

Commentary

- Highest number of new dwellings for over four years
- Canterbury region and apartments lift overall number of new dwellings
- Strong increase in value of non-residential buildings
- Canterbury gains 45 new earthquake-related dwellings
- Value of all buildings rises

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

Highest number of new dwellings for over four years

In October 2012, 1,639 new dwellings (including apartments) were consented, the highest number in a month since May 2008 (1,653 new dwellings).

New dwelling consent numbers in October 2012, compared with October 2011, were:

- 1,639 new dwellings, including apartments (**up** 32 percent)
- 1,471 new dwellings, excluding apartments (**up** 28 percent)
- 168 new apartments (**up** from 89).

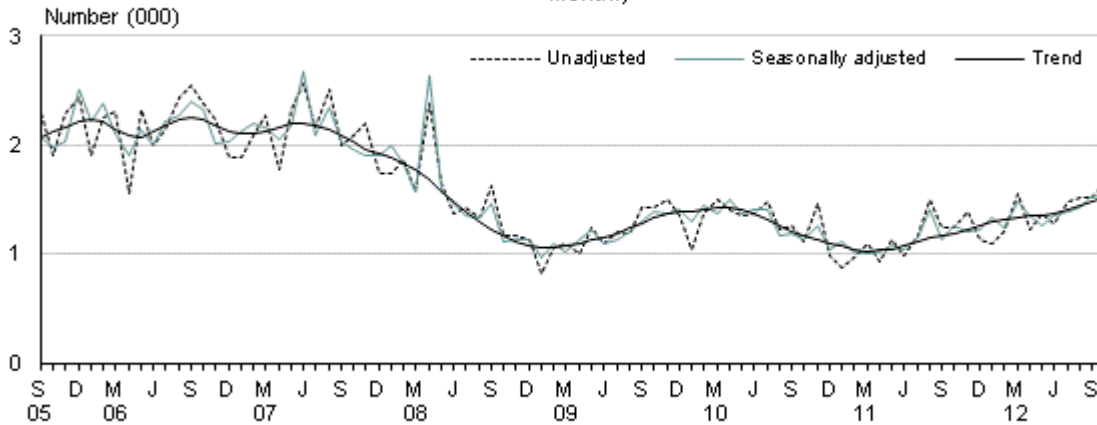
Of the apartments, 129 were retirement village units (up from 18 in October 2011).

Following a moderate increase in September 2012, the seasonally adjusted number of new dwellings, both including and excluding apartments, showed small decreases in October 2012. The number of new dwellings, including apartments, was down 1.5 percent; the number of new dwellings, excluding apartments, was down 2.0 percent.

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

Despite the seasonally adjusted falls, the trend series for the number of new dwellings, both including and excluding apartments, increased in October 2012. Both trends have been growing for 19 months.

New dwellings consented Including apartments Monthly



Source: Statistics New Zealand

In October 2012, the value of all residential building consents was \$593 million, 29 percent higher than in October 2011. All the growth continues to come from new dwellings, although the total includes \$111 million of alterations and other residential work. The value trend has been growing for 18 consecutive months, and is now 46 percent higher than the most recent low point of April 2011.

Canterbury region and apartments lift overall number of new dwellings

Compared with October 2011, the number of new dwellings consented in October 2012 increased most in Canterbury and in regions with new apartments. The number of new dwellings rose most in:

- Canterbury, **up** 122 (58 percent) to 333
- Manawatu-Wanganui, **up** 72 (206 percent) to 107
- Bay of Plenty, **up** 61 (82 percent) to 135
- Otago, **up** 48 (81 percent) to 107.

Apartment numbers can vary a lot from month to month. This month, 61 apartments were consented in Manawatu-Wanganui, 45 in Bay of Plenty and 23 in Otago. All of these were retirement village units. In October 2011, no apartments were consented in any of these regions.

