

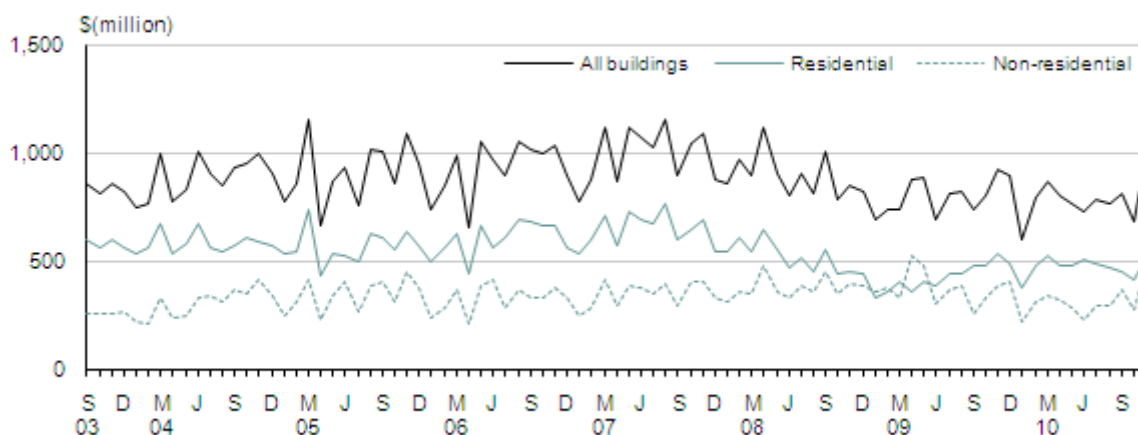
Embargoed until 10:45am – 11 January 2011

Building Consents Issued: November 2010

Highlights

- The value of non-residential building consents was \$479 million, the highest value since May 2009.
- The value of residential building consents was \$514 million.
- The seasonally adjusted number of new dwelling units authorised, excluding apartments, fell 2.6 percent.
- 1,244 new dwellings were authorised, excluding apartments.
- 226 new apartment units were authorised (154 are assisted-living apartments associated with retirement villages).

Monthly values
Including alterations and additions



Source: Statistics New Zealand

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Commentary

Building consent values include goods and services tax (GST), which increased from 12.5 percent to 15 percent from 1 October 2010. It is not possible to separate the impact of this change on building consent statistics.

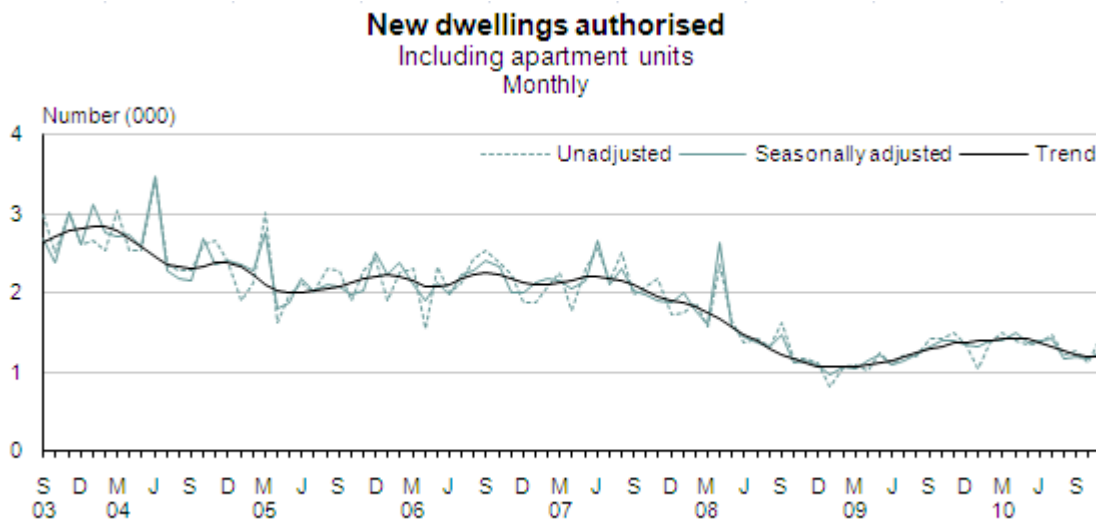
Residential buildings

Figures given are unadjusted unless otherwise stated. In November 2010 compared with November 2009, consents were issued for:

- 1,470 new dwelling units, including apartments, **down** 2.0 percent
- 1,244 new dwelling units, excluding apartments, **down** 15 percent
- 226 new apartment units, **up** 184 units (154 are assisted living apartments associated with retirement villages).

