

March 2018 issue 3

# KĀPITI COAST ECONOMIC UPDATE

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Show Me Wellington

# KIA ORA



There's still good news for the Kāpiti Coast economy which continues to grow, outperforming the Wellington region average in 2017. GDP shows our economy has grown 2.7% compared to 2.2% for the region. Job creation is on the up, population is growing, and more tourists are visiting Kāpiti. While the numbers look good, there is still so much opportunity and potential for growth.

In this issue we take a look at tourism in Kāpiti Coast, and the great work our operators are doing to provide a unique experience for visitors when they stay. We all know what a fantastic place Kāpiti is, how amazing our beaches are and what great food is available.

Early April we will be launching the new destination Kāpiti site – [www.kapiticoastnz.com](http://www.kapiticoastnz.com). This is a great opportunity to profile our wonderful district and really amplify our message through digital channels to target regional, national and international visitors. We will also be engaging directly with tourism operators, to help drive business growth and innovation in the sector.

Our work in the local economic development space will see the first Pop-Up Business School Kāpiti - a 10 day business start-up and growth programme designed to propel great ideas into new businesses, taking your fledging business and giving it a boost. In addition, Start-Up Weekend Kāpiti, a great opportunity for enthusiastic people who are curious about setting up a business to get some first-hand experience, will run in July.

With the Easter holidays upon us, now is the time to try out our new walk, cycle and bridleway map and try out the trails around the district. The map is available from the [iSITE](#), and you can even hire bikes from our friendly staff too! Alternatively download a copy of the map from the [Stride n Ride page](#) on the Council website, grab your gear and start to explore.

## Angela Buswell

*Districtwide Councillor*

## SUMMARY

Kāpiti's economy outperformed the Wellington Region average in 2017. Infometrics' provisional estimate of GDP showed that Kāpiti's economy expanded 2.7% in 2017, compared to growth of 2.2% across Wellington Region. Household spending indicators were particularly strong, while expanding business activity showed through in a sharp lift in commercial vehicle sales.

Transport improvements and the high cost of property in Wellington have pushed some businesses to look further afield. Annual non-residential building consent values remain almost 50% above their long-term average, despite a slight decline in 2017.

Given the new government's change in transport infrastructure priorities, there is uncertainty about whether the Ōtaki to north of Levin section of the Wellington Northern Corridor will go ahead. Of course, projects already underway, such as Transmission Gully are not under threat. Traffic flows in Kāpiti Coast rose 4.4% in 2017.

International net migration added 190 people to Kāpiti's population in 2017 – the fourth consecutive year of positive net migration inflows.

Infometrics' recently released economic profile shows that there were an additional 301 jobs in Kāpiti in the March 2017 year. This growth was driven primarily by gains in healthcare and social assistance (123 jobs) and construction (118), as well as various parts of the service sector, including professional (47), administration support (38), and rental and hiring (30). The primary sector's contribution to jobs in Kāpiti continues to decline as the trend of urbanisation continues, with employment in agriculture, forestry and fishing falling by 46 jobs. Kāpiti's unemployment rate averaged 4.4% in 2017, compared to a peak approaching 7% in 2013.

House price growth in Kāpiti has slowed to below 10%pa, after having pushed up to 25%pa in 2016. The number of residential building consents increased 13% in 2017, despite significant capacity constraints in the building sector.

For the full Infometrics report visit:

[www.ecoprofile.infometrics.co.nz/kapiti+coast+district/QuarterlyEconomicMonitor](http://www.ecoprofile.infometrics.co.nz/kapiti+coast+district/QuarterlyEconomicMonitor)

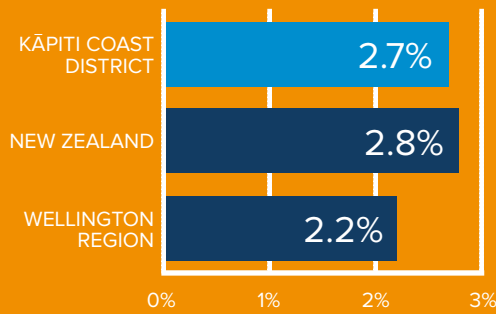
For more information please contact Cheryl Paget, Programme Advisor – Economic at Kāpiti Coast District Council  
[cheryl.paget@kapiticoast.govt.nz](mailto:cheryl.paget@kapiticoast.govt.nz) 027 555 3505

