

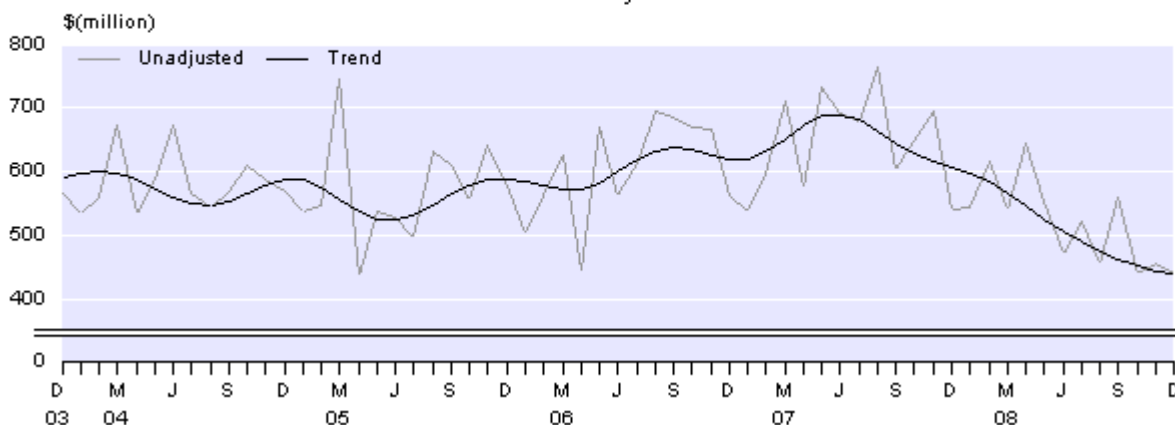
Embargoed until 10:45am – 30 January 2009

Building Consents Issued: December 2008

Highlights

- 1,127 new dwelling units were authorised, the lowest monthly total since January 1987.
- 126 new apartment units were authorised.
- The seasonally adjusted number of new dwelling units, excluding apartments, fell 0.7 percent.
- Residential building consent values totalled \$440 million, down 19 percent compared with December 2007.
- Non-residential building consent values totalled \$388 million, up 16 percent compared with December 2007.

Value of Residential Buildings Authorised
Including alterations and additions
Monthly



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See also [Building Consents Issued: December 2008 – Media release](#).

Commentary

Seasonally adjusted series

Movements in the monthly series for seasonally adjusted dwelling numbers for March to June 2008 should be treated with caution. During this period, these series exhibited greater variability than usual. This was due to the high number of dwellings, particularly apartments, authorised in April 2008, and the impact of Easter being in March instead of April.

Residential buildings

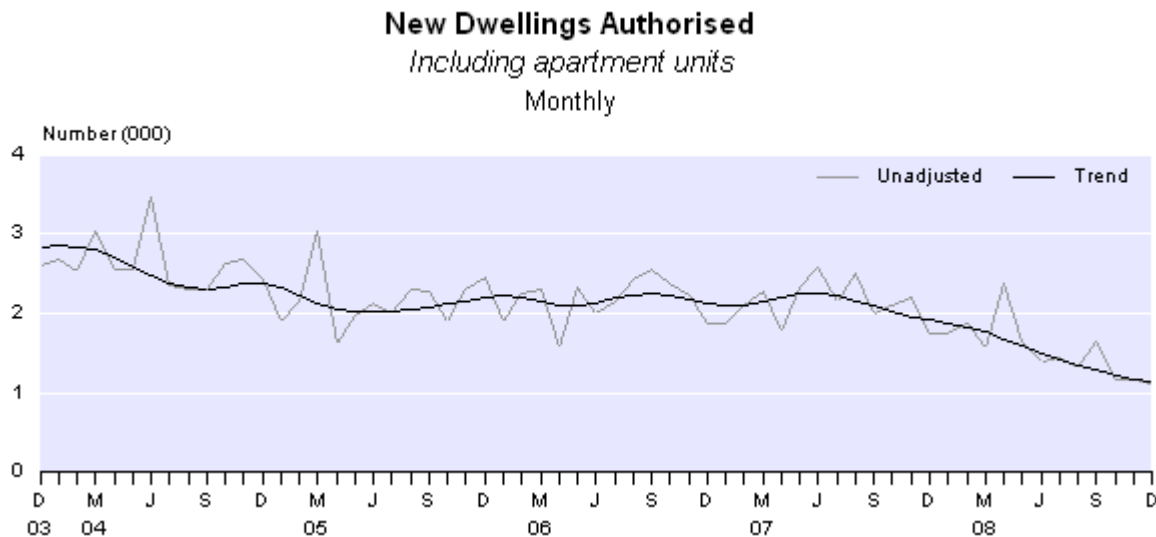
In December 2008, consents were issued for:

