

Commentary

- Dwelling consent trends are decreasing
- Number of consented dwellings up in ten of the 16 regions
- Non-residential consents valued at \$456 million in October
- Canterbury earthquake-related consents total over \$2.3 billion
- Consents for all buildings total over \$1.3 billion in October

Figures given are not adjusted for seasonal fluctuations unless otherwise stated. Values include GST and are not adjusted for inflation.

Dwelling consent trends are decreasing

In October 2014, 2,152 new dwellings were consented, comprising:

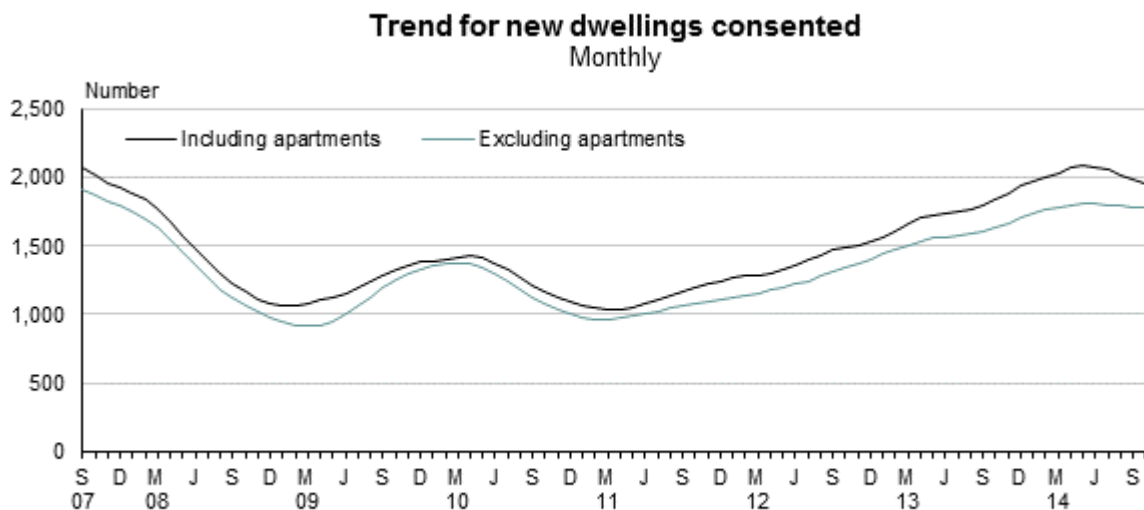
- 179 apartments, including 39 retirement village units
- 1,973 non-apartment dwellings.

Including apartments, the seasonally adjusted number of new dwellings increased by 8.8 percent after decreasing 12 percent in September.

Excluding apartments, the seasonally adjusted number of new dwellings increased by 13 percent, following an 11 percent decrease in September.

The trend for the number of new dwellings, including apartments, was recently at its highest level since August 2007, but is now decreasing. The trend is up 89 percent from the series minimum in March 2011, but is still 31 percent below the series peak in January 2004.

Excluding apartments, the trend for the number of new dwellings was recently at its highest level since November 2007, but has now decreased slightly. The trend is up 85 percent from the most-recent low point in March 2011, but is still 21 percent below the series peak in September 2003.



