

# Building Consents Issued: February 2015

Embargoed until 10:45am – 31 March 2015

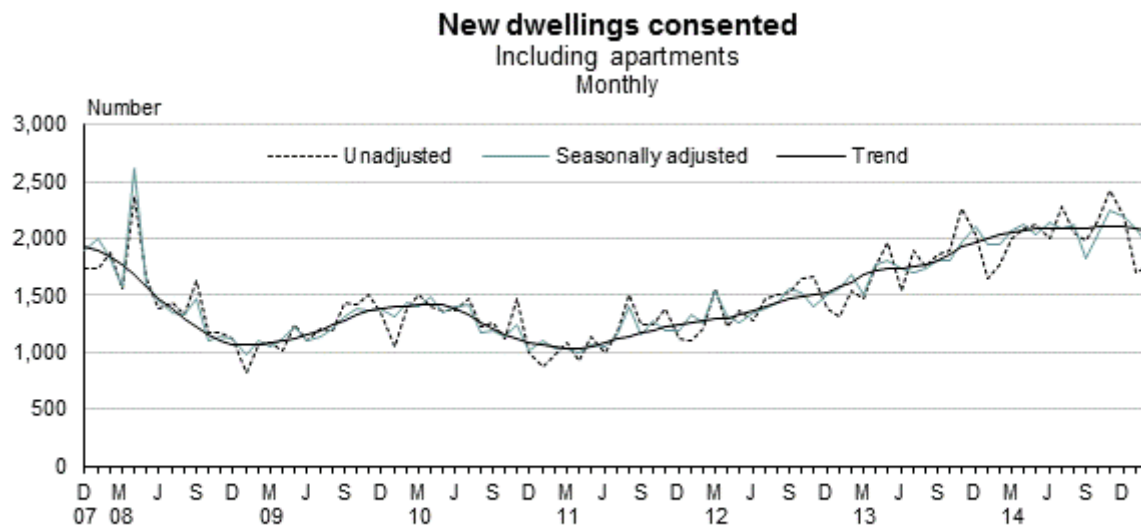
## Key facts

In February 2015, building consents were issued for:

- 1,758 new dwellings, including apartments
- 160 apartments, including 28 retirement village units
- 1,598 non-apartment dwellings.

The seasonally adjusted number of new dwellings consented decreased 6.3 percent in February. Excluding apartments, this number fell 1.4 percent.

The trend for the number of new dwellings consented, including apartments, is showing signs of decreasing.



Source: Statistics New Zealand

The unadjusted value of building work consented in February 2015 was over \$1.2 billion. For February 2015 compared with February 2014:

- residential work was up \$43 million (5.9 percent) to \$769 million
- non-residential work was up \$93 million (25 percent) to \$469 million.

Liz MacPherson, Government Statistician

ISSN 1178-0231

31 March 2015

## Commentary

- [New dwelling consents decreased in February](#)
- [Number of consented dwellings down in 9 of the 16 regions](#)
- [Non-residential consents valued at \\$469 million in February](#)
- [Canterbury earthquake-related consents total almost \\$2.6 billion](#)
- [Consents for all buildings total over \\$1.2 billion in February](#)

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

We are changing what building consents statistics we publish. See [Changes to our time series and classifications](#) in the Data quality section.

### New dwelling consents decreased in February

In February 2015, 1,758 new dwellings were consented, comprising:

