

# Building Consents Issued: July 2012

Embargoed until 10:45am – 30 August 2012

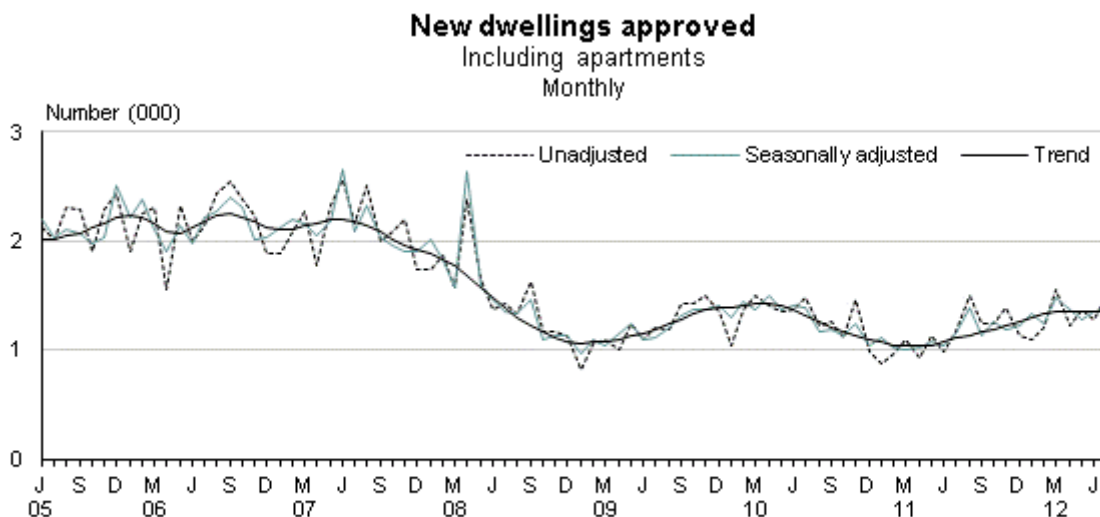
## Key facts

In July 2012:

- 1,478 new dwellings were consented, including 235 apartments (70 were retirement village units).
- The seasonally adjusted number of new dwellings approved, including apartments, increased 2.0 percent. Excluding apartments, there was a 2.5 percent decrease.
- Earthquake-related consents identified in Canterbury totalled \$59 million, including 33 new dwellings.

In July 2012 compared with July 2011:

- Canterbury had the largest regional increase in new dwellings consented (up to 371 from just 164), including 70 retirement village units in Christchurch.
- The value of residential building consents rose 25 percent, to \$520 million.
- The non-residential consent value was almost unchanged at \$346 million.



Source: Statistics New Zealand

Geoff Bascand  
Government Statistician

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## Apartments boost increase in new dwelling numbers

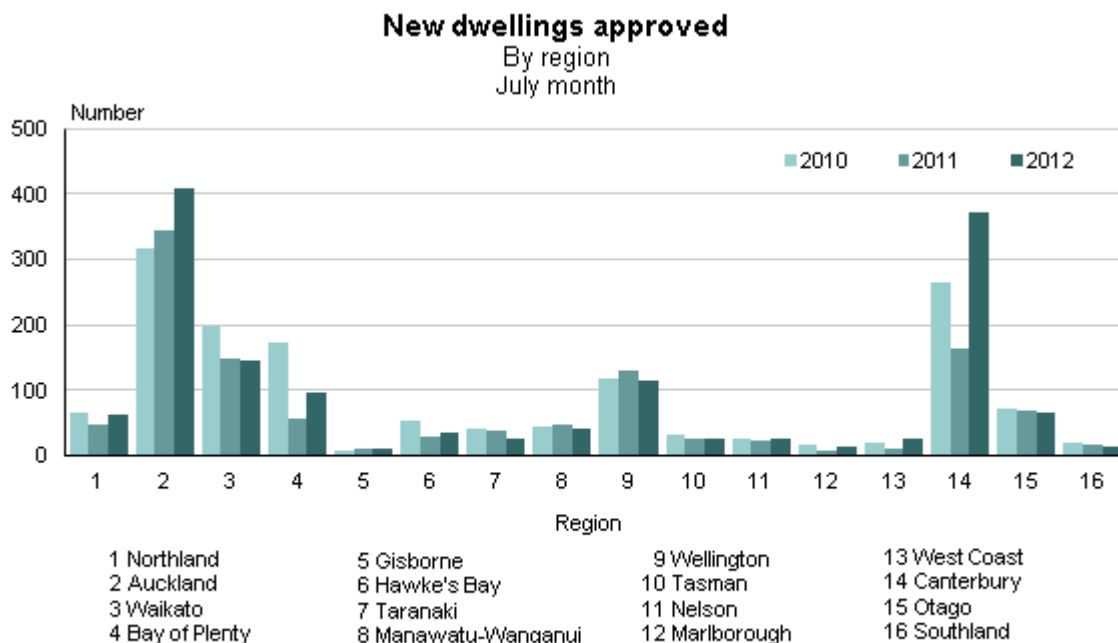
The 26 percent national increase in new dwelling consent numbers for the July 2012 month, compared with July 2011, was boosted by 235 apartments, mostly in Auckland and Canterbury. Of the 408 new dwellings consented in Auckland, 145 were apartments. There were 70 retirement village units consented in Canterbury and 20 apartments in Wellington.

