National Policy Statement on Urban Development

Kāpiti Coast District Council Quarter 3 Monitoring Report

March 2022

Contents

Executive summary

This third quarter NPS-UD monitoring report provides an update and analysis of changes across the development market for the 1 December 2021 – 28 February 2022 period.

Quarterly reporting identifies changes in development activity and a range of market and price efficiency indicators sourced from the Ministry of Housing and Urban Development's (HUD) Urban Development Dashboard where available.

Building consent activity has decreased over the last quarter as expected for the Christmas holiday period, however resource consent activity has increased. Numbers are mixed from the same period last year, with building consents significantly up and resource consents slightly down. Potential net additional dwellings to new stock from new builds and subdivisions is significantly down due to a large retirement village fast track application in the previous quarter. Subsequently, this quarter produced a potential of 159 new additions to housing stock, compared to last quarter's 448.

The Ministry of Social Development's Social Housing Register, updated in December 2021, continues to show a nation-wide trending increase in social housing registrations both quarterly and yearly, with Kāpiti increasing from 183 to 198 over the last quarter.

A snapshot of indicator activity for the 1 December 2021 – 28 February 2022 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Decrease (by 28 as per Appendix 1)	164 consents issued with a total value of $60,568,187
Resource consent applications granted	Increase (by 9 as per Appendix 1)	62 consents granted - 50 residential - 12 non-residential - Indicating a potential net addition of 159 dwellings from new builds and subdivisions
House values	Increasing	The median value of house sales has historically increased, and has risen from $830,000 at 30/09/2021 to $880,000 for the latest period at 30/12/2021.
House sales	Decreasing	The sales figures for 30/09/2021 were 215, with a decrease for 31/12/2021 to 195.
Nominal mean rent	Increasing	Mean rent has continued to increase, rising from $495 for 31/12/2020 to $519 in 31/12/2021.
Dwellings sale volume as percentage of stock	Decreasing	After a recent high of 1.88% for the period ending 31/12/2020, the ratio of sales to volume has fallen to 0.94% as at 31/12/2021.

Several indicators continue to be less frequently updated on HUD's dashboard. The latest available information for these indicators is on the following page. Where these change, they will be included in the next quarterly report.

Dwelling stock (number of dwellings)	*Increasing*	*Baseline stock numbers have not been revised since 30/09/2019 where they sat at 22,767.*
HAM Buy: share of first home buyer households with below-average income after housing costs	*Decreasing (improving)*	*Latest data sees affordability to buy improve as it declines from the recent peak of 0.82 in June 2018 back to 0.80 as at 31/12/2018.*
HAM Rent: share of renting households with below-average income after housing costs	*Decreasing (Improving)*	*Latest data sees affordability of renting improve, falling from 0.41 at 31/12/2018 to 0.40 at 31/12/2018.*
Land value as percentage of capital value	*Maintaining*	*Maintaining 47% (as of 30/09/2017)*
Average land value of a dwelling	*Increasing*	*$265,405 (as of 30/09/2017) increasing since 2014*

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Kāpiti Coast District Council - Quarter 3 Monitoring Report March 2022

Introduction

This is the third quarter monitoring report implementing the National Policy Statement on Urban Development (NPS-UD). The report provides updated data and analysis of changes to the housing market from the 1 December 2021 – 28 February 2022 period.

Quarterly reporting identifies changes in development activity and a range of market and price efficiency indicators sourced from the Ministry of Housing and Urban Development's Urban Development Dashboard. However, most of these have not recently been updated so this report focuses primarily on development control activity.

Regular monitoring supports Council's work to understand and develop an assessment of development capacity and a fit-for-purpose evidence base for Council's decision-making on infrastructure investment and the future release of land to meet development needs.

Previous monitoring reports are available at: www.kapiticoast.govt.nz/Our-District/The-Kapiti-Coast/urban-development-capacity

Social Housing Register Quarterly Update – December 2021

The Ministry of Social Development National Social Housing Register was updated in December 2021. The update at this time shows that over the September to December 2021 period, applications for social housing in Kāpiti have increased, from 183 to 198 registrations. Nationally registrations have increased from a total of 24,546 to 25,524 over this period. Compared to the same quarter last year registrations in Kāpiti have increased from 174 to 198. This follows the national trend where overall registrations have increased from 22,521 to 25,524 for this period comparison. Housing Register data is available at: https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html

GROWTH TRENDS

Resource consents for this quarter have increased from the last quarter (Q2 2021/22), however building consent numbers and potential net additional dwellings have decreased, which is not unusual for the Christmas holiday period. Compared to the third quarter last year, there has been an increase in building consents issued, and a slight decrease in resource consents granted, however there has also been a significant increase in potential net additional dwellings.

