

BLENHEIM URBAN AREA | 2018

Housing and Business Development Capacity Assessment





Housing and Business Development Capacity Assessment

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Executive Summary

The National Policy Statement on Urban Development Capacity (NPS UDC) requires local authorities classified as having high and medium urban growth to prepare housing and business development capacity assessments that forecast demand and “feasible” development capacity, and the likely take-up of capacity on at least a three-yearly basis.

These Assessments are required from 31 Dec 2018. This is in addition to the quarterly market monitoring reports which Council has been producing since 31 December 2017. See Appendix One for specific NPS UDC policies.

The overall objective of this Assessment and the quarterly reporting is to have a robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in the Blenheim urban area, to ensure that Council adequately provides for urban growth.

Council’s principal role in enabling urban development relates to zoning of land and infrastructure provision. It also extends to processing of resource and building consents, provision of senior housing, development contributions policies, and as the lead voice for the region. The Council has also been a developer in the past by utilising land that it owns to provide for residential growth. Forest Park and Boulevard Park on Taylor are both residential subdivisions undertaken by Council. Many other individuals and organisations also play a role too - including developers, land owners, builders, government, development professionals and individuals buying, selling and investing in property.

This Assessment estimates the demand for residential dwellings and business land in Blenheim, and the supply of development capacity to meet that demand. It predicts whether there is sufficient capacity to meet need in the short, medium and long term.¹

This Assessment should be read in conjunction with quarterly reports produced under the NPS UDC; Council’s Long Term Plan and Infrastructure Strategy 2018; and “Growing Marlborough - A Strategy for the Future” (the Growth Strategy) which was completed in 2014.

Data has been used from a number of sources including existing Council plans and reports and information on building and resource consents; indicators prepared by the Ministry for Business, Innovation and Employment; Statistics NZ (Stats NZ) census data; and specific reports prepared for other organisations. Unfortunately there are some limits on the usefulness of data provided by MBIE to assist the assessment, due to the geographical boundaries used in their data analysis. Council has requested that should this reporting continue to be a requirement for under the NPS UDC, that MBIE work with Council to improve the alignment of the data with the study area.

A number of stakeholders were interviewed across various sectors including developers, builders, real estate companies, surveyors, social and community housing providers, Iwi and Grey Power. See Appendix Two for a full list.

¹ Short Term (0-3 yrs) 2018 - 2021; Medium Term (3-10 years) 2021 - 2028; Long Term (10-30 yrs) 2028 - 2048.

Demographics

Estimated at 46,600 people in 2018, Marlborough's population growth has trended close to Stats NZ's high growth projections over the past five years with significant peaks of growth in 2015 and 2017. Most of the growth can be attributed to migration with an average natural increase of only 100 people per year. Growth in the Blenheim Urban Area accounts for approximately 60% of total growth in the Marlborough District.

Of particular relevance to both housing and business development, Marlborough's population is ageing rapidly, with one third of residents projected to be 65 years of age or over in 2043, and the proportion of residents in the working age group projected to decline. Marlborough also has the highest forecast growth in labour demand in the country for 2017 to 2020.² This means that in order to fulfil Marlborough's economic potential, migrants will be needed to fill labour shortages and young people will need to be encouraged to stay and work in the region.

These things combined will have an impact on the type of housing required into the future and the demand for business land.

Residential Trends

The Assessment provides detailed information on the residential market trends over the past 10 years. The last three years have seen significant increases in house sale prices and rents both nationally and in Marlborough. Increases appear to have slowed in Blenheim in the last half of 2018, about two years behind similar trends in Auckland, and there is uncertainty about what the local market will do into the short term.

The rate of uptake of new residential developments in Blenheim has been faster than predicted i.e. at the Boulevard Park on Taylor (BPOT) and Omaka Landing Subdivisions, with these subdivisions due to be completed within 2 years time. Building consents have been issued at significantly higher rates over the last 3 years than in previous years.

The current demand appears to be highest for 3+ bedroom standalone homes in the urban area. Sales of smaller homes such as apartments have not been as popular, but are anticipated to be in higher demand in the medium to long term given population and demographic projections. The majority of sales over the past five years have been in the \$250k to \$399k and \$400k to \$550k price brackets.

The rate of home ownership across all age groups is declining, and more people are renting - including those over 65 years of age. Rental properties in Blenheim are in high demand.

There is a shortage of social and affordable housing relative to demand. Housing New Zealand have 35 homes in the pipeline for Marlborough and are looking for partners to deliver Housing First homes locally.

² Ministry of Business, Innovation and Employment (2017). Short Term Employment Forecasts 2017 – 2020

Residential Demand Assessment

In addition to Stats NZ population projections, Council has developed a future demand model based upon average numbers of building consents for new dwellings. There is a marked difference between the Stats NZ population growth projections (which are generally lower and indicate that the population will peak, then decline after 2033, except for the high growth scenario) and the building consents past averages.

For the purposes of this report, the building consent averages have been selected as these more closely reflect the current picture of demand. However, it does reflect a high demand scenario and does not take into account the expected peaking of population in the longer term. For this reason a 'mixed scenario' has been considered which provides for a higher rate of development in the short and medium term, and a lower rate of development in the period between 2028 and 2048.

A demand assessment showing different demand scenarios based on the average number of building consents issued over the past 10 years for new dwellings is presented in the table below 'Residential Demand Assessment'. Consents have averaged 160 per annum over the past three years, 130 per annum over five years, and 110 per annum over the past 10 years. It should be noted that the mixed scenario in this model is close to the Stats NZ 'high' projection' and consequently over the long term the actual demand could be lower than the developed model³.

Residential Demand Assessment

Demand Scenario	Number of Dwellings Required		
	Short Term (0-3 Yrs)	Medium Term (0-10 yrs)	Long Term (30 yrs)
Short Term Average (3 yrs) - 160 dwellings p.a.	480	1600	4800
Medium Term Average (5 yrs) - 130 dwellings p.a.	390	1300	3900
Long Term Average (10 yrs) - 110 dwellings p.a.	330	1100	3300
Mixed Scenario*	480	1290	3090
Population Projections Medium Growth Scenario	n/a	364	368
Population Projections High Growth Scenario	n/a	1013	2476

* Yrs 0-3 @ 160p.a., Yrs 4-5 @ 130p.a., yrs 6-10 @ 110 p.a., and Yrs 11-30 @ 90 p.a.

Demand based on the mixed scenario shows that an average of just over 100 new dwellings would be required per annum in Blenheim, (allowing for a higher demand of 160 per year in the first three years). This scenario equates to a required capacity of 480 new dwellings in the short term (2018 - 2021), 1,290 in the medium term, and 3,090 for the next 30 years to 2048.

³ It is generally accepted practice to use the Stats NZ medium growth population projections for planning purposes, however population has trended more towards the high growth projections over recent years. Latest census data from Stats NZ will be available later this calendar year.

Residential Supply

An assessment of residential capacity for new development estimates that there is a total supply of 2,655 sections for new dwellings in the Blenheim Urban Area in the long term, building at an average of 10 houses per hectare. Approximately 650 of those are available in the short term (0-3 years), and the majority will be available for development within the medium term (10 years). Based on the mixed demand scenario of 100 new sections per annum, this would provide approximately 26 years worth of supply. Based on the long term average of 110 per year, 24 years of supply. The recent Omaka Landing development was built at a rate of approximately 12.5 houses per hectare. Most of the land was zoned Urban Residential 1 which enabled the creation of smaller lots as a controlled activity. If this trend continues then the current supply of land could yield more houses and consequently provide for more than 26 years of supply.

If demand continues at the same rate as it has done over the past 3 - 5 years, a possible constraint with residential supply in the short term (0-3 years) has been identified due largely to the provision of infrastructure for sewer and stormwater impacting on land availability for development in greenfield areas. Council has been in discussions with a developer in the Old Renwick Road area and temporary infrastructure can be provided to enable development to continue over this period. The requirements of the NPS UDC are met with a 26% buffer of supply relative to demand in Blenheim, however the heavy reliance on infill subdivision to supply short term demand could potentially result in a shortfall in real terms as the uptake of infill is traditionally slower than that of greenfield land.

If a request to rezone around 30 hectares of land to Urban Residential 2 zone in the west Batty's Road area (Area 8 identified in the Growth Strategy) is approved through the Proposed Marlborough Environment Plan (PMEP) hearings, then this should address any potential shortage of supply in the short term. This is subject to its own decision making process which is not influenced by this Assessment.

Feedback from stakeholders identified that the key perceived constraints to residential development are the availability of land due to the provision of infrastructure, and landowners who may have no intention of opening up their land for development.

There is no constraint to supply in the medium term as major infrastructure provision to enable development of greenfield land to progress will be completed.

The Assessment identifies a potential shortfall of supply in the Long term based on recent development rates. However, the shortfall is less marked when provision of increased intensification through apartments, units and townhouses for example is taken into account, for which there is anticipated to be increased demand for in the medium to long term. As indicated previously, the 'medium' Stats NZ population projections indicate that Marlborough's population will peak and then decline after 2033. This is something Council will need to investigate further.

It is important that Council continue to review the level of capacity for residential development and plan accordingly in its next generation resource management plans. If future assessments continue to show that a long term shortfall is likely, a review of the Growing Marlborough Strategy for the Blenheim area should be undertaken.

There is a possibility that if future development continues to provide large homes on average sized sections predominantly, there may eventually be a mismatch between the range of residential dwelling supply and demand in terms of typology and affordability.

There are opportunities for Council to work with Iwi, Community Housing Providers, Nelson Marlborough District Health Board, and other partners - for example private developers - to facilitate additional and more diverse housing options in Marlborough over the medium to long term, including encouraging residential intensification in some areas such as the inner city and areas close to amenities.

Business Land Demand and Supply

Business land assessment is difficult due to the limited amount of data available on demand and supply.

Analysis of industrial land values relative to neighbouring land types and feedback from stakeholders suggests that there is a current shortage of land suitable for light industrial activity in particular.

There is approximately 18 hectares of additional Industrial 1 zoned land provided for in the Marlborough Environment Plan in Corlett Road in Omaka (subject to confirmation), and 7 hectares north of the Westwood development (accessed from Rene Street). Anecdotal advice is that this should be sufficient for the short to medium term provided that the land comes to market and is able to be used.

There is a substantial amount of unutilised land in the Riverlands and Cloudy Bay Business Park area to the south west zoned for Industrial 2 (heavy/wet industrial) activity, however there is no accurate data available to assess demand for this land in future.

Given the perceived high level of demand for industrial growth, Council should continue to monitor demand for business land, particularly for light industrial activity. If the proposed rezoning of the Corlett Road land in Omaka is not confirmed, Council will need to identify and assess additional land that could be rezoned to fill the shortfall.

Future Reporting and Data Collection

MBIE are currently reviewing which Councils will need to continue to meet the reporting requirements of the NPS UDC. It is possible that Marlborough will not meet the thresholds to continue to be a medium growth urban area - in terms of the level of Urban Growth it is anticipated to experience and/or minimum size of urban area. However, there is significant benefit in continuing to monitor residential and business trends.

It is essential that Council review its capacity for growth in relation to demand on a regular basis and feed this into strategic planning processes so that development can occur without constraint at the level at which it is required to meet the needs of the community. The three-yearly assessments provide a good opportunity to do that. If the NPS UDC does not continue to be a requirement, it is recommended that Council devise a similar process and/or regularly review the Growth Strategy work for both residential and business needs.

In either case, improvements could be made to the type and quality of data available to inform planning.

Recommendations

The Housing and Business Development Capacity Assessment makes the following recommendations:

- a. It is recommended that should this reporting continue to be a requirement, Council considers undertaking the next assessment in 2020 rather than 2021, so that the outcomes and recommendations can feed into the 2021 Long Term Plan development and associated strategies and budget processes. Thereafter the assessments would continue on a 3-yearly basis.
- b. It is recommended that when the Proposed Marlborough Environment Plan becomes operative in Mid 2019, Council promote the changes and opportunities it presents for housing and business development through relevant media channels.
- c. It is recommended that Council regularly monitor intensification of residential development in the Urban Residential 1 and Business 1 zones as provided for in the MEP to inform the next Assessment.
- d. It is recommended that Council continue to monitor the rate of development per hectare in new developments.
- e. It is recommended that Council reviews the Development Contributions Policy in consultation with property developers as part of the 2021 Long Term Plan process.
- f. It is recommended that for the next Assessment Council investigate options for commissioning statistical modelling on future supply and demand across different price points, against demographics and population projections, to better understand the range of housing stock in relation to the needs of the Blenheim community.
- g. It is recommended that Council investigates options for assisting the development of affordable and social housing for example through providing a 'guided' consenting process. 'Affordable' and 'social housing' would need to be clearly defined to ensure consistency of application.
- h. It is recommended that Council investigate options for recording building consent data to enable more efficient monitoring of
 - i. the range of housing types being developed (standalone, townhouse, unit, apartment for example),
 - ii. the rate of uptake of the greenfield sites in the North and Northwest growth areas, and
 - iii. the rate of infill subdivision in Urban Residential 1 and Business 1 zones
- i. It is recommended that Council Investigate options for recording Resource Consent data to make it easier to track information contained within those consents about the type of resource consent (residential or commercial/industrial) and the number of residential lots created.

- j. It is recommended that if subsequent assessments continue to identify a potential long term shortage of capacity for residential development, Council review the Growing Marlborough Strategy in order to give effect to Policy PC3 of the NPS UDC.
- k. It is recommended that Council investigate how other Council's respond to evident or potential mismatches in residential supply and demand with respect to typology and price point.
- l. Council continue to monitor provision of land suitable for light industrial activity to ensure the level of capacity is sufficient to meet demand. If the rezoning of land to Industrial 1 at Omaka is not approved, additional capacity will need to be found.
- m. It is recommended that Council Investigates options for commissioning research into Blenheim's business sector including growth projections and associated demand for employment land, in partnership or consultation with other industry and organisations.

Background

The purpose of this report is to meet Marlborough District Council's National Policy Statement on Urban Development Capacity (NPS-UDC) requirements to carry out a Housing and Business Development Capacity Assessment (The Assessment).

The NPS-UDC came into effect on 1 December 2016. It provides national direction to local government on making provision for urban development. This involves a change in the way local authorities provide for and respond to growth, and the evidence and monitoring they are required to use to support planning decisions.

