

# National Policy Statement on Urban Development

## Kāpiti Coast District Council Quarter 1 and 2 Monitoring Report

*December 2021*

## Contents

Executive Summary.....	3
Introduction .....	5
Social Housing Register Quarterly Updates – June 2021 and September 2021 .....	5
<b>Growth Trends</b> .....	6
First Quarter Building Consents.....	6
Second Quarter Building Consents.....	6
First Quarter Resource Consents .....	7
Second Quarter Resource Consents .....	7
Appendix One: Building and Resource Consents.....	9

## Executive Summary

This NPS-UD monitoring report provides an update and analysis of changes across the development market for the 1 June 2021 – 31 August 2021 period and the 1 September 2021 – 30 November 2021 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.

In the first quarter both resource and building consent activity decreased. Potential net additions to new stock from new builds and subdivisions also decreased, with a potential of 107 net additions to new stock compared to the previous quarter's 135.

In the second quarter resource consent activity decreased further while building consent activity increased. Potential net additions to new stock from new builds and subdivisions increased, with a potential of 435 net additions to new stock this quarter compared to the first quarter's 107.

The Ministry of Social Development's Social Housing Register, updated in September 2021, continues to show a nation-wide trending increase in registrations for social housing both quarterly and yearly, with Kāpiti increasing from 180 to 189 from March to June 2021, before decreasing to 183 in September 2021.

A snapshot of indicator activity for 1 June 2021 – 31 August 2021 is summarised below:

Indicator	Movement From Last Quarter	Context
Building consent applications issued	Decrease (by 3 as per Appendix 1)	184 consents issued with a total value of \$50,129,841
Resource consent applications granted	Decrease (by 8 as per Appendix 1)	59 consents granted <ul style="list-style-type: none"> <li>- 53 residential</li> <li>- 6 non-residential</li> <li>- Indicating a potential net addition of 107 dwellings from new builds and subdivisions</li> </ul>
House values	Decreasing (Plateauing)	The median value of house sales appears to be plateauing after a period of significant increase, falling from \$840,000 in 31/03/2021 to \$837,000 in 30/06/2021.

A snapshot of indicator activity for 1 September 2021 – 30 November 2021 is summarised below:

Indicator	Movement From Last Quarter	Context
Building consent applications issued	Increase (by 8 as per Appendix 1)	192 consents issued with a total value of \$81,496,612
Resource consent applications granted	Decrease (by 6 as per Appendix 1)	53 consents granted <ul style="list-style-type: none"> <li>- 49 residential</li> <li>- 4 non-residential</li> <li>- Indicating a potential net addition of 448 dwellings from new builds and subdivisions</li> </ul>
House values	Decreasing (Plateauing)	The median value of house sales appears to be continuing the recent trend of plateauing values after a period of significant increase, falling from \$837,000 in 30/06/2021 to \$830,000 in 30/09/2021.

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

<i>Dwelling stock (number of dwellings)</i>	<i>Increasing</i>	<i>Baseline stock numbers have not been revised since 30/09/2019 where they sat at 22,767.</i>
<i>Dwellings sale volume as percentage of stock</i>	<i>Decreasing</i>	<i>After a recent high of 1.814% for the period ending 31/12/2018, the ratio of sales to volume has fallen to 1.08% as at 30/09/2019.</i>
<i>House sales</i>	<i>Decreasing</i>	<i>The sales figures for 31/12/2020 reached 388 and have decreased during 2021 to 215 as at 30/09/2021.</i>
<i>Nominal mean rent</i>	<i>Increasing</i>	<i>Mean rent has continued to increase, rising from \$495 for 31/12/2020 to \$515 as at 30/09/2021.</i>
<i>HAM Buy: share of first home buyer households with below-average income after housing costs</i>	<i>Decreasing (improving)</i>	<i>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.</i>
<i>HAM Rent: share of renting households with below-average income after housing costs</i>	<i>Decreasing (Improving)</i>	<i>Latest data sees affordability of renting improve, falling from 0.41 at 31/12/2018 to 0.40 at 31/12/2018.</i>
<i>Land value as percentage of capital value</i>	<i>Maintaining</i>	<i>Maintaining 47% (as of 30/09/2017)</i>
<i>Average land value of a dwelling</i>	<i>Increasing</i>	<i>\$265,405 (as of 30/09/2017) increasing since 2014</i>

