

# Building Consents Issued: May 2013

Embargoed until 10:45am – 28 June 2013

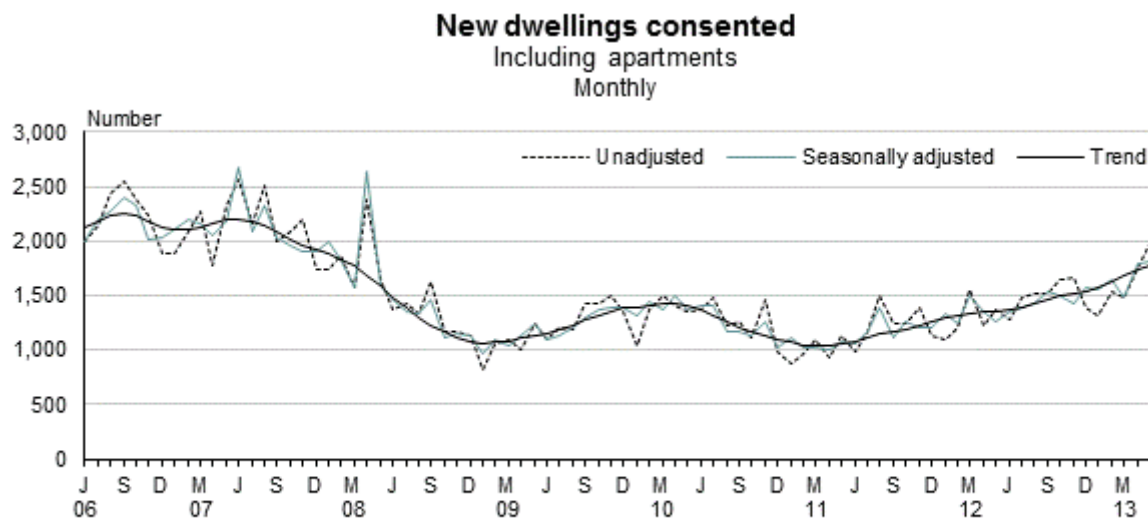
## Key facts

In May 2013, building consents were issued for:

- 1,971 new dwellings, including apartments
- 219 apartments, including 118 retirement village units
- 1,752 non-apartment dwellings, the highest monthly number since 2,123 in November 2007.

The seasonally adjusted number of new dwellings, including apartments, increased 1.3 percent, following a 21 percent increase in April.

The trend for the number of new dwellings, including apartments, increased for the 26th month in a row. The trend is now 73 percent higher than its historic low point of March 2011. This trend has been measured for over 30 years, and is currently 37 percent lower than its peak, which was in January 2004.



Source: Statistics New Zealand

In May 2013:

- Excluding apartments, the seasonally adjusted number of new dwellings fell 0.3 percent.
- \$434 million worth of work on non-residential buildings was consented.
- The value of consents for all buildings reached \$1,160 million, the highest monthly value since August 2007.

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## Commentary

- [Large number of new dwellings consented](#)
- [Trend for new dwellings continues to grow](#)
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- [Canterbury earthquake-related building consents from September 2010 top \\$1 billion](#)
- [Value of all buildings near \\$1.2 billion](#)

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

### Large number of new dwellings consented

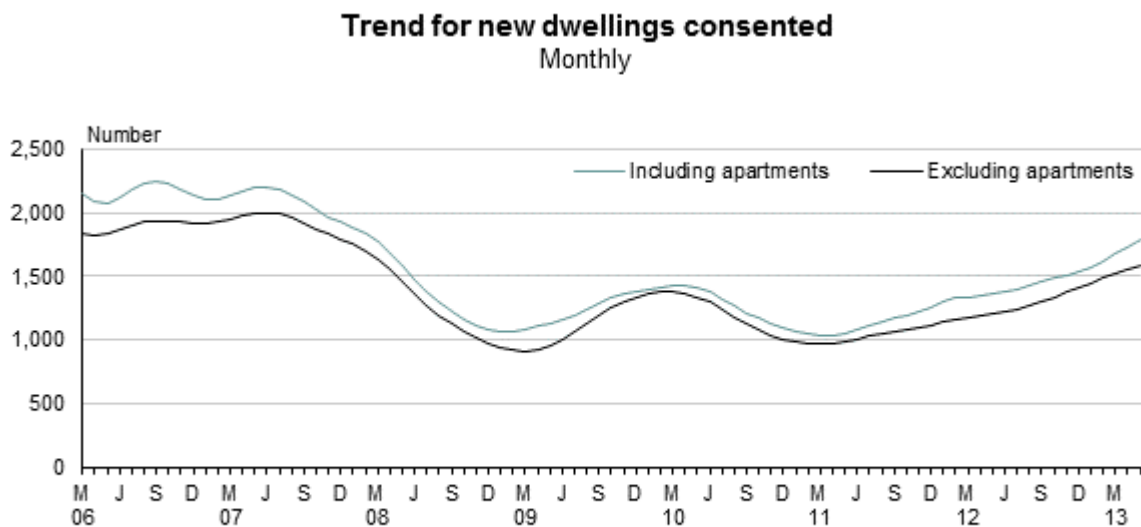
In May 2013, 1,971 new dwellings were consented, including 219 apartments. Of these apartments, 118 were retirement village units.