The number of new dwellings consented in Canterbury increased by 207 (126 percent) and in Auckland by 65 (19 percent). Canterbury had recorded 164 new dwelling consents in July 2011, the lowest July month since the series began in 1990. The 371 new dwelling consents in Canterbury in July 2012 is the highest July month since 2007, and almost half of these were in Christchurch city.

The number of new dwellings in Canterbury was notable for:

- Christchurch city, up 97 to 163, including 70 retirement village units
- Waimakariri district, up 79 to 100
- Selwyn district, up 24 to 63.

Ten of the 16 regions reported increased or no change in consent numbers in July 2012, compared with July 2011.



Source: Statistics New Zealand

## Non-residential building value steady

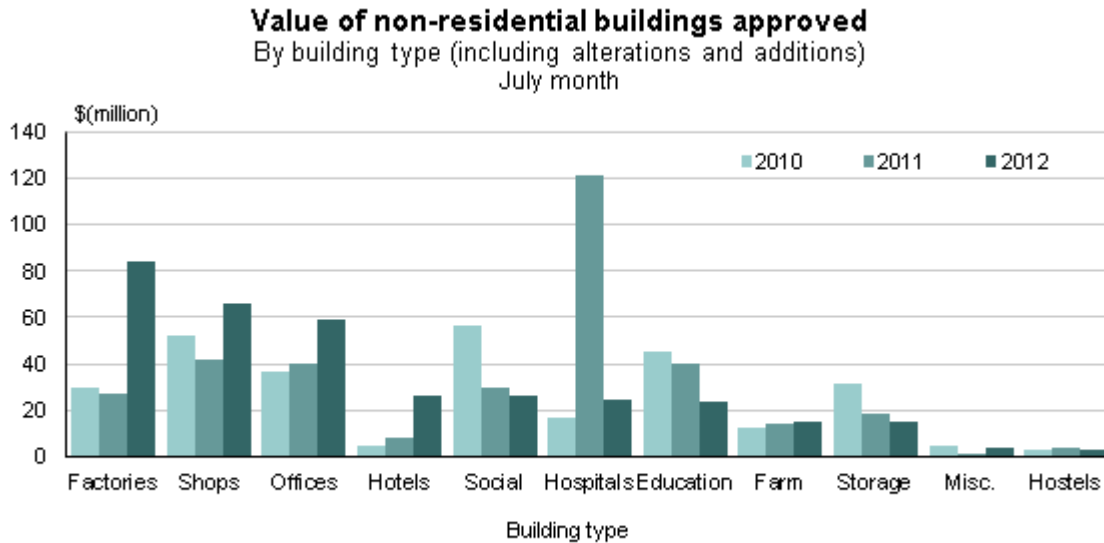
In July 2012, the value of non-residential building consents was \$346 million, almost unchanged compared with July 2011.

Six of the 11 building types increased in value. The largest increases were:

- factories and industrial buildings, **up \$57 million (209 percent)**

- shops, restaurants, and taverns, **up** \$24 million (59 percent)
- offices and administration buildings, **up** \$19 million (47 percent).

The only major decrease was hospitals and nursing homes, down \$97 million (80 percent). In July 2011 there was a \$105 million consent for work on Middlemore Hospital in Auckland.



Source: Statistics New Zealand

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

- factories and industrial buildings, at 24 percent
- shops, restaurants, and taverns, at 19 percent
- offices and administration buildings, at 17 percent.

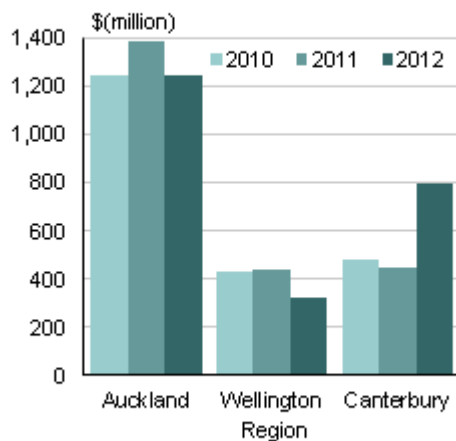
## July year non-residential building value up in Canterbury

In the year ended July 2012, the value of non-residential building consents, including alterations and additions, decreased 1.2 percent to \$3,712 million across New Zealand. Canterbury reported substantial growth while other regions reported decreases. The changes in value for the year ended July 2012, over the year ended July 2011, for selected regions were:

- Canterbury, **up** \$348 million (78 percent) to \$796 million
- Auckland, **down** \$143 million (10 percent) to \$1,244 million
- Wellington, **down** \$123 million (28 percent) to \$319 million.