# National Policy Statement on Urban Development

## Kāpiti Coast District Council - Quarter 1 and 2 Monitoring Report December 2021

### Introduction

This is the first and second 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 June 2021 – 31 August 2021 and the 1 September 2021 – 30 November 2021 periods.

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, a number of these indicators were not updated at the time of this report, which 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](http://www.kapiticoast.govt.nz/Our-District/The-Kapiti-Coast/urban-development-capacity)

### Social Housing Register Quarterly Updates – June 2021 and September 2021

#### June 2021 Update

The June 2021 update to the Ministry of Social Development National Social Housing Register shows an increase in applications for social housing in Kāpiti from 180 registrations to 189 registrations over the March to June 2021 period. Nationally registrations increased from 23,688 to 24,474 over this period. Compared to the June 2020 quarter, registrations in Kāpiti increased from 147 to 189. This follows a national trend where overall registrations have increased from 18,522 to 24,474 for this period comparison.

#### September 2021 Update

The Ministry of Social Development National Social Housing Register was updated in September 2021. This update shows that over the June to September 2021 period applications for social housing in Kāpiti have decreased from 189 to 183 registrations. Nationally registrations have increased from 24,474 to 24,546 over this period. Compared to the September 2020 quarter, registrations in Kāpiti have increased from 177 to 183. This follows the national trend where overall registrations have increased from 21,414 to 24,546 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

Building consent activity for the first and second quarters of 2021/22 remains consistent with the last (fourth) quarter activity and shows a continuing higher level of activity for the period than a year ago. In contrast, resource consent numbers have dropped slightly compared to the last (fourth) quarter, and when compared to the same period last year. Despite this drop, numbers of potential net additional dwellings have continued to increase from the same period last year.

### First Quarter Building Consents<sup>1</sup>

Data on building consents helps to identify activity across the district. Between 1 June 2021 – 31 August 2021, 184 consents were issued. Of these, 72 related to new builds<sup>2</sup> (down from 75 from the last quarter (Q4 2020/21)), 2 related to new flats (up from zero from the last quarter), 87 related to dwellings – alterations and additions (up from 85 from the last quarter), and 2 related to resited homes (up from 1 from the last quarter).

Compared to the last quarter (Q4 2020/21), building consent numbers have slightly decreased (down from 187 to 184). However, the total value of work is up from last quarter's \$46,435,987 to \$50,129,841.

Compared to the same period last year, building consents for the first quarter are up from 126 to 184, with an increase in the total value of work from \$33,834,768 to \$50,129,841. The difference can largely be attributed to an increase in the quantity of projects within the “new (& prebuilt) house, unit, bach, crib” category (an increase of 24 building consents and \$8,344,688 total value), an increase in the quantity and average value of projects within the “dwellings – alterations and additions” category (an increase of 19 building consents and \$32,048 average value) and an increase in the total value of projects within the ‘new showrooms’ category (of \$1,100,000).

Further detail on the number and type of building consents issued for the first quarter can be found in Table 1 of Appendix One.

### Second Quarter Building Consents

Between 1 September 2021 – 30 November 2021, 192 consents were issued. Of these, 80 related to new builds (up from 72 from the last quarter), 1 related to new flats (down from 2 from the last quarter (Q1 2021/22)), 88 related to alterations and additions of dwellings (up from 87 from the last quarter), and 1 related to resited houses (down from 2 from the last quarter).

Compared to the last quarter (Q1 2021/22) building consent numbers have increased (up to 192 from 184). The total value of work has also increased significantly from last quarter's \$50,129,841 to \$81,496,612.

