Building Consents Issued: December 2015

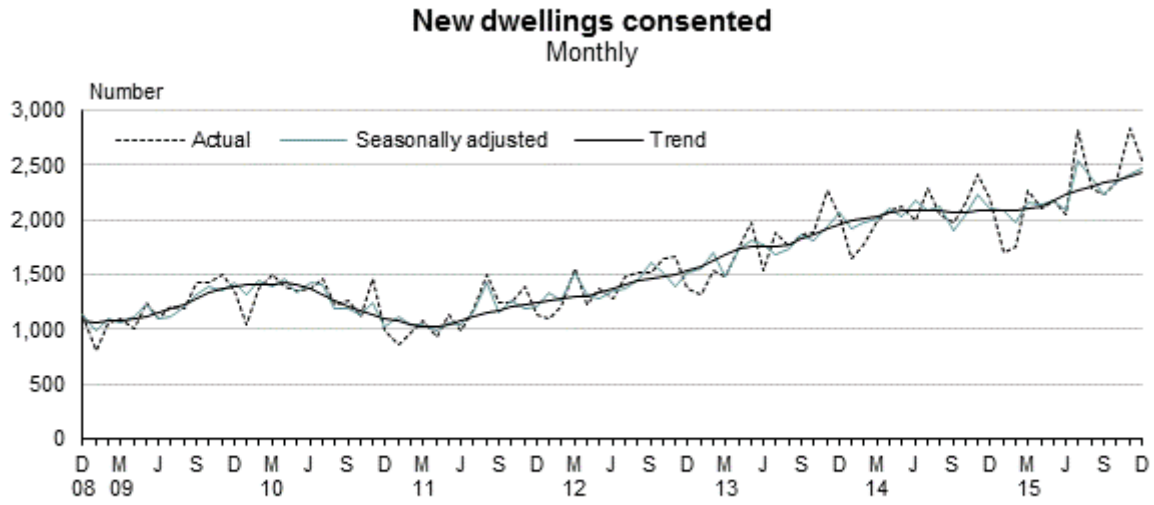
Embargoed until 10:45am – 29 January 2016

Key facts

In December 2015, building consents were issued for 2,538 new dwellings, comprising:

- 1,661 houses
- 427 apartments
- 291 townhouses, flats, and units
- 159 retirement village units.

The seasonally adjusted number of new dwellings consented rose 2.3 percent in December 2015. The trend rose 1.1 percent, and was at its highest level since mid-2004.



Source: Statistics New Zealand

The actual value of building work consented in December 2015 was $1.6 billion. For December 2015 compared with December 2014:

- residential work was **up** $184 million (22 percent) to $1.0 billion
- non-residential work was **up** $124 million (29 percent) to $555 million.

Liz MacPherson, Government Statistician
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Commentary

- Monthly dwelling consents increase in December
- Regional dwelling trends continue monthly rises
- Consents for all buildings total $1.6 billion in December month
- Annual new dwellings reach 11-year high
- Annual new dwellings increase most in Auckland and nearby regions
- Education buildings drive increase in non-residential consents for the year
- Value of non-residential consents higher in Canterbury than Auckland in 2015
- Value of building consents increases in 2015 year

