National Policy Statement on Urban Development

Kāpiti Coast District Council Quarter 4 Monitoring Report

June 2022

Contents

Executive summary

This fourth quarter NPS-UD monitoring report provides an update and analysis of changes across the development market for the 1 March 2022 – 31 May 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.

Consent activity for the fourth quarter saw small shifts from the last quarter (Q3 2022) with resource consent numbers increasing slightly, with building consents and potential net additional yield from new development decreasing. In particular, the 66 potential net additional dwellings is a drop from higher yields over the last year, and from 159 from the previous third quarter.

The Ministry of Social Development's Social Housing Register was updated in March 2022. The update shows registrations have continued to increase nationally and locally, up from 198 for Kāpiti in December 2021 to 216 in March 2022.

A snapshot of indicator activity for 1 March 2022 – 31 May 2022 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Decreasing (by 14 as per Appendix 1)	150 consents issued with a total value of $46,609,679
Resource consent applications granted	Increasing (by 18 as per Appendix 1)	80 consents granted - 67 residential - 13 non-residential - Indicating a potential net addition of 66 dwellings from new builds and subdivisions
House values	Decreasing	The median value of house sales has historically increased but has fallen from $901,000 (revised up from $880,000) at 31/12/2021 to $832,500 for the latest period at 31/03/2022.
House sales	Decreasing	The sales figures for 31/12/2021 were 261, with a significant decrease for 31/03/2021 to 76.
Nominal mean rent	Increasing	Mean rent has continued to increase, rising from $552 (revised up from $519) for 31/12/2021 to $584 in 31/03/2022.
Dwellings sale volume as percentage of stock	Decreasing	The ratio of housing sales to housing stock has fallen to 0.37% as at 31/03/2022. This reflects the significant drop in house sales and average of 1.5% experienced since 2018.

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 is available.

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: Affordability of first home buyer households	*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: Rental Affordability	*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 4 Monitoring Report June 2022

Introduction

This is the fourth 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 March 2022 – 31 May 2022 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 – March 2022

The Ministry of Social Development National Social Housing Register was most recently updated in March 2022. The update shows that over the December 2021 to March 2022 period, applications for social housing in Kāpiti have increased from 198 to 216 registrations. Nationally registrations have also increased from a total of 25,524 to 26,868 over this period. While the trend of increase is consistent, the percentage change for Kapiti over the last three months has been 9%, almost twice the national increase at 5.3%.

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 the fourth quarter have increased slightly from the previous third quarter (Q3 2022), while building consent numbers and potential net additional dwellings have decreased.

Building consents[1]

Data on building consents helps identify development activity across the district. Between 1 March 2022 – 31 May 2022, 150 consents were issued. Of these, 54 related to new builds[2] (down from 57 from the last quarter) and 71 related to dwellings - additions and alterations (down from 84 from the last quarter).

Compared to last quarter (Q3 2022), building consent numbers have decreased (down from 164 to 150), with the total value of work reflecting this drop in numbers to $46,609,679, down from last quarter's $60,568,187.

Building consents numbers are also down when compared to the fourth quarter period last year (2021), from 187 to 150. This drop is also reflected in the lower total value of work which is down from $60,586,187 to $46,609,679.

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

Resource consents[3]

Between 1 March 2022 – 31 May 2022, Council granted 80 resource consents. This included 39 land use consents, 23 subdivision consents, and 18 resource consents for deemed permitted activities that involved a boundary activity[4]. Overall, 67 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 66 net additional dwellings. This is a drop from the levels experienced over the last year, including 159 from the last third quarter (Q3 2022).

During this period, rural residential activities accounted for 7 of the 67 residential activities (accounting for 7 of the potential net additional dwellings), with most of the residential consents (24) again coming from the wider Waikanae area (accounting for 36 of the potential net additional dwellings). Paraparaumu (11) and Ōtaki (10) residential consents, yielded 7 and 13 potential net additional dwellings respectively. Raumati Beach and Raumati South accounts for 12 of the residential consents, however, this yields only 4 potential net additional dwellings due to several consents for other activities such as extensions and additions to dwellings, replacement dwellings and retaining walls.

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[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.

There were also 13 non-residential resource consents granted during this period. These included a retail subdivision, earthworks, and rural subdivisions for boundary adjustment purposes.

Resource consent activity for this fourth quarter period is higher than for the same period last year, where 67 resource consents were granted. However, the number of potential net additional dwellings is down from the higher yields over the last year, and the 159 additional dwellings identified from the previous third quarter.

This quarter also identified three applications where a house is to be re-built and three 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, for the first, second, third and fourth quarter comparison for the 2021/2022 year.