Compared to the same period last year, building consents for the second quarter are up (170 to 192), with an increase in the total value of work from \$37,280,421 to \$81,496,612. The difference can largely be attributed to an increase in the quantity and total value of projects within the ‘new (& prebuilt) house, unit, bach, crib’ category (an increase of 22 building consents and \$17,670,634 total value), an increase in the quantity and total value of projects

<sup>1</sup> 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.

<sup>2</sup> From statistics category for New (& prebuilt) House, Unit, Bach, Crib.

within the 'Other Buildings – Alterations and Additions' category, a high value project (\$16,000,000 total value) within the 'Education Buildings – New Foundations Only' category, a high value project (\$3,150,000 total value) within the 'New Flats' category, a high value project (\$2,000,000 total value) within the 'Factories – New Foundations Only' category, and a high value project (\$1,840,000 total value) within the 'Shops, Restaurants – Alterations & Additions' category.

Further detail on the number and type of building consents issued for the second quarter can be found in Table 1 of Appendix One.

### **First Quarter Resource Consents<sup>3</sup>**

Between 1 June 2021 – 31 August 2021 Kāpiti Coast District Council granted 59 resource consents. This included 27 land use consents, 18 subdivision consents, 13 resource consents for deemed permitted activities that involve a boundary activity<sup>4</sup>, and 1 right of way approval. Overall, 53 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 107 net additional dwellings. This is down from the 135 potential net additional dwellings reported last quarter (Q4 2020/21).

During this period, rural residential activities accounted for 9 of the 53 residential activities (accounting for 8 of the potential net additional dwellings), with most of the residential consents (23) again coming from the wider Waikanae area (however this only accounts for 16 potential net additional dwellings). Paraparaumu again features strongly with 14 residential consents (accounting for 73 potential net additional dwellings).

There were 6 non-residential resource consents granted during this period. These included the construction of a fuel stop and a new building for a childcare centre.

Resource consent activity for this first quarter is lower than the same period last year where 68 resource consents were granted; however, the number of potential net additional dwellings (107) has increased (from 72).

This first quarter also identified 3 applications where a house is to be re-built, 1 application where cross leases were to be updated and 1 application where an outbuilding was to be converted to a minor/second dwelling. 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 the improvement or further investment into a property.

Further detail on the location, type and potential net dwelling increases of resource consents for the first quarter can be found in Tables 2,3,4 of Appendix One.

### **Second Quarter Resource Consents**

Between 1 September 2021 – 30 November 2021, Council granted 53 resource consents. This included 24 land use consents<sup>5</sup>, 15 subdivision consents and 14 resource consents for deemed permitted activities that involve a boundary activity. In total, 49 of the consents granted by Council related to residential activities and information from the consents suggests that these applications have the potential to yield 156 net additional dwellings. A

---

<sup>3</sup> Quarterly resource consent activity excludes applications that varies or changes consent conditions or outline plans, which are included in wider Resource Management Act 1991 monitoring.

<sup>4</sup> Resource Management Act 1991, Sections 87BA, 87BB.

<sup>5</sup> Quarterly resource consent activity purposefully excludes applications made under the COVID-19 Recovery (Fast-track Consenting) Act 2020. Such applications where relevant are included in the potential net additional dwellings that resource consent data suggests.

resource consent application for a retirement village with potential for 292 further net additional dwellings was also granted this quarter under the COVID-19 Recovery (Fast-track Consenting) Act 2020. Overall, this results in 448 potential net additional dwellings this quarter, which is up from the 107 potential net additional dwellings reported last quarter.

During this period, rural residential activities accounted for 7 of the 49 residential activities (accounting for 17 of the potential net additional dwellings), with most residential consents again coming from the wider Waikanae area (however this only accounts for 16 potential net additional dwellings). When the resource consent application for the retirement village under the COVID-19 Recovery (Fast-track Consenting) Act 2020 is taken into account, the wider Waikanae area accounted for 308 of the overall potential net additional dwellings. Paraparaumu again features strongly with 13 residential consents (accounting for 115 potential net additional dwellings).