# DECEMBER QUARTERLY INDICATORS >>>

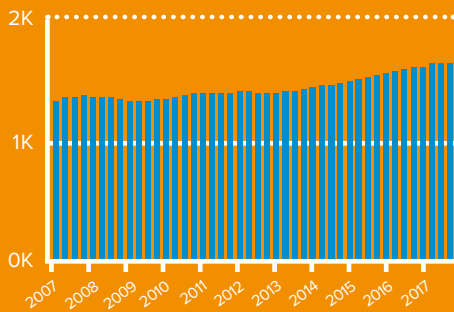
Statistics by Infometrics (unless otherwise stated)

## GDP

Gross domestic product growth  
Annual average % change Dec 16 – Dec 17



Gross domestic product (\$m)  
Annual level, Kāpiti Coast District



GDP in Kāpiti Coast District  
For the year to December 2017

# \$1,658 million

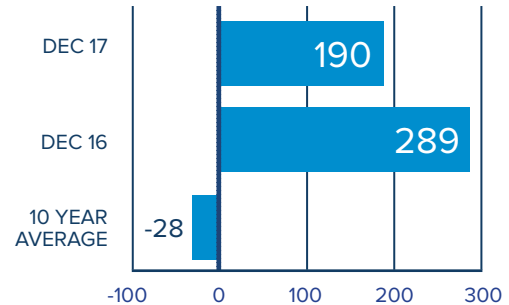
GDP in Kāpiti Coast District was up 2.7% for the year to December 2017 compared to a year earlier. Growth was lower than in New Zealand (2.8%) and higher than in Wellington Region (2.2%).

GDP was \$1,658 million in Kāpiti Coast District for the year to December 2017 (2010 prices).

Annual GDP growth in Kāpiti Coast District peaked at 5.0% in the year to September 2016.

## NET MIGRATION

Annual number of persons, Kāpiti Coast District

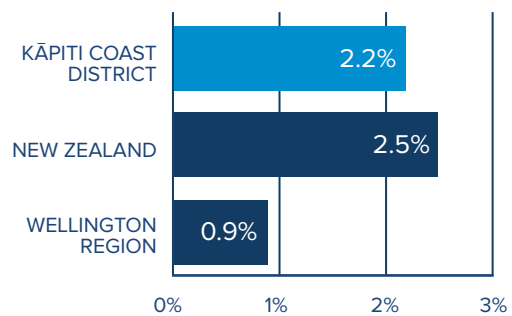


Kāpiti Coast District experienced a permanent and long-term net migration gain of 190 persons in the year to December 2017. This compares with a gain of 289 a year ago, and a ten year average of 28 (loss).

New Zealand's annual net migration decreased to 70,017 from 70,580 a year ago.

## GUEST NIGHTS

Annual average % change  
Dec 16 – Dec 17



Total guest nights in Kāpiti Coast District increased by 2.2% in the year to December 2017. This compares with an increase of 2.5% in New Zealand.

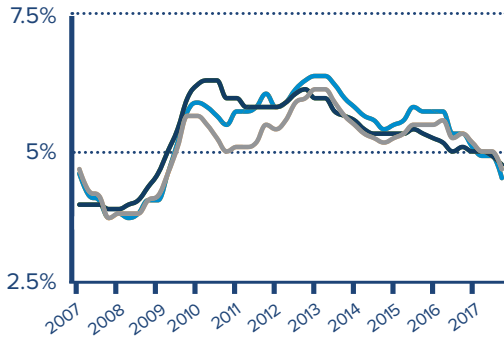
Visitors stayed a total of 178,561 nights in Kāpiti Coast District during the year to December 2017, which was up from 174,727 a year ago.

The occupancy rate (excluding holiday parks) was 33.1% for the year ended December 2017. Accommodation capacity rose 8.9%.