Blenheim is newly defined as a 'medium growth' local authority based on Statistics NZ 2016 urban area definitions and current population growth projections.⁴ The National Policy Statement on Urban Development Capacity (NPS UDC) requires local authorities classified as having high and medium urban growth to:

- undertake quarterly monitoring of housing and commercial development market indicators, and use indicators of price efficiency (which Marlborough District Council has been producing since December 2017); and
- prepare housing and business development capacity assessments on at least a three-yearly basis which forecast demand and "feasible" development capacity, and the likely take-up of capacity (from 31 Dec 2018).

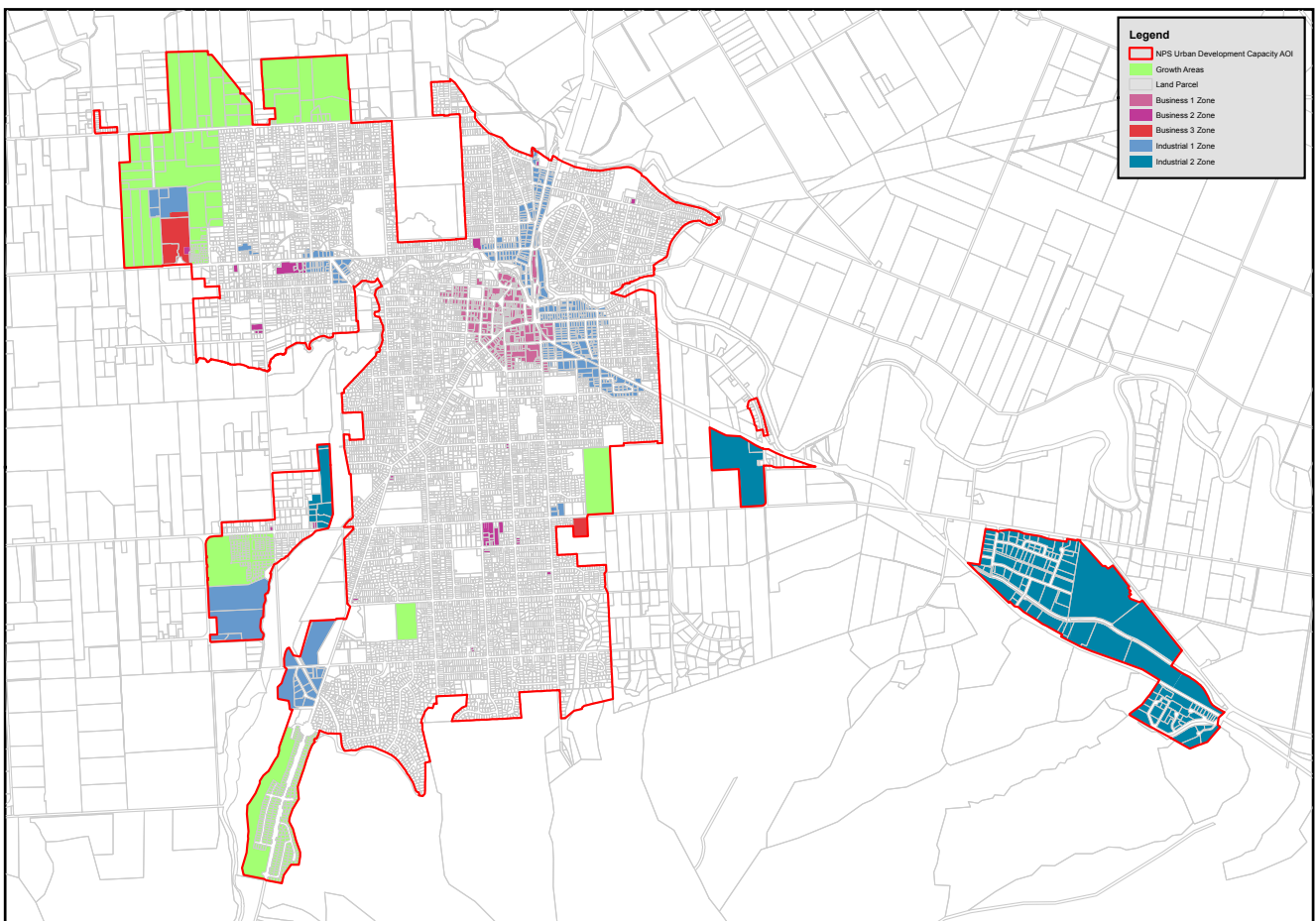
The overall objective is to have a robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in the Blenheim urban area. In short, the Assessment estimates the demand for residential dwellings and business land and the supply of development capacity to meet that demand in order to determine whether there is sufficient capacity to meet need in the short, medium and long term. See Appendix One for specific NPS UDC policies

⁴ This is a "transitional" definition, and will be reviewed and amended by 31 December 2018. Based on updated population growth projections and Stats NZ's new urban area boundaries, it is possible that Blenheim may no longer fall into the Medium Growth category.

Geographical Area of Investigation

The Council has defined the geographical area of investigation as the Blenheim Urban Area set out in Map 1 below. This includes the existing urban area of Blenheim plus greenfield areas zoned for residential growth in the North and North West, and the industrial areas to the East and South West of the town.

Council defined this area in consultation with MBIE to ensure that the monitoring and assessment is fit for purpose (ie. that it relates specifically to the area of Blenheim experiencing urban growth). The study area is smaller than the 2017 Blenheim Urban Area defined by Stats NZ which included large areas of rural zoned land and other settlements linked but not contiguous to Blenheim. It is also broader than the current Stats NZ Urban Area boundary which doesn't include large portions of the greenfield land identified for residential growth. While the defined area is the most relevant to planning for urban growth and development for Blenheim, there are implications with respect to data availability due to the differences in Stats NZ boundaries.



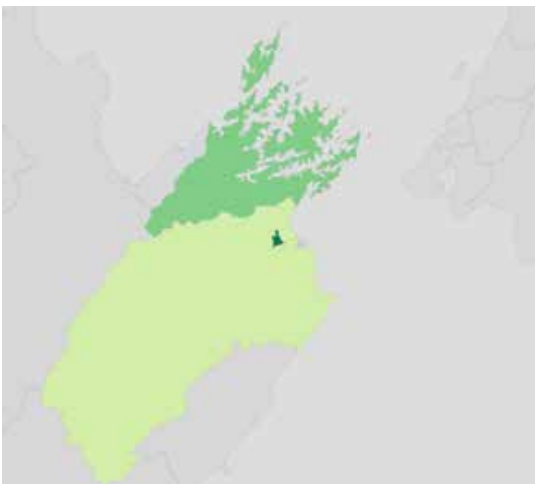
Map 1. Blenheim Urban Area - Geographical Area of Investigation for the Housing and Business Development Capacity Assessment

A note on Data Availability

A range of data sources have been used to inform this report. It is often difficult to obtain data that relates specifically to the area of investigation. Council's data on building and resource consents relates to the Blenheim Urban Area specifically. MBIE indicators sourced from their NPS UDC Dashboard provide data for both the wider Marlborough District (Map 2) and smaller Blenheim Ward area (Map 3) based on 2013 ward boundaries and 2014 valuations. Unfortunately although the Blenheim Ward boundary is similar to the Blenheim urban area, it does not give an accurate picture of urban development activity as it excludes the new residential subdivision at Omaka Landing and greenfield land newly zoned for residential activity (but not yet developed) in the North West growth areas. This is significant as these and other new residential subdivisions provide for a significant amount of residential growth in Blenheim based on current population and housing demand projections⁵. The Marlborough District includes large areas of rural land with lower population density. Some data is only available at this level.

Stats NZ data is available at the Marlborough Region level, and sometimes at statistical area units which are essentially based on suburbs within Blenheim. Where possible the area units closest to the Blenheim Urban Area have been used.

Throughout the Assessment recommendations for potential new and/or improved data sources have been made where possible.



Map 2. Marlborough District (MBIE data)



Map 3. Blenheim Ward (MBIE data)

⁵ Residential Section Availability in Marlborough - a 20 Year View Ahead 25 September 2017 (Attached)

Relationship with other Council strategies and plans

Long Term Plan and Infrastructure Strategy

The Housing and Business Development Capacity Assessments are intended to inform Council planning decisions and responses to urban growth. It should therefore be aligned with the Long Term Plan and associated strategic planning including Infrastructure Strategy development where appropriate. Unfortunately the timing requirement under the NPS UDC is not ideal in that regard. A number of Councils have recognised this and are planning to shift the next round of assessments forward by one year to 2020.

- a. It is recommended that should this reporting continue to be a requirement, Council considers undertaking the next assessment in 2020 rather than 2021, so that the outcomes and recommendations can feed into the 2021 Long Term Plan development and associated strategies and budget processes. Thereafter the assessments would continue on a 3-yearly basis.

Growing Marlborough Strategy 2014 - 2031

This Assessment builds on extensive growth planning completed in 2014 by Council. “Growing Marlborough - A Strategy for the Future” (the Growth Strategy) was a result of considerable planning and consultation undertaken over a 5 year period for the Blenheim Town Centre Revitalisation Strategy, and Marlborough Urban Growth and Development Strategies for Wairau-Awatere Settlements, Blenheim, and Marlborough Sounds.

The Growth Strategy sets out a district wide vision for Marlborough to 2031 with key initiatives focussed around ecological sustainability, residential growth, local employment growth, stronger town centres, strong communities, public open space and future-proofed transport networks. It identified that an additional 2,625 households would be needed between 2006 and 2031 to cater for projected population growth in Blenheim, through a combination of subdivision and intensification of existing residential sites, ‘brownfield’ development, and greenfield development.

“Residential intensification is the most efficient and effective approach. However, this applies only if it is carried out well. Realistically there are limits to how much can be delivered. This means that new growth areas are then necessary. These should be located where they can be leveraged to deliver the most benefit to the existing community. Furthermore, they should be developed to the highest appropriate density from the outset rather than left to ad-hoc infill.”

The strategy aims to achieve affordable growth for Blenheim by

- Providing for necessary urban expansion where it makes logical sense, where it is efficient and where it is most affordable from an infrastructure perspective
- Reconciling the locations where the market wants to develop with the locations where existing services (community, open space and recreation, infrastructure) could be utilised or built upon
- Minimising long term maintenance costs and debt burdens on infrastructure and services for the community and individuals by maximising connections per kilometer of service and minimising the overall length of service kilometres
- Promoting intensification where there are a range of amenities within easy walking distance

This Assessment is not intended to replace the growth strategy, but offers an ideal opportunity to assess the progress of the strategy in terms of provision for residential and business growth in Blenheim.

The Growth Strategy ultimately resulted in approximately 140 hectares of greenfield land being zoned for residential growth to the North West of Blenheim. Additional industrial zoned land was also provided for in Riverlands and Omaka - some of which is still to be approved through the PMEP hearings.

Proposed Marlborough Environment Plan (PMEP)

Providing for residential growth in Blenheim was determined to be a priority by the Council at the time. This resulted in the Council adopting the land identified in the Growth Strategy for greenfields residential growth in Blenheim and notifying plan changes to the Wairau-Awatere Resource Management Plan. A suite of 8 plan changes (Plan Changes 74-72) were notified proposing the rezoning of rural land to the north-west of Blenheim, although 2 were subsequently declined. In total, 140 hectares of greenfield land was rezoned for residential growth to the north-west of Blenheim. The plan changes were made operative in 2014.

In 2016, the Council also completed a review of its operative resource management documents and publicly notified the PMEP. The approved plan change areas were carried across into the PMEP. One of the declined plan change areas was also included in the PMEP. Additional industrially zoned land was proposed for Riverlands, Woodbourne, Springlands and Omaka. The PMEP also included provisions to enable residential activity in Blenheim's CBD and in other areas of industrially zoned land. The above provisions of the PMEP are subject to submissions and the decisions of the appointed hearings panel on the matters raised in submissions. The decision is expected to be publicly notified mid 2019.

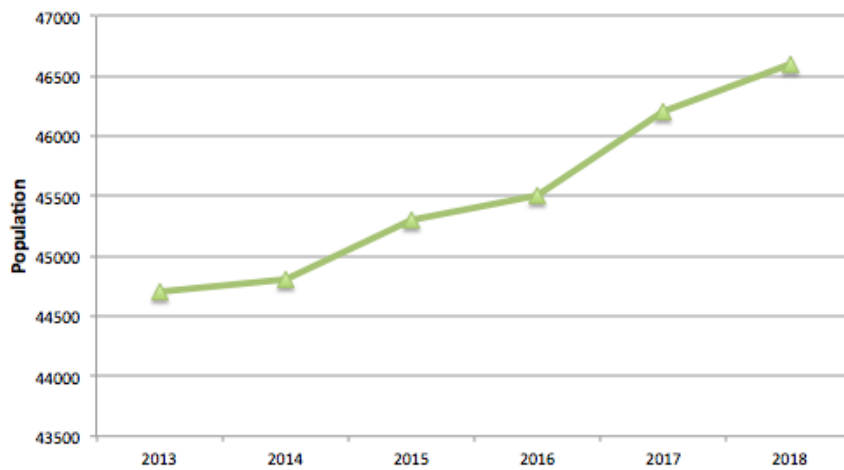
Marlborough Demographics

Population Estimates November 2018

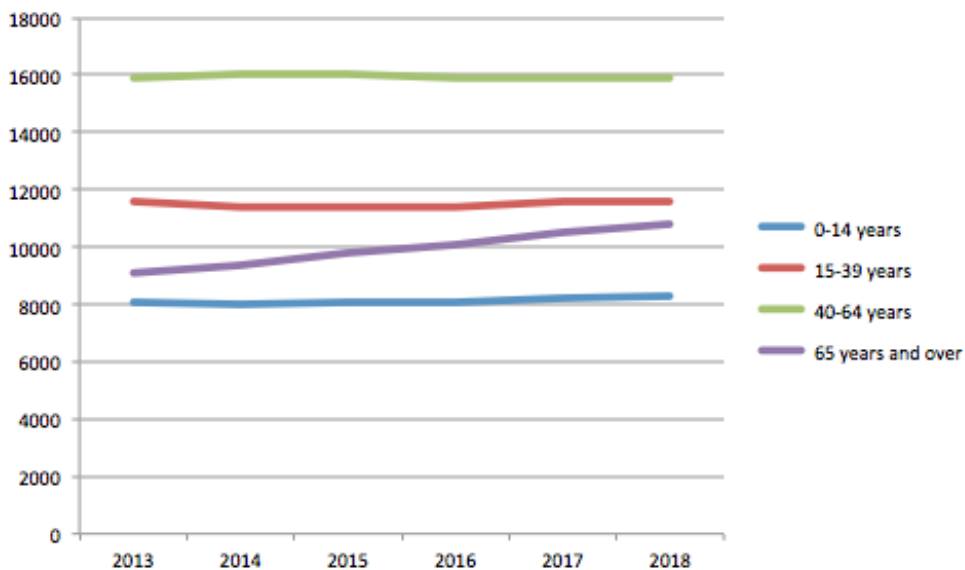
Marlborough's usually resident population at the time of the 2013 census was 44,700 and is currently estimated at 46,600⁶. Analysis using Stats NZ's statistical area units shows that approximately 26,960 (60% of Marlborough's total population) lived in the Blenheim Urban Area in 2013.⁷

Based on the latest estimates, population growth has trended between the medium and high projections over the past five years with significant peaks of growth in 2015 and 2017. Net migration accounts for the majority of population growth in Marlborough, with an estimated average natural increase of only 100 people per year (births minus the number of deaths). Growth in the Blenheim Urban Area accounts for approximately 60% of total growth in the Marlborough District.

