

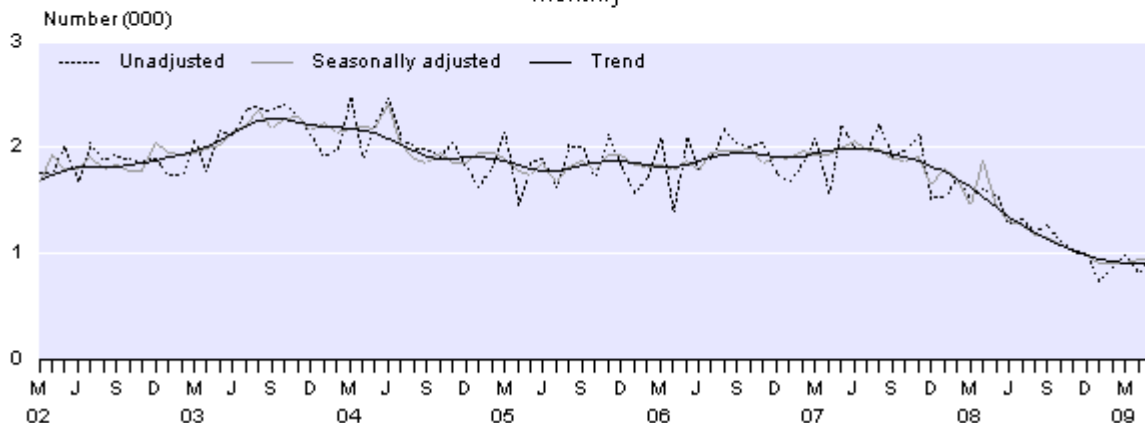
Embargoed until 10:45am – 29 June 2009

Building Consents Issued: May 2009

Highlights

- The value of non-residential building consents exceeds residential building consents.
- The value of non-residential building consents for May 2009 is \$479 million and has been boosted by consents for sports stadiums around the country.
- The trend for the number of authorised new dwellings, excluding apartments, has fallen 54 percent since June 2007. The decline in the trend is showing signs of easing.
- The seasonally adjusted number of authorised new dwellings, excluding apartments, fell 3.1 percent.
- 1,238 new dwellings were authorised, including 275 apartments.

New Dwellings Authorised
Excluding apartment units
Monthly



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

Commentary

Residential buildings

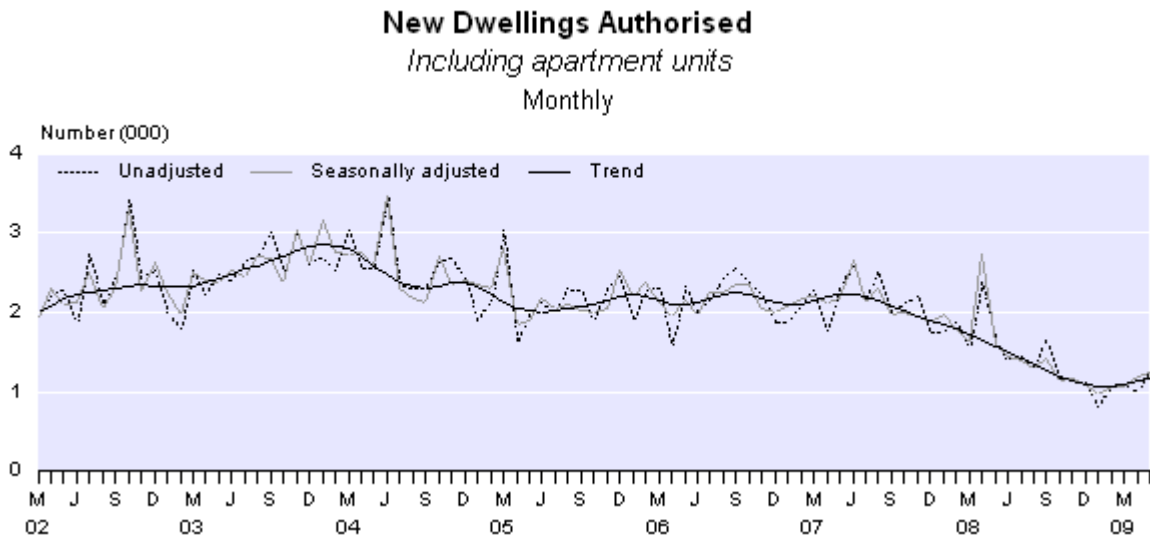
In May 2009, consents were issued for:

- 1,238 new dwellings, including apartments
- 963 new dwellings, excluding apartments
- 275 new apartments.