- 1,127 new dwelling units, including apartments, the lowest monthly total since January 1987 (when there were 1,077 new dwellings authorised)
- 1,001 new dwellings, excluding apartments, the lowest monthly total since this series began in January 1990
- 126 new apartment units.

Apartments contributed 11 percent to the number of new dwellings authorised in December 2008, the same as the monthly average for the previous 12 months.

In December 2008, the seasonally adjusted number of authorised new dwellings, excluding apartments, fell 0.7 percent. Including apartments, the number fell 6.0 percent.

The trend for the number of authorised new dwellings, including apartments, has fallen 49 percent since the recent June 2007 peak.



For the year ended December 2008 compared with the previous December year, the authorised number of:

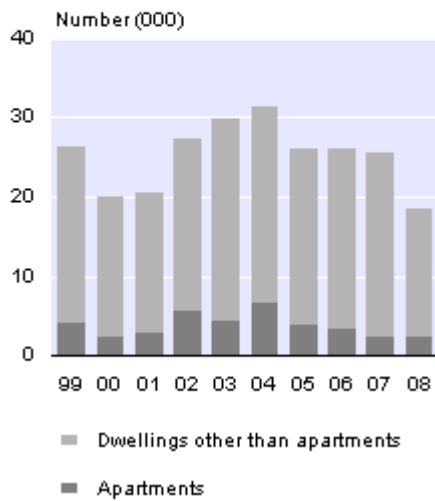
- new dwellings, including apartments, fell 28 percent to 18,456 units (this is the lowest annual total since the August 1993 year)
- new dwellings, excluding apartments, fell 30 percent to 16,158 (this is the lowest annual total since the annual series began in December 1990)
- apartments fell 6.9 percent to 2,298 units.

Over this time, the value of new dwellings, including apartments, fell from \$6,424 million to \$4,896 million (24 percent).

New Dwellings Authorised

All regions

Year ended December



The value of residential building consents was \$440 million in December 2008, a 19 percent decrease compared with December 2007. The trend indicates the value has fallen 37 percent since the peak in June 2007, and is at its lowest level since June 2002.

For the year ended December 2008, residential building consents valued at \$6,236 million were issued, a 20 percent decrease from the December 2007 year.

Regional residential results

In 12 of New Zealand's 16 regions, fewer new dwelling units were authorised in December 2008 than in December 2007. Numbers fell by 583 units (46 percent) in the North Island. Although more new dwellings were authorised in Nelson, West Coast, Tasman and Otago, the South Island was down overall by 28 units (6.0 percent) compared with December 2007.