There were 1,752 non-apartment dwellings consented in May 2013. This was the highest monthly number of non-apartment dwellings since November 2007, when 2,123 were consented.

### Trend for new dwellings continues to grow

The seasonally adjusted number of new dwellings, including apartments, increased 1.3 percent in May 2013, following a 21 percent increase in April. The trend for the number of new dwellings, including apartments, increased for the 26th month in a row in May 2013. The trend is now 73 percent higher than its historic low point of March 2011.

The trend for new dwellings, including apartments, has been measured for over 30 years, and peaked more than nine years ago in January 2004. Currently, the trend is 37 percent lower than its peak.



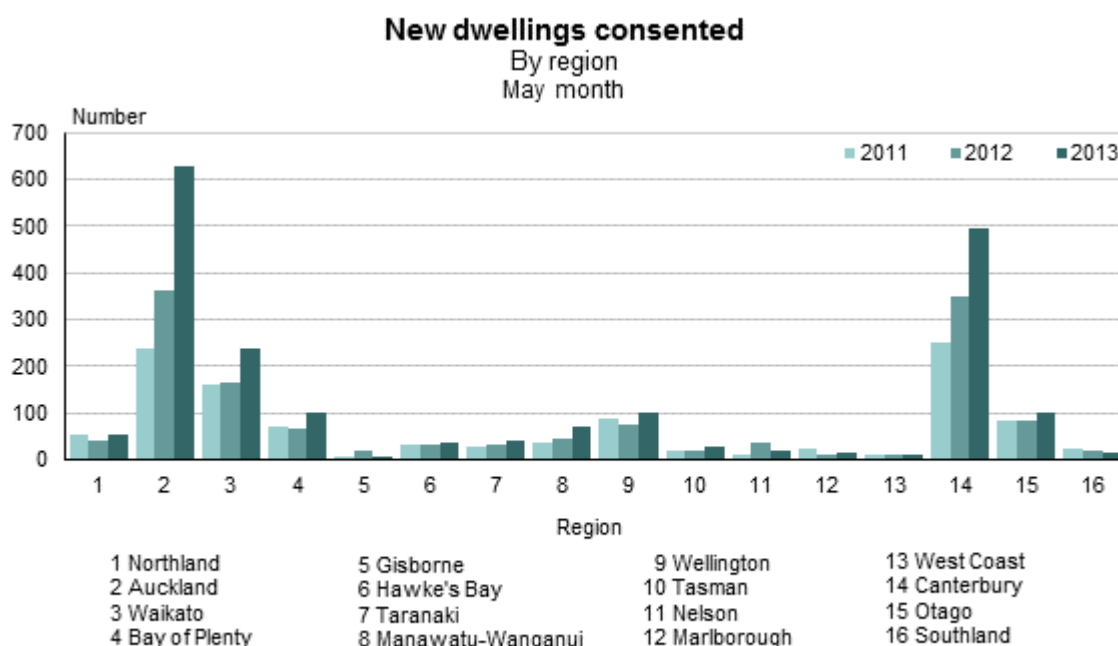
The seasonally adjusted number of non-apartment dwellings fell only 0.3 percent in May 2013, following a moderate 8.2 percent increase in April.

See the [Data Quality](#) section for more information about seasonally adjusted series, trend estimates, and trading day adjustments.

The trend for the number of non-apartment new dwellings has increased by 63 percent since the most recent low point in March 2011. This trend has been measured for over 20 years, and is currently 30 percent lower than its peak of September 2003.

## Apartments boost number of new dwellings in Auckland

The Auckland region consented 154 new apartments in May 2013, up 117 compared with May 2012. The number of new apartments consented in the Auckland region is 70 percent of the 219 national total this month.