Consents for apartments accounted for 15 percent of the number of new dwellings authorised in November 2010, compared with a monthly average of 4.7 percent for the previous 12 months. Apartment numbers can vary considerably from month to month.

The seasonally adjusted number of new dwelling units authorised, including apartments, rose 8.8 percent in November 2010, following a fall of 1.8 percent in October 2010. The trend has fallen steadily, declining 17 percent since April 2010, following increases that began in February 2009. As shown in the graph below, the trend level is 58 percent lower than the series peak in January 2004.



Source: Statistics New Zealand

Excluding apartments, the seasonally adjusted number of new dwellings authorised in November 2010 fell 2.6 percent. The trend has fallen steadily, declining 22 percent since the recent peak in March 2010. The current level is 53 percent lower than the series peak in September 2003.

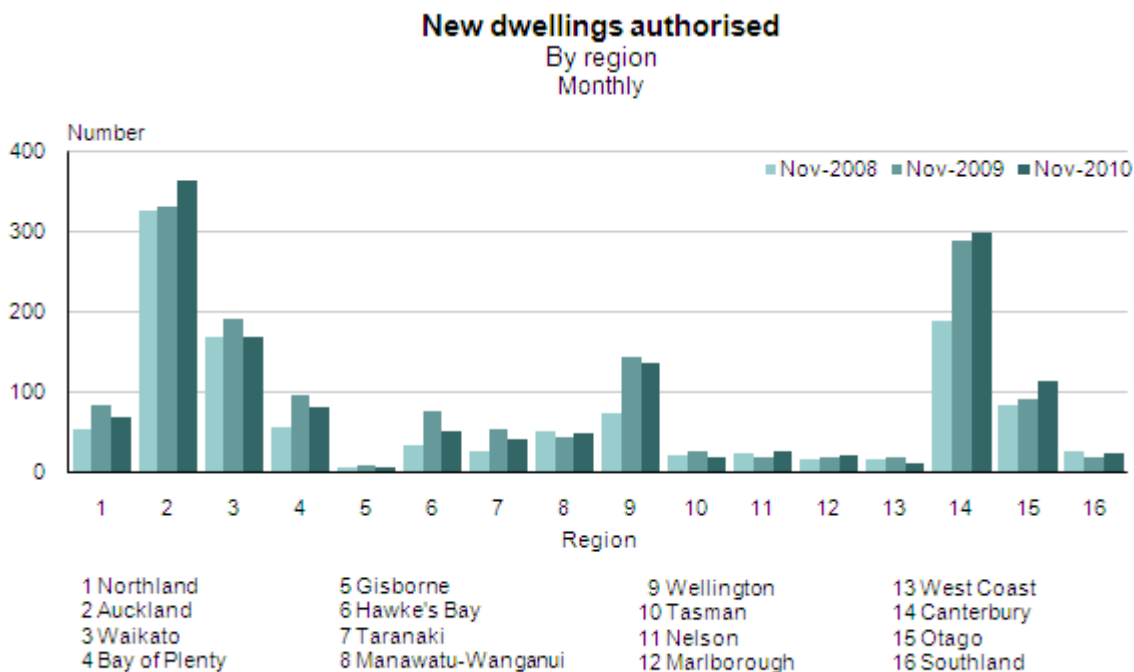
The value of residential building consents was \$514 million in November 2010, down 4.4 percent compared with November 2009. The trend has been declining since April 2010, and has fallen 14 percent over this period.