Building consents[1]

Data on building consents helps identify development activity across the district. Between 1 December 2021 – 28 February 2022, 164 consents were issued. Of these, 57 related to new builds[2] (down from 80 from the last quarter) and 84 related to dwellings - additions and alterations (down from 88 from the last quarter).

Compared to last quarter (Q2 2021/22), building consent numbers have decreased (down from 192 to 164), with the total value of work reflecting this at $60,586,187 down from last quarters $81,496,612.

Compared to the same third quarter period last year, building consents are up from 116 to 164, with an increase in the total value of work from $35,907,648 to $60,586,187. The difference can be largely attributed to higher value projects compared to the same period last year within the new (& prebuilt) house, unit, bach, crib category (an increase this quarter of $15,893,138) and the dwellings – alterations and additions category (an increase of $6,567,901).

Further detail on the number and type of consents issued for this third quarter can be found in Appendix One.

Resource consents[3]

Between 1 December 2021 – 28 February 2022, Council granted 62 resource consents. This included 34 land use consents, 15 subdivision consents, 10 resource consents for deemed permitted activities that involved a boundary activity[4], 2 right of ways approvals, and 1 compliance certificate. Overall, 50 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 159 net additional dwellings. This is down from the 448 potential net additional dwellings reported last quarter, which is not unexpected due to a retirement village fast track application in the previous quarter with a particularly large number of net additional dwellings.

[1] Note: Applications for garages, fireplaces, fences, retaining walls, outbuildings, conservatories, swimming and spa pools, and other construction (e.g. signs and pergolas) are excluded from this analysis of building consents.
[2] From statistics category for New (& prebuilt) House, Unit, Bach, Crib
[3] Quarterly resource consent activity excludes applications that varies or changes consent conditions or outline plans, which are included in wider Resource Management Act monitoring.
[4] Resource Management Act 1991, Sections 87BA, 87BB.

During this period, rural residential activities accounted for 6 of the 50 residential activities (accounting for 2 of the potential net additional dwellings), with most of the residential consents (20) again coming from the wider Waikanae area (accounting for 14 of the potential net additional dwellings). However, Paraparaumu (10) and Ōtaki (7) feature strongly for this period's residential consents, yielding 51 and 90 potential net additional dwellings respectively. Raumati Beach and Raumati South also accounts for 9 of the residential consents, however, this yields only 3 potential net additional dwellings due to several consents for other activities such as extensions and additions to dwellings, and replacement dwellings.

There were also 12 non-residential resource consents granted during this period. These included the construction of a telecommunications facility, the construction of a new childcare facility, and lighting structures for local sports fields.

Resource consent activity for this third quarter period is lower than for the same period last year, where 66 resource consents were granted. However, the number of potential net additional dwellings is up at triple the amount, from 53 to 159.

This quarter also identified 5 applications where a house is to be re-built and 2 where cross leases were to be updated. We continue to monitor these activities as they provide an indication of the market and the extent to which the increase in value supports opportunities for improving or further investment into a property.

The table of residential and non-residential consents for the third quarter can be found in Table 2 of Appendix One.

Appendix One: Building and resource consents

Table 1: Building consents issued by type, Kāpiti Coast District, first, second and third quarter comparison

