BLACKBURN management

Management Consultants and Advisors to the Construction Industry

REGISTERED MASTER BUILDERS ASSOCIATE MEMBER

CANTERBURY CONSTRUCTION REPORT©

October 2021

Residential Building Consent Report and Analysis

Data provided by

Christchurch City Council | Selwyn District Council | Waimakariri District Council | CoreLogic | Stats NZ Tatauranga Aotearoa

Canterbury Construction Report©

October 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
CoreLogic
Statistics New Zealand

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 applications are only included when the final stage has been consented.

No information on new building consent activity by Kainga Ora is included in this report. In May 2021 Kainga Ora became their own Building Consent Authority. Prior to this time all building consent applications for new construction was completed through either Christchurch City Council or Waimakariri District Council (no building activity had been undertaken in Selwyn).

On several occasions, Blackburn Management has contacted Consentium (the building consenting arm of Kainga Ora) and asked to be supplied with new building consent information (as required under the Building Act). To date none of these requests have been supplied.

On Thursday 28 October, Blackburn Management made a formal request under the Official Information Act to Kainga Ora to supply their building consent data for the Canterbury Region. They have 20 working days to respond to this request.

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

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1. Market Insight

Residential Construction, a market stretched to breaking point?

I have been saying for several months now that I believe that we are at the peak of our ability to build more houses.

Currently, both here in Canterbury and right across New Zealand, the number of residential building consents are coming through at record levels. Year on year, the three Councils in the greater Christchurch area are up by a combined 33% over the same period in 2020, whilst the market is up by 28% across all of NZ.

This is the greatest number of houses consented in New Zealand…ever. And yet, month after month the number of new dwellings being consented just kept going up.

So, how much longer can we keep building at this rate?

With the boarders closed (and unemployment at historically low levels) there are only so many builders and tradies to go around.

On top of this there are too many other things piling up across the construction sector and economy in general, making it harder and harder to build at these increased levels. which means that a levelling off and probable slowdown is inevitable.

What are some of the key challenges the sector is facing?

- Limited supply of new greenfield subdivisions. Land development has not kept pace with the level of construction, which is why we are seeing the incredible price increases for sections over the past 12 months
- Delays in getting building consents through Council. Many Councils across the country are struggling to meet the required 20 working day processing time
- Massive shortages in supply of materials (literally across all product categories), which is seeing ongoing price increase as builders compete for available product
- International supply chain issues, meaning some products are simply unavailable, others facing significant delays and freight cost increases across the board. There is no sign of this returning to normal (whatever that might be) any time soon
- Tapped out labour market. There simply aren't any more tradies to do the work and with COVID restrictions, no ability to bring in anymore
- Increasing interest rates, raising the cost of capital. Banks are starting to turn down new build projects where the builder can't offer a fixed price contract.

So, what does this mean for builders and the wider industry?

We are already starting to see some of the impacts of these restrictions on site.

As builders struggle to get materials for some jobs, they are forced to delay current projects and potentially put new ones on hold.

I recently went for a drive around Rolleston and Lincoln, and although there were builders and tradies everywhere, there was also a noticeable number of sites, partly completed, locked up with no one to be seen.

As current jobs are delayed, this in turn pushes back the start dates for new builds, which sees an overall slowdown in the market.

The rising cost of land and materials needs to be passed on, from the developer or merchant to the builder and eventually onto the new homeowner.

It seems like $500,000 is the new norm for a 450m2 section. On top of this, with the rising cost of building materials, I am now seeing new houses being advertised for $1,100,000 or more in suburbs like Halswell and Rolleston. This was previously unheard of.

There simply comes a point where this is beyond what the market is prepared to pay.

Without question, this is a complex situation.

On one hand, the demand for new housing is strong. This is in part driven by government policy and new banking rules. This has pushed investors to buy new, and I suspect what has been driving the growth in multi-unit developments. Additionally, this has also been helped by astronomical increases in property values.

However, as interest rates increase and we see the inevitable slow down in capital value increases, this might well see some investors look to exit the market.

Could we currently be building too many houses?

Its important to remember that back in 2014 (the peak of the earthquake rebuild), that we actually managed to over-build by around 2,000 houses. There were roughly 10,000 houses red-zoned or so badly damaged that they had to be knocked down and by the end of 2014 we had successfully built

something like 12,000 new houses (with effectively no population growth across the combined region).

This was great for home buyers. Plenty of houses to choose from, which inevitably lead to house price values remaining flat for a period of around five years.

Not so good for the building industry, where the number of new houses being built plummeted, falling by 60% over the next four years, from 6,331 in 2014 down to 3,821 in 2018 (across all three councils).

New Zealand essentially has zero population growth at the moment. According to Stats NZ the population grew by 34,400 from 2020 to 2021, with 27,700 being from an increase in births over deaths. This means that there was an increase of just 4,700 net migration into the country (people who intend to stay for a period of 12 months or longer). Even with the easing of COVID restrictions in the new year, it is unlikely that we will see any significant jump in migration numbers any time soon.

In fact, the reverse is likely to happen, with people looking to leave the country for higher wages and less restrictions.

With all this in mind, could the current levels of construction be higher than the actual true demand now and into next year?

What does the next 12 months look like?

I believe that a slowdown in the number of new residential houses being built is inevitable, but by just how much is the real question.

Its most likely that we will see the number of new building consents flatten off into the new year as builders and developers look to delay new projects while they struggle to complete current ones.

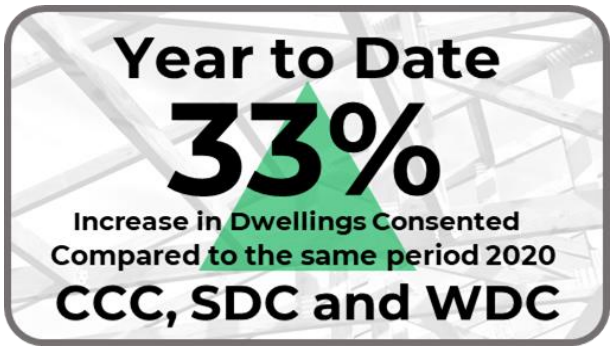
Supply chain difficulties will continue throughout 2022 and the economy will tighten as interest rates rise.

Even if COVID restrictions are completely removed we won't see a return to the previous high levels of international migration, which will further reduce the demand for new housing.

I'm not suggesting that we will see the same level of decline in new construction as we saw in 2015 to 2018…but (in the immortal words of Lord Baden-Powell)…be prepared.

2. Summary of Dwellings Consented in Canterbury

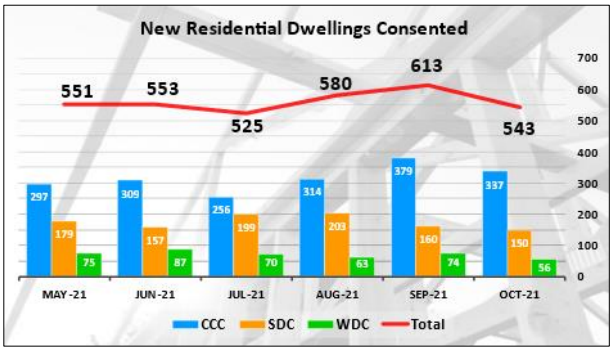
Total Dwellings Consented

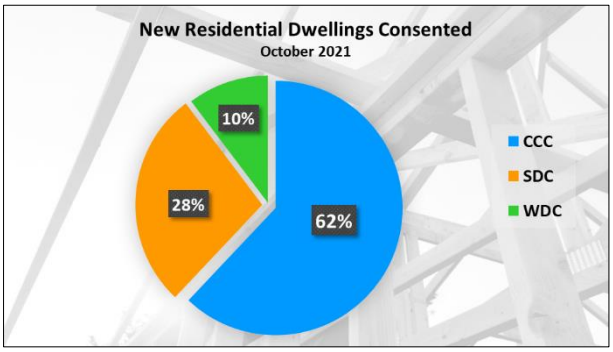


There were 543* new residential dwellings consented across the three major Councils in Canterbury in October 2021.

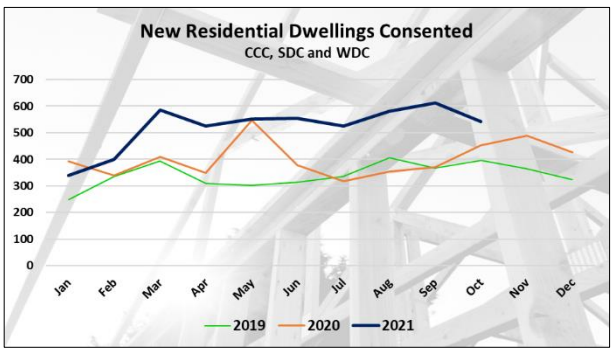
**** Note: Since May 2021 Kainga Ora have been processing their own building consent applications and their numbers no longer appear in any of the local Council reports. Numerous requests have been made for them to supply these numbers, but to date no information has been provided. On the 28 October, Blackburn Management has made a formal Official Information Act request for Kainga to provide this data.***

This brings the total number of new dwellings consented for the year to 5,216, which is a 33% increase over the 3,909 dwellings consented for the same ten-month period in 2020.





Although all three Councils saw a slight fall in the number of dwellings consented over last month, this is the eighth month in a row where the number of dwellings consented has been greater than 500 across all three Councils.