Marlborough District Estimated Population 2013 - 2018



Marlborough's Population Growth by Age



6 Stats NZ Population Estimates updated November 2018

7 Area units used include the Blenheim Central, Springlands, Mayfield, Whitney, Redwoodtown and Witherlea areas.

Marlborough District Population Growth 2013 - 2018

Year	Estimated Population	Estimated Growth ⁸	Net Migration	Natural Increase (births minus deaths)
2013	44,700	-	-	-
2014	44,800	100	0	100
2015	45,300	500	400	100
2016	45,500	200	100	100
2017	46,200	700	600	100
2018	46,600	400	200	100

Population growth has been minimal in all age groups except for those aged 65 years and over. According to estimates this age group has grown by 1,700 people over the past five years and now accounts for 23% of Marlborough's population.

Population projections will be updated when data from the 2018 Census becomes available.

Population Projections

Stats NZ population projections⁹ for the Marlborough District give three scenarios for growth over the 30 years from 2013 to 2043:

- High Growth +9,400 (21% total growth)
- Medium Growth +2,500 (5.6% total growth)
- Low Growth -4,300 (decline of 9.6%)

Population projections for the approximate Blenheim Urban Area using area units are as follows:

- High Growth +5,890
- Medium Growth +1,570
- Low Growth -2,220

⁸ From Stats NZ Population Estimates 2013 - 2018: <http://nzdotstat.stats.govt.nz/wbos/index.aspx> The estimated resident population of each area is based on the 2013 Census usually resident population count updated for:

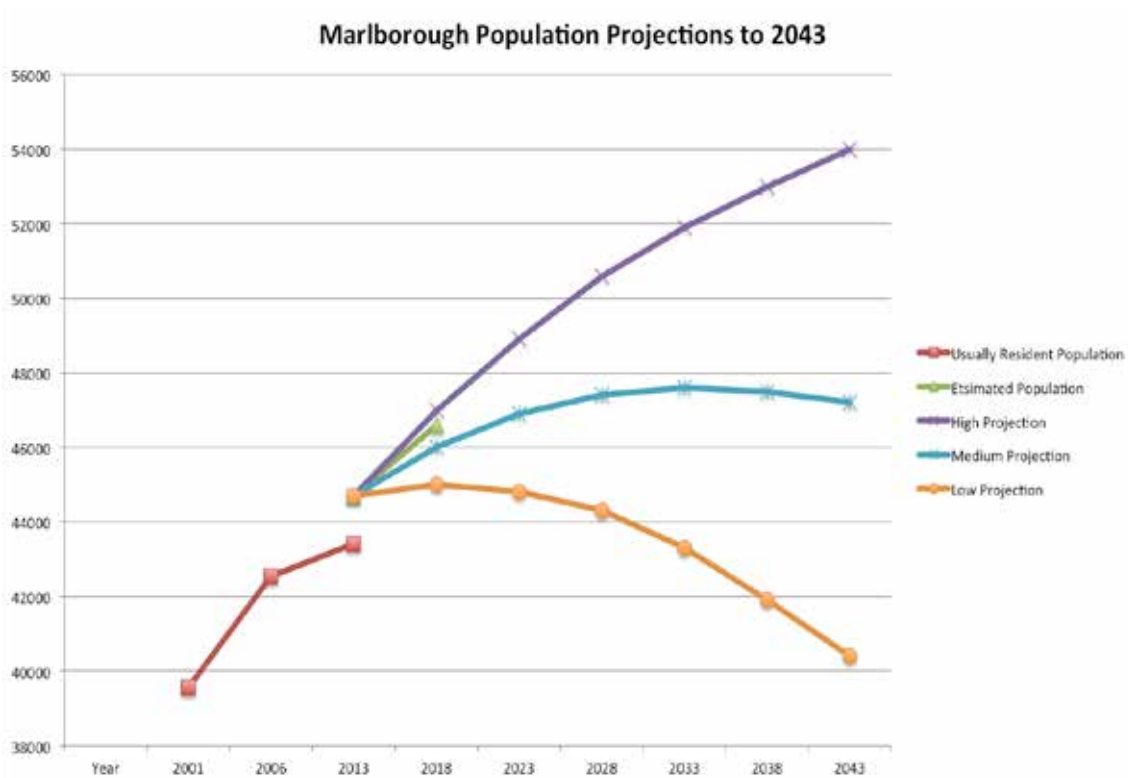
- net census undercount (as measured by the 2013 Post-enumeration Survey)
- residents temporarily overseas on census night
- reconciliation with demographic estimates for ages 0-9 years
- births, deaths, and net migration between census night and the date of the estimate.

The estimated resident population is not directly comparable with the census usually resident population count because of these adjustments.

Due to rounding, individual figures may not always sum to the stated total(s). For more detailed information see DataInfo+ Subnational Population Estimates.

⁹ Projections are based on 2013 census results and were updated in 2017

The following graph shows the Marlborough District usually resident population from 2001-2013, and population estimates from 2013 to 2018 against low, medium, and high population projections out to 2043.¹⁰



¹⁰ Sourced from Stats NZ census data, population estimates and population projections.

Marlborough Characteristics

Marlborough has some unique characteristics that set it apart from other regions in New Zealand, all of which have an influence and impact on housing and business development demand.

- Marlborough has the highest proportion of its residents over 65 years of age (20.5%)¹¹ and it's population is ageing rapidly. By 2043 one third of Marlborough's population will be 65 or over.
- The median age in Marlborough is 46.1 - an increase of 2.5 years between 2013 and 2018.
- Marlborough faces an eventual decline in the working age population, and has a very low unemployment rate. The annual average unemployment rate in Marlborough Region was 3.6% in September 2018, up from 2.8% a year earlier, lower than the national unemployment rate of 4.3% (Infometrics).
- The average household income in 2018 is \$91,520 for Marlborough versus a national average of \$104,104¹².
- The average current house value was \$454,721 in Marlborough Region over the year to September 2018 compared with \$660,860 in New Zealand.¹³
- The average household size is 2.2 people in Blenheim Central (from 2013 Census data) and 2.4 in Marlborough District, compared with a national average of 2.7.
- 77% of New Zealand's wine grape production comes from Marlborough.¹⁴
- The current 24% (6,800Ha) expansion to 2019/2020 in Marlborough is more than Hawkes Bay, Canterbury and Central Otago's total planted areas combined (6,758Ha5).¹⁵

¹¹ Statistics new Zealand <http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-65-plus/geog-location.aspx>

¹² Stats NZ, household income by region tables (the Marlborough result is for (Tasman, Nelson, Marlborough and West Coast combined)

¹³ Infometrics Marlborough Region Quarterly Economic Monitor - September 2018 [https://ecoprofile.infometrics.co.nz/Marlborough%2bRegion/QuarterlyEconomicMonitor Pdf](https://ecoprofile.infometrics.co.nz/Marlborough%2bRegion/QuarterlyEconomicMonitorPdf)

¹⁴ NZ Wine Growers 2018 Annual Report <https://www.nzwine.com/en/news-media/statistics-reports/new-zealand-winegrowers-annual-report/>

¹⁵ Chamber of Commerce Solving Marlborough's Demographic Challenges <https://www.mcoc.org.nz/media/48785905/solving-marlboroughs-demographic-challenges-may-2018.pdf>

Demographic Trends for Marlborough

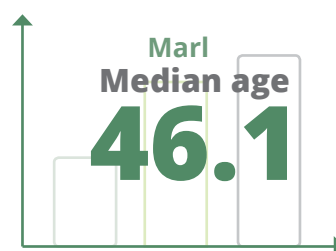
Population:

Marlborough's usually resident population at the time of the 2013 census was 44,700, and is estimated at 46,600 currently.

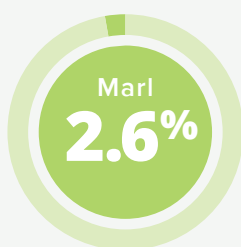
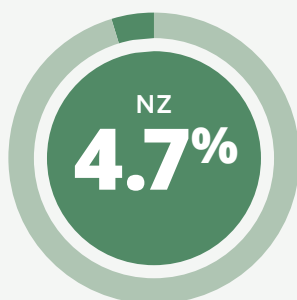
Marlborough has the highest proportion of residents over 65 years of age (**20.5%**)



By **2043** one third of Marlboroughs residents will be **65** years or over



The Median age in Marlborough is 46.1 an **increase of 2.5** years between 2013 and 2018



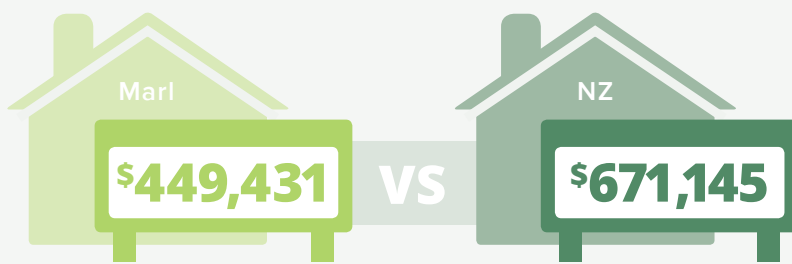
Marlborough District has a very low unemployment rate at: **2.6%** in December 2017, versus the national average of: **4.7%**.



The average household income in Marlborough is \$ 91,520 versus a national average of \$104,104



The average household size is 2.2 people in Blenheim Central (from 2013 Census data) and 2.4 in Marlborough District, compared with a national average of 2.7.



The average house value in the region is \$449,431 versus a national average of \$671,145.



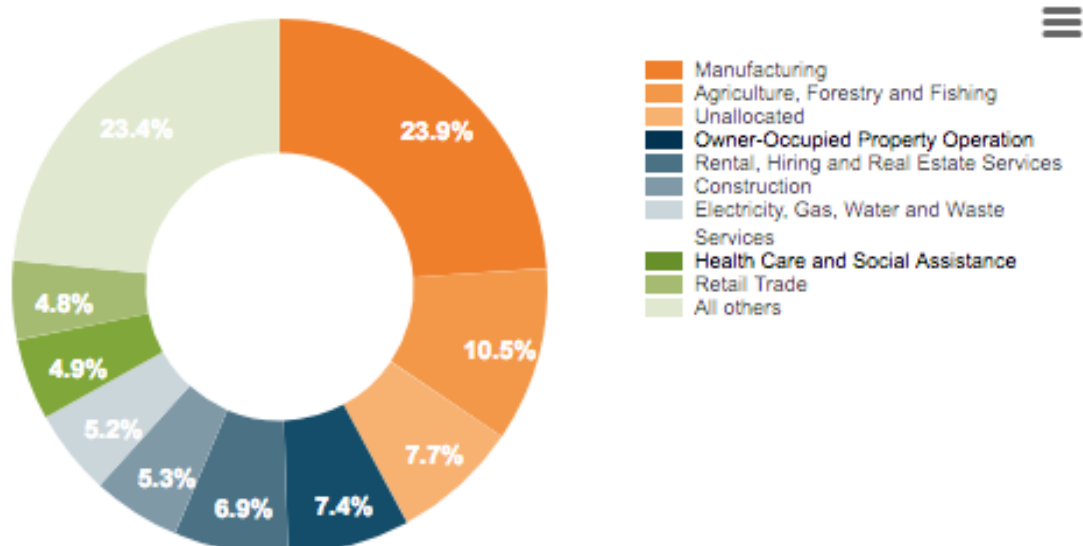
77% of New Zealand's wine grape production comes from Marlborough

Economy and Labour Demand

Marlborough's economy is largely driven by manufacturing, horticulture and agriculture including wine production, viticulture, marine farming, forestry and pastoral farming. Manufacturing and Agriculture accounted for 34.4% of Marlborough's GDP in 2017.

Infometrics report that Marlborough's economy has grown by an estimated 3.9% over the year to September 2018 compared with 3.0%pa growth in 2017. This is above the national average of 2.9%. Indicators of employment, population growth, retail spending, and residential building consents in Marlborough all remain strong.

Industries: Proportion of GDP (2017)



Improving economic conditions are resulting in better labour market outcomes. The average number of people receiving Jobseeker Support decreased 6.1% over the year to September 2018. Stats NZ data showed employment within Marlborough businesses (ie excluding self-employment) increased 4.8% over the year to February 2018 – the fastest rate of growth since 2014.

Infometrics also reports that retail spending is increasing rapidly. Retail spending in Marlborough has grown 7.4% to September 2018, following on from 4.8% growth the previous year. Visitor spending increased 13% over the past year.¹⁶

¹⁶ <https://ecoprofile.infometrics.co.nz/Marlborough+Region/QuarterlyEconomicMonitor>

Seasonal Work Force and Labour Supply

Marlborough's economy relies heavily on a large temporary workforce employed in seasonal vineyard and winery work, with over 8,325 temporary positions in 2015/16 in vineyards alone. Seasonal workers can be employed by wineries and vineyard operators independently or via labour supply contracting companies. Workers may be Recognised Seasonal Employees (RSE), casual workers from the region, or casual workers here on working holiday visas from overseas.

The Government's Recognised Seasonal Employer (RSE) policy allows the viticulture industry to recruit overseas workers – mostly from the Pacific Islands – for seasonal work. There is an administrative limit or cap on the number of RSE places that can be taken up in any one year. This cap was set at 5,000 places nationwide when the scheme was established in 2007, but the success of RSE has led to increased demand from employers and the cap has been increased regularly. In 2019 it will increase by 1,750 to 12,850 places. It is not yet known how many of those places will be given to Marlborough. In 2017 the cap for Marlborough was set at 2,240 for the winter season and 1,410 in summer.

