

# National policy statement on urban development capacity

## Kāpiti Coast District Council Quarter 3 Monitoring Report

*March 2020*

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## Executive summary

This third quarter NPS-UDC monitoring report provides an update and analysis of changes across the development market for the 1 December 2019 – 29 February 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 (HUD) Urban Development Dashboard.

While HUD were in the process of updating datasets for the Dashboard, they were not available at the time this report was prepared. As a result, this report primarily focuses on an update of development control activity.

Both resource and building consent activity has decreased from the last quarter, as is expected for the Christmas holiday period, however numbers are up from the same period last year. While levels of activity have decreased, the number of potential net additions to stock from new builds and subdivisions has increased from 45 last quarter to 101 this quarter.

A snapshot of indicator activity for the 1 December 2019 – 29 February 2020 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Decrease (by 62 as per Appendix 1)	123 consents issued with a total value of \$32,595,238
Resource consent applications granted	Decrease (by 22 as per Appendix 1)	57 consents granted <ul style="list-style-type: none"> <li>- 47 residential</li> <li>- 10 non-residential</li> <li>- Indicating a potential net addition of 101 dwellings from new builds and subdivisions</li> </ul>

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.

<i>Dwelling stock (number of dwellings)</i>	<i>Increasing</i>	<i>Baseline increased from 22,017 to 22,022 from 31/03/2019 to 30/06/2019.</i>
<i>House sales</i>	<i>Decreasing</i>	<i>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.</i>
<i>Dwellings sale volume as percentage of stock</i>	<i>Decreasing</i>	<i>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.</i>
<i>House values</i>	<i>Increasing</i>	<i>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.</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 0.76 in June 2018 back to 0.73 as at 31/12/2018.</i>
<i>Nominal mean rent</i>	<i>Increasing</i>	<i>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.</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 0.64 at the end of 2017 to 0.62 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>\$264,067 (as of 30/09/2017) increasing since 2014</i>

# National Policy Statement on Urban Development Capacity

## Kāpiti Coast District Council - Quarter 3 Monitoring Report March 2020

### Introduction

This is the third 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 for the 1 December 2019 – 29 February 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 (HUD) Urban Development Dashboard.

While HUD were in the process of updating datasets for the Dashboard, they were not available at the time this report was prepared. As a result, this report primarily focuses on an update of development control activity. HUD also indicated that work was underway to develop a new and improved dashboard which is expected to be available later this year.

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)

### Housing Register quarterly update – December 2019

The Ministry of Social Development National Housing Register was last updated in January 2020. The update at this time shows that over the September to December 2019 period, applications for social housing in Kāpiti have remained steady, from 112 to 109 registrations. Nationally, registrations have increased in 76% of locations, moving from a total of 13,966 to 14,869.

Compared to the same quarter last year however, registrations in Kāpiti have increased from 89 to 109. This follows the national trend, where overall registrations have increased from 10,712 to 14,869.

Housing Register data is available at: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html>

### Air BnB accommodation data

The Wellington Region Housing and Business Assessment of Development Capacity 2019 identified the commercial use of private accommodation as having an increasing impact on the overall demand for housing across the region. Recent Air BnB data allows us to see what is happening with Air BnB listings and use within our region and district.

In the Wellington Region between November 2019 – January 2020, Kāpiti Coast District held 16.1% of entire place listings, 9.4% of private room listings, and 11.3% of shared room listings. This was largely the same as the period the year before between November 2018 – January 2019, where Kāpiti Coast District held 16.7% of the entire place listings, 7.9% of the private room listings, and 12.5% of the shared room listings.

During the latest period Kāpiti Coast District had an average of 54.3% occupancy for entire place listings (compared to Wellington Region's 62.6%), with an average of 48.7% during the period a year prior (compared to Wellington Region's 57.9%). The total listings available between the two period's increased only slightly in the Kāpiti Coast District to 1052 (from 1033).

