

National Policy Statement on Urban Development

Kāpiti Coast District Council Quarter 4 Monitoring Report

June 2021

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Executive summary

This fourth quarter NPS-UD monitoring report provides an update and analysis of changes across the development market for the 1 March 2021 – 31 May 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.

Both resource and building consent activity has increased over the last quarter. Potential net additions to new stock from new builds and subdivisions is also up, with a potential of 135 new additions to new stock this quarter, compared to last quarter's 53.

The Ministry of Social Development's Housing Register, updated in March 2021, continues to show a nation-wide trending increase in registrations both quarterly and yearly, with Kāpiti increasing from last quarter from 173 to 180.

A snapshot of indicator activity for the 1 March 2021 – 31 May 2021 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Increase (by 71 as per Appendix 1)	187 consents issued with a total value of \$46,435,987
Resource consent applications granted	Increase (by 1 as per Appendix 1)	67 consents granted <ul style="list-style-type: none"> - 61 residential - 6 non-residential - Indicating a potential net addition of 135 dwellings from new builds and subdivisions
House values	Increasing	The median value of house sales has historically increased, rising from \$768,000 in 31/12/2020 to \$820,000 for the latest period to 31/03/2021.

A number of indicators continue to be less frequently updated on HUD's dashboard. The latest available information for these indicators 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>Increasing</i>	<i>The sales figures for 31/12/2019 were 309, with an increase for 31/12/2020 to 349.</i>
<i>Nominal mean rent</i>	<i>Increasing</i>	<i>Mean rent has continued to increase, strengthening from \$438 for 30/06/2019 to \$460 in 30/06/2020. This increased to \$475 per week for 31/12/2020.</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 4 Monitoring Report June 2021

Introduction

This is the fourth 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 March 2021 – 31 May 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

Housing Register Quarterly Update – March 2021

The Ministry of Social Development National Housing Register was last updated in March 2021. The update at this time shows that over the December to March 2021 period, applications for social housing in Kāpiti have increased, from 173 to 180 registrations. Nationally registrations have increased from 22,521 to 23,688 over this period. Compared to the March 2020 quarter, registrations in Kāpiti have increased from 119 to 180. This follows the national trend where overall registrations have increased from 16,309 to 23,688 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 and resource consent numbers and the number of potential net additional dwellings have all increased from the previous quarter and the same period last year.

Building consents¹

Data on building consents helps identify development activity across the district. Between 1 March 2021 – 31 May 2021, 187 consents were issued. Of these, 75 related to new builds² (up from 53 from the last quarter), 85 related to dwellings - additions and alterations (up from 54 from the last quarter), and 1 related to a re-sited house.

Compared to last quarter building consent numbers have increased (up from 116), with the total value of work reflecting this at \$46,435,987 up from last quarters \$35,907,648.

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

Compared to the same period last year, building consents are up (107 to 187), with an increase in the total value of work from \$37,034,140 to \$46,435,987. 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 \$5,300,277), an increase in work for dwellings – alterations and additions (an increase of \$2,708,347), an increase in new childcare facilities (of \$780,000) and an increase in factories – alterations and additions (of \$750,000).

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

Resource consents³

Between 1 March 2021 – 31 May 2021, Council granted 67 resource consents. This included 31 land use consents, 19 subdivision consents, and 17 resource consents for deemed permitted activities that involved a boundary activity⁴. Overall, 61 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 135 net additional dwellings. This is up from the 53 potential net additional dwellings reported last quarter.

During this period, rural residential activities accounted for 8 of the 57 residential activities (accounting for 38 of the potential net additional dwellings), with the majority of the residential consents (23) again coming from the wider Waikanae area (accounting for 60 of the potential net additional dwellings). Paraparaumu also again features strongly with 13 residential consents (accounting for 55 potential net additional dwellings), and Raumati (Beach and South) also featuring strongly at 11 residential consents (however this only accounts for 7 potential net additional dwellings).

There were also 6 non-residential resource consents granted during this period. These included an extension to a commercial building, new teaching buildings in a school, and a new telecommunications roadside box.

Resource consent activity for this quarter is higher than the same period last year where 51 resource consents were granted, with the number of potential net additional dwellings also up (from 82).