# UNEMPLOYMENT RATE

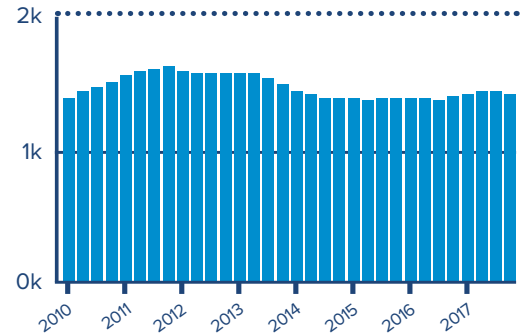
## Average annual rate

- Kāpiti Coast District
- Wellington Region
- New Zealand



# JOBSEEKER SUPPORT RECIPIENTS

## Annual average, Kāpiti Coast District



The annual average unemployment rate in Kāpiti Coast District was 4.4% in December 2017, down from 5.4% a year earlier.

The unemployment rate in Kāpiti Coast District was lower than in New Zealand, where the unemployment rate averaged 4.7% over the year to December 2017.

Over the last ten years the unemployment rate reached a peak of 6.7% in March 2013.

Working age Jobseeker Support recipients in Kāpiti Coast District in the year to December 2017 increased by 1.9% compared with the previous year. Growth was higher relative to New Zealand, where the number of Jobseeker Support recipients increased by 0.06%.

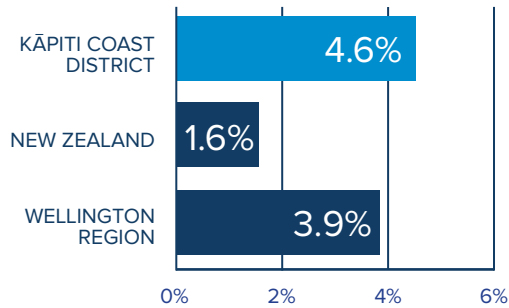
An average of 1,408 people were receiving a Jobseeker Support benefit in Kāpiti Coast District in the 12 months ended December 2017. This compares with an average of 1,447 since the start of the series in 2010.





# TRAFFIC FLOW

Annual average % change Dec 16 – Dec 17



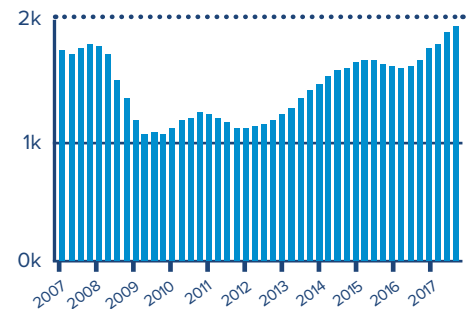
Traffic flows in Kāpiti Coast District increased by 4.6% over the year to December 2017. This compares with an increase of 1.6% in New Zealand.

# CAR REGISTRATIONS

Annual number, Kāpiti Coast District

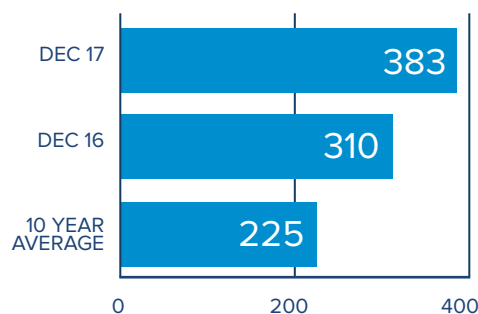
The number of cars registered in Kāpiti Coast District increased by 16% in the year to December 2017 compared with the previous 12 months. Growth was higher than in New Zealand, where car sales increased by 8.0%.

A total of 1,942 cars were registered in Kāpiti Coast District in the year to December 2017. This compares with the ten year average of 1,417.



# COMMERCIAL VEHICLE REGISTRATIONS

Annual number, Kāpiti Coast District

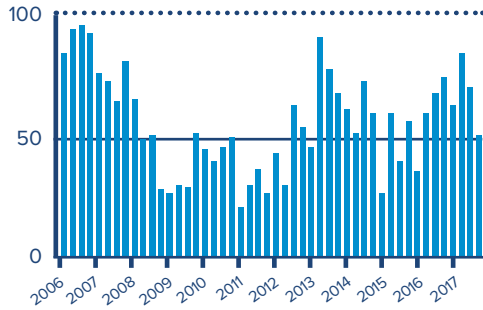


The number of commercial vehicles registered in Kāpiti Coast District increased by 24% in the year to December 2017 compared with the previous 12 months. Growth was higher than in New Zealand, where commercial vehicle sales increased by 16%.

