

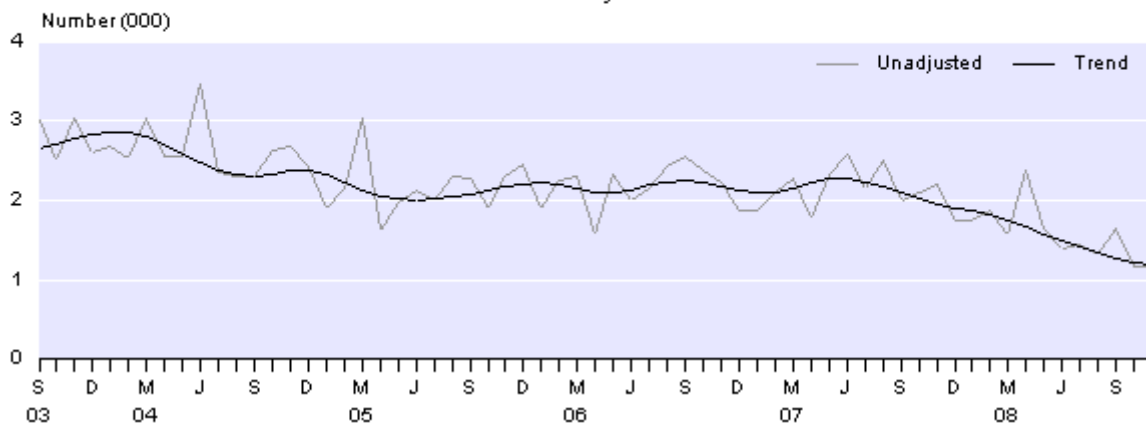
Embargoed until 10:45 am – 14 January 2009

Building Consents Issued: November 2008 - Revised 14 January 2009 – See attached Erratum

Highlights

- 1,168 new dwelling units were authorised, the lowest monthly total since January 1992.
- 116 new apartment units were authorised.
- The seasonally adjusted number of new dwelling units, excluding apartments, fell 4.0 percent.
- Residential building consent values totalled \$454 million, down 35 percent compared with November 2007.
- Non-residential building consent values totalled \$398 million, down 0.8 percent compared with November 2007.

New Dwellings Authorised
Including apartment units
Monthly



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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

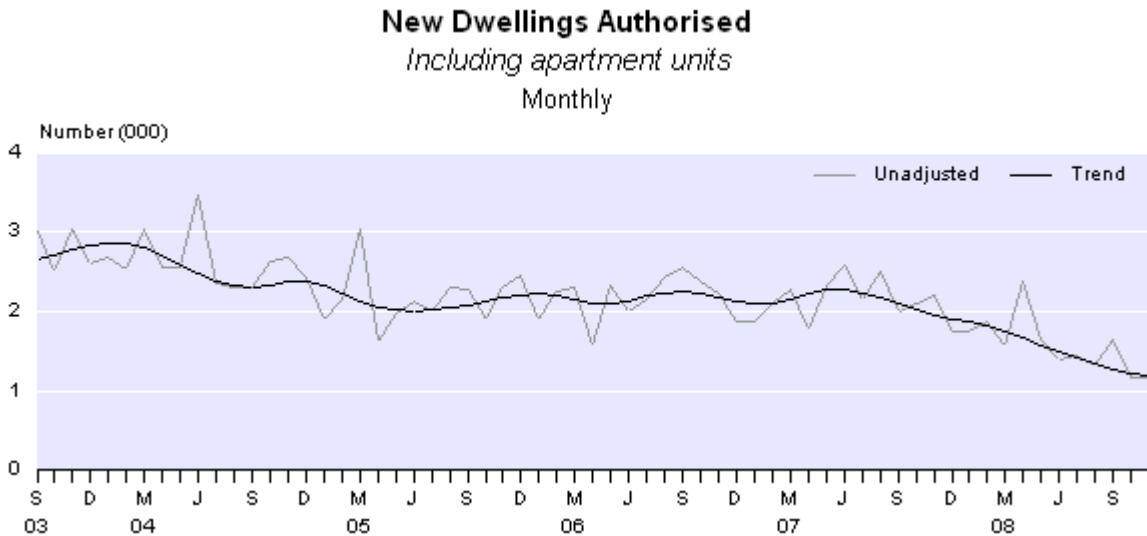
In November 2008, consents were issued for:

- 1,168 new dwelling units, including apartments, the lowest monthly total since January 1992 (when there were 1,166 new dwellings authorised), and five fewer units than for October 2008
- 1,052 new dwellings, excluding apartments, the lowest monthly total since the series began in January 1990
- 116 new apartment units.

