

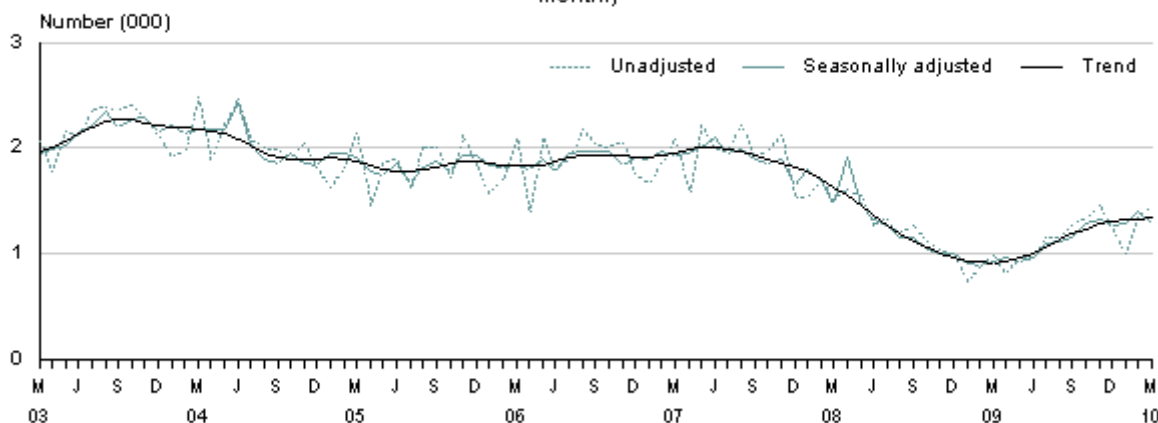
Embargoed until 10:45am – 30 April 2010

## Building Consents Issued: March 2010

### Highlights

- The seasonally adjusted number of new dwellings authorised, excluding apartments, fell 8.3 percent.
- The trend for the number of new dwellings authorised, excluding apartments, has been increasing since March 2009.
- Consents for 1,426 new dwellings were authorised, excluding apartments.
- Consents for 75 new apartment units were authorised.
- The value of residential building consents was \$528 million, the value of non-residential building consents was \$345 million.
- In the March 2010 year the value of residential building consents was \$5,415 million, the lowest annual total for a March year since 2002.

**New dwellings authorised**  
Excluding apartment units  
Monthly



Source: Statistics New Zealand

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# Commentary

## Residential buildings

### Monthly

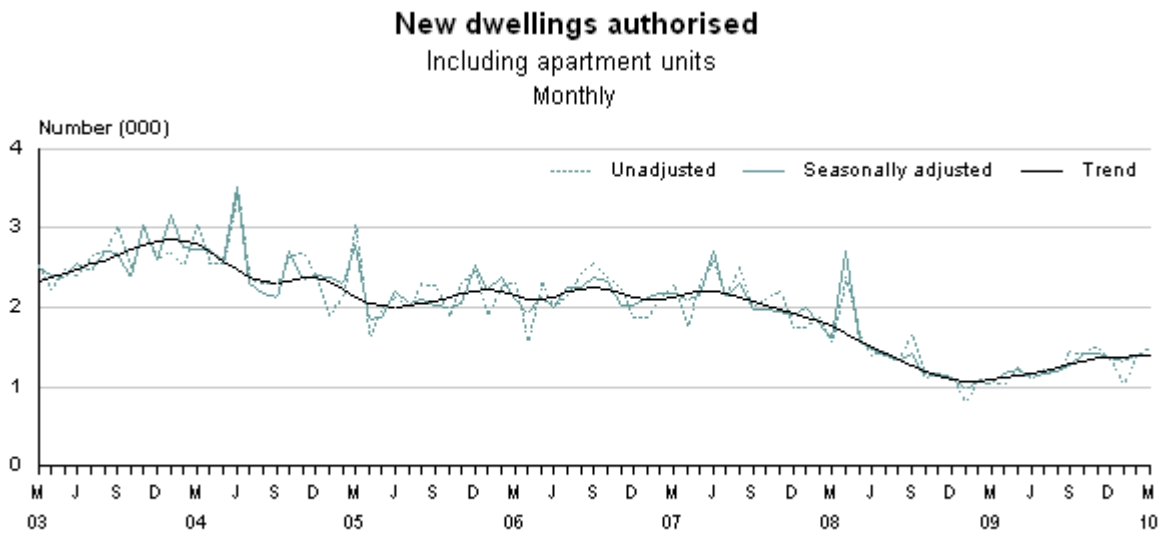
In March 2010, consents were issued for:

- 1,501 new dwelling units, including apartments
- 1,426 new dwelling units, excluding apartments
- 75 new apartment units.