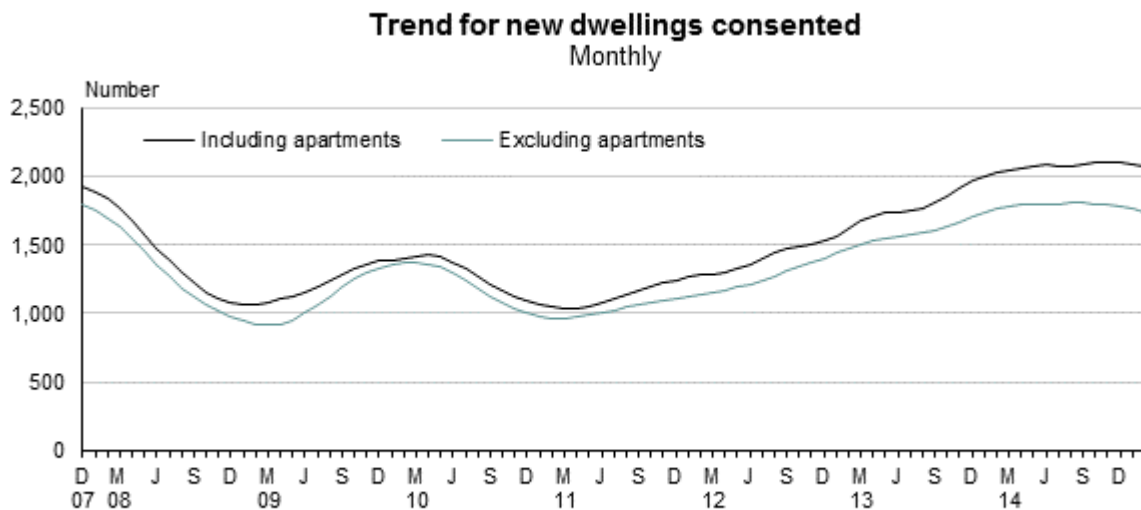
- 160 apartments, including 28 retirement village units
- 1,598 non-apartment dwellings.

Including apartments, the seasonally adjusted number of new dwellings consented decreased 6.3 percent, following a 4.6 percent decrease in January 2015.

Excluding apartments, the seasonally adjusted number of new dwellings consented decreased 1.4 percent. This fall followed a 7.8 percent decrease in January 2015.

The trend for the number of new dwellings consented, including apartments, has more than doubled since the series minimum in March 2011, but is now showing signs of decreasing.

Excluding apartments, the trend is up 80 percent from the low point in March 2011, but is now decreasing.



Source: Statistics New Zealand

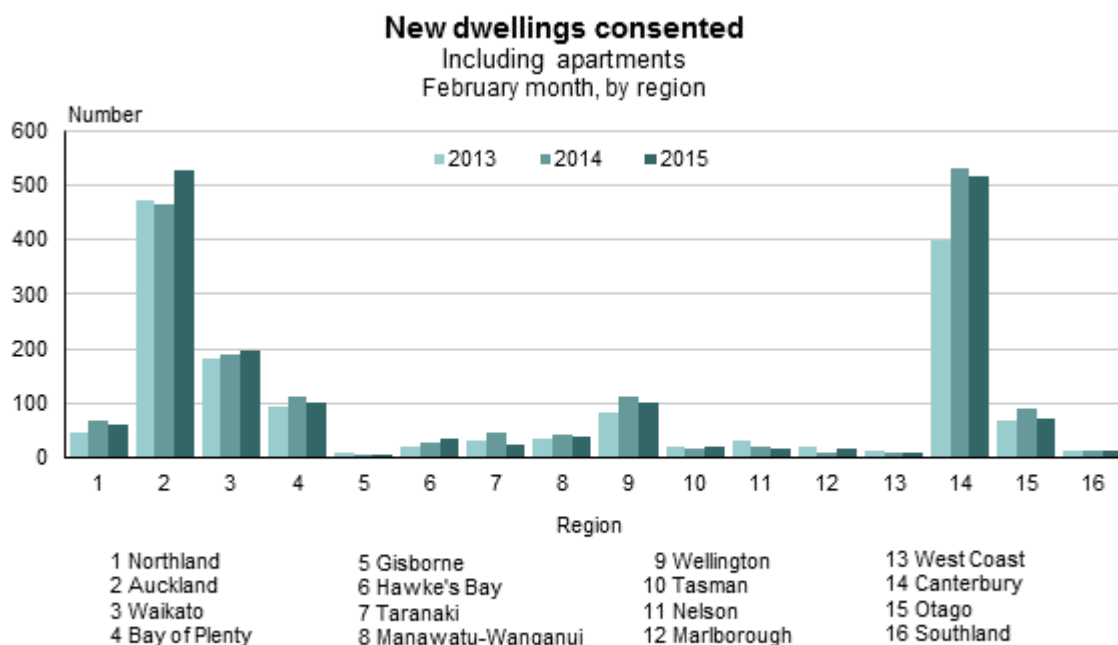
## Number of consented dwellings down in 9 of the 16 regions

Nine of the 16 regions consented fewer new dwellings, including apartments, in February 2015 than in February 2014.