Regional residential results

Fewer new dwelling units were authorised in nine of New Zealand's 16 regions in November 2010 compared with November 2009. In November 2010, numbers fell by 66 units (6.4 percent) in the North Island and rose by 36 units (7.6 percent) in the South Island.

The three regions with the largest decreases from November 2009 were:

- Hawke's Bay, down 26 units to 51
- Waikato, down 23 units to 167
- Northland, down 16 units to 68.



Source: Statistics New Zealand

In Canterbury, there were a small number of earthquake-related consents identified in November 2010. The total value of these was \$2.3 million. Two of these were for new dwellings.

Changes to Auckland

From 1 November 2010, the new Auckland Council came into being. This council replaces both the former Auckland Regional Council and all or part of seven territorial authorities (TAs); all of the North Shore, Waitakere, Auckland, and Manukau cities, the Rodney, and Papakura districts, and part of the Franklin district are included in the new council area.

In the 'Tables' section of this release, two tables provide a geographical breakdown. Table 3 contains the number and value of new dwellings authorised by region, and table 4 contains the number of new dwellings authorised by TA.

In table 3, for both the November 2010 and December 2010 Building Consents Issued releases, there will be no change so the data reported will be for the old Auckland region. For the purposes of measuring new dwellings authorised the old Auckland region is a very close approximation of the new Auckland region. Changes in the boundaries for the Auckland region (and Waikato region) will be reflected in the data included in the release of *Building Consents Issued: January*

2011 on 28 February 2011. From November 2010, table 4 includes an accurate figure for the new Auckland Council; before November 2010, the Auckland region (included in table 3) can be used to approximate this.

As a result, there may be a small difference between the figures reported for the Auckland region (table 3) and the new Auckland Council (table 4) for November and December 2010. For example, in November 2010 the former Auckland region in table 3 has 362 new dwellings, while the new Auckland Council in table 4 has 363 new dwellings.

From November 2010, figures for Franklin District (table 4) will include only the part of this former TA that is within the new Auckland Council area (the remainder will be included within either Waikato or Hauraki districts). The six other former TAs making up the new Auckland council are unchanged in area.

The new Auckland Council area is large, and to retain a meaningful breakdown of consents issued, Statistics NZ will continue to publish figures in table 4 for the seven former TAs until an alternative grouping is identified.

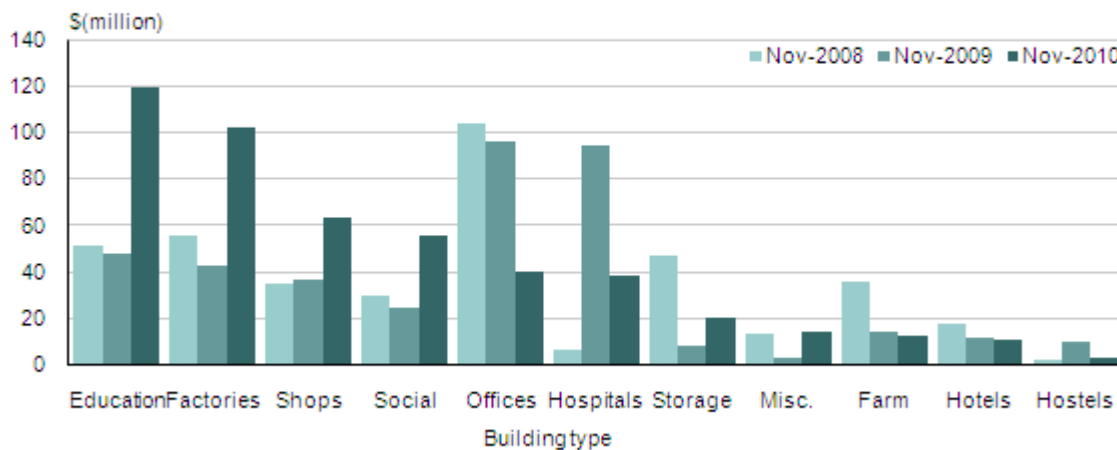
Non-residential buildings

The value of non-residential building consents was \$479 million in November 2010, up 23 percent compared with November 2009. This is the highest value since May 2009. Six of the 11 building types recorded increases in value.