Application Type	First Quarter 1 June 2021 – 31 August 2021		Second Quarter 1 September 2021 – 30 November 2021		Third Quarter 1 December 2021 – 28 February 2022		Fourth Quarter 1 March 2022 – 31 May 2022	
	Number	Value $	Number	Value $	Number	Value $	Number	Value $
New (& prebuilt) House, Unit, Bach, Crib	72	36,696,992	80	44,858,380	57	43,045,786	54	34,635,100
New Flats	2	406,000	1	3,150,000	2	280,000	1	160,000
New Boarding Houses	0	0	0	0	1	400,000	0	0
New Education Buildings - Other	1	370,000	1	425,000	2	350,000	0	0
New Retail/Office/Warehouse	0	0	0	0	1	1,350,000	1	75,000
New Childcare Facilities	1	780,000	0	0	0	0	0	0
New Restaurants	1	53,200	1	100,000	0	0	0	0
New Showrooms	1	1,100,000	0	0	0	0	0	0
New Service Stations	0	0	1	850,000	0	0	0	0
New Farm Buildings - Other	0	0	2	430,000	2	328,000	3	323,700
New Other Buildings	1	600,000	0	0	2	130,000	0	0
Education Buildings - New Foundations Only	2	125,000	1	16,000,000	1	250,000	1	800,000
Factories - New Foundations Only	1	530,000	1	2,000,000	0	0	0	0
Farm Buildings - New Foundations Only	2	235,000	2	156,000	0	0	0	0
Other Buildings - New Foundations Only	2	59,000	1	400,000	0	0	1	700,000
Dwellings - Alterations & Additions	87	7,731,149	88	6,940,232	84	12,520,901	71	7,735,879
Dwelling With Flats - Alterations & Additions	0	0	0	0	5	76,500	4	117,000
Resited Houses	2	425,000	1	29,000	0	0	1	200,000
Education Buildings - Alterations & Additions	1	225,000	2	120,000	1	177,000	6	1,440,000
Social Buildings - Alterations & Additions	0	0	0	0	1	100,000	0	0
Shops, Restaurants - Alterations & Additions	3	430,000	1	1,840,000	1	725,000	2	105,000
Alterations & Additions - Office/Admin	0	0	1	20,000	0	0	4	298,000
Farm Buildings - Alterations & Additions	0	0	1	98,000	0	0	0	0
Other Buildings - Alterations & Additions	5	363,500	7	4,080,000	3	35,000	1	20,000
Bulk Tanks/Silos	0	0	0	0	1	800,000	0	0
Total	**184**	**50,129,841**	**192**	**81,496,612**	**164**	**60,568,187**	**150**	**46,609,679**

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, third and fourth quarter comparison for the 2021/2022 year.

Location	First Quarter 1 June 2021 – 31 August 2021	Second Quarter 1 September 2021 – 30 November 2021	Third Quarter 1 December 2021 – 28 February 2022	Fourth Quarter 1 March 2022 – 31 May 2022
	Number	Number	Number	Number
Maungakotukutuku	2	0	0	2
Ōtaki	3	8	7	10
Ōtaki Forks	1	2	1	3
Paekākāriki	0	0	1	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	14	13	10	11
Peka Peka (Te Horo and Kaitawa)	4	1	2	4
Raumati Beach and Raumati South	6	5	9	12
Waikanae	23	20	20	24
Residential (total)	**53**	**49**	**50**	**67**
Maungakotukutuku	0	0	2	0
Ōtaki	1	0	1	3
Ōtaki Forks	1	1	3	5
Paekākāriki	0	0	0	0
Paraparaumu (Central, North Beach, and South Beach)	3	1	3	2
Peka Peka (Te Horo and Kaitawa)	1	1	2	0
Raumati Beach and Raumati South	0	0	1	0
Waikanae	0	1	0	3
Non-residential (total)	**6**	**4**	**12**	**13**
Total granted	**59**	**53**	**62**	**80**

Source: Kāpiti Coast District Council resource consent data.

Table 3: Resource consents granted by type, Kāpiti Coast District, first, second, third and fourth quarter comparison for the 2021/2022 year.

Resource Consent Type	First Quarter 1 June 2021 – 31 August 2021	Second Quarter 1 September 2021 – 30 November 2021	Third Quarter 1 December 2021 – 28 February 2022	Fourth Quarter 1 March 2022 – 31 May 2022
	Number	Number	Number	Number
Compliance Certificate	0	0	1	0
Deemed Permitted Boundary Activity	13	14	10	18
Land Use - Controlled	0	0	0	0
Land Use - Discretionary	14	17	20	19
Land Use - Non-complying	5	4	2	4
Land Use - Restricted Discretionary	8	3	12	15
Land Use - Permitted	0	0	0	1
Right of Way Approval	1	0	2	0
Subdivision - Controlled	3	0	1	3
Subdivision - Discretionary	4	5	3	4
Subdivision - Non-complying	7	7	8	11
Subdivision - Restricted Discretionary	4	3	3	5
Total	**59**	**53**	**62**	**80**

Source: Kāpiti Coast District Council resource consent data.

Table 4: Net dwelling increases for resource consents granted by location, Kāpiti Coast District, first, second, third and fourth quarter comparison for the 2021/2022 year.

Location	First Quarter 1 June 2021 – 31 August 2021	Second Quarter 1 September 2021 – 30 November 2021	Third Quarter 1 December 2021 – 28 February 2022	Fourth Quarter 1 March 2022 – 31 May 2022
	Number	Number	Number	Number
Maungakotukutuku	2	0	0	2
Ōtaki	10	8	90	13
Ōtaki Forks	1	12	0	1
Paekākāriki	0	0	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	73	115	51	7
Peka Peka (Te Horo and Kaitawa)	2	3	1	3
Raumati Beach and Raumati South	3	2	3	4
Waikanae	16	308*	14	36
Total	**107**	**448***	**159**	**66**

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.