Source: Statistics New Zealand

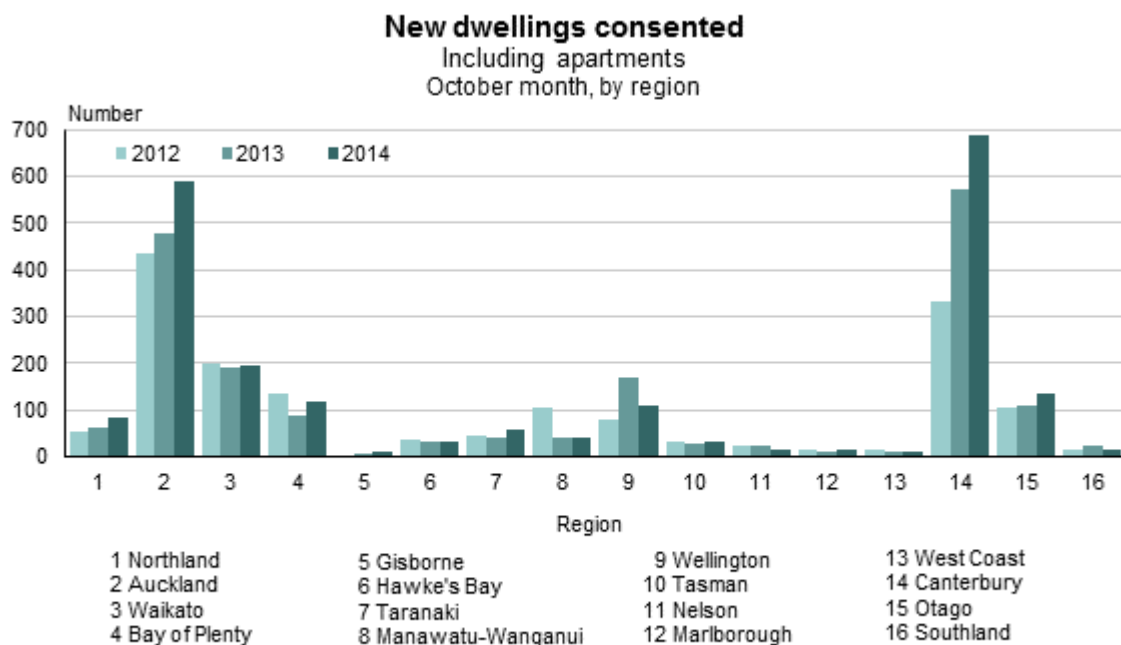
Number of consented dwellings up in ten of the 16 regions

Ten of the 16 regions consented more new dwellings, including apartments, in October 2014 than in October 2013.

The regions with the largest movements were:

- Auckland – **up** 115, to 591 (including 67 more apartments)
- Canterbury – **up** 114, to 686 (including 34 more apartments)
- Wellington – **down** 61, to 108 (including 61 fewer apartments).

Apartment numbers usually fluctuate from month to month.



Source: Statistics New Zealand

Non-residential consents valued at \$456 million in October

The value of non-residential building work consented in October 2014 was \$456 million. The regions that contributed the most to this value were:

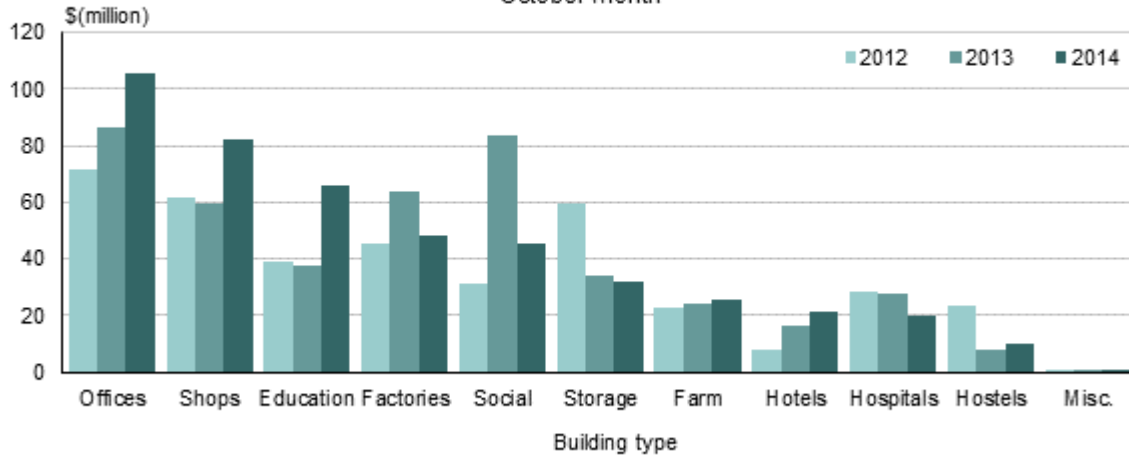
- Auckland – \$139 million
- Canterbury – \$121 million (including \$93 million in Christchurch city)
- Bay of Plenty – \$45 million (including \$18 million in Whakatane district).

