

National policy statement on urban development

Kāpiti Coast District Council Quarter 2 Monitoring Report

December 2020

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Executive summary

This second quarter NPS-UD monitoring report provides an update and analysis of changes across the development market for the 1 September 2020 – 30 November 2020 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. Recent updates for house sales and house values have been provided from the dashboard.

Both resource and building consent activity has increased over the last quarter, however numbers are slightly down from the same period last year. Potential net additions to new stock from new builds and subdivisions reflects the increase in consenting activity and has also increased to 88 from 72 last quarter.

House sales numbers have bounced back from last quarter to 406 as at 30/09/2020. The median house price has also continued to increase with ongoing demand, up to a high of \$730,000 for Kāpiti for the same period.

A snapshot of indicator activity for the 1 September 2020 – 30 November 2020 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Increase (by 47 as per Appendix 1)	173 consents issued with a total value of \$38,207,421
Resource consent applications granted	Increase (by 6 as per Appendix 1)	74 consents granted <ul style="list-style-type: none"> - 67 residential - 7 non-residential - Indicating a potential net addition of 88 dwellings from new builds and subdivisions
House values	Increasing	The median value of house sales continues to increase from \$670,000 (revised up) for the three months to 30/6/2020 to \$730,000 for the latest period to 30/09/2020.
House sales	Increasing	The number of house sales for the three months to 30/06/2020 have been revised up to 242, and have increased to 406 for the latest period to 30/09/2020.
Nominal mean rent	Increasing	Mean weekly rent has continued to increase, from \$459 as at 30/06/2019 (revised up) to \$469 per week at 30/09/2020.

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.

<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 22,415.</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>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 2 Monitoring Report December 2020

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 from the 1 September 2020 – 30 November 2020 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. Recent updates for house sales and house values have been provided from the dashboard.

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

GROWTH TRENDS

Consent numbers (both building and resource) for this quarter have increased from the last quarter, with potential net additional dwellings also up. There has been a slight decrease in overall activity when compared to the same period last year, but an increase in potential net additional dwellings.

Building consents¹

Data on building consents helps identify development activity across the district. Between 1 September 2020 – 30 November 2020, 173 consents were issued. Of these, 60 related to new builds² (up from 48 from the last quarter), 95 related to dwellings - additions and alterations (up from 68 from the last quarter), and 1 related to a re-sited house.

Compared to last quarter building consent numbers have increased (up from 126), with the total value of work reflecting this at \$38,207,421 up from last quarters \$33,834,768.

Compared to the same period last year, building consents are slightly down (185 to 173), with a noticeable decrease in the total value of work from \$48,723,427 to \$38,207,421. 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 (a decrease this quarter of \$7,650,823) as well as a higher level of commercial development with new shops, office/warehouse and multi-purpose buildings (a combined decrease of \$3,330,000 this quarter).

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

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

Resource consents³

Between 1 September 2020 – 30 November 2020, Council granted 74 resource consents. This included 30 land use consents, 30 subdivision consents, and 14 resource consents for deemed permitted activities that involved a boundary activity⁴. Overall, 67 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 88 net additional dwellings. This is up from the 72 potential net additional dwellings reported last quarter.

During this period, rural residential activities accounted for 10 of the 67 residential activities (accounting for 5 of the potential net additional dwellings), with the majority of the residential consents (22) again coming from the wider Waikanae area (accounting for 14 of the potential net additional dwellings). However, Ōtaki features strongly for this period with 8 residential consents yielding 56 of the potential net additional dwellings, with 44 from one development.

There were also 7 non-residential resource consents granted during this period. These included a District Centre subdivision, upgrading an existing telecommunications facility, and earthworks for a commercial operation.

Resource consent activity for this quarter is slightly lower than the same period last year where 79 resource consents were granted, however the number of potential net additional dwellings is up (from 45).

This quarter also identified one application where a house is to be re-built and four 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.

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.

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	
	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	48	28,352,304	60	27,884,746
New Flats	0	0	1	205,000
New Industrial Bldgs, eg foundry	0	0	1	70,000
New Farm Buildings - Other	2	175,000	2	166,000
New Other Buildings	1	149,000	2	533,500
New Office/Warehouse Buildings	1	650,000	0	0
Education Bldgs - new foundations only	0	0	1	400,000
Farm Buildings - New Foundations Only	0	0	1	11,500
Other Buildings - new foundations only	1	80,000	1	500
Dwellings - Alterations & additions	68	3,863,464	95	6,918,990
Dwelling with flats - New Foundations on	1	125,000	0	0
Dwelling with flats - Alterations & additions	1	200,000	1	3,000
Resided Houses	1	150,000	1	25,000
Social Bldgs - Alterations & additions	0	0	1	320,000
Farm Buildings - alterations & additions	1	80,000	0	0
Other Buildings - alterations & addition	1	10,000	6	1,669,185
Total	126	33,834,768	173	38,207,421

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
	Number	Number
Maungakotukutuku	2	2
Ōtaki	5	8
Ōtaki Forks	4	6
Paekākāriki	3	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	8	12
Peka Peka (Te Horo and Kaitawa)	4	2
Raumati Beach and Raumati South	14	14
Waikanae	27	22
Residential (total)	67	67
Maungakotukutuku	0	0
Ōtaki	1	2
Ōtaki Forks	0	0
Paekākāriki	0	0
Paraparaumu (Central, North Beach, and South Beach)	0	3
Peka Peka (Te Horo and Kaitawa)	0	1
Raumati Beach and Raumati South	0	1
Waikanae	0	0
Non-residential (total)	1	7
Total granted	68	74

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
	Number	Number
Compliance Certificate	0	0
Deemed Permitted Boundary Activity	8	14
Land Use - Controlled	1	1
Land Use - Discretionary	17	14
Land Use - Non-complying	8	4
Land Use - Restricted Discretionary	16	11
Right of Way Approval	0	1
Subdivision - Controlled	0	4
Subdivision - Discretionary	7	6
Subdivision - Non-complying	6	11
Subdivision - Restricted Discretionary	5	8
Total	68	74

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
	Number	Number
Maungakotukutuku	1	2
Ōtaki	2	56
Ōtaki Forks	7	4
Paekākāriki	1	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	3	7
Peka Peka (Te Horo and Kaitawa)	2	0
Raumati Beach and Raumati South	3	5
Waikanae	53	14
Total	72	88

Source: Kāpiti Coast District Council resource consent data.

Map 1: Location of new build and potential net additions for the 1 September 2020 – 30 November 2020 period