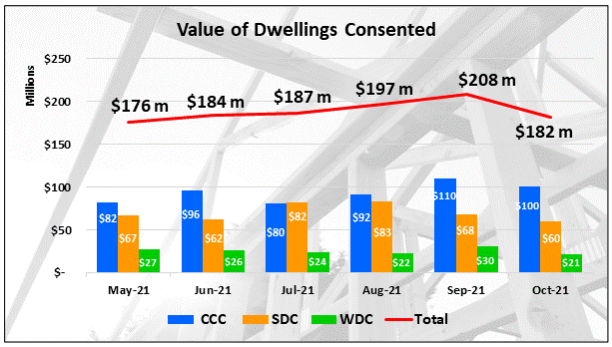


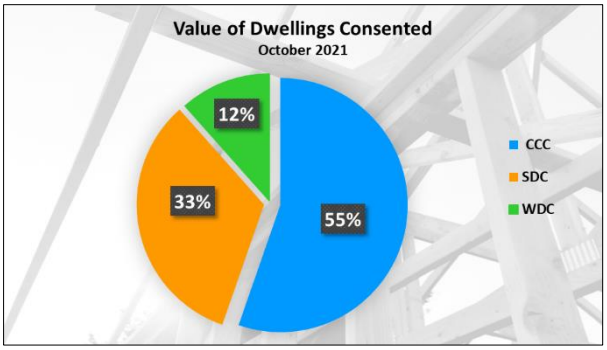
New Residential Dwellings Consented (CCC, SDC and WDC)				
	2019	2020	2021	% Change *
Jan	248	392	340	-13%
Feb	337	339	400	18%
Mar	393	410	586	43%
Apr	310	349	525	50%
May	302	547	551	1%
Jun	313	378	553	46%
Jul	335	317	525	66%
Aug	406	355	580	63%
Sep	368	370	613	66%
Oct	397	452	543	20%
Nov	365	488		
Dec	323	427		
Total	**4,097**	**4,824**	**5,216**	
* % Change is 2021 over 2020 numbers				

Value of Dwellings Consented

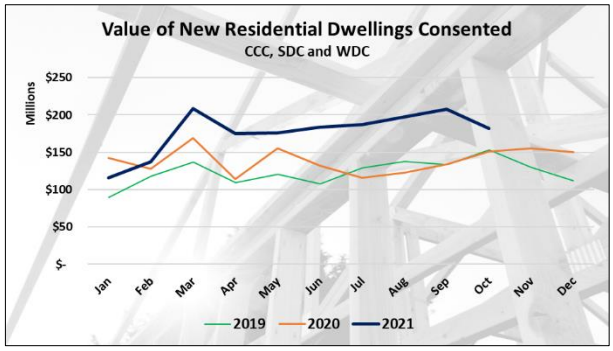
The total value of new residential dwellings consented in October 2021 across all three Councils was $ 181,671,899.

The total value of new residential construction for the year to date is $1.77 Bn. This is 30% more than the $1.36 Bn for the same ten-month period in 2020.





This is the first time that the value of dwellings consented (across all three Councils) has fallen since April, however at $182 million, it is still 21% more than the $150 million of consented dwellings in October 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	$ 176,071,090	13%
Jun	$ 107,353,065	$ 132,163,619	$ 183,594,636	39%
Jul	$ 129,323,600	$ 115,889,239	$ 186,863,703	61%
Aug	$ 137,332,916	$ 122,315,092	$ 197,132,519	61%
Sep	$ 132,980,549	$ 134,114,033	$ 207,961,460	55%
Oct	$ 153,512,100	$ 150,675,997	$ 181,671,899	21%
Nov	$ 130,401,028	$ 155,224,191		
Dec	$ 112,354,503	$ 150,274,732		
Total	$ 1,477,564,460	$ 1,669,460,938	$ 1,769,775,469	
* % Change is 2021 over 2020 numbers				

As has been indicated above, restrictions on building materials and ongoing price increases will most certainly have an impact on the market in the coming months.

Although limited supply might slow down some build projects, the increasing price of materials will almost certainly flow through to the cost of construction, increasing both the consented value and the $ per m2.

Side by Side comparison of Councils

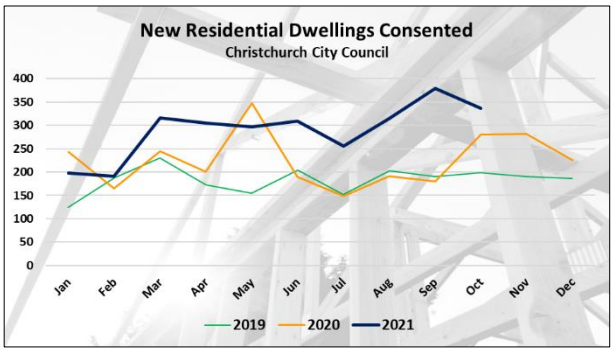
October 2021	CCC	SDC	WDC	Total / Avg.
Building Consents Issued	175	156	56	387
Total Dwellings Consented	337	150	56	543
EQ Recovery Dwellings	0	0	0	0
Individual Dwellings	142	115	56	313
Multi-Unit Dwellings	195	35	0	230
Percentage of Multi-Units	58%	23%	0%	42%
Total m2	44,245	27,904	10,867	83,016
Median Dwelling Size m2	101	184	187	184
Median Consent Value	$ 231,250	$ 357,143	$ 350,000	$ 350,000
Median $ per m2	$ 2,250	$ 2,043	$ 1,967	$ 2,043
Total Value of Consents	$ 100,497,403	$ 60,191,496	$ 20,983,000	$ 181,671,899
Individual Dwellings				
Total Dwellings Consented	142	115	56	313
Total m2	27,583	24,134	10,867	62,584
Median Dwelling Size m2	185	192	187	187
Median Consent Value	$ 400,000	$ 387,827	$ 350,000	$ 387,827
Median $ per m2	$ 2,104	$ 1,998	$ 1,967	$ 1,998
Total Value of Consents	$ 62,731,251	$ 50,427,496	$ 30,406,072	$ 134,141,747
Multi-Units				
Building Consents Issued	35	7	0	42
Total Dwellings Consented	195	35	0	230
Avg. Dwellings per Consent	6	5	0	0
Total m2	16,662	3,770	0	20,432
Median Dwelling Size m2	77	106	0	77
Median Consent Value	$ 175,000	$ 272,308	$ -	$ 175,000
Median $ per m2	$ 2,265	$ 2,818	$ -	$ 2,265
Total Value of Consents	$ 37,766,152	$ 9,764,000	$ -	$ 47,530,152
EQ Recovery Dwellings				
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	$ -	$ -	$ -	0
Average $ per m2	$ -	$ -	$ -	0
Total Value of Consents	$ -	$ -	$ -	$ -

3. Christchurch City Council

Number of Dwellings Consented

In October 2021 there were 337 new residential dwellings consented in Christchurch. This is an 11% decrease from the 379 new dwellings consented last month (October 2020), however an increase of 20% on the 280 dwellings consented for the same month last year (October 2020).

**** As has been indicated above, this number does not include any building consented issued by Kainga Ora, which has become its own Building Consent Authority since May 2021.***



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	297	-15%
Jun	204	189	309	63%
Jul	152	149	256	72%
Aug	203	191	314	64%
Sep	191	180	379	111%
Oct	198	280	337	20%
Nov	190	282		
Dec	186	226		
Total	**2,193**	**2,699**	**2,902**	
* % Change is 2021 over 2020 numbers				

Year to date, there has been a total of 2,902 new residential dwellings consented in Christchurch. This is a year-on-year increase of 32% over the 2,191 new dwellings consented for the same ten-month period in 2020.

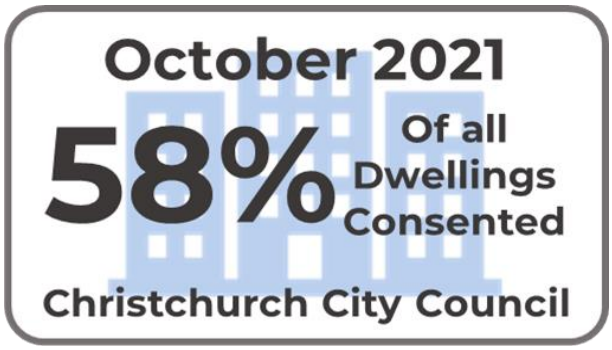
Much like the whole of New Zealand, new residential construction numbers across the greater Christchurch area are at record levels.

With such high levels of construction, the sector is facing multiple challenges:

- Extended times for approval of building consents from Councils
- Shortages of both greenfield and brownfield development sites
- Significant increases in the cost of land
- Building materials are in short supply across most product categories
- Increasing cost of materials
- High inflation and rising interest rates

I expect that these factors will combine to see a slow down in the level of new consents coming through over the next few months.

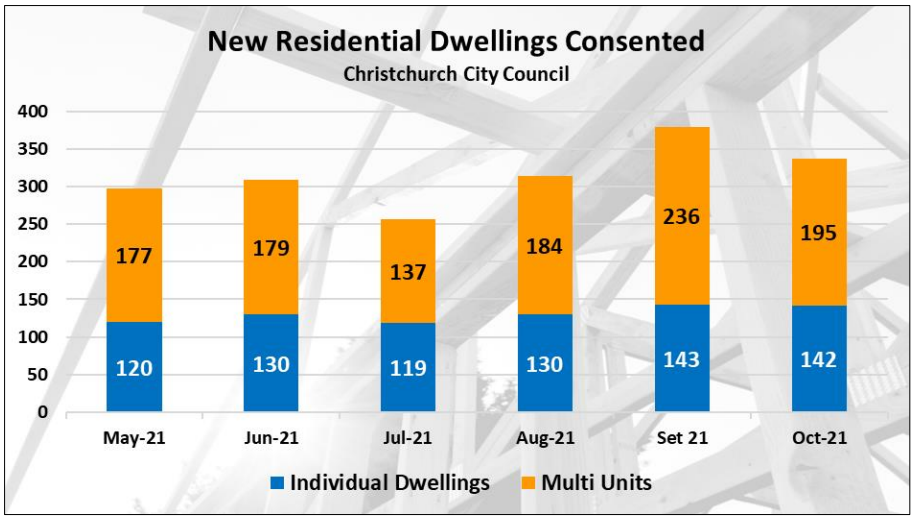
Multi-Unit Developments



In October 2021, multi-unit developments represented 58% of all dwellings consented in Christchurch, with 195 dwellings consented across 35 consent applications. This is an average of 5.6 units per building consent.

The trend toward larger developments continues with construction of blocks of up to18 and 24 units being consented this month.