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

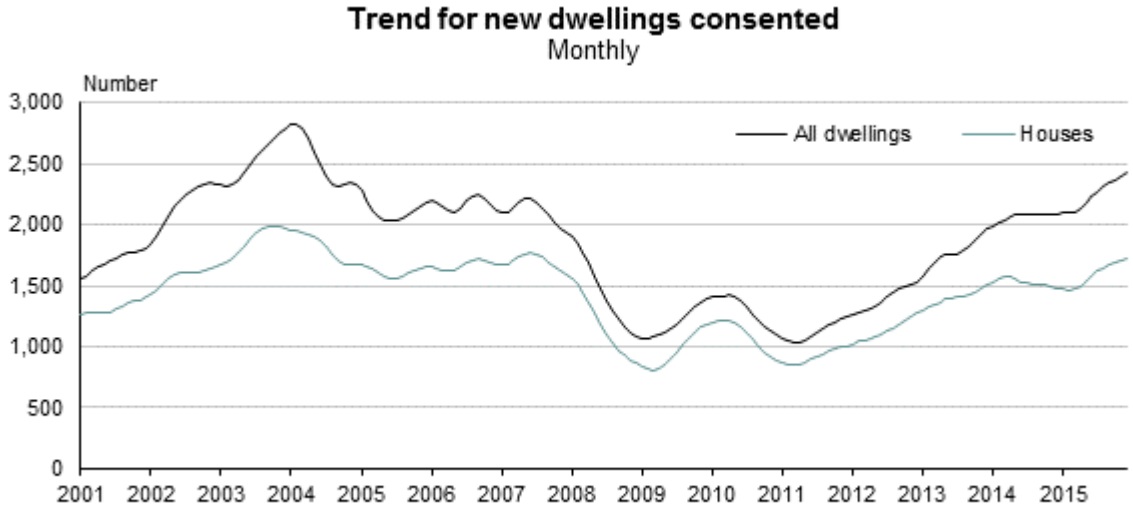
Monthly dwelling consents increase in December

In December 2015, a total of 2,538 new dwellings were consented, comprising:

- 1,661 houses
- 427 apartments
- 291 townhouses, flats, and units
- 159 retirement village units.

The seasonally adjusted number of new dwellings consented increased 2.3 percent. The trend increased 1.1 percent, and was at its highest level since mid-2004.

For houses only, the seasonally adjusted number increased 3.4 percent. The trend increased 0.8 percent, and was at its highest level since late 2007.

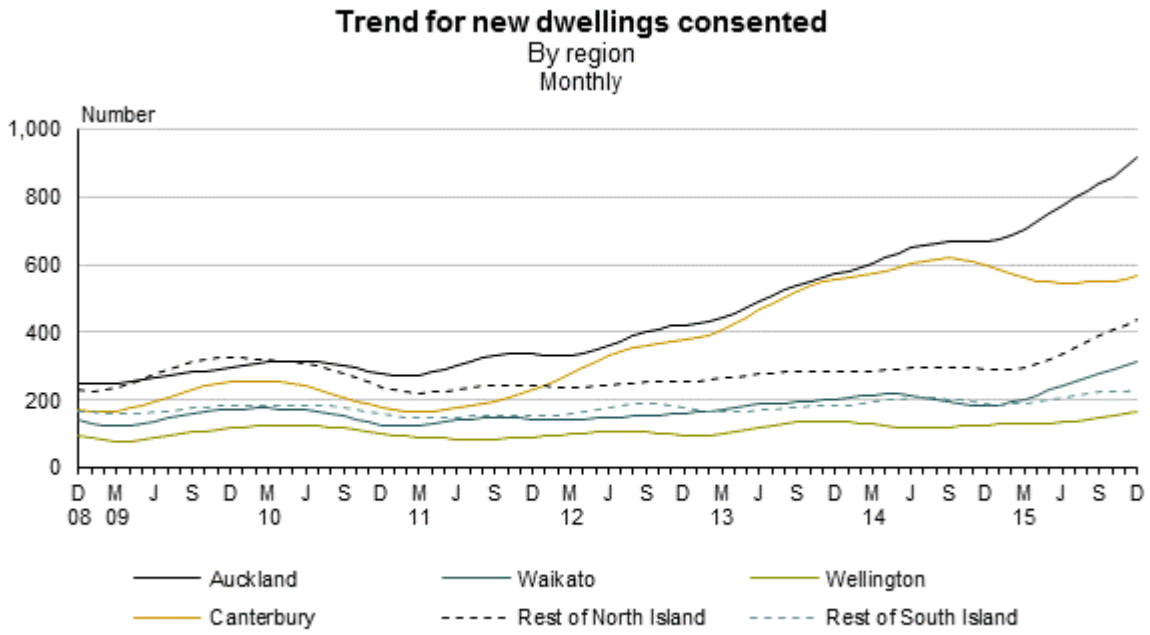


Source: Statistics New Zealand

Regional dwelling trends continue monthly rises

The trend for the number of new dwellings consented continued to increase for all six regional groupings in December 2015.