The four building types with the largest changes from November 2009 were:

- education buildings, **up** \$72 million
- factories and industrial buildings, **up** \$60 million
- hospitals and nursing homes, **down** \$56 million
- offices and administration buildings, **down** \$56 million.

Value of non-residential buildings authorised
By building type (including alterations and additions)
Monthly



Source: Statistics New Zealand

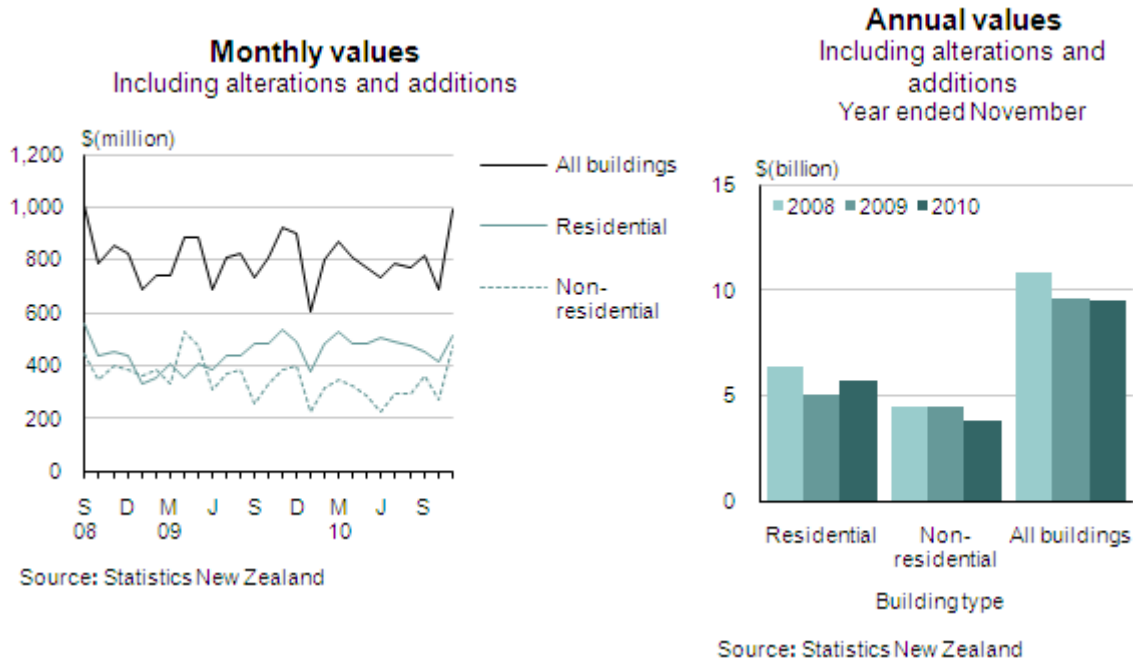
The three largest contributors to the value of non-residential building consents authorised for November 2010 were:

- education buildings, at 25 percent
- factories and industrial buildings, at 21 percent
- shops, restaurants, and taverns, at 13 percent.

The monthly trend series for the value of non-residential buildings has been removed from the 'Tables' section and Infoshare for further analysis. The trend series is estimated after the removal of consents valued at \$25 million or more. Statistics NZ has reviewed this practice, and a new monthly trend estimate will be available in the release of *Building Consents Issued: December 2010* on 31 January 2011.

All buildings

In the November 2010 month, the value of consents issued for all buildings was \$993 million, up 7.2 percent compared with November 2009. This is the highest value since September 2008.



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

- all buildings was \$9,536 million, **down** \$32 million (0.3 percent)
- residential buildings was \$5,700 million, **up** \$637 million (13 percent)
- non-residential buildings was \$3,836 million, **down** \$669 million (15 percent).

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Next release ...

Building Consents Issued: December 2010 will be released on 31 January 2011.

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 available on the Statistics NZ website (www.stats.govt.nz).

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.

For more information, see the [link](#) from the 'Technical notes' of this release on the Statistics NZ website (www.stats.govt.nz).

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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 – November
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