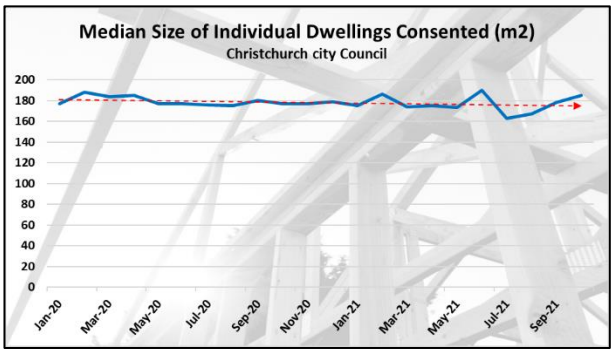
Year to date there have been a total of 1,691 multi-unit dwellings consented, compared to just 1,211 individual dwellings. This represents approximately 58% of all new residential construction across the city for the ten-months to 31 October 2021.



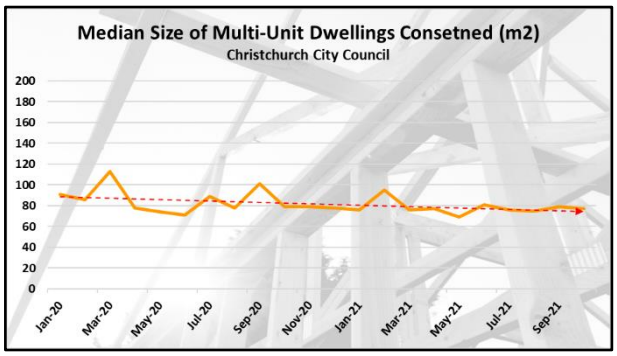
The largest developments consented in Christchurch this month were:

- 24 units in Cobham Street, Spreydon by Wolfbrook Residential
- 18 units in Salisbury Street, Central City by Vale Property Group
- 13 units in Cashel Street, Central City by Moreover Holdings
- 8 units in Simeon Street, Spreydon by Platform Residential
- 7 units in Grove Road, Addington by HJE Developments

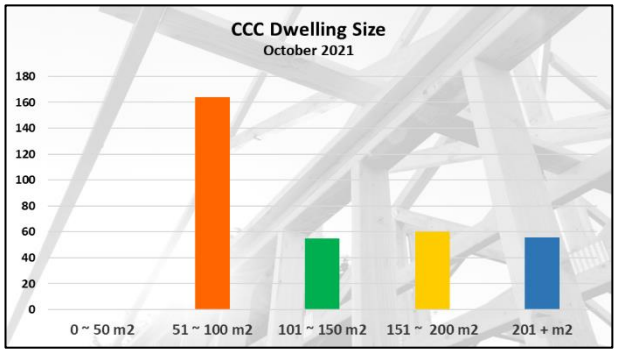
Size of Dwellings Consented

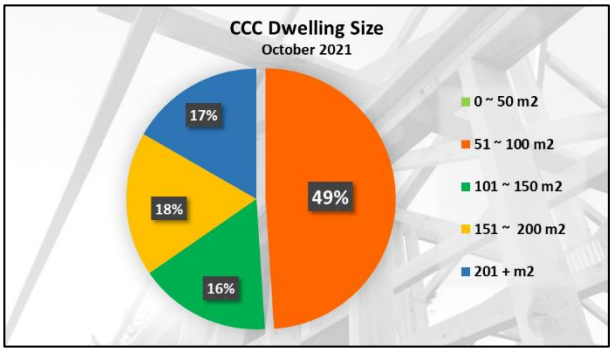


In October 2021 the median size of individual dwellings consented in Christchurch was 185 m2. There has been a noticeable increase in the median size of individual dwellings over the past few months, however the overall, long-term trend is toward smaller dwellings.



In October 2021 the median size of multi-unit dwellings consented in Christchurch was 77 m2. As can be seen from the graph above, this continues the ongoing trend toward smaller dwellings as part of these multi-unit developments.



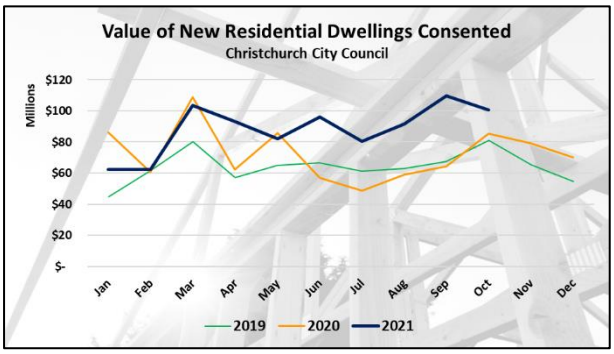


Almost half of all dwellings consented this month were between 51 m2 and 100 m2, with no units being consented (as an average) below 50 m2.

The balance of dwellings are reasonably evenly spread out this month, which fairly reflects the split between individual dwellings and multi-unit dwellings.

Value of Dwellings Consented

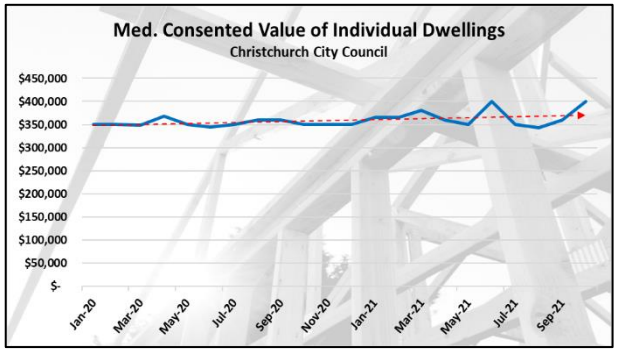
In October 2021 the overall value of new dwellings consented in Christchurch was $100,497,403. This is an increase of 18% over the $85 million in consented value for the same month last year (October 2020).



Value of New Residential 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	$	81,897,137	-5%
Jun	$	66,590,629	$	57,103,479	$	96,067,288	68%
Jul	$	61,256,727	$	48,564,120	$	80,338,726	65%
Aug	$	62,953,318	$	58,866,437	$	91,526,125	55%
Sep	$	67,491,793	$	64,496,936	$	109,727,153	70%
Oct	$	80,881,413	$	85,242,554	$	100,497,403	18%
Nov	$	65,329,678	$	79,245,495			
Dec	$	54,785,132	$	70,119,762			
Total	$	768,118,300	$	867,096,181	$	881,308,025	
* % Change is 2021 over 2020 numbers							

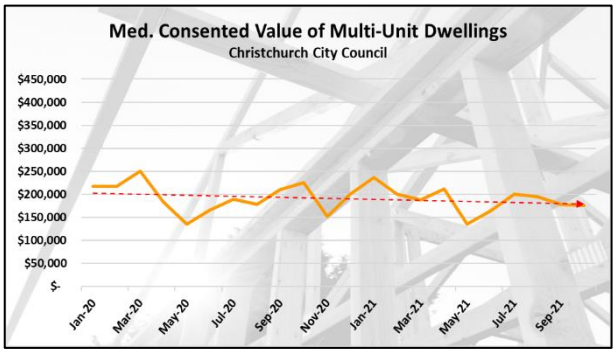
Year-to-date, the value of new residential dwellings consented in Christchurch is more than $880 million. This is a year-on-year increase of 23% over the $718 million for the same ten-month period for 2020.

Given the current level of residential construction in the city, it is more than likely that the total value will exceed $1 Billion for the year.



In October 2021 the median consented value for individual dwellings in Christchurch was $400,000. This is up slightly from $399,500 in June and is the highest median consented value for individual dwellings recorded.

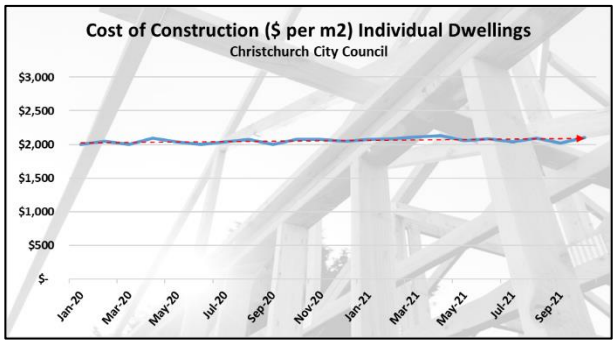
This continues the upward trend in consented values for individual dwellings and is likely fuelled by the ongoing increase in the cost of building materials.



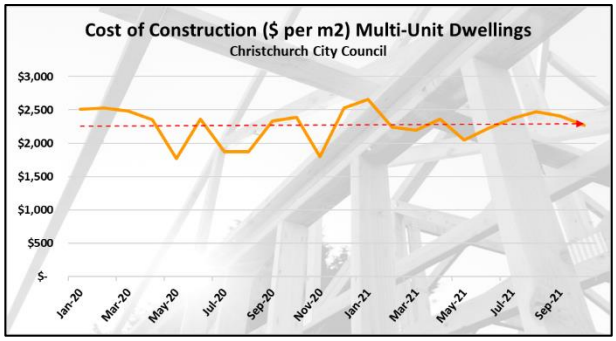
In October 2021 the median value of multi-unit dwellings was $175,000. Despite the rising cost of building materials, the consented value of multi-unit dwellings continues to decrease. This is likely that this is in part due to the increasing size of developments being built. Larger developments improve the economies of scale for developers, allowing the overall cost per unit to come down.

Having said this, it would not be surprising if the increasing cost of building materials was to show up as an increased consented value in the next few months.

Cost of Construction



In October 2021, the median cost of construction (measured in $ per m2) for individual dwellings in Christchurch was $2,104. As can be seen by the graph above, the long-term trend is relatively flat. This is in part due to smaller dwellings measured against increasing consented values.



In October 2021, the median $ per m2 for multi-unit dwellings was $2,265, which is approximately 8% more than that for individual dwelling.

