

# **National Policy Statement on Urban Development**

## **Kāpiti Coast District Council Quarter 1 Monitoring Report**

*September 2022*

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## Executive summary

This first quarter National Policy Statement on Urban Development (NPS-UD) monitoring report provides an update and analysis of changes across the development market for the 1 June 2022 – 31 August 2022 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.

Consent activity for the first quarter saw small shifts from the last quarter (Q4 2022) with resource consent numbers increasing slightly, and both building consent numbers and potential net additional yield from new developments increasing. Of note is the 91 potential net additional dwellings, an increase from the previous fourth quarter's 66.

The Ministry of Social Development's Social Housing Register was updated in June 2022. The update shows registrations have dropped slightly nationally and locally, down from 216 for Kāpiti in March 2022 to 195 in June 2022.

A snapshot of indicator activity for 1 June – 31 August 2022 is summarised below:

Indicator	Movement from Last quarter	Context
Building consent applications issued	Increasing (by 22 as per Appendix 1)	172 consents issued with a total value of \$72,752,842
Resource consent applications granted	Increasing (by 7 as per Appendix 1)	85 consents granted <ul style="list-style-type: none"> <li>- 72 residential</li> <li>- 13 non-residential</li> <li>- Indicating a potential net addition of 91 dwellings from new builds and subdivisions</li> </ul>
House values	Decreasing	The median value of house sales has historically increased but has fallen from \$901,000 (revised up from \$880,000) at 31/12/2021 to \$832,500 for the latest period at 31/03/2022.
House sales	Decreasing	The sales figures for 31/12/2021 were 261, with a significant decrease for 31/03/2021 to 76.
Nominal mean rent	Increasing	Mean rent has continued to increase, rising from \$552 (revised up from \$519) for 31/12/2021 to \$584 in 31/03/2022.
Dwellings sale volume as percentage of stock	Decreasing	The ratio of housing sales to housing stock has fallen to 0.37% as at 31/03/2022. This reflects the significant drop in house sales and average of 1.5% experienced since 2018.

Several indicators continue to be less frequently updated on HUD's dashboard. The last known update is provided below and will be updated as new information is available.

<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 20,654 (revised down from 22,767).</i>
<i>HAM Buy: Affordability of first home buyer households</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: Rental Affordability</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 1 Monitoring Report September 2022

### Introduction

This is the first 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 for the 1 June – 31 August 2022 period.

Quarterly reporting identifies changes in development activity and a range of market and price efficiency indicators sourced from HUD's Urban Development Dashboard. However, most of 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)

### Social Housing Register Quarterly Update – June 2022

The Ministry of Social Development National Social Housing Register was most recently updated in June 2022. The update shows that over the March 2022 to June 2022 period, applications for social housing in Kāpiti have slightly decreased from 216 to 195 registrations. Nationally registrations have also slightly decreased from a total of 26,868 to 26,664 over this period. Until this period, the trend of increase was consistent, with the percentage change for Kāpiti over the three months preceding this quarter being 9%, almost twice the national increase at 5.3%.

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

## GROWTH TRENDS

Resource consents for the first quarter have increased slightly from the previous fourth quarter (Q4 2022), while both building consent numbers and potential net additional yield from new developments have also increased.

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

Data on building consents helps identify development activity across the district. Between 1 June 2022 – 31 August 2022, 172 consents were issued. Of these, 83 related to new builds<sup>2</sup> (up from 54 from the last quarter) and 70 related to dwellings - additions and alterations (down from 71 from the last quarter).

Compared to the last quarter (Q4 2022), building consent numbers have increased (up from 150 to 172), with the total value of work reflecting this increase in numbers to \$72,752,842, up from last quarter's \$46,609,679.

Building consents numbers are slightly down when compared to the first quarter period last year (June – August 2021), from 179 to 172. However, the total value of work is up significantly from \$48,247,341 to \$72,752,842 with a building consent for a retirement village a key factor to this increase at a value of \$16,000,000.

Further detail on the number and type of building consents issued for this first quarter can be found in Table 1 of Appendix One.

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

Between 1 June 2022 – 31 August 2022, Council granted 85 resource consents. This included 56 land use consents, 16 subdivision consents, 13 resource consents for deemed permitted activities that involved a boundary activity<sup>4</sup>. Overall, 72 of the consents granted related to residential activities and information from the consents suggests that these applications have the potential to yield 91 net additional dwellings. This is an increase from the 66 potential net additional dwellings reported last quarter (Q4 2022).

During this period, rural residential activities accounted for 14 of the 72 residential activities (accounting for 9 of the potential net additional dwellings), with most of the residential consents (22) again coming from the wider Waikanae area (accounting for 54 of the potential net additional dwellings). Paraparaumu (18) and Ōtaki (6) residential consents, yielding 16 and 6 potential net additional dwellings respectively. Raumati Beach and Raumati South accounts for 10 of the residential consents, however, this yields zero potential net additional dwellings as all 10 consents were for other activities such as extensions and additions to dwellings, replacement dwellings and retaining walls.