A total of 383 commercial vehicles were registered in Kāpiti Coast District in the year to December 2017. This is higher than the ten year annual average of 225.

# RESIDENTIAL CONSENTS

Quarterly number, Kāpiti Coast District

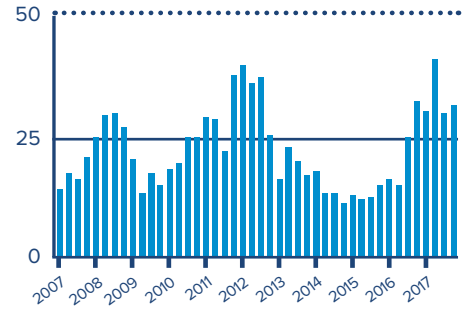


A total of 51 new residential building consents were issued in Kāpiti Coast District in the December 2017 quarter, compared with 75 in the same quarter last year.

On an annual basis the number of consents in Kāpiti Coast District increased by 13% compared with the same 12-month period a year ago. The number of consents in New Zealand increased by 3.4% over the same period.

# NON-RESIDENTIAL CONSENTS

\$m, annual running total, Kāpiti Coast District



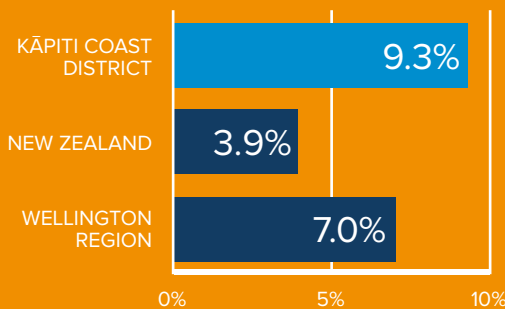
Non-residential building consents to the value of \$32 million were issued in Kāpiti Coast District during the year to December 2017.

The value of consents decreased by -3.5% over the year to December 2017. By comparison the value of consents in New Zealand increased by 8.0% over the same period.

Over the last 10 years, consents in Kāpiti Coast District reached a peak of \$41 million in the year to June 2017.

# HOUSE PRICES

Annual % change Dec 16 – Dec 17



Average current house value  
Kāpiti Coast District

For the year to December 2017

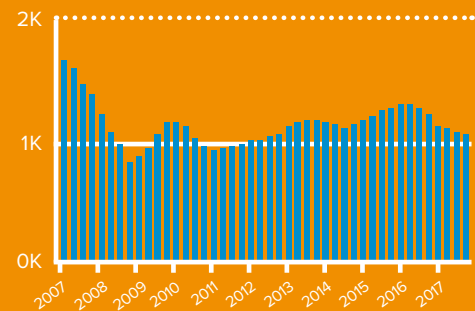
**\$527,927**

The average current house value in Kāpiti Coast District was up 9.3% in December 2017 compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 3.9%.

The average current house value was \$527,927 in Kāpiti Coast District over the December 2017 year. This compares with \$661,311 in New Zealand.

# HOUSE SALES

Annual number, Kāpiti Coast District



**1,043**

Houses sold in Kāpiti  
year ending December 2017

House sales in Kāpiti Coast District in the year to December 2017 decreased by 14% compared with the previous year. Growth outperformed relative to New Zealand, where sales decreased by 17%.

A total of 1,043 houses were sold in Kāpiti Coast District in the 12 months ended December 2017. This compares with the ten year average of 1,079.

# FOCUS ON TOURISM >>>

**International visitors to New Zealand have contributed to the national economy significantly since 2000, and it seems not a day goes by without articles in the press about issues such as freedom campers, or the pressure on accommodation in hot-spots like Queenstown.**

Likewise, the level of domestic tourism has also expanded rapidly in New Zealand. For Kāpiti, this represents our key visitor market with Wellington right on our doorstep. So how does the industry stack up in Kāpiti Coast?

