

Embargoed until 10:45am – 30 August 2007

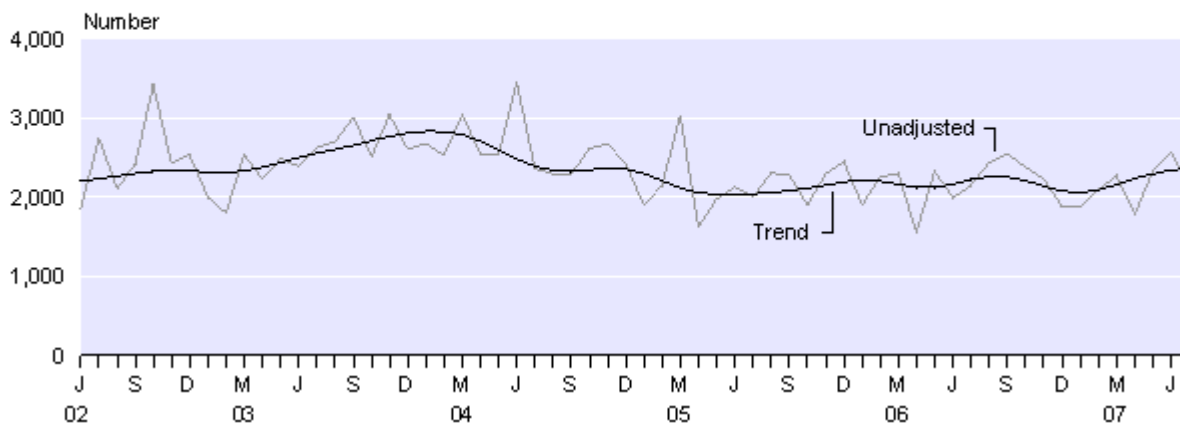
Building Consents Issued: July 2007

Highlights

In July 2007:

- Consents were issued for 2,160 new dwelling units, compared with 2,145 in July 2006.
- Consents were issued for 185 new apartment units, compared with 561 in June 2007 and 257 in July 2006.
- The trend for new dwelling units has been increasing since January 2007.
- Nine of the 16 regions authorised more new dwelling units compared with July 2006.
- The value of consents issued for residential buildings was \$679 million, 11 percent higher than in July 2006.
- The value of consents issued for non-residential buildings was \$353 million, 25 percent higher than in July 2006.

New Dwellings Authorised
Including apartment units
Monthly



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30 August 2007
ISSN 1178-0231

There is a companion Media Release published – [Building Consents Issued: July 2007](#).

Commentary

Residential buildings

In July 2007, building consents were issued for 2,160 new dwelling units (including apartments), 15 units more than in July 2006. The current month follows a June month total of 2,574 dwelling units, the highest monthly total since March 2005.

The high June 2007 month total included a large number of new apartment units, and coincided with some territorial authorities increasing their fees from 1 July 2007. The seasonally adjusted series for the number of new dwelling units decreased 16 percent in July 2007, reversing the increase of 14 percent in June 2007. Seasonality for this series is now relatively well identified, following several years of instability.

The trend for the number of new dwelling units authorised (including apartments) has been increasing since January 2007.

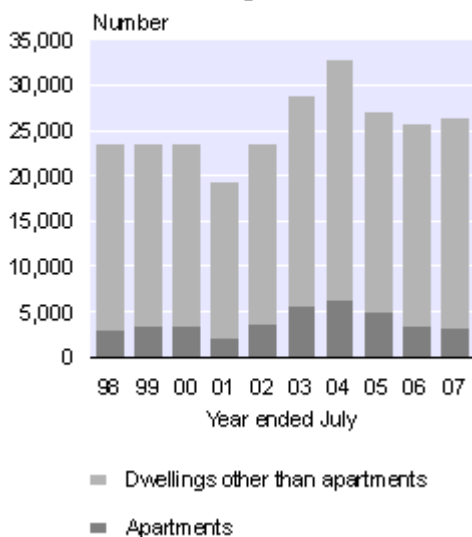
In July 2007, 185 new apartment units were authorised, compared with 561 in June 2007 and 257 in July 2006. Apartment units accounted for 9 percent of all new dwelling units authorised in July 2007, compared with a monthly average of 12 percent for the previous 12 months.

Excluding apartments, there were 1,975 new dwelling units authorised in July 2007, compared with 1,888 in July 2006. The seasonally adjusted series decreased by 1.4 percent in July 2007, following an increase of 0.3 percent in June 2007. The trend for the number of new dwelling units authorised (excluding apartments) has been increasing since January 2007, although at a slower rate than the trend for the series including apartments.