Note: Trend movements, particularly for recent months, may be revised when future months are added to the series.



Source: Statistics New Zealand

Consents for all buildings total $1.6 billion in December month

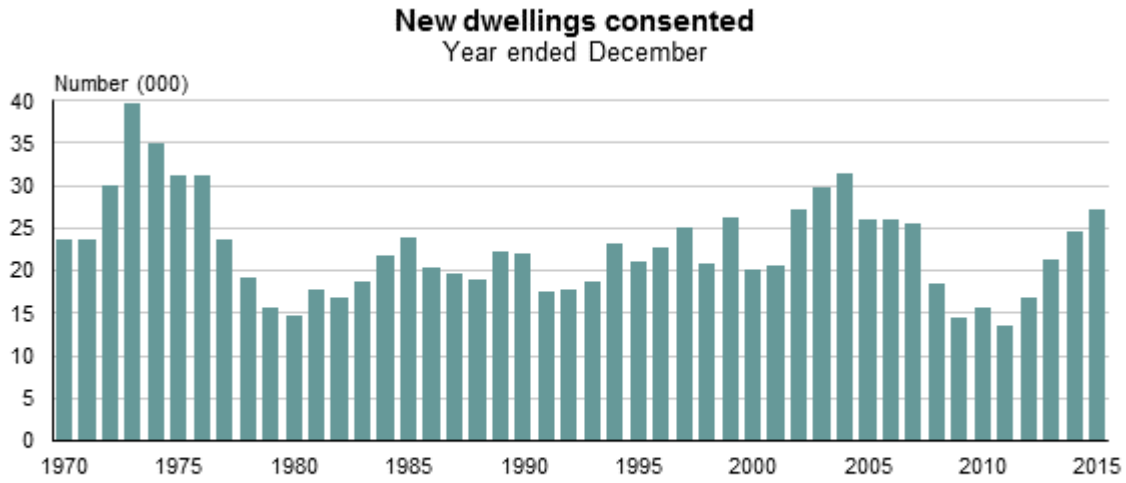
The total value of building work consented in December 2015 was $1.6 billion. This comprised $1.0 billion of residential work, and $555 million of non-residential work.

In Canterbury, the total value was $320 million, including $56 million for consents that were identified as earthquake-related.

Annual new dwellings reach 11-year high

A total of 27,132 new dwellings were consented in the 2015 year – up 2,415 (9.8 percent) from 2014, following larger increases in each of the three previous years.

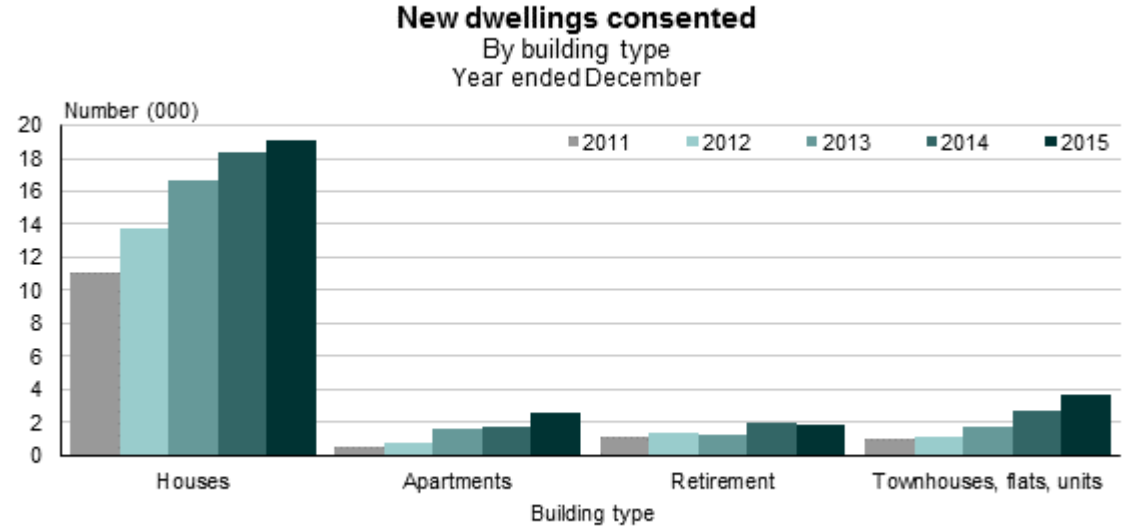
This year's total was the highest since 2004, when 31,423 new dwellings were consented.



