

September 2017 issue 1

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# KĀPITI COAST ECONOMIC UPDATE

## **IN THIS ISSUE**

June Quarterly Indicators

Focus on Employment

Kāpiti Success Stories –

Work Ready Kāpiti Launch

Rudy van Vlerken & Donna Rider

# KIA ORA



**Welcome to the first edition of the Kāpiti Coast Economic Update, a new quarterly publication providing economic data and reporting on business activity in our district.**

Kāpiti has a vibrant, diverse and thriving business community and we have an unprecedented growth opportunity ahead. The indicators we use to track our district's economic performance are encouraging and the future looks bright but don't take my word for it, read on.

In this issue we focus on employment and profile two local business owners, Donna Rider owner of Caci Clinic and Rudy Van Vlerken of Pzazz Building. Both Donna and Rudy are shining examples of the entrepreneurial spirit we have here in Kāpiti.

I hope you enjoy this first edition.

**Angela Buswell**

Districtwide Councillor

Member of the Kāpiti Economic Development Leadership Group

## SUMMARY

Kāpiti Coast District's economy grew by 4.9% over the June year, according to Infometrics' provisional estimate of GDP. Kāpiti's expansion picked up a gear in the first half of 2017, with consent numbers and vehicle sales growing particularly strongly.

Kāpiti businesses are showing confidence in their outlook, as evident in rising levels of commercial vehicle purchases and non-residential building consents. Over the June year, commercial vehicle registrations climbed 39% to 397 – a record level. The value of non-residential building consents rose from \$15m to \$41m over the same period.

Labour market conditions in Kāpiti are mixed, with increases to the number of Jobseeker Support recipients indicating that there is a vulnerable group at the bottom, while other indicators show that demand for skilled labour is strong throughout the lower North Island. For example, a recent Wellington Chamber of Commerce survey reported that finding skilled staff was employers' biggest impediment to growth at present.

The government's recent pay deal to support low-income care workers will provide a significant cash injection to Kāpiti Coast District's economy. Under the deal, a new care worker without a qualification will earn \$19/hour, with experienced workers earning up to \$23.50/hour. There are just under 1,500 care and social assistance jobs in Kāpiti Coast District, which represents around 10% of total jobs in the district.

Against a backdrop of strong population growth, retail spending growth in Kāpiti continues to grow above the

national average. Data from Marketview shows that electronic card spending on retail purchases grew by 4.0% over the June year, compared to 3.6% growth nationally.

Demand for housing is also outstripping neighbouring Wellington City, with house prices in Kāpiti in June sitting 18% higher than a year ago, while prices in Wellington City climbed 14% over the same period. Building consent numbers are lifting in response to these price pressures. Nevertheless, a general shortage of construction workers will remain a key constraint to increasing the housing supply.

For the full Infometrics report visit:

<https://ecoprofile.infometrics.co.nz/kapiti+coast+district/QuarterlyEconomicMonitor>



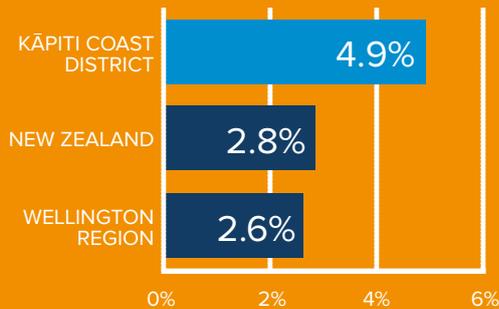
For more information please contact Cheryl Paget, Programme Advisor – Economic at Kāpiti Coast District Council  
[cheryl.paget@kapiticoast.govt.nz](mailto:cheryl.paget@kapiticoast.govt.nz) 027 555 3505

# JUNE QUARTERLY INDICATORS >>>

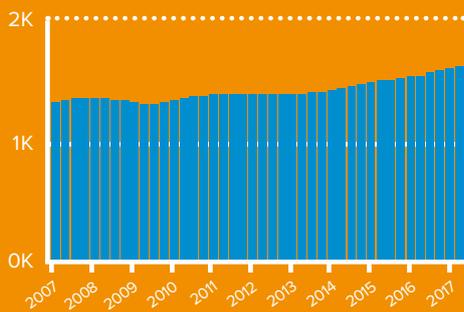
Statistics by Infometrics (unless otherwise stated)