Excluding apartments, the seasonally adjusted number of new dwellings authorised fell 3.1 percent in May 2009, after rising 4.5 percent in April 2009. The trend for the number of authorised new dwellings, excluding apartments, has fallen 54 percent since the recent peak in June 2007. The decline in the trend is showing signs of easing.

Apartments contributed 22 percent to the number of new dwellings authorised in May 2009, compared with a monthly average of 11 percent for the previous 12 months. Apartment numbers can vary considerably from month to month. In the first five months of this year, over a third of the consents for apartment units have been for assisted living apartments associated with retirement villages. Currently these are coded as residential apartment units.

The seasonally adjusted number of new dwellings, including apartments, authorised in May 2009 rose 3.5 percent, after rising 12 percent in April 2009. The trend for the number of authorised new dwellings, including apartments, has been increasing since January 2009 after a series of falls that began in July 2007.



The value of residential building consents was \$408 million in May 2009, 26 percent lower than in May 2008. The trend of the value has fallen 44 percent since its peak in June 2007.

Regional residential results

Fewer new dwelling units were authorised in 13 of New Zealand's 16 regions in May 2009 compared with May 2008. Numbers fell by 228 units in the North Island, and by 187 units in the South Island.

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

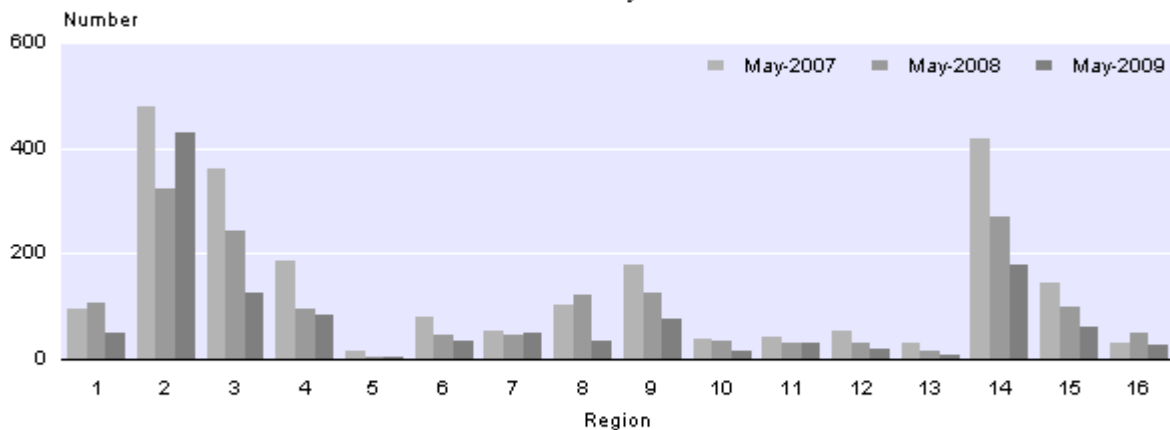
- Waikato, with 128 units, down 115 units
- Manawatu-Wanganui, with 34 units, down 90 units (0 apartment units in May 2009 compared with 61 apartment units in May 2008)
- Canterbury, with 180 units, down 89 units (11 apartment units in May 2009 compared with 0 apartment units in May 2008)
- Northland, with 29 units, down 60 units.

The two regions with an increase for May 2009 compared with May 2008 were:

- Auckland, with 430 units, up 108 units (223 apartment units in May 2009 compared with 43 apartment units in May 2008)
- Taranaki, with 50 units, up 2 units (17 apartment units in May 2009 compared with 0 apartment units in May 2008).

New Dwellings Authorised

By region
Monthly



1 Northland	5 Gisborne	9 Wellington	13 West Coast
2 Auckland	6 Hawke's Bay	10 Tasman	14 Canterbury
3 Waikato	7 Taranaki	11 Nelson	15 Otago
4 Bay of Plenty	8 Manawatu-Wanganui	12 Marlborough	16 Southland

