BLACKBURN management

Management Consultants and Advisors to the Construction Industry

REGISTERED MASTER BUILDERS ASSOCIATE MEMBER

CANTERBURY CONSTRUCTION REPORT©

April 2021

Residential Building Consent Report and Analysis

Data provided by

Christchurch City Council | Selwyn District Council | Waimakariri District Council

Canterbury Construction Report©

April 2021
This report is prepared by
Blackburn Management Limited
The data used in this report has been taken from the
Monthly Building Consent Reports provided by:

Christchurch City Council
Selwyn District Council
Waimakariri District Council

Please Note:

The data contained in this report is based on information that is provided by the above mentioned providers, which is released as a matter of public record.

Although all attempts are made to verify the data where possible, no representation is made by Blackburn Management, its agents or staff as to the accuracy of this information.

This report provides an analysis of the residential construction market in Canterbury. It focuses on new residential dwellings.

This report specifically excludes data relating to Rest Home facilities, sleepouts or secondary buildings and relocatable buildings (not being built for a specific site).

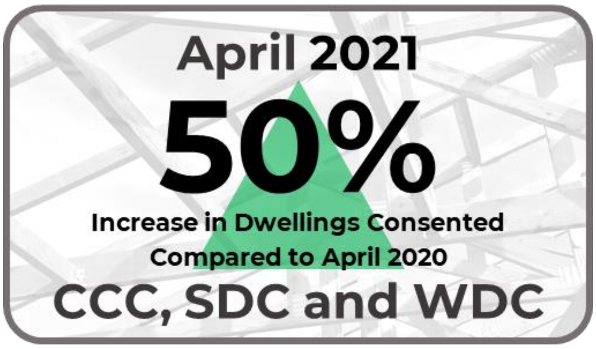
Some of the residential consents are issued across multiple stages. Information relating to these building consent application are only included when the final stage has been consented.

Front and Back Covers
Construction of 43 Units in Riccarton Road Christchurch by Williams Corporation
Picture used with permission

Table of Contents

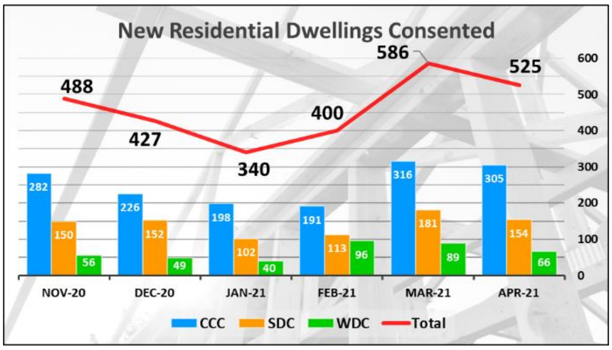
1. Summary of Dwellings Consented in Canterbury

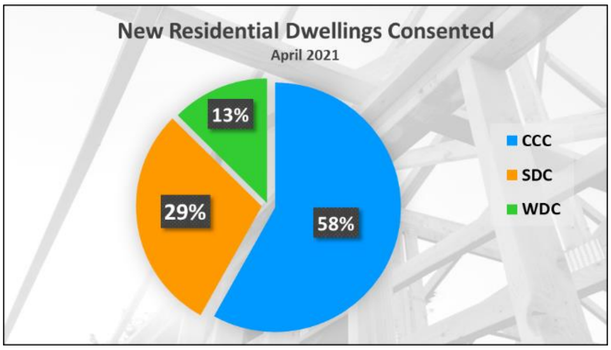
Number of Dwellings Consented



There were 525 new residential dwellings consented across the three major Councils in Canterbury in April 2021.

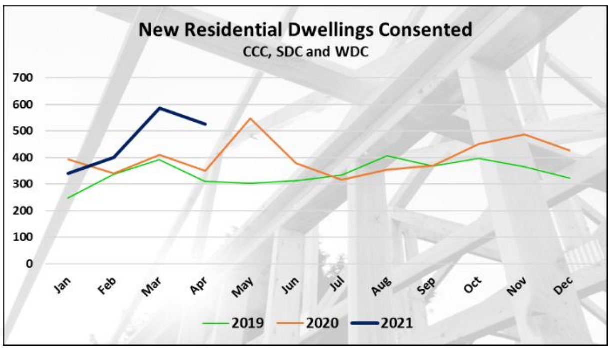
This was a slight drop of 10% from the number of dwellings consented in March this year. However, it is a significant jump of 50 % from April 2020 where there were 349 new dwellings consented.





Although all three Councils saw a slight drop in numbers, the overall trend of an increase in new dwellings being consented continues across the Region.

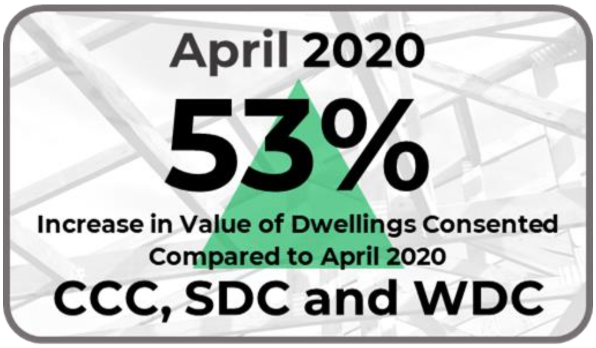
Year to date there have been 1,851 new dwellings consented across all three Councils, which is a 24% increase over the 1,490 dwellings consented for the same four month period in 2020.



New Residential Dwellings Consented (CCC, SDC and WDC)				
	2019	2020	2021	% Change *
Jan	248	392	340	-13%
Feb	337	339	400	18%
Mar	393	410	586	43%
Apr	310	349	525	50%
May	302	547		
Jun	313	378		
Jul	335	317		
Aug	406	355		
Sep	368	370		
Oct	397	452		
Nov	365	488		
Dec	323	427		
Total	**4,097**	**4,824**		

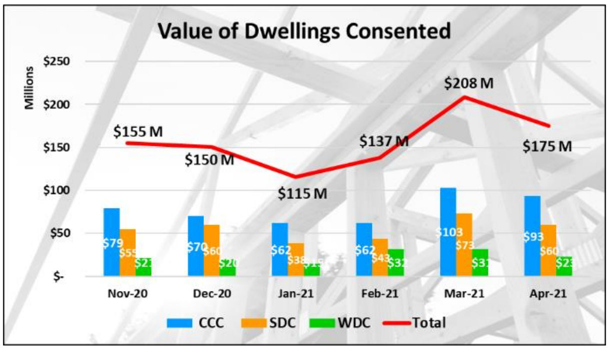
* % Change is 2021 over 2020 numbers

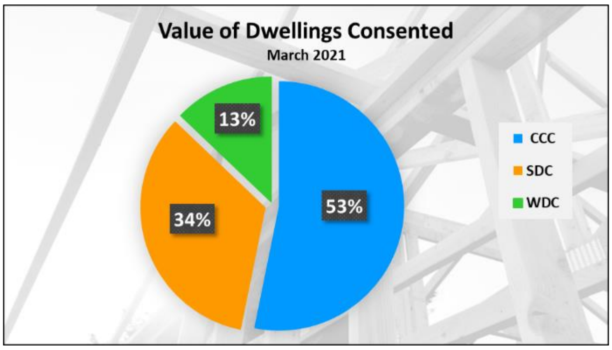
Value of Dwellings Consented



The total value of new residential dwellings consented in April 2021 across all three Councils was $ 175,347,250.

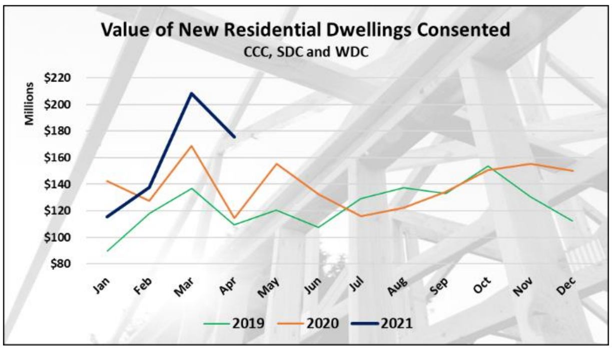
This is a decline of approximately 16% from the $208 million in March, however an increase of 53% over the $114.5 million in consented value for April 2020.





The March value of $208 million was the highest value of residential dwellings consented for the past five years and the April value of $175 million is the second highest value.

Year to date, the total value of dwellings consented is $636 million. This is a 15% increase over the $553 million for the same period in 2020.