Excluding apartments, the seasonally adjusted number of new dwellings authorised in March 2010 fell 8.3 percent, after rising 9.8 percent in February 2010. The trend has been increasing since March 2009, but remains at a low level, and the rate of increase has been easing in recent months.

Including apartments, the seasonally adjusted number of new dwellings authorised in March 2010 dropped 0.4 percent, after rising 5.8 percent in February 2010. The trend has been increasing since January 2009 but is showing signs of flattening in recent months.

Apartments contributed 5.0 percent to the number of new dwellings in March 2010, compared with a monthly average of 8.6 percent for the previous 12 months. Apartment numbers can vary considerably from month to month.



Source: Statistics New Zealand

The value of residential building consents was \$528 million in March 2010, 29 percent higher than in March 2009.

## **Quarterly**

The value of residential building consents was \$1,392 million in the March 2010 quarter. The trend has been increasing since March 2009, up 29 percent over this period.

## **Annual**

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

- new dwellings, including apartments, fell 5.3 percent to 15,381 units, the lowest annual total for a March year since 1981
- new dwellings, excluding apartments, rose 1.2 percent to 14,166 units
- apartments fell 46 percent to 1,215 units, the lowest annual total for a March year since 1996.

The value of residential building consents was \$5,415 million in the March 2010 year, 3.9 percent lower than the March 2009 year. This is the lowest annual total for a March year since 2002.

## Regional residential results

More new dwelling units were authorised in 14 of New Zealand's 16 regions in March 2010 compared with March 2009. In March 2010, numbers rose by 258 units (37 percent) in the North Island and by 152 units (38 percent) in the South Island.

The regions with the largest increases were:

- Canterbury, up 118 units (56 percent) to 327
- Waikato, up 93 units (83 percent) to 205
- Wellington, up 66 units (103 percent) to 130.

The regions with decreases were:

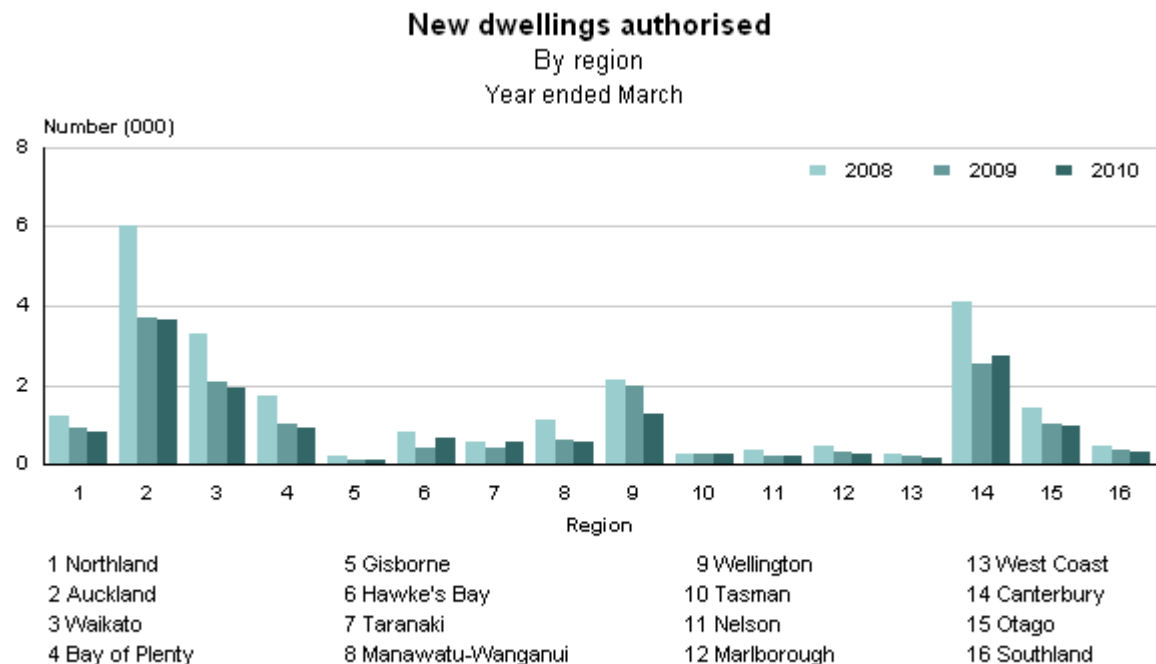
- Tasman, down 8 units (32 percent) to 17
- Southland, down 5 units (17 percent) to 25.