## GDP

Gross domestic product growth  
Annual average % change Jun 16 – Jun 17



Gross domestic product (\$m)  
Annual level, Kapiti Coast District



GDP in Kāpiti Coast District  
For the year to June 2017

# \$1,633 million

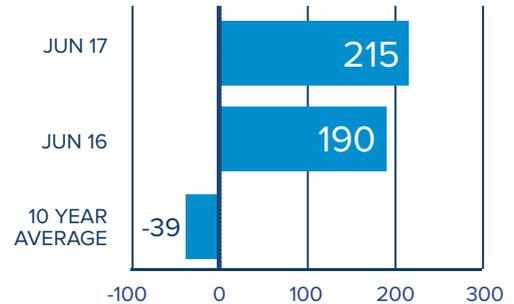
GDP in Kāpiti Coast District was up 4.9% for the year to June 2017 compared to a year earlier. Growth was higher than in New Zealand (2.8%) and higher than in Wellington Region (2.6%).

GDP was \$1,633 million in Kāpiti Coast District for the year to June 2017 (2010 prices).

Annual GDP growth in Kāpiti Coast District peaked at 4.9% in the year to June 2017.

## NET MIGRATION

Annual number of persons, Kāpiti Coast District

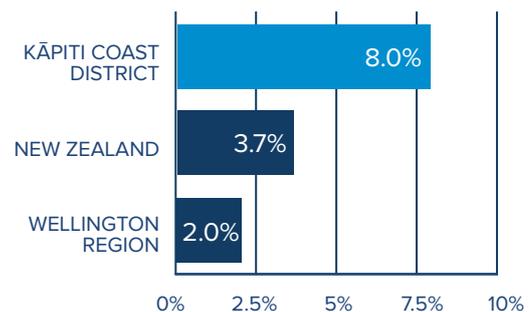


Kāpiti Coast District experienced a permanent and long-term net migration gain of 215 persons in the year to June 2017. This compares with a gain of 190 a year ago, and a ten year average of 39 (loss).

New Zealand's annual net migration increased to 72,297 from 69,087 a year ago.

## GUEST NIGHTS

Annual average % change  
Jun 16 – Jun 17



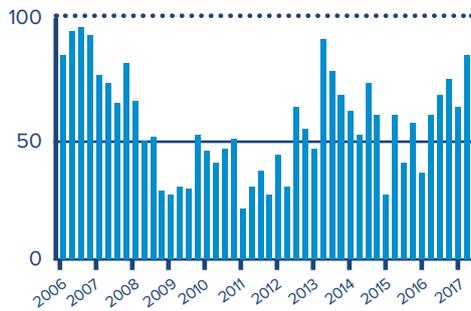
Total guest nights in Kāpiti Coast District increased by 8.0% in the year to June 2017. This compares with an increase of 3.7% in New Zealand, and 2% in the Wellington Region.

Visitors stayed a total of 181,267 nights in Kāpiti Coast District during the year to June 2017, which was up from 167,805 a year ago.

The occupancy rate excluding holiday parks, was 28.4% in June 2017 (*Statistics New Zealand Commercial Accommodation Monitor Kāpiti-Horowhenua*)

# RESIDENTIAL CONSENTS

Quarterly number, Kāpiti Coast District

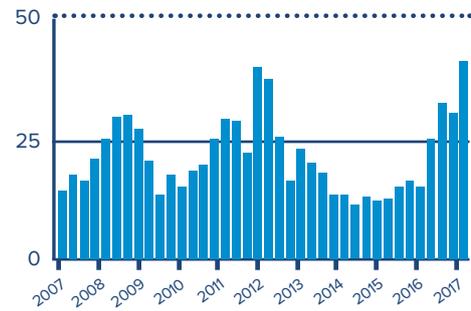


A total of 85 new residential building consents were issued in Kāpiti Coast District in the June 2017 quarter, compared with 60 in the same quarter last year.

On an annual basis the number of consents in Kāpiti Coast District increased by 51% compared with the same 12-month period a year ago. The number of consents in New Zealand increased by 4.7% over the same period.