Christchurch Top Applicants

TOP APPLICANTS (by Dwellings Consented) October 2021							
Christchurch City Council	Consents Issued	Dwellings	Avg. Floor Size m2	Total Floor Size m2	Med. $ per m2	Med. Dwelling Value	Total Consent Value
Wolfbrook Residential	1	24	77	1,854	$ 2,265	$ 175,000	$ 4,200,000
Vale Property	1	18	90	1,622	$ 2,281	$ 205,556	$ 3,700,000
Brooksfield Living	3	16	75	1,205	$ 1,801	$ 135,619	$ 2,169,900
Moreover Holdings	1	13	69	895	$ 1,753	$ 120,692	$ 1,569,000
Titus Group	2	11	74	818	$ 3,056	$ 227,273	$ 2,500,000
Craig Philip Ussher	2	11	91	1,000	$ 2,356	$ 214,159	$ 2,355,750
Laurelwood	2	11	71	785	$ 1,907	$ 136,096	$ 1,497,060
Mike Greer Homes	9	9	181	1630	$ 1,855	$ 335,959	$ 3,023,634
Petrie Architects Limited	1	8	74	589	$ 3,735	$ 275,000	$ 2,200,000
Dennis Garry Winter	1	7	80	560	$ 2,679	$ 214,286	$ 1,500,000

This month (with the exception of Mike Greer Homes) all of the top ten applicants are building multi-unit developments.

Wolfbrook Residential have one development of 24 units in Spreydon. Vale Property have one development of 18 units in the Central City and Brooksfield Living have three developments with 16 units.

The top 10 applicants accounted for approximately 38% of all dwellings consented for the month.

Christchurch Top Suburbs

TOP SUBURBS (by Dwellings Consented) October 2021							
Christchurch City Council	Consents Issued	Dwellings	Med. Floor Area m2	Total Floor Area m2	$ per m2	Med. Dwelling Value	Total Consent Value
SPREYDON	9	56	81	4,516	$ 2,627	$ 211,874	$ 11,864,960
HALSWELL	42	42	184	7,745	$ 2,155	$ 397,441	$ 16,692,540
ST ALBANS	10	36	102	3,662	$ 2,213	$ 225,131	$ 8,104,720
LINWOOD	3	27	66	1,788	$ 2,108	$ 139,593	$ 3,769,000
YALDHURST	26	26	156	4,059	$ 2,006	$ 313,152	$ 8,141,946
CENTRAL CITY	2	21	98	2,057	$ 2,324	$ 227,619	$ 4,780,000
RICCARTON	5	19	99	1,873	$ 2,243	$ 221,101	$ 4,200,922
WALTHAM	3	17	80	1,366	$ 1,845	$ 148,262	$ 2,520,450
BURWOOD	15	15	230	3,445	$ 1,988	$ 456,652	$ 6,849,784
WIGRAM	12	12	171	2,049	$ 1,932	$ 329,901	$ 3,958,806

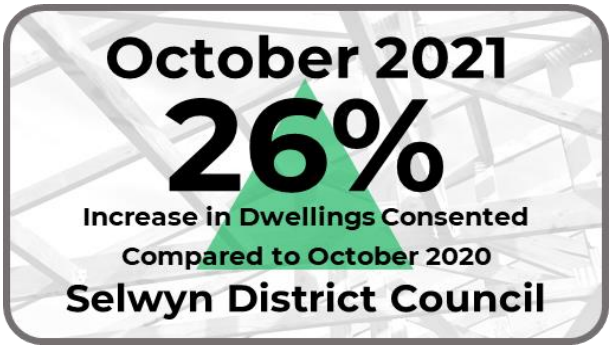
Spreydon is the most popular suburb in the city to build this month, with 56 dwellings across 9 building consent applications (with all but two applications being for multi-unit developments).

Halswell is again the most popular suburb for individual dwellings with 42 dwellings consented for the month.

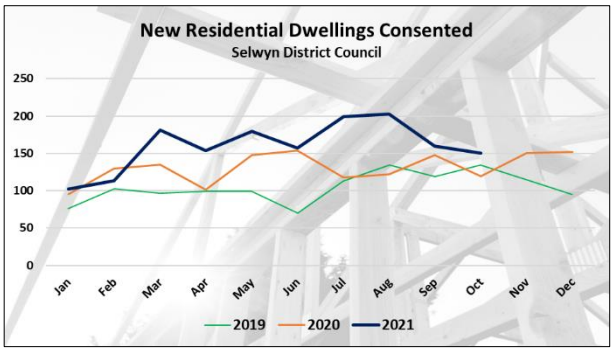
Inner-city suburbs of Spreydon, St Albans, Linwood, Riccarton and Waltham continue to be the post popular areas for larger scale multi-unit developments.

4. Selwyn District Council

Number of Dwellings Consented



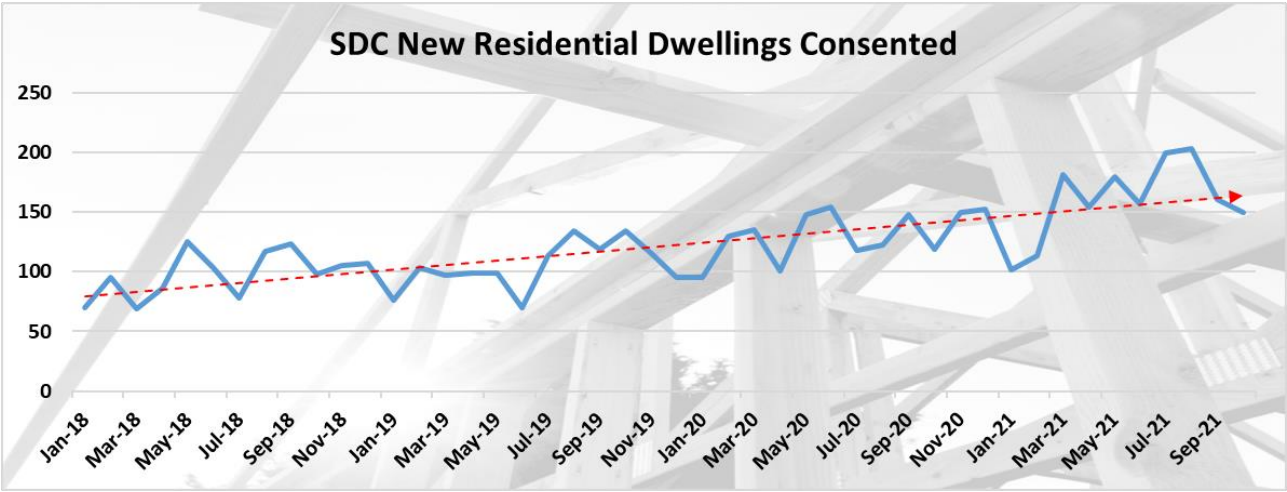
In October 2021 there were 150 new residential dwellings consented across the Selwyn District. This is the second month in a row showing a decline in the number of new dwellings consented, however, this is still an increase of 26% over the 119 new dwellings consented in the same month last year (October 2020).



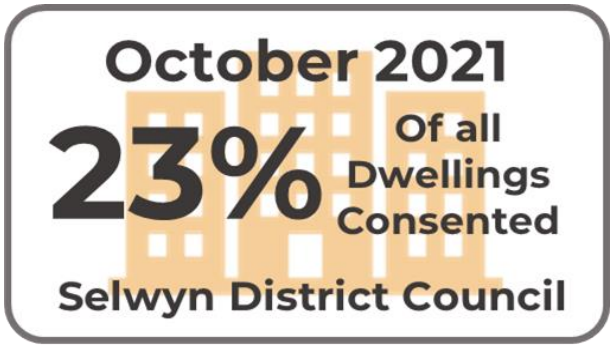
New Residential Dwellings Consented (Selwyn District Council)				
	2019	2020	2021	% Change *
Jan	76	95	102	7%
Feb	103	130	113	-13%
Mar	97	135	181	34%
Apr	99	101	154	52%
May	99	148	179	21%
Jun	70	154	157	2%
Jul	113	118	199	69%
Aug	134	122	203	66%
Sep	119	148	160	8%
Oct	134	119	150	26%
Nov	115	150		
Dec	95	152		
Total	1,254	1,572	1,598	
* % Change is 2021 over 2020 numbers				

Year to date there have been a total of 1,598 new residential dwellings consented across Selwyn. This is an increase of approximately 26% over the 1,270 dwellings consented for the same ten-month period in 2020.

Despite the dip in dwellings consented recently, the graph below clearly demonstrates the overall trend of the increase in residential construction in the district over the past four years.



Multi-Unit Developments

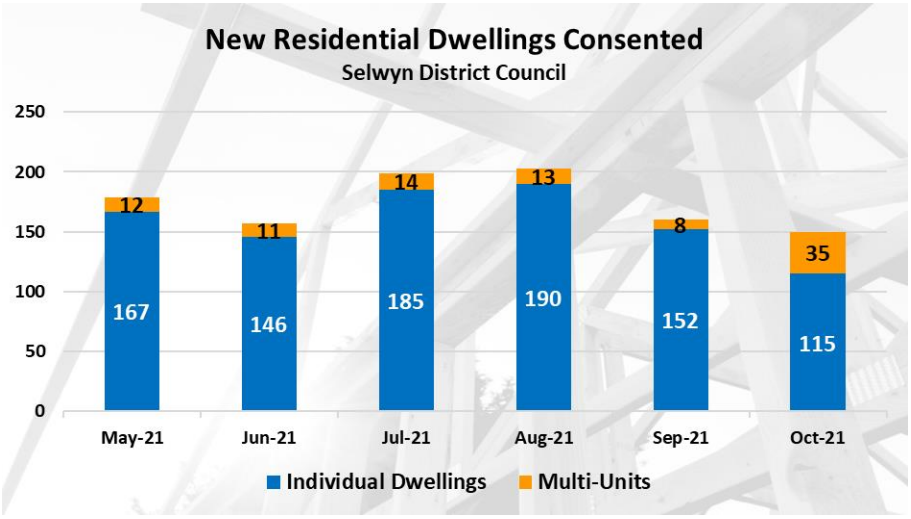


In October there were 35 multi-unit dwellings consented across 7 building consent application in Selwyn, which represents 23% of all dwellings consented in the district for the month.

This is the highest number of multi-unit dwellings consented in a single month in the district.

Although this is still well short of the level of multi-unit development in Christchurch, which currently makes up almost 60% of all dwelling consented, there seems to be an appetite from both builders and purchasers for more of this type of medium density development.