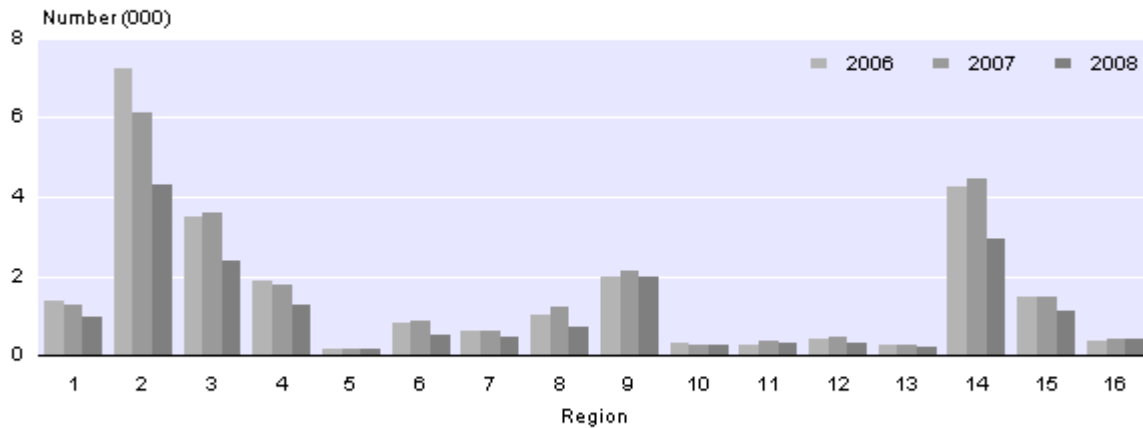
For the year ended December 2008, the largest regional decreases were:

- Auckland, down 1,802 units (29 percent) to 4,308
- Canterbury, down 1,556 units (35 percent) to 2,922
- Waikato, down 1,237 units (34 percent) to 2,379.

New Dwellings Authorised

By region

Year ended December



1 Northland
2 Auckland
3 Waikato
4 Bay of Plenty

5 Gisborne
6 Hawke's Bay
7 Taranaki
8 Manawatu-Wanganui

9 Wellington
10 Tasman
11 Nelson
12 Marlborough

13 West Coast
14 Canterbury
15 Otago
16 Southland

Non-residential buildings

The value of non-residential building consents was \$388 million in December 2008, an increase of 16 percent compared with December 2007. Five of the 11 building types recorded increases in the value of consents compared with December 2007.

For December 2008 compared with December 2007, the largest increases were:

- factories and industrial buildings, up \$47 million
- offices and administration buildings, up \$34 million.

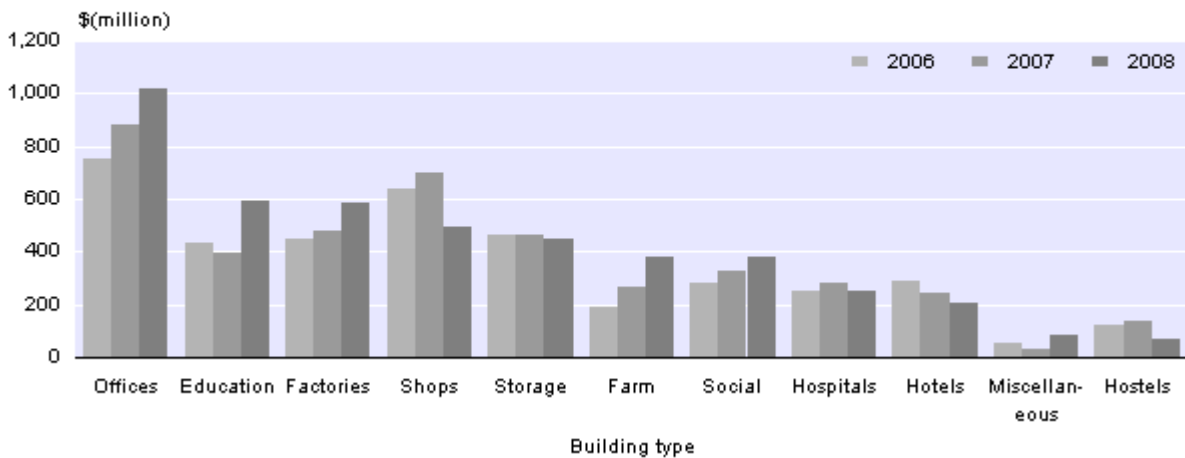
For the year ended December 2008, non-residential building consents valued at \$4,524 million were issued, an increase of 7.7 percent from the December 2007 year. Six of the 11 building types recorded increases in the value of consents over this time.