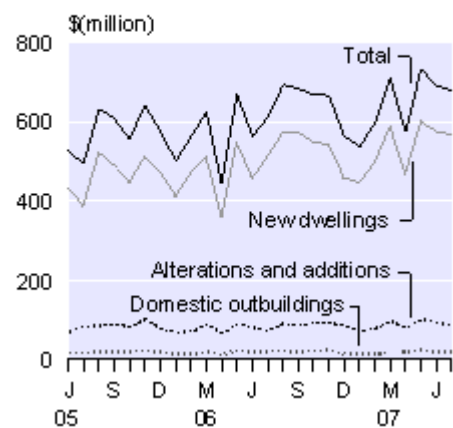
Consents were issued for 26,553 new dwelling units (including apartments) for the year ended July 2007, compared with 25,703 for the previous July year.

The value of consents issued for all residential buildings was \$679 million in July 2007, 11 percent higher than in July 2006. The trend for the value of all residential buildings has been increasing since December 2006.

New Dwellings Authorised
All regions



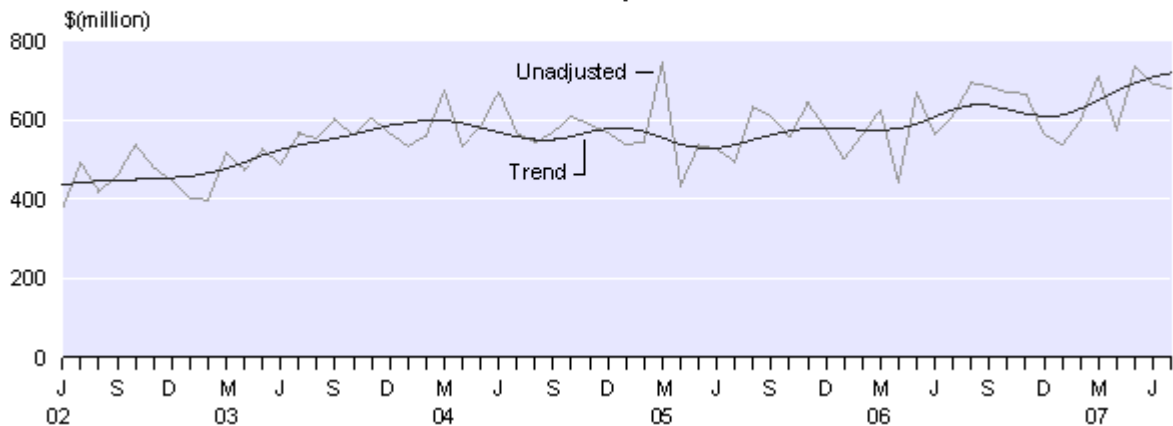
Residential Buildings Authorised
Monthly values



Value of Residential Buildings Authorised

Including alterations and additions

Monthly



Regional residential results

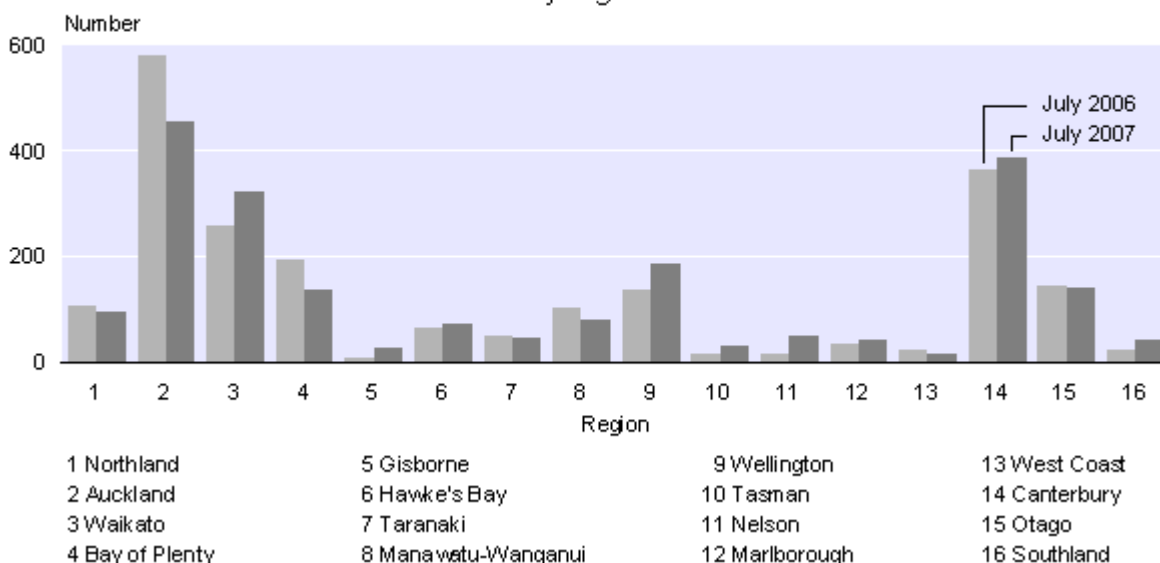
Nine of the 16 regions authorised more new dwelling units in July 2007 than in July 2006. The largest increases were in Waikato (up 66 units), Wellington (up 53 units) and Nelson (up 36 units). The largest decreases were in Auckland (down 125 units) and Bay of Plenty (down 55 units).

