

National Policy Statement on Urban Development

Kāpiti Coast District Council Quarter 2 Monitoring Report

December 2023

Contents

Executive Summary.....	3
Introduction	4
Social Housing Register Quarterly Update – Sep 2023	4
GROWTH TRENDS	4
Building Consents	5
Resource Consents	5
Appendix One: Building and Resource Consents.....	7

Executive Summary

This second quarter (Q2 2023) National Policy Statement on Urban Development (NPS-UD) monitoring report provides an update and analysis of changes across the development market for the 1 September 2023 – 30 November 2023 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.

This quarter has identified a further decrease in median house values down from last quarters \$774,600 to \$715,000, showing a trend of slowing and declining values over the last four quarters alongside falling numbers of house sales.

This trend also reflects further slight decreases in resource consents for this quarter down to 39 from 41 last quarter and building consents, down to 142 from 153 last quarter. Overall, local consenting activity over the last year is showing slow decline, which is also being experienced nationally.

While there has been a drop in building consents this quarter, there is a higher number of dwellings consented, with the total number of bedrooms up to 310, from 52 in the last quarter. This is largely attributable to the construction of the townhouse development on Kāpiti Road and work starting on the new Summerset retirement village in Waikanae.

A snapshot of indicator activity for 1 September 2023 – 30 November 2023 is summarised below:

Indicator	Movement from last quarter	Context
Building consent applications issued	Decreasing (by 11 as per Appendix 1)	142 consents issued with a total value of \$71,462,904
Resource consent applications granted	Decreasing (by 2 as per Appendix 1)	39 consents granted <ul style="list-style-type: none"> - 29 residential - 10 non-residential - Indicating a potential net addition of 40 dwellings from new builds and subdivisions.
House values	Decreasing	The median value of house sales has historically increased but has been dropping more lately. It has now dropped to \$715,000 as of 30/09/2023, compared to an average of \$780,000 for the last two quarters.
House sales	Decreasing	There were 109 house sales as of 30/09/2023. However, this will be revised up on receipt of late data with last quarter's 198 house sales now revised up to 258.

Several indicators continue to be less frequently updated on HUD's dashboard. The last known update is provided below and will be updated as new information becomes available.

Nominal mean rent	Stable	Mean rent is stable, slightly increasing to \$595 for 30/09/2023 from \$580 at 31/03/2023.
Dwellings sale volume as percentage of stock	Decreasing	The ratio of housing sales to housing stock has fallen to 0.4% for 30/09/2023 from 1.2% for 31/06/2023
Land value as percentage of capital value	Stable	47.1% for 30/09/2023, same as the 47.1% in 31/03/2023.
Average land value of a dwelling	Stable	\$246,761 for 30/09/2023 very slightly decreasing from \$246,838 as of 30/06/2023.

Kāpiti Coast District Council - Quarter 2 Monitoring Report December 2023

Introduction

This is the first 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 for the 1 September 2023 – 30 November 2023 period.

Quarterly reporting identifies changes in development activity and a range of market and price efficiency indicators sourced from HUD'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 – September 2023

The Ministry of Social Development National Social Housing Register was updated in September 2023. The update shows that over the June 2023 to September 2023 period, applications for social housing in Kāpiti have marginally increased from 171 to 177 registrations. Nationally registrations have also increased from a total of 24,717 to 25,284 over this period. This follows the peak of registrations in March 2022 with 216 registrations in Kāpiti and 26,868 registrations nationally.

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 have continued its slight decrease this quarter along with net additional dwellings. Building consent numbers have also decreased from the previous quarter (Q1 2023/24).

Building Consents¹

Data on building consents helps identify development activity across the district. Between 1 September 2023 – 30 November 2023, 142 consents were issued. This is a decrease from the 153 reported for the last quarter (Q1 2023/24). Of these, 56 related to new builds² (up 5 from 51 in the last quarter) and 54 related to dwellings - additions and alterations (down 25 from 79 in the last quarter). Compared to the last quarter (Q1 2023/24), the total value of building consents has increased to \$71,462,904, up from last quarter's \$60,118,312.

Compared to the same period last year (1 September 2022 – 30 November 2022), building consent numbers are down from 157 to 142. However, the total value of work has increased significantly, from \$40,510,425 to \$71,462,904.

During the quarter there were 56 applications for new builds equating to 129 additional dwellings/houses.

The type of housing through the building consent process identified 35 standalone houses, 2 standalone houses with a sleepout or flat (one consent each), 10 second houses infilled on existing sites, 1 consent with 4 additional houses infilled on a site, 3 developments for sleepouts only, 53 new townhouses on the corner of Kāpiti Road and Amohia Street; and 20 dwellings connected to the Summerset retirement village development in Waikanae.

The 129 additional dwellings consist of 310 bedrooms. This represents a sharp increase from the previous quarter's 52 additional bedrooms. Of the total 310 additional bedrooms this quarter, 4.5% were for housing with 1 bedroom, 43.9% for 2 bedrooms, 35.8% for 3 bedrooms, 14.2% for 4 bedrooms, and 1.6% for 5-bedroom housing.

Further detail on the number and type of building consents issued and additional bedrooms by size for this quarter can be found in Table 1 of Appendix One.

Resource Consents³

Between 1 September 2023 – 30 November 2023, Council granted 39 resource consents.

This included 22 land use consents, 17 subdivision consents, but no deemed permitted activities⁴. Overall, 29 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 40 net additional dwellings. This is a decrease from the 51 potential net additional dwellings reported last quarter (Q1 2023/24).

