

Building Consents Issued: February 2012

Embargoed until 10:45am – 30 March 2012

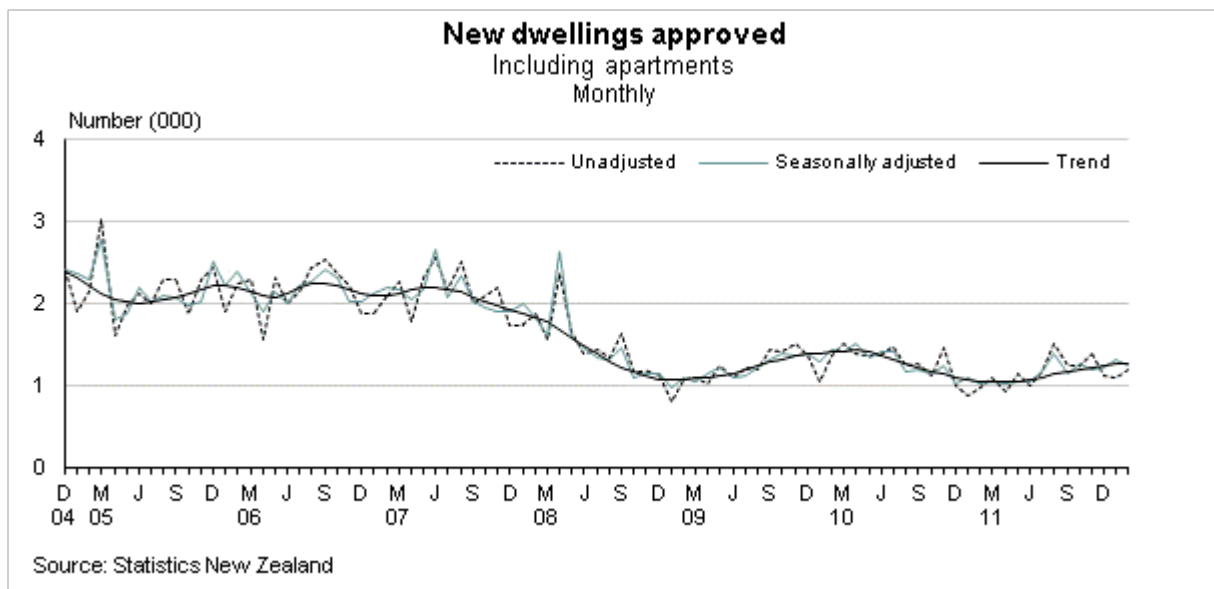
Key facts

In February 2012:

- The trend for the number of new dwellings consented continued to edge upward, but the rate of increase has slowed in recent months.
- 1,204 new dwellings were consented, including 62 apartments (all of which were retirement village units).
- Earthquake-related consents identified in Canterbury totalled \$41 million, including 27 new dwellings.

In February 2012 compared with February 2011:

- Canterbury had the largest regional increase in new dwellings consented, up 112, following the major earthquake on 22 February 2011.
- Residential consent values rose \$62 million (16 percent).
- Non-residential consent values rose \$119 million (46 percent).



Geoff Bascand
Government Statistician

30 March 2012
ISSN 1178-0231

Commentary

- [Dwelling consents trend continues to edge up](#)
- [Eleven regions consented more dwellings](#)
- [Non-residential building value up in February](#)
- [Earthquake-related consents up, to second highest monthly total](#)
- [All buildings trend up](#)

Figures given are unadjusted for seasonal and irregular fluctuations unless otherwise stated.