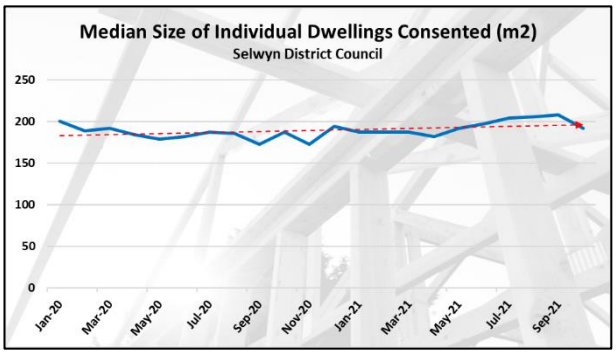
Year to date, there has been a total of 148 multi-units consented in Selwyn over 43 consent applications, which equates to an average of 3.4 units per consent application.



The largest developments in Selwyn this month were:

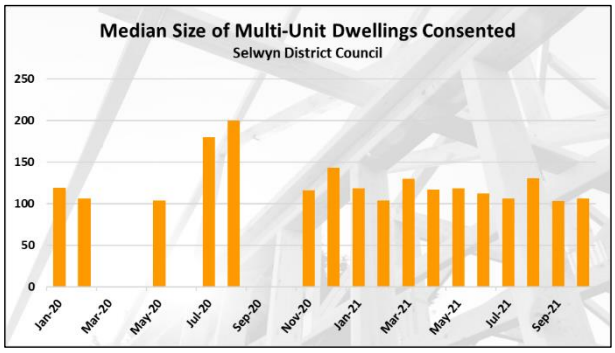
- 13 units in Upham Lane, Acland Park, Rolleston by Kevler Homes
- 7 units in Whittington Drive, Farringdon, Rolleston by Hughes Developments
- 7 units in Upham Lane, Acland Park, Rolleston by Kevler Homes

Size of Dwellings Consented



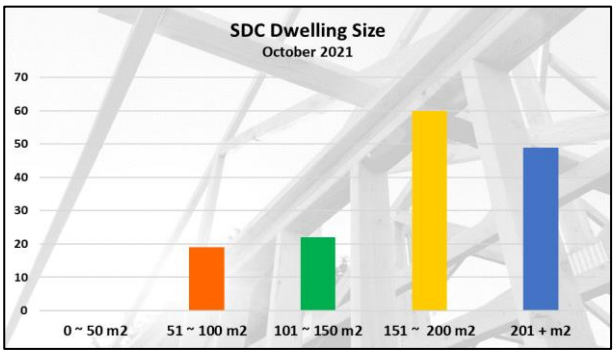
The median size of individual dwellings in October across Selwyn District was 192 m2.

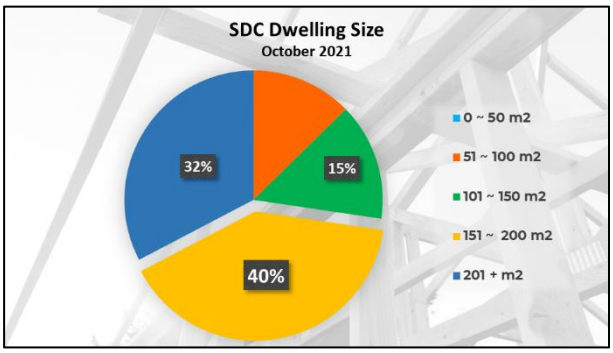
Although the long-term trend is toward smaller dwellings, the graph above shows that over the couple of years that the median size of dwellings has increased slightly.



The median size of multi-unit dwellings in Selwyn was 106 m2 in October. This type of dwelling makes up a much smaller percentage of residential construction than in neighbouring Christchurch and they tend to be approximately 25% larger in size.

Note: The gaps in the graph above are where there have been no multi-unit dwellings consented in that month.



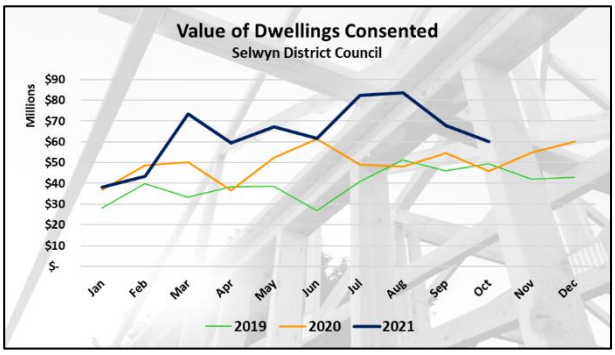


Overall, it is generally larger individual family homes that are favoured in Selwyn.

In October more than 70% of all new dwellings consented were larger than 151 m2.

Value of Dwellings Consented

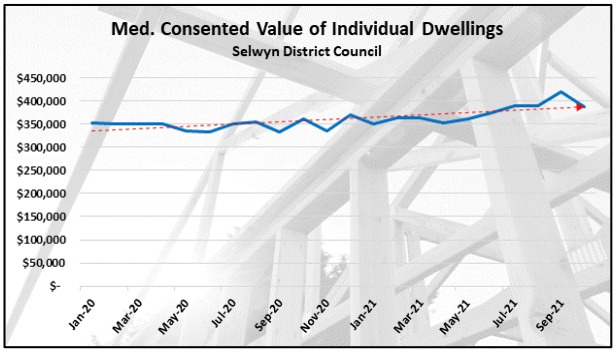
In October 2021 the total value of dwellings consented in Selwyn District was $ 60,191,496. Although this is the second month in a row where the consented value of residential construction has fallen, it is still a 31% increase over the $46 million for the same month last year (October 2020).



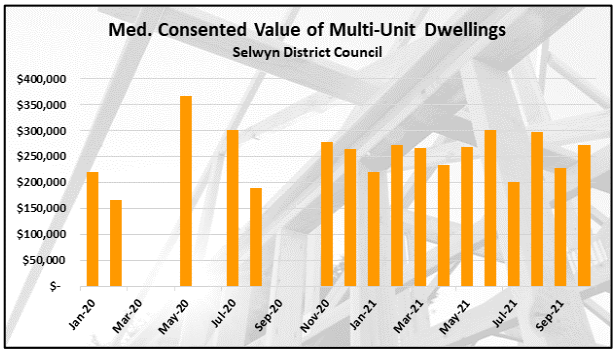
Value of Dwellings Consented (Selwyn District Council)								
	2019		2020		2021		% Change *
Jan	$	28,100,624	$	36,871,466	$	38,214,786	4%
Feb	$	39,722,089	$	48,657,279	$	43,245,276	-11%
Mar	$	33,470,529	$	50,203,740	$	73,492,102	46%
Apr	$	38,379,725	$	36,656,709	$	59,604,250	63%
May	$	38,736,751	$	52,349,878	$	67,224,206	28%
Jun	$	26,964,115	$	61,163,840	$	61,746,478	1%
Jul	$	40,842,941	$	48,814,789	$	82,404,338	69%
Aug	$	51,340,381	$	47,933,674	$	83,477,610	74%
Sep	$	46,158,672	$	54,597,943	$	67,828,235	24%
Oct	$	49,544,727	$	45,872,549	$	60,191,496	31%
Nov	$	42,060,885	$	54,773,332			
Dec	$	42,970,180	$	60,150,777			
Total	$	478,291,619	$	598,045,976	$	637,428,777	
* % Change is 2021 over 2020 numbers							

Year to date the total value of new residential construction in Selwyn is $637 million which is up by 32% on the $483 million for the same ten-months period in 2020.

At this current rate of growth, the projected overall value of new residential dwellings for Selwyn District could reach $750 million for the year.



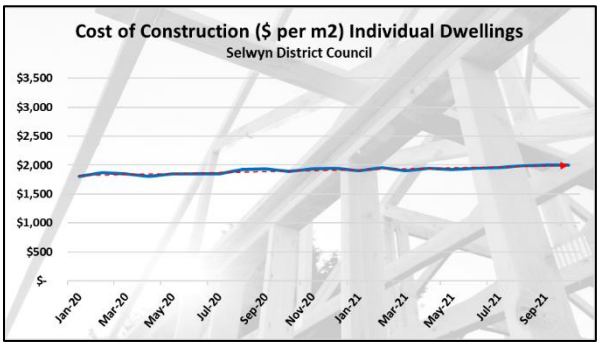
In October 2021, the median consented value of individual dwellings in Selwyn District was $387,827. Over the past two year there has been a noticeable increase in the median consented value of individual dwellings from around $350,000.



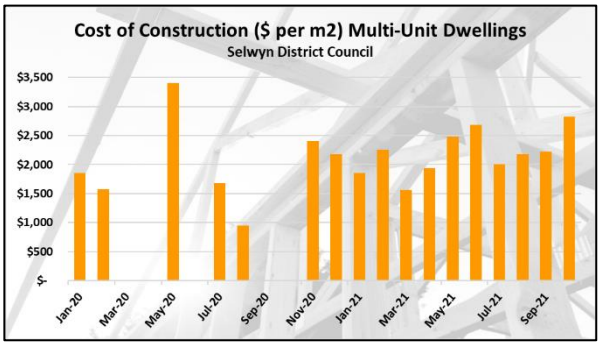
In October 2021, the median consented value of multi-unit dwellings in Selwyn District was $272,308.

Note: The gaps in the graph above are where there have been no multi-unit dwellings consented in that month.

Cost of Construction



In October 2021 the median cost of construction ($ per m2) for individual dwellings in Selwyn District was $1,998. Over the past two years, the value has risen slightly from just over $1,800 per m2 to now almost $2,000 per m2.



The median $ per m2 for multi-unit dwellings in Selwyn for October was $2,818. This is approximately 40% more than the cost of construction for individual dwellings.

Although this a is higher $ per m2 compared to multi-unit dwellings in Christchurch, this is likely due to a much smaller number of dwellings per development and a higher level of construction and finish.

