

Residential and non-residential building consents

- New residential buildings across the eight cities represent half of all consents issued in New Zealand.
- Since 1998, Auckland, Manukau and Christchurch have consistently had the highest numbers of residential consents issued.

WHAT THIS IS ABOUT

Building and construction activity is a significant early indicator of overall economic activity. The level of residential building reflects population growth, interest rates, house price inflation and household income growth. Non-residential building relates to government spending and business investment.

Building and construction activity can be measured as the number of consents for new buildings, the value of consents, or the value of work put in place. All provide some indication of the level of new building work, which in turn indicates a strong economy. Two measures are used here:

- Residential
- Non-residential.

WHAT DID WE FIND?

Residential

In the year ended March 2002, a total of 10,643 consents were issued for new residential buildings across the eight cities, representing half of all consents issued in New Zealand (49.9%). This proportion has been relatively constant for the previous five years.

Auckland, Manukau and Christchurch have consistently recorded the highest numbers of residential consents. This is directly linked to the absolute size, as well as the growth in these cities' populations.

The number of new residential consents in the four major cities in the Auckland region rose 20.9% over the year ended March 2002, compared with 6.1% for the rest of New Zealand. These cities accounted for over two thirds of all new consents in the eight cities that year. The strong growth reflects a big turnaround in net migration from late 2001.

NUMBER OF CONSENTS FOR NEW RESIDENTIAL BUILDINGS (YEARS ENDED MARCH 1998 TO 2002)					
	1998	1999	2000	2001	2002
North Shore	1,586	1,122	1,335	1,340	1,182
Waitakere	1,460	1,327	1,949	1,130	1,280
Auckland	2,918	2,170	3,393	1,863	2,554
Manukau	2,128	2,116	2,682	1,786	2,379
Hamilton	1,039	899	963	639	678
Wellington	1,332	1,179	1,190	1,043	962
Christchurch	2,220	1,790	1,990	1,341	1,397
Dunedin	187	134	219	182	211
Total 8 cities	12,870	10,737	13,721	9,324	10,643
Rest of NZ	12,713	10,030	12,137	10,046	10,659
Total NZ	25,583	20,767	25,858	19,370	21,302

Data source: Statistics New Zealand, Building consent data.

Residential and non-residential building consents

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Non-residential

The Auckland region accounts for around half the value of all non-residential consents. Given that the four Auckland cities account for around a third of national GDP this suggests that building and construction is a relatively important component of economic activity.

There has been little growth in the level of non-residential building activity in Auckland and Waikato over the last five years. In Wellington the value of consented commercial building work has fallen by around 25% since 1998. In contrast Christchurch and Dunedin (and surrounding areas) have experienced significant growth in activity.

Much of the growth in non-residential building activity has been concentrated in public sector buildings such as hospitals and educational institutions, and in factories and warehouses. The vast majority of such activity will have taken place in the major urban areas.

VALUE OF NON-RESIDENTIAL CONSENTS (\$ MILLION), BY REGION (1998 TO 2003)						
	1998 \$million	1999 \$m	2000 \$m	2001 \$m	2002 \$m	2003 \$m
Auckland	922	1,023	875	900	1,062	983
Waikato	193	197	175	185	262	196
Wellington	319	273	245	300	256	233
Canterbury	277	281	260	384	282	409
Otago	89	121	107	119	127	114

Data source: Statistics New Zealand Building consent data. Includes new buildings plus alterations and additions

PEOPLE

KNOWLEDGE
AND SKILLS

ECONOMIC
STANDARD OF LIVING

ECONOMIC
DEVELOPMENT

HOUSING

HEALTH

NATURAL
ENVIRONMENT

BUILT
ENVIRONMENT

SAFETY

SOCIAL
CONNECTEDNESS

CIVIL AND
POLITICAL RIGHTS