We will undertake more detailed analysis of long-term changes of AirBnB activity as part of the next annual monitoring report.

## GROWTH TRENDS

Consent numbers for this quarter are down from the last quarter, which is not unusual for the Christmas period, however the potential net additional dwellings are up. There is also an increase in overall activity from the same period last year.

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

Data on building consents helps identify development activity across the district. Between 1 December 2019 – 29 February 2020, 123 consents were issued. Of these, 42 related to new builds<sup>2</sup> (down from 57 from the last quarter), 58 related to dwellings - additions and alterations (down from 89 from the last quarter), and 8 related to resited houses (up from 2 from the last quarter).

The total value of work reflects this overall decrease at \$32,595,238, down from last quarter's \$48,723,427. Compared to the same period last year, building consents are slightly higher (up from 113 to 123), however there is only a slight increase of total value of work increasing from \$31,765,250 to \$32,595,238. Further detail on the number and type of consents issued can be found in Appendix One. A map of New Builds and Additions can be found in Appendix Two.

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

Between 1 December 2019 – 29 February 2020, Council granted 57 resource consents. This included 29 land use consents, 23 subdivision consents, and 5 resource consents for deemed permitted activities that involved a boundary activity<sup>4</sup>. Overall, 47 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 101 net additional dwellings. This is up from the 45 potential net additional dwellings reported last quarter, and much higher than quarter three's potential net dwellings the year prior (36 from 32 resource consents).

During this period, rural residential activities accounted for 7 of the 47 residential activities (translating to 11 of the potential net additional dwellings). For residential activities, the majority of the consents (12) again came from the wider Waikanae area (accounting for 35 of the potential net additional dwellings), with the Paraparaumu area again a close second

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<sup>1</sup> Note: Applications for garages, fireplaces, fences, retaining walls, outbuildings, other 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.

(10 consents accounting for 31 potential net additional dwellings). Ōtaki and Raumati Beach also had reasonable consent numbers this quarter (with 7 each).

There were also 10 non-residential resource consents granted during this period. These included earthworks relating to the Expressway and temporary local Events (Christmas Fantastical, Kāpiti Strawberry Festival, and the Great Moscow Circus). Overall, activity for this quarter is higher than the same period last year, where 32 resource consents were granted, with 36 potential net additional dwellings.

This quarter also identified three applications where houses were to be replaced/re-built and two where cross leases were updated to reflect the existing footprint of the home. 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. Resource Consents with net additions can be found in Appendix Two.

## Appendix One: Building and resource consents

**Table 1:** Building consents issued by type, Kāpiti Coast District, first, second, and third quarter comparison

Application type	1 June 2019 – 31 August 2019		1 September 2019 – 30 November 2019		1 December 2019 - 29 February 2020	
	Number	Value \$	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	51	23,296,701	57	35,535,569	42	23,541,038
New House with one or more attached flat	0	0	1	220,000	0	0
New Flat	0	0	2	335,000	0	0
New Flat(s) added to existing dwelling	2	247,000	4	1,045,000	1	300,000
New Warehouses - Other	0	0	0	0	1	80,000
New Flat(s) added to existing bldg other	1	90,000	0	0	0	0
New Showrooms	1	15,000	0	0	0	0
New Offices	1	5,000	0	0	0	0
New Warehouses	1	250,000	0	0	0	0
New Shops	0	0	1	1,200,000	0	0
New Haybarns	0	0	1	16,000	1	12,000
New Farm Buildings - Other	1	35,000	3	96,549	1	15,000
New Other Buildings	2	1,430,000	0	50,000	0	0
New Office/Warehouse Buildings	0	0	1	1,300,000	1	1,800,000
Shops, restaurants - New Foundations only	0	0	0	0	1	575,000
New Multi-Purpose Bldg - Other	0	0	1	830,000	0	0
Dwellings - Alterations & additions	76	7,721,883	89	5,654,199	58	4,703,200
Dwelling with flats - Alterations & additions	5	540,000	6	250,000	2	35,000
New Flats – Alterations & Additions	0	0	1	60,000	0	0
Resited Houses	2	110,000	2	429,000	8	465,000
Glasshouses	0	0	0	0	1	400,000