This quarter also identified two applications where a house is to be re-built and one where cross leases were to be updated, along with two applications where a sleepout was 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 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 through fourth quarter comparison

Application type	1 June 2020 – 31 August 2020		1 September 2020 - 30 November 2020		1 December 2020 – 28 February 2021		1 March 2021 - 31 May 2021	
	Number	Value \$	Number	Value \$	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	48	28,352,304	60	27,884,746	53	27,152,648	75	32,452,925
New Flats	0	0	1	205,000	1	80,000	0	0
New Childcare facilities	0	0	0	0	0	0	1	780,000
New shops	0	0	0	0	0	0	1	20,000
New Coolstores (excl farms)	0	0	0	0	0	0	1	500,000
New Industrial Bldgs, eg foundry	0	0	1	70,000	0	0	0	0
New Farm Buildings - Other	2	175000	2	166,000	0	0	0	0
New Other Buildings	1	149000	2	533,500	1	65000	0	0
New Office/Warehouse Buildings	1	650000	0	0	0	0	0	0
Factories - new foundations only	0	0	0	0	0	0	1	200,000
Education Bldgs - new foundations only	0	0	1	400,000	1	700000	0	0
Farm Buildings - New Foundations Only	0	0	1	11,500	1	62000	3	302,000
Other Buildings - new foundations only	1	80000	1	500	0	0	1	490,000
Dwellings - Alterations & additions	68	3863464	95	6,918,990	54	5953000	85	8,661,347
Dwelling with flats - New Foundations on	1	125000	0	0	0	0	0	0
Other outbuildings eg shed, workshop, sl	0	0	0	0	0	0	3	118,715
Dwelling with flats - Alterations & additions	1	200000	1	3,000	0	0	1	140,000
Resited Houses	1	150000	1	25,000	1	200000	1	120,000
Shops, restaurants - Alterations & addit	0	0	0	0	0	0	3	245,000
Alterations & additions - office/admin	0	0	0	0	0	0	1	10,000
Factories - alterations & additions	0	0	0	0	0	0	1	750,000
Multi-purpose bldg alterations & additio	0	0	0	0	0	0	1	40,000
Education Bldgs – alterations & additions	0	0	0	0	1	300,000	2	390,000
Social Bldgs - Alterations & additions	0	0	1	320,000	0	0	0	0
Farm Buildings - alterations & additions	1	80,000	0	0	0	0	0	0
Other Buildings - alterations & addition	1	10,000	6	1,669,185	3	1,395,000	6	1,216,000
Total	126	33,834,768	173	38,207,421	116	35,907,648	187	46,435,987

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 through fourth quarter comparison.

Location	1 June 2020 – 31 August 2020	1 September 2020 – 30 November 2020	1 December 2020 – 28 February 2021	1 March 2021 - 31 May 2021
	Number	Number	Number	Number
Maungakotukutuku	2	2	3	0
Ōtaki	5	8	5	4
Ōtaki Forks	4	6	3	2
Paekākāriki	3	1	3	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	8	12	9	13
Peka Peka (Te Horo and Kaitawa)	4	2	1	8
Raumati Beach and Raumati South	14	14	12	11
Waikanae	27	22	20	23
Residential (total)	67	67	56	61
Maungakotukutuku	0	0	0	0
Ōtaki	1	2	4	3
Ōtaki Forks	0	0	0	0
Paekākāriki	0	0	1	0
Paraparaumu (Central, North Beach, and South Beach)	0	3	3	2
Peka Peka (Te Horo and Kaitawa)	0	1	2	1
Raumati Beach and Raumati South	0	1	0	0
Waikanae	0	0	0	0
Non-residential (total)	1	7	10	6
Total granted	68	74	66	67

Source: Kāpiti Coast District Council resource consent data.

Table 3: Resource consents granted by type, Kāpiti Coast District, first through fourth quarter comparison.

Resource Consent Type	1 June 2020 – 31 August 2020	1 September 2020 – 30 November 2020	1 December 2020 – 28 February 2021	1 March 2021 - 31 May 2021
	Number	Number	Number	Number
Deemed Permitted Boundary Activity	8	14	10	17
Land Use - Controlled	1	1	1	0
Land Use - Discretionary	17	14	17	16
Land Use - Non- complying	8	4	7	8
Land Use - Restricted Discretionary	16	11	10	7
Right of Way Approval	0	1	1	0
Subdivision - Controlled	0	4	1	2
Subdivision - Discretionary	7	6	7	6
Subdivision - Non- complying	6	11	8	6
Subdivision - Restricted Discretionary	5	8	4	5
Total	68	74	66	67

Source: Kāpiti Coast District Council resource consent data.

Table 4: Net dwelling increases for resource consents granted by location, Kāpiti Coast District, first through fourth quarter comparison.

Location	1 June 2020 – 31 August 2020	1 September 2020 – 31 November 2020	1 December 2020 – 28 February 2021	1 March 2021 - 31 May 2021
	Number	Number	Number	Number
Maungakotukutuku	1	2	4	0
Ōtaki	2	56	10	1
Ōtaki Forks	7	4	2	2
Paekākāriki	1	0	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	3	7	13	55
Peka Peka (Te Horo and Kaitawa)	2	0	1	10
Raumati Beach and Raumati South	3	5	3	7
Waikanae	53	14	20	60
Total	72	88	53	135

Source: Kāpiti Coast District Council resource consent data.