National Policy Statement on Urban Development

Kāpiti Coast District Council Quarter 2 Monitoring Report

December 2022

Contents

Executive summary

This second quarter 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 2022 – 30 November 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 second quarter saw small shifts from the last quarter (Q1 2022/23) with a decrease in resource consent and building consent numbers with an increase in potential net additional yield from new developments – up to 111 from the previous quarter's 91.

The Ministry of Social Development's Social Housing Register was updated in December 2022. The update shows registrations have dropped slightly nationally and locally, down from 195 for Kāpiti in June 2022 to 165 in December 2022.

A snapshot of indicator activity for 1 September 2022 – 30 November 2022 is summarised below:

Indicator	**Movement from Last quarter**	**Context**
Building consent applications issued	Decreasing (by 20 as per Appendix 1)	152 consents issued with a total value of $40,088,805
Resource consent applications granted	Decreasing (by 9 as per Appendix 1)	76 consents granted - 72 residential - 4 non-residential - Indicating a potential net addition of 111 dwellings from new builds and subdivisions
House values	Decreasing	The median value of house sales has historically increased but has fallen significantly from $895,000 at 30/06/2022 to $770,000 for the latest period at 30/09/2022.
House sales	Decreasing	The sales figures for 30/06/2022 were 190, with a significant decrease for 30/09/2022 to 90.
Nominal mean rent	Increasing	Mean rent has continued to increase, rising from $561 for 30/06/2022 to $577 at 30/09/2022.
Dwellings sale volume as percentage of stock	Decreasing	The ratio of housing sales to housing stock has fallen to 0.38% as at 30/09/2022. This reflects the significant drop in house sales from the average of 1.5% experienced since 2018.
Land value as percentage of capital value	Increasing	53.6% (as of 30/09/2022), increasing from 47% at 14/08/2022
Average land value of a dwelling	Increasing	$372,040 (as of 30/09/2020) increasing from $247,164 at 14/08/2022

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 30/09/2020 where they sat at 20,954.*
HAM Buy: Affordability of first home buyer households	*Decreasing (improving)*	*Latest data sees affordability to buy improve as it declines from the 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.*

National Policy Statement on Urban Development

Kāpiti Coast District Council - Quarter 2 Monitoring Report December 2022

Introduction

This is the 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 September 2022 – 30 November 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 – December 2022

The Ministry of Social Development National Social Housing Register was updated in December 2022. The update shows that over the June 2022 to December 2022 period, applications for social housing in Kāpiti have slightly decreased from 195 to 165 registrations. Nationally registrations have also decreased from a total of 26,664 to 23,127 over this period. This follows the peak of registrations last December, with 198 registrations in Kāpiti and 25,524 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

Both resource consent and building consent numbers for the second quarter have decreased slightly from the previous quarter (Q1 2022/23), while potential net additional yield from new developments has increased.

Building consents[1]

Data on building consents helps identify development activity across the district. Between 1 September 2022 – 30 November 2022, 152 consents were issued. Of these, 60 related to new builds[2] (down 23 from 83 in the last quarter) and 72 related to dwellings - additions and alterations (up two from 70 in the last quarter).

Compared to the last quarter (Q1 2022/23), building consent numbers have decreased (down from 172 to 152), but there has been a significant drop in the total value of work at $40,088,805, down from last quarter's $72,752,842.

Building consents numbers are down when compared to the second quarter period last year (September – November 2021), from 192 to 152. The total value of work has also significantly down from $81,496,612 to $40,088,805 with a building consent for education building foundation(s) in the second quarter period last year (September – November 2021) being a key factor to this decrease at a value of $16,000,000.

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

Resource consents[3]

Between 1 September 2022 – 30 November 2022, Council granted 76 resource consents. This included 46 land use consents, 23 subdivision consents, and 7 resource consents for deemed permitted activities that involved a boundary activity[4]. Overall, 72 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 111 net additional dwellings. This is an increase from the 91 potential net additional dwellings reported last quarter (Q1 2022/23).

During this period, rural residential activities accounted for 14 of the 72 residential activities but accounted for 64 of the 111 potential net additional dwellings, with a 49-lot rural-residential subdivision being a key factor. Most of the residential consents (23) again came from the wider Waikanae area (accounting for 16 of the potential net additional dwellings). Paraparaumu (19), Ōtaki Forks (9), and Ōtaki (7) residential consents, accounted for 66, seven, and two of the potential net additional dwellings respectively. Raumati Beach and

[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.

Raumati South accounted for nine of the residential consents, however, this only yielded two potential net additional dwellings.