Tourism generated \$88m, 5.4% of our economy, employing 1,300 people in 2017. Growth has slowed over the last three years, from 13% in 2015 to 0.2% in 2017, but this follows the national trend where growth has slowed from 14.8% to -0.4% over the same time period. Compared to the rest of the region, we do pretty well in terms of contribution to GDP, second only to South Wairarapa.

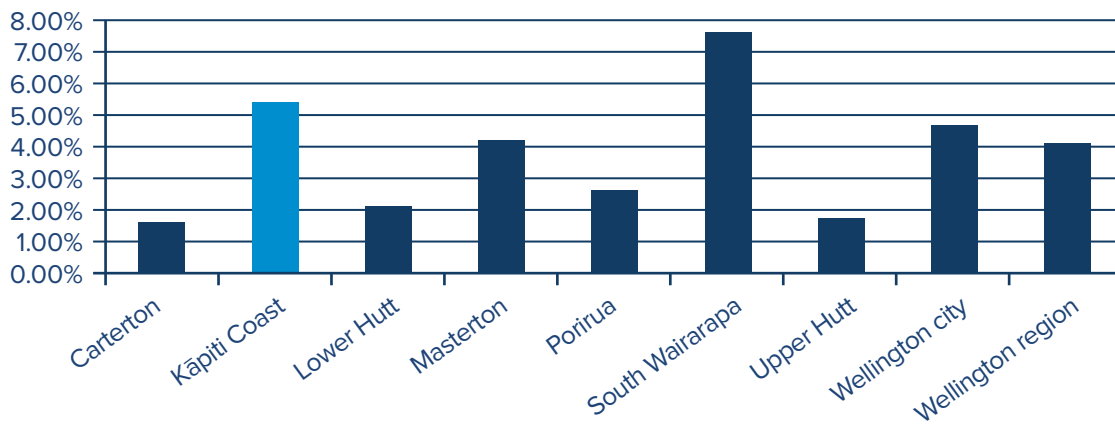
In 2017 Kāpiti Coast District Council commissioned a report from Marketview on tourism in the district, which shows that tourism spend in the district is growing. Whilst most tourists are older visitors (40+) the fastest growing demographic are 25-39 year olds. We capture 7.3% of visitors in the

region, and 30% of all the money spent in the district is from tourists. Domestic tourism accounts for 95% of visitor spend and our biggest market are residents of Wellington city, who spent \$54m here last year followed by Manawatu-Wanganui residents, spending \$37m. International visitors, primarily from the UK and Australia account for 1.3% of the total spend in the district.

So our nearest neighbours are our frequent visitors, and our vision is for Kāpiti to be a popular, vibrant and thriving year-round destination renowned for its warm welcome. Council's approach to visitor attraction focuses on driving awareness of Kāpiti through digital channels and existing tourism trade and media channels, with the aim of increasing the length of stay (with a focus on overnights) and the amount of spend per visitor. A strong major events programme and building the popularity of day trips including visitors staying in Wellington city is also part of our strategy.

**Tourism GDP Relative to Other Industries, 2017 Wellington Region**

Source: Infometrics



## JANINE SUDBURY

**When Janine Sudbury arrived in New Zealand on a temporary working visa in 1999, little did she know she'd end up creating a high-end, boutique events venue on the Kāpiti Coast.**

The former BBC radio journalist and news reader was on her way to Australia when she fell in love with the country and stayed on.

A few years later she bought a 50-acre farm in Kāpiti to run leadership training programmes but she had few clues as to how the business would evolve.

"I knew nothing about farming, I had a one-year-old son and no money then somebody emailed me and asked if they could get married here and I thought, actually, this has the potential to be a really good business," says Englishwoman Janine Sudbury.

Today the multi-million dollar events and accommodation venue, named Sudbury after its owner, offers international and local clients an authentic New Zealand experience.

She says being in Kāpiti enhances what she can offer her clients.

"Kāpiti has everything in place to be one of the most desirable places to be in New Zealand," she says. "It's got fabulous weather, it's got beaches, it's got amazing cafes, it's near to two big cities, it's now got great infrastructure in the form of the expressway," says Sudbury.