Apartments contributed 10 percent to the number of new dwellings authorised in November 2008, compared with a monthly average of 11 percent for the previous 12 months.

In November 2008, the seasonally adjusted number of authorised new dwellings, excluding apartments, fell 4.0 percent. Including apartments, the number rose 4.3 percent. Apartment numbers can vary considerably from month to month.

The trend for the number of authorised new dwellings, including apartments, has been falling since June 2007, and has fallen 48 percent since then.



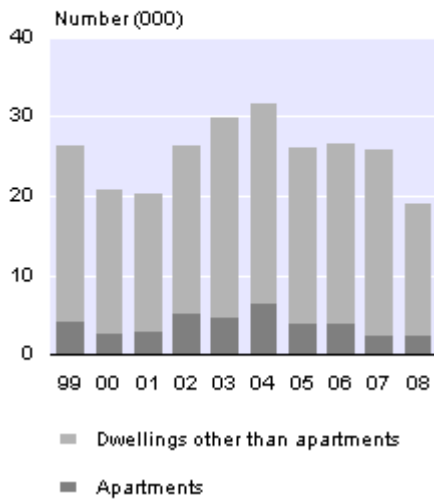
For the year ended November 2008 compared with the previous November year, the authorised number of:

- new dwellings, including apartments, fell 26 percent to 19,068 units (this is the lowest annual total since the April 1994 year)
- new dwellings, excluding apartments, fell 29 percent to 16,682
- apartments rose 0.8 percent to 2,386 units.

New Dwellings Authorised

All regions

Year ended November

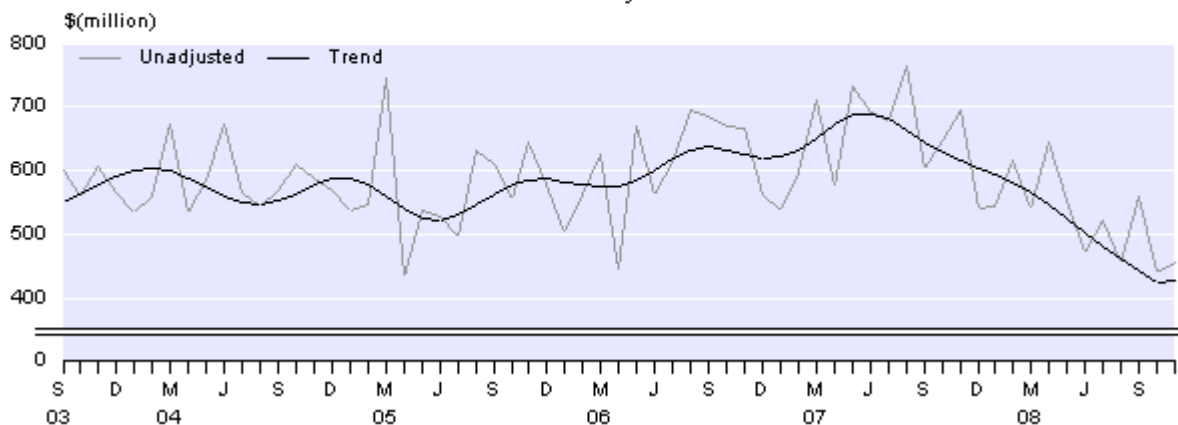


The value of residential building consents was \$454 million in November 2008, a 35 percent decrease compared with November 2007. The trend indicates the value has fallen 38 percent since the peak in June 2007, and is at its lowest level since May 2002.

Value of Residential Buildings Authorised

Including alterations and additions

Monthly



For the year ended November 2008, residential building consents valued at \$6,338 million were issued, a 19 percent decrease from the November 2007 year.