Source: Statistics New Zealand

The 2015 total comprised:

- 19,038 houses – **up** 679 (3.7 percent) from 2014
- 3,656 townhouses, flats, and units – **up** 936 (34 percent)
- 2,539 apartments – **up** 818 (48 percent)
- 1,899 retirement village units – **down** 18 (0.9 percent).



Source: Statistics New Zealand

Annual new dwellings increase most in Auckland and nearby regions

The number of new dwellings consented during the year increased in 11 of the 16 regions in 2015.

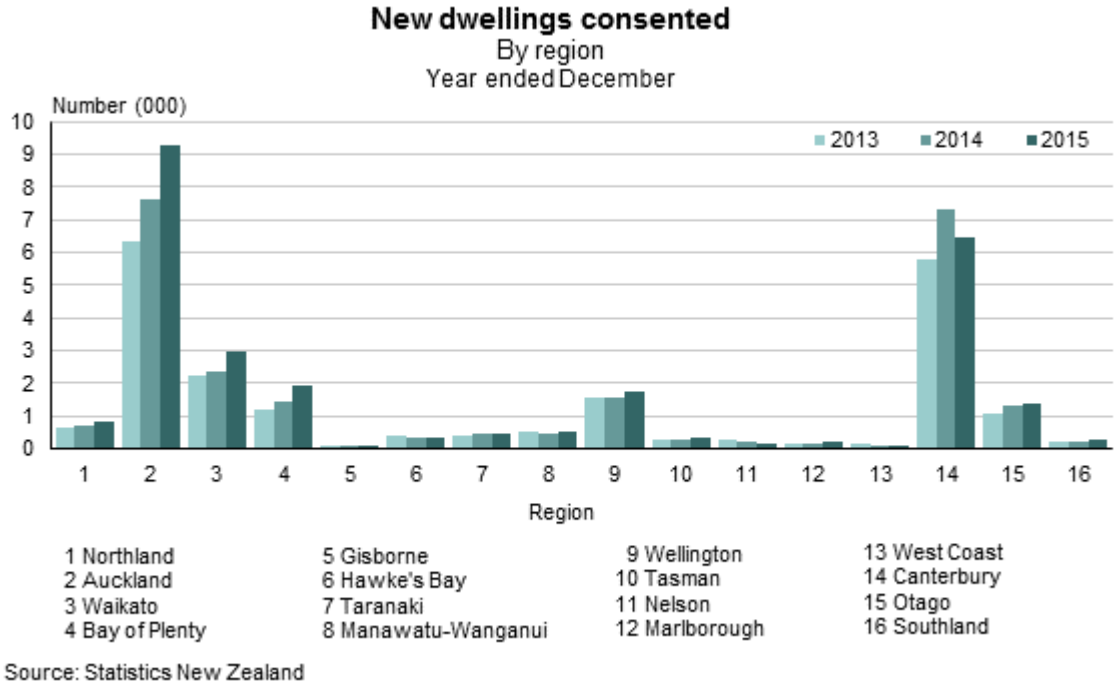
The regions with the largest increases were:

- Auckland – up 1,619 (21 percent) to 9,251
- Waikato – up 631 (27 percent) to 3,000

- Bay of Plenty – up 489 (35 percent) to 1,901.

The region with the largest decrease was Canterbury – down 819 (11 percent) to 6,489, after reaching an all-time high in 2014.

The regions that consented the most dwellings were Auckland (34 percent of the national total), Canterbury (24 percent), Waikato (11 percent), and Bay of Plenty (7 percent).