For the year ended March 2010, 13 of New Zealand's 16 regions had fewer dwelling units authorised compared with the previous year. The regions with the largest decreases were:

- Wellington, down 699 units (36 percent) to 1,269 units
- Waikato, down 165 units (7.9 percent) to 1,914 units
- Bay of Plenty, down 81 units (8.0 percent) to 929 units.

The regions with increases were:

- Hawke's Bay, up 225 units (51 percent) to 667 units
- Canterbury, up 175 units (6.9 percent) to 2,729 units
- Taranaki, up 114 units (26 percent) to 553 units.



Source: Statistics New Zealand

## Non-residential buildings

### Monthly

The value of non-residential building consents was \$345 million in March 2010, a 3.9 percent increase compared with March 2009. Seven of the 11 building types recorded decreases in the value of consents compared with March 2009.

The largest decreases were:

- offices and administration buildings, down \$36 million
- hostels and boarding houses, down \$27 million
- factories and industrial buildings, down \$13 million.

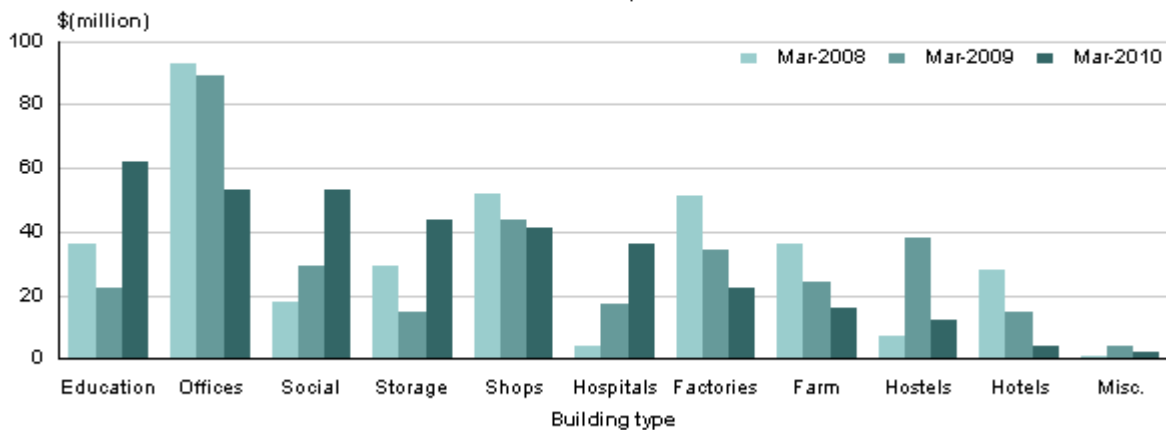
The largest increases were:

- education buildings, up \$39 million
- storage buildings, up \$30 million
- social, cultural, and religious buildings, up \$24 million.

### Value of non-residential buildings authorised

By building type (including alterations and additions)

Monthly



Source: Statistics New Zealand

### Quarterly

The trend for the value of non-residential consents has fallen for the last three quarters, down 18 percent.

The quarterly trend series for the value of non-residential buildings is estimated without the removal of large value consents. The monthly trend series is estimated after the removal of consents valued at \$25 million or more. However, Statistics New Zealand is reviewing this practice. The monthly series is available on request.

## Annual

For the year ended March 2010, the value of non-residential building consents was \$4,334 million, a 5.1 percent decrease compared with the March 2009 year. Seven of the 11 building types recorded decreases in the value of consents compared with the March 2009 year. The largest decreases were:

- factories and industrial buildings, down \$234 million
- farm buildings, down \$174 million
- storage buildings, down \$108 million.