Iain Lees-Galloway, Immigration Minister, recently issued four challenges to RSE Employers at their annual conference:

- “One: Make the industry more attractive to New Zealand workers, by providing better wages and conditions;
- “Two: Build more accommodation for workers to alleviate local accommodation pressures;
- “Three: Take greater responsibility for supply chains and labour contractors to help stamp out migrant exploitation; and
- “Four: transform the horticulture and viticulture industries from low cost industries to industries based on quality, productivity, and high value products.¹⁷

¹⁷ <https://www.beehive.govt.nz/release/recognised-seasonal-employer-cap-increase>

The wine industry is estimating that total worker numbers will need to increase by 24% by 2019/20 with a 35% increase in demand for Recognised Seasonal Employees in order to service the planned growth in vineyard plantings in the region. This level of increase has not yet been realised as it requires a significant increase on the number of RSE's approved by the Government but if achieved, it would result in the need for an additional 600 RSE approved beds, 442 beds for casuals and 189 houses for permanent workers.¹⁸ Ensuring there is a sufficient and appropriate supply of accommodation for these employees is essential to increasing the cap for Marlborough.

The Ministry for Business, Innovation and Employment (MBIE) estimates that Marlborough has the highest forecast growth in labour demand in the country for the period June 2017 to May 2020. Their short term employment forecasts anticipate demand for an additional 3,500 employees for Marlborough - the majority of which are for skilled, qualified, managerial, and professional positions¹⁹

The RSE demand increases and MBIE labour demand forecasts signal that for Marlborough to fulfil its economic growth potential, a significant increase in its labour force across both elementary skilled, skilled and highly skilled positions is required. However, coupled with Marlborough's rapidly ageing population, low unemployment, and potential decrease in working age population, the region will rely heavily on attracting employees from other places. The anticipated demand for labour is not reflected in Stats NZ population projections - so if this demand is realised, population increases will be higher than currently predicted. Regional planning needs to take this into account. 2018 Census data and associated updated population projections are not likely to be available until after mid 2019.

Part One - Housing

Housing Trends

Council has been monitoring market trends under the NPS UDC requirements since the quarter September to December 2017. This report provides a summary of those indicators over the past year to September 2018, and is also intended to cover Council's requirement to report on the July to September 2018 quarter. The majority of indicators are from the MBIE dashboard and provide results for the Marlborough Region and Blenheim Ward.

¹⁸ From the Marlborough Viticulture Labour Market Survey 2016, Druce Consulting

¹⁹ Ministry of Business, Innovation and Employment (2017). Short Term Employment Forecasts 2017 – 2020

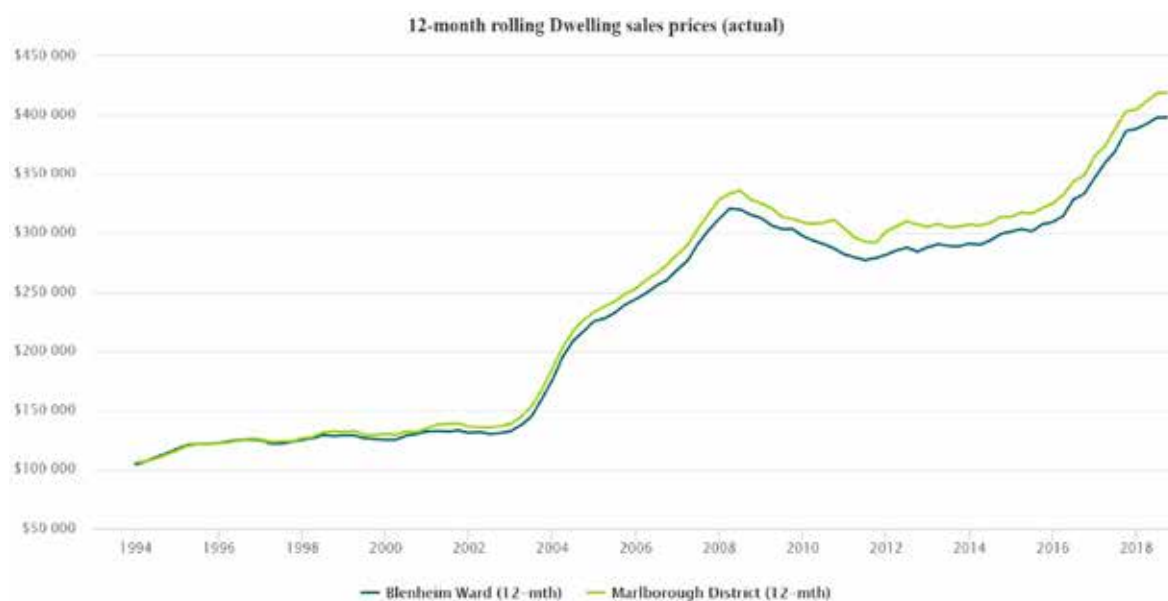
Dwelling Sale Prices

The median house sale price in Marlborough District and Blenheim Ward has almost trebled since 2002. Significant increases between 2002 and 2008, possibly due to immigration and intensive growth in the Marlborough wine industry, were followed by a slight fall after the Global Financial Crisis (GFC).

Prices have steadily increased since 2012, especially between 2016 and 2017 when sale prices rose more than 10% in Blenheim, and 8% in Marlborough District, but increases have slowed over the past year.

In the year to September 2018 median house sale prices rose 3% in Blenheim to an average of \$397,875, and 4% in the Marlborough District to \$418,819. The september quarter showed minimal increases of 0.1% in Blenheim and 1% in Marlborough.

Feedback from stakeholders also confirmed that the market appears to be slowing with homes staying on the market longer, and a slowing of interest in new home builds, however it is unknown whether this will pick up again following Christmas or be a continuing trend. Anecdotally there is considerable interest in Marlborough from potential migrants to the area both from within New Zealand and offshore. It is thought that the decision on the combined colleges will provide more certainty around schooling options in Blenheim, with those tempted by a move more likely to follow through.



Median Dwelling Sale Prices (12 Month Rolling Average)

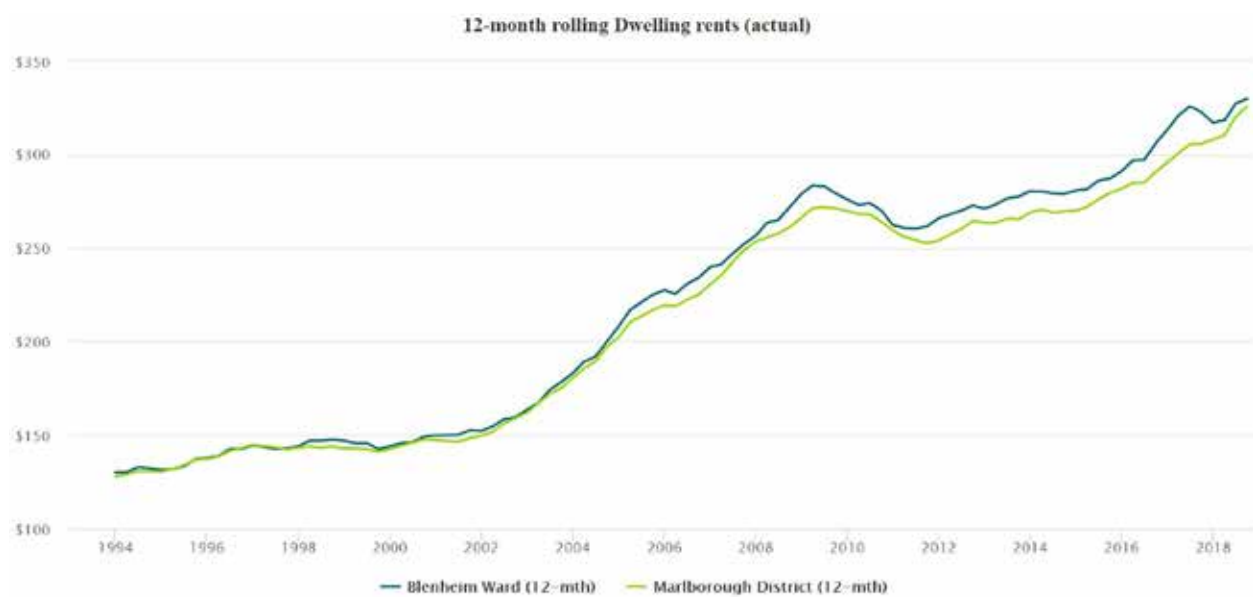
Reporting Area	Quarter 3 2018	Quarter 3 2017	% change
Blenheim Ward	\$397,875	\$386,175	+3%
Marlborough District	\$418,819	\$402,813	+4%

Dwelling Rents

Rents have risen over the past ten years, although not quite to the same extreme as sales prices. Increases have slowed over the past year. Rents are slightly higher in the Blenheim urban area than in rural marlborough, suggesting a higher demand for rental properties in town.

The mean annual rent paid in Blenheim in September 2018 was \$330 per week, and \$326 per week in Marlborough. This is an increase of 2% for Blenheim over the year.

Feedback from property managers is that rental property is in short supply in Blenheim, and this may be compounded by changes in government policy which may see some landlords getting out of the rental market. This coupled with rates in home ownership decreasing across all age cohorts will put more pressure on an already constrained rental market in Blenheim.



Dwelling Rents (Geometric Mean, 12 Month Rolling Average)

Reporting Area	Quarter 3 2018	Quarter 3 2017	% change
Blenheim Ward	330	323	+2%
Marlborough District	326	306	+6.5%

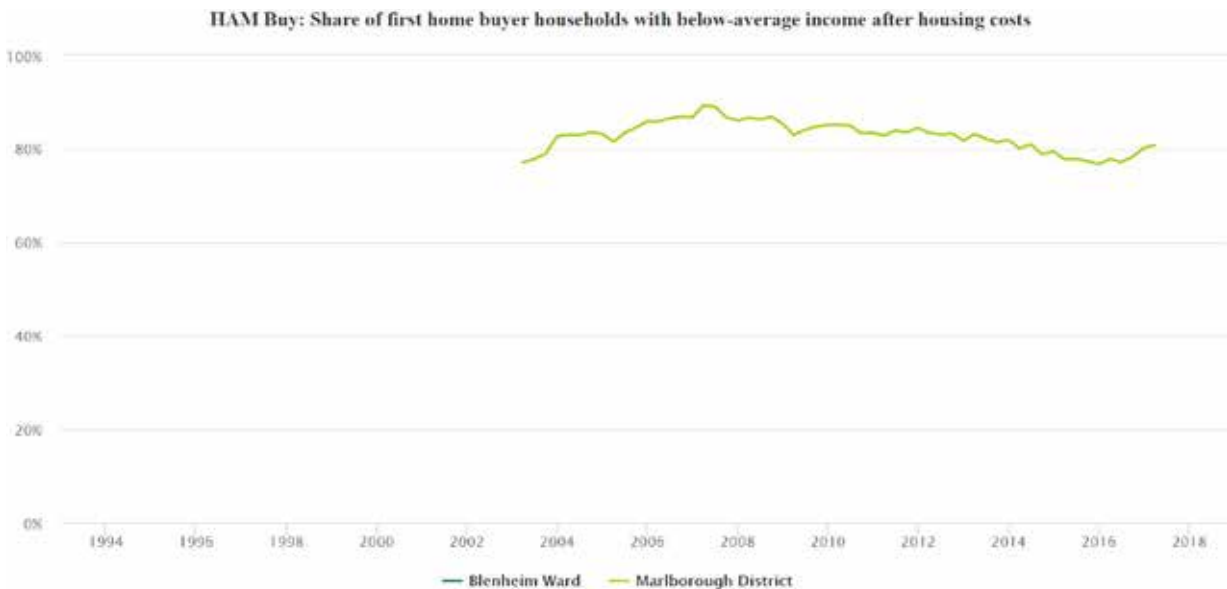
Ratio of Sale Prices to Rents

In Marlborough the price of a median house is nearly 25 times the mean annual rent paid, and in the Blenheim Ward it is over 23. The ratio has decreased in the last two quarters, reflecting a higher increase in rents relative to dwelling sale prices.



Affordability

Affordability has decreased over the past two years in Marlborough according to the Housing Affordability Measure - an experimental indicator developed by MBIE. Marlborough closely mimics the national trend, falling just below the national average of affordability for both first home buyers and renters.²⁰



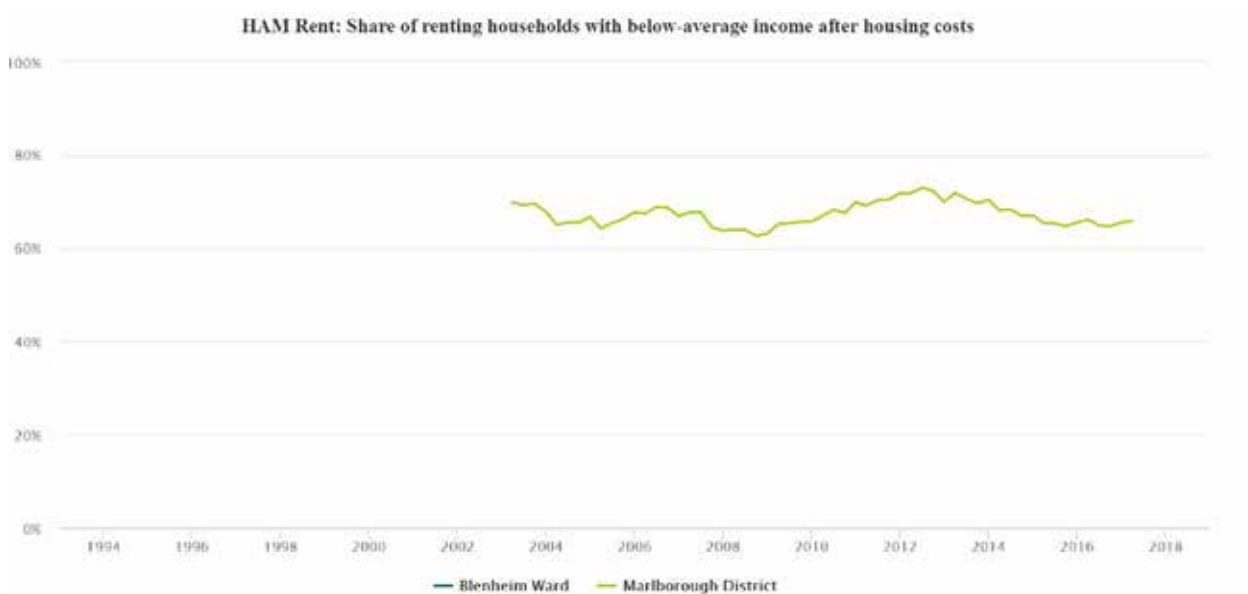
²⁰ The Housing Affordability Measure (HAM) measures trends in housing affordability for the first home buyer household. For potential home-owning households, HAM Buy calculates what their residual income would be after housing costs if they were to buy a modest first home in the area in which they currently live. Affordability is affected by dwelling prices, mortgage interest rates and the incomes of rental households. Average income is determined using the average New Zealand household, both homeowners and renters, nation-wide, in June 2013. A higher number on the chart indicates more households are below the average and a lower level of affordability.