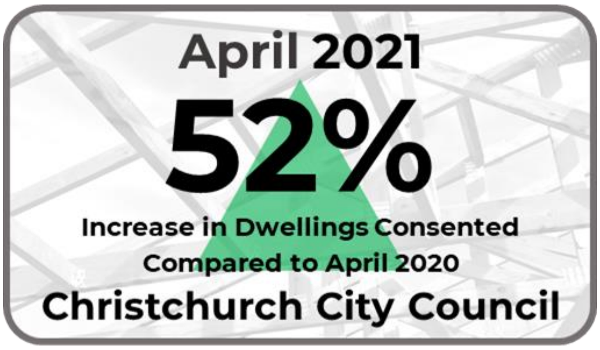
Value of New Residential Dwellings Consented (CCC, SDC and WDC)	2019	2020	2021	% Change *
Jan	$ 89,574,125	$ 142,339,839	$ 115,435,984	-19%
Feb	$ 118,192,933	$ 127,450,185	$ 137,496,467	8%
Mar	$ 136,695,041	$ 168,906,410	$ 208,200,461	23%
Apr	$ 109,434,894	$ 114,520,751	$ 175,347,250	53%
May	$ 120,409,706	$ 155,586,850		
Jun	$ 107,353,065	$ 132,163,619		
Jul	$ 129,323,600	$ 115,889,239		
Aug	$ 137,332,916	$ 122,315,092		
Sep	$ 132,980,549	$ 134,114,033		
Oct	$ 153,512,100	$ 150,675,997		
Nov	$ 130,401,028	$ 155,224,191		
Dec	$ 112,354,503	$ 150,274,732		
Total	**$ 1,477,564,460**	**$ 1,669,460,938**		

* % Change is 2021 over 2020 numbers

Side by Side comparison of Councils

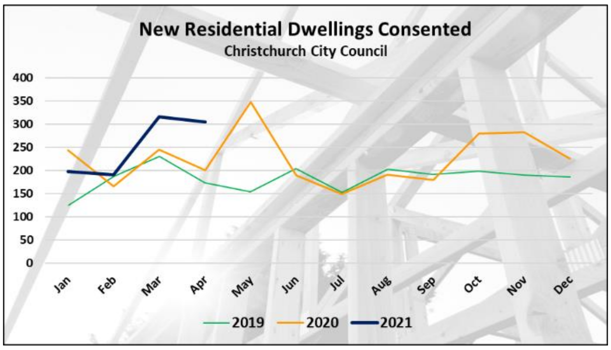
April 2021	CCC	SDC	WDC	Total / Avg.
Building Consents Issued	153	143	66	362
Total Dwellings Consented	305	154	66	525
EQ Recovery Dwellings	0	0	0	0
Individual Dwellings	120	136	66	322
Multi-Unit Dwellings	185	18	0	203
Percentage of Multi-Units	61%	12%	0%	39%
Total m2	38,517	29,783	12,047	80,347
Median Dwelling Size m2	100	177	164	164
Median Consent Value	$ 266,667	$ 347,125	$ 325,000	$ 325,000
Median $ per m2	$ 2,222	$ 1,938	$ 1,986	$ 1,986
Total Value of Consents	$ 93,224,223	$ 59,604,250	$ 22,518,777	$ 175,347,250
Individual Dwellings				
Total Dwellings Consented	120	136	66	322
Total m2	22,192	27,507	12,047	61,746
Median Dwelling Size m2	175	182	164	175
Median Consent Value	$ 360,050	$ 353,250	$ 325,000	$ 353,250
Median $ per m2	$ 2,127	$ 1,937	$ 1,986	$ 1,986
Total Value of Consents	$ 51,768,623	$ 54,977,155	$ 22,518,777	$ 129,264,555
Multi-Units				
Building Consents Issued	33	7	0	40
Total Dwellings Consented	185	18	0	203
Avg. Dwellings per Consent	6	3	0	5
Total m2	16,325	2,276	0	18,601
Median Dwelling Size m2	77	117	0	77
Median Consent Value	$ 212,000	$ 232,500	$ -	$ 212,000
Median $ per m2	$ 2,361	$ 1,940	$ -	$ 1,940
Total Value of Consents	$ 41,455,600	$ 4,627,095	$ -	$ 46,082,695
EQ Recovery Dwellings		0		
Building Consents Issued	0	0	0	0
Total Dwellings Consented	0	0	0	0
Total m2	0	0	0	0
Average Dwelling Size m2	0	0	0	0
Average Consent Value	$ -	$ -	$ -	$ -
Average $ per m2	$ -	$ -	$ -	$ -
Total Value of Consents	$ -	$ -	$ -	$ -

Number of Dwellings Consented



In April 2021 there were 305 new residential dwellings consented in Christchurch. This is only down slightly from the 316 new dwellings consented in March, however a massive increase of 52% on the 201 dwellings consented in April 2020

Over the past eight months, since October 2020, there have been seven months of year on year increases in the number of dwellings consented. The only exception was January this year.



New Residential Dwellings Consented (Christchurch City Council)				
	2019	2020	2021	% Change *
Jan	125	243	198	-19%
Feb	187	165	191	16%
Mar	230	245	316	29%
Apr	173	201	305	52%
May	154	348		
Jun	204	189		
Jul	152	149		
Aug	203	191		
Sep	191	180		
Oct	198	280		
Nov	190	282		
Dec	186	226		
Total	2,193	2,699		

* % Change is 2021 over 2020 numbers

Year to date, there has been a total of 1,010 new residential dwellings consented in Christchurch. This is an 18% increase over the 854 new dwellings consented for the same period in 2020.

This represents an ongoing trend in the increasing numbers of new dwellings being consented across both the city and region. However, a word of caution about the current market: There are two major factors that could have an impact on the level of new construction over the next six to 12 months.

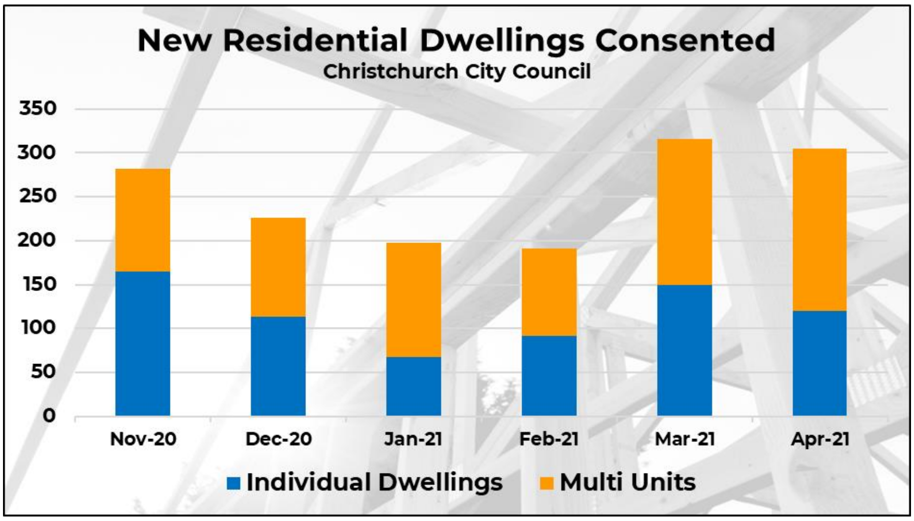
- Limited supply of new residential subdivisions
- Increasing costs of building materials

At this time, the market is responding to a high level of demand, driven by low interest rates, increasing property values and (what appears to be) a high level of internal migration to the Canterbury region. It remains to be seen how long this high level of development can continue.

Multi-Unit Developments

In April 2021, multi-unit developments represented 61% of all dwellings consented in Christchurch, with 185 dwellings consented across just 33 consent applications. This is an average of 5.6 units per building consent.

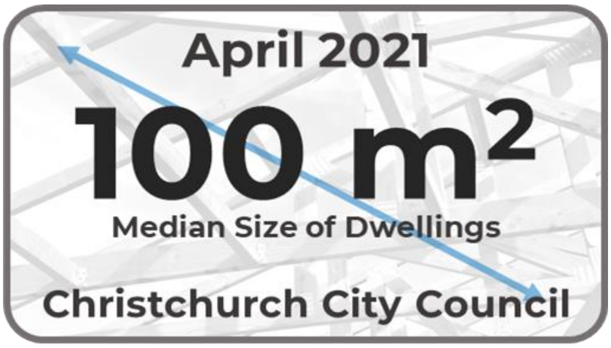
This continues the very high level of multi-unit and apartment development across the city. Year to date there have been a total of 583 units consented as opposed to just 427 individual dwellings. This represents approximately 58% of all new residential construction across the City.

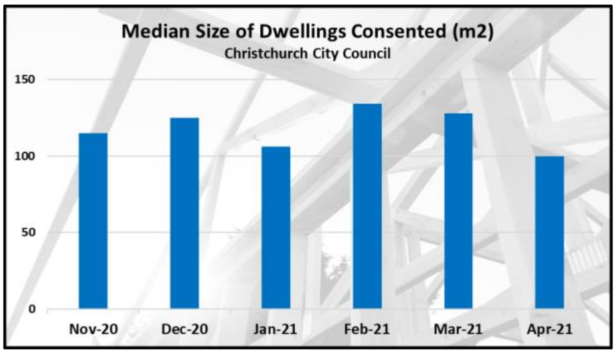


The largest developments consented this month were:

- 26 units in Kilmore Street, Central City by Williams Corporation
- 21 units in Gloucester Street, Central City by Williams Corporation
- 14 units in Gresford Street, St. Albans by Kainga Ora
- 11 units in Carlton Mill Road, Merivale by Aria Apartments Limited
- 7 units in Pavitt Street, Richmond by St Vincent De Paul Society Inc.