In July 2007, the largest contribution to the total number of new dwelling units came from the Auckland region with 457 units (21 percent), followed by Canterbury with 390 units (18 percent), and Waikato with 325 units (15 percent). Over the last 12 months, the mean monthly contribution from Auckland was 26 percent, followed by 17 percent from Canterbury and 14 percent from Waikato.

In the North Island the number of new dwelling units authorised decreased by 74 units, while in the South Island the number increased by 91 units, compared with July 2006.

New Dwellings Authorised

By region



Non-residential buildings

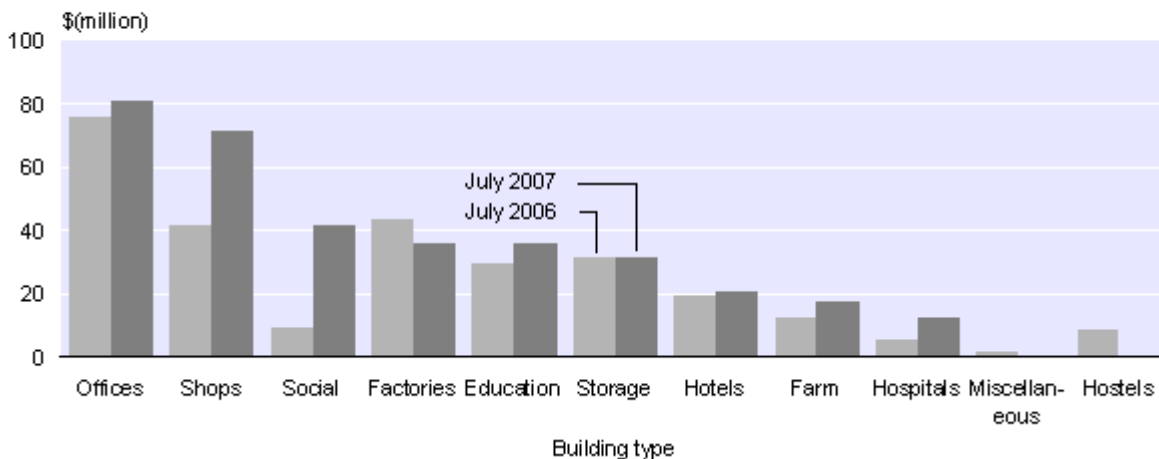
The value of consents issued for non-residential buildings in July 2007 was \$353 million compared with \$283 million in July 2006, an increase of 25 percent.

The value of consents issued increased in eight of the 11 non-residential building categories in July 2007, compared with July 2006. The largest increases were recorded in the social, cultural and religious buildings category (up \$32 million), followed by shops, restaurants and taverns (up \$30 million). There were no decreases greater than \$8 million.

Offices and administration buildings contributed 23 percent of the July 2007 value for non-residential buildings. This category's contribution has ranged from 13 to 33 percent in the last 12 months. The next largest contribution was from the shops, restaurants and taverns category at 20 percent, with a range from 9 to 25 percent in the previous 12 months.

