

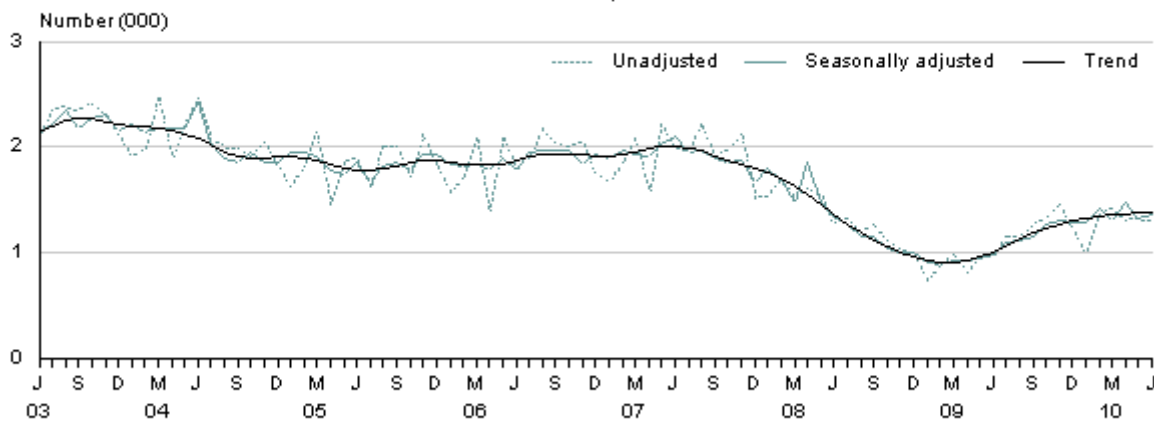
Embargoed until 10:45am – 30 July 2010

## Building Consents Issued: June 2010

### Highlights

- The seasonally adjusted number of new dwellings authorised, excluding apartments, rose 1.7 percent.
- 1,316 new dwellings were authorised, excluding apartments.
- 57 new apartment units were authorised.
- For the June 2010 year compared with the June 2009 year, the value of residential building consents rose \$625 million (12 percent) and the value of non-residential building consents fell \$857 million (18 percent).

**New dwellings authorised**  
Excluding apartment units  
Monthly



Source: Statistics New Zealand

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# Commentary

## Residential buildings

### Month

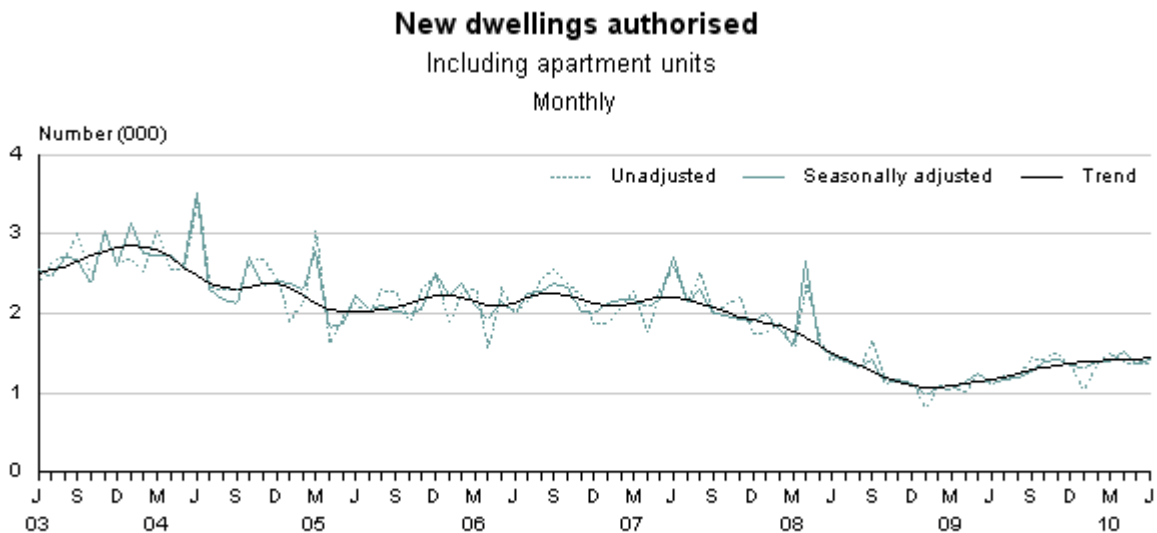
In June 2010, consents were issued for:

- 1,373 new dwelling units, including apartments
- 1,316 new dwelling units, excluding apartments
- 57 new apartment units.