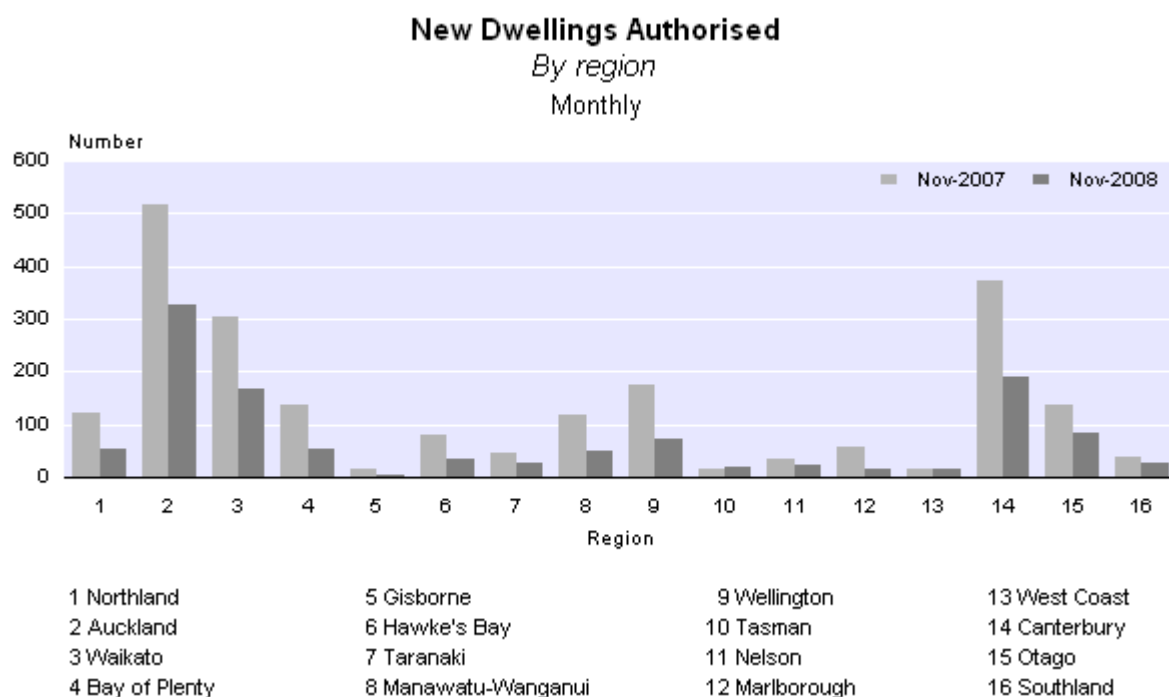
Regional residential results

In 14 of New Zealand's 16 regions, fewer new dwelling units were authorised in November 2008 than in November 2007; more new dwellings were authorised in Tasman (up 5) and West Coast (up 1). Numbers fell by 728 units (48 percent) in the North Island and by 293 units (44 percent) in the South Island.

The largest regional decreases were:

- Auckland, down 189 units (37 percent)
- Canterbury, down 181 units (49 percent)
- Waikato, down 138 units (45 percent).

Despite the decreases, these three regions contributed the highest number of new dwellings authorised, with 325, 189 and 167 units, respectively.



Non-residential buildings

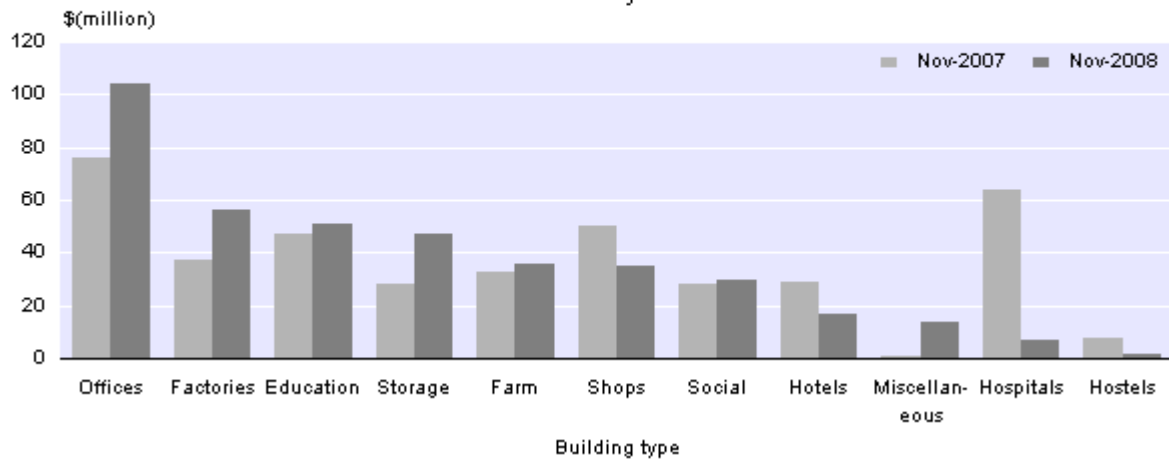
The value of non-residential building consents was \$398 million in November 2008, a decrease of 0.8 percent compared with November 2007. Four of the 11 building types recorded decreases in the value of consents compared with November 2007.