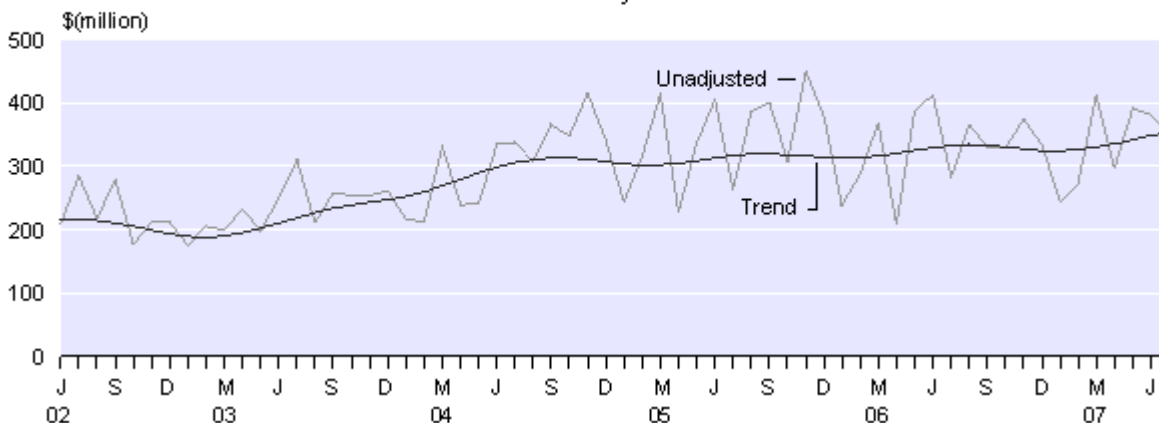
In a small economy, high-value individual consents can cause large, irregular fluctuations in building category values.

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



The trend for the value of non-residential building consents remains at a high level. To reduce distortions, the trend series is estimated after the removal of consent values of \$25 million or more.

Value of Non-residential Buildings Authorised
Including alterations and additions
Monthly



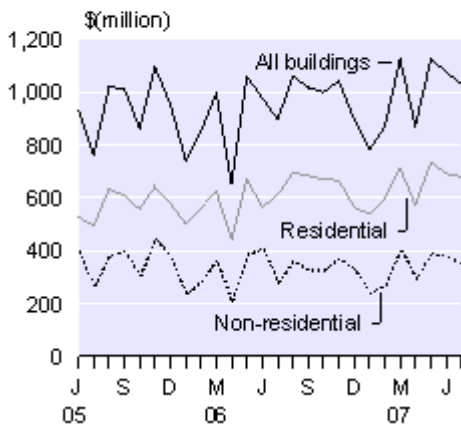
All buildings

In July 2007, consents to the value of \$1,032 million were authorised for all buildings. This was \$136 million (15 percent) higher than in July 2006.

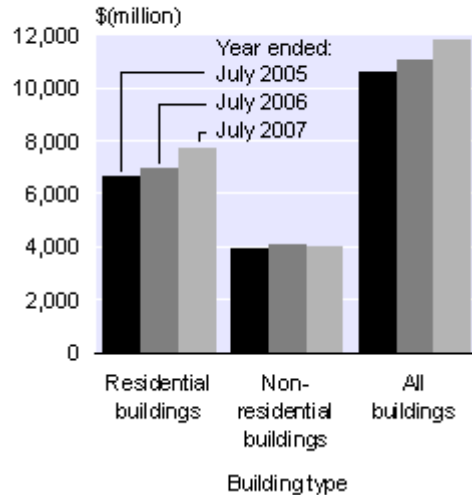
Residential buildings contributed 66 percent to the total value of all buildings in July 2007, compared with 68 percent in July 2006. Since July 2006, the contribution of residential buildings to the total value of all buildings has been within the range of 63 to 69 percent.

For the year ended July 2007, the total value of consents issued for all buildings was \$11,897 million, up \$780 million (7.0 percent) from the July 2006 year. The value of consents issued for residential buildings was \$7,805 million, up \$805 million (12 percent), while the value of consents issued for non-residential buildings was \$4,092 million, down \$25 million (1.0 percent).

Monthly Values
Including alterations and additions



Annual Values
Including alterations and additions



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Technical notes

Data source

Data for building consents is obtained each month from all territorial authorities. Values include GST.

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. Prior to 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). Prior to 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.

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 US 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.

Next release ...

Building Consents Issued: August 2007 will be released on 27 September 2007.

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Tables

The following tables can be downloaded from the Statistics NZ website as an Excel spreadsheet. If you do not have Excel installed on your computer, you can use [Excel file viewer](#).

List of tables

1. Building consents issued – July
2. Number of new dwelling units authorised
3. Number of new dwelling units authorised, by region
4. Number of new dwelling units authorised, by selected local authorities
5. Value of building consents issued, unadjusted and trend values