## Value of non-residential building consents approved

For selected regions (including alterations and additions)  
Year ended July



Source: Statistics New Zealand

## Canterbury earthquake-related consents at record high

Canterbury consents identified as being earthquake-related totalled \$59 million in July 2012, the highest monthly total since the Canterbury earthquakes began in September 2010. This result compares with:

- \$45 million in June 2012
- \$47 million in May 2012
- \$28 million in April 2012.

Of the \$59 million recorded for July, \$41 million was for non-residential buildings, and \$18 million was for residential buildings (including 33 new dwellings). See also [earthquake-related building consents in Canterbury](#).

Since 4 September 2010, there have been more than 2,400 Canterbury earthquake-related consents identified, totalling \$532 million. This includes 395 new dwellings, of which 149 were relocatable units. Also included are alterations and additions for residential buildings, non-residential buildings, and non-building construction.

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 and March 2012 quarters, 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.

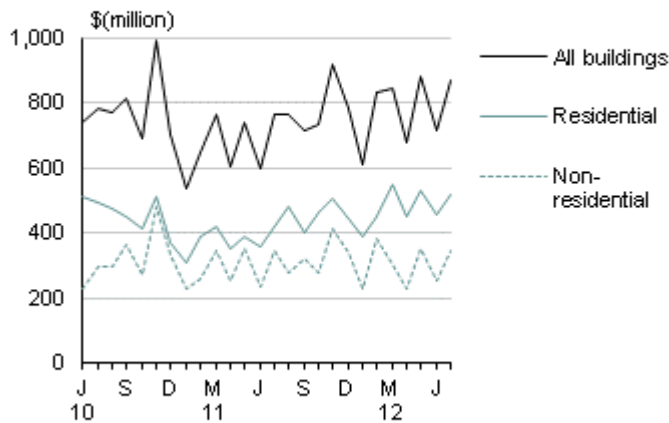
*Value of Building Work Put in Place: June 2012 quarter will be published on 5 September 2012.*

## Value for all buildings up

In July 2012, the value of consents issued for all buildings (residential and non-residential combined) was \$866 million, up 14 percent compared with July 2011.

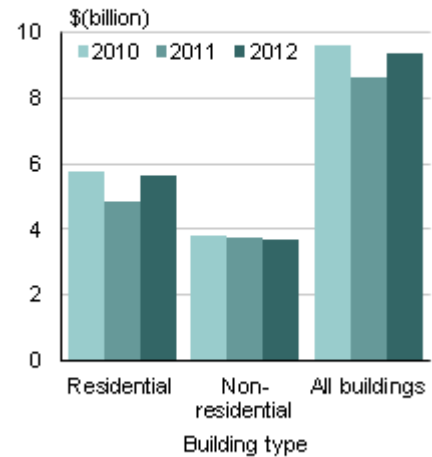
The trend for the value of all building consents (residential and non-residential combined) continues to rise.

**Value of building consents approved**  
Including alterations and additions  
Monthly



Source: Statistics New Zealand

**Value of building consents approved**  
Including alterations and additions  
Year ended July



Source: Statistics New Zealand

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

- all buildings **increased** \$722 million (8.4 percent) to \$9,338 million
- residential buildings **increased** \$769 million (16 percent) to \$5,627 million
- non-residential buildings **decreased** \$46 million (1.2 percent) to \$3,712 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: August 2012* will be released on 28 September 2012.

[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**

See [Building Consents Issued](#) 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 [Schedule 1 exemptions](#) for changes to 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.

See [seasonal adjustment](#) for more information.

## **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

See also [information about Building Consents Issued](#).

## Liability

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## Revisions

Updated information for a consent issued in Manukau City has affected May 2012 figures for non-residential buildings at the territorial authority, regional, and national levels. The main changes at the national level are shown in the table below.

<b>Building type</b>	<b>Variable</b>	<b>Series BLDM.</b>	<b>Published on 29 June 2012</b>	<b>Published on 30 August 2012</b>
Offices and administration buildings	Value	SDJ92MZ	\$111 million	\$96 million
Factories and industrial buildings	Value	SDL92MZ	\$42 million	\$57 million

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## 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 – July
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](#) to access time-series data specific to your needs. For this release, select the following category from the Infoshare homepage:

Subject category: **Industry sectors**

Group: **Building Consents - BLD**