Dwelling consents trend continues to edge up

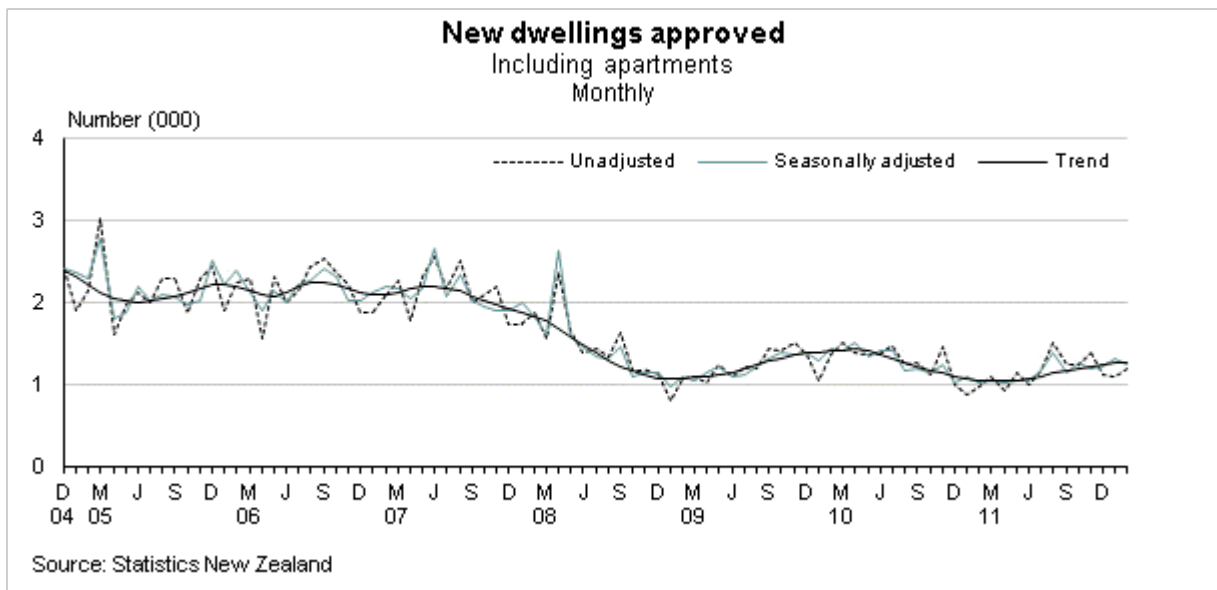
In February 2012, the trend for the number of new dwellings consented, including apartments, continued to edge upward, but the rate of increase has slowed in recent months. The trend has risen 23 percent since April 2011, the lowest point in its 30-year history.

The number of new dwellings consented in February 2012, compared with February 2011, were:

- 1,204 new dwellings, including apartments, **up** 24 percent
- 1,142 new dwellings, excluding apartments, **up** 29 percent
- 62 new apartments, all of which were retirement village units, **down** from 89 apartments.

After seasonal fluctuations were removed, the number of new dwellings consented, including apartments, decreased 6.7 percent in February 2012 compared with February 2011. This decrease partly offset an 8.1 percent increase in January, which was due to the relatively large number of apartments consented in that month.

Excluding apartments, there was a small seasonally adjusted increase of 1.2 percent in the number of new dwellings in February 2012.



In February 2012, compared with February 2011, the value of residential building consents rose \$62 million (16 percent) to \$451 million.

