

# **National Policy Statement on Urban Development**

## **Kāpiti Coast District Council Quarter 3 Monitoring Report**

*March 2021*

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## Executive summary

This third quarter NPS-UD monitoring report provides an update and analysis of changes across the development market for the 1 December 2020 – 28 February 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 Urban Development Dashboard where available, however these have not been updated since the last quarterly report or prior. As a result, this report primarily focuses on an update of development control activity.

Both resource and building consent activity has decreased over the last quarter as expected for the Christmas holiday period, however numbers are mixed from the same period last year, with building consents slightly down and resource consents slightly up. Potential net additions to new stock from new builds and subdivisions is also slightly down, with a potential of 53 new additions to new stock this quarter, compared to last quarter's 88.

The Ministry of Social Development's Housing Register, updated in December 2020, continues to show a nation-wide trending increase in registrations both quarterly and yearly, however Kāpiti did experience a small decrease from last quarter from 175 to 173.

A snapshot of indicator activity for the 1 December 2020 – 28 February 2021 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Decrease (by 57 as per Appendix 1)	116 consents issued with a total value of \$35,907,648
Resource consent applications granted	Decrease (by 8 as per Appendix 1)	66 consents granted <ul style="list-style-type: none"> <li>- 56 residential</li> <li>- 10 non-residential</li> <li>- Indicating a potential net addition of 53 dwellings from new builds and subdivisions</li> </ul>

Indicators not updated for this quarter are below, and are listed with their latest updated activity levels. These will be updated in the next quarterly report subject to updates made to the Urban Development Dashboard by the Ministry of Housing and Urban Development.

Dwelling stock (number of dwellings)	Increasing	Baseline stock numbers have not been revised since 30/09/2019 where they sat at 22,415.
Dwellings sale volume as percentage of stock	Decreasing	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.
Nominal mean rent	Increasing	Mean rent has continued to increase, strengthening from \$438 for 30/06/2019 to \$455 in 31/03/2020. This increased to \$469 per week in 30/09/2020.
HAM Buy: share of first home buyer households with below-average income after housing costs	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: share of renting households with below-average income after housing costs	Decreasing (Improving)	Latest data sees affordability of renting improve, falling from 0.41 at 31/12/2018 to 0.40 at 31/12/2018.
House values	Increasing	The median value of house sales has historically increased, rising from \$730,000 in 30/09/2020 to \$756,750 for the latest period to 30/12/2020.
House sales	Increasing	The sales figures for 31/09/2019 were 308, with an increase for 30/09/2020 to 406.
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

# National Policy Statement on Urban Development

## Kāpiti Coast District Council - Quarter 3 Monitoring Report March 2021

### Introduction

This is the third 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 December 2020 – 28 February 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 Urban Development Dashboard, however 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](http://www.kapiticoast.govt.nz/Our-District/The-Kapiti-Coast/urban-development-capacity)

### Update on the review of the District Growth Strategy

Council is currently in the process of reviewing its District Growth Strategy (formerly the Development Management Strategy 2008). The strategy will provide a broad framework for how the district plans to grow over the next 30 years. This includes how it will help meet both the current and future needs of the district, with an additional 30,000 people expected to call the district home by 2050.

The review of the strategy enables us to reflect the long term regional vision for growth and change set out in the draft Wellington Regional Growth Framework, while providing further detail for how Kāpiti plans to manage its own future growth. The strategy will also help inform Councils response to requirements under the National Policy Statement on Urban Development (NPS- UD) to develop well-functioning urban areas and ensure sufficient development capacity to meet current and future community needs. This includes identifying where and how future growth is provided for, both up and out, including a range of housing typologies and intensification around centres, transport connections and future greenfield areas. This will help inform future plan changes to give effect to the NPS-UD.

Discussions are being planned with key stakeholders, including the development community, later in May 2021 to provide an update on the process and discuss challenges and opportunities for future growth of the district. This will be followed by consultation on a draft strategy later in July – August 2021. Further information on the review is available at [www.kapiticoast.govt.nz/your-council/projects/growth-strategy](http://www.kapiticoast.govt.nz/your-council/projects/growth-strategy).

### Housing Register Quarterly Update – December 2020

The Ministry of Social Development National Housing Register was last updated in December 2020. The update at this time shows that over the September to December 2020 period, applications for social housing in Kāpiti have decreased slightly, from 175 to 173 registrations. Nationally registrations have increased in 84% of locations, moving from a total

of 21,415 to 22,521 over this period. Compared to the same quarter last year registrations in Kāpiti have increased from 109 to 173. This follows the national trend where overall registrations have increased from 14,869 to 22,521 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

Consent numbers (both building and resource) for this quarter have decreased from the last quarter which is not unusual for the Christmas period, with potential net additional dwellings also down. Compared to the same period last year there has been a slight decrease in building consents issued, and a slight increase in resource consents granted, however there has also been a slight decrease in potential net dwellings.

### Building consents<sup>1</sup>

Data on building consents helps identify development activity across the district. Between 1 December 2020 – 28 February 2021, 116 consents were issued. Of these, 53 related to new builds<sup>2</sup> (down from 60 from the last quarter), 54 related to dwellings - additions and alterations (down from 95 from the last quarter), and 1 related to a re-sited house.

Compared to last quarter building consent numbers have decreased (down from 176), with the total value of work reflecting this at \$35,907,648 down from last quarters \$38,207,421.

Compared to the same period last year, building consents are slightly down (123 to 116), with an increase in the total value of work from \$33,865,584 to \$35,907,648. The difference can be largely attributed to higher value projects within the new (& prebuilt) house, unit, bach, crib category for the same period last year (an increase this quarter of \$3,855,947) with an increase in work for other buildings – alternations & additions (an increase of \$1,390,000), and a decrease in work for dwellings – alterations & additions (a decrease of \$1,768,883).