The building types with the highest total consent values were:

- offices and administration buildings – \$105 million
- shops, restaurants, and taverns – \$82 million
- education buildings – \$66 million.

Value of non-residential buildings consented

By building type (including alterations and additions)
October month



Source: Statistics New Zealand

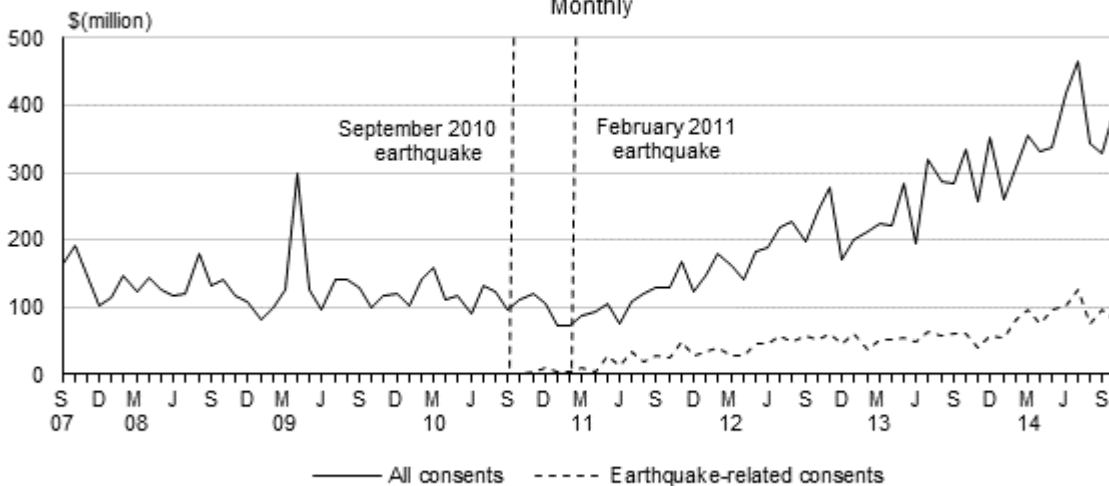
Canterbury earthquake-related consents total over \$2.3 billion

Since 4 September 2010, \$2,327 million of building consents have been identified as earthquake-related. This includes consents for 2,646 new dwellings.

Not all earthquake-related consents can be identified. For comparison, total figures for Canterbury from September 2010 to October 2014 were:

- \$10,753 million of building consents
- 18,914 new dwellings consented.

Value of building consents in Canterbury⁽¹⁾ Including alterations, additions, and non-building construction Monthly



1. Not all earthquake-related building consents can be identified.

Source: Statistics New Zealand

In October 2014, the value of consents identified as earthquake-related in Canterbury was \$82 million (of a total of \$391 million for Canterbury). This included:

- 141 new dwellings (of a total of 686)
- \$70 million for residential building work (of \$250 million)
- \$12 million for non-residential building work (of \$121 million).