For November 2008 compared with November 2007, the largest decreases were:

- hospitals and nursing homes, down \$57 million from a high value in November 2007
- shops, restaurants and taverns, down \$15 million.

These decreases were partly offset by increases for offices and administration buildings, up \$28 million, and both factories and industrial buildings, and storage buildings, each up \$19 million.

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



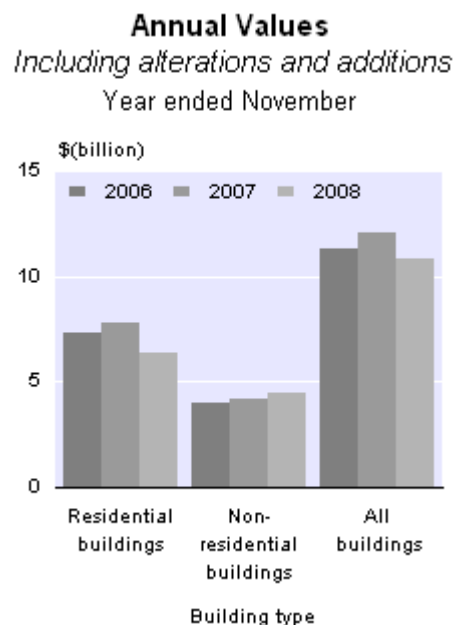
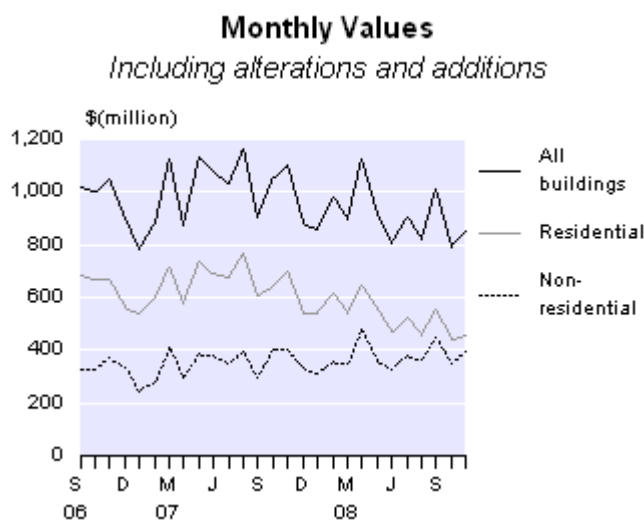
The two largest contributors to the value of consents authorised in November 2008 were offices and administration buildings, at 26 percent, followed by factories and industrial buildings, at 14 percent.

For the year ended November 2008, non-residential building consents valued at \$4,472 million were issued, an increase of 6.5 percent from the November 2007 year.

All buildings

In November 2008, the value of consents issued for all buildings was \$852 million, a decrease of 22 percent compared with November 2007.

Residential buildings contributed 53 percent to the total value of all buildings in November 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 November 2008, the total value of consents issued for all buildings was \$10,810 million, down \$1,190 million (9.9 percent) from the November 2007 year. For the latest year, the value of consents issued for residential buildings fell \$1,462 million (19 percent), while the value for non-residential buildings rose \$272 million (6.5 percent).

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Next release ...

Building Consents Issued: December 2008 will be released on 30 January 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

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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 – November
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

Erratum

A correction has been made to the Media Release for *Building Consents Issued: November 2008*. The sentence, "This is the first time the annual total has fallen below 20,000 units since the April 1994 year," now reads, "This is the lowest annual total since the April 1994 year."

A correction has been made to the Commentary in the Residential Buildings section. The bullet point that said:

- New dwellings, including apartments, fell 26 percent to 19,068 units (the first time the annual total has dropped below 20,000 since the April 1994 year).

now says:

- New dwellings, including apartments, fell 26 percent to 19,068 units (the lowest annual total since the April 1994 year).

Statistics New Zealand regrets any inconvenience caused by this error.