# NON-RESIDENTIAL CONSENTS

\$m, annual running total, Kāpiti Coast District



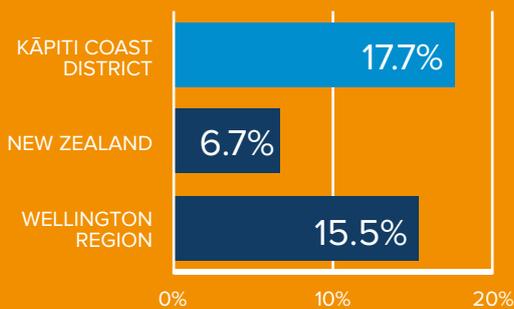
Non-residential building consents to the value of \$41 million were issued in Kāpiti Coast District during the year to June 2017.

The value of consents increased by 181% over the year to June 2017. By comparison the value of consents in New Zealand increased by 1.6% over the same period.

Over the last 10 years, consents in Kāpiti Coast District reached a peak of \$41 million in the year to June 2017.

# HOUSE PRICES

Annual % change Jun 16 – Jun 17



Average current house value  
Kāpiti Coast District  
For the year to June 2017

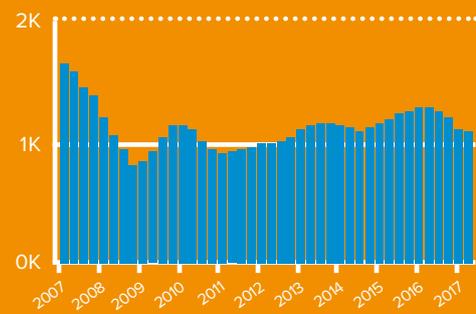
**\$489,218**

The average current house value in Kāpiti Coast District was up 18% in June 2017 compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 6.7%.

The average current house value was \$489,218 in Kāpiti Coast District over the June 2017 year. This compares with \$626,830 in New Zealand, and \$587,664 in the Wellington Region.

# HOUSE SALES

Annual number, Kāpiti Coast District



**1,093**

Houses sold in Kāpiti  
year ending June 2017

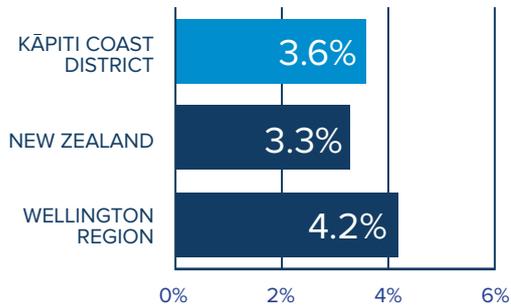
House sales in Kāpiti Coast District in the year to June 2017 decreased by 15% compared with the previous year. Growth underperformed relative to New Zealand, where sales decreased by 14%.

A total of 1,093 houses were sold in Kāpiti Coast District in the 12 months ended June 2017. This compares with the ten year average of 1,092.

# TRAFFIC FLOW

## Annual change in traffic flows

Annual average % change Jun 16 – Jun 17



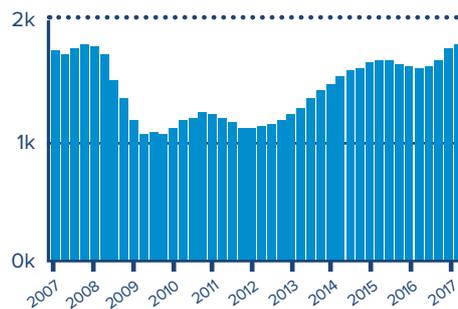
Traffic flows in Kāpiti Coast District increased by 3.6% over the year to June 2017. This compares with an increase of 3.3% in New Zealand, and a 4.2% increase in the Wellington Region.

# CAR REGISTRATIONS

## Annual number, Kāpiti Coast District

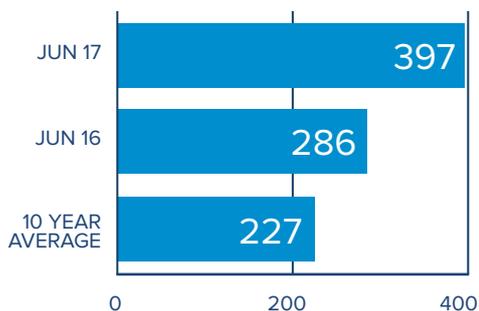
The number of cars registered in Kāpiti Coast District increased by 12% in the year to June 2017 compared with the previous 12 months. Growth was higher than in New Zealand, where car sales increased by 9.5%.