What used to be Wellington region's best kept secret is now internationally-known for the extensive and creative range

of experiences it offers, anything from pétanque and night golf to the Clash of the Cheeses and the Bear Grylls Experience.

"What sets us apart is the passion I have for what we do, giving people a bit more than they expected, they get the personal service, I want them to feel the love," she says.

There's no question in her mind that the Kāpiti Coast is one of the few places in the country where she could have successfully created her unique operation. She cites the supportive local business environment as a key factor.

"I happen to have created a successful business, thanks to a lot of help from people around me and I want to give back ... use their businesses, so we can all benefit," she says. "I think there are so many different and exciting businesses in the region, it's about to take off.

"I just see myself as one of those exciting businesses – a passionate person wanting to see this region grow and blossom," Sudbury says.



[www.sudbury.co.nz](http://www.sudbury.co.nz)

## BRETT IRVING

**Brett Irving of Adventure Kāpiti is the embodiment of the phrase "choose a job you love, and you will never have to work a day in your life".**



While the origin of the saying is often debated, Brett Irving is in no doubt what inspired him to set up his bike hire and guiding business on the Kāpiti Coast.

"My inspiration was actually the joy of riding and the joy of getting into the native bush," he says. "I had lived in Johnsonville for 33 years and then moved up to Kāpiti and that's when I started cycling, so I actually only started cycling when I moved into the area."

Then in September 2014, he combined his passion and business acumen into Adventure Kāpiti, primarily to guide and treat mountain bikers to the wonderful natural settings of the region.

With the seasonal nature of the tourism industry, Irving still plies his trade as a flooring contractor as well, but it's the

local environment, with the endless opportunities to enjoy the outdoors that he is passionate about.

Adventure Kāpiti has grown a reputation for offering an unforgettable experience filled with fun, encouragement and safety for all levels of riding ability, whether it's taking a panoramic ride up Campbells Mill Road into the Akatarawas or opting for a more leisurely ride while the landmarks and local history are explained along the way.

Irving and his wife Lisa operate their business from home and this is partly what makes Adventure Kāpiti stand out, that personal touch. "I'll take bikes out to people because quite often a visitor has caught a train or plane in, so I'll run a bike up to them, bike shops won't do that" he says. He's even been known to invite clients in for a home-cooked meal.

Irving says the main thing that attracts his clientele – 90 percent are overseas visitors - is the Kāpiti coastline but he firmly believes that Kāpiti Island is the region's number one attraction. "Once you've been over there, you just want to go back again."

[www.adventurekapiti.co.nz](http://www.adventurekapiti.co.nz)



## KĀPITI SUCCESS STORIES >>>

# KĀPITI SHOWS IT'S BEST AT SHOW ME WELLINGTON

Show Me Wellington is a leading events and conference expo held in Wellington every year, providing an opportunity for event professionals to find new venues and experiences for their clients.



Kāpiti Coast District Council took a stand at this year's event, with economic development and iSITE staff spending the day talking to people about why Kāpiti is the best place in the Wellington region for meetings, team building activities, business events and promotions.

The Kāpiti venues that had been approached by council before the event were enthusiastically in support of taking a stand at the expo to promote the district as a meetings venue. Meetings and events is a new direction for the economic development team to target, and it is anticipated that there will be tangible benefits for venues and activity operators over the coming year.

With around 40 leads to follow up, the team considered the day a success, and will now be focussing on following up to convert those leads into bookings at some of our fabulous venues.

## THE 2018 ELECTRA BUSINESS AWARDS

Entering the 2018 Electra Business Awards is a must for every business in the region. With business excellence at the core, the programme supports, recognises and rewards businesses in the Kapiti and Horowhenua region. To date over 500 businesses have entered.

It's impossible to put a value on entering, but at the very least, each business receives professional advice with a real commercial value of at least \$3,500 and creates the opportunity for you to:

- Step back and review what you do
- Make the necessary improvements

- Create recognition for your business
- Benchmark your business success
- Publicly celebrate your success.

The level of business support and development we provide means entries are limited to just 30 businesses each year in the Excellence & Achievement Awards so ensure you don't miss out.

**Entries open 5 April 2018. To find out more and to enter go to [www.bkh.org.nz](http://www.bkh.org.nz)**