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

### Resource consents<sup>3</sup>

Between 1 December 2020 – 28 February 2021, Council granted 66 resource consents. This included 35 land use consents, 21 subdivision consents, and 10 resource consents for deemed permitted activities that involved a boundary activity<sup>4</sup>. Overall, 56 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 53 net additional dwellings. This is down from the 88 potential net additional dwellings reported last quarter.

During this period, rural residential activities accounted for 6 of the 57 residential activities (accounting for 4 of the potential net additional dwellings), with the majority of the residential consents (20) again coming from the wider Waikanae area (accounting for 20 of the potential net additional dwellings). Raumati Beach and Raumati South feature strongly for this period,

<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

<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 monitoring.

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

accounting for 11 of the residential consents however this is yielding only 3 potential net additional dwellings due to a number of consents for other activities such as extensions, a garage, and a replacement build; Paraparaumu also features strongly with 11 residential consents yielding 13 of the potential net additional dwellings.

There were also 10 non-residential resource consents granted during this period. These included the repair and maintenance of a heritage building (the Otaki Civic Centre), operating a retail activity in the industrial/service zone, and installing and operating an industrial activity (mobile asphalt plant) in the Rural Dunes Zone.

Resource consent activity for this quarter is lower than the same period last year where 57 resource consents were granted, with the number of potential net additional dwellings also down (from 101).

This quarter also identified five 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 last 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 and second quarter comparison

Application type	1 June 2020 – 31 August 2020		1 September 2020 - 30 November 2020		1 December 2020 – 28 February 2021	
	Number	Value \$	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	48	28,352,304	60	27,884,746	53	27,152,648
New Flats	0	0	1	205,000	1	80,000
New Industrial Bldgs, eg foundry	0	0	1	70,000	0	0
New Farm Buildings - Other	2	175,000	2	166,000	0	0
New Other Buildings	1	149,000	2	533,500	1	65,000
New Office/Warehouse Buildings	1	650,000	0	0	0	0
Education Bldgs - new foundations only	0	0	1	400,000	1	700,000
Farm Buildings - New Foundations Only	0	0	1	11,500	1	62,000
Other Buildings - new foundations only	1	80,000	1	500	0	0
Dwellings - Alterations & additions	68	3,863,464	95	6,918,990	54	5,953,000
Dwelling with flats - New Foundations on	1	125,000	0	0	0	0
Dwelling with flats - Alterations & additions	1	200,000	1	3,000	0	0
Resited Houses	1	150,000	1	25,000	1	200,000
Education Bldgs – alterations & additions	0	0	0	0	1	300,000
Social Bldgs - Alterations & additions	0	0	1	320,000	0	0
Farm Buildings - alterations & additions	1	80,000	0	0	0	0
Other Buildings - alterations & addition	1	10,000	6	1,669,185	3	1,395,000

<b>Total</b>	<b>126</b>	<b>33,834,768</b>	<b>173</b>	<b>38,207,421</b>	<b>116</b>	<b>35,907,648</b>
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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 and second quarter comparison.

Location	1 June 2020 – 31 August 2020	1 September 2020 – 30 November 2020	1 December 2020 – 28 February 2021
	Number	Number	Number
Maungakotukutuku	2	2	3
Ōtaki	5	8	5
Ōtaki Forks	4	6	3
Paekākāriki	3	1	3
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	8	12	9
Peka Peka (Te Horo and Kaitawa)	4	2	1
Raumati Beach and Raumati South	14	14	12
Waikanae	27	22	20
<b>Residential (total)</b>	<b>67</b>	<b>67</b>	<b>56</b>
Maungakotukutuku	0	0	
Ōtaki	1	2	4
Ōtaki Forks	0	0	
Paekākāriki	0	0	1
Paraparaumu (Central, North Beach, and South Beach)	0	3	3
Peka Peka (Te Horo and Kaitawa)	0	1	2
Raumati Beach and Raumati South	0	1	
Waikanae	0	0	
<b>Non-residential (total)</b>	<b>1</b>	<b>7</b>	<b>10</b>
<b>Total granted</b>	<b>68</b>	<b>74</b>	<b>66</b>

Source: Kāpiti Coast District Council resource consent data.

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

Resource Consent Type	1 June 2020 – 31 August 2020	1 September 2020 – 30 November 2020	1 December 2020 – 28 February 2021
	Number	Number	Number
Deemed Permitted Boundary Activity	8	14	10
Land Use - Controlled	1	1	1
Land Use - Discretionary	17	14	17
Land Use - Non-complying	8	4	7
Land Use - Restricted Discretionary	16	11	10
Right of Way Approval	0	1	1
Subdivision - Controlled	0	4	1
Subdivision - Discretionary	7	6	7
Subdivision - Non-complying	6	11	8
Subdivision - Restricted Discretionary	5	8	4
<b>Total</b>	<b>68</b>	<b>74</b>	<b>66</b>

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 comparison.

Location	1 June 2020 – 31 August 2020	1 September 2020 – 31 November 2020	1 December 2020 – 28 February 2021
	Number	Number	Number
Maungakotukutuku	1	2	4
Ōtaki	2	56	10
Ōtaki Forks	7	4	2
Paekākāriki	1	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	3	7	13
Peka Peka (Te Horo and Kaitawa)	2	0	1
Raumati Beach and Raumati South	3	5	3
Waikanae	53	14	20
<b>Total</b>	<b>72</b>	<b>88</b>	<b>53</b>

Source: Kāpiti Coast District Council resource consent data.