

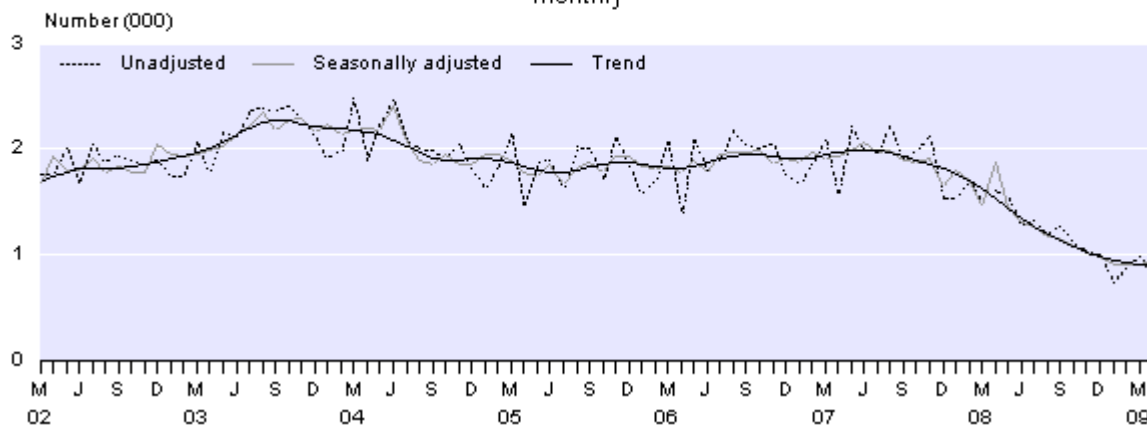
Embargoed until 10:45am – 29 May 2009

## Building Consents Issued: April 2009

### Highlights

- The trend indicates that the number of authorised new dwellings, excluding apartments, has continued to fall since June 2007. There are signs that the decline in the trend is starting to ease off.
- The seasonally adjusted number of authorised new dwellings, excluding apartments, rose 4.5 percent.
- 1,009 new dwellings were authorised, including 199 apartments.
- The value of non-residential consents (\$530 million) for April 2009 is the highest recorded since this series began in April 1965, but has been boosted by the Christchurch International Airport development.

**New Dwellings Authorised**  
*Excluding apartment units*  
Monthly



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See also [Building Consents Issued: April 2009 – Media release](#).

# Commentary

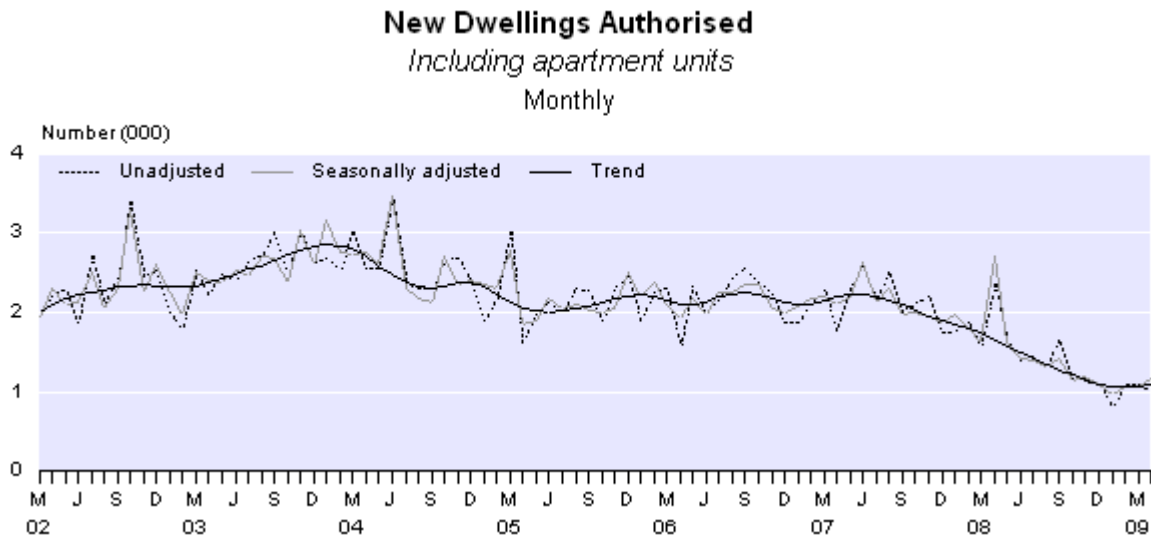
## Residential buildings

In April 2009, consents were issued for:

- 1,009 new dwellings, including apartments
- 810 new dwellings, excluding apartments
- 199 new apartments.

Apartments contributed 20 percent to the number of new dwellings authorised in April 2009, compared with a monthly average of 12 percent for the previous 12 months.

The seasonally adjusted number of new dwellings, including apartments, authorised in April 2009 rose 11 percent, after falling 1.7 percent in March 2009.