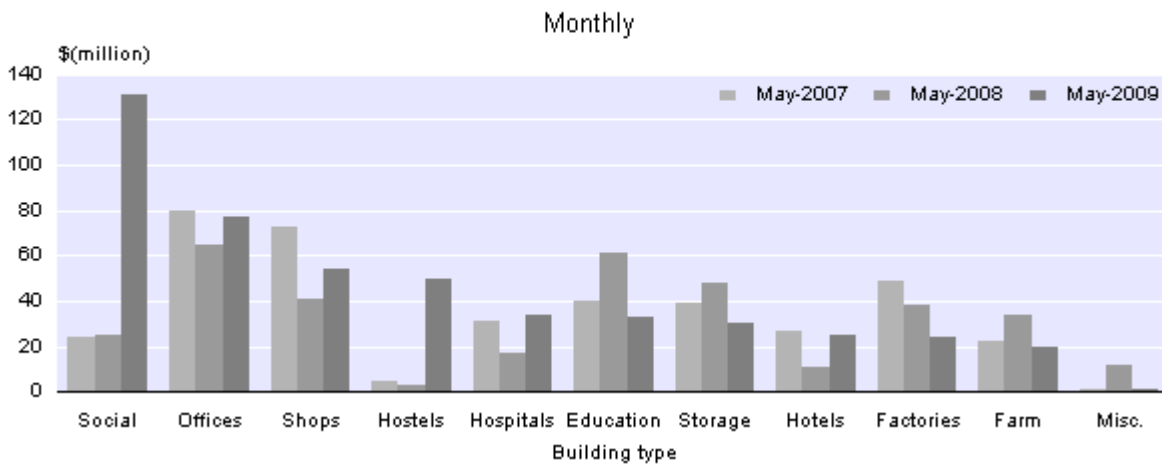
Non-residential buildings

The value of non-residential building consents was \$479 million in May 2009, an increase of 35 percent compared with May 2008. The non-residential building consents value is one of the highest monthly values recorded and has been boosted by consents issued for sports stadiums around the country.

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

- social, cultural and religious buildings, at 27 percent
- offices and administration buildings, at 16 percent
- shops, restaurants, and taverns, at 11 percent.

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



The building types with the largest increases for May 2009 compared with May 2008 were:

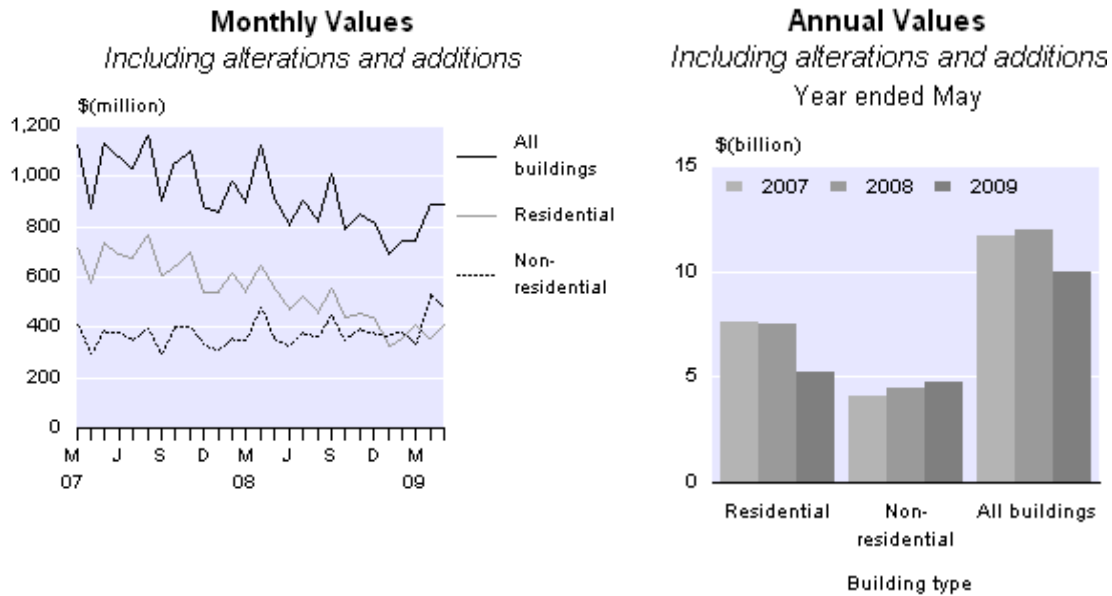
- social, cultural and religious buildings, up \$106 million (includes sports stadiums)
- hostels and boarding houses, up \$47 million.

The building types with the largest decreases for May 2009 compared with May 2008 were:

- education buildings, down \$28 million
- storage buildings, down \$19 million.

All buildings

In May 2009, the value of consents issued for all buildings was \$888 million, a decrease of 2.3 percent compared with May 2008. In four of the first five months of this year the value of non-residential building consents exceeded the value of residential building consents. Before this year, the last month this occurred was June 1998.



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

- all buildings was \$9,939 million, down \$2,018 million (17 percent)
- residential buildings was \$5,197 million, down \$2,323 million (31 percent)
- non-residential buildings was \$4,741 million, up \$305 million (7 percent).

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Next release ...

Building Consents Issued: June 2009 will be released on 29 July 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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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 – May
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