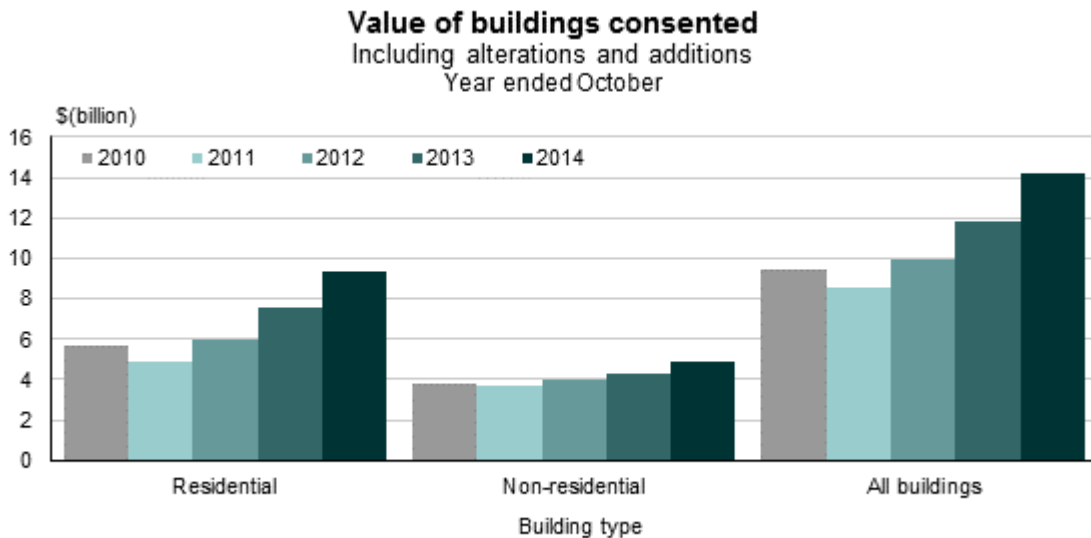
[See more about earthquake-related building consents in Canterbury](#)

Consents for all buildings total over \$1.3 billion in October

The total value of building work consented in October 2014 was \$1,333 million – comprising \$877 million of residential work, and \$456 million of non-residential work.

For the year ended October 2014, compared with the year ended October 2013, the value of building consents increased for:

- all buildings – up \$2.4 billion (20 percent) to \$14.2 billion
- residential buildings – up \$1.8 billion (24 percent) to \$9.3 billion
- non-residential buildings – up \$0.6 billion (15 percent) to \$4.9 billion.



Data for building consents is obtained from all territorial authorities in 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 and floor area of non-residential buildings, by region and building type. Values include goods and services tax and are not inflation adjusted. We classify buildings according to their main intended function. Subsequent changes in function will be recorded in the statistics if new consents are issued.

More definitions

Apartments: are apartments, townhouses, or retirement village units, where at least 10 dwellings are covered under a single building consent. Where fewer than 10 dwellings are covered under a consent, these are counted as non-apartment dwellings.

Domestic outbuildings: includes new construction, alterations, and additions to garages, glasshouses, and sheds on residential sections.

Dwellings: are self-contained permanent residences. Examples include houses, apartments, townhouses, granny flats, and licence to occupy retirement village units.

Note: Hostels, rest homes, and serviced apartments are not counted as dwellings.

Earthquake-related building consents in Canterbury: are 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.

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 – 13 cities, 53 districts, and 1 territory.

Related links

Upcoming releases

Building Consents Issued: November 2014 will be released on 9 January 2015.

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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

We obtain data for building consents from all accredited building consent authorities (ie territorial authorities) each month. We compile information from 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 we make much effort to minimise these errors, they will still occur, and we cannot quantify their effect.

Coverage

Scope

We only include construction work that requires a building consent in these statistics. Some civil engineering works, such as roads, require resource consents but not building consents, so are excluded.

The Building Act 2004 determines the scope of work requiring a building consent. 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 Ministry of Business, Innovation and Employment'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.

We exclude 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 June 1996, we code consent values for multi-purpose buildings to one or more of the most appropriate building types. Before this date, we classified multi-purpose buildings separately.

1993 From January 1993, 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 September 1989, we exclude consents below \$5,000.

Boundary changes

2011 From 1 November 2010, part of the former Franklin district moved from the Auckland region to the Waikato region. We include this change 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 effect 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.

We use the X-13 ARIMA-SEATS seasonal adjustment program, developed at the U.S. Census Bureau, to produce the seasonally adjusted and trend estimates.

Trend estimates

Trend estimation removes the estimated effect 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.

We use the X-13 ARIMA-SEATS seasonal adjustment program 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, we estimate the monthly trend series for the value of non-residential buildings after removing 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

We compile figures for new apartments 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, we treat them 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, we treat them 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. We collect value data 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, 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 has 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.

We quantify and remove trading day effects when they are estimated to be statistically significant. We don't 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](#)

Statistics in this release have been produced in accordance with the [Official Statistics System principles and protocols for producers of Tier 1 statistics](#) for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

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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

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

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