

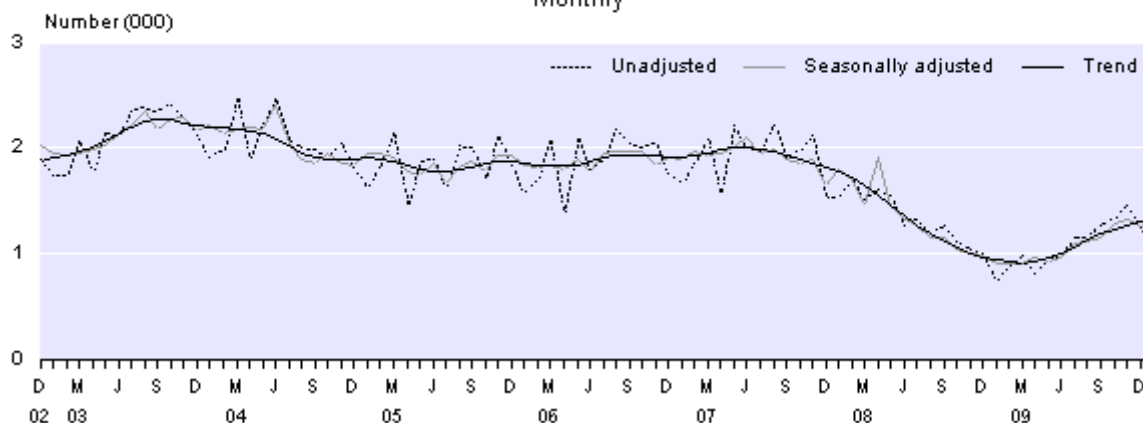
Embargoed until 10:45am – 26 February 2010

Building Consents Issued: January 2010

Highlights

- The seasonally adjusted number of new dwellings authorised, excluding apartments, rose 0.7 percent.
- The trend for the number of new dwellings authorised, excluding apartments, has been increasing since March 2009.
- Consents for 1,000 new dwellings were authorised, excluding apartments.
- Consents for 42 new apartment units were authorised.
- The value of non-residential building consents was \$223 million, the lowest value since April 2006.

New Dwellings Authorised
Excluding apartment units
Monthly



Vince Galvin
Acting Government Statistician

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Commentary

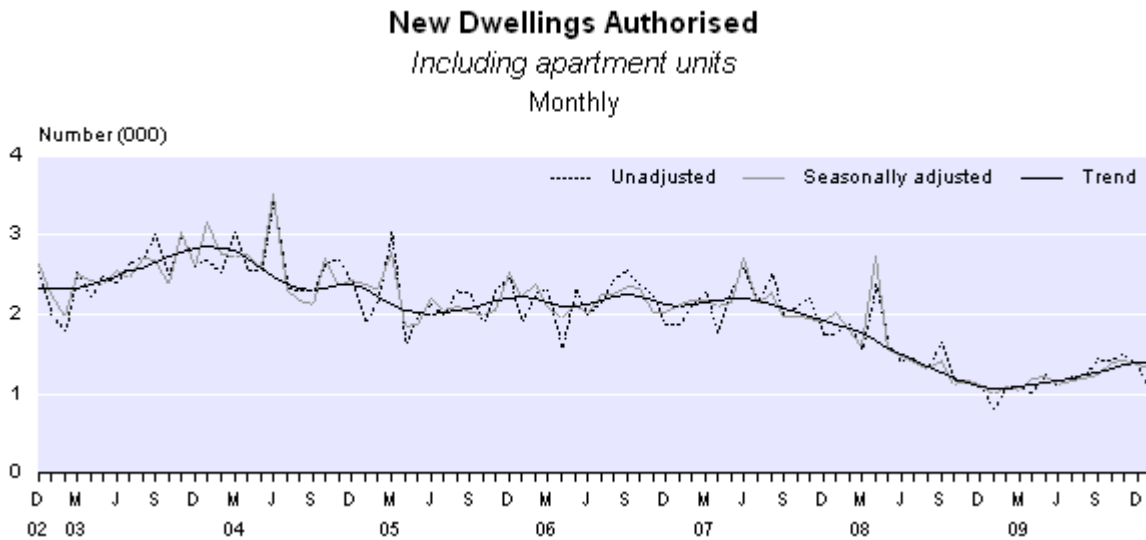
Residential buildings

In January 2010, consents were issued for:

- 1,042 new dwelling units, including apartments
- 1,000 new dwelling units, excluding apartments
- 42 new apartment units (28 were assisted-living apartments associated with a retirement village).

Excluding apartments, the seasonally adjusted number of new dwellings authorised in January 2010 rose 0.7 percent, after falling 3.9 percent in December 2009. The trend has been increasing since March 2009, but remains at a low level, and the rate of increase is showing signs of easing in recent months.

Including apartments, the seasonally adjusted number of new dwellings authorised in January 2010 fell 2.8 percent, after falling 3.5 percent in December 2009. The trend has been increasing since the low in January 2009, but remains at a low level, and the rate of increase is showing signs of easing in recent months.