The regions with the largest decreases were:

- Taranaki – down 21, to 25 (including 16 fewer apartments)
- Otago – down 18, to 73 (including 12 fewer apartments)
- Bay of Plenty – down 13, to 101
- Canterbury – down 13, to 517 (including 52 more apartments).

Auckland region had the largest increase of new dwellings consented, up 64 to 528, including 70 more apartments. Apartment numbers usually fluctuate from month to month.



Source: Statistics New Zealand

## Non-residential consents valued at \$469 million in February

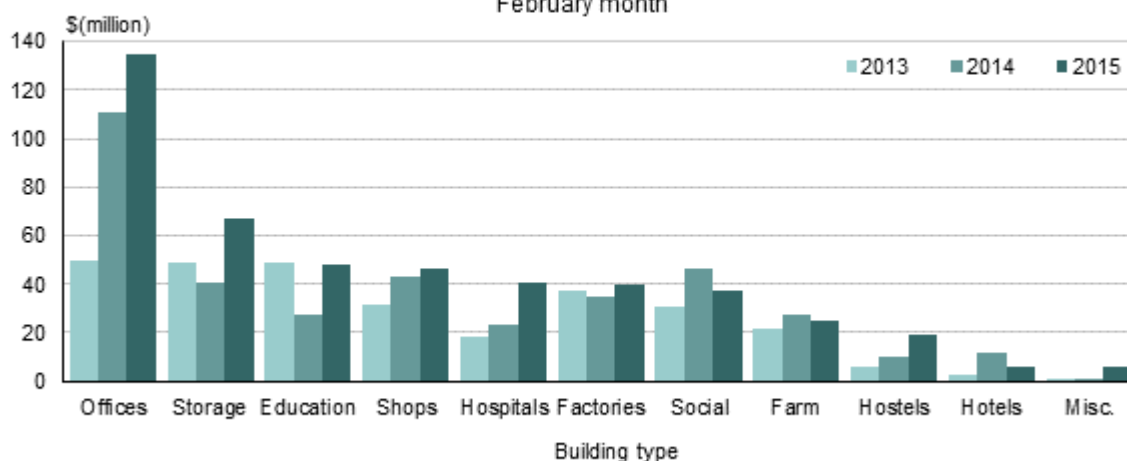
The value of non-residential building work consented in February 2015 was \$469 million, up \$93 million (25 percent) compared with the same month in 2014. The regions that consented the most non-residential building work in February 2015 were:

- Auckland – \$182 million
- Canterbury – \$145 million (including \$110 million in Christchurch city)
- Manuwatu-Wanganui – \$25 million (including \$13 million in Palmerston North city).

The building types with the highest total consent values were:

- offices and administration buildings – \$134 million
- storage buildings – \$67 million
- education buildings – \$48 million.

**Value of non-residential buildings consented**  
 By building type (including alterations and additions)  
 February month



Source: Statistics New Zealand

## Canterbury earthquake-related consents total almost \$2.6 billion

Since 4 September 2010, almost \$2.6 billion of Canterbury's building consents have been identified as earthquake-related. This includes consents for 3,048 new dwellings.

Not all earthquake-related consents can be identified. For comparison, total figures for Canterbury from September 2010 to February 2015 were:

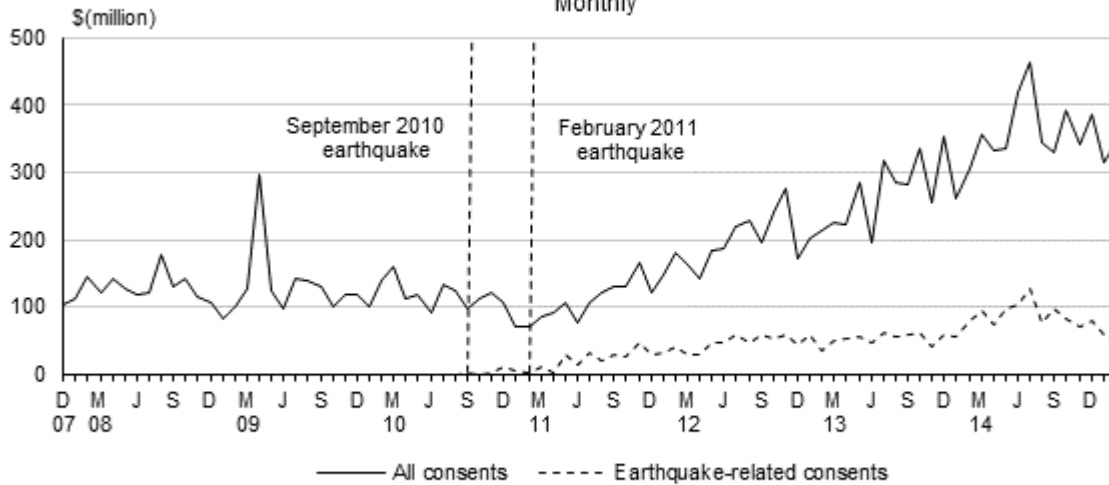
- \$12 billion of building consents
- 21,356 new dwellings consented.

In February, the value of consents identified as earthquake-related in Canterbury was \$49 million (of a total of \$344 million for Canterbury). This included:

- 86 new dwellings (of a total of 517)
- \$43 million for residential building work (of \$198 million)
- \$5 million for non-residential building work (of \$145 million).

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

**Value of building consents in Canterbury<sup>(1)</sup>**  
Including alterations, additions, and non-building construction  
Monthly



1. Not all earthquake-related building consents can be identified.  
Source: Statistics New Zealand

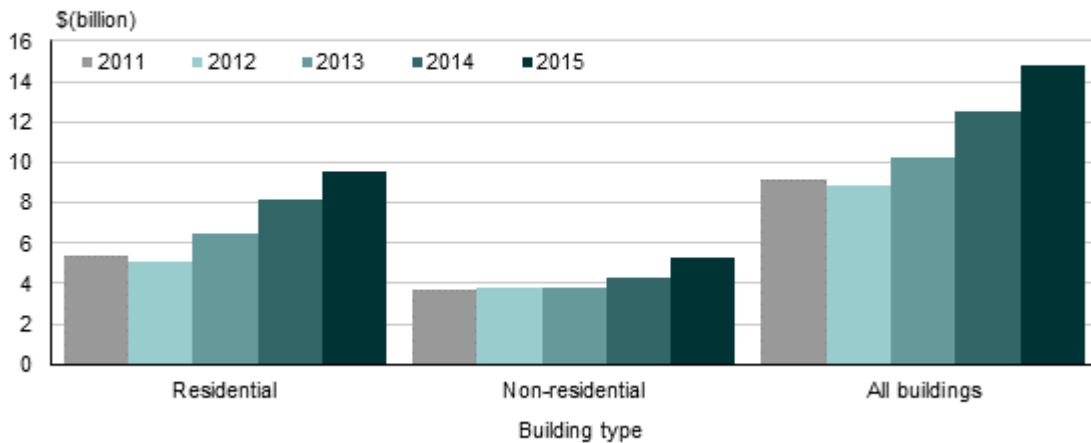
## Consents for all buildings total over \$1.2 billion in February

The total value of building work consented in February 2015 was over \$1.2 billion – comprising \$769 million of residential work, and \$469 million of non-residential work.

For the year ended February 2015, compared with the year ended February 2014, the value of building consents increased for:

- all buildings – up \$2.3 billion (18 percent) to \$14.8 billion
- residential buildings – up \$1.4 billion (17 percent) to \$9.6 billion
- non-residential buildings – up \$0.9 billion (21 percent) to \$5.3 billion.

**Value of buildings consented**  
Including alterations and additions  
Year ended February



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 and floor area of non-residential buildings, by region and building type. Values include goods and services tax and are not inflation adjusted. We classify buildings according to their main intended function. Subsequent changes in function will be recorded in the statistics if new consents are issued.