Excluding apartments, the seasonally adjusted number of new dwellings authorised in June 2010 rose 1.7 percent, after falling 10 percent in May 2010. The trend has been increasing since March 2009, but remains at a low level, and the rate of increase has been easing since July 2009.

Including apartments, the seasonally adjusted number of new dwellings authorised in June 2010 rose 3.5 percent, after falling 9.5 percent in May 2010. The trend has been increasing since January 2009, but remains at a low level.

Apartments contributed 4.2 percent to the number of new dwellings in June 2010, compared with a monthly average of 5.4 percent for the previous 12 months. Apartment numbers can vary considerably from month to month.



Source: Statistics New Zealand

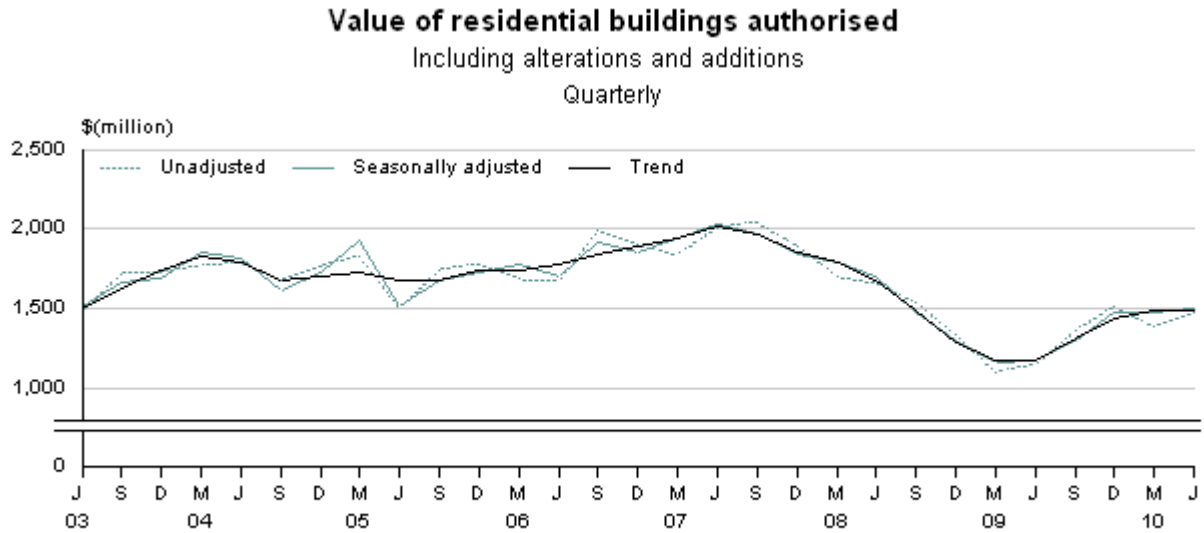
The value of dwelling alterations and additions was \$109 million in June 2010, the highest monthly figure since the series began in January 1991.

The value of residential building consents was \$508 million in June 2010, 32 percent higher than in June 2009. The trend has been increasing since March 2009, following falls that began in July 2007.

## Quarter

In the June 2010 quarter, the seasonally adjusted number of new dwellings authorised, excluding apartments, rose 0.7 percent. This follows a rise of 3.4 percent in the March 2010 quarter. Including apartments, the seasonally adjusted number of new dwellings authorised fell 6.6 percent in the June 2010 quarter, following a fall of 0.1 percent in the March 2010 quarter.