A total of 1,793 cars were registered in Kāpiti Coast District in the year to June 2017. This compares with the ten year average of 1,410.



# COMMERCIAL VEHICLE REGISTRATIONS

## Annual number, Kāpiti Coast District



The number of commercial vehicles registered in Kāpiti Coast District increased by 39% in the year to June 2017 compared with the previous 12 months. Growth was higher than in New Zealand, where commercial vehicle sales increased by 20%.

A total of 397 commercial vehicles were registered in Kāpiti Coast District in the year to June 2017. This is higher than the ten year annual average of 227.



# FOCUS ON EMPLOYMENT >>>

## UNEMPLOYMENT RATE

Average annual rate

— Kāpiti Coast District  
— Wellington Region  
— New Zealand



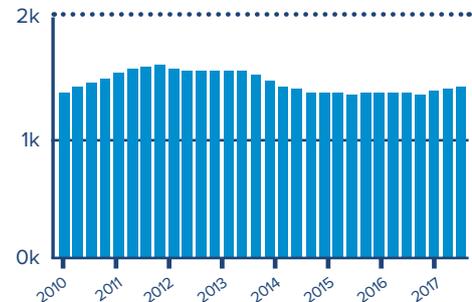
The annual average unemployment rate in Kāpiti Coast District was 4.9% in June 2017, down from 5.9% a year earlier.

The unemployment rate in Kāpiti Coast District was lower than in New Zealand, where the unemployment rate averaged 5.0% over the year to June 2017.

Over the last ten years the unemployment rate reached a peak of 6.7% in March 2013.

## JOBSEEKER SUPPORT RECIPIENTS

Annual average, Kāpiti Coast District



Working age Jobseeker Support recipients in Kāpiti Coast District in the year to June 2017 increased by 4.7% compared with the previous year. Growth was higher relative to New Zealand, where the number of Jobseeker Support recipients increased by 1.2%.

An average of 1,424 people were receiving a Jobseeker Support benefit in Kāpiti Coast District in the 12 months ended June 2017. This compares with an average of 1,458 since the start of the series in 2010.

Katie Brosnahan, Regional Commissioner for the Ministry of Social Development, Central Region says "The slight increase in Jobseeker numbers may be a result of local labour hiring firms and sub-contractors reducing staff numbers following the completion of the M2PP Expressway in February this year. The 40-54 age group currently makes up the biggest share of Jobseekers in Kāpiti at 31%, followed by the 25-39 age group at 27%."