Source: Statistics New Zealand

Together, the Auckland and Canterbury regions consented 1,122 new dwellings, 57 percent of the national total.

Regional increases in the number of new dwellings consented in May 2013, compared with May 2012 were:

- Auckland, **up** 267 to 628 new dwellings (including 154 apartments)
- Canterbury, **up** 143 to 494 (including 23 apartments)
- Waikato, **up** 74 to 240 (including 12 apartments).

Three regions consented fewer new dwellings in May 2013 than in May 2012: Nelson (down 14), Gisborne (down 12), and Southland (down 4).

## Value of non-residential buildings strong

The value of non-residential building consents in May 2013 was \$434 million. This is the first month in 2013 when the value has been over \$400 million. The largest contributors, by value, in May 2013 were:

- offices and administration buildings, \$122 million (28 percent of all non-residential buildings)
- shops, restaurants, and taverns, \$59 million (14 percent)
- storage buildings, \$52 million (12 percent)
- factories and industrial buildings, \$48 million (11 percent).

## Canterbury earthquake-related building consents from September 2010 top \$1 billion

All earthquake-related building consents in Canterbury for the 33 months from September 2010 reached almost \$1,050 million in May 2013. This included 885 new dwellings, of which 150 were relocatable units. Also included were alterations and additions for residential buildings, non-residential buildings, and non-building construction. Note that not all earthquake-related consents can be identified. Demolitions and seismic strengthening work are excluded.

In May 2013, the value of consents identified as earthquake-related in Canterbury was \$56 million, including:

- 64 new dwellings
- \$32 million of residential work
- \$23 million of non-residential work
- \$0.1 million of non-building construction.

[See more about earthquake-related building consents in Canterbury](#)

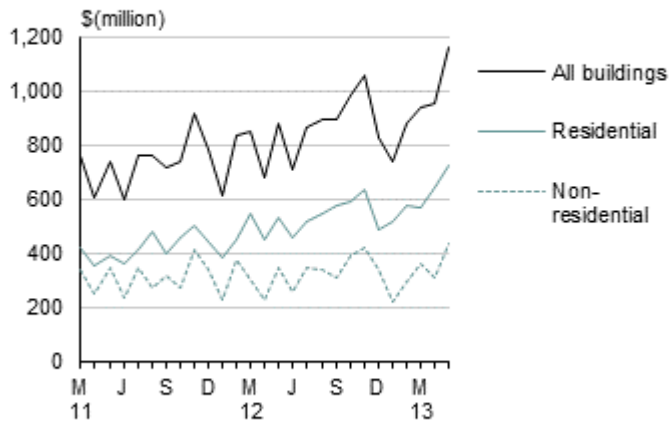
Building consents are often used as an early indicator of building activity, as measured by Statistics NZ's quarterly [Value of Building Work Put in Place](#). Canterbury building activity increased 23 percent (current price, seasonally adjusted) in the March 2013 quarter, compared with 5.1 percent for the rest of New Zealand.

*Value of Building Work Put in Place: June 2013 quarter* will be published on 4 September 2013.

## Value of all buildings near \$1.2 billion

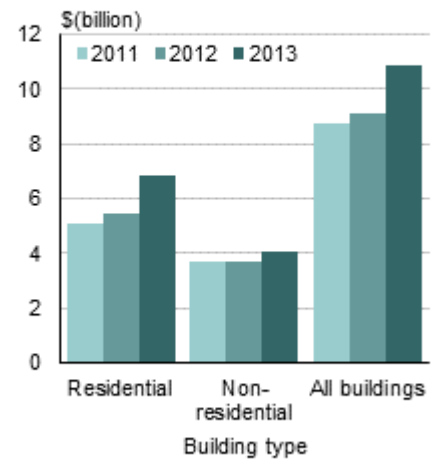
The value of consents for all buildings was \$1,160 million in May 2013. This is the highest monthly value since August 2007. Note that building consent values are not adjusted for inflation.

**Value of buildings consented**  
Including alterations and additions  
Monthly



Source: Statistics New Zealand

**Value of buildings consented**  
Including alterations and additions  
Year ended May



Source: Statistics New Zealand

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

- all buildings, up \$1,770 million (19 percent) to \$10,894 million
- residential buildings, up \$1,428 million (26 percent) to \$6,855 million
- non-residential buildings, up \$341 million (9.2 percent) to \$4,038 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.

**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: June 2013* will be released on 30 July 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.

[Seasonal adjustment in Statistics New Zealand](#) has 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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## 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 – May
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

## Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

### Use Infoshare

For this release, select the following category from the Infoshare homepage:

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