

# Building Consents Issued: March 2013

Embargoed until 10:45am – 30 April 2013

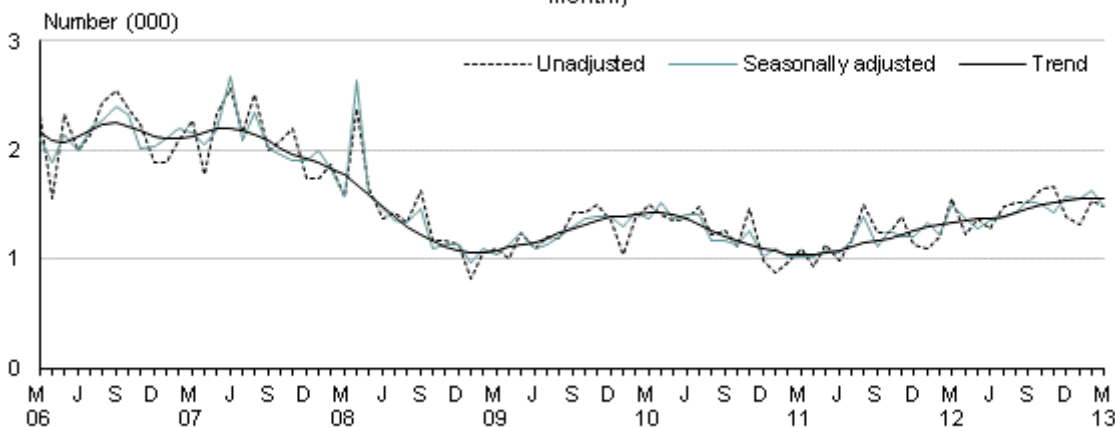
## Key facts

In March 2013:

- 1,475 new dwellings were consented, including 16 apartments, the lowest monthly number of apartments in over three years.
- The seasonally adjusted number of new dwellings, including apartments, fell 9.1 percent, and that for non-apartment dwellings fell 3.1 percent. Apartment numbers vary a lot from month to month.
- Canterbury region had 444 new dwellings consented, the highest monthly number in six years. This included record-high new dwelling numbers in both Waimakariri and Selwyn districts.

The trend for the number of new dwellings, including apartments, has been positive for two years, but the rate of growth has slowed in recent months. The level of the trend is 51 percent higher than the most recent low point in March 2011.

**New dwellings consented**  
Including apartments  
Monthly



Source: Statistics New Zealand

In March 2013 compared with March 2012:

- The number of new dwellings consented fell 5.4 percent to 1,475.
- The value of non-residential building consents increased by 20 percent to \$365 million, boosted by new work on prisons in the Auckland region.

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Government Statistician

30 April 2013  
ISSN 1178-0231

## Commentary

- [Three-year low in apartment numbers](#)
- [New dwellings down in most regions](#)
- [Prisons boost non-residential buildings value](#)
- [Canterbury earthquake-related consents worth \\$51 million](#)
- [All buildings value up](#)
- [Revisions for February](#)

Figures given are not adjusted for seasonal fluctuations unless otherwise stated.

### Three-year low in apartment numbers

Fewer new dwellings, including apartments, were consented in March 2013 compared with March 2012. There were only 16 new apartments, the lowest monthly number since February 2010. The number of apartments can vary a lot from month to month.

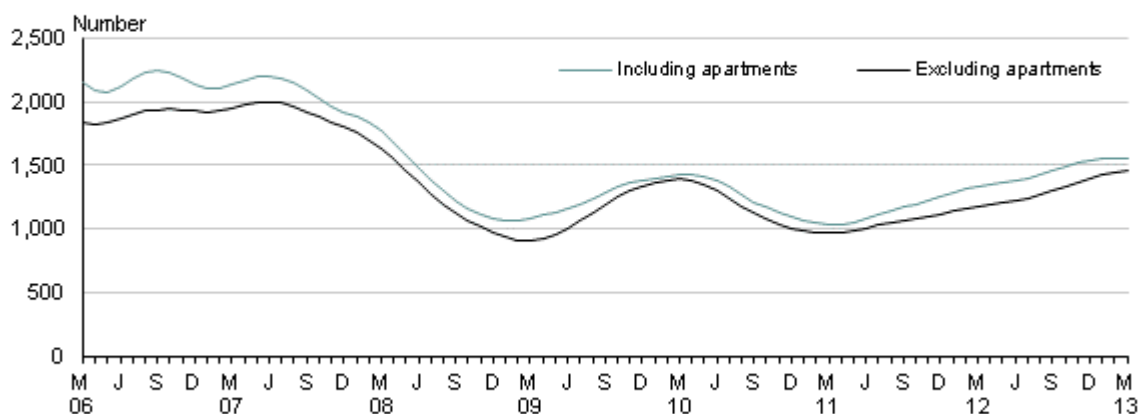
In March 2013 compared with March 2012:

- 1,459 non-apartment dwellings were consented, **up** 65 (4.7 percent) from 1,394.
- Just 16 new apartments were consented, **down** from 165. All of the apartments this month were retirement village units.
- 1,475 new dwellings including apartments were consented, **down** 84 (5.4 percent) from 1,559.

The seasonally adjusted number of new dwellings, including apartments, fell 9.1 percent in March, after a 4.4 percent rise in February. Monthly changes in the seasonally adjusted number can be volatile, and this month's fall was partly due to the small number of new apartments consented.

The trend for the number of new dwellings, including apartments, has been positive for two years, but the rate of growth has slowed in recent months. The trend is now 51 percent higher than the most recent low point in March 2011.

## Trend for new dwellings consented Monthly



Source: Statistics New Zealand

Following an 11.2 percent rise in January and a 2.6 percent fall in February, the seasonally adjusted number of non-apartment dwellings fell 3.1 percent in March 2013. The trend for non-apartment dwellings is also 51 percent higher than the most recent low-point in March 2011.

### New dwellings down in most regions

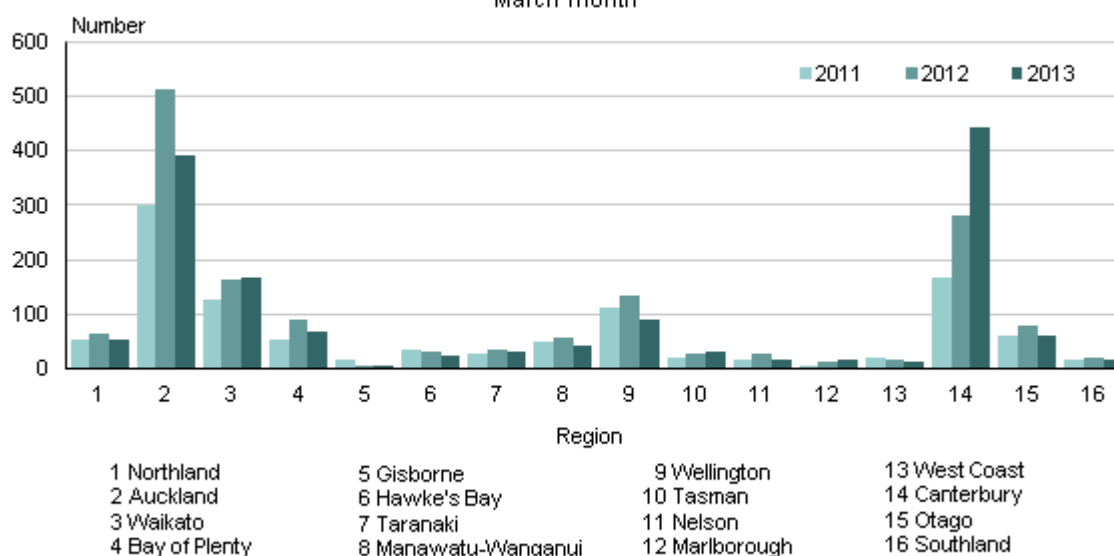
Compared with March 2012, the number of new dwellings consented fell in 11 of the 16 regions this month. The regions with the largest falls were:

- Auckland, **down 118**
- Wellington, **down 45**
- Bay of Plenty, **down 21**
- Otago, **down 20**.

There were no new apartments consented in Auckland this month, down from 104 in March 2012.