Excluding apartments, the seasonally adjusted number of new dwellings authorised rose 4.5 percent in April 2009, after falling 0.4 percent in March 2009. The trend for the number of authorised new dwellings, excluding apartments, has fallen 55 percent since the recent peak in June 2007, although the trend is starting to show signs of easing.

The value of residential building consents was \$355 million in April 2009, 45 percent lower than in April 2008. The trend indicates that the value has fallen 45 percent since its peak in June 2007.

For the year ended April 2009, residential building consents valued at \$5,343 million were issued, a 31 percent decrease from the April 2008 year.

## Regional residential results

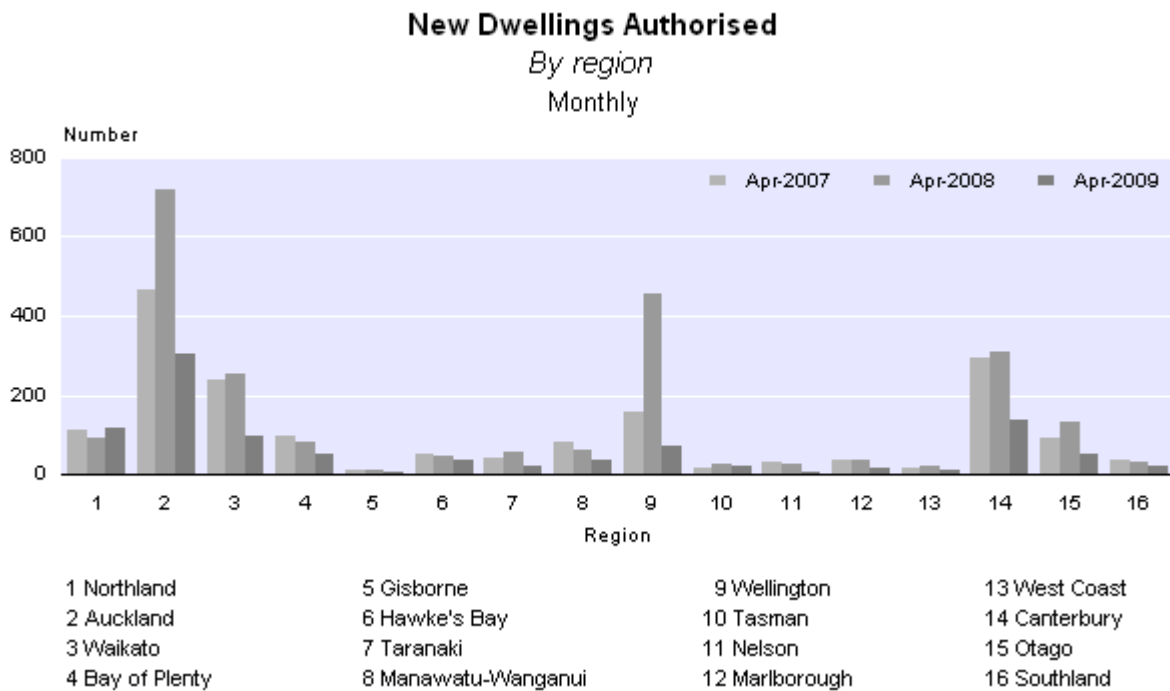
In 15 of New Zealand's 16 regions, fewer new dwelling units were authorised in April 2009 than in April 2008. Numbers fell by 1,036 units (58 percent) in the North Island, and by 328 units (55 percent) in the South Island.

Movements in the regional results for the monthly series should be treated with caution. There were a high number of apartments authorised in April 2008, which was the highest monthly total since March 2005. The regions most affected by this were Auckland and Wellington.

The regions with the largest decreases in the number of new dwellings authorised for April 2009 compared with April 2008 were:

- Auckland, with 302 units, down 417 units (129 apartments in April 2009 compared with 383 apartments in April 2008)
- Wellington, with 72 units, down 383 units (0 apartments in April 2009 compared with 326 apartments in April 2008)
- Canterbury, with 139 units, down 171 units
- Waikato, with 99 units, down 155 units.

Northland was the only region to show an increase with 117 units, up 24 units (70 apartments in April 2009 compared with 0 apartments in April 2008).



