National Policy Statement on Urban Development

Kāpiti Coast District Council Quarter 1 Monitoring Report

September 2023

Contents

Executive Summary

This first quarter (Q1 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 June 2023 – 31 Aug 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 slight decrease in median house values to $750,000 following a plateau of $780,000 over the previous two quarters. While sales continue to be subdued, recent results will be revised up from submission of late sales data.

There has been a further decrease in resource consents, down to 41 for this period, continuing a decline of activity across the last five quarters. However, this quarter saw a rise in the potential net additional dwellings, up to 50 this quarter. Building consent numbers have also increased to 153, following decreasing numbers and activity across the last four quarters.

A snapshot of indicator activity for 1 June 2023 – 31 Aug 2023 is summarised below:

Indicator	Movement from last quarter	Context
Building consent applications issued	Increasing (by 21 as per Appendix 1)	153 consents issued with a total value of $60,118,312 with consents for 52 new dwellings.
Resource consent applications granted	Decreasing (by 11 as per Appendix 1)	41 consents granted - 32 residential - 9 non-residential - Indicating a potential net addition of 50 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 $750,000 as of 30/06/2023, compared to an average of $780,000 for the last two quarters.
House sales	Decreasing	There were 89 house sales as of 30/06/2023. However, this will be revised up on receipt of late data with last quarter's 79 house sales now revised up to 198.

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, very slightly decreasing to $577 for 30/06/2023 from $579 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 30/06/2023 from 1% for 31/03/2023
Land value as percentage of capital value	Decreasing	47.1% for 30/06/2023 decreasing from 53.6% in 31/03/2023.
Average land value of a dwelling	Decreasing	$246,838 for 30/06/2023 decreasing from $372,020 as of 30/09/2020.

Kāpiti Coast District Council - Quarter 1 Monitoring Report September 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 June 2023 – 31 August 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 – June 2023

The Ministry of Social Development National Social Housing Register was updated in June 2023. The update shows that over the March 2023 to June 2023 period, applications for social housing in Kāpiti have marginally increased from 168 to 171 registrations. Nationally registrations have also increased from a total of 24,081 to 24,717 over this period. This follows the peak of registrations in March 2022 with 216 registrations in Kāpiti and 26,664 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 to decrease this quarter but with net additional dwellings increasing. Building consent numbers have increased from the previous quarter (Q4 2022/23).

Building Consents[1]

Data on building consents helps identify development activity across the district. Between 1 June 2023 – 31 Aug 2023, 153 consents were issued. This is an increase from the 132 reported for the last quarter (Q4 2022/23). Of these, 51 related to new builds[2] (up 9 from 42 in the last quarter) and 79 related to dwellings - additions and alterations (up 14 from 65 in the last quarter).

Compared to the last quarter (Q4 2022/23), the total value of building consents has also increased at $60,118,312, up from last quarter's $54,336,904.

Compared to the same period last year (1 June 2022 – 31 Aug 2022), building consent numbers are down from 172 to 153 as well as the total value of work, down from $72,752,842 to $60,118,312.

During the quarter the applications for building consents equated to 52 new houses.

The type of housing through the building consent process identified 38 standalone houses, 2 semi-detached, 3 rebuilds, 2 second houses, 3 developments for studios, sleepouts or flats, and 4 townhouse developments (one of which is a rebuild), making a total of 52.

Of these residential developments, 69.3% were for housing with 2 or 3 bedrooms (28.9% for 2-bed and 40.4% for 3-bed), with 23% for 4 bedrooms, and the remainder for 1-bed (7.7%). There were no 5-bedroom houses.

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

Resource Consents[3]

Between 1 June 2023 – 31 August 2023, Council granted 41 resource consents.

This included 29 land use consents, 10 subdivision consents, and 2 resource consents for deemed permitted activities that involved a boundary activity[4]. Overall, 32 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 50 net additional dwellings. This is an increase from the 30 potential net additional dwellings reported last quarter (Q4 2022/23).

During this period, general residential activities accounted for 26 of the 32 residential activities. Paraparaumu accounted for 8 of the residential consents with the potential for 20 additional dwellings. Raumati Beach and Raumati South accounted for 8 of the consents with 3 potential additional dwellings. Waikanae which usually has the most residential

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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.

consents, only had 7 this quarter with a net potential for 5 additional dwellings. Ōtaki accounted for 2 of the residential consents with the potential for 2 net additional dwellings. Paekākāriki only had one 1 consent with no potential additional dwellings.