The share of first home buying households in Marlborough with below average income after housing costs increased from 77.818% in March 2016 to 80.784% in March 2017.

At a national level, the share of potential first home buyer households with below average incomes after housing costs increased from 77% in March 2016 to 80% in March 2017.

The share of renting households in Marlborough with below average income after housing costs was 65.858% in March 2017, a slight decrease from 66.182% in March 2016.

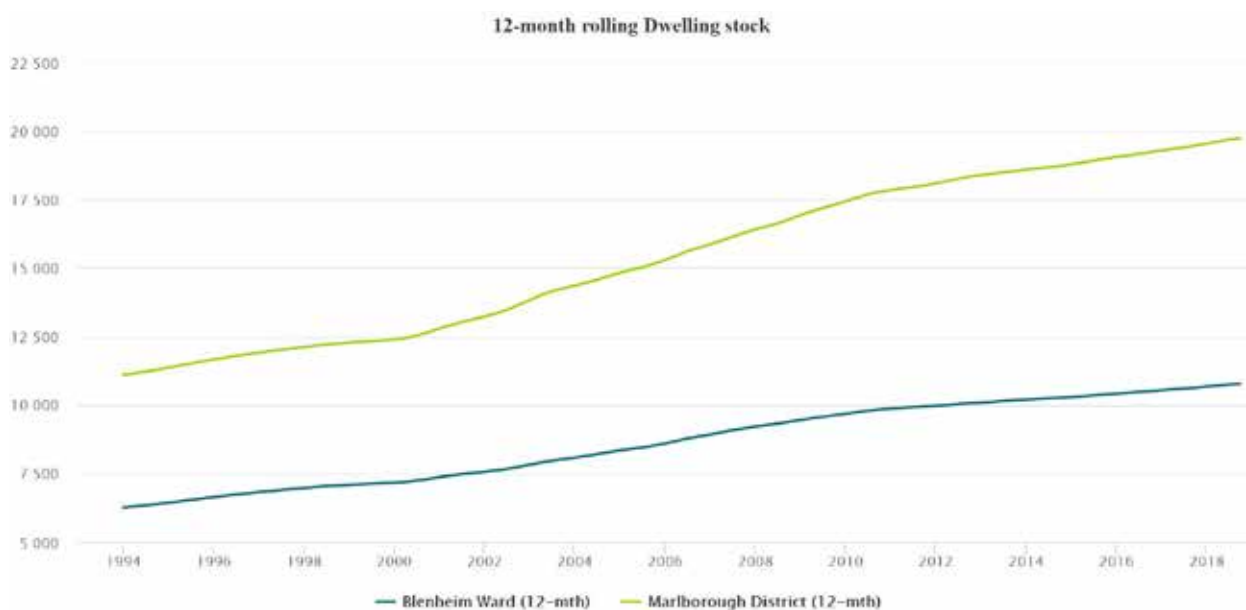
Nationally, the share of renter households with below average incomes after housing costs remained unchanged at 61% between March 2016 and March 2017.



	March 2017	March 2016	% change
HAM Buy	80.784%	77.818%	+2.96%
HAM Rent	65.858%	66.182%	-0.32%

Dwelling Stock

According to the MBIE dwelling stock indicator, Marlborough's dwelling stock increased by around 173 homes in the year from September 2017 and September 2018. Blenheim stock increased by 92 homes.



Dwelling Stock (actual observations from Core Logic Data)

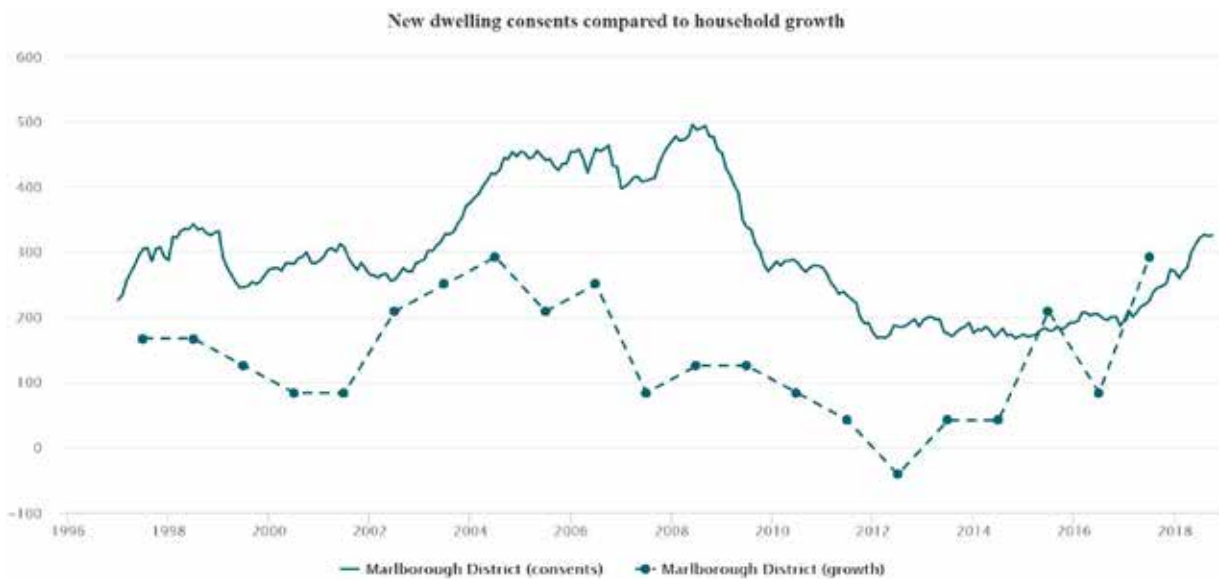
	Q3 2018	Q3 2017	No. of new dwellings from previous year
Blenheim Ward	10,785	10,693	92
Marlborough	19,754	19,581	173

Consents vs Household Growth

This indicator approximates the demand for, and supply of, new dwellings. It measures changes in demand and how responsive supply is. The data sets used are:

- The number of building consents for new dwellings, lagged by six months to account for completion time.
- The average change in the number of households per annum (ie. household growth). This is used as a proxy for demand, and is calculated by dividing the total annual population by the average household size as at last census (which is 2.4 people in Marlborough District), and measuring the change from the previous year. Population projections are updated annually by Stats NZ. It is presented as a 12 month rolling average.

The number of building consents issued for new dwellings in Marlborough at September 2018 (lagged by 6 months to account for completion) is a rolling 12 month average of 325 per annum. At the same time in 2017 it was 247 per annum. Plotted against the average annual change in the number of households in Marlborough, building consents appear to be keeping up with growth. Household change data hasn't been updated since June 2017 however population estimates show growth of around 400 people in 2018, divided by the average household size of 2.4. This is an approximate growth of 166 households.



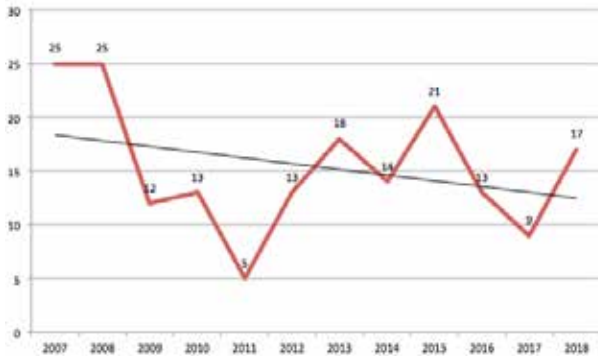
Average annual number of dwelling consents (12 month rolling average)

	September 2018	September 2017	Annual change
Marlborough District	325	247	78

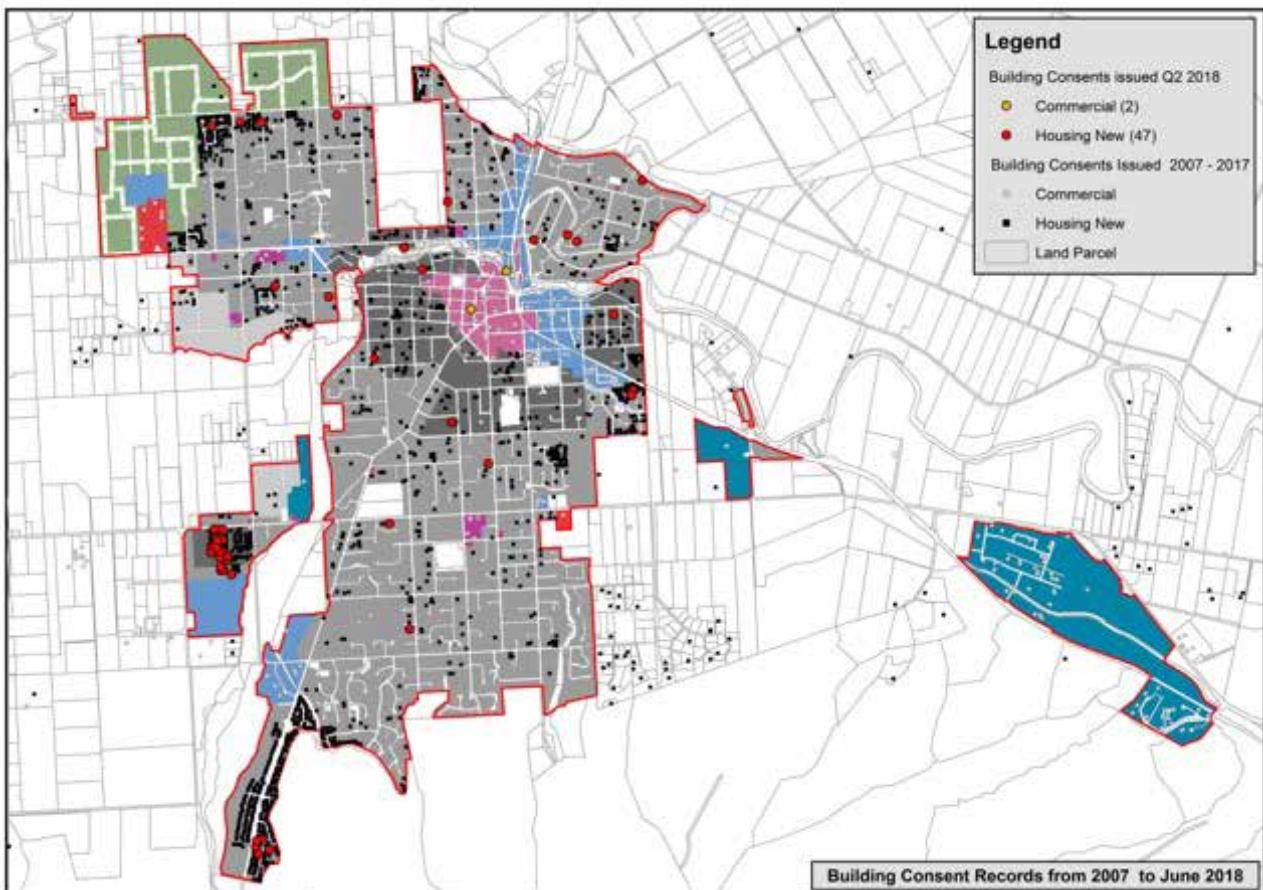
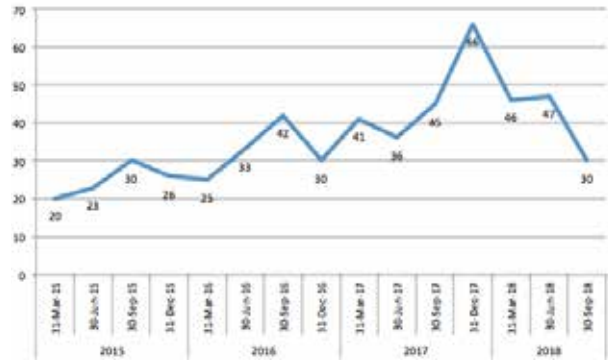
Building Consents

Council issued 123 building consents from January to September 2018 for new dwellings in the Blenheim Urban Area and 188 in 2017. The number of consents issued has risen steadily over the past few years after a decline between 2007 and 2011. The average number of consents issued over the past three years is 160 per annum. The increases in 2016, 2017 and 2018 reflect new subdivisions becoming available for building.

Commercial Building Consents Issued Per Annum 2007 - 2017



Residential Building Consents Issued Per Quarter 2015 - 2018



Resource Consents

There were 42 resource consents for granted for residential subdivisions between January and November 2018. These were for the creation of 225 lots. This included 10 consents from Housing New Zealand incorporated for 24 new allotments.

Assessing Housing Demand

For this Assessment the decision was made to use past building consent rates as the indicator for residential demand rather than Stats NZ's population projections. This is preferable for a number of reasons:

- Official population counts are only done every five years as part of the Census. Current population projections are based on 2013 census data and won't be updated with 2018 census data until at least mid 2019. It is usually recommended that Councils use the medium growth scenarios for planning, however recent trends show that growth is tracking more along the high growth scenario.
- Population statistics do not reflect employment growth projections or seasonal worker numbers.
- Building consent data is able to be measured frequently and refers to actual development undertaken in the region.

A demand assessment showing different demand scenarios based on the average number of building consents issued over the past 10 years has been developed. See the table below '*Residential Demand Assessment*'.

Whilst it is the preferred model for this assessment, it is important to acknowledge that Stats NZ project that the longer term trend is for population to peak around 2033 and then decline. Natural increases (number of births minus the number of deaths) will not be sufficient to maintain Blenheim's population in the long term. This is a trend expected to be seen nationwide. For this reason, a 'Mixed Scenario' has been developed which assesses long term demand (2028 to 2048) at 90 new dwellings per annum.

