

National policy statement on urban development capacity

Kāpiti Coast District Council Quarter 3 Monitoring Report

March 2019

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Executive summary

This third quarter NPS-UDC monitoring report provides an update and analysis of changes across the housing market for the 1 December 2018 – 28 February 2019 period.

MBIE have experienced technical difficulties in updating data to the Urban Development Capacity Dashboard for this quarter. As a result, this report only covers consenting activity and rental data, which were unaffected. Other data for this quarter will be included in the next quarterly report.

Key points of interest from this report include:

- Both resource and building consent activity have eased over the third quarter, which spanned the Christmas holiday period. Figures are also slightly down on the same period last year, with the exception of potential net additions to stock from new builds and subdivisions, which are up slightly from 32 to 36.
- Rental data shows a further increase in actual mean rent, up to \$426, from \$412 last quarter.

A snapshot of indicator activity updated for the third quarter is summarised below:

Indicator	Last quarter	Context
Building consent applications issued	Tracking	113 consents issued with a total value of \$31,762,250
Resource consent applications granted	Tracking	32 consents issued <ul style="list-style-type: none"> - 26 residential - 6 non-residential - Indicating a potential net addition of 36 dwellings from new builds and subdivisions
Nominal mean rent	Increasing	The latest rental data published in December 2018 has actual mean rent increasing to \$426, up from the previous high of \$412 reported last quarter.

Indicators not reported this quarter are below, including their status from the previous report for information. These will be updated in the next quarterly report.

<i>Dwelling stock</i>	<i>Increasing</i>	<i>Baseline increased 25 dwellings to 22,114 as at 30/09/2018 (with first quarter figures revised up by 27 to 22,089 for 30/06/18)</i>
<i>House sales</i>	<i>Decreasing</i>	<i>First quarter numbers have been revised up from 330 to 346 sales with the last quarter dropping to 256 as at 30/09/2018</i>
<i>Dwellings sale volume as percentage of stock</i>	<i>Decreasing</i>	<i>First quarter figures were revised up with updated sales information from 1.501% to 1.566% with the latest figures dropping down to 1.158%. Overall downward trend.</i>
<i>House values</i>	<i>Tracking</i>	<i>House prices are tracking with an average of \$540,250 as of 30/09/2018 – down marginally from \$540,850 as of 30/06/2018</i>
<i>HAM Buy: Share of first home buyer households with below-average income after housing costs</i>	<i>Increasing</i>	<i>Following a slight decline and plateau of affordability across the March 2015 - March 2016 period, the year to March 2017 saw an increase from 0.78 to 0.81. This has continued through the last year, increasing up to 0.83 for the year to March 2018.</i>
<i>HAM Rent: Share of renting households with below-average income after housing costs</i>	<i>Increasing</i>	<i>Following a slight improvement of rental affordability across the last two years (from 0.66 to 0.64), latest data has seen this improvement continue, down to 0.62 for the last year to March 2018.</i>
<i>Land value as percentage of capital value</i>	<i>No update provided in latest dashboard</i>	<i>Maintaining 47% (as of last data update at 30/09/2017)</i>
<i>Average land value of a dwelling</i>	<i>No update provided in latest dashboard</i>	<i>\$265,124 (as of last data update at 30/09/2017) increasing since 2015</i>

National Policy Statement on Urban Development Capacity

Kāpiti Coast District Council - Quarter 3 Monitoring Report March 2019

Introduction

This is the third quarter monitoring report implementing the National Policy Statement on Urban Development Capacity (NPS-UDC). The report provides updated data and analysis of changes to the housing market from the 1 December 2018 – 28 February 2019 period.

This report includes changes to market and price efficiency indicators identified under the NPS-UDC, and other information and research released over the last three-month period.

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.

Further information on Kāpiti's projected future growth, its make-up, and housing pressures is available alongside previous results from monitoring reports at:

www.kapiticoast.govt.nz/Our-District/The-Kapiti-Coast/urban-development-capacity.

Due to MBIE having technical difficulties in updating data to the Urban Development Capacity Dashboard for this quarter, this report only covers consenting activity and the latest rental data. The missing data for this quarter will be included in the next quarterly report.

Update on the housing and business development capacity assessment

Council is working with Wellington City Council, Upper Hutt City Council, Hutt City Council, and Porirua City Council to complete an assessment of housing and business capacity across the Wellington medium growth area.

The final stage of work is underway to identify Kāpiti's development capacity for Brownfield/infill through Wellington City Council's development model, alongside some final testing of local development costs. Results and analysis from earlier work are currently being used to populate Kāpiti's chapter of the Housing and Business Assessment, with the joint report expected to be completed over the coming months.

GROWTH TRENDS

Consent numbers for this quarter (which spans the Christmas period) are down from the last quarter, and are also slightly down from the same period last year.

Building consents

Data on building consents helps identify development activity across the District. Between 1 December 2018 and 28 February 2019, 113 consents were issued that related to new buildings and alterations to buildings. This included 50 new builds (down from 64 from the last quarter) and 50 additions and alterations (also down from 94 from the last quarter).

The total value of work reflects this decrease at \$31,762,250 down from last quarters \$44,205,400. Compared to the same period last year, building consents are down from 138 to 113, along with the total value of work from \$37,401,500 to \$31,762,250. Further detail on the number and type of consents issued can be found in Appendix One.