During this period, rural residential activities accounted for 6 of the 32 residential activities, with 3 of the residential consents coming from Ōtaki Forks, 2 from Peka Peka, and 1 from Paraparaumu. Notably, Peka Peka only had 2 consents accounting for all 20 potential additional dwellings in rural residential consents.

There were also 9 non-residential resource consents granted during this period. These included the construction of a Four-Square store, a new storage building and upgrades to telecommunication facilities.

Resource consent activity for this first quarter period is lower than for the same period last year, where 85 resource consents were granted. The number of potential net additional dwellings is also significantly down from the 91 potential net additional dwellings identified for the same period last year.

The figures for residential and non-residential consents for the first 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 first quarter 2023/2024 comparison.

Application Type	2022/2023 First Quarter 1 June 2022 - 31 August 2022		2022/2023 First Quarter 1 June 2023 - 31 August 2023	
	Number	Value $	Number	Value $
New (& prebuilt) House, Unit, Bach, Crib	83	46,983,457	51	34,046,348
New Flats	1	800,000	2	5,500,000
New Retirement Villages - Excludes Dwellings	1	16,000,000	1	3,000,000
New Schools, excludes school hostels	0	0	1	2,000,000
New Education buildings - Other	1	50,000	0	0
New Showrooms	0	0	2	384,000
New Factories	1	261,000	0	0
New Farm Buildings - Other	0	0	1	146,000
New Other Buildings	1	500,000	3	1,630,000
New Office/Warehouse Buildings	1	669,000	0	0
Education Buildings - New Foundation Only	1	470,000	0	0
Factories - New Foundation Only	1	60,000	0	0
Dwellings - Alterations & Additions	70	5,720,385	79	10,404,964
Dwellings With Flats - Alterations & Additions	1	50,000	0	0
Resited Houses	2	101,000	3	270,000
Education Buildings - Alterations & Additions	1	250,000	3	450,000
Shops, Restaurants - Alterations & Additions	4	530,000	1	50,000
Alterations & Additions - Office/Admin	1	250,000	2	140,000
Other Buildings - Alterations & Additions	2	58,000	4	2,097,000
Total	**172**	**72,752,842**	**153**	**60,118,312**

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 first quarter 2023/2024 comparison.

Location	2022/2023 First Quarter 1 June 2022 – 31 August 2022	2023/24 First Quarter 1 June 2023 – 31 August 2023
	Number	**Number**
Maungakotukutuku	3	0
Ōtaki	6	2
Ōtaki Forks	3	3
Paekākāriki	1	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	18	9
Peka Peka (Te Horo and Kaitawa)	9	2
Raumati Beach and Raumati South	10	8
Waikanae	22	7
Residential (total)	**72**	**32**
Maungakotukutuku	1	0
Ōtaki	3	0
Ōtaki Forks	0	2
Paekākāriki	1	1
Paraparaumu (Central, North Beach, and South Beach)	2	4
Peka Peka (Te Horo and Kaitawa)	1	0
Raumati Beach and Raumati South	1	1
Waikanae	4	1
Non-residential (total)	**13**	**9**
Total granted	**85**	**41**

Source: Kāpiti Coast District Council resource consent data.

Table 3: Resource consents granted by type, Kāpiti Coast District first quarter 2022/2023 and first quarter 2023/2024 comparison.

Resource Consent Type	2022/23 First Quarter 1 June 2022 – 31 August 2022	2023/24 First Quarter 1 June 2023 – 31 August 2023
	Number	Number
Deemed Permitted Boundary Activity	13	2
Land Use - Controlled	0	2
Land Use - Discretionary	29	16
Land-Use Non-complying	8	4
Land Use - Permitted	19	1
Land Use - Restricted Discretionary	0	6
Subdivision - Controlled	0	1
Subdivision - Discretionary	10	2
Subdivision - Non-complying	4	4
Subdivision - Restricted Discretionary	2	3
Total	**85**	**41**

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 first quarter 2023/2024 comparison.

Location	2022/23 First Quarter 1 June 2022 – 31 August 2022	2023/24 First Quarter 1 June 2023 – 31 August 2023
	Number	Number
Maungakotukutuku	2	0
Ōtaki	6	2
Ōtaki Forks	9	5
Paekākāriki	0	2
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	16	13
Peka Peka (Te Horo and Kaitawa)	4	2
Raumati Beach and Raumati South	0	9
Waikanae	54	8
Total	**91**	**41**

Source: Kāpiti Coast District Council resource consent data.