During this period, general residential activities accounted for 21 of the 29 residential activities with a potential net addition of 26 dwellings. Waikanae usually has the most

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.

residential consents, with 7 this quarter and a net potential for 6 additional dwellings. Paraparaumu accounted for 3 of the residential consents with the potential for only 1 additional dwelling. Raumati Beach and Raumati South accounted for 4 of the consents with no potential additional dwellings. Ōtaki and Otaki Forks accounted for 6 of the residential consents with the potential for 17 net additional dwellings. Paekākāriki only had one 1 consent – including 2 potential additional dwellings.

During this period, rural residential activities accounted for 8 of the 29 residential activities, with the potential for 14 net additional dwellings. Two of the residential consents were from Ōtaki Forks that had no net additional dwellings, 5 from Waikanae with the potential for 12 net additional dwellings, and 1 in Peka Peka, with the potential for 2 net additional dwellings.

There were also 10 non-residential resource consents granted during this period. These included the development of 27 new commercial offices/storage facilities, development of an office not ancillary to the existing industrial activity, a warehouse/packing shed, a distillery with ancillary uses, installation of a bike storage and charging facility, construction of a Magnetic Resonance Imaging (MRI) module, and to undertake earthworks for the installation of an underground firefighting tank.

Figures and comparisons of residential and non-residential consents, resource consents by location and net potential dwellings for the second quarter and previous quarters can be found in Tables 3-5 of Appendix One.

Appendix One: Building and Resource Consents

Table 1: Building consents issued by type, Kāpiti Coast District, first quarter 2023/2024 and second quarter 2023/2024 comparison.

Application Type	2023/2024 First Quarter 1 June 2023 - 31 August 2023		2023/2024 First Quarter 1 September 2023 - 30 November 2023	
	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	51	34,046,348	56	29,903,548
New Flats	2	5,500,000	4	20,500,000
New Retirement Villages - Excludes Dwellings	1	3,000,000	0	0
New Schools, excludes school hostels	1	2,000,000	0	0
New Education Buildings - Other	0	0	1	60,000
New Showrooms	2	384,000	0	0
New Factories	0	0	1	86,000
New Farm Buildings - Other	1	146,000	1	85,000
New Other Buildings	3	1,630,000	3	175,000
Dwellings - Alterations & Additions	79	10,404,964	54	6,632,106
Dwellings With Flats - Alterations & Additions	0	0	3	756,000
Resited Houses	3	270,000	0	0
Other Outbuildings e.g. Shed, Workshop, SI	0	0	4	990,000
Hotels - Alterations & Additions	0	0	1	62,000
Education Buildings - Alterations & Additions	3	450,000	1	1,244,000
Shops, Restaurants - Alterations & Additions	1	50,000	1	120,000
Alterations & Additions - Office/Admin	2	140,000	2	700,000
Other Buildings - Alterations & Additions	4	2,097,000	10	10,149,250
Total	153	60,118,312	142	71,462,904

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: Number of bedrooms from residential building consents granted.

No. of Bedrooms	Dwellings	Total Bedrooms	Percentage
1 bedroom	12	14	3.90
2 bedrooms	68	136	44.16
3 bedrooms	37	111	36.04
4 bedrooms	11	44	14.29
5 bedrooms	1	5	1.62
Total Dwellings	129	310	100

Table 3: Resource consents granted by location, Kāpiti Coast District, first quarter 2023/2024 and second quarter 2023/2024 comparison.

Location	2023/24 First Quarter	2023/24 Second Quarter
	1 June 2023 – 31 August 2023	1 Sep 2023 – 30 November 2023
	Number	Number
Maungakotukutuku	0	0
Ōtaki	2	5
Ōtaki Forks	3	3
Paekākāriki	1	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	9	3
Peka Peka (Te Horo and Kaitawa)	2	1
Raumati Beach and Raumati South	8	4
Waikanae	7	12
Residential (total)	32	29
Maungakotukutuku	0	0
Ōtaki	0	3
Ōtaki Forks	2	0
Paekākāriki	1	0
Paraparaumu (Central, North Beach, and South Beach)	4	7
Peka Peka (Te Horo and Kaitawa)	0	0
Raumati Beach and Raumati South	1	0
Waikanae	1	0
Non-residential (total)	9	10
Total granted	41	39

Source: Kāpiti Coast District Council resource consent data.

Table 4: Resource consents granted by type, Kāpiti Coast District first quarter 2023/2024 and second quarter 2023/2024 comparison.

Resource Consent Type	2023/24 First Quarter	2023/24 Second Quarter
	1 June 2023 – 31 August 2023	1 Sep 2023 – 30 November 2023
	Number	Number
Deemed Permitted Boundary Activity	2	0
Land Use - Controlled	2	0
Land Use - Discretionary	16	8
Land-Use Non-complying	4	4
Land Use - Permitted	1	0
Land Use - Restricted Discretionary	6	10
Subdivision - Controlled	1	1
Subdivision - Discretionary	2	4
Subdivision - Non-complying	4	8
Subdivision - Restricted Discretionary	3	4
Total	41	39

Source: Kāpiti Coast District Council resource consent data.

Table 5: Net dwelling increases for resource consents granted by location, Kāpiti Coast District second quarter 2022/2023 and second quarter 2023/2024 comparison.

Location	2023/24 First Quarter	2023/24 Second Quarter
	1 June 2023 – 31 August 2023	1 Sep 2023 – 30 Nov 2023
	Number	Number
Maungakotukutuku	0	0
Ōtaki	2	13
Ōtaki Forks	0	4
Paekākāriki	0	2
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	21	1
Peka Peka (Te Horo and Kaitawa)	20	2
Raumati Beach and Raumati South	3	0
Waikanae	5	18
Total	51	40

Source: Kāpiti Coast District Council resource consent data.