Selwyn Top Applicants

TOP APPLICANTS (by Dwellings Consented) October 2021							
Selwyn District Council	Consents Issued	Dwellings	Med. Floor Size m2	Total Floor Size m2	Med. $ per m2	Med. Dwelling Value	Total Value
Kevler Homes	2	20	104	2,070	$ 2,918	$ 302,000	$ 6,040,000
Today Homes	12	12	200	2,401	$ 1,826	$ 365,336	$ 4,384,026
Golden Homes	8	8	170	1,363	$ 2,004	$ 341,500	$ 2,732,000
Hughes Developments	1	7	107	749	$ 2,336	$ 250,000	$ 1,750,000
Generation Homes	6	6	211	1,265	$ 2,112	$ 445,250	$ 2,671,500
DP Homes	4	4	220	880	$ 1,830	$ 402,500	$ 1,610,000
DT Designs	4	4	186	743	$ 1,938	$ 360,000	$ 1,440,000
Mike Greer Homes	4	4	162	648	$ 2,208	$ 357,630	$ 1,430,520
Stonewood Homes	4	4	182	726	$ 1,901	$ 345,002	$ 1,380,008
SDMC Architecture	3	3	243	728	$ 2,266	$ 550,000	$ 1,650,000

Kevler Homes is the top applicant in Selwyn for October, with 2 applications for a total of 20 new dwellings for the month.

Volume and Group Home Builders make up the bulk of applicants this month, but architectural designers continue to produce a significant amount of work across the district.

The top 10 applicants account for almost half of all dwellings consented this month in the district.

Selwyn Top Townships

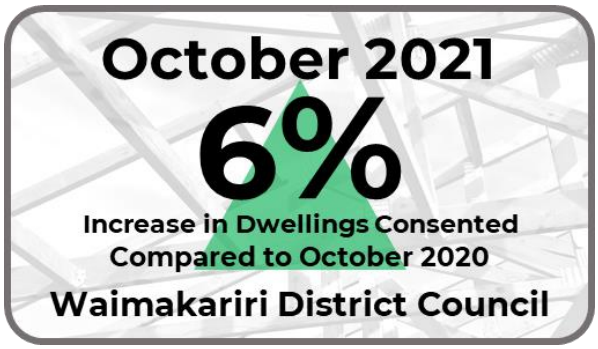
TOP TOWNSHIPS (by Dwellings Consented) October 2021							
Selwyn District Council	Consents Issued	Dwellings	Med. Floor Area	Total Floor Area	$ per m2	Med. Dwelling Value	Total Value
Rolleston	47	73	159	11,606	$ 2,121	$ 337,217	$ 24,616,861
Lincoln	43	45	205	9,240	$ 2,124	$ 436,190	$ 19,628,567
Darfield	11	11	212	2,331	$ 2,039	$ 432,003	$ 4,752,034
Prebbleton	3	3	308	924	$ 2,463	$ 758,453	$ 2,275,360
Southbridge	3	3	195	585	$ 2,342	$ 456,667	$ 1,370,000
Kirwee	3	3	182	546	$ 1,931	$ 351,466	$ 1,054,399
Leeston	3	3	191	574	$ 1,777	$ 339,968	$ 1,019,903
West Melton	2	2	346	691	$ 2,243	$ 775,000	$ 1,550,000
Coalgate	2	2	161	322	$ 1,993	$ 320,840	$ 641,680
Tai Tapu	1	1	406	406	$ 3,448	$ 1,400,000	$ 1,400,000

Rolleston and Lincoln account for more than 79% of all dwellings in Selwyn this month.

Darfield continues to show strong growth with a number of new subdivisions under development following the Selwyn District Councils announcement to build a new sewer connection to the township.

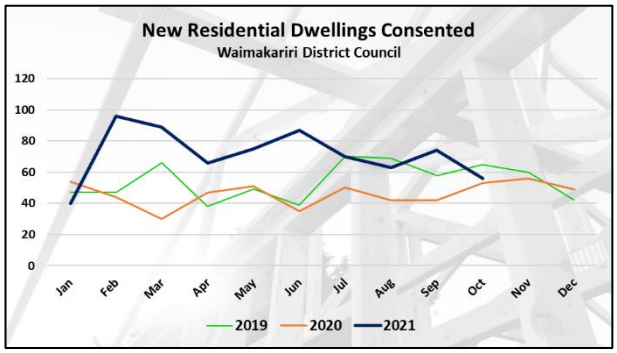
5. Waimakariri District Council

Number of Dwellings Consented



In October 2021 there were 56 new residential dwellings consented across Waimakariri District. This a 6% increase over the 53 new dwellings consented in the same month last year (October 2020).

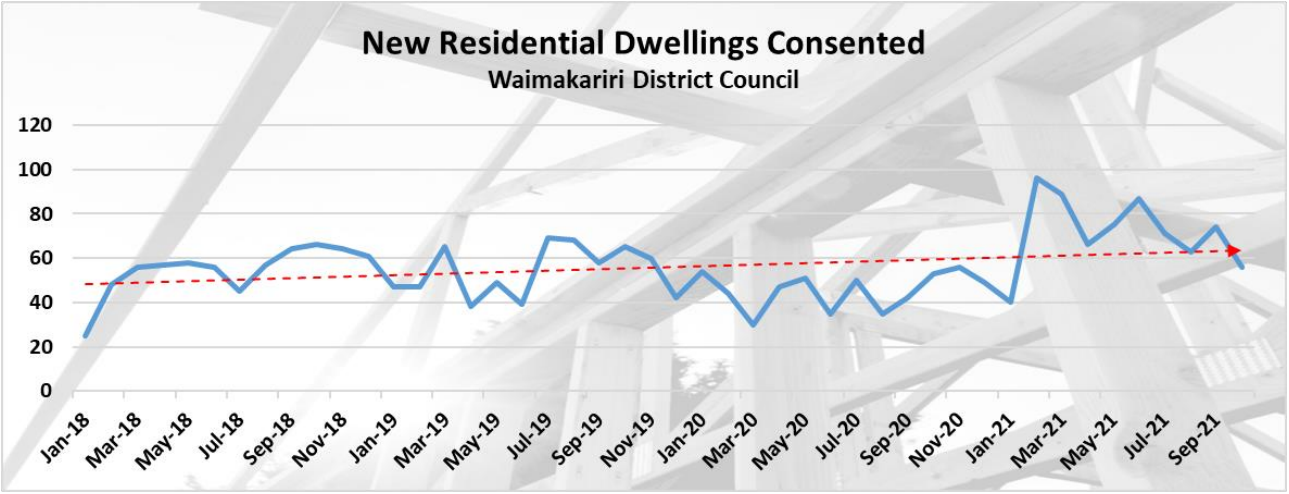
Year to date there has been a total of 716 new dwellings consented in Waimakariri. This is a massive increase of 60% over the 448 dwellings consented for the same ten-month period in 2020.



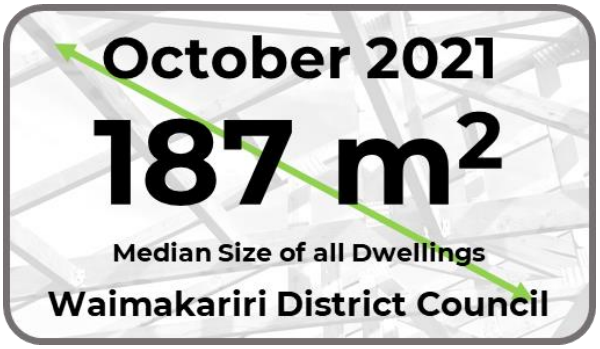
New Residential Dwellings Consented (Waimakariri District Council)				
	2019	2020	2021	% Change*
Jan	47	54	40	-26%
Feb	47	44	96	118%
Mar	66	30	89	197%
Apr	38	47	66	40%
May	49	51	75	47%
Jun	39	35	87	149%
Jul	70	50	70	40%
Aug	69	42	63	50%
Sep	58	42	74	76%
Oct	65	53	56	6%
Nov	60	56		
Dec	42	49		
Total	650	553	716	
* % Change is 2021 over 2020 numbers				

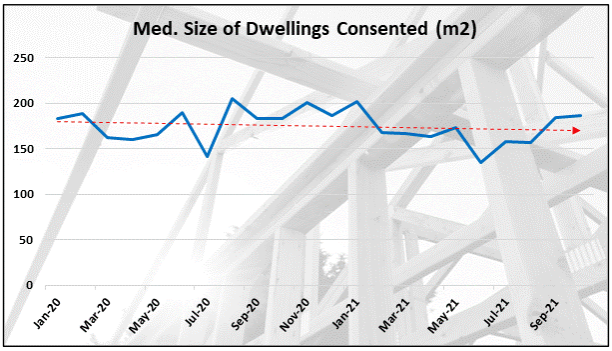
Despite the strong start to the year with new dwellings being consented, since February there has been a steady and noticeable decline in new construction across the district.

Although the overall trend is positive, the level of new residential construction is still well behind that for neighbouring Christchurch and Selwyn by comparison to population.



Size of Dwellings Consented

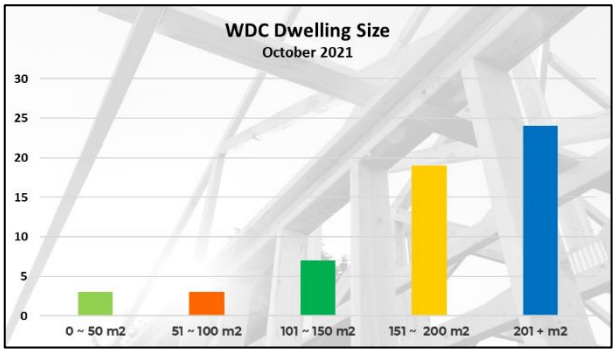


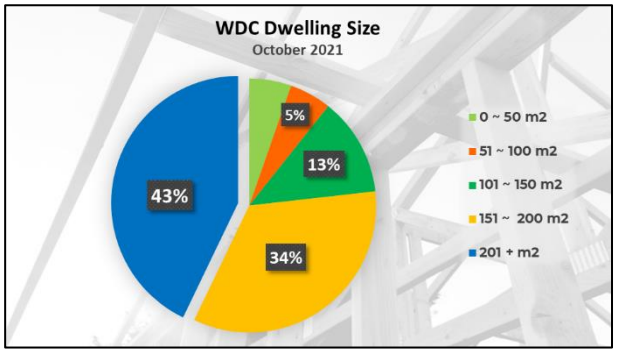


The median size of new residential dwellings consented in Waimakariri in October was 187 m2, which is slightly above the long-term declining trend.

There were no multi-unit dwellings consented this month.