Education Bldgs - alterations & addition	0	0	0	0	2	520,000
Shops, restaurants - Alterations & additions	3	115,000	0	0	2	44,000
Alterations & Additions – Office/Admin	0	0	2	280,000	0	0
Other Buildings - alterations & addition	1	5,000	0	0	2	105,000
Multi-Purpose Bldg alterations & additions	0	0	2	260,000	0	0
<b>Total</b>	<b>148</b>	<b>33,865,584</b>	<b>185</b>	<b>48,723,427</b>	<b>123</b>	<b>32,595,238</b>

Note: applications for garages, fireplaces, fences, retaining walls, outbuildings, other 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, second, and third quarter comparison.

Location	1 June 2019 – 31 August 2019	1 September 2019 – 30 November 2019	1 December 2019 - 29 February 2020
	Number	Number	Number
Maungakotukutuku	2	2	2
Ōtaki	11	4	7
Ōtaki Forks	2	3	3
Paekākāriki	1	0	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	15	20	10
Peka Peka (Te Horo and Kaitawa)	4	6	5
Raumati Beach and Raumati South	3	10	7
Waikanae	22	26	12
<b>Residential (total)</b>	<b>60</b>	<b>71</b>	<b>47</b>
Maungakotukutuku	3	0	1
Ōtaki	4	1	4
Ōtaki Forks	0	0	0
Paekākāriki	0	0	0
Paraparaumu (Central, North Beach, and South Beach)	2	3	4
Peka Peka (Te Horo and Kaitawa)	0	1	0
Raumati Beach and Raumati South	1	2	1
Waikanae	2	1	0
<b>Non-residential (total)</b>	<b>12</b>	<b>8</b>	<b>10</b>
<b>Total granted</b>	<b>72</b>	<b>79</b>	<b>57</b>

Source: Kāpiti Coast District Council resource consent data.

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

Resource Consent Type	1 June 2019 – 31 August 2019	1 September 2019 – 30 November 2019	1 December 2019 - 29 February 2020
	Number	Number	Number
Compliance Certificate	1	0	0
Deemed Permitted Boundary Activity	11	6	5
Land Use - Controlled	1	2	0
Land Use - Discretionary	20	25	14
Land Use - Non-complying	7	7	1
Land Use - Restricted Discretionary	15	17	12
Legal Documentation	0	0	2
Subdivision - Controlled	1	1	2
Subdivision - Discretionary	1	5	6
Subdivision - Non-complying	10	10	11
Subdivision - Restricted Discretionary	5	6	4
<b>Total</b>	<b>72</b>	<b>79</b>	<b>57</b>

Source: Kāpiti Coast District Council resource consent data.

