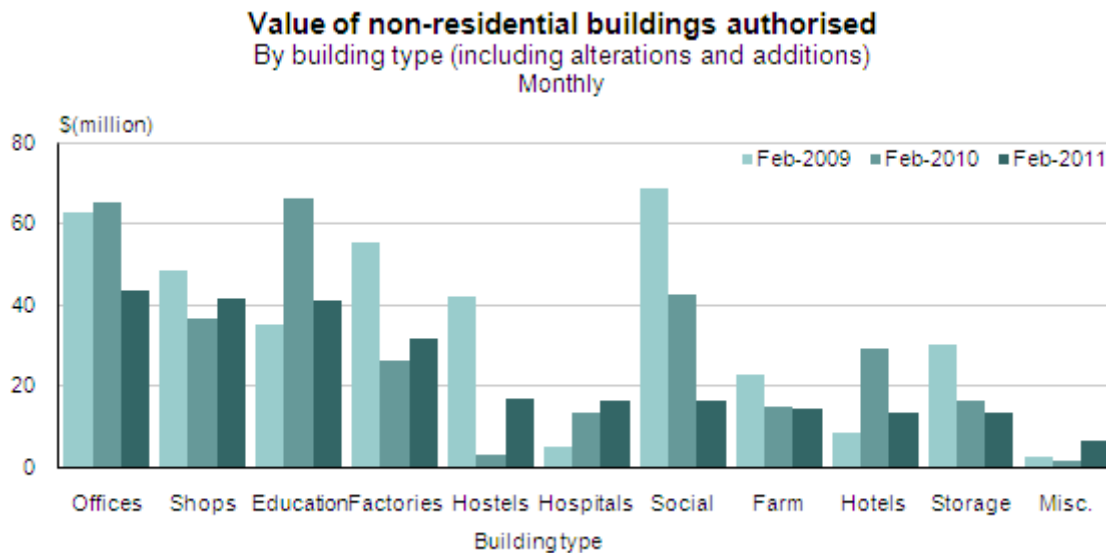
Changes in the boundaries for the Auckland region (and Waikato region) are included in the data in this release. For more information, see [Building Consents Issued: November 2010](#).

Non-residential buildings

The value of non-residential building consents was \$257 million in February 2011, down 19 percent compared with February 2010. Six of the 11 building types recorded decreases in value.

The building types with the largest decreases from February 2010 were:

- social, cultural and religious buildings, down \$26 million
- education buildings, down \$25 million
- offices and administration buildings, down \$22 million.



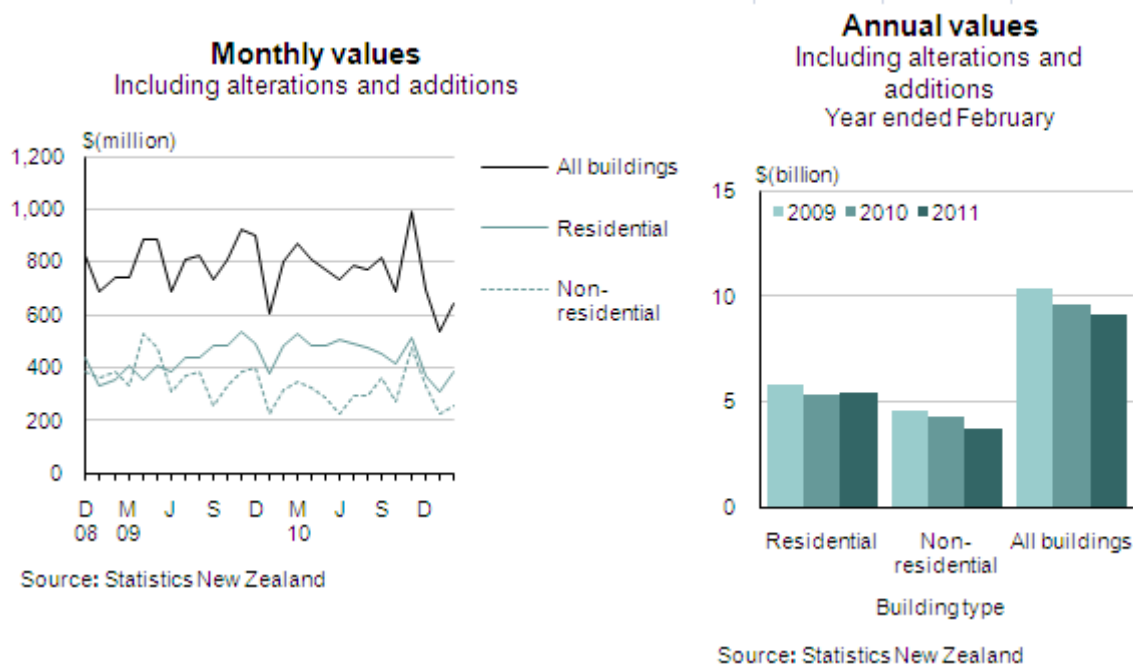
Source: Statistics New Zealand

The three largest contributors to the value of non-residential building consents authorised for February 2011 were:

- offices and administration buildings, at 17 percent
- shops, restaurants and taverns, at 16 percent
- education buildings, at 16 percent.

All buildings

In the February 2011 month, the value of consents issued for all buildings was \$645 million, down 19 percent compared with February 2010.



For the year ended February 2011, compared with the year ended February 2010, the total value of consents issued for:

- all buildings was \$9,117 million, **down** \$499 million (5.2 percent)
- residential buildings was \$5,408 million, **up** \$113 million (2.1 percent)
- non-residential buildings was \$3,709 million, **down** \$612 million (14 percent).

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Next release ...

Building Consents Issued: March 2011 will be released on 4 May 2011.

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.

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.

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.

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](http://www.stats.govt.nz) is available on the Statistics NZ website (www.stats.govt.nz).

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.

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

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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 information release 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