For the December 2008 year compared with the previous year, the largest increases were:

- education buildings, up \$192 million
- offices and administration buildings, up \$142 million
- farm buildings, up \$118 million.

The largest decrease was for shops, restaurants and taverns, down \$200 million.

Value of Non-residential Buildings Authorised
By building type (including alterations and additions)
 Year ended December

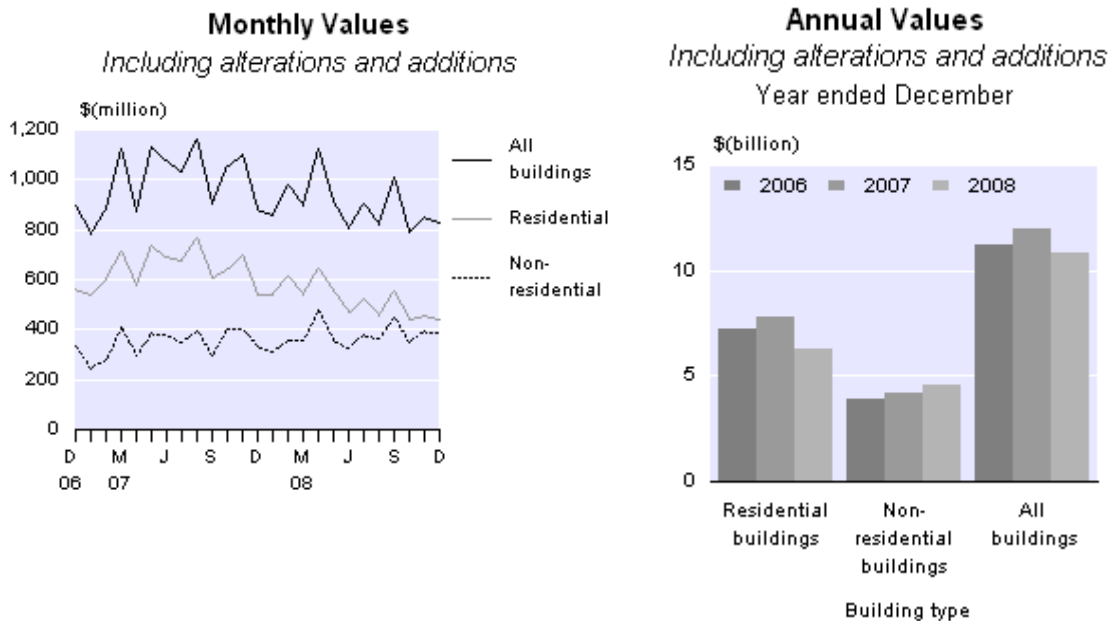


The three largest contributors to the value of consents authorised in the December 2008 year were offices and administration buildings, at 22 percent, followed by both education buildings, and factories and industrial buildings, at 13 percent.

All buildings

In December 2008, the value of consents issued for all buildings was \$827 million, a decrease of 5.7 percent compared with December 2007.

Residential buildings contributed 53 percent to the total value of all buildings in December 2008, while non-residential buildings contributed 47 percent. For the previous 12 months, the average monthly contribution of residential buildings was 59 percent.



For the year ended December 2008 compared with the December 2007 year, the total value of consents issued for:

- all buildings was \$10,760 million, down \$1,220 million (10 percent)
- residential buildings was \$6,236 million, down \$1,542 million (20 percent)
- non-residential buildings was \$4,524 million, up \$322 million (7.7 percent).

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Next release ...

Building Consents Issued: January 2009 will be released on 27 February 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 – December
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