Source: Statistics New Zealand

Education buildings drive increase in non-residential consents for the year

The value of building consents for non-residential buildings in 2015 was $5.9 billion – up $814 million (16 percent) from 2014.

The largest increase was in building consents for education buildings, which were valued at $1.1 billion – up $404 million (58 percent) from 2014. More than half this increase came from tertiary education buildings.

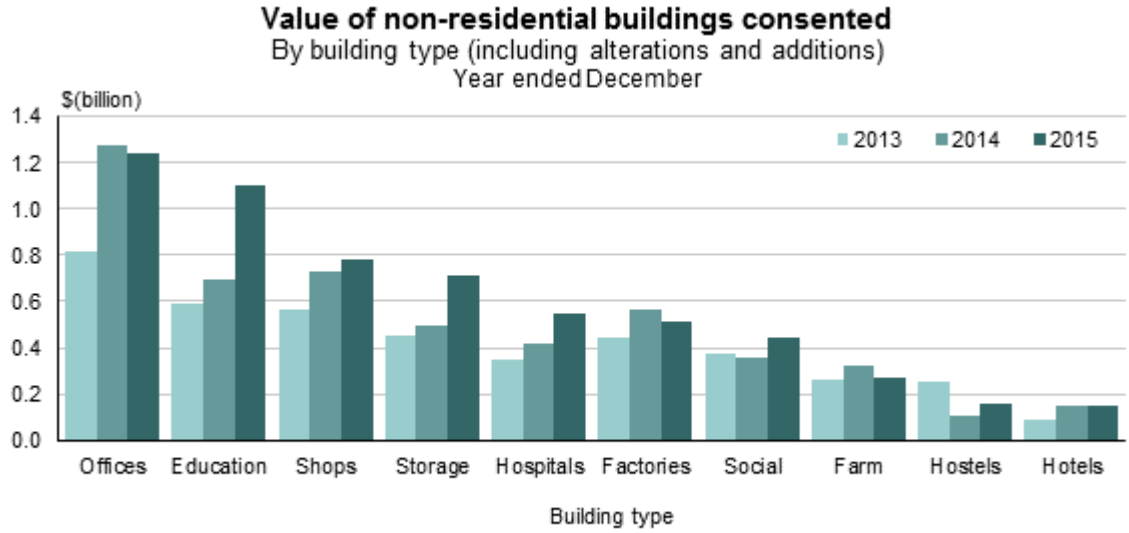
The other main increases were:

- storage buildings – up $219 million (44 percent) to $713 million
- hospitals, nursing homes, and other health buildings – up $127 million (30 percent) to $549 million.

Consents for offices, administration, and public transport buildings had the highest total value, at $1.2 billion – down $29 million (2.3 percent) from 2014.

The only other decreases for non-residential building consents were:

- factories and industrial buildings – down $52 million (9.3 percent) to $509 million, due to a decrease in consents for dairy plants
- farm buildings – down $51 million (16 percent) to $269 million, partly due to a decrease in dairy-related consents.