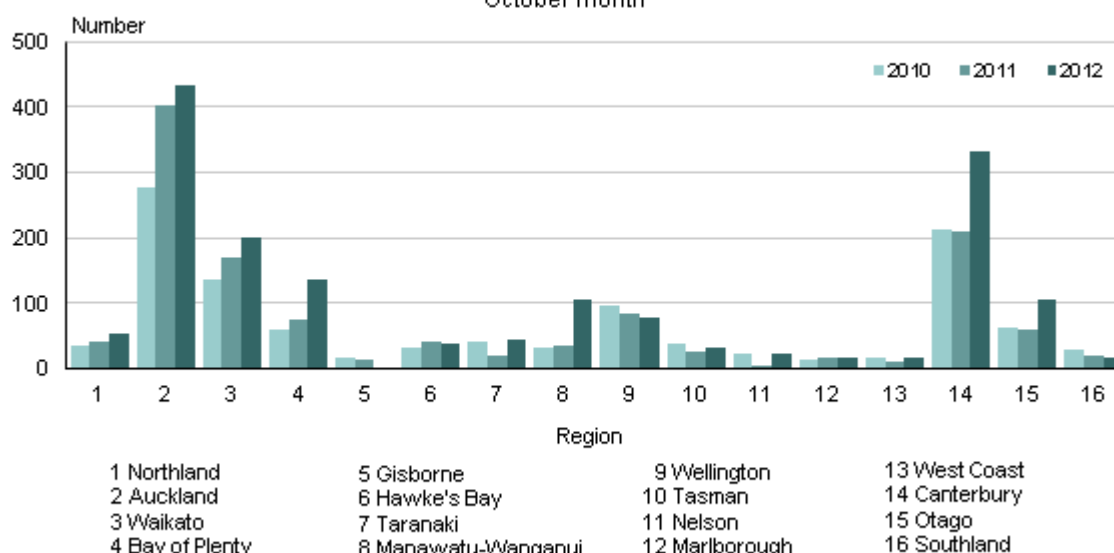
Six of the nine North Island regions reported increased numbers of new dwellings in October 2012, compared with October 2011. The North Island total was up 207 (23 percent) to 1,095. Across the South Island, the number of new dwellings consented was 544, up 194 (55 percent).

The number of new dwellings consented in Christchurch and surrounding districts were:

- Christchurch city, **up** 54 to 121
- Selwyn district, **up** 45 to 81
- Waimakariri district, **down** 2 to 64.

New dwellings consented

By region
October month



Source: Statistics New Zealand

Strong increase in value of non-residential buildings

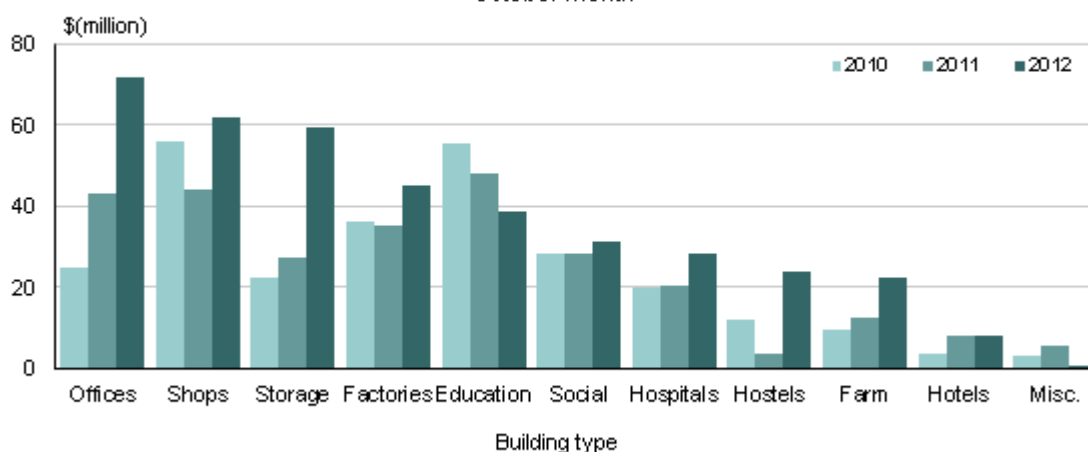
The value of non-residential building consents in October 2012 was \$392 million, up \$116 million (42 percent) compared with October 2011.

Eight of the 11 building types increased in value. The largest increases were:

- storage buildings, **up** \$32 million (116 percent)
- offices and administration buildings, **up** \$29 million (67 percent)
- hostels and boarding houses, **up** \$20 million (561 percent).

Value of non-residential buildings consented

By building type (including alterations and additions)
October month



Source: Statistics New Zealand

As shown by the darkest bars in the graph above, the three largest contributors to the value of non-residential buildings in October 2012 were:

- offices and administration buildings, at 18 percent
- shops, restaurants, and taverns, at 16 percent
- storage buildings, at 15 percent.