Demand based on the mixed scenario shows that an average of just over 100 new dwellings would be required per annum in Blenheim, (allowing for a higher demand of 160 per year in the first three years). This scenario equates to a required capacity of 480 new dwellings in the short term (2018 - 2021), 1,290 in the medium term, and 3,090 for the next 30 years to 2048.

The NPS UDC requires a 20% buffer in capacity relative to demand in the short term, and 15% in the medium and long term.

Feedback has suggested that demand is anticipated to level off slightly in the short term rather than follow the same high rate as the past three years, however it would be prudent for Council to plan for continued high demand at least in the short term (2018 - 2021).

Residential Demand Assessment

Consents have averaged 160 per annum over the past three years, 130 per annum over five years, and 110 per annum over the last 10 years. It should be noted that the mixed scenario in this model is close to the Stats NZ 'high' projection' and consequently over the long term the actual demand could be lower than the developed model due to the likely decline in population growth in the regions anticipated after 2033. The Mixed Scenario includes a rate of 90 dwellings per annum from 2028 to 2048 to reflect this. Demand scenarios based on Stats NZ's projections are provided below for comparison.

Demand Scenario	Number of Dwellings Required		
	Short Term (0-3 Yrs)	Medium Term (0-10 yrs)	Long Term (30 yrs)
Short Term Average (3 yrs) - 160 dwellings p.a.	480	1600	4800
Medium Term Average (5 yrs) - 130 dwellings p.a.	390	1300	3900
Long Term Average (10 yrs) - 110 dwellings p.a.	330	1100	3300
Mixed Scenario*	480	1290	3090
Population Projections Medium Growth Scenario	n/a	364	368
Population Projections High Growth Scenario	n/a	1013	2476

* Yrs 0-3 @ 160p.a., Yrs 4-5 @ 130p.a., yrs 6-10 @ 110 p.a., and Yrs 11-30 @ 90 p.a.

Demand Drivers

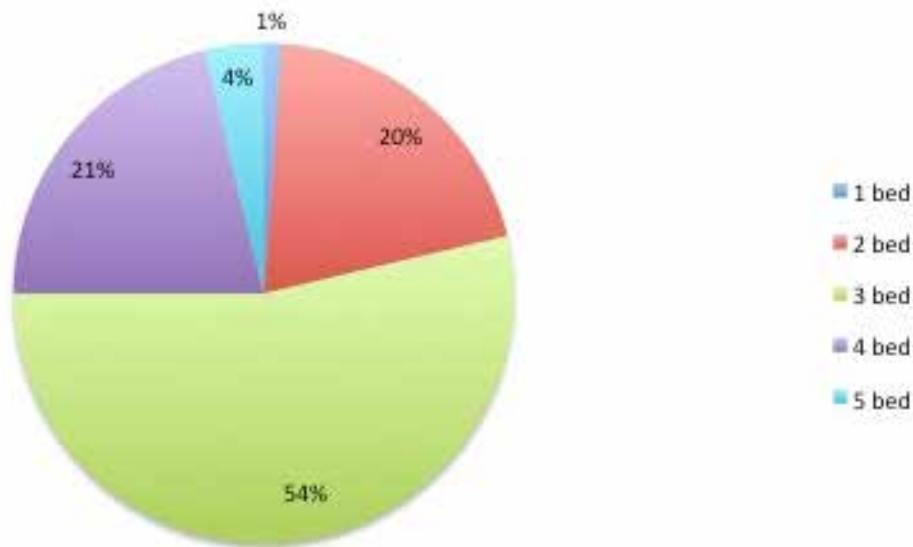
There are a number of key drivers impacting on both the demand and supply of housing in Blenheim. These characteristics in particular currently have an influence on both Blenheim's ability to meet its economic potential and the housing market and will continue to influence demand over the long term:

- Significant and rapidly ageing population
- Projected labour demand (and current labour shortage)
- Importance of seasonal workers
- Tourism

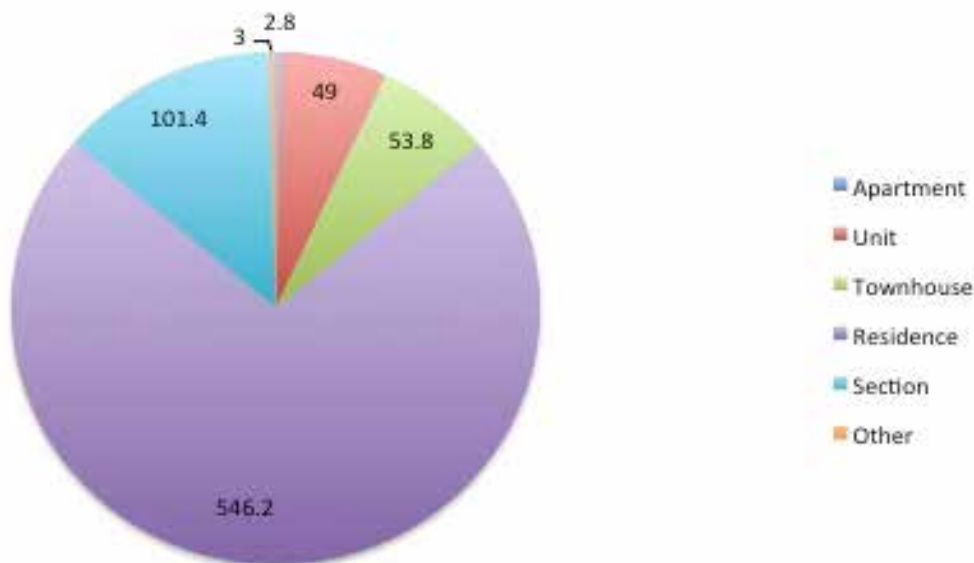
Typology

Traditionally there has been high demand in Blenheim for single level standalone homes with 3+ beds on an average sized section. This appears to still be the case. Homes with 3+ beds have made up 54% of annual dwelling sales on average over the past five years²¹. There has been low demand for apartments, townhouses and units - both in terms of sales of existing dwelling stock and when building new with residences (standalone homes) making up 72% of sales - an average of 546 residences sold per annum over the past 5 years.²²

Average Annual Dwelling Sales by Number of Beds 2014 - 2018



Average Annual Dwelling Sales by Type 2014 - 2018



²¹ Data sourced from the Real Estate Institute of New Zealand, for the suburbs Blenheim Central, Mayfield, Springlands, Witherlea and Redwoodtown, for the five years 2014 - 2018. Data for 2018 is to October only.

²² REINZ

Future Demand for Smaller Homes and Intensification

Although demand for smaller homes, and more intensive living such as units and apartments has traditionally been low, it is expected that demand for these types of dwellings will increase over the medium to long term.

A recent report prepared for the Marlborough Sustainable Housing Trust²³ (the Mitchell report) notes that the relative proportion of people aged 65 years and over in Blenheim is expected to increase from 21.6% in 2013 to 30.9% by 2033. This is reflected in expected changes in household types, with the majority of the growth expected in households with couples without children and one person households. The report states that the projected growth in smaller households may result in a mismatch between the housing stock and changes in the composition of demand.

Feedback from stakeholders is that there is a shortage of 1 and 2 bedroom homes in Blenheim. Using the sales data from REINZ as a proxy for supply, this certainly seems to be the case. New developments can have covenants that don't allow these smaller homes to be built, meaning supply will be limited to smaller developments on infill for example, and intensification.

There has been recent interest from Retirement Home providers who are actively looking to build new retirement villages in Blenheim. This would increase density and provision of housing for the older population who are able to afford it, and extend the lifespan of the supply of zoned land.

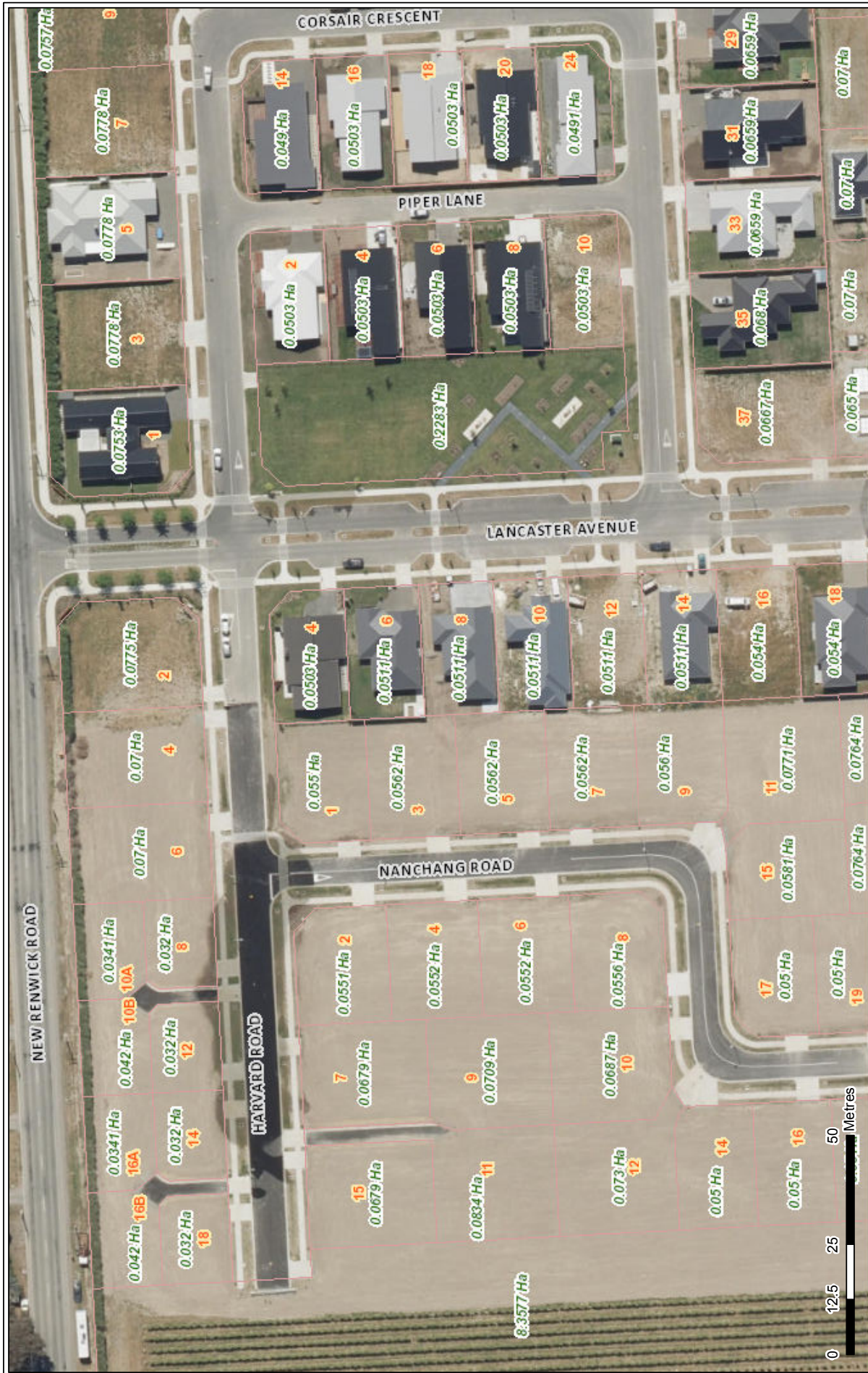
The recent Omaka Landing development included some smaller sized sections (400m² and under) which sold well indicating demand for more intensive development - albeit still with standalone homes. This could be an ongoing demand trend.

Whilst there is understood to be a likely demand for smaller homes in the future, these aren't being built in large numbers now and builders and developers don't consider there to be a significant market for smaller homes yet. Feedback from other stakeholders suggests, however, that there is current demand for smaller homes and a shortage of supply.

Infometrics report an increasing trend nationwide towards medium density housing such as apartments and townhouses. Marlborough appears to be resisting that trend to date, but it is likely to follow suit eventually and this should be taken into account in demand modelling. Infometrics states that *"Between 1996 and 2009, standalone houses consistently made up between 70% and 80% of new dwelling consents issued. But since the start of 2017, that proportion has dropped from above 70% to 64%... Across each of the five largest urban centres, townhouses (which also includes flats, units, and other dwellings) have been expanding their market share over the last 2-5 years. High land prices and changing lifestyles have persuaded more people to consider living in denser residential developments. This appetite for intensification is reiterated by the increasing share of apartments in new residential construction in Auckland, Wellington, and Christchurch."*²⁴

²³ Mitchell (Livingston and Associates Ltd) 2017, Marlborough Residential Housing Market Residential Needs Analysis, report commissioned by the Marlborough Sustainable Housing Trust.

²⁴ Infometrics Article "New attached dwellings more popular than ever" Published 10 January 2019 <https://portal.infometrics.co.nz/Articles/Article/9010>



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Omaka Landing sections - west

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Planning Provision for Intensification

Council has planning provisions in place to provide for more intensive residential development in Blenheim. Urban Residential 1 zoning around the town centre and at Omaka Landing has no limit on the number of houses per title and a minimum land area per dwelling of 290m². In the current Wairau/Awatere Resource Management Plan there is no limit on the number of dwellings in Urban Residential 2, however in the PMEP the limit has been constrained to one dwelling per title (with a minimum lot size of 400m²) in order to try and kickstart intensification in Urban Residential 1 and to protect residential amenity in Urban Residential 2. This still allows for intensification of residential development that is almost double the current rate of development of 10 lots per hectare.

The PMEP also provides for residential development in the town centre as a permitted activity and seeks to encourage mixed use development, including residential development, in specific areas zoned for industrial purposes.

It would be beneficial for Council to promote these changes and opportunities when the PMEP becomes operative in mid 2019. It would also be useful to monitor the update of intensification over the next two years to inform the next Assessment. If residential intensification of the Urban Residential 1 and Business 1 zone is not increasing as anticipated, Council should investigate why.

- b. It is recommended that when the Proposed Marlborough Environment Plan becomes operative in Mid 2019, Council promote the changes and opportunities it presents for housing and business development through relevant media channels.
- c. It is recommended that Council regularly monitor intensification of residential development in the Urban Residential 1 and Business 1 zones as provided for in the MEP to inform the next Assessment.
- d. It is recommended that Council continue to monitor the rate of development per hectare in new developments.