There were 4 non-residential resource consents granted during this period. These included the relocation of a non-residential building, and earthworks for the construction of an earth bund to provide flood protection.

Resource consent activity for this second quarter is lower than the same period last year where 74 resource consents were granted; however, the number of potential net additional dwellings has increased from 107 to 156 (increased to 448 when including fast-tracked retirement village).

This quarter also identified 3 applications where a house is to be re-built and 1 application where a house is to be partially re-built. 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 the improvement or further investment into a property.

Further detail on the location, type and potential net dwelling increases of resource consents for the second quarter can be found in Tables 2,3,4 of Appendix One.



## Appendix One: Building and Resource Consents

**Table 1:** Building consents issued by type, Kāpiti Coast District, first and second quarter, 2020/21 and 2021/22 comparison.

Application type	2020/21 First Quarter		2020/21 Second Quarter		2021/22 First Quarter		2021/22 Second Quarter	
	1 June 2020 – 31 August 2020		1 September 2020 – 30 November 2020		1 June 2021 – 31 August 2021		1 September 2021 – 30 November 2021	
	Number	Value \$	Number	Value \$	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	48	28,352,304	58	27,187,746	72	36,696,992	80	44,858,380
New Flats	0	0	1	205,000	2	406,000	1	3,150,000
New Education Buildings - Other	0	0	0	0	1	370,000	1	425,000
New Childcare Facilities	0	0	0	0	1	780,000	0	0
New Restaurants	0	0	0	0	1	53,200	1	100,000
New Showrooms	0	0	0	0	1	1,100,000	0	0
New Industrial Buildings	0	0	1	70,000	0	0	0	0
New Service Stations	0	0	0	0	0	0	1	850,000
New Farm Buildings - Other	2	175,000	2	166,000	0	0	2	430,000
New Other Buildings	1	149,000	2	533,500	1	600,000	0	0
New Office/Warehouse Buildings	1	650,000	0	0	0	0	0	0
Dwelling With Flats - New Foundations Only	1	125,000	0	0	0	0	0	0
Education Buildings - New Foundations Only	0	0	1	400,000	2	125,000	1	16,000,000
Factories - New Foundations Only	0	0	0	0	1	530,000	1	2,000,000
Farm Buildings - New Foundations Only	0	0	1	11,500	2	235,000	2	156,000
Other Buildings - New Foundations Only	1	80,000	1	500	2	59,000	1	400,000
Dwellings - Alterations & additions	68	3,863,464	94	6,848,990	87	7,731,149	88	6,940,232
Dwelling with flats - Alterations & Additions	1	200,000	1	3,000	0	0	0	0
Resited Houses	1	150,000	1	25,000	2	425,000	1	29,000
Education Buildings - Alterations & Additions	0	0	0	0	1	225,000	2	120,000
Social Buildings - Alterations & Additions	0	0	1	320,000	0	0	0	0
Shops, Restaurants - Alterations and Additions	0	0	0	0	3	430,000	1	1,840,000
Office/Admin - Alterations and Additions	0	0	0	0	0	0	1	20,000
Farm Buildings - Alterations & Additions	1	80,000	0	0	0	0	1	98,000
Other Buildings - Alterations & Additions	1	10,000	6	1,509,185	5	363,500	7	4,080,000
<b>Total</b>	<b>126</b>	<b>33,834,768</b>	<b>170</b>	<b>37,280,421</b>	<b>184</b>	<b>50,129,841</b>	<b>192</b>	<b>81,496,612</b>

Note: applications for garages, domestic fireplaces, domestic only – garages, domestic only – carports, 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 and second quarter, 2020/21 and 2021/22 comparison.