In Canterbury, the value of non-residential building work was \$118 million in October 2012, comprising \$94 million of new construction and \$24 million of alterations and additions. This is the highest value in a month since April 2009, when the Christchurch International Airport development was consented.

The value of consents for non-residential building work in the three next largest regions in October 2012 was:

- Auckland – \$112 million
- Wellington – \$41 million
- Waikato – \$30 million.

Canterbury gains 45 new earthquake-related dwellings

Canterbury consents identified as being earthquake-related totalled \$52 million in October 2012. So far this year, the monthly value has ranged from \$25 million to \$59 million.

Of the \$52 million recorded for October, \$25 million was for residential buildings, including 45 new dwellings. A further \$26 million was for non-residential building work. See also [earthquake-related building consents in Canterbury](#).

Since 4 September 2010, almost 3,200 earthquake-related consents have been identified in Canterbury, totalling \$689 million. This includes 526 new dwellings, of which 149 were relocatable units. Also included are alterations and additions for residential buildings, non-residential buildings, and non-building construction.

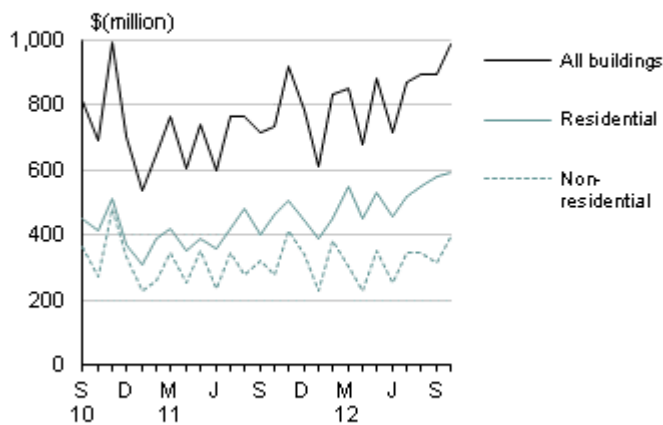
Building consents are often used as an early indicator of building activity, as measured by Statistics NZ's quarterly [Value of Building Work Put in Place](#). In the June 2012 quarter there appeared to be a greater increase in building activity in Canterbury than in the rest of the country. This is only an indication of the effect of the earthquakes in 2010 and 2011, as the survey is designed for accuracy at the national level, not regionally.

Value of Building Work Put in Place: September 2012 quarter will be published on 5 December 2012.

Value of all buildings rises

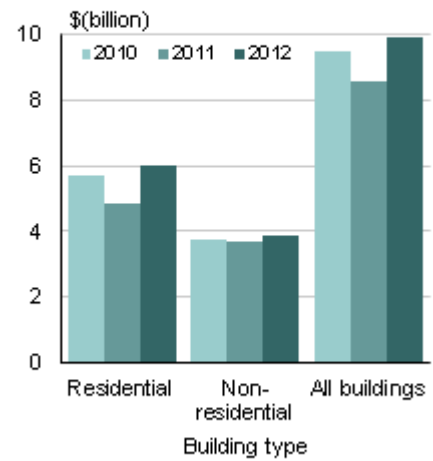
In October 2012, the value of consents for all buildings (both residential and non-residential) was \$984 million, up 34 percent compared with October 2011. October 2012's value was the highest for almost two years, since November 2010 when it was \$993 million. The trend for the value of all buildings has been growing for 17 months.

Value of buildings consented
Including alterations and additions
Monthly



Source: Statistics New Zealand

Value of buildings consented
Including alterations and additions
Year ended October



Source: Statistics New Zealand

For the year ended October 2012, compared with the year ended October 2011, the value of consents increased for:

- all buildings, **up** \$1,338 million (16 percent) to \$9,896 million
- residential buildings, **up** \$1,145 million (24 percent) to \$6,004 million
- non-residential buildings, **up** \$194 million (5.2 percent) to \$3,891 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.

Residential buildings: includes new construction, alterations, and additions to dwellings (houses, flats, and apartments) and domestic outbuildings.

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.

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.

Related links

Upcoming releases

Building Consents Issued: November 2012 will be released on 9 January 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](#) 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 New Zealand 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 (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](#) for more information.

Interpreting the data

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.

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 – October
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

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**