Apartments contributed 4.0 percent to the number of new dwellings in January 2010, compared with a monthly average of 10 percent for the previous 12 months. Apartment numbers can vary considerably from month to month.

The value of residential building consents was \$380 million in January 2010, 15 percent higher than in January 2009. The trend has increased since April 2009, following falls that began in July 2007. The level is now similar to the levels seen in mid-2008.

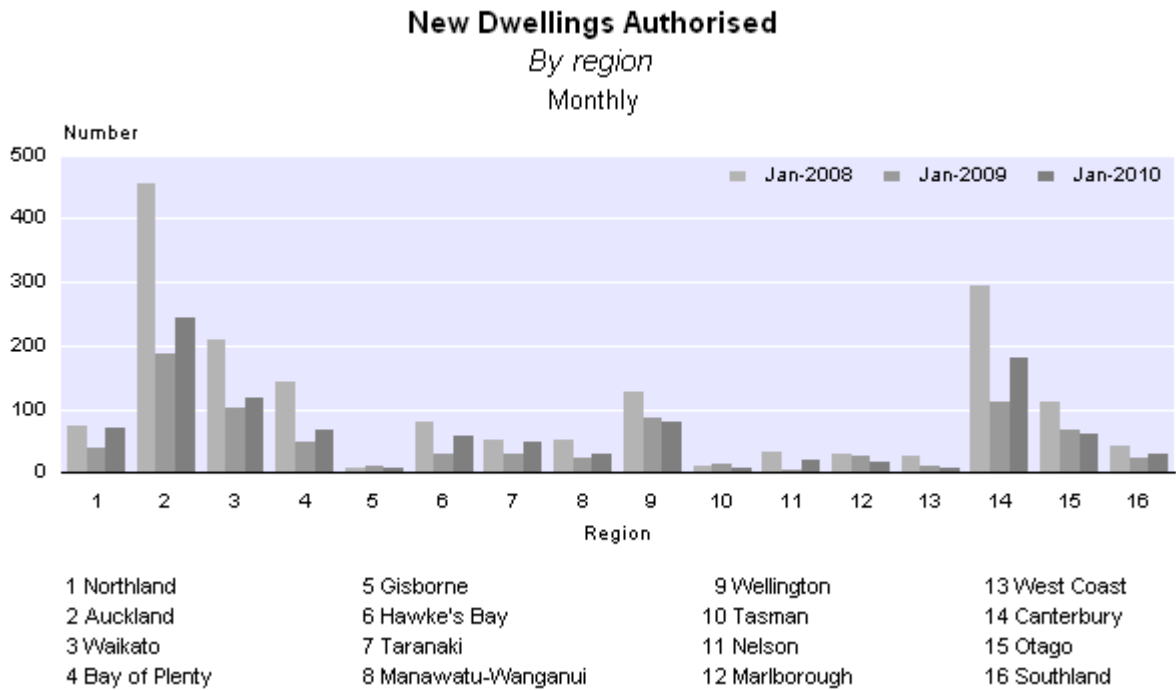
Regional residential results

More new dwelling units were authorised in 10 of New Zealand's 16 regions in January 2010 compared with January 2009. The number of dwelling units authorised in January 2009 was the lowest since the series began in April 1965. In January 2010, numbers rose by 169 units (31 percent) in the North Island and by 61 units (24 percent) in the South Island.

The regions with the largest increases were:

- Canterbury, up 68 units (61 percent) to 180
- Auckland, up 58 units (31 percent) to 244
- Northland, up 32 units (80 percent) to 72 (due to 28 assisted-living apartments).

Regions with fewer units authorised were Marlborough, Tasman, Otago, Wellington, Gisborne, and West Coast all with decreases of 9 units or less.