Location	2020/21 First Quarter	2020/21 Second Quarter	2021/22 First Quarter	2021/22 Second Quarter
	1 June 2020 – 31 August 2020	1 September 2020 – 30 November 2020	1 June 2021 – 31 August 2021	1 September 2021 – 30 November 2021
	Number	Number	Number	Number
Maungakotukutuku	2	2	2	0
Ōtaki	5	8	3	8
Ōtaki Forks	4	6	1	2
Paekākāriki	3	1	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	8	12	14	13
Peka Peka (Te Horo and Kaitawa)	4	2	4	1
Raumati Beach and Raumati South	14	14	6	5
Waikanae	27	22	23	20
<b>Residential (total)</b>	<b>67</b>	<b>67</b>	<b>53</b>	<b>49</b>
Maungakotukutuku	0	0	0	0
Ōtaki	1	2	1	0
Ōtaki Forks	0	0	1	1
Paekākāriki	0	0	0	0
Paraparaumu (Central, North Beach, and South Beach)	0	3	3	1
Peka Peka (Te Horo and Kaitawa)	0	1	1	1
Raumati Beach and Raumati South	0	1	0	0
Waikanae	0	0	0	1
<b>Non-residential (total)</b>	<b>1</b>	<b>7</b>	<b>6</b>	<b>4</b>
<b>Total granted</b>	<b>68</b>	<b>74</b>	<b>59</b>	<b>53</b>

Note: Quarterly resource consent activity purposefully excludes applications made under the COVID-19 Recovery (Fast-track Consenting) Act 2020.

Source: Kāpiti Coast District Council resource consent data.

**Table 3:** Resource consents granted by type, Kāpiti Coast District, first and second quarter, 2020/21 and 2021/22 comparison.

Resource Consent Type	2020/21 First Quarter	2020/21 Second Quarter	2021/22 First Quarter	2021/22 Second Quarter
	1 June 2020 – 31 August 2020	1 September 2020 – 30 November 2020	1 June 2021 – 31 August 2021	1 September 2021 – 30 November 2021
	Number	Number	Number	Number
Deemed Permitted Boundary Activity	8	14	13	14
Land Use - Controlled	1	1	0	0
Land Use - Discretionary	17	14	14	17
Land Use - Non-complying	8	4	5	4
Land Use - Restricted Discretionary	16	11	8	3
Right of Way Approval	0	1	1	0
Subdivision - Controlled	0	4	3	0
Subdivision - Discretionary	7	6	4	5
Subdivision - Non-complying	6	11	7	7
Subdivision - Restricted Discretionary	5	8	4	3
<b>Total</b>	<b>68</b>	<b>74</b>	<b>59</b>	<b>53</b>

Note: Quarterly resource consent activity purposefully excludes applications made under the COVID-19 Recovery (Fast-track Consenting) Act 2020.

Source: Kāpiti Coast District Council resource consent data.

**Table 4:** Net dwelling increases for resource consents granted by location, Kāpiti Coast District, first and second quarter, 2020/21 and 2021/22 comparison.

Location	2020/21 First Quarter 1 June 2020 – 31 August 2020	2020/21 Second Quarter 1 September 2020 – 30 November 2020	2021/22 First Quarter 1 June 2021 – 31 August 2021	2021/22 Second Quarter 1 September 2021 – 30 November 2021
	Number	Number	Number	Number
Maungakotukutuku	1	2	2	0
Ōtaki	2	56	10	8
Ōtaki Forks	7	4	1	12
Paekākāriki	1	0	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	3	7	73	115
Peka Peka (Te Horo and Kaitawa)	2	0	2	3
Raumati Beach and Raumati South	3	5	3	2
Waikanae	53	14	16	308
<b>Total</b>	<b>72</b>	<b>88</b>	<b>107</b>	<b>448</b>

Note: 292 net additional dwellings from an application made under the COVID-19 Recovery (Fast-track Consenting) Act 2020 have been included in the 1 September 2021 – 30 November 2021 net dwelling increases for resource consents data.

Source: Kāpiti Coast District Council resource consent data.