As can be seen by the graph above, over the past two years there has been considerable variance in the median dwelling size. This is in part due to the smaller number of dwellings being consented, which can allow the values to be skewed depending on what is being built each month.

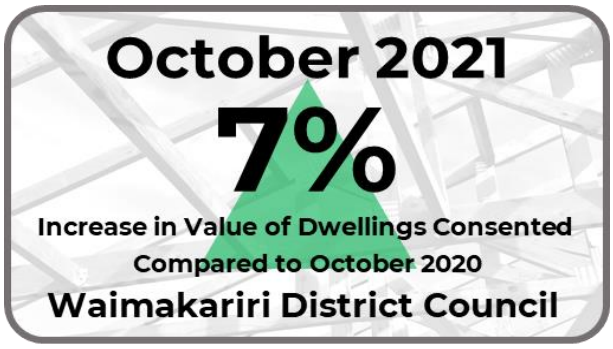




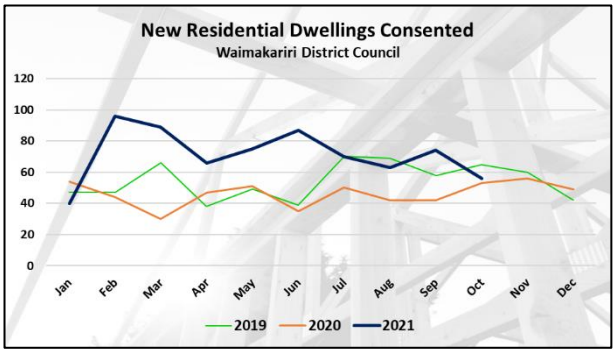
Despite the overall trend toward smaller housing in the District, more than 3/4 of all new dwellings this month were larger than 150m2, however this is being offset by an increasing proportion in the under 100 m2, which hasn't been so prevalent in the District previously.

The small number of dwellings consented at smaller than 50m2 are most often relocatable homes.

Value of Dwellings Consented

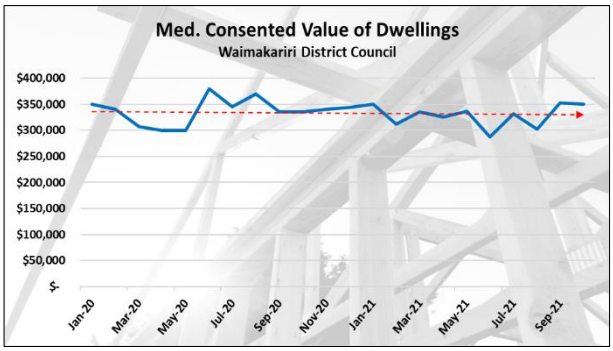


The total value of dwellings consented in Waimakariri District in October was $20,983,000. Although this is an increase of 7% over the $19.6 million for the same month last year (October 2020), there is a noticeable decline in both the number of dwellings and consented value of residential construction in the district since February this year.

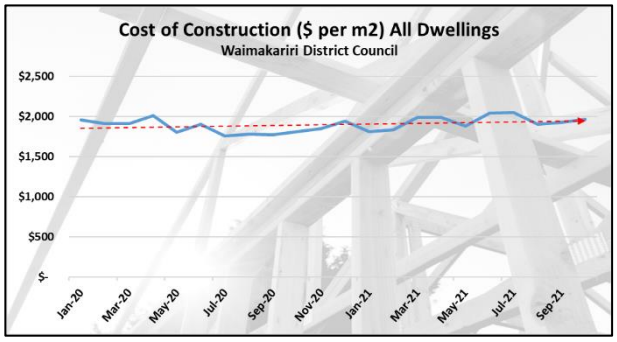


Value of Dwellings Consented (Waimakariri District Council)							
	2019		2020		2021		% Change *
Jan	$	16,544,417	$	19,314,135	$	14,815,487	-23%
Feb	$	17,016,997	$	18,371,012	$	31,908,381	74%
Mar	$	22,860,118	$	10,035,657	$	31,426,907	213%
Apr	$	14,091,438	$	15,487,222	$	22,518,777	45%
May	$	16,554,401	$	17,399,539	$	26,949,747	55%
Jun	$	13,798,321	$	13,896,300	$	25,780,870	86%
Jul	$	27,223,932	$	18,510,330	$	24,120,639	30%
Aug	$	23,039,217	$	15,514,981	$	22,128,784	43%
Sep	$	19,330,084	$	15,019,154	$	30,406,072	102%
Oct	$	23,085,960	$	19,560,894	$	20,983,000	7%
Nov	$	23,010,465	$	21,205,364			
Dec	$	14,681,365	$	20,004,193			
Total	$	231,236,715	$	204,318,781	$	251,038,664	
* % Change is 2021 over 2020 numbers							

Year to date the total value of dwellings consented in the district is $251 million, which is up by more than 50% over the $163 million for the same ten-month period in 2020.



The median consented value of new dwellings was $350,000 and the median cost of construction was $1,967 per m2.



Waimakariri Top Applicants

TOP APPLICANTS (by Dwellings Consented) October 2021							
Waimakariri District Council	Consents Issued	Dwellings	Med. Floor Size m2	Total Floor Size m2	Med. $ per m2	Med. Dwelling Value	Total Value
Jeremy K Harrison	6	6	215	1,292	$ 1,981	$ 426,500	$ 2,559,000
Leigh Adams Architecture Limited	6	6	212	1,273	$ 1,767	$ 375,000	$ 2,250,000
Mike Greer Homes	4	4	214	857	$ 1,855	$ 397,500	$ 1,590,000
Golden Homes Limited	3	3	140	420	$ 2,010	$ 281,333	$ 844,000
David Magill Builders 2017 Limited	2	2	216	432	$ 2,535	$ 547,500	$ 1,095,000
Today Homes Limited	2	2	225	450	$ 1,971	$ 443,500	$ 887,000
Dixon Design Limited	2	2	216	432	$ 1,875	$ 405,000	$ 810,000
Site Architecture Limited	1	1	453	453	$ 1,766	$ 800,000	$ 800,000
VIP Design Limited	1	1	367	367	$ 2,180	$ 800,000	$ 800,000
X.Design Architects Limited	1	1	376	376	$ 1,862	$ 700,000	$ 700,000

Independent designers Jeremy Harrison and Leigh Adams top the list this month with six consent applications each.

Mike Greer Homes is third with 4 new dwellings for the month, followed by Golden Homes with 3 dwellings consented.

Although more than half of the top 10 applicants this month have only consented one or two dwellings, the total top 10 applicants account for 50% of all dwellings consented this month in the district.

Waimakariri Top Townships

TOP TOWNSHIPS (by Dwellings Consented) October 2021							
Waimak District Council	Consents Issued	Dwellings	Med. Floor Area m2	Total Floor Area m2	$ per m2	Med. Dwelling Value	Total Value
WOODEND	25	25	197	4,913	$ 2,036	$ 400,040	$ 10,001,000
RANGIORA	12	12	209	2,512	$ 1,908	$ 399,417	$ 4,793,000
KAIAPOI	8	8	179	1,434	$ 1,980	$ 354,875	$ 2,839,000
SEFTON	3	3	126	379	$ 1,467	$ 185,333	$ 556,000
MANDEVILLE NORTH	2	2	191	382	$ 1,942	$ 371,000	$ 742,000
OHOKA	1	1	453	453	$ 1,766	$ 800,000	$ 800,000
WAIMAKARIRI DISTRICT	1	1	246	246	$ 2,061	$ 507,000	$ 507,000
WEST EYRETON	1	1	286	286	$ 1,049	$ 300,000	$ 300,000
WAIKUKU BEACH	1	1	112	112	$ 2,009	$ 225,000	$ 225,000
SPRINGBANK	1	1	100	100	$ 2,000	$ 200,000	$ 200,000

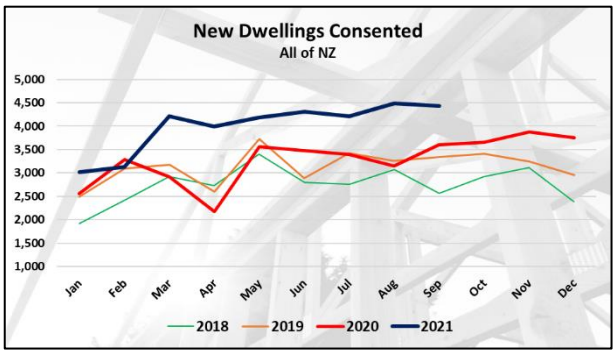
Woodend it the top township in the district with 25 new dwellings for the month. 11 consents for Pegasus, 10 for Ravenswood, 2 in Copper Beech and 1 for Woodlands Estate and 1 (as a secondary dwelling) in Tuahiwi.

The majority of new construction in Rangiora is in Townsend Fields.

6. Comparison of Canterbury to other Regions

Note: The following information is compiled from data provided by Statistics New Zealand. At the time of publishing this report September 2021 was the most up to date data available.