Non-residential buildings

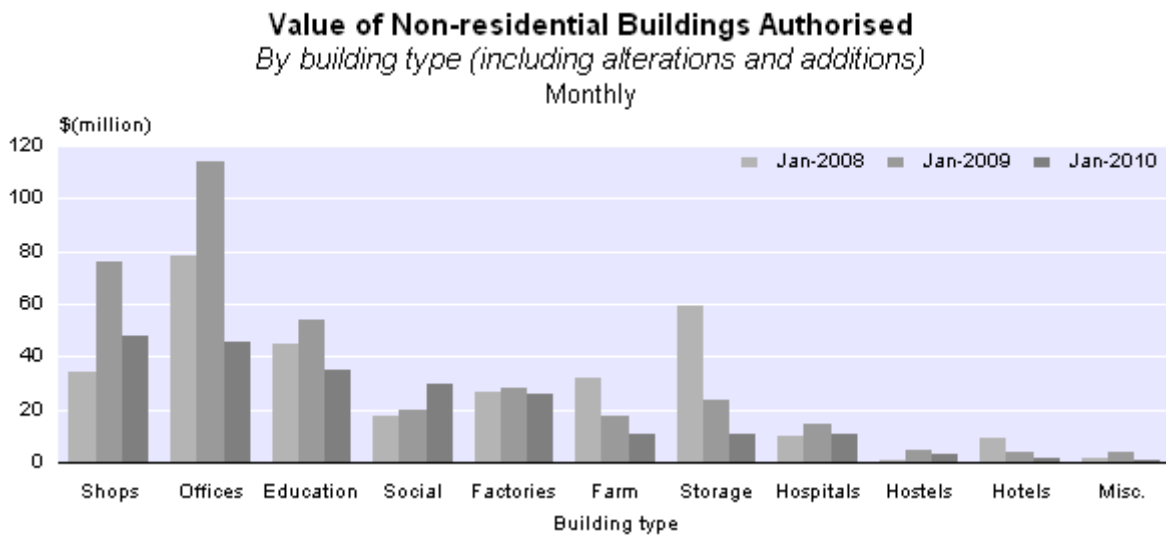
The value of non-residential building consents was \$223 million in January 2010, a 39 percent decrease compared with January 2009. This is the lowest value since April 2006. Ten of the 11 building types recorded decreases in the value of consents compared with January 2009.

The largest decreases were:

- offices and administration buildings, down \$68 million
- shops, restaurants, and taverns, down \$28 million.

The offices and administration buildings category and the shops, restaurants, and taverns category both had higher than usual values in January 2009.

In January 2010, social, cultural, and religious buildings was the only building type to show an increase, up \$10 million.



The three largest contributors to the value of non-residential building consents authorised for January 2010 were:

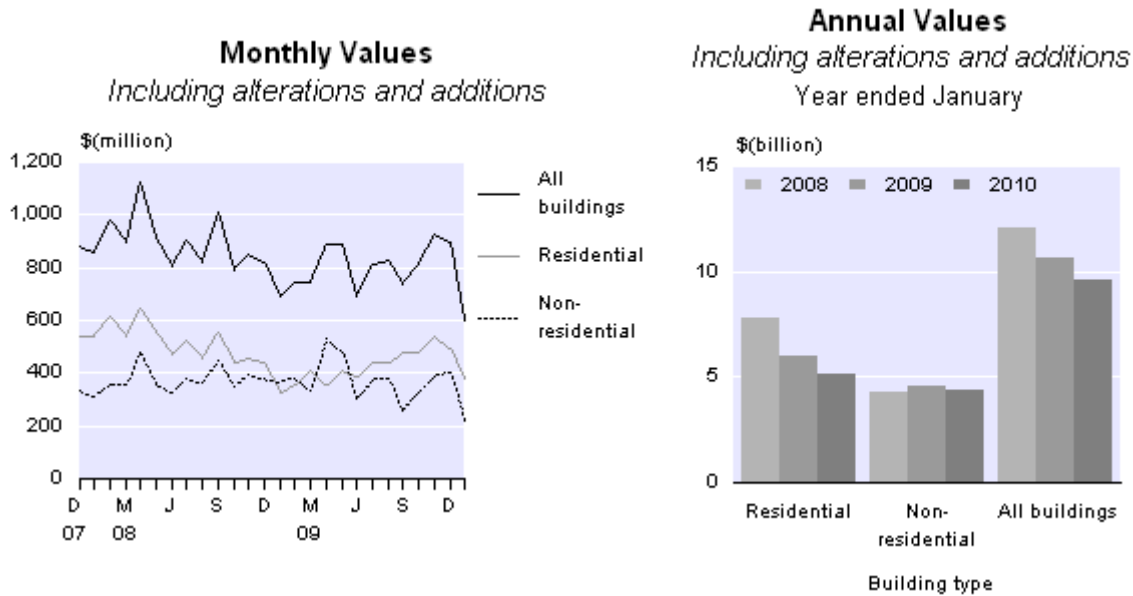
- shops, restaurants, and taverns, at 22 percent
- offices and administration buildings, at 21 percent
- education buildings, at 16 percent.

Non-residential trend series

The monthly trend series for the value of non-residential buildings has been removed from the tables and Infoshare for further analysis. The series is estimated after the removal of consents valued at \$25 million or more and Statistics New Zealand is reviewing this practice. The monthly series is available on request. A quarterly trend series for the value of non-residential buildings is available.

All buildings

In January 2010, the value of consents issued for all buildings was \$602 million, a 13 percent decrease compared with January 2009. This is the lowest value since January 2003.



For the year ended January 2010 compared with the year ended January 2009, the total value of consents issued for:

- all buildings was \$9,555 million, down \$1,034 million (10 percent)
- residential buildings was \$5,168 million, down \$855 million (14 percent)
- non-residential buildings was \$4,387 million, down \$179 million (3.9 percent).

For technical information contact:
Clara Eatherley or Tehseen Islam
Christchurch 03 964 8700
Email: info@stats.govt.nz

Next release ...

Building Consents Issued: February 2010 will be released on 30 March 2010.

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

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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 – January
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