## New dwellings consented

By region  
March month



Source: Statistics New Zealand

The largest regional increase in the number of new dwellings this month was in Canterbury, up 163 to 444 new dwellings. This is the highest monthly number for the region in six years, since 464 in March 2007. Notable within the Canterbury region are:

- Selwyn district, **up** 57 to 111 new dwellings
- Christchurch city, **up** 50 to 126
- Waimakariri district, **up** 42 to 142.

The number of new dwellings consented in both Waimakariri and Selwyn districts are the highest monthly numbers for both districts since the series began in April 1990.

The Waikato, Tasman, Marlborough, and Gisborne regions all had single-digit increases this month compared with March 2012.

## Prisons boost non-residential buildings value

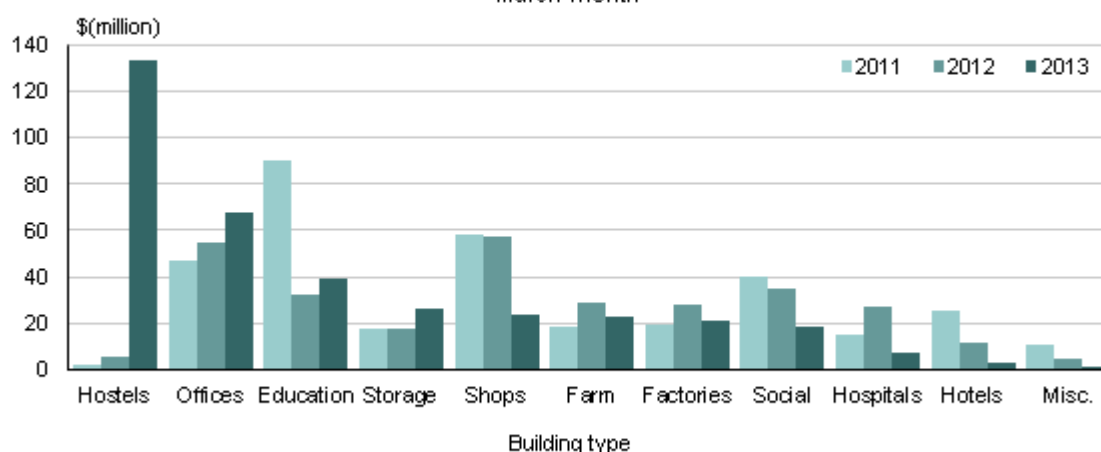
The value of non-residential building consents increased by \$62 million (20 percent) to \$365 million this month, compared with March 2012. The largest change was a \$128 million increase in hostels and boarding houses, boosted by work on prisons in the Auckland region.

Hostels and boarding houses include school and workers' accommodation, boarding houses, prisons, and barracks.

## Value of non-residential buildings consented

By building type (including alterations and additions)

March month



Source: Statistics New Zealand

Other increases in non-residential buildings value were from:

- offices and administration buildings, up \$13 million
- storage buildings, up \$9 million
- education buildings, up \$6 million.

## Canterbury earthquake-related consents worth \$51 million

The value of Canterbury earthquake-related building consents in March was \$51 million, following \$36 million in February and \$60 million in January. Residential work was worth \$29 million in March and included 57 new dwellings. Non-residential work was valued at \$22 million while non-building construction was \$0.3 million. Demolitions and seismic strengthening work are excluded.

See also [Earthquake-related building consents in Canterbury](#).

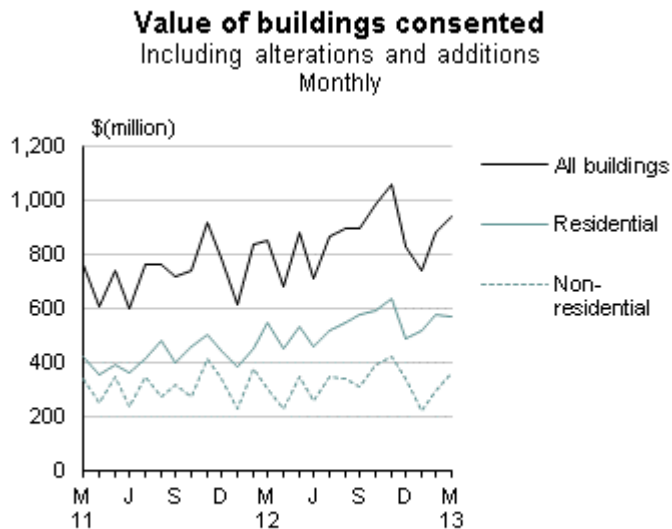
Since 4 September 2010, over 4,000 earthquake-related consents have been identified in Canterbury, totalling almost \$940 million. This includes 772 new dwellings, of which 150 were relocatable units. Also included are alterations and additions for residential buildings, non-residential buildings, and 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*. Canterbury building activity increased 1.5 percent (current price, seasonally adjusted) in the December 2012 quarter, compared with 1.3 percent for the rest of New Zealand. In the September 2012 quarter, Canterbury building activity surged 30 percent, while the rest of New Zealand had a 5.0 percent increase.