Application type	First Quarter 2021/22 1 June 2021 – 31 August 2021		Second Quarter 2021/22 1 September 2021 – 30 November 2021		Third Quarter 2021/22 1 December 2021 – 28 February 2022	
	Number	**Value $**	**Number**	**Value $**	**Number**	**Value $**
New (& prebuilt) House, Unit, Bach, Crib	72	36,696,992	80	44,858,380	57	43,045,786
New Flats	2	406,000	1	3,150,000	2	280,000
New Boarding Houses	0	0	0	0	1	400,000
New Education Buildings - Other	1	370,000	1	425,000	2	350,000
New Warehouses	0	0	0	0	1	1,350,000
New Childcare Facilities	1	780,000	0	0	0	0
New Restaurants	1	53,200	1	100,000	0	0
New Showrooms	1	1,100,000	0	0	0	0
New Service Stations	0	0	1	850,000	0	0
New Farm Buildings - Other	0	0	2	430,000	2	328,000
New Other Buildings	1	600,000	0	0	2	130,000
Education Buildings - New Foundations Only	2	125,000	1	16,000,000	1	250,000
Factories - New Foundations Only	1	530,000	1	2,000,000	0	0
Farm Buildings - New Foundations Only	2	235,000	2	156,000	0	0
Other Buildings - New Foundations Only	2	59,000	1	400,000	0	0
Dwellings - Alterations & Additions	87	7,731,149	88	6,940,232	84	12,520,901
Dwelling With Flats - Alterations & Additions	0	0	0	0	5	76,500
Resited Houses	2	425,000	1	29,000	0	0
Education Buildings - Alterations & Additions	1	225,000	2	120,000	1	177,000
Social Buildings - Alterations & Additions	0	0	0	0	1	100,000
Shops, Restaurants - Alterations & Additions	3	430,000	1	1,840,000	1	725,000
Alterations & Additions - Office/Admin	0	0	1	20,000	0	0
Farm Buildings - Alterations & Additions	0	0	1	98,000	0	0
Other Buildings - Alterations & Additions	5	363,500	7	4,080,000	3	35,000
Bulk Tanks/Silos	0	0	0	0	1	800,000
Total	**184**	**50,129,841**	**192**	**81,496,612**	**164**	**60,568,187**

Note: applications for garages, fireplaces, fences, retaining walls, outbuildings, conservatories, swimming and spa pools, and other construction (e.g. signs and pergolas) have been deliberately excluded.
Source: Kāpiti Coast District Council building consent data.

Table 2: Resource consents granted by location, Kāpiti Coast District, first, second and third quarter comparison.

Location	First Quarter 2021/22 1 June 2021 – 31 August 2021	Second Quarter 2021/22 1 September 2021 – 30 November 2021	Third Quarter 2021/22 1 December 2021 – 28 February 2022
	Number	**Number**	**Number**
Maungakotukutuku	2	0	0
Ōtaki	3	8	7
Ōtaki Forks	1	2	1
Paekākāriki	0	0	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	14	13	10
Peka Peka (Te Horo and Kaitawa)	4	1	2
Raumati Beach and Raumati South	6	5	9
Waikanae	23	20	20
Residential (total)	**53**	**49**	**50**
Maungakotukutuku	0	0	2
Ōtaki	1	0	1
Ōtaki Forks	1	1	3
Paekākāriki	0	0	0
Paraparaumu (Central, North Beach, and South Beach)	3	1	3
Peka Peka (Te Horo and Kaitawa)	1	1	2
Raumati Beach and Raumati South	0	0	1
Waikanae	0	1	0
Non-residential (total)	**6**	**4**	**12**
Total granted	**59**	**53**	**62**

Source: Kāpiti Coast District Council resource consent data.

Table 3: Resource consents granted by type, Kāpiti Coast District, first, second and third quarter comparison.

Resource Consent Type	First Quarter 2021/22 1 June 2021 – 31 August 2021	Second Quarter 2021/22 1 September 2021 – 30 November 2021	Third Quarter 2021/22 1 December 2021 – 28 February 2022
	Number	**Number**	**Number**
Compliance Certificate	0	0	1
Deemed Permitted Boundary Activity	13	14	10
Land Use - Controlled	0	0	0
Land Use - Discretionary	14	17	20
Land Use - Non-complying	5	4	2
Land Use - Restricted Discretionary	8	3	12
Right of Way Approval	1	0	2
Subdivision - Controlled	3	0	1
Subdivision - Discretionary	4	5	3
Subdivision - Non-complying	7	7	8
Subdivision - Restricted Discretionary	4	3	3
Total	59	53	62

Source: Kāpiti Coast District Council resource consent data.

Table 4: Net dwelling increases for resource consents granted by location, Kāpiti Coast District, first, second and third quarter comparison.

Location	1 June 2021 – 31 August 2021	1 September 2021 – 30 November 2021	1 December 2021 – 28 February 2022
	Number	Number	Number
Maungakotukutuku	2	0	0
Ōtaki	10	8	90
Ōtaki Forks	1	12	0
Paekākāriki	0	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	73	115	51
Peka Peka (Te Horo and Kaitawa)	2	3	1
Raumati Beach and Raumati South	3	2	3
Waikanae	16	308*	14
Total	**107**	**448***	**159**

Note: 1 September 2021 – 30 November 2021 period includes 292 net additional dwellings from a particularly large retirement village fast track consent application.
Source: Kāpiti Coast District Council resource consent data.