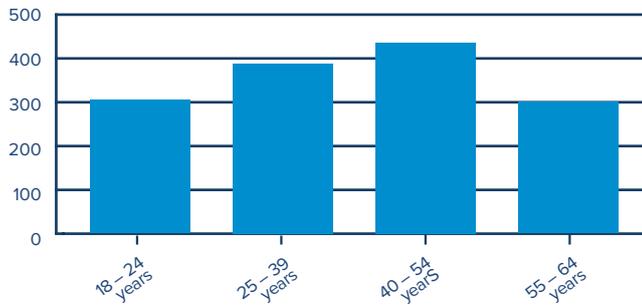


# WORKING AGE RECIPIENTS OF JOBSEEKER SUPPORT

Statistics from Ministry of Social Development

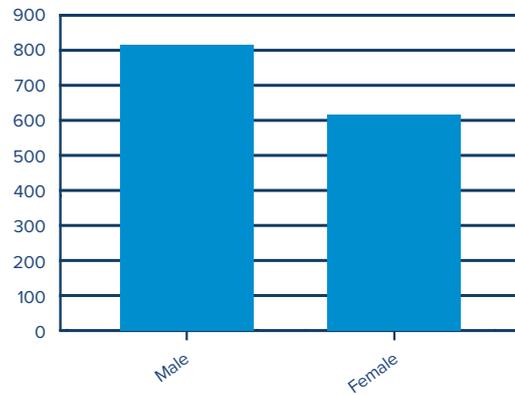
## By Age

Kāpiti June 2017



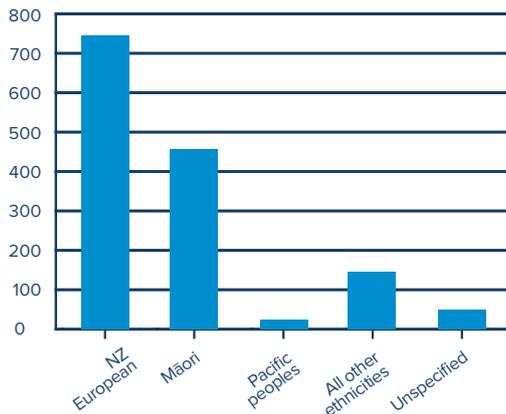
## By Gender

Kāpiti June 2017



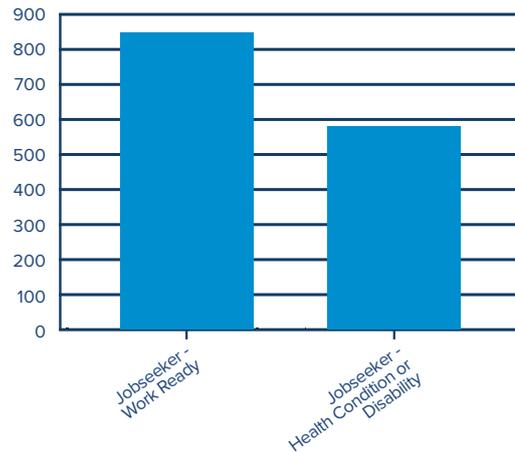
## By Ethnicity

Kāpiti June 2017



## By Benefit Type

Kāpiti June 2017



**Employment rates do not yet reflect the strong economic growth in the district. The overall unemployment rate has dropped from 5.1% in March to 4.9% in June, lower than the national rate of 5%, but the number of working age jobseekers has gone up from 1,359 in June 2016 to 1,424 in June 2017, an increase of 4.7%.**

There are two times in life when it is particularly hard to find work – your first job, and your next job following redundancy or illness when your circumstances change, particularly if you are male and in your 50s. Interestingly, the typical jobseeker in Kāpiti is a 50 year old European male, which suggests that even with years of experience it can be tough to get back into the labour market if people's circumstances change.

At the other end of the spectrum, 21% of jobseekers are aged 18-24 with over 300 young people in Kāpiti seeking employment. Initiatives such as Work Ready Kāpiti and

the Youth Passport (see next page for more details) will help young people gain the skills required to secure local employment.

Self-employment in Kāpiti is buoyant and the numbers of self-employed have increased 3.4% per annum since 2010. In 2016 there were 5,262 self-employed people on the Coast, approximately 31.5% of total employment compared with the national average of 18%.

Age appears to influence the level of self-employment in Kāpiti. The median age of a self-employed person in 2013 was reported as 52.1 years. This suggests Kāpiti is a great place to be for those seeking a mid-life career change and it is important that we continue to build capability in our workforce to accommodate this growing trend. Creating the right conditions for residents who are starting out or re-starting careers is a key part of Kāpiti's economic future, especially nurturing and encouraging entrepreneurs.

# KĀPITI SUCCESS STORIES >>>

## WORK READY KĀPITI MAKING A DIFFERENCE

**Work Ready Kāpiti wants to help young people transition into work on the Kāpiti Coast, with the right skills that employers want.**

With the support of the Kāpiti Coast District Council and the Kāpiti Coast Chamber of Commerce, Work Ready Kāpiti launched the “Work Ready Passport Workbook” on 22 August at the Whitireia Campus. The Passport is a document where young jobseekers can keep a record of essential skills needed to gain employment. This includes relevant work experience, academic achievements, an understanding of health and safety, life skills and whether they hold a driver’s licence or have a bank account.

Work Ready Kāpiti is in the process of becoming a registered foundation, with work being led by the Youth Employment Strategy Group, Chaired by Bryan Gunderson.

Bryan believes Kāpiti will benefit socially and economically as a result of more young employees being work ready, as well as bringing fresh perspectives to our local businesses. He also sees it as a chance for our local businesses to give these young people a strong foundation for the rest of their working lives.

