

# Where's the action in Canterbury?

A BRANZ analysis of building activity in Christchurch shows that, while a lot of minor repair work has been carried out, work needing a building consent is only now ramping up.

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**REBUILDING WORK** is now finally under way across the board in Christchurch, over two and a half years after the September 2010 magnitude 7.1 earthquake in Darfield. The initial repair work was mainly in the lesser damaged houses, some of which were redamaged in the quakes of February (M6.3) and June 2011 (M6.1).

The last major quake was in December 2011 (M6.0), and large events now have a low probability, so repair work and rebuilding is under way in earnest.

## **New home consents**

An estimated 10,000 new dwellings are needed to replace badly damaged homes. To date, there are about 3,000 building consents per annum so, at best, we are 30% of the way towards replacing the write-offs.

Christchurch city leads in the number of new houses (see Figure 1), but Waimakariri and Selwyn have a significant amount of new construction, most of it in new subdivisions. The value of these consents is shown in Figure 2.

## **Repair work slow**

The amount of repairable damage to housing is very approximately \$9 billion, of which BRANZ estimates about \$3 billion will be consented. The other \$6 billion is land claims, contents damage and building repairs able to be done under an exemption in the Building Act (Schedule 1, clause k). The exemption applies if the Christchurch City Council has good reason to believe the work will be properly done without a building consent. There are guidelines for these judgements at [www.ccc.govt.nz](http://www.ccc.govt.nz).

Only about \$100 million worth of alterations and additions consented work has been done in the last 12 months (see Figure 3), so the vast majority has yet to be done.

EQC and insurance companies are spending about \$100 million per month on housing, mainly on smaller-sized work that is not being consented. As the jobs over \$100,000 start to pick up, we expect average consented values to also increase significantly. As yet, this is not appearing in the data (see Figure 4).

## **Commercial work first to kick in**

Repairs and rebuilding in the non-residential sector started earlier than for housing, from about mid 2011 (see Figures 5 and 6) - housing did not start to any extent until early 2012. This partly reflects the TC3 land issues that affected housing more than commercial buildings.

In the last 12 months, there has been about \$700 million of consented repairs and replacement in non-residential buildings. The work on new builds and repairs for housing is about \$1 billion, including Waimakariri and Selwyn.

Proportional to the damage, non-residential is ahead of housing in replacements and repairs.

## **Momentum is gathering**

Although a lot of repair and replacement work has been done, most is non-consented repair work and some replacement commercial buildings. From now we expect a rise in consented activity as the larger housing repair jobs and new housing ramps up. ◀

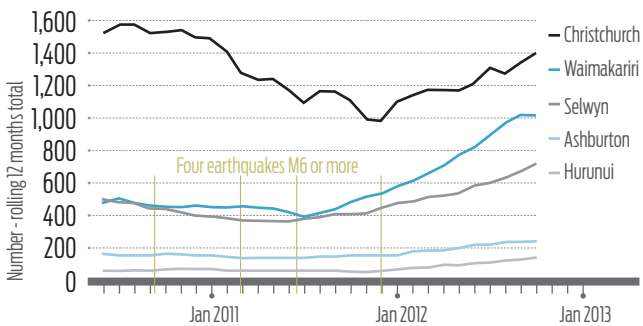


Figure 1: Number of new dwelling consents.

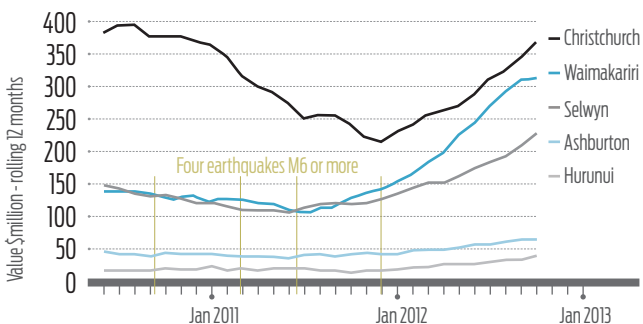


Figure 2: Value of new dwelling consents.

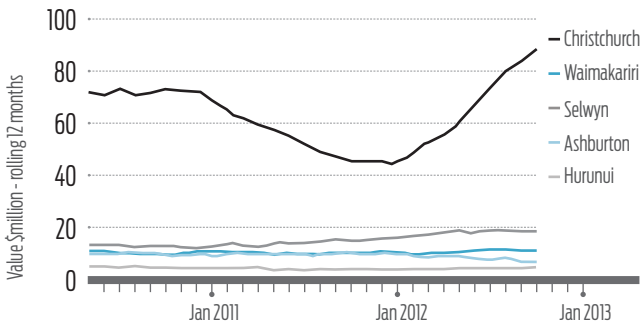


Figure 3: Dwelling alterations and additions consents.

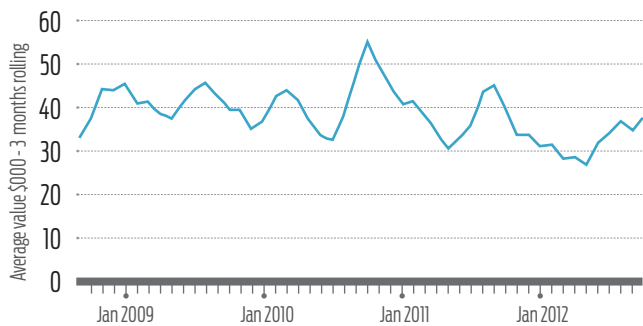


Figure 4: Average residential alterations and additions consent value – Christchurch city.

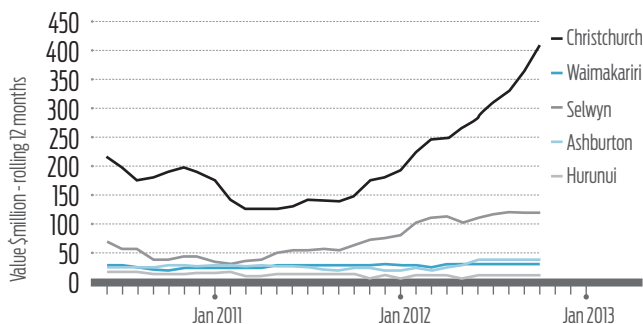


Figure 5: New non-residential buildings consents.

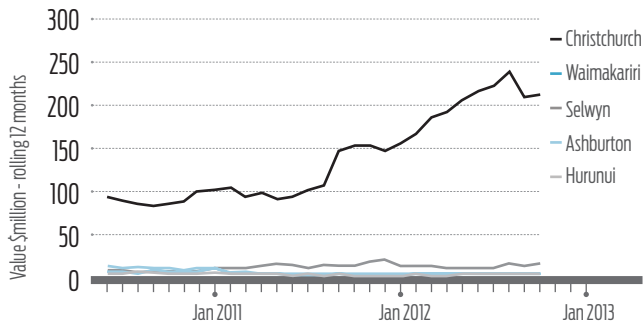


Figure 6: Non-residential alterations and additions consents.