The value of residential building consents was \$1,470 million in the June 2010 quarter. The trend has been increasing since the March 2009 quarter, and is up 28 percent over this period.



Source: Statistics New Zealand

## Annual

For the June 2010 year compared with the June 2009 year:

- new dwelling units, including apartments, rose 14 percent to 16,167 units
- new dwelling units, excluding apartments, rose 25 percent to 15,384 units, the second lowest annual total for a June year since the series began in 1991. The June 2009 year was the lowest annual total.
- new apartment units fell 58 percent to 783 units, the lowest annual total for a June year since 1994.

The value of residential building consents was \$5,737 million in the June 2010 year, an increase of 12 percent compared with the June 2009 year.

## Regional residential results

More new dwelling units were authorised in 11 of New Zealand's 16 regions in June 2010 compared with June 2009. In June 2010, numbers rose by 188 units (25 percent) in the North Island and by 85 units (26 percent) in the South Island.

The regions with the largest increases were:

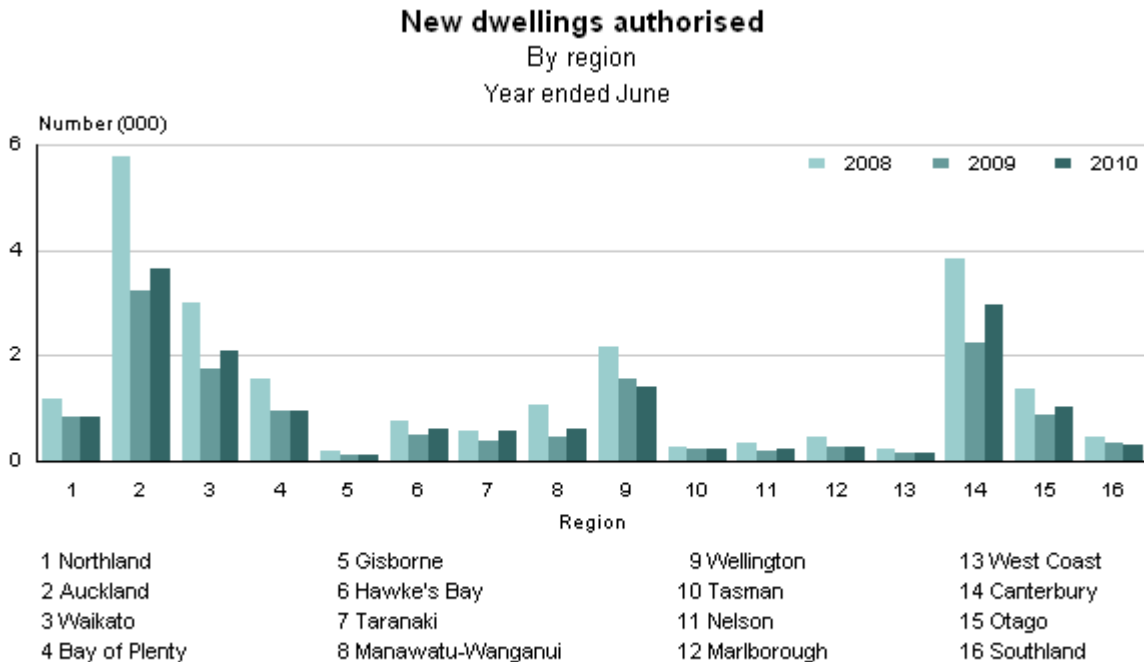
- Auckland, up 131 units to 322 (from a relatively low month in June 2009)
- Canterbury, up 58 units to 232.

The region with the largest decrease was Hawke's Bay, down 82 units to 45 (75 assisted-living apartment units were authorised in June 2009).

For the year ended June 2010, nine of New Zealand's 16 regions had more dwelling units authorised compared with the previous year. The regions with the largest increases were:

- Canterbury, up 729 units to 2,971
- Auckland, up 444 units to 3,656.

The region with the largest decrease was Wellington, down 141 units to 1,413 units.



Source: Statistics New Zealand

# Non-residential buildings

## Month

The value of non-residential building consents was \$228 million in June 2010, down 26 percent compared with June 2009. Six of the 11 building types recorded decreases in the value of consents in June 2010 compared with June 2009.