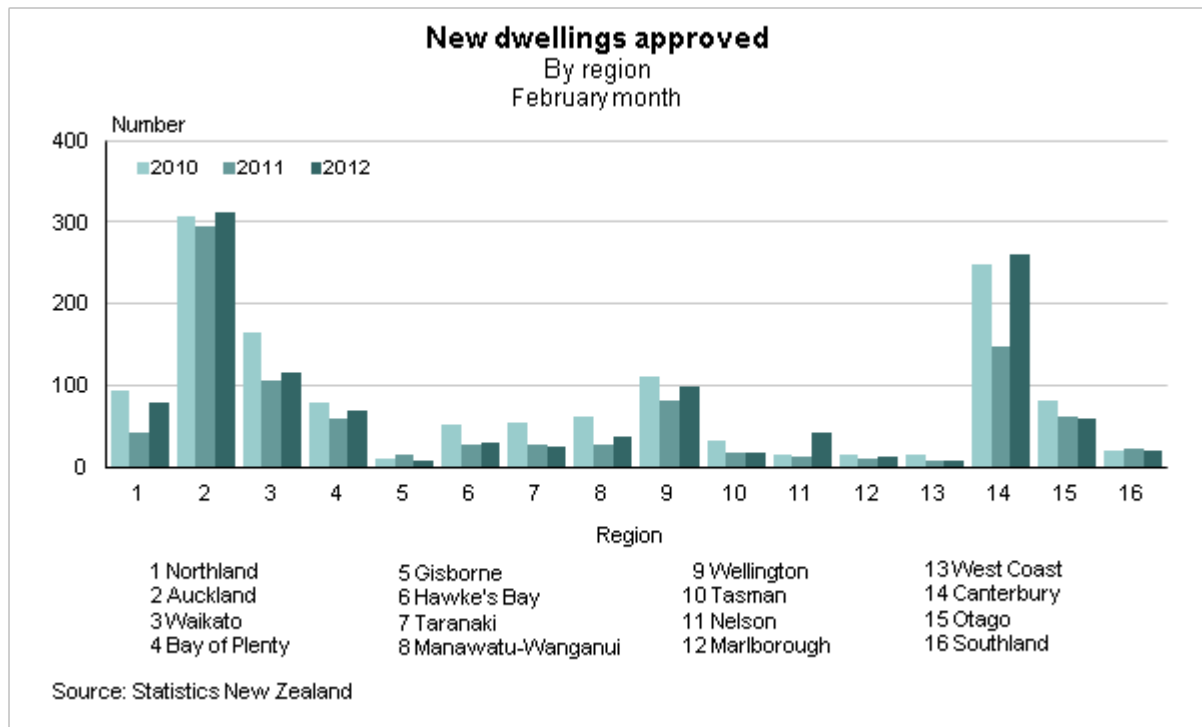
Eleven regions consented more dwellings

More new dwellings were consented in 11 of New Zealand's 16 regions, in February 2012 compared with February 2011. While Canterbury showed the largest regional increase, this reflected the low number of dwellings consented last year, likely due to the major earthquake on 22 February 2011.

The three regions with the largest increases were all boosted by retirement village units, as shown in brackets below. They were:

- Canterbury, up 112, to 260 new dwellings (including 16 units)
- Northland, up 37, to 79 new dwellings (including 15 units)
- Nelson, up 28, to 42 new dwellings (including 31 units).

The biggest decrease was in Gisborne, down 6, to 9 new dwellings.



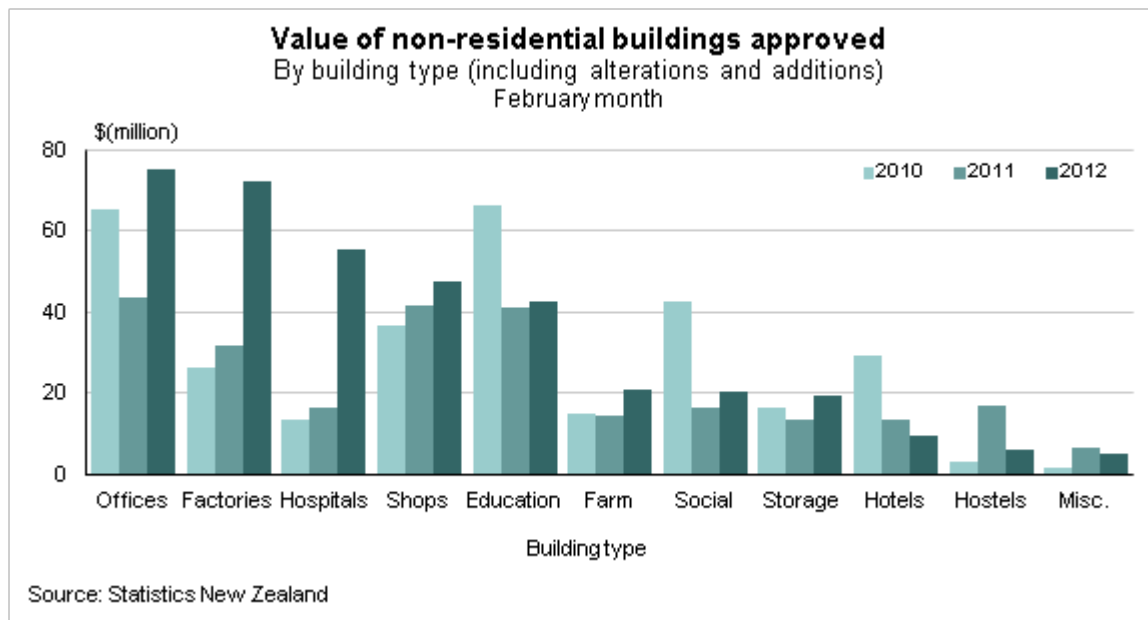
Non-residential building value up in February

In February 2012, the value of non-residential building consents was \$375 million, up \$119 million (46 percent) compared with February 2011.