Council's Infrastructure Strategy states that the Development Contribution Policy helps to encourage urban infill by offering reduced charges for the subdivision of small residential sections. This is assessed in relation to property size (as Household Equivalent Units). Urban intensification would help to reduce further urban spread and subsequent extension to the linear infrastructure.

Feedback from stakeholder engagement was that the cost of infill of small sections is prohibitive. Given that rates of infill have not increased over the past few years, remaining at an estimated average of 20 lots created per annum, Council may need to review its development contribution policy with regards to subdivision and infill in the future if it wishes to encourage increased infill development. A starting point would be a clear understanding of the infrastructure costs and economies of scale advantages infill presents.

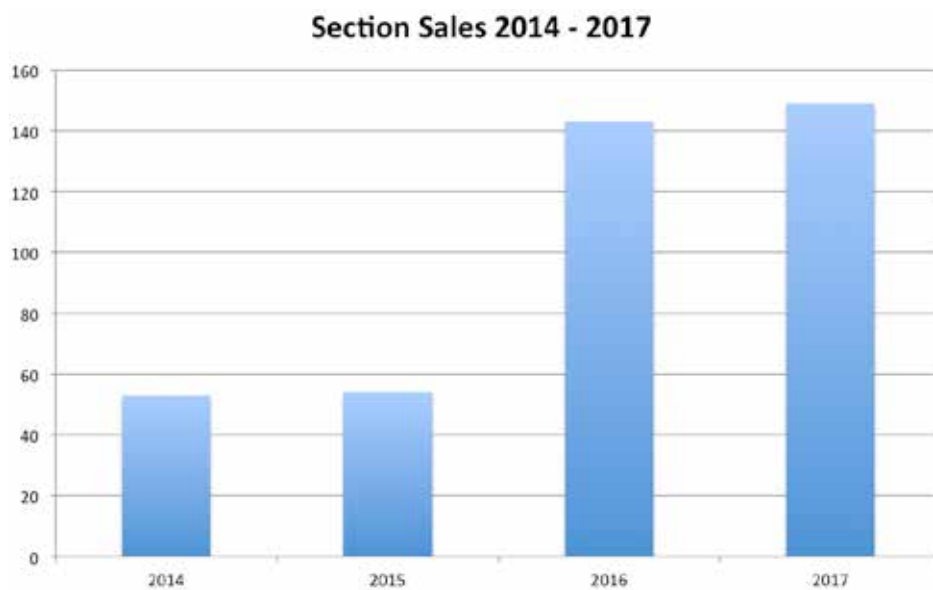
- e. It is recommended that Council reviews the Development Contributions Policy in consultation with property developers as part of the 2021 Long Term Plan process.

Seasonal Accommodation Demand

Demand for purpose built seasonal worker accommodation either in large facilities such as existing Duncannon and St Andrews facilities, or smaller purpose built homes will continue, as employers seek to increase their pool of self-owned and purpose built accommodation and reduce reliance on private rental houses to improve the consistency and stability of supply and ensure it is fit for purpose.

Section Sales

Section sales increased significantly in 2016 and 2017²⁵ with more sections coming on board from BPOT and Omaka Landing. Sections in those subdivisions have sold faster than predicted and the developments are estimated to be completed within 18 months. Current sections available average at around \$250,000.



Location

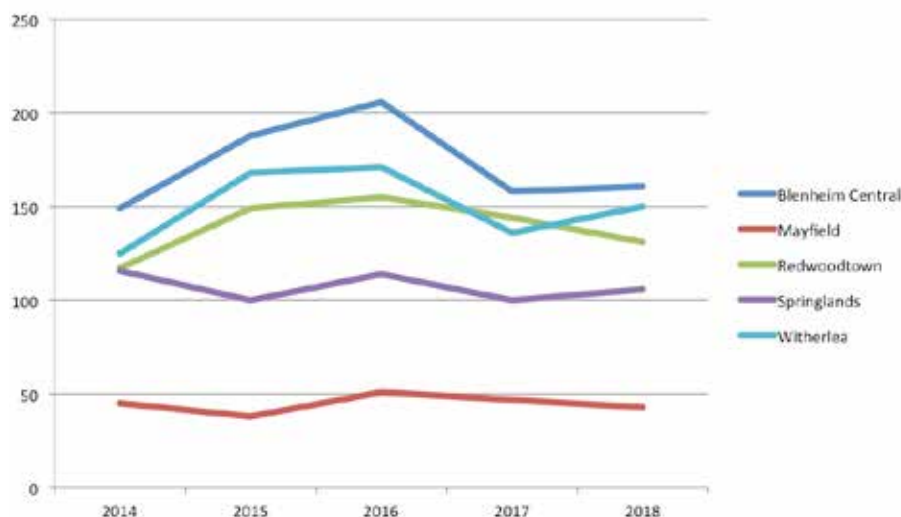
Demand for location can be driven by a number of factors including access to amenities such as shops, medical care/hospital services, schools and parks and reserves, and the age and type of housing available in the area.

MBIE's rural-urban zone differential indicator - used to indicate price differentials between residential land on urban zoned land and rural zoned land within 2km of the zone boundary shows that land on the urban side of the boundary is worth \$61 more per m², suggesting greater demand for urban residential properties than rural residential properties in those areas.

The Blenheim Urban Area is a small area geographically speaking. Sales data for the area provided by REINZ shows greatest sales activity in the Blenheim Central and Witherlea suburbs, and in the past year sales have increased at a greater rate in Witherlea and Springlands than in other suburbs.

²⁵ REINZ

Actual Sales by Suburb



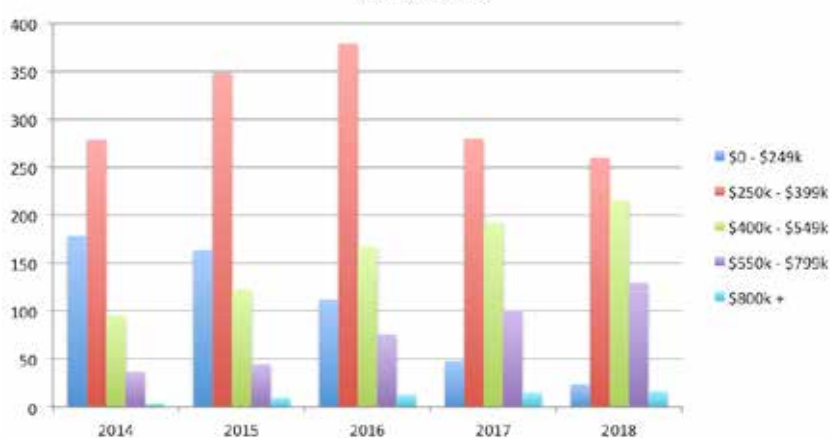
There is an opportunity to develop residential dwellings in the city centre. Demand for this kind of accommodation is likely to increase. Having a range of accommodation options is key to attracting people - and associated work force - to an area. Apartment type living in the centre city will also bring some life to the town centre and attract businesses - both retail and entertainment.

Price Point

REINZ Sales of residential homes in Blenheim show the greatest activity occurring in the \$250k to \$399k price bracket historically, although as prices have risen over the past three years, that demand has spread into the higher price bracket of \$400k to \$550k.²⁶ Sales of homes in the \$550k to \$799k bracket have also increased, while sales under \$250k have decreased significantly as price rises diminish supply of lower value homes. Real Estate companies report that there is a current shortage of homes in the \$400k to \$550k bracket relative to demand. New builds typically cost more than this once the price of the section and cost of building is met.

Dwelling Sales by Price Band 2014 - 2018

excluding section sales



26 REINZ

Affordability

Affordability of housing is a major concern nationwide. The 15th Demographia International Housing Affordability Study released in January shows that New Zealand has continued to be one of the most unaffordable countries in the world to buy a house. The median price of a house is more than six times the median annual household income. None of the eight New Zealand markets looked at were considered affordable.²⁷

Mitchell reports that 41.6% of Blenheim's households have incomes less than \$50,000 per annum and 15.1% have incomes higher than \$100,000 per annum, and Blenheim has proportionally more households with income from superannuation than the national average. This coupled with the supply of homes in price brackets above, and the HAM results, suggests a potential supply issue in relation to affordability.

Grey Power report that there is a growing number of elderly people in the community, particularly single women, who are struggling to find affordable housing because they aren't able to afford private retirement villages, but their income is not restricted enough to qualify for social housing. With this age group set to grow over the medium to long term, provision of smaller homes closer to amenities will need to increase. There is also desire to see Abbeyfield type developments in town - a kind of private rental arrangement of shared accommodation (in residential homes) for older people.

Better assessing price point demand

The REINZ data used above gives useful historical information from sales, but information on future projections has not been available for this assessment. It would be useful to complete some statistical modelling on supply and demand into the future across different price points. This can be a complex and timely exercise, but MBIE and MR Cagney advise that a version could be done using 2019 census data on household income and the District Valuation Roll (Council's rating database) for price bands based on capital value for example. Data would need cleaning first and IT expertise would be required to get the specific requirements from Council's systems and to geocode information. Advice from MR Cagney is that the DVR can provide rich information on property trends, house prices, and section prices. Most analysis of property prices undertaken by consultants or real estate companies such as CoreLogic starts with data collected in the DVR. Councils may be able to 'in-house' some of this analysis by working directly with DVR data.

- f. It is recommended that for the next Assessment Council investigate options for commissioning statistical modelling on future supply and demand across different price points, against demographics and population projections, to better understand the range of housing stock in relation to the needs of the Blenheim community.

27 15th Annual Demographia International Housing Affordability Survey (2018: 3rd Quarter) <http://www.demographia.com/dhi.pdf>

Home Ownership and the Rental Market

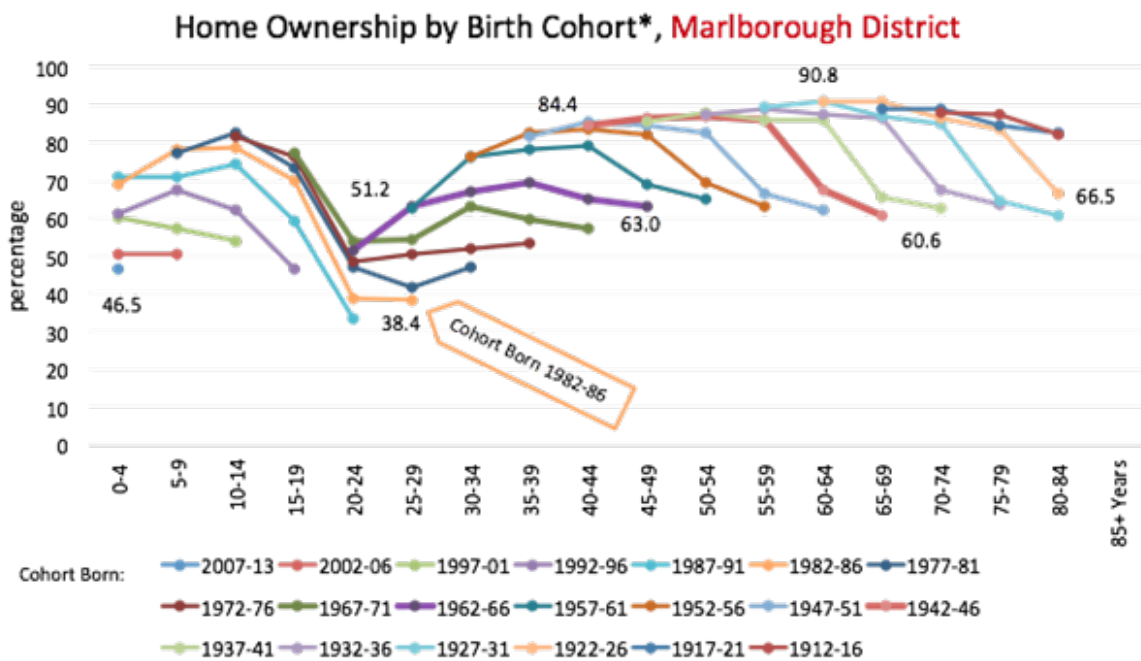
Rates of home ownership are decreasing across all age cohorts. Modelling undertaken for the Mitchell report estimates that the number of owner occupiers in Blenheim will increase by 100 households between 2016 and 2023 whilst the number of renter households is expected to grow by 830 households or 24%. This will put additional pressure on the already constrained residential rental market in Blenheim.

The number of older people renting is also increasing and set to increase further. This is a particularly vulnerable community. When the rental market is already under pressure, finding a rental and being able to keep up with market rents is a concern and particularly for the elderly, many of whom are first time renters.

Council provides 180 homes for the elderly, approximately 140 of these are in Blenheim. This housing caters for those whose income availability is restricted. Rent is subsidised by 20% on market rates, is asset tested and available for people over the age of 60 yrs. Eligibility and subsidy rates were set in the current Long Term Plan. Council's current view is that this level of provision and subsidy meets the social demand. This may need to be revisited as part of Long Term Planning as the population of elderly people increases as is predicted. Clarification around Central and Local Government's respective roles will be required.

The following graph prepared for the Ageing Well National Science Challenge by Dr. N Jackson demonstrates home ownership decreasing across all age cohorts, including the 'Baby Boomers'. It also shows that fewer Marlburians are being born into a home owned by their family.²⁸ These are trends seen nationwide.

Home Ownership - Marlborough District



*final observation for each cohort is +2 years, due to 7 year gap between 2006 and 2013 censuses

28 Prepared by Dr. N. Jackson for the Life When Renting research programme, Ageing Well National Science Challenge. Data sourced from Stats NZ censuses, customised database.

Housing Need

The Mitchell report provides analysis on Housing Need in Blenheim. Housing need is defined by Mitchell as renter households within the community that require some assistance to meet their housing requirements. According to the report, 60.5% of renters and nearly 20% of all households in Blenheim are in housing need and this is set to increase. Total need is projected to account for 61.6% of all renters and 22.3% of all households in Blenheim by 2033 with 89% of housing need growth in older households. The report states that there is an existing and growing demand for affordable and social housing in Blenheim and that a business as usual approach to the supply of social and affordable units is unlikely to meet the expected growth in housing need.

Feedback from stakeholders across the board also confirmed a significant shortage of social housing provision in Blenheim.

The Ministry of Housing and Urban Development is working with potential providers and stakeholders to establish Housing First programmes in Blenheim. There are 35 Housing New Zealand homes in the pipeline for Marlborough, with an additional eighteen 1-bed homes, eight 2-bed homes and two 4-bed homes still sought for the district. Community Housing Provider the Marlborough Sustainable Housing trust advise that sourcing capital funding is a significant barrier to providing affordable housing, also the longer the process takes, the higher the cost to the developers and funders.