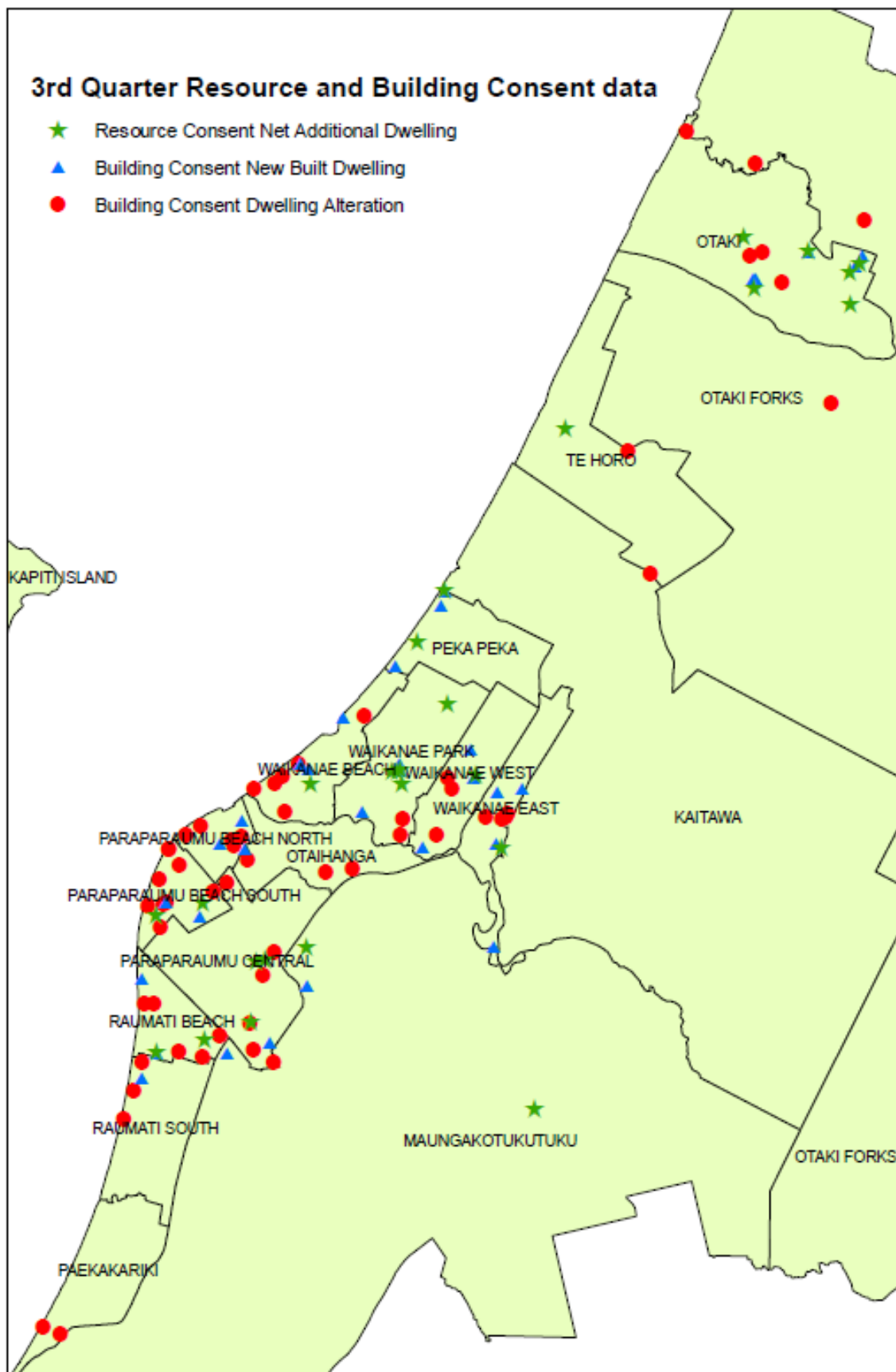
**Table 4:** Net dwelling increases for resource consents granted by location, Kāpiti Coast District, first, second, and third quarter comparison.

Location	1 June 2019 – 31 August 2019	1 September 2019 – 30 November 2019	1 December 2019 - 29 February 2020
	Number	Number	Number
Maungakotukutuku	2	0	2
Ōtaki	10	5	22
Ōtaki Forks	0	0	0
Paekākāriki	0	0	0
Paraparaumu (Central, North Beach, South Beach & Otaihanga)	27	10	31
Peka Peka (Te Horo and Kaitawa)	16	0	10
Raumati Beach and Raumati South	1	13	1
Waikanae	29	17	35
<b>Total</b>	<b>85</b>	<b>45</b>	<b>101</b>

Source: Kāpiti Coast District Council resource consent data.



## Appendix Two: 3rd Quarter Resource and Building Consents Data



Source: Kāpiti Coast District Council building and resource consent data.