National policy statement on urban development capacity

Kāpiti Coast District Council Quarter 2 Monitoring Report

December 2019

Contents

Executive summary

This second quarter NPS-UDC monitoring report provides an update and analysis of changes across the development market for the 1 September 2019 – 30 November 2019 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. As no further data is available for the dashboard this quarter, this report only provides an update on development control activity

Both resource and building consent activity has increased over the last quarter, with numbers also up from the same period last year. While levels of activity have increased, the number of potential net additions to stock from new builds and subdivisions has dropped back from 85 last quarter to 45 this quarter.

A snapshot of indicator activity for the 1 September 2019 – 30 November 2019 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Increase (by 35 as per Appendix 1)	185 consents issued with a total value of $48,723,427
Resource consent applications granted	Increase (by 7 as per Appendix 1)	79 consents granted - 71 residential - 8 non-residential - Indicating a potential net addition of 45 dwellings from new builds and subdivisions

Indicators not updated for this quarter are below, including their status from the previous September 2019 report for information. These will be updated in the next quarterly report subject to updates made by the Ministry of Housing and Urban Development.

Dwelling stock (number of dwellings)	*Increasing*	*Baseline increased from 22,017 to 22,022 from 31/03/2019 to 30/06/2019.*
House sales	*Decreasing*	*Last quarter's sales figures have been revised up to 311 (from 268) with sales dropping to 281 at the end of 30/06/2019.*
Dwellings sale volume as percentage of stock	*Decreasing*	*After a recent high of 1.814% over the period to 31/12/2018 the ratio of sales to volume has fallen to 1.28% as at 30/06/2019.*
House values	*Increasing*	*The median value of house sales continues to rise, with the previous quarter revised up to $580,000 (from $563,500) and climbing again to $595,000 as at 30/06/2019.*
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 0.76 in June 2018 back to 0.73 as at 31/12/2018.*
Nominal mean rent	*Increasing*	*After a slight drop from $426 to $424 per week from 31/12/2018 to 31/03/2019, mean rent has again continued to increase, up to $435 per week as at 30/06/2019.*
HAM Rent: share of renting households with below-average income after housing costs	*Decreasing (Improving)*	*Latest data sees affordability of renting improve, falling from 0.64 at the end of 2017 to 0.62 at 31/12/2018.*
Land value as percentage of capital value	*Maintaining*	*Maintaining 47% (as of 30/09/2017)*
Average land value of a dwelling	*Increasing*	*$264,067 (as of 30/09/2017) increasing since 2014*

National Policy Statement on Urban Development Capacity

Kāpiti Coast District Council - Quarter 2 Monitoring Report December 2019

Introduction

This is the second quarter monitoring report implementing the National Policy Statement on Urban Development Capacity (NPS-UDC). The report provides updated data and analysis of changes to the housing market from the 1 September 2019 – 30 November 2019 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. As no further data is available for the dashboard this quarter, this report only provides an update 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

GROWTH TRENDS

Consent numbers for this quarter are slightly up from the last quarter, however the potential net additional dwellings are down. There is also a slight increase in overall activity from the same period last year.

Building consents[1]

Data on building consents helps identify development activity across the district. Between 1 September 2019 – 30 November 2019, 185 consents were issued. Of these, 57 related to new builds[2] (up from 51 from the last quarter), 89 related to dwellings - additions and alterations (up from 76 from the last quarter), and 2 related to resited houses.

The total value of work reflects this increase at $48,723,427, up from last quarters $33,865,584. Compared to the same period last year, building consents are in line (184 to 185), but an increase of total value of work increasing from $44,205,400 to $48,723,427. Further detail on the number and type of consents issued can be found in Appendix One.

Resource consents[3]

Between 1 September 2019 – 30 November 2019, Council granted 79 resource consents. This included 51 land use consents, 22 subdivision consents, and 6 resource consents for deemed permitted activities that involved a boundary activity[4]. Overall, 71 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 45 net additional dwellings. This is down from the 85 potential net additional dwellings reported last quarter.