There were also 4 non-residential resource consents granted during this period. These included an industrial garage and stormwater infrastructure.

Resource consent activity for this second quarter period is higher than for the same period last year, where 53 resource consents were granted. However, the number of potential net additional dwellings is down significantly from the 448 potential net additional dwellings identified for the same period last year. An application from the same period last year (Q2 2021/22) indicated the net addition of 292 dwellings and is a key factor behind the total 448 potential net additional dwellings figure.

This quarter also identified two 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 figures 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 quarter 2022/2023 and second quarter 2022/2023 comparison.

Application Type	2022/2023 First Quarter 1 June 2022 - 31 August 2022		2022/2023 Second Quarter 1 September 2022 - 30 November 2022	
	Number	Value $	Number	Value $
New (& prebuilt) House, Unit, Bach, Crib	83	46,983,457	60	27,646,080
New Flats	1	800,000	1	800,000
New Retirement Villages - Excludes Dwellings	1	16,000,000	0	0
New Education Buildings - Other	1	50,000	0	0
New Childcare Facilities	0	0	1	250,000
New Farm Buildings - Other	0	0	1	109,000
New Factories	1	261,000	0	0
New Other Buildings	1	500,000	2	205,000
New Office/Warehouse Buildings	1	669,000	0	0
Education Buildings - New Foundations Only	1	470,000	0	0
Factories - New Foundations Only	1	60,000	0	0
New Flats - New Foundations Only	0	0	1	92,000
Multi-Purpose Buildings - New Foundations Only	0	0	1	200,000
Dwellings - Alterations & Additions	70	5,720,385	72	9,500,300
Dwelling With Flats - Alterations & Additions	1	50,000	1	105,000
Resited Houses	2	101,000	1	70,000
Education Buildings - Alterations & Additions	1	250,000	2	133,400
Shops, Restaurants - Alterations & Additions	4	530,000	3	250,000
Alterations & Additions - Office/Admin	1	250,000	2	301,000
Other Buildings - Alterations & Additions	2	58,000	3	277,025
Multi-Purpose Buildings - Alterations & Additions	0	0	1	150,000
Total	**172**	**72,752,842**	**152**	**40,088,805**

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 quarter 2022/2023 and second quarter 2022/2023 comparison.

Location	2022/23 First Quarter 1 June 2022 – 31 August 2022	2022/23 Second Quarter 1 September 2022 – 30 November 2022
	Number	Number
Maungakotukutuku	3	1
Ōtaki	6	6
Ōtaki Forks	3	9
Paekākāriki	1	2
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	18	19
Peka Peka (Te Horo and Kaitawa)	9	3
Raumati Beach and Raumati South	10	9
Waikanae	22	23
Residential (total)	**72**	**72**
Maungakotukutuku	1	1
Ōtaki	3	1
Ōtaki Forks	0	0
Paekākāriki	1	0
Paraparaumu (Central, North Beach, and South Beach)	2	0
Peka Peka (Te Horo and Kaitawa)	1	1
Raumati Beach and Raumati South	1	1
Waikanae	4	0
Non-residential (total)	**13**	**4**
Total granted	**85**	**76**

Source: Kāpiti Coast District Council resource consent data.

Table 3: Resource consents granted by type, Kāpiti Coast District first quarter 2022/2023 and second quarter 2022/2023 comparison.

Resource Consent Type	2022/23 First Quarter 1 June 2022 – 31 August 2022	2022/23 Second Quarter 1 September 2022 – 30 November 2022
	Number	Number
Deemed Permitted Boundary Activity	13	7
Land Use - Controlled	0	1
Land Use - Discretionary	29	22
Land Use - Non-complying	8	6
Land Use - Restricted Discretionary	19	17
Subdivision - Controlled	0	1
Subdivision - Discretionary	10	4
Subdivision - Non-complying	4	15
Subdivision - Restricted Discretionary	2	3
Total	**85**	**76**

Source: Kāpiti Coast District Council resource consent data.

Table 4: Net dwelling increases for resource consents granted by location, Kāpiti Coast District first quarter 2022/2023 and second quarter 2022/2023 comparison.

Location	2022/23 First Quarter 1 June 2022 – 31 August 2022	2022/23 Second Quarter 1 September 2022 – 30 November 2022
	Number	Number
Maungakotukutuku	2	15
Ōtaki	6	2
Ōtaki Forks	9	7
Paekākāriki	0	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	16	66
Peka Peka (Te Horo and Kaitawa)	4	2
Raumati Beach and Raumati South	0	2
Waikanae	54	16
Total	**91**	**111**

Source: Kāpiti Coast District Council resource consent data.