Both Rangitāne and Ngati Kuia Iwi report that they are interested in pursuing social housing developments within the Blenheim area. There is the potential for partnerships with Iwi to deliver affordable housing outcomes.

One suggestion for better enabling affordable housing is for Council to provide fast tracked, coordinated or facilitated processes for developments that offer affordable housing. For example, assigning a case officer to a development application that meets specific criteria for affordable and/or social housing developments to assist the process from end to end.

- g. It is recommended that Council investigates options for assisting development of affordable and social housing for example through providing a 'guided' consenting process. 'Affordable' and 'social housing' would need to be clearly defined to ensure consistency of application.

Supply of Seasonal Worker Accommodation

Blenheim relies on a large temporary workforce engaged in seasonal work largely in the vineyards and wineries. Workers can be employed by wineries and vineyard operators independently or via labour supply contracting companies. Workers may be Recognised Seasonal Employees (RSE), New Zealand residents (local or traveling), or casual workers here on working holiday visas. It is difficult to track the exact numbers of seasonal workers due to the complex way the RSE scheme works in practice.

In 2017 the wine industry were allocated approximately 2,240 Recognised Seasonal Employee (RSE) workers in winter months and 1,410 in summer.²⁹ This figure doesn't include local residents or other casual workers (such as those on working holiday visas) which in 2015/16 made up over 60% of total temporary workers employed in vineyard work³⁰. The current demand is for approximately 2400 RSE approved beds at peak season.

The increase in additional RSE workers required to service the growth in vineyard plantings has not been as large as anticipated in the 2016 Viticulture Labour Market Survey to date due to a minimal increase on the cap on the number of RSE visas for Marlborough. The regional cap will increase for the 2019 season, however the size of the increase is not yet known.

Workers are housed in a mix of accommodation options. Labour supply contractors supply RSE approved beds in purpose built facilities, backpackers, motels and private rental house beds. Other casual workers also stay in backpackers, motels and private rental accommodation.

RSE Accommodation Provision

Total Properties:	151		Total Beds:		2362
Total Purpose Built Accommodation: 11 (578 beds)	Total Houses: 107 (986 beds)		Total Other (backpacker, lodge etc): 33 (798 beds)		Total Planned New Beds: 1004
	Owned Houses: 38 (368 beds)	Rented Houses: 69 (618 beds)	Other Owned Properties: 4 (136 beds)	Other Rented Properties: 29 (662 beds)	

²⁹ Figures from Wine Marlborough

³⁰ From the Marlborough Viticulture Labour Market Survey 2016, Druce Consulting

Information provided by the majority of labour contract suppliers in Blenheim identified 2,362 approved beds over 151 properties. 26% of beds are in 69 residential rental properties - approximately 2% of Blenheim's total rental stock of 3,376 homes and flats.³¹ Of the total number of beds, 46% are in properties owned by the employers (or purpose built accommodation facilities) and the remainder in leased or rented properties (including residential rental houses and leased back packers, motels, lodges and other facilities). There are additional facilities that can be leased if numbers are greater in any season (for example Bing's Motel).

Having suitable accommodation is key to the employer companies success and to the satisfaction and health of their workers. A number of the companies are looking to reduce their reliance on rental accommodation and provide purpose built and/or owned accommodation so that their supply is reliable and fit for purpose. This will reduce the impact on the private rental market. As accommodation moves from rental homes to purpose built facilities, these rentals will be returned to the general market either as rentals or as homes for sale.

Employers report that facilities providing 1004 beds are either being planned or under construction.

Once this additional capacity becomes available it will further reduce the impact on the rental housing supply which should in theory free up more accommodation for Blenheim residents, including new and existing permanent workers and their families. It will also increase capacity for additional RSE workers to meet the demand created by new vineyard plantings, provided that the RSE allocation for Marlborough is increased.

Future Development of RSE Accommodation

There is a desire to see more purpose built worker accommodation on the part of all stakeholders, particularly labour supply companies. Land availability is seen as the biggest constraint, and the time it takes to go through the Council processes for development of accommodation.

The duration of the consent process can be a result of the complexity of the process. It can also be extended if applications don't provide the required level of detail or accuracy (across all consents - not just those for workers accommodation). Council is working with submitters to improve the quality of applications and should continue to do so. A pre-application process is also available which sets out the application requirements upfront.

There are a number of provisions for providing worker accommodation in the Marlborough Environment Plan and recent resource and building consents have been approved for a range of worker accommodation.

Council aims to encourage development of worker accommodation in the urban area rather than in rural areas to improve access to amenities and to provide more effective pastoral care. Feedback from labour supply companies is that being close to town is beneficial for the workers because they can be part of the community and have good access to services.

Renwick is seen as an ideal location for future accommodation for its ability to service new vineyard plantings which are predominantly to the west of Blenheim. Woodbourne was also cited as a potential opportunity for worker accommodation facilities.

³¹ According to Corelogic Data published in the NZ Property Investor magazine June 2018

Assessing Housing Supply

Council have undertaken an assessment of residential section availability in the Blenheim Urban Area. The full assessment is included as Appendix Three.

Summary of Residential Supply

	Greenfield Capacity	Number of Lots
A	Sections sold/sections for sale (with no building consent approved) ³²	154
B	Available within 12-36 months	242
C	Timeline Undefined	1,462
	SUB-TOTAL	1,858
	Infill Capacity	
D	Infill – specific locations ³³	197
E	Infill – non-specific estimate	600
	SUB-TOTAL	797
	TOTAL	2,655

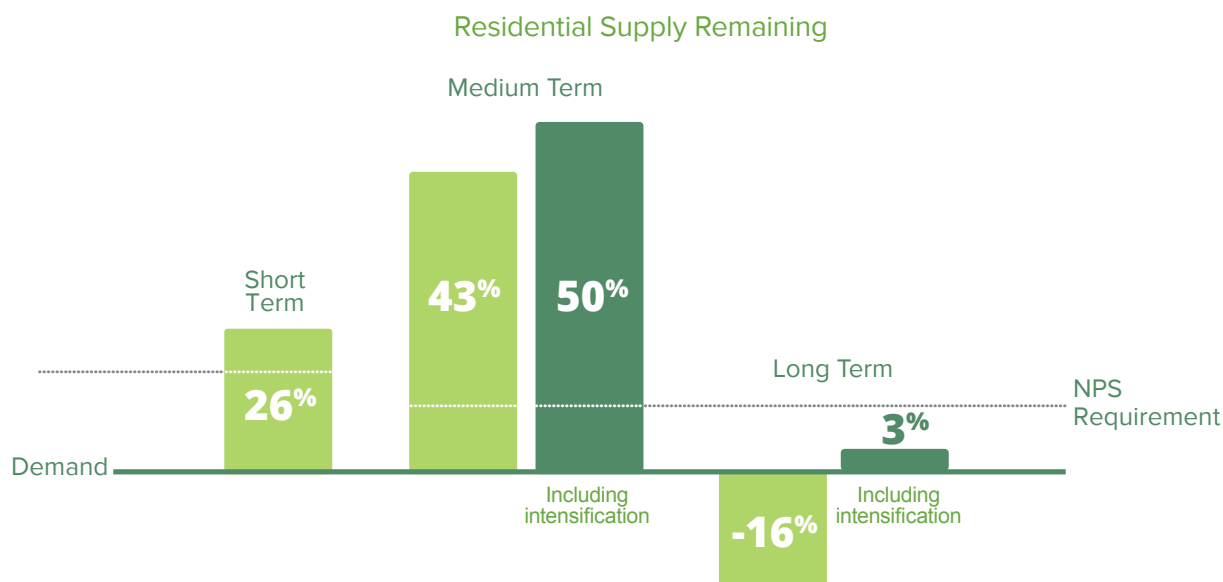
Residential Supply has been estimated above at the current average rate of development of 10 lots per hectare which is considered to be a conservative estimate. The recent Omaka Landing development will provide approximately 12.5 lots per hectare. The increase in density of development could be a trend seen in future developments and has certainly become a trend in other areas of the country. If so, supply will be further increased. For this reason, a buffer of supply of 15% in the medium term, and 20% in the long term has been provided in the tables below.

The short and medium term supply is Council's highest priority. Any long term shortfall in supply would be addressed by the next generation resource management plan.

³² For the purposes of this exercise, once a building consent has been approved for a section, the section is no longer deemed as 'available' and is not counted as potential capacity. This approach is the most consistently reliable data source for section availability. Code Compliance Certificate achievement is not as accurate and has longer time delays. This does mean, however, that sections which have already been purchased are included in the 'available' category

³³ Row D in supply table is an estimate

Based on a mixed demand scenario, the supply of zoned land just meets the NPS UDC requirements of providing capacity over and above demand of 20% in the short term, with 26% of supply remaining. However there is a heavy reliance on infill. Taking in to account a potential increase in density of development in the future, there is sufficient supply in the medium term with 50% capacity remaining, and a shortfall of supply in the long term with only 3% capacity remaining.



Short Term Supply

SHORT TERM - 2018 - 2021			
Demand Scenario		Total Capacity: 653 lots (39% infill)	
		Lots Remaining	% Capacity Remaining
Short Term Average (3 yrs)	480	173	26%
Medium Term Average (5 yrs)	390	259	40%
Long Term Average (10 yrs)	330	319	49%

If demand continues at the same rate as the past 3 years, there is a potential issue with supply especially in the short term, with a small margin of capacity remaining if the full uptake of sections occurs. The NPS UDC requires a margin of 20% supply over and above anticipated demand. Blenheim just meets that requirement if demand continues to be high in the short term. Short term supply is potentially constrained by infrastructure provision. Infrastructure work is already underway and there is little Council can do to speed up the provision. If Area 8 / Batty's Road rezoning is approved in mid 2019 there will be sufficient zoned land to meet demand should it be subdivided within the time period, which developers indicate is possible.

Short term capacity also relies quite heavily on infill development (at 39 percent of total supply) which historically has been slower to develop than greenfield sites, increasing the risk of a shortage.

The rate of demand is uncertain, but it is better to have a surplus of supply, rather than have a short fall, particularly in the current climate where attracting a workforce to the region and ensuring a range of affordable housing for the community is paramount.

Medium Term Supply

MEDIUM TERM - 2018 - 2028					
Demand Scenario		Total Capacity (2255 Lots)		Capacity + 15% (2593 Lots)	
		Lots Remaining	% Capacity Remaining	Lots Remaining	% Capacity Remaining
Short Term Average (3 yrs)	1600	655	29%	993	38%
Medium Term Average (5 yrs)	1300	955	42%	1293	50%
Long Term Average (10 yrs)	1100	1155	51%	1493	58%
Mixed Scenario	1290	965	43%	1303	50%
Population Projections Medium Growth Scenario (Projected growth / household size of 2.2)	364	1891	84%	2229	86%
Population Projections High Growth Scenario (Projected growth / household size of 2.2)	1013	1242	55%	1580	61%

Most of the zoned greenfield land will be serviced to a point where development can progress towards the end of the short term, and into the medium term. However, the rate at which the land is developed is uncertain and depends on land owners desire to sell or develop; the rate of neighbouring developments; and on market demand. It is not ideal that the predominant supply in the medium to long term is all in one area - to the North and North West of Blenheim - but Blenheim's size and infrastructure challenges largely dictate that.

If the current building trends continue - supplying large homes on average sized sections in developments with potentially restrictive covenants - there may be a limited a range of options for potential home buyers in terms of location, typology and price-point.

The rate of uptake of greenfield areas, intensification, and the type of housing being built should all be monitored by Council regularly to assess whether the type of development occurring will continue to serve the projected demographic needs of the Marlborough population. This data will inform future assessments and enable appropriate planning responses if required.

- h. It is recommended that Council investigate options for recording building consent data to enable monitoring of
 - i. the range of housing types being developed (standalone, townhouse, unit, apartment for example),
 - ii. the rate of uptake of the greenfield sites in the North and Northwest growth areas, and
 - iii. the rate of infill subdivision in Urban Residential 1 and Business 1 zones

- i. It is recommended that Council Investigate options for recording Resource Consent data to make it easier to track information contained within those consents about the type of resource consent (residential or commercial/industrial) and the number of residential lots created.

Long Term Supply

LONG TERM - 2018 - 2048					
Demand Scenario		Total Capacity (2655 Lots)		Capacity + 20% (3186 Lots)	
		Lots Remaining	% Capacity Remaining	Lots Remaining	%Capacity Remaining
Short Term Average (3 yrs)	4800	-2145	-81%	-1614	-51%
Medium Term Average (5 yrs)	3900	-1245	-47%	-714	-22%
Long Term Average (10 yrs)	3300	-645	-24%	-114	-4%
Mixed Scenario	3090	-435	-16%	96	3%
Population Projections Medium Growth Scenario (Project Growth based on annual average / household size of 2.2 people)	368	2287	86%	2818	88%
Population Projections High Growth Scenario (Project Growth based on annual average / household size of 2.2 people)	2476	165	6%	696	22%

It is unlikely that demand will continue at current rates into the long term. However, if trends continue at a similar rate as the last ten years, there is a shortfall of capacity in the long term. The main constraints are land availability and land ownership. However, this analysis is based on the development of standalone dwellings on individual sections and has not factored in multi unit development in Urban Residential 1 zoned areas, or residential activity in Business 1 zoned areas which would increase supply out to the long term. The likely significant decline in population growth past 2033 will have an impact on demand.

Greenfield sites have been estimated as having a capacity of 10 lots per hectare based on historical development trends. If future developments produce sections at a higher rate (for example recent sales of smaller sections (under 400m²) at the Omaka Landing development), supply would be further increased.

If it becomes evident through the regular monitoring of the rate of development in greenfield sites in the North and Northwest growth areas, that development is not keeping pace with demand, Council may need to actively encourage landowners in the greenfield areas to consider developing to provide opportunities for growth.

It is likely that Iwi will proceed with some housing developments in Blenheim further increasing supply. There are opportunities to partner with Iwi and the Nelson Marlborough District Health Board to deliver this.

The current PMEP, notified in 2016, provides more supply than anticipated demand until at least 2028 and sufficient supply for Stats NZ's current long term high growth population projections. However, if subsequent assessments continue to identify a potential long term shortage, the Growing Marlborough strategy should be reviewed in order to give effect to Policy PC3 of the NPS UDC. The timing of the review will be determined by the outcome of subsequent assessments.