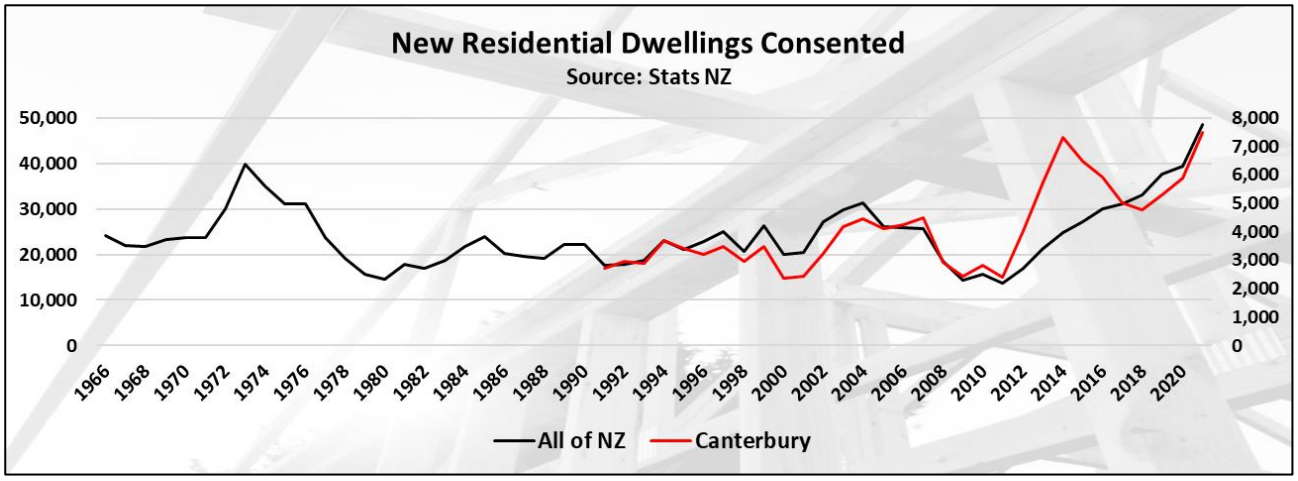
All of New Zealand



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	3,994	84%
May	3,407	3,724	3,562	4,180	17%
Jun	2,792	2,887	3,477	4,310	24%
Jul	2,752	3,420	3,391	4,211	24%
Aug	3,075	3,265	3,147	4,490	43%
Sep	2,559	3,347	3,605	4,438	23%
Oct	2,926	3,412	3,659		
Nov	3,120	3,238	3,881		
Dec	2,382	2,955	3,751		
Total	32,996	37,627	39,405	35,995	
* % Change is 2021 over 2020 numbers					

There were 4,438 new dwellings consented across New Zealand in September 2021. This is an increase of 23% on the 3,605 dwellings consented in September 2020.

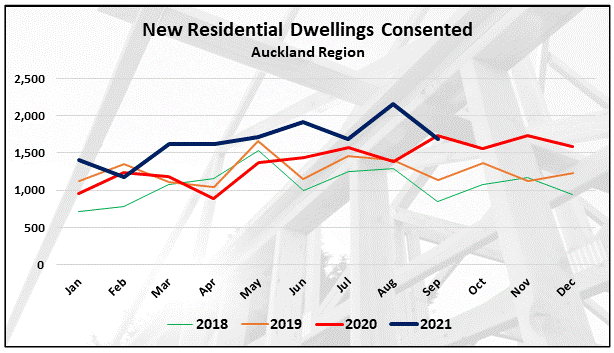
Year to date (to 30 September 2021) there have been 35,995 dwellings consented across all of New Zealand, which is a 28% increase over the 28,114 dwellings consented for the same nine-month period in 2020.



The graph above shows the number of residential building consents issued across all of New Zealand (left hand scale) compared to Canterbury (right hand scale).

For the past 3 years Canterbury averaged around 15% of all residential consents issued (ranging from as low as 11% and up to 18% on a monthly basis) and has generally followed a similar trend in the number of consents being issued (with a few exceptions, most obviously being the Canterbury earthquakes in 2010 and 2011).

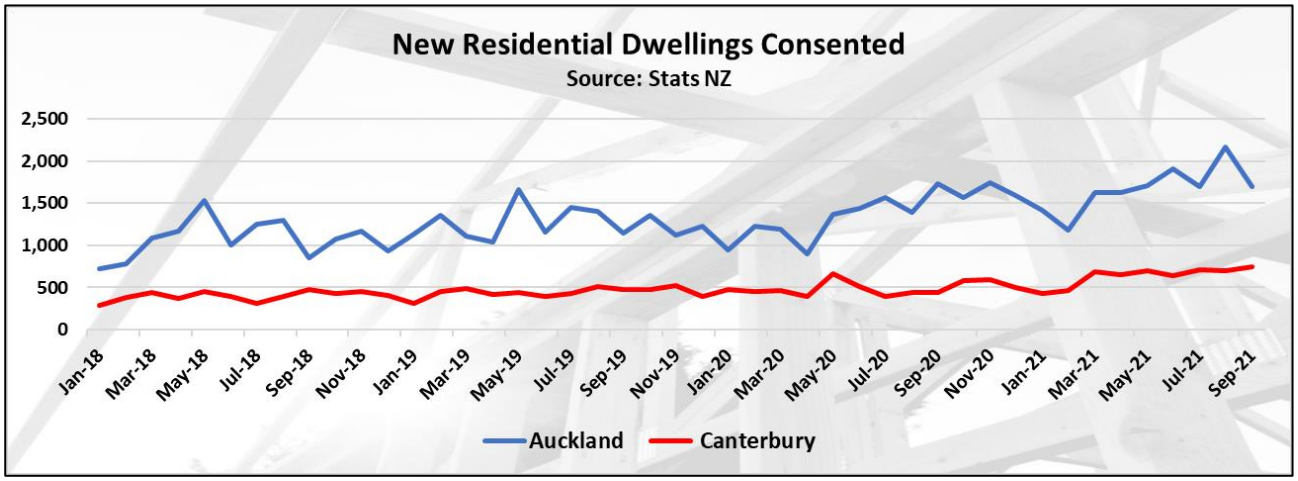
Auckland Region



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	1,623	82%
May	1,530	1,657	1,367	1,708	25%
Jun	1,001	1,152	1,439	1,910	33%
Jul	1,250	1,454	1,569	1,691	8%
Aug	1,298	1,407	1,391	2,162	55%
Sep	854	1,143	1,734	1,691	-2%
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	14,993	
* % Change is 2021 over 2020 numbers					

There were 1,691 new dwellings consented across the Auckland Region in September 2021. This is a decline of 2% over the 1,734 new dwellings consented in September 2020. This is only the second time this year where the number of dwellings consented has been lower than that of the comparative month in 2020.

Year to date there have been 14,993 new dwellings consented across the Auckland Region, this is a 27% increase over the 11,763 dwellings consented for the same nine-month period in 2020.



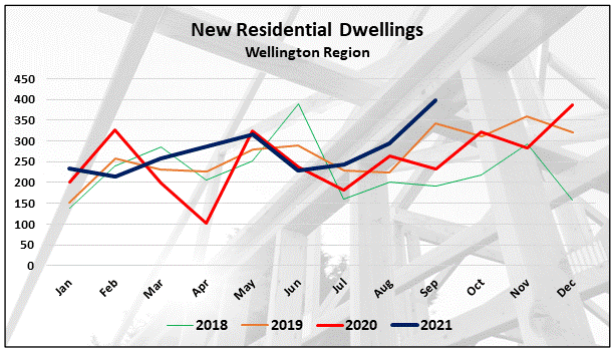
The graph above shows the number of residential building consents issued in the Auckland Region compared to Canterbury.

Since January 2018, Auckland has averaged approximately 41% of all residential consents issued in New Zealand, compared to 15% for the Canterbury Region.

Although the number of new dwellings being consented in Canterbury is increasing at a record rate, it is clear to see that Auckland consents have been growing at a faster rate.

In September, Auckland represented 38% of all new residential consents across NZ while Canterbury has risen slightly to 16%.

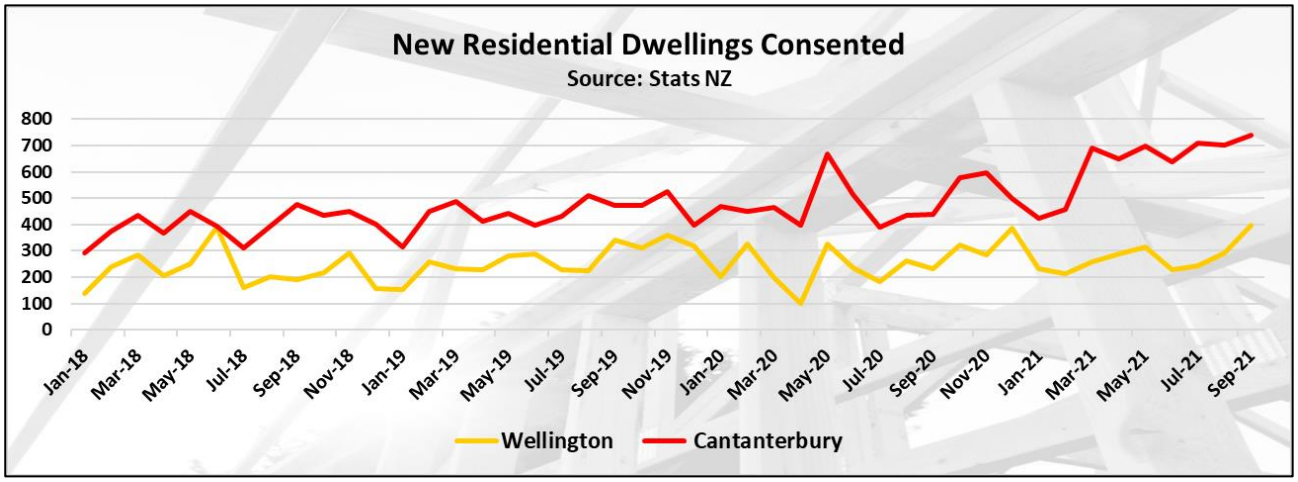
Wellington Region



New Dwellings Consented: Wellington Region (Source: Stats NZ)					
	2018	2019	2020	2021	% Change *
Jan	139	151	200	233	17%
Feb	239	259	326	214	-34%
Mar	286	231	199	258	30%
Apr	206	227	101	287	184%
May	252	279	325	315	-3%
Jun	389	288	237	229	-3%
Jul	160	229	181	244	35%
Aug	202	225	263	293	11%
Sep	192	342	232	397	71%
Oct	217	311	322		
Nov	292	358	284		
Dec	157	320	387		
Total	2,731	3,220	3,057	2,470	
* % Change is 2021 over 2020 numbers					

There were 397 new residential dwellings consented across the Wellington Region in September 2021, which is an increase of 71% over the 232 new dwellings consented in September 2020.

Year to date (to 30 September 2021) there have been 2,407 new dwellings consented, this is a 20% increase on the 2,064 dwellings consented for the same nine-month period in 2020.



The graph above shows the number of residential building consents issued in the Wellington Region compared to Canterbury.

Since January 2018 Wellington has averaged only 8% of all residential consents issued in New Zealand, compared to 15% for the Canterbury Region. In September, this percentage increased to 9% of all residential building consents, reflecting the increase in residential construction right across New Zealand.

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.

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Confidential Information

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