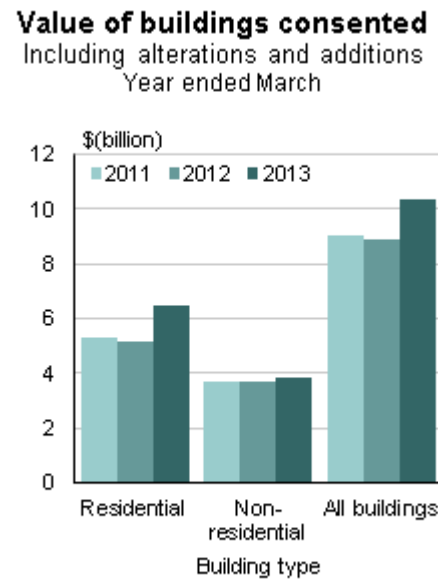
*Value of Building Work Put in Place: March 2013 quarter* will be published on 5 June 2013.

## All buildings value up

The value of consents for all buildings was \$937 million this month, up 10 percent from \$848 million in March 2012.



Source: Statistics New Zealand



Source: Statistics New Zealand

For the year ended March 2013, compared with the year ended March 2012, the value of consents increased for:

- all buildings, **up** \$1,426 million (16 percent) to \$10,337 million
- residential buildings, **up** \$1,275 million (25 percent) to \$6,464 million
- non-residential buildings, **up** \$151 million (4.1 percent) to \$3,873 million.

## Revisions for February

Additional data for February 2013 was received from Selwyn district, increasing the number of new dwellings and adding consents for several non-residential buildings.

See [revisions](#) for changes to February 2013 data for Selwyn, Canterbury, and 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 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.

**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, comprising 13 cities, 53 districts, and 1 territory.

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

## **Related links**

### **Upcoming releases**

*Building Consents Issued: April 2013* will be released on 30 May 2013.

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[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](#)
- [More information](#)

### Data source

Data for building consents is obtained each month from all accredited building consent authorities (ie territorial authorities). Statistics NZ 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 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 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 in Statistics New Zealand](#) for more information.

## **Interpreting the data**

Figures for new apartments are compiled 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, 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 more [information about Building Consents Issued](#).

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## Revisions

Additional data from Selwyn district has affected February 2013 figures for Selwyn, Canterbury, and New Zealand.

The main changes are shown in the tables below.

<b>Number of new dwellings consented</b>				
<b>Geographic area</b>	<b>Series reference: BLDM.</b>	<b>Number</b>		
		Published on 28 March 2013	Published on 30 April 2013	Increase
Selwyn district	SAC11KS	20	69	49
Canterbury region	SHA1113	351	400	49
New Zealand	SHA11RZ	1,493	1,542	49

<b>New Zealand value of buildings consented</b>				
<b>Building type</b>	<b>Series reference: BLDM.</b>	<b>Value \$(million)</b>		
		Published on 28 March 2013	Published on 30 April 2013	Increase
New dwellings	SHA12RZ	454	471	17
Dwelling alterations and additions	SHA22RZ	93	94	1
Total residential buildings	SDC92MZ	561	580	18
Storage buildings	SDK92MZ	38	49	11
Farm buildings	SDM92MZ	20	22	2
Total non-residential buildings	SDO92MZ	285	298	13
All buildings	SDP92MZ	846	877	32
Total building and construction	SDR92MZ	867	899	32

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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 – March
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
6. Number of new dwellings consented, quarterly
7. Value of building consents issued, quarterly 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**