## More definitions

**Apartments:** are apartments, townhouses, or retirement village units, where at least 10 dwellings are covered under a single building consent. Where fewer than 10 dwellings are covered under a consent, these are counted as non-apartment dwellings.

**Domestic outbuildings:** includes new construction, alterations, and additions to garages, glasshouses, and sheds on residential sections.

**Dwellings:** are self-contained permanent residences. Examples include houses, apartments, townhouses, granny flats, and licence to occupy retirement village units.

Note: Hostels, rest homes, and serviced apartments are not counted as dwellings.

**Earthquake-related building consents in Canterbury:** are 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**

### **Next releases**

*Building Consents Issued: March 2015* will be released on 30 April 2015.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

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

### **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](#)
- [Changes to our time series and classifications](#)
- [More information](#)

### Data source

We obtain data for building consents from all accredited building consent authorities (ie territorial authorities) each month. We compile information from 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 we make much effort to minimise these errors, they will still occur, and we cannot quantify their effect.

### Coverage

#### Scope

We only include construction work that requires a building consent in these statistics. Some civil engineering works, such as roads, require resource consents but not building consents, so are excluded.

The Building Act 2004 determines the scope of work requiring a building consent. 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 Ministry of Business, Innovation and Employment'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.

We exclude 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 June 1996, we code consent values for multi-purpose buildings to one or more of the most appropriate building types. Before this date, we classified multi-purpose buildings separately.

**1993** From January 1993, 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 September 1989, we exclude consents below \$5,000.

### **Boundary changes**

**2011** From 1 November 2010, part of the former Franklin district moved from the Auckland region to the Waikato region. We include this change 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 effect 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.

We use the X-13 ARIMA-SEATS seasonal adjustment program, developed at the U.S. Census Bureau, to produce the seasonally adjusted and trend estimates.

### **Trend estimates**

Trend estimation removes the estimated effect 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.

We use the X-13 ARIMA-SEATS seasonal adjustment program 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, we estimate the monthly trend series for the value of non-residential buildings after removing 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**

We compile figures for new apartments 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, we treat them 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, we treat them 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. We collect value data 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, 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 has 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.

We quantify and remove trading day effects when they are estimated to be statistically significant. We don't 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.

## Changes to our time series and classifications

We are changing how we classify building consents. These changes are scheduled to be included in our March 2015 building consents statistics, published on 30 April 2015.

The 'non-apartment dwellings' series will be replaced with a 'houses' series, which will be seasonally adjusted.

The 'apartments' series will be split into series for 'apartments', 'retirement village units', and 'townhouses, flats, units, and other dwellings'.

We are changing our definitions of apartments, townhouses, and retirement village units to include consents with fewer than 10 units.

The 'miscellaneous buildings' series will be discontinued. Consents currently counted in this series will be reclassified among the other series. We are not discontinuing any other published building types.

Series for the seven former Auckland territorial authorities will be replaced with series for the 13 Auckland wards.

## More information

[See more information about Building Consents Issued](#)

Statistics in this release have been produced in accordance with the [Official Statistics System principles and protocols for producers of Tier 1 statistics](#) for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

## 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

Our information releases are delivered electronically by third parties. Delivery may be delayed by circumstances outside our control. Statistics NZ accepts no responsibility for any such delay.

## 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.

## Contacts

**For media enquiries contact:**

Neil Kelly

Christchurch 03 964 8700

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**For technical information contact:**

Tingyu Shi or Mark Darbyshire

Christchurch 03 964 8700

**Email:** [info@stats.govt.nz](mailto: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](mailto:info@stats.govt.nz)

**Subscription service:**

Subscribe to information releases, including this one, by completing the online subscription form.

**Correction notifications:**

Subscribe to receive an email if a correction notice is published for Building Consents Issued.

Unsubscribe to correction notifications for Building Consents Issued.

Subscribe to all to receive an email if a correction notice is published for any of our information releases.

Unsubscribe to all if you change your mind.

## 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 – February
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

## 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:

Subject category: **Industry sectors**

Group: **Building Consents - BLD**

## Next release

*Building Consents Issued: March 2015* will be released on 30 April 2015.