Eight of the 11 building types increased in value. The largest increases compared with February 2011 were:

- factories and industrial buildings, up \$41 million (128 percent)
- hospitals and nursing homes, up \$39 million (237 percent)
- offices and administration buildings, up \$32 million (73 percent)

Hostels and boarding houses showed the largest decrease, down \$11 million (64 percent).



As shown by the darkest bars in the graph above, the three largest contributors to the value of non-residential buildings in February 2012 were:

- offices and administration buildings, at 20 percent
- factories and industrial buildings, at 19 percent
- hospitals and nursing homes, at 15 percent.

Earthquake-related consents up, to second-highest monthly total

Canterbury consents identified as being earthquake-related totalled \$41 million in February 2012, the second-highest monthly total since the Canterbury earthquakes began in September 2010. This result compared with:

- \$25 million in January 2012
- \$29 million in December 2011
- \$47 million in November 2011.

Of the \$41 million recorded for February, \$30 million was for non-residential work, and \$11 million was for residential work (including 27 new dwellings). More information about [earthquake-related building consents in Canterbury](#) is available on the Statistics NZ website.

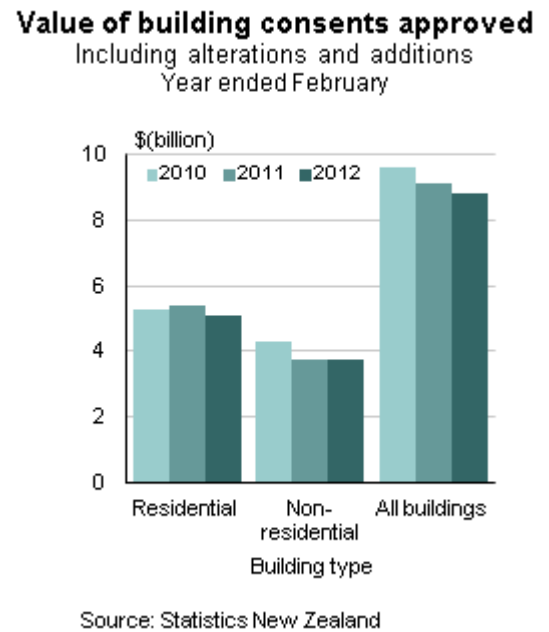
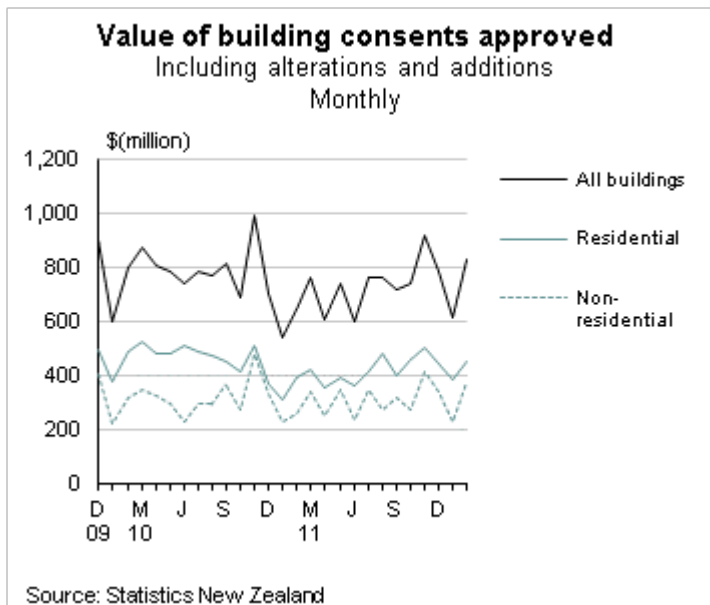
Since 4 September 2010, there have been more than 1,300 earthquake-related consents identified, totalling \$325 million. This includes 268 new dwellings, of which 149 were relocatable units.