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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.

During this period, rural residential activities accounted for 15 of the 71 residential activities (accounting for 4 of the potential net additional dwellings), with the majority of the residential consents (26) again coming from the wider Waikanae area (accounting for 17 of the potential net additional dwellings). There were also 8 non-residential resource consents granted during this period. These included constructing a commercial sign, works relating to the Expressway, and a temporary event (local fair).

Overall, activity for this quarter is higher than the same period last year, where 69 resource consents were granted, with 29 potential net additional dwellings.

This quarter also identified three applications where houses were to be replaced/re-built and two where cross leases were to be subdivided to convert to fee simple title. 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 2019 – 31 August 2019		1 September 2019 – 30 November 2019	
	Number	Value $	Number	Number
New (& prebuilt) House, Unit, Bach, Crib	51	23,296,701	57	35,535,569
New House with one or more attached flat	0	0	1	220,000
New Flat	0	0	2	335,000
New Flat(s) added to existing dwelling	2	24,7000	4	1,045,000
New Flat(s) added to existing bldg other	1	90,000	0	0
New Showrooms	1	15,000	0	0
New Offices	1	5,000	0	0
New Warehouses	1	250,000	0	0
New Shops	0	0	1	1,200,000
New Haybarns	0	0	1	16,000
New Farm Buildings - Other	1	35,000	3	96,549
New Other Buildings	2	1,430,000	0	50,000
New Office/Warehouse Buildings	0	0	1	1,300,000
New Multi-Purpose Bldg - Other	0	0	1	830,000
Dwellings - Alterations & additions	76	7,721,883	89	5,654,199
Dwelling with flats - Alterations & addi	5	540,000	6	250,000
New Flats – Alterations & Additions	0	0	1	60,000
Resited Houses	2	110,000	2	429,000
Shops, restaurants - Alterations & addit	3	115,000	0	0
Alterations & Additions – Office/Admin	0	0	2	280,000
Other Buildings - alterations & addition	1	5,000	0	0

Multi-Purpose Bldg alterations & additions	0	0	2	260,000
Total	**148**	**33,865,584**	**185**	**48,723,427**

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 2019 – 31 August 2019	1 September 2019 – 30 November 2019
	Number	Number
Maungakotukutuku	2	2
Ōtaki	11	4
Ōtaki Forks	2	3
Paekākāriki	1	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	15	20
Peka Peka (Te Horo and Kaitawa)	4	6
Raumati Beach and Raumati South	3	10
Waikanae	22	26
Residential (total)	**60**	**71**
Maungakotukutuku	3	0
Ōtaki	4	1
Ōtaki Forks	0	0
Paekākāriki	0	0
Paraparaumu (Central, North Beach, and South Beach)	2	3
Peka Peka (Te Horo and Kaitawa)	0	1
Raumati Beach and Raumati South	1	2
Waikanae	2	1
Non-residential (total)	**12**	**8**
Total granted	**72**	**79**

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 2019 – 31 August 2019	1 September 2019 – 30 November 2019
	Number	Number
Compliance Certificate	1	0
Deemed Permitted Boundary Activity	11	6
Land Use - Controlled	1	2
Land Use - Discretionary	20	25
Land Use - Non-complying	7	7
Land Use - Restricted Discretionary	15	17
Subdivision - Controlled	1	1

Subdivision - Discretionary	1	5
Subdivision - Non-complying	10	10
Subdivision - Restricted Discretionary	5	6
Total	**72**	**79**

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 2019 – 31 August 2019	1 September 2019 – 30 November 2019
	Number	Number
Maungakotukutuku	2	0
Ōtaki	10	5
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	27	10
Peka Peka (Te Horo and Kaitawa)	16	0
Raumati Beach and Raumati South	1	13
Waikanae	29	17
Total	**85**	**45**

Source: Kāpiti Coast District Council resource consent data.