## Non-residential buildings

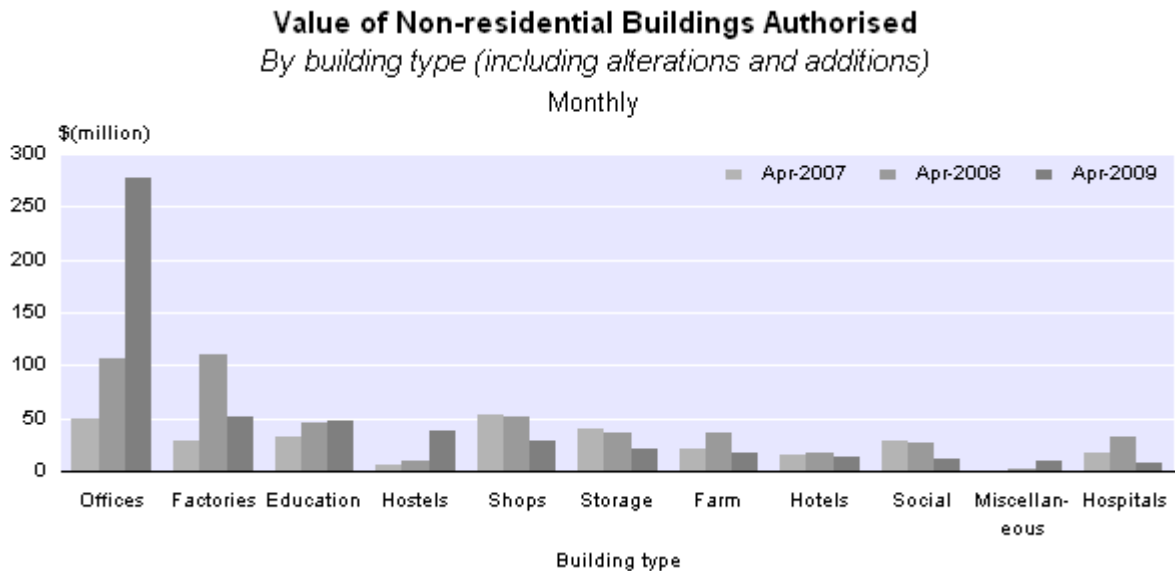
The value of non-residential building consents was \$530 million in April 2009, an increase of 11 percent compared with April 2008. This is the highest monthly value of non-residential building consents since the series began in April 1965, but has been boosted by the Christchurch International Airport development.

Four of the 11 building types recorded increases. The largest increases for April 2009 compared with April 2008 were:

- offices and administration buildings, up \$171 million (the Christchurch International Airport development contributed to this category)
- hostels and boarding houses, up \$29 million.

The largest decreases for April 2009 compared with April 2008 were:

- factories and industrial buildings, down \$58 million
- hospitals and nursing homes, down \$25 million.

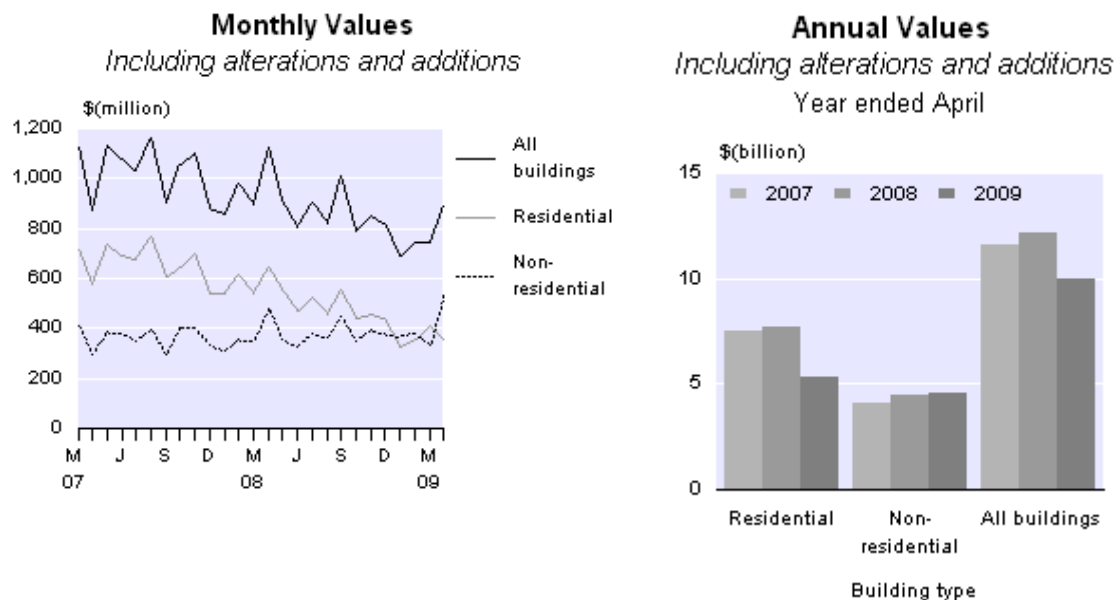


The three largest contributors to the value of non-residential building consents authorised in April 2009 were:

- offices and administration buildings, at 52 percent
- factories and industrial buildings, at 10 percent
- education buildings, at 9 percent.

## All buildings

In April 2009, the value of consents issued for all buildings was \$885 million, a decrease of 21 percent compared with April 2008.



For the year ended April 2009 compared with the April 2008 year, the total value of consents issued for:

- all buildings was \$9,959 million, down \$2,215 million (18 percent)
- residential buildings was \$5,343 million, down \$2,359 million (31 percent)
- non-residential buildings was \$4,617 million, up \$144 million (3.2 percent).

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**Next release ...**

*Building Consents Issued: May 2009* will be released on 29 June 2009.

## **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 on the Statistics New Zealand website.

## 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 might 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.

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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 – April
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