Building consents are often used as an early indicator of building activity, as measured by Statistics NZ's quarterly [Value of Building Work Put in Place](#). In the December 2011 quarter, there appeared to be a greater increase in building activity in Canterbury than in the rest of the country. This is only an indication of the effect of the earthquakes in 2010 and 2011, as the survey is designed for accuracy at the national level, not regionally.

Value of Building Work Put in Place: March 2012 quarter will be published on 6 June 2012.

All buildings trend up

The trend for the value of all building consents (residential and non-residential combined) has continued to increase since March 2011, up 19 percent over this time. This follows 15 months of decreases. The unadjusted value of all building consents was \$826 million, in February 2012.



For the year ended February 2012, compared with February 2011, the value of consents for:

- all buildings **decreased** \$305 million (3.3 percent) to \$8,821 million
- residential buildings **decreased** \$344 million (6.4 percent) to \$5,064 million
- non-residential buildings **increased** \$39 million (1.0 percent) to \$3,757 million.

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.

Residential buildings: includes new construction, alterations, and additions to dwellings (houses, flats, and apartments) and domestic outbuildings.

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.

Territorial authorities: are defined under the Local Government Act 2002 and related amendments. There are 67 territorial authorities, comprising 13 cities, 53 districts, and 1 territory.

Related links

Upcoming releases

Building Consents Issued: March 2012 will be released on 30 April 2012.

The [Release calendar](#) lists all our upcoming information releases by date of release.

Past releases

See [Building Consents Issued – information releases](#) for links to past releases.

Related information

[Earthquake-related building consents](#) 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 New Zealand 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 changes to [Schedule 1 of 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 (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.

Further information on seasonal adjustment is available on the Statistics NZ website.

Interpreting the data

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.

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

More [information about Building Consents Issued](#) is available on our website.

Liability

While all care and diligence has been used in processing, analysing, and extracting data and information in this publication, Statistics NZ gives no warranty it is error-free and will not be liable for any loss or damage suffered by the use directly, or indirectly, of the information in this publication.

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.

Crown copyright©



This work is licensed under the [Creative Commons Attribution 3.0 New Zealand](#) licence. You are free to copy, distribute, and adapt the work, as long as you attribute the work to Statistics NZ and abide by the other licence terms. Please note you may not use any departmental or governmental emblem, logo, or coat of arms in any way that infringes any provision of the [Flags, Emblems, and Names Protection Act 1981](#). Use the wording 'Statistics New Zealand' in your attribution, not the Statistics NZ logo.

Revisions

When this release was first published it included an incorrect date in the commentary. This has now been corrected.

The sentence in which this error was found was under the bullet points in the section 'Dwelling consents trend continues to edge up'. It said "After seasonal fluctuations were removed, the number of new dwellings consented, including apartments, decreased 6.7 percent in February 2012 compared with February 2011". The sentence has now been corrected to read "After seasonal fluctuations were removed, the number of new dwellings consented, including apartments, decreased 6.7 percent in February 2012 compared with **January 2012.**"

Contacts

For media enquiries contact:

Blair Cardno

Christchurch 03 964 8700

Email: info@stats.govt.nz

For technical information contact:

Tina Waterhouse or Karen MacKenzie

Christchurch 03 964 8700

Email: info@stats.govt.nz

For general enquiries contact our Information Centre:

Phone: 0508 525 525 (toll free in New Zealand)

+64 4 931 4600 (outside New Zealand)

Email: info@stats.govt.nz

Tables

The following tables are included with this release. They are available in Excel format from the 'Downloads' box of *Building Consents Issued: February 2012* on the Statistics NZ website.

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 dwellings approved
3. Number and value of new dwellings approved, by region
4. Number of new dwellings approved, by selected territorial authority area
5. Value of building consents issued, unadjusted and trend values

Access more data on Infoshare

Use [Infoshare](#), a free, online database to access time-series data specific to your needs. To access the release time series on Infoshare, select the following categories from the homepage:

Subject category: **Industry sectors**

Group: **Building Consents - BLD**