Resource consents

Between 1 December 2018 and 28 February 2019, Council granted 32 resource consents. This included 20 land use consents, six subdivision consents, and six resource consents for deemed permitted activities that involved a boundary activity¹. Overall, 26 of the consents issued related to residential activities and information from the consents suggests that these applications have the potential to yield 36 net additional dwellings.

During this period, rural residential activities accounted for 3 of the 26 residential activities, with the majority of the remaining residential consents coming from the wider Waikanae area. There were also six non-residential resource consents granted during this period. These included activities for a convenience store, works relating to the Expressway in Ōtaki, and one relating to earthwork provision under the National Environmental Standard on Telecommunications.

Consent information also identified another case where a house was being fully replaced.

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

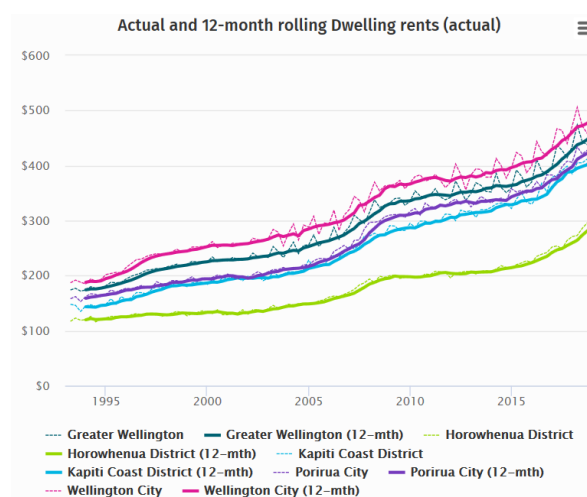
Correction to the last report: the last report identified 29 potential net additional dwellings from resource consents granted from the 1 September – 30 November 2018 period. There was an error made in calculating the net total which resulted in 10 additional dwellings being missed (39 in total), relating to developments in the Waikanae North Development area. The overall numbers of resource consent numbers remain correct.

MARKET INDICATORS

The following is an update of market indicators published on the Urban Development Capacity Dashboard.

Rentals

Rental information updated at the end of December 2018 sees the nominal mean rent for Kāpiti increasing up to \$426 from \$412 the previous quarter. The current rate of increase appears consistent with other councils near the District.



PRICE EFFICIENCY INDICATORS

Price efficiency indicators provide information relating to the demand and supply for developable land including the price-to-cost ratio of differently zoned land (e.g. rural/industrial versus residential).

Information on the three indicators was covered in the December 2018 monitoring report. The fourth land concentration control indicator was included in the September Annual Update Report 2018. No further information has been made available.

Further analysis of the indicators, including local characteristics, history, and level of demand for land will be undertaken as part of the assessment of development capacity.

¹ Resource Management Act 1991, Sections 87BA, 87BB.

Appendix One: Building and resource consents

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

Application type	1 June 2018 – 31-Aug-18		1 September 2018 – 30-Nov-18		1 December 2018 – 28 February 2019	
	Number	Value \$	Number	Number	Number	Number
New (& prebuilt) house, unit, bach, crib	50	19,377,976	64	28,162,415	50	21,883,000
New flats	0	0	2	152,000	0	0
New flats added to existing buildings	1	90,000	0	0	1	250000
New old people's homes	0	0	1	3,900,000	0	0
New surgeries e.g. doctor, dentist, vet	0	0	1	1,300,000	0	0
New farm buildings – other	3	173,000	3	66,200	0	0
New public toilets	0	0	1	60,000	0	0
New Churches	0	0	0	0	1	550,000
New Restaurants	0	0	0	0	1	30,000
New Farm Buildings - Other	0	0	0	0	2	120,000
Dwellings – alterations and additions	63	4,474,810	94	8,625,785	50	3,213,650
Dwellings with flats – alterations and additions	0	0	1	6,000	2	359,600
Re-sited houses	5	354,000	4	177,000	0	0
Hospitals – alterations and additions	1	60,000	1	20,000	0	0
Education buildings - alterations and additions	2	290,000	1	190,000	1	200000
Shops, restaurants - alterations & additions	1	10,000	2	185,000	3	51000
Warehouses – alterations & additions	1	18,000	0	0	0	0
Alterations & additions - office/admin	0	0	2	519,000	1	150000
Factories – alterations and additions	2	214,000	1	5,000	0	0
Farm buildings – alterations and additions	1	30,000	2	338,000	0	0
Other buildings - alterations & additions	2	70,000	5	499,000	1	5000
Multi-purpose building	1	160,000	0	0	0	0
Total	133	25,321,786	185	44,205,400	113	31,762,250

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	1 June 2018 – 31 August 2018	1 September 2018 – 30 November 2018	1 December 2018 – 28 November 2019
	Number	Number	Number
Maungakotukutuku	4	1	2
Ōtaki	7	4	5
Ōtaki Forks	0	0	0
Paekākāriki	4	1	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	11	11	3
Peka Peka (Te Horo and Kaitawa)	3	4	2
Raumati Beach and Raumati South	13	11	4
Waikanae	20	18	9
Other	0	2	0
Residential (total)	62	52	26
Maungakotukutuku	0	1	1
Ōtaki	4	0	2
Ōtaki Forks	0	2	0
Paekākāriki	0	0	0
Paraparaumu (Central, North Beach, and South Beach)	2	5	0
Peka Peka (Te Horo and Kaitawa)	1	2	2
Raumati Beach and Raumati South	2	1	0
Waikanae	0	0	1
	0	0	0
Non-residential (total)	9	11	6

Source: Kāpiti Coast District Council resource consent data.