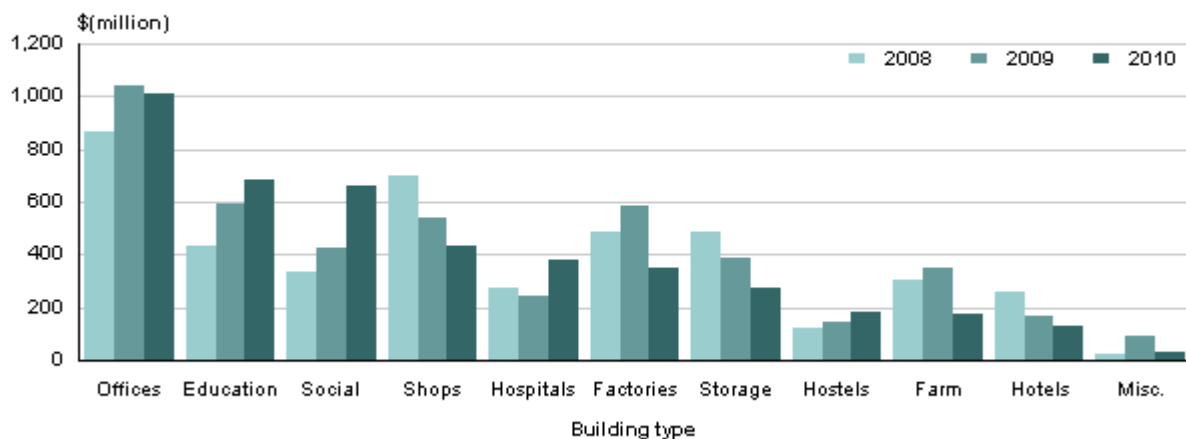
The largest increases were:

- social, cultural, and religious buildings, up \$237 million
- hospitals and nursing homes, up \$140 million
- education buildings, up \$95 million.

### Value of non-residential buildings authorised

By building type (including alterations and additions)

Year ended March



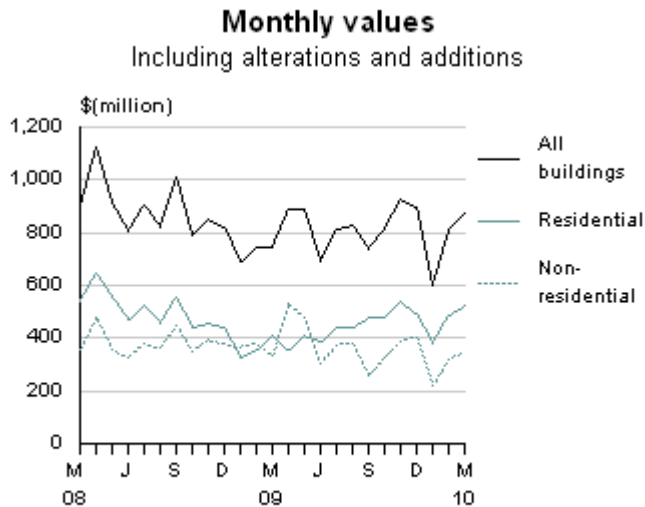
Source: Statistics New Zealand

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

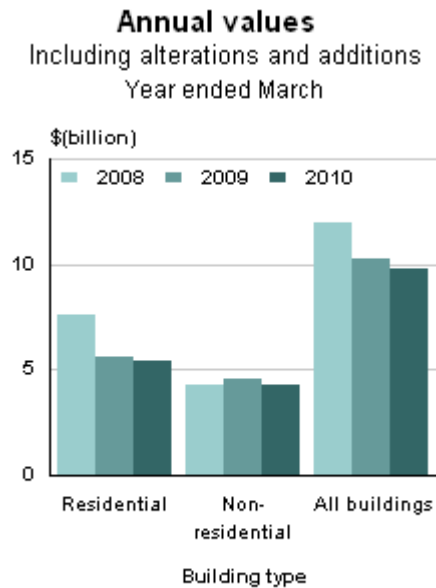
- offices and administration buildings, at 23 percent
- education buildings, at 16 percent
- social, cultural, and religious buildings, at 15 percent.

## All buildings

In March 2010, the value of consents issued for all buildings was \$873 million, an 18 percent increase compared with March 2009.



Source: Statistics New Zealand



Source: Statistics New Zealand

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

- all buildings was \$9,748 million, down \$449 million (4.4 percent)
- residential buildings was \$5,415 million, down \$218 million (3.9 percent)
- non-residential buildings was \$4,334 million, down \$231 million (5.1 percent).

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### Next release ...

*Building Consents Issued: April 2010* will be released on 28 May 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 – March
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