More than 70 people, including young people aged 16 to 25 years old and a range of local employers, attended the first mixer event at Whitireia Kāpiti late last month to find out what opportunities are available on the Coast.



Young people, their parents and employers had meaningful conversations with each other, with potential employer and employee matches made on the night. Anecdotal feedback from businesses attending rated the evening as productive and well worth attending with strong praise for the Workbook, while many young people left with a Workbook to complete and potential job opportunities to follow up.

Speaking on the night, Glen Taylor from Kāpiti Pak’n Save shared his support for employing local youth, particularly for the benefits they bring to his business, encouraging the young people in the room to take on the challenge of being work ready.

Other employers at the event included Mitre 10 Mega, Goodmans, Jomp Hair Design, Kāpiti Business Projects and Kāpiti Coast District Council. Local businesses want to continue their support of Work Ready Kāpiti, with strong interest in another event being held before the end of 2017.



# KĀPITI SUCCESS STORIES >>>

## RUDY VAN VLERKEN

**Rudy Van Vlerken has been a builder for 40 years – although he was originally headed for a career as an architect.**

“I had a job at a Hastings architect practice all lined up but they told me to get a year’s experience on a building site so that I could better understand the industry,” says Rudy (61).

“But I loved being a builder so much, I never went back!”

Fast forward four decades and these days Rudy heads up Pzzaz Builders, which has been based in Kāpiti since 2014. The construction industry is the largest in Kāpiti, and it’s certainly been kind to Rudy. His work stretches as far north as Ōtaki and as far south as the Ngaio Gorge, and runs the gamut from repairs and maintenance to larger jobs such as second or third storey additions and new builds.

Rudy has around eight staff, including two of his four sons. All his adult sons have worked for him at some stage, becoming qualified builders, with two progressing to their own building firms.

Over the years, Rudy estimates he’s helped around 15 apprentices springboard into their own successful building careers. It’s all part of his commitment to fostering youth.

“Back since my days as President of the Kapiti In-line Hockey Club, I’ve always been a leader and enjoyed helping the kids to achieve and to work together as a team. Young people need some guidance and support to grow and I’ve always been happy to do that.”

These days, that’s more relevant than ever. “Youth unemployment rates make me angry because the work is there, but kids just need to have the right attitude and a willingness to work, and most employers will give them a go.”

For Rudy, that includes not only employing apprentices (he’s currently looking for another) but also sharing his knowledge and skills.

“I’ve spent a lot of money, time, sweat and blood learning what I’ve learned and it’s a waste to take it to the grave. I’m keen to pass those skills on.”

Photo by Joanna Piatek  
Captured by Friday



## DONNA RIDER

**“Life is what happens when you’re busy making other plans,” said John Lennon.**



It might well be the philosophy of Kāpiti’s Donna Rider, who never thought she would do anything but be a police officer. It is, after all, a job Donna (50) had spent almost half of her life doing, working her way up to Senior Sergeant and working for the Criminal Investigation Branch – Detectives, the Diplomatic Protection Squad and the Wellington Police Negotiating Team.

“I loved everything about my job, but particularly the fact that I could help people who’d been wronged,” says Donna.

But in 2015 when Donna was struck down with a mystery illness, she had to find a Plan B. “I’ve always thought that if I did have to leave the Police I’d do something completely different.”

Having long been a fan of the Caci Clinic’s Beauty Therapy and Appearance Medicine treatments, Donna decided that owning and running a national franchise could be a good transition out of public service.

“Going from a government job to self employment is a huge leap, but doing it with a franchise helped soften the blow, because the Caci Clinic provide support to their franchise holders. So it was really a step into self employment with a safety net.”

In October 2015 Donna opened Kāpiti’s first Caci Clinic in the former Aotea Pathology Centre and says business has been booming.

“We were 67% above our first year projected sales targets and this year we’re on target to do 20% better. I have five wonderful staff and love being my own boss because it gives me a lot of freedom. I’ve also made great contacts with the local business community. Kāpiti is a wonderful place to do business because of the vibrancy, growth and positivity here, not to mention the wonderful sunshine!”

Donna isn’t alone – 31.5% of Kāpiti residents are self employed, and the median age of self employed women for the region is 50.6 years.

Text by Journalist Sharon Stephenson