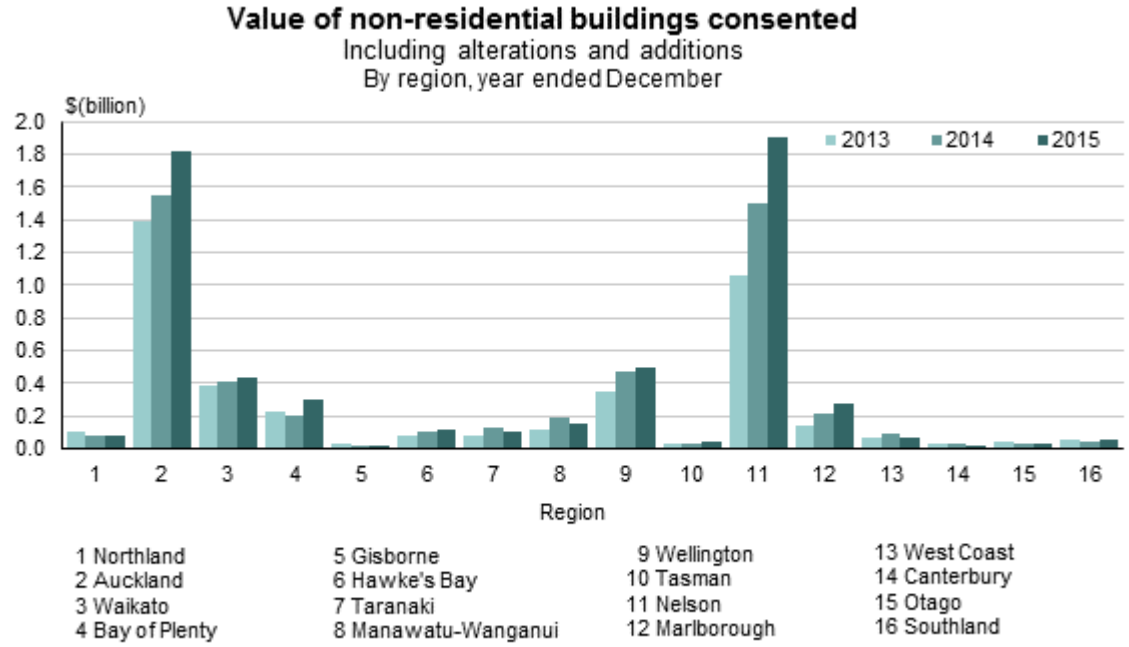
Source: Statistics New Zealand

Value of non-residential consents higher in Canterbury than Auckland in 2015

In 2015, for the first time on record, the value of non-residential building consents in Canterbury was higher than in Auckland.

The regions with the highest values for non-residential building consents during the year were:

- Canterbury – $1.9 billion, up $400 million (27 percent) from 2014
- Auckland – $1.8 billion, up $271 million (17 percent)
- Wellington – $500 million, up $25 million (5.3 percent).



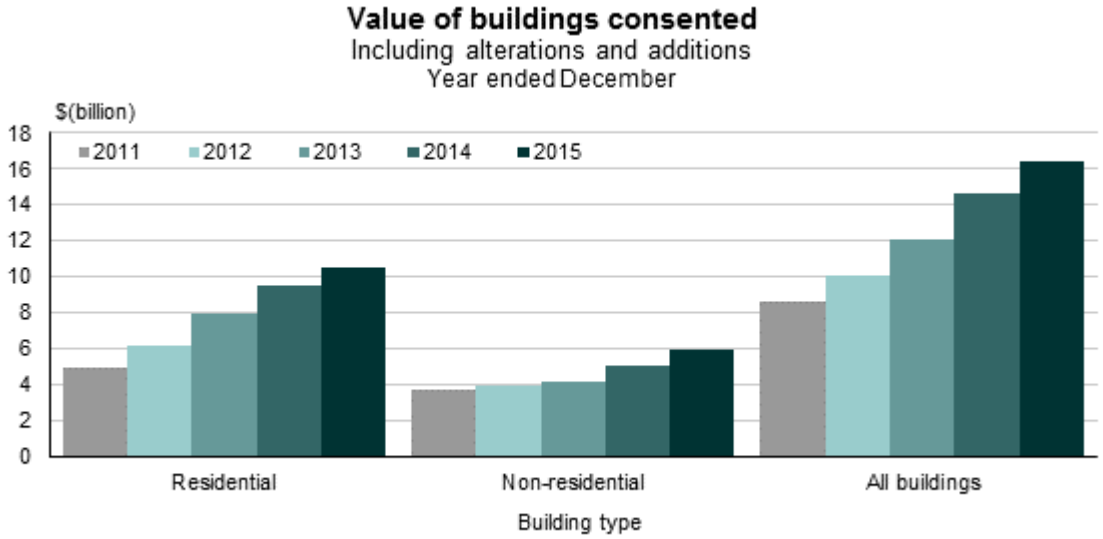
Source: Statistics New Zealand

Value of building consents increases in 2015 year

In 2015, the total value of consents for all buildings (including alterations and additions) was $16.4 billion – up $1.8 billion (12 percent) from 2014.