<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.

There were also 13 non-residential resource consents granted during this period. These included a multi-unit commercial development, earthworks for the construction of a supermarket, and two industrial subdivisions.

Resource consent activity for this first quarter period is higher than for the same period last year, where 59 resource consents were granted. However, the number of potential net additional dwellings is slightly down from the 107 potential net additional dwellings identified for the same period last year.

This quarter also identified three applications where a house is to be re-built and two 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 third 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 quarter 2021/2022 and 2022/2023 comparison.

Application Type	2021/2022 First Quarter 1 June 2021 - 31 August 2021		2022/2023 First Quarter 1 June 2022 - 31 August 2022	
	Number	Value \$	Number	Value \$
New (& prebuilt) House, Unit, Bach, Crib	70	35,071,992	83	46,983,457
New Flats	1	175,000	1	800,000
New Retirement Villages - Excludes Dwellings	0	0	1	16,000,000
New Education Buildings - Other	1	370,000	1	50,000
New Childcare Facilities	1	780,000	0	0
New Restaurants	1	53,200	0	0
New Showrooms	1	1,100,000	0	0
New Factories	0	0	1	261,000
New Other Buildings	1	600,000	1	500,000
New Office/Warehouse Buildings	0	0	1	669,000
Education Buildings - New Foundations Only	2	125,000	1	470,000
Factories - New Foundations Only	1	530,000	1	60,000
Farm Buildings - New Foundations Only	2	235,000	0	0
Other Buildings - New Foundations Only	2	59,000	0	0
Dwellings - Alterations & Additions	85	7,704,649	70	5,720,385
Dwelling With Flats - Alterations & Additions	0	0	1	50,000
Resited Houses	2	425,000	2	101,000
Education Buildings - Alterations & Additions	1	225,000	1	250,000
Shops, Restaurants - Alterations & Additions	3	430,000	4	530,000
Alterations & Additions - Office/Admin	0	0	1	250,000
Other Buildings - Alterations & Additions	5	363,500	2	58,000
<b>Total</b>	<b>179</b>	<b>48,247,341</b>	<b>172</b>	<b>72,752,842</b>

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 quarter 2021/2022 and 2022/2023 comparison.

Location	2021/22 First Quarter 1 June 2021 – 31 August 2021	2022/23 First Quarter 1 June 2022 – 31 August 2022
	Number	Number
Maungakotukutuku	2	3
Ōtaki	3	6
Ōtaki Forks	1	3
Paekākāriki	0	1
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	14	18
Peka Peka (Te Horo and Kaitawa)	4	9
Raumati Beach and Raumati South	6	10
Waikanae	23	22
<b>Residential (total)</b>	<b>53</b>	<b>72</b>
Maungakotukutuku	0	1
Ōtaki	1	3
Ōtaki Forks	1	0
Paekākāriki	0	1
Paraparaumu (Central, North Beach, and South Beach)	3	2
Peka Peka (Te Horo and Kaitawa)	1	1
Raumati Beach and Raumati South	0	1
Waikanae	0	4
<b>Non-residential (total)</b>	<b>6</b>	<b>13</b>
<b>Total granted</b>	<b>59</b>	<b>85</b>

Source: Kāpiti Coast District Council resource consent data.



**Table 3:** Resource consents granted by type, Kāpiti Coast District first quarter 2021/2022 and 2022/2023 comparison.

Resource Consent Type	2021/22 First Quarter 1 June 2021 – 31 August 2021	2022/23 First Quarter 1 June 2022 – 31 August 2022
	Number	Number
Deemed Permitted Boundary Activity	13	13
Land Use - Controlled	0	0
Land Use - Discretionary	14	29
Land Use - Non-complying	5	8
Land Use - Restricted Discretionary	8	19
Right of Way Approval	1	0
Subdivision - Controlled	3	0
Subdivision - Discretionary	4	10
Subdivision - Non-complying	7	4
Subdivision - Restricted Discretionary	4	2
<b>Total</b>	<b>59</b>	<b>85</b>

Source: Kāpiti Coast District Council resource consent data.

**Table 4:** Net dwelling increases for resource consents granted by location, Kāpiti Coast District first quarter 2021/2022 and 2022/2023 comparison.

Location	2021/22 First Quarter 1 June 2021 – 31 August 2021	2022/23 First Quarter 1 June 2022 – 31 August 2022
	Number	Number
Maungakotukutuku	2	2
Ōtaki	10	6
Ōtaki Forks	1	9
Paekākāriki	0	0
Paraparaumu (Central, North Beach, and South Beach & Otaihanga)	73	16
Peka Peka (Te Horo and Kaitawa)	2	4
Raumati Beach and Raumati South	3	0
Waikanae	16	54
<b>Total</b>	<b>107</b>	<b>91</b>

Source: Kāpiti Coast District Council resource consent data.