The largest decreases were:

- education buildings, down \$39 million
- storage buildings, down \$32 million
- offices and administration buildings, down \$25 million.

The largest increase was for shops, restaurants, and taverns, up \$13 million.

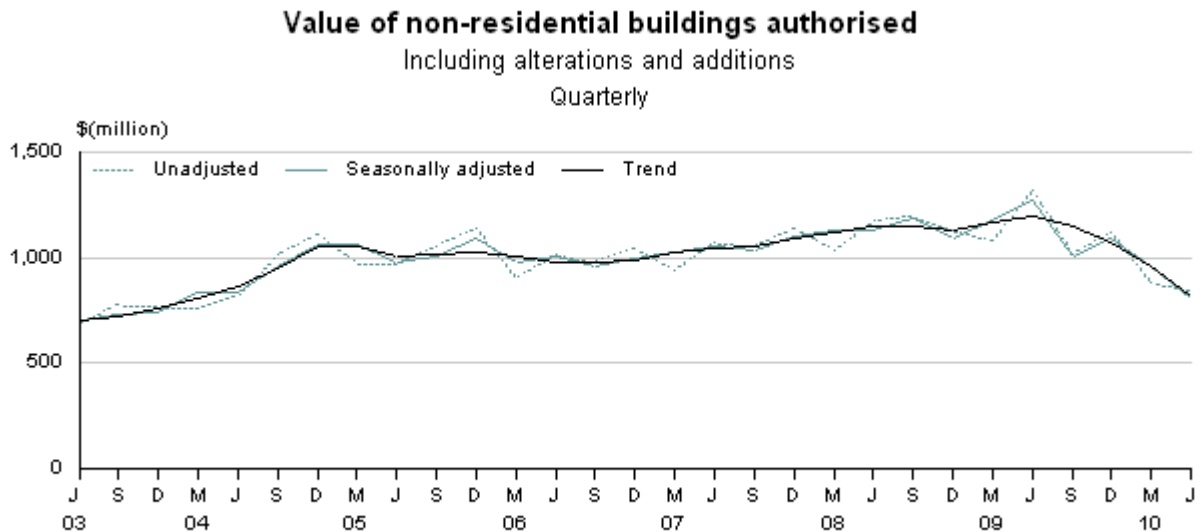
The three largest contributors to the value of non-residential building consents authorised for June 2010 were:

- shops, restaurants, and taverns, at 18 percent
- factories and industrial buildings, at 15 percent
- offices and administration buildings, at 15 percent.

The monthly trend series for the value of non-residential buildings has been removed from the tables and Infoshare for further analysis. The trend 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.

## Quarter

The trend for the value of non-residential building consents has been falling since the June 2009 quarter, and is down 32 percent over this period. The quarterly trend series for the value of non-residential buildings is estimated without the removal of large value consents.



Source: Statistics New Zealand

## Annual

For the year ended June 2010, the value of non-residential building consents was \$3,860 million, a decrease of 18 percent compared with the June 2009 year. Eight of the 11 building types recorded decreases in the value of consents compared with the June 2009 year. The largest decreases were:

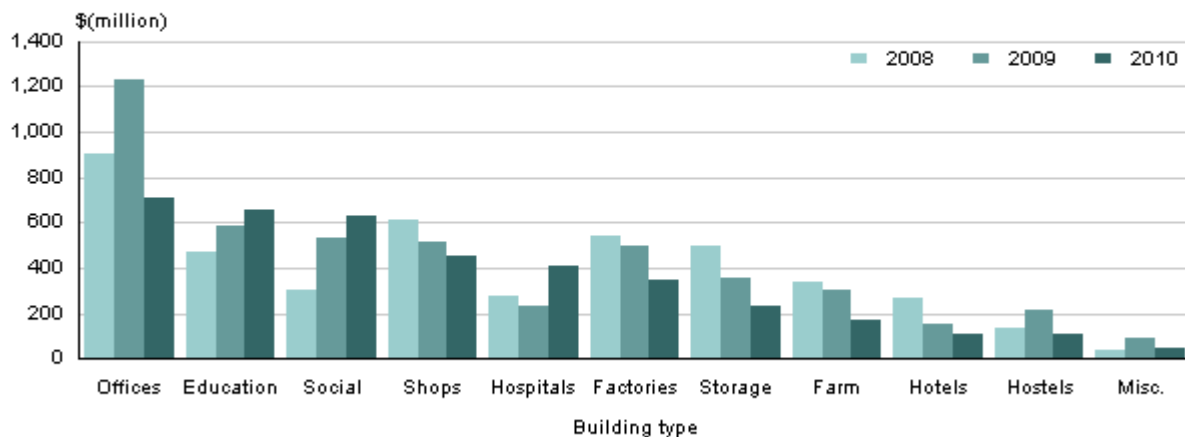
- offices and administration buildings, down \$521 million (some large consents, including the Christchurch International Airport development, contributed to this category in the June 2009 year)
- factories and industrial buildings, down \$155 million.

The largest increase was for hospitals and nursing homes, up \$174 million.

### Value of non-residential buildings authorised

By building type (including alterations and additions)

Year ended June



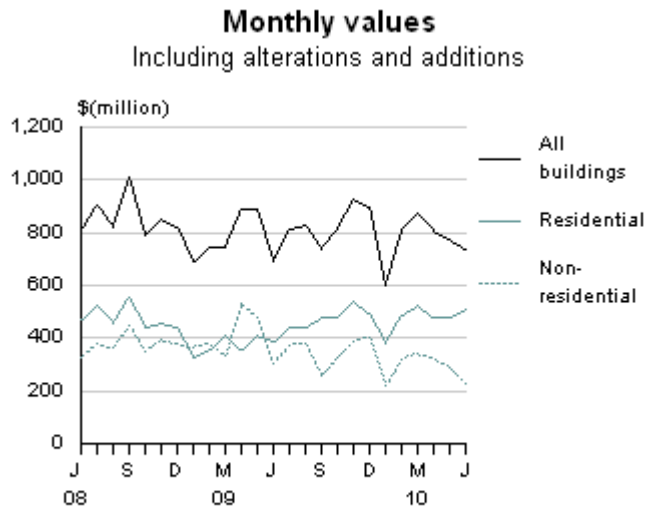
Source: Statistics New Zealand

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

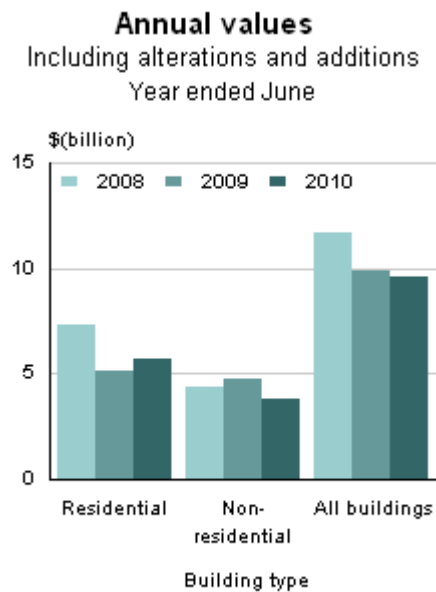
- offices and administration buildings, at 18 percent
- education buildings, at 17 percent
- social, cultural, and religious buildings, at 16 percent.

## All buildings

In the June 2010 month, the value of consents issued for all buildings was \$736 million, a 6.4 percent increase compared with June 2009.



Source: Statistics New Zealand



Source: Statistics New Zealand

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

- all buildings was \$9,598 million, down \$231 million (2.4 percent)
- residential buildings was \$5,737 million, up \$625 million (12 percent)
- non-residential buildings was \$3,860 million, down \$857 million (18 percent).

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### Next release ...

*Building Consents Issued: July 2010* will be released on 31 August 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**

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 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 – June
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
6. Number of new dwelling units authorised by quarter
7. Value of building consents issued by quarter, unadjusted and trend values