The value for residential buildings was $10.5 billion – up $998 million (10 percent).

The value for non-residential buildings was $5.9 billion – up $814 million (16 percent).



Source: Statistics New Zealand

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 consents for residential and non-residential buildings by region and building type. It includes the number, value, and floor area of new residential dwellings, and the value of consents for residential alterations and additions. It also includes the value of consents for non-residential buildings, and the floor area of new non-residential buildings.

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. Territorial authorities issue building consents.

More definitions

Apartments: are dwellings identified as apartments on building consents, excluding those in retirement villages.

Building nature: refers to the nature of the construction, and includes new buildings, altered, and new-plus-altered buildings.

- **Alterations and additions:** includes building repairs, alterations, additions, extensions, strengthening, re-cladding, and relocation to another site.
- **New buildings:** are new constructions, and include conversions. For example, if a hotel is converted to apartments, the value of building work is classified to new dwellings.

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

Domestic outbuildings: examples include sleepouts (not fully self-contained), carports, garages, and garden sheds on residential sections.

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.

Education buildings: examples include pre-schools, schools, polytechnics, and university buildings.

Factories and industrial buildings: examples include sawmills, freezing works, workshops, and hangars.

Farm buildings: examples include milking sheds, hay barns, implement sheds, and fattening units.

Hospitals, nursing homes, and other health buildings: examples include retirement villages (excluding units), and medical laboratories.

Hostels, boarding houses, and prisons: examples include children's homes and workers' quarters.

Houses: are houses not attached to other houses.

Non-building construction: is work that requires a building consent, but is not a building. For example, retaining walls, roads, bridges, signs, and wharves. Many civil engineering works require a resource consent but not a building consent, so are excluded.

Non-residential buildings: includes new construction, alterations, and additions to commercial, industrial, and other non-residential buildings such as schools, hospitals, libraries, and farm buildings.

Note: hostels, rest homes, and serviced apartments are classified as non-residential buildings.

Office, administration, and public transport buildings: examples include police stations, postal centres, banks, and railway stations.

Residential buildings: includes new construction, alterations, and additions to dwellings and domestic outbuildings.

Retirement village units: are villas, townhouses, apartments, or other dwellings within a retirement village, including those owned through a license-to-occupy. Excludes care apartments.

Shops, restaurants, and bars: examples include cafés, retail outlets, and service stations.

Social, cultural, and religious buildings: examples include sports facilities, museums, libraries, cinemas, and funeral parlours.

Storage buildings: examples include warehouses, cool stores, wharf sheds, and parking buildings.

Territorial authorities: are defined under the Local Government Act 2002 and related amendments. There are 67 territorial authorities – Auckland Council, 12 city councils, 53 district councils, and Chatham Islands Council.

Townhouses, flats, units, and other dwellings: examples include granny flats, and minor dwellings such as studios.

Related links

Next release

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The release calendar lists all information releases by date of release.

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

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.

From March 2015, we use an automated process to classify building consents where possible. We then check higher value and unusual consents to validate the data. This can result in errors that are not significant at the national level. Previously, we manually coded each building consent.

See Implementing classification and other changes to building consent statistics for more details.

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. Before November 2010, the Auckland region 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

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.

Care should be taken in using building consents data for individual building types at small geographic areas, as it may contain errors and omissions that are not significant at the national level. We may not have detected these errors during our editing processes.

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

See the following Excel tables in the 'Downloads' box on this page. If you have problems viewing the files, see opening files and PDFs.

1. Building consents issued – December
2. Number of new dwellings consented
3. Number and value of new dwellings consented, by region
4. Number of new dwellings consented, trend for selected regions
5. Number of new dwellings consented, by selected territorial authority and Auckland wards
6. Value of building consents issued, actual and trend values
7. Number of new dwellings consented – quarterly
8. Value of building consents issued, quarterly actual and trend values

Machine-readable zipped csv files

Machine-readable zipped csv files are also available. This is a way for technical users to download our data.

Access more data on Infoshare

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