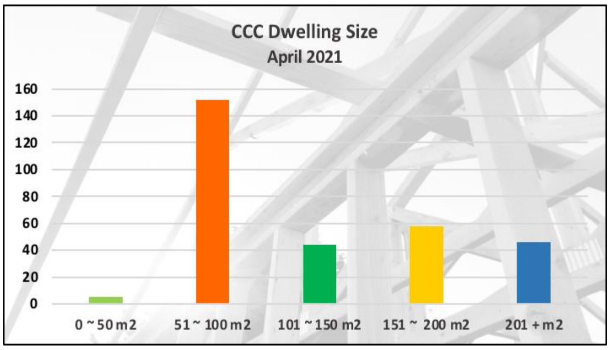
Size of Dwellings Consented

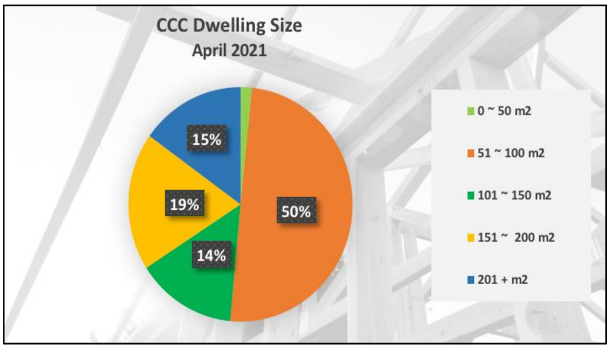




In April 2021 the median size of dwellings consented in Christchurch was 100 m2. This is the smallest median size of dwellings since May 2020, where the median size was a mere 78 m2.

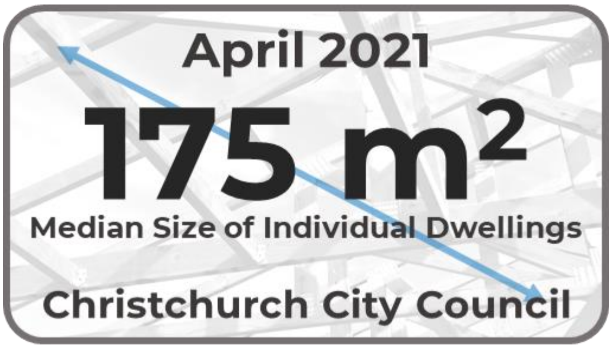
As can be seen in the two graphs below, 50% of all dwellings consented this month were between 51 m2 and 100 m2. This is a reflection of the increasing number of multi-unit and apartment developments being built in the city.

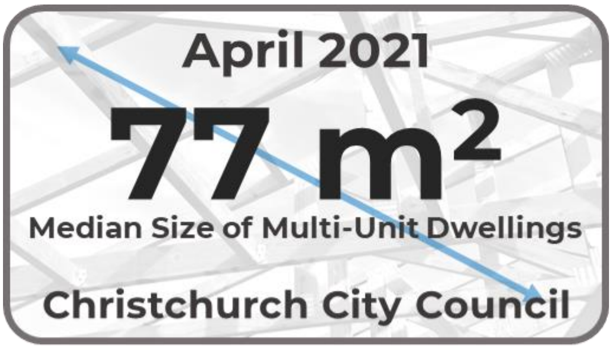




In April there were 157 dwellings consented with a floor area of less than 100 m2, which accounted for approximately 52% of all dwellings consented for the month.

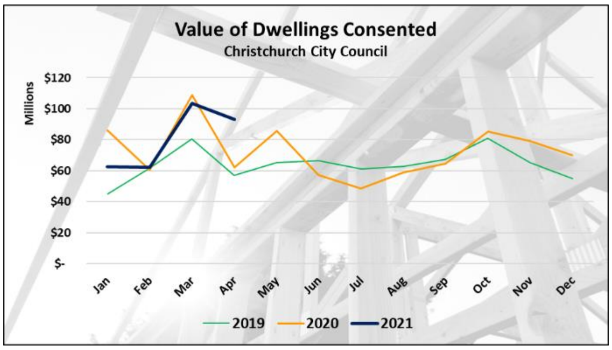
The overall median size for CCC is 100 m2 but if we look specifically at individual dwellings, the median size was 175 m2, while multi-units were just 77m2.





Value of Dwellings Consented

In April 2021 the overall value of new dwellings consented in Christchurch was $93,224,223. This was down slightly from the massive $103 million in consented value for March, however a significant increase of 49% from the $62 million in April 2020.



Value of Dwellings Consented (Christchurch City Council)				
	2019	2020	2021	% Change *
Jan	$ 44,929,084	$ 86,154,238	$ 62,405,708	-28%
Feb	$ 61,453,847	$ 60,421,894	$ 62,342,810	3%
Mar	$ 80,364,394	$ 108,667,013	$ 103,281,452	-5%
Apr	$ 56,963,731	$ 62,376,820	$ 93,224,223	49%
May	$ 65,118,554	$ 85,837,433		
Jun	$ 66,590,629	$ 57,103,479		
Jul	$ 61,256,727	$ 48,564,120		
Aug	$ 62,953,318	$ 58,866,437		
Sep	$ 67,491,793	$ 64,496,936		
Oct	$ 80,881,413	$ 85,242,554		
Nov	$ 65,329,678	$ 79,245,495		
Dec	$ 54,785,132	$ 70,119,762		
Total	**$ 768,118,300**	**$ 867,096,181**		
* % Change is 2021 over 2020 numbers				

Although we have seen a noticeable increase in the number of new dwellings being consented so far this year (up 18% compared to the same four month period in 2020), the overall value of dwellings consented is relatively flat.

The year to date value of new dwellings consented is $321 million, compared to $317 for the same period in 2020. This is an increase of just 1%.

The median value of all dwellings consented was $266,667. This is decrease in value from $307,531 in March this year. The cost of median construction was $2,222 per m2.

Top Applicants

Christchurch City Council	Consents Issued	Dwellings	Avg. Floor Size m2	Total Floor Size m2	Avg. $ per m2	Avg. Dwelling Value	Total Value
TOP APPLICANTS (by Dwellings Consented) April 2021							
Williams Corporation Limited	2	47	74	3,455	$ 1,910	$ 140,426	$ 6,600,000
Brooksfield Living Limited	3	15	82	1,233	$ 2,514	$ 206,667	$ 3,100,000
Kainga Ora - Homes and Communities	1	14	72	1,013	$ 2,962	$ 214,286	$ 3,000,000
Home Investment Holdings Limited	3	12	62	743	$ 4,542	$ 281,250	$ 3,375,000
Aria Apartments Limited	1	11	82	900	$ 2,222	$ 181,818	$ 2,000,000
Buildtech Holdings Limited	2	7	60	419	$ 5,370	$ 321,429	$ 2,250,000
St Vincent De Paul Society Inc	1	7	91	639	$ 2,504	$ 228,571	$ 1,600,000
Javs Development Limited	1	6	166	997	$ 2,508	$ 416,667	$ 2,500,000
Brockworth Developments Limited	1	6	162	971	$ 1,648	$ 266,667	$ 1,600,000
Project Management Canterbury Limite	1	5	111	556	$ 2,698	$ 300,000	$ 1,500,000

The largest applicant in Williams Corporation Limited with 47 dwellings in two building consent application, both in the Central City.

Brooksfield Living have three applications for a total of 15 units (6, 5 and 4 units, in Richmond, Addington and Waltham respectively).

Kainga Ora have one application for 14 units in St Albans.

The top 10 applicants accounted for approximately 43% of all dwellings consented for the month.

Top Suburbs

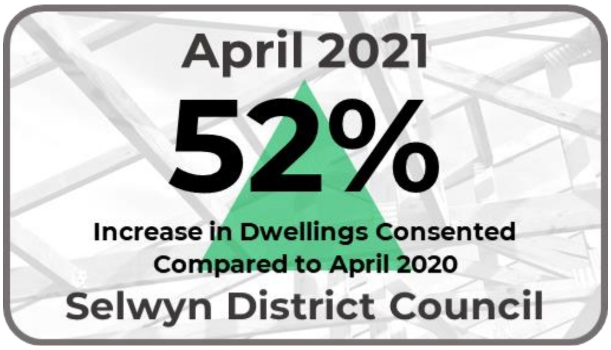
Christchurch City Council	Consents Issued	Dwellings	Avg. Floor Area m2	Total Floor Area m2	$ per m2	Avg. Dwelling Value	Total Value
TOP SUBURBS (by Dwellings Consented) April 2021							
CENTRAL CITY	3	52	76	3,928	$ 1,948	$ 147,115	$ 7,650,000
RICCARTON	13	38	87	3,324	$ 3,519	$ 307,840	$ 11,697,926
ST ALBANS	8	36	102	3,664	$ 2,449	$ 249,204	$ 8,971,350
HALSWELL	31	32	180	5,746	$ 2,166	$ 388,999	$ 12,447,968
YALDHURST	13	13	137	1,784	$ 2,162	$ 296,720	$ 3,857,365
RICHMOND	2	13	94	1,217	$ 2,383	$ 223,077	$ 2,900,000
MERIVALE	1	11	82	900	$ 2,222	$ 181,818	$ 2,000,000
HORNBY	9	9	173	1,561	$ 2,068	$ 358,658	$ 3,227,921
WALTHAM	2	9	87	783	$ 2,602	$ 226,389	$ 2,037,500
WOOLSTON	3	9	77	692	$ 2,457	$ 188,889	$ 1,700,000

Halswell has been the top suburb since December 2020 and there weren't any dwelling consent application in Central City for the last a couple of months but in April Central City is largest number of new dwellings consented with 52 new dwellings consented including 47 dwellings by Williams Corporation Limited.

In April, not only Halswell, it spreads out nicely across the city.

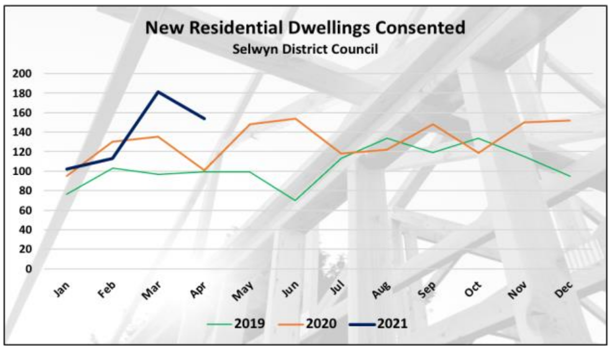
3. Selwyn District Council

Number of Dwellings Consented



In April 2021 there were 154 new residential dwellings consented across the Selwyn District.

This is an increase of 52% on the 101 dwellings consented in April 2020 and decrease of 15% on 181 dwellings consented in March this year.



New Residential Dwellings Consented (Selwyn District Council)				
	2019	2020	2021	% Change *
Jan	76	95	102	7%
Feb	103	130	113	-13%
Mar	97	135	181	34%
Apr	99	101	154	52%
May	99	148		
Jun	70	154		
Jul	113	118		
Aug	134	122		
Sep	119	148		
Oct	134	119		
Nov	115	150		
Dec	95	152		
Total	1,254	1,572		

* % Change is 2021 over 2020 numbers

Year to date there have been a total of 550 new residential dwellings consented. This is an increase of 19% over the 461 dwellings consented for the same period in 2020.

Much the same as Christchurch, Selwyn is showing a sustained period of growth in residential construction. However similar constraints with regard to limited land availability across the district will likely impact the ability to continue build at these levels.

Although there are a number of new greenfield subdivisions either in development or planned, the rate at which new land is being made available has not kept pace with the growth in construction numbers over the past couple of years.

Multi-Unit Developments

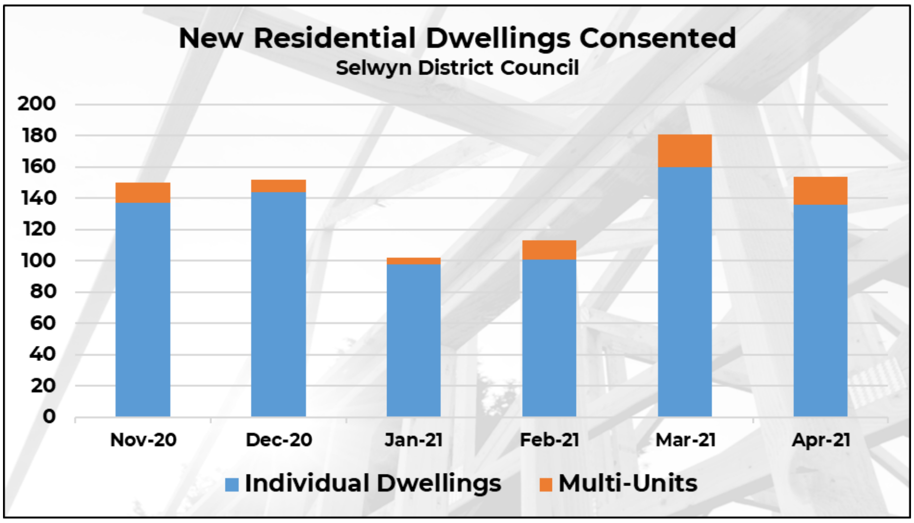
Unlike Christchurch, there are only a handful of multi-unit developments consented in Selwyn each month. The main reason for this is largely due to the district being seen more for family homes and larger lifestyle blocks.

However, each month there are an increasing number of multi-unit developments being consented.

In April there were 18 new dwellings across seven building consents. The largest development has six units, with the remainder all having just two units per consent.

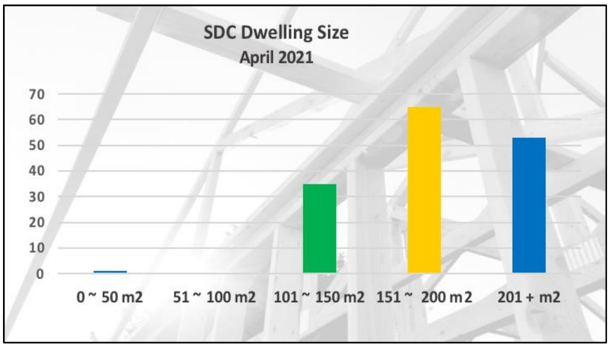
Over the past six months there have been a total of 76 multi-unit dwellings consented which accounts for approximately 9% of all dwellings consented in the district.

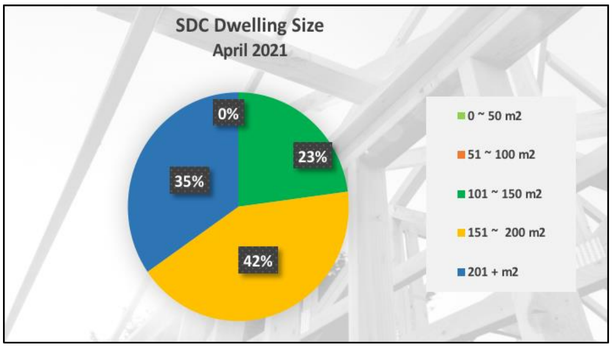
The Selwyn District Council has made provision for medium density dwellings in its proposed District Plan, which looks to increase the number of these smaller multi-unit dwellings in the District.



The median size of Multi-Unit dwellings in Selwyn in April was 117 m2 which is noticeably larger than the median size of 77 m2 for multi-unit dwellings in Christchurch.

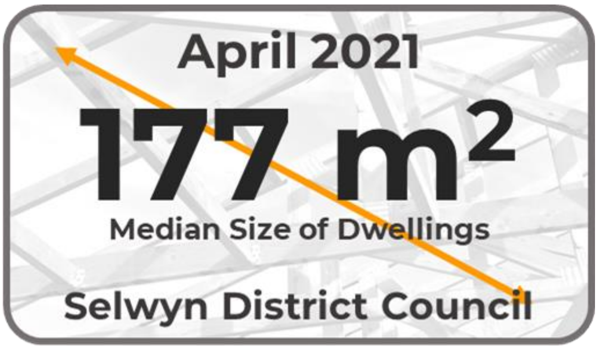
Size of Dwellings Consented

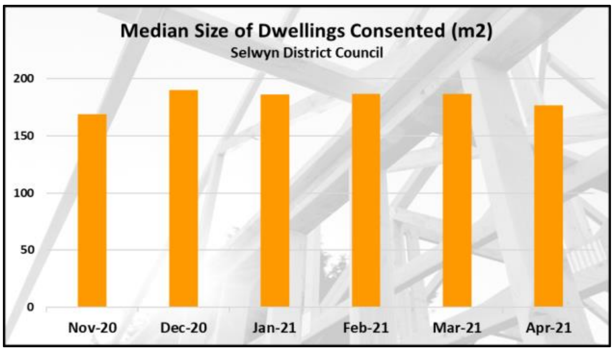




In April 2021, there was only one dwelling consented with a floor area of less than 100 m2. The rest of the consents were for the over 101 m2 particularly 66% of them were over 150m2 or larger.

This contrasts to Christchurch which is dominated by predominantly smaller dwellings between the size of 51 m2 to 100 m2.

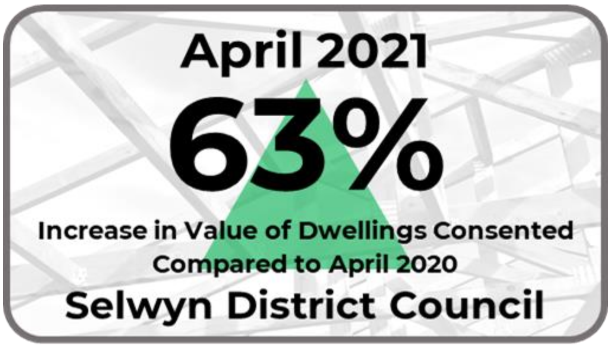




In April the overall median size of dwelling consented in Selwyn was 177 m2 which is approximately 4% smaller than the 184 m2 as a medium size of dwellings in April 2020.

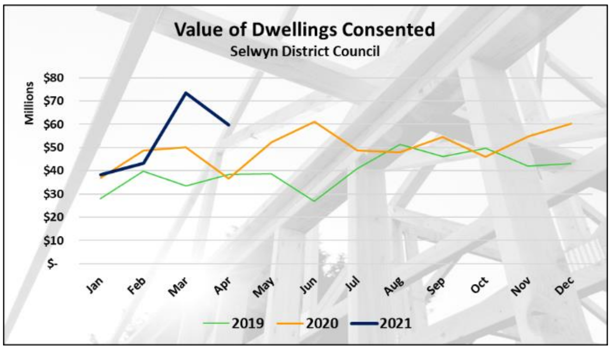
The smallest dwelling size is 34 m2 for a 1 bedroom dwelling in Rolleston and the largest was a 6 bedroom house with a consent value of $1.2 million value in Rolleston.

Value of Dwellings Consented



In April 2021 the total value of dwellings consented in Selwyn District was $ 59,604,250.

Although the number of dwellings consented and overall value dropped down from March 2021, this was a massive increase of 63% on the $36.6 million in April 2020.



Value of Dwellings Consented (Selwyn District Council)							
		2019		2020		2021	% Change *
Jan	$	28,100,624	$	36,871,466	$	**38,214,786**	4%
Feb	$	39,722,089	$	48,657,279	$	**43,245,276**	-11%
Mar	$	33,470,529	$	50,203,740	$	**73,492,102**	46%
Apr	$	38,379,725	$	36,656,709	$	**59,604,250**	63%
May	$	38,736,751	$	52,349,878			
Jun	$	26,964,115	$	61,163,840			
Jul	$	40,842,941	$	48,814,789			
Aug	$	51,340,381	$	47,933,674			
Sep	$	46,158,672	$	54,597,943			
Oct	$	49,544,727	$	45,872,549			
Nov	$	42,060,885	$	54,773,332			
Dec	$	42,970,180	$	60,150,777			
Total	**$**	**478,291,619**	**$**	**598,045,976**			
* % Change is 2021 over 2020 numbers							

As with the number of dwellings being consented in Selwyn, the overall value of dwellings being consented is showing long term sustained growth.

Year to date the total value of new residential construction in Selwyn is $214 million which is up 24% on the $172 million for the same period in 2020.

The median consented value of dwellings in the District was $347,125 for the month which is $13,000 lower than March this year and the cost of construction was $1,983 per m2 which was about $100 higher than March this year. 69% of Selwyn dwellings are between $250,000 ~ $500,000 value range.

Top Applicants

Selwyn District Council	Consents Issued	Dwellings	Avg. Floor Size m2	Total Floor Size m2	Avg. $ per m2	Avg. Dwelling Value	Total Value
TOP APPLICANTS (by Dwellings Consented) April 2021							
Kevler Homes Christchurch Limited	16	16	152	2,437	$ 2,136	$ 325,413	$ 5,206,600
Signature Homes	10	10	186	1,855	$ 2,178	$ 404,039	$ 4,040,391
Stonewood Homes	9	9	155	1,395	$ 1,367	$ 211,946	$ 1,907,513
RW Design Limited	8	8	170	1,361	$ 1,910	$ 325,000	$ 2,600,000
Ecad Limited	5	7	153	1,071	$ 1,903	$ 291,221	$ 2,038,549
DT Design Limited	5	6	265	1,592	$ 2,094	$ 555,500	$ 3,333,000
Golden Homes	6	6	150	902	$ 2,095	$ 315,000	$ 1,890,000
Green Homes NZ	1	6	116	694	$ 1,940	$ 224,400	$ 1,346,400
JNF Construction Limited	5	5	222	1108	$ 1,851	$ 410,267	$ 2,051,333
Paul McStay Limited	4	5	190	952	$ 2,057	$ 391,626	$ 1,958,130

As we have come to expect in Selwyn, Group Home Builders dominate the applicants for new dwellings across the District. Although independent design companies, which typically represent smaller independent builders make a noticeable showing.

Kevler Homes has the most new consents for April with 16, followed by Signature Homes with 10 and Stonewood Homes with 9 new consent applications.

The top 10 applicants account for 51% of all dwellings consented this month in the District.

Top Townships

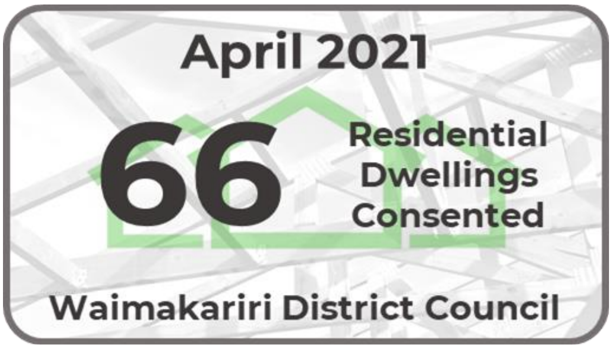
Selwyn District Council	Consents Issued	Dwellings	Avg. Floor Area	Total Floor Area	$ per m2	Avg. Dwelling Value	Total Value
TOP SUBURBS (by Dwellings Consented) April 2021							
Rolleston	96	104	176	18,343	$ 1,931	$ 340,635	$ 35,426,084
Lincoln	26	27	212	5,724	$ 1,913	$ 405,498	$ 10,948,454
Prebbleton	6	7	238	1,668	$ 2,541	$ 605,578	$ 4,239,045
Tai Tapu	5	6	259	1,554	$ 2,287	$ 592,333	$ 3,554,000
West Melton	4	4	306	1,222	$ 2,463	$ 752,442	$ 3,009,767
Darfield	2	2	214	427	$ 2,019	$ 430,950	$ 861,900
Leeston	2	2	165	330	$ 2,015	$ 332,500	$ 665,000
Burnham	1	1	333	333	$ 1,502	$ 500,000	$ 500,000
Castle Hill	1	1	182	182	$ 2,198	$ 400,000	$ 400,000
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

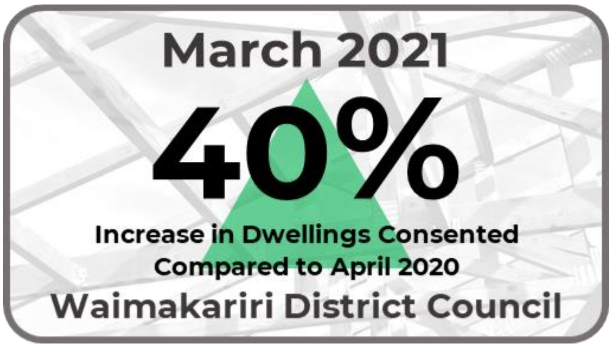
Rolleston and Lincoln account for 85% of all dwellings in Selwyn this month.

As usual, again, Rolleston is the most favourite township followed by Lincoln and Prebbleton.

4. Waimakariri District Council

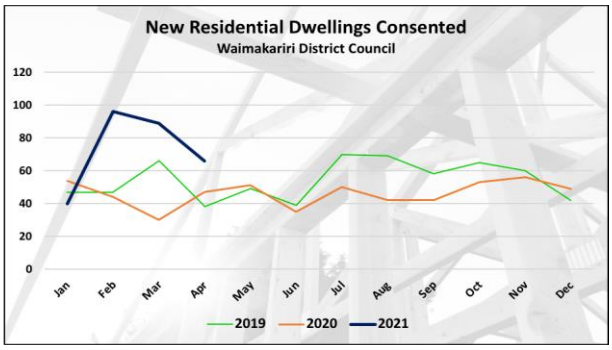
Number of Dwellings Consented





In April 2021 there were 66 new residential dwellings consented across Waimakariri District. This a big drop from March but it was still an increase of 40% from the 47 dwellings consented in April 2020.

There were 14 transportable buildings consented in April, however because these dwellings were not consented for a specific address they were not counted in 66 dwellings this month.



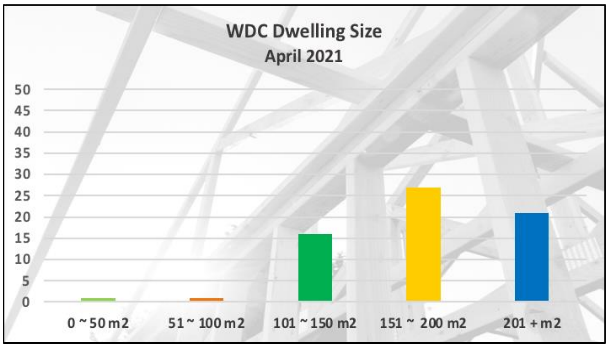
New Residential Dwellings Consented (Waimakariri District Council)				
	2019	2020	2021	% Change*
Jan	47	54	40	-26%
Feb	47	44	96	118%
Mar	66	30	89	197%
Apr	38	47	66	40%
May	49	51		
Jun	39	35		
Jul	70	50		
Aug	69	42		
Sep	58	42		
Oct	65	53		
Nov	60	56		
Dec	42	49		
Total	650	553		
* % Change is 2021 over 2020 numbers				

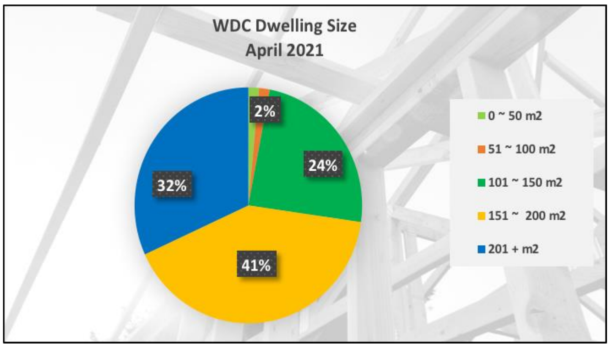
February and March 2021 had the highest number of building consents issued since 2016. Although the numbers fell away in April to 66, this is still the third highest number of new dwellings consented in the District since August 2019.

Year to date there has been a total of 291 new dwellings consented in Waimakariri. This is a massive increase of 66% over the 175 dwellings consented for the same period in 2020.

There is no multi- unit dwellings in Wamakariri in April.

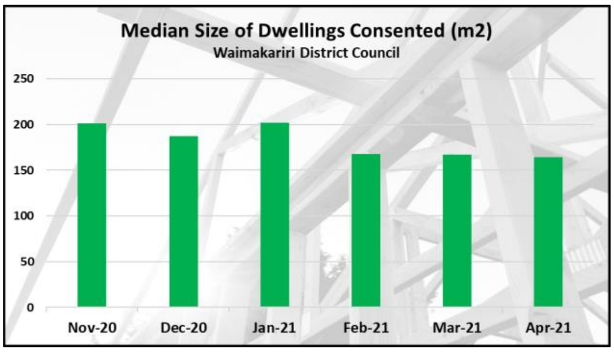
Size of Dwellings Consented





In April, approximately 97 % of all dwellings consented in the Waimakariri district were larger than 101 m2, with around 1/3 being larger than 201 m2.

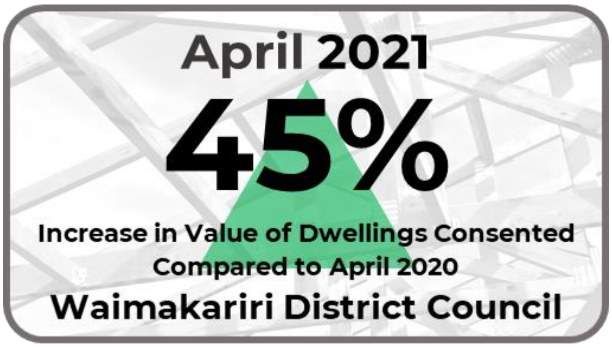
This is typical for the District which generally represents larger, individual stand-alone family homes.



The median size of all dwellings consented was 164 m2. The graph above shows the median size of dwellings for the last six months, where it is clear to see a trend toward smaller houses across the District.

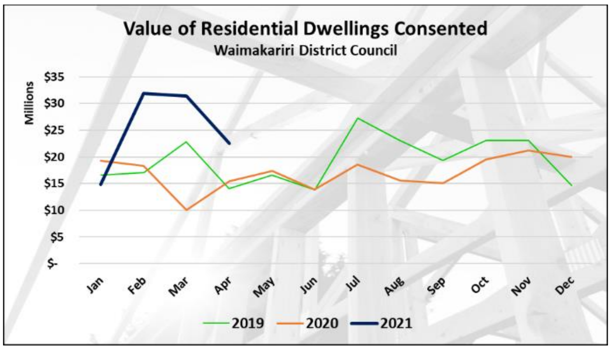
The smallest dwellings consented were 37 m2 for relocated building(for a specific site) in Horrellville (Cust) and the largest dwelling consented was 381 m2 in Rangiora.

Value of Dwellings Consented



The total value of dwellings consented in Waimakariri District in April was $22,518,777.

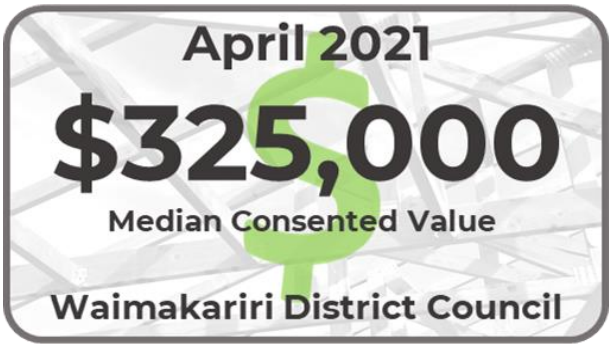
This is a 45% increase in value over the $15.5 million of dwellings consented in April 2020. However this is a noticeable drop of more than 30% from the $31.4 million consented in March 2021.



Value of Dwellings Consented (Waimakariri District Council)	2019	2020	2021	% Change *
Jan	$ 16,544,417	$ 19,314,135	**$ 14,815,487**	-23%
Feb	$ 17,016,997	$ 18,371,012	**$ 31,908,381**	74%
Mar	$ 22,860,118	$ 10,035,657	**$ 31,426,907**	213%
Apr	$ 14,091,438	$ 15,487,222	**$ 22,518,777**	45%
May	$ 16,554,401	$ 17,399,539		
Jun	$ 13,798,321	$ 13,896,300		
Jul	$ 27,223,932	$ 18,510,330		
Aug	$ 23,039,217	$ 15,514,981		
Sep	$ 19,330,084	$ 15,019,154		
Oct	$ 23,085,960	$ 19,560,894		
Nov	$ 23,010,465	$ 21,205,364		
Dec	$ 14,681,365	$ 20,004,193		
Total	**$ 231,236,715**	**$ 204,318,781**		

* % Change is 2021 over 2020 numbers

Year to date the total value of dwellings consented in the District is $100.7 million, which is up by a staggering 59% over the $63.2 million for the same period in 2020.



The median consented value of new dwellings was $325,000 which was slightly dropped down from $335892 in March this year and the cost of construction was $1,986 per m2, pretty much similar to March figure.

Top Applicants

Waimakariri District Council	Consents Issued	Dwellings	Avg. Floor Size m2	Total Floor Size m2	Avg. $ per m2	Avg. Dwelling Value	Total Value
TOP APPLICANTS (by Dwellings Consented) April 2021							
Leigh Adams Architecture Limited	11	11	204	2,246	$ 1,472	$ 300,455	$ 3,305,000
Mike Greer Homes	7	7	151	1,055	$ 1,815	$ 273,571	$ 1,915,000
Xpress Design + Drafting	6	6	151	906	$ 1,987	$ 300,000	$ 1,800,000
Stonewood Homes	3	3	216	648	$ 1,898	$ 410,000	$ 1,230,000
Archiplus Limited	3	3	187	561	$ 2,091	$ 391,065	$ 1,173,195
Trident Homes	2	2	273	545	$ 2,163	$ 589,290	$ 1,178,580
A C Jewell Design Limited	2	2	174	348	$ 2,299	$ 400,000	$ 800,000
Golden Homes	2	2	153	306	$ 2,206	$ 337,500	$ 675,000
S.K. Hand Builders Limited	2	2	174	348	$ 1,839	$ 320,000	$ 640,000
Signature Homes	2	2	132	263	$ 2,292	$ 301,350	$ 602,700

The top 10 applicants in March accounted for 48% of all new construction consented for the month.

Leigh Adams Architecture Limited was again the top applicant with 11 individual dwellings.

Group Home Builders including Mike Greer, Stonewood, Trident, Golden and Signature also feature this month, but all with single digit numbers.

Top Townships

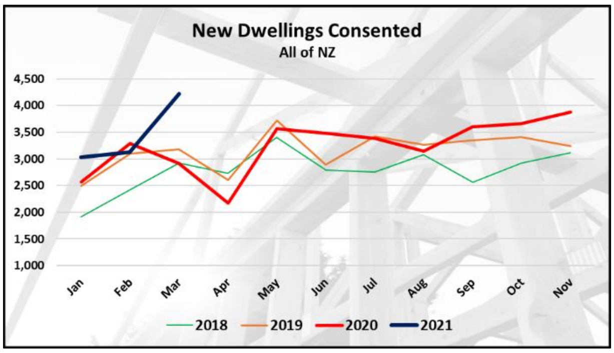
Waimak District Council	Consents Issued	Dwellings	Avg. Floor Area m2	Total Floor Area m2	$ per m2	Avg. Dwelling Value	Total Value
TOP SUBURBS (by Dwellings Consented) April 2021							
WOODEND	27	27	176	4,756	$ 1,988	$ 350,267	$ 9,457,213
KAIAPOI	14	14	143	2,001	$ 1,949	$ 278,571	$ 3,900,000
RANGIORA	13	13	229	2973	$ 1,765	$ 403,682	$ 5,247,868
FERNSIDE	2	2	173	346	$ 2,169	$ 375,250	$ 750,500
MANDEVILLE NORTH	2	2	190	379	$ 1,609	$ 305,000	$ 610,000
OXFORD	1	1	211	211	$ 2,337	$ 493,195	$ 493,195
BURNT HILL	1	1	380	380	$ 1,105	$ 420,000	$ 420,000
FLAXTON	1	1	304	304	$ 1,266	$ 385,000	$ 385,000
BALCAIRN	1	1	218	218	$ 1,651	$ 360,000	$ 360,000
EYREWELL	1	1	202	218	$ 1,376	$ 300,001	$ 300,001

Woodend (Ravenswood and Pegasus) continues to be the most popular township in the Waimakariri District to build. I believe that this has more to do with land availability than specific desire to live by the beach, however the gr

Woodend is the top township in a row since March. However, its number of dwelling issued is only half of the one in March this year unlike from the other townships like Pegasus, Kaiapoi and Rangiora where remain with similar number of dwellings from previous month.

5. Comparison of Canterbury to other Regions

All of New Zealand



New Dwellings Consented: All of New Zealand (Source: Stats NZ)

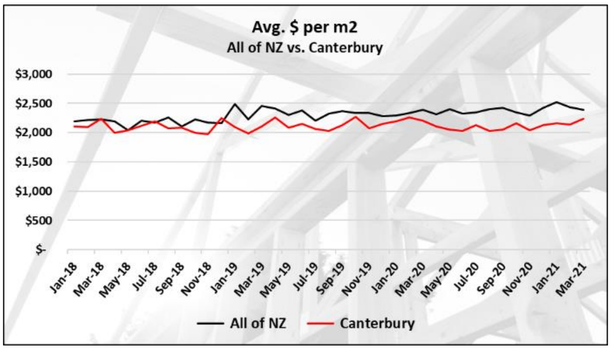
	2018	2019	2020	2021	% Change *
Jan	1,916	2,496	2,564	3,025	18%
Feb	2,412	3,098	3,285	3,129	-5%
Mar	2,926	3,180	2,915	4,218	45%
Apr	2,729	2,605	2,168		
May	3,407	3,724	3,562		
Jun	2,792	2,887	3,477		
Jul	2,752	3,420	3,391		
Aug	3,075	3,265	3,147		
Sep	2,559	3,347	3,605		
Oct	2,926	3,412	3,659		
Nov	3,120	3,238	3,881		
Dec	2,382	2,955	3751		
Total	32,996	37,627	39,405	10,372	

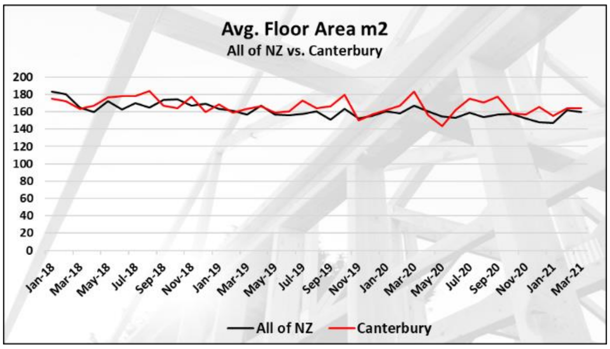
* % Change is 2021 over 2020 numbers

There were 4,218 new dwellings consented across New Zealand in March 2021. This is an increase of 45% on the 2,915 dwellings consented in March 2020

In fact, 4,218 is the highest number of new dwellings ever consented in a single month in New Zealand. The second highest number recorded was 4,081, which was recorded back in October 1973.

Year to date (to 31 March 2021) there have been 10,372 dwellings consented across all of New Zealand, which is an 18% increase over the 8,764 dwellings consented for the same three month period in 2020.





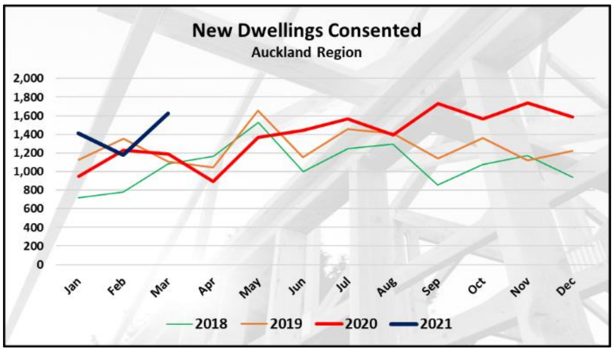
The cost of construction ($ per m2) has been steadily increasing over the past 30 years, reaching a peak (average across all dwellings consented) of $2,458 in March 2019.

The cost seemed to level off over the past two years but has again reached a new (average) high of $2,517 in January 2021.

As can be seen in the graph above, the NZ national average is slightly higher than that for Canterbury.

Comparing the average floor size of new dwellings, its clear to see that there is a definite trend toward smaller housing, both across all of New Zealand and specifically looking at Canterbury, where the overall trend across the past three years has been remarkably similar.

Auckland Region

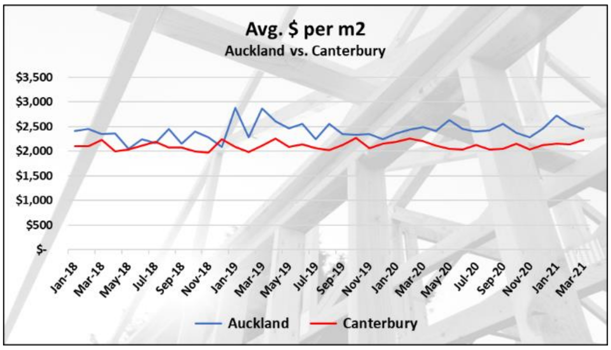


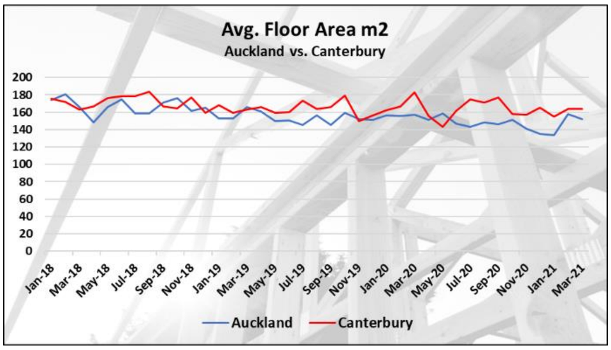
New Dwellings Consented: Auckland (Source: Stats NZ)					
	2018	2019	2020	2021	% Change *
Jan	718	1,128	950	1,410	48%
Feb	779	1,354	1,232	1,176	-5%
Mar	1,082	1,109	1,187	1,622	37%
Apr	1,163	1,043	894		
May	1,530	1,657	1,367		
Jun	1,001	1,152	1,439		
Jul	1,250	1,454	1,569		
Aug	1,298	1,407	1,391		
Sep	854	1,143	1,734		
Oct	1,077	1,361	1,564		
Nov	1,172	1,120	1,740		
Dec	938	1,226	1,589		
Total	12,862	15,154	16,656	4,208	

* % Change is 2021 over 2020 numbers

There were 1,622 new dwellings consented across the Auckland Region in March 2021. This is an increase of 37% over the 1,187 new dwellings consented in March 2020.

Year to date there have been 4,208 new dwellings consented across the Auckland Region, which is an 25% increase over the 3,369 dwellings consented for the same three month period in 2020.



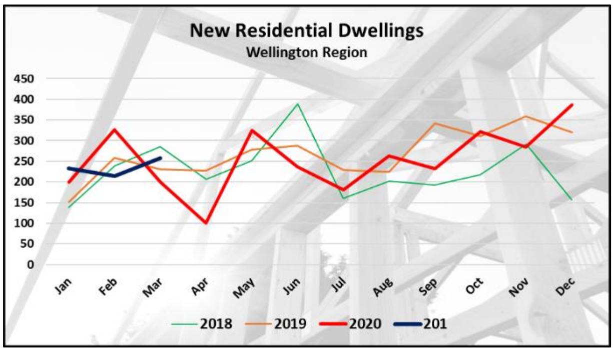


The graph above ($ per m2) shows the difference between the cost of construction in Auckland compared to Canterbury. Although both regions have shown a long term increase in the cost of construction, on average over the past two years the $ per m2 to build in Auckland is roughly 16% higher than the cost to build in Canterbury.

Auckland, as with the general trend across the country is seeing an overall decline in the size of dwellings being built. It is clear to see from the graph above that the average size of a new dwelling in Auckland smaller than that in Canterbury.

Over the past two years the average size of a new dwelling in Auckland has been 151 m2 where in Canterbury the average size has been 164 m2.

Wellington Region



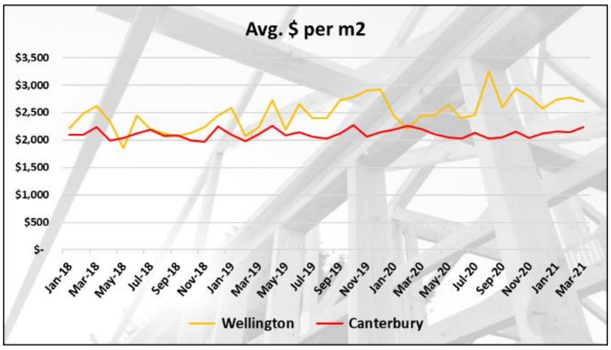
New Dwellings Consented: Wellington Region (Source: Stats NZ)	2018	2019	2020	2001	% Change *
Jan	139	151	200	**233**	17%
Feb	239	259	326	**214**	-34%
Mar	286	231	199	**258**	30%
Apr	206	227	101		
May	252	279	325		
Jun	389	288	237		
Jul	160	229	181		
Aug	202	225	263		
Sep	192	342	232		
Oct	217	311	322		
Nov	292	358	284		
Dec	157	320	387		
Total	**2,731**	**3,220**	**3,057**	**705**	

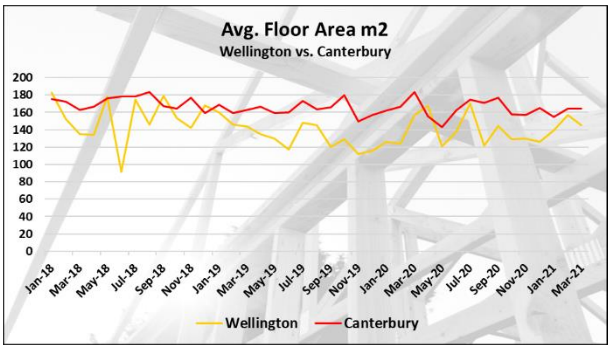
* % Change is 2021 over 2020 numbers

The Wellington Region, unlike most of the rest of the country, hasn't been seeing the same level of growth in new residential construction over the past couple of years.

Although there were 258 new dwellings consented across the Wellington Region in March 2021, which was an increase of 30% over the 199 new dwellings consented in March 2020, year to date there have only been 705 new dwellings consented in the Region, compared to 725 for the same three month period in 2020. This was an overall decline in the number of new dwellings consented of 3%.

While this might not seem like a significant decline, measure this against the general trend of significant growth across the rest of the country and you can see that Wellington is noticeably underperforming.



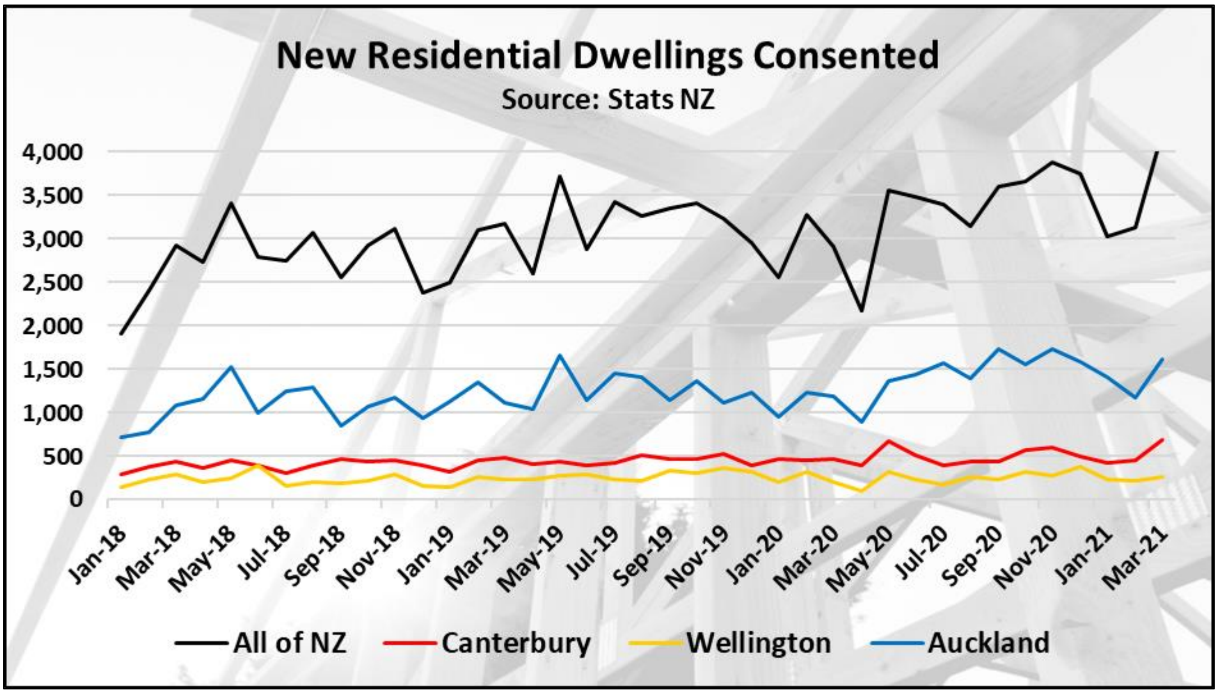


The graph above ($ per m2) shows the noticeably increasing cost of construction in Wellington compared to Canterbury. Over the past two years the average $ per m2 in Wellington has been $2,594 compared to $2,121 for Canterbury. This makes building in wellington approximately 23% more expensive.

Despite the variances in the average size of dwellings in Wellington, the trend is for noticeably smaller homes. Over the past two years the average dwelling size in Wellington was 137 m2 compared to an average of 164 for Canterbury.

6. Summary

The graph below shows the number of new residential dwellings consented across all of New Zealand, Auckland, Wellington and Canterbury for the past three years.



As has been described above in this report, New Zealand is in the middle of the biggest and most sustained building boom its ever seen (well, most of New Zealand). The questions is...how long will it last?

Of course, the residential construction market is complex and there are multiple factors that influence both demand and supply.

On one hand, we continue to enjoy record low interest rates, which (from a buyer's perspective) is a main feature driving demand. Steadily increasing house price values, driving investment purchases, is another.

However, with the cost building materials set to increase and the lack of new green field subdivisions driving up the cost of land, this will inevitably put further upward pressure on the overall cost of new housing, further widening the gap of unaffordability.

COVID19 put the brakes on immigration and new Government policy looks set to keep this number low. As population growth is the number one key driver for ongoing new residential construction

So far this year, there seems to be no signs of the sector slowing down, however there are a number of looming issues that will surely test the market.

7. Glossary of Terms, Descriptions and Definitions

Average Value

The Average Consented Value refers to the arithmetic mean, the sum of the numbers divided by how many numbers are being averaged.

One significant disadvantage of using Average values is that these numbers can be skewed or distorted by unusually high or unusually low numbers. A good example of this is where in a particular month there are several very expensive dwellings consented

In this report I have used information supplied by Statistics New Zealand, which (in the case of Dwelling Size or Consented Value) only provide consolidated monthly numbers which means that calculating the Median values is not possible.

In certain circumstances I have used Average Values where this is the only measure available to be calculated.

Building Consent Applicant

As part of the process for applying for a Building Consent, the name and address of both the Owner of the proposed works and the person / company submitting the Application must be included.

In some circumstances, (mainly in the case of a builder or company building a “house and land package” or “spec house”), both the Owner and the Applicant will be the same.

Some companies (mainly Group Home Builders and larger Developers) will apply for building consents under a number of different company names. This can be done for a variety of reasons and is not uncommon.

As part of the process of analysing the building consent information used in this report, some companies have asked for their building consent applications to be consolidated under the name of one business entity. Equally, there are some companies who prefer to “fly under the radar” and will not apply for a Building Consent in there own name (most often using the Owners name).

All efforts are made to check and verify the information provided by both the Building Consent Authority and the Applicant (where this information has been provided), however Blackburn Management accepts that there may be some errors or omissions with respect to the actual numbers of dwellings consented and how this is reported against any particular Applicant.

With respect to the above, Blackburn Management will not be held responsible for any errors and / or omissions or held liable for claims arising directly or indirectly therefrom.

Consented Value

The consented (estimated) value of the construction of a dwelling for the purposes of an application for a Building Consent is prescribed by Section 7 of the Building Act (2004).

The Act states:

estimated value*, *in relation to building work, means the estimated aggregate of the consideration, determined in accordance with section 10 of the Goods and Services Tax Act 1985, of all goods and services to be supplied for the building work

Unfortunately, Section 10 of the GST Act provides no further specific definition, and therefore the ***Estimated Value*** that is supplied to Councils with an application is widely open to interpretation.

It is generally considered that ***Consent Value*** refers to the value of building materials and services that directly relate to the consented activity of the construction of a dwelling.

Perhaps the best way to define this is by understanding what is generally excluded:

- Legal and Compliance Costs
- Land
- Any non-consented activity such as site preparation (specific Earth Works and Engineering such as ground remediation, piles, gravel rafts etc will be included and in some circumstances may be consented on a separate Building Consent Application).
- Internal fitout (carpet, drapes)
- Landscaping, driveways, paths and fences

The ***Consent Value*** as provided on the Building Consent Application form by the Applicant is supplied at the discretion and honesty of the Applicant and in some circumstances can be questioned as to its accuracy.

Therefore the values provided only a guide to the overall Cost of Construction, rather than a specific and absolute value and relies

Errors and omissions excepted

The data and information used in compiling the Canterbury Construction Report has been obtained from the relevant Building Consent Authority and other providers such as Statistics New Zealand and Corelogic.

While every effort is made to check and verify this information, it is not possible to confirm the accuracy of all information for every building consent issued.

As such, the reader accepts that the information is provided on a best endeavours basis and no liability for any errors or omissions is accepted by Blackburn Management Limited.

Median Value

The Median Value is a standard measure of dwelling values and give a consistent metric by which to compare dwellings from one District to another, but also to measure the change in this value over time. The median value is not generally skewed with respect to extremes of high or low values that would occur by using Average Values.

The median value is generally considered to be the best way to measure the overall trend in values.

Median Consented Value is the middle point for new residential construction numbers. It is not the same as the average price. The median price is the price in the very middle of a data set, with exactly half of the houses priced for less and half priced for more.

Multi-Unit Development

A Multi-Unit Development is where two or more dwellings are consented on the same building consent application and the same site address.

Public Information

All information provided with respect to building consent numbers and details has been obtained from the respective Building Consent Authority.

When a Building Consent Application is made, when the Building Consent is issued and when the Code Compliance Certificate is issued, all of this information becomes a matter of public record.

The inclusion of all information such as the number, value and size of dwellings consented, description and address of the building works and the name and address of both the Applicant and Owner are a matter of public record and as such are able to be legally reported and republished.

Residential Dwellings

This report provides numbers that reflect standard residential household dwellings. It specifically excluded Rest Homes, Elderly Persons Housing, Secondary Dwellings, Ancillary Buildings and Relocatable Dwellings (with the exception where they are being consented for a specific address).

Note with regard to Rest Homes. The principle reason why Rest Homes are excluded from this report is that generally when the larger Rest Homes are consented they will often include a large apartment complex which could potentially house between 50 and as many as 200 residents.

For the purposes of statistical accuracy and accounting for the actual number of household units, with respect to the population, then Rest Homes need to be accounted for, however in most instances these constructions are simply reported as one dwelling / building, with a consent value in the many millions of dollars. Including this information in the form that it is presented from the Councils would unduly distort the numbers and values and for this reason are not included in this report.

I am able to produce a separate report detailing Rest Homes and Elderly Person Housing Construction on request.

Staged Building Consent Applications

In most residential construction developments, all work will be applied for and approved in one building consent application. This is generally the case, even with large scale multi-unit projects.

However, in some projects, work can be split over two or more building consent applications. An example of this might where one application is made for ground remediation work such as piling or retaining walls, a second application might be for foundations and another application might be for framing and fitout. However, these are generally rare in residential construction work.

Where a residential building consent application is approved and it is indicated that it is part of a staged application (e.g. Stage 1 of 3), the building consent will not be included in the Canterbury Construction Report until the final stage (e.g. Stage 3 of 3) has been approved. All information, including Consent Value will be combined to give an overall summary of the work consented.

For a full analysis of all building consent applications and related information please read this report in association with the accompanying spreadsheet.

Additional and specialist analysis is available on request.

CONTACT US

mike@blackburnmanagement.co.nz

www.blackburnmanagement.co.nz

Mike Blackburn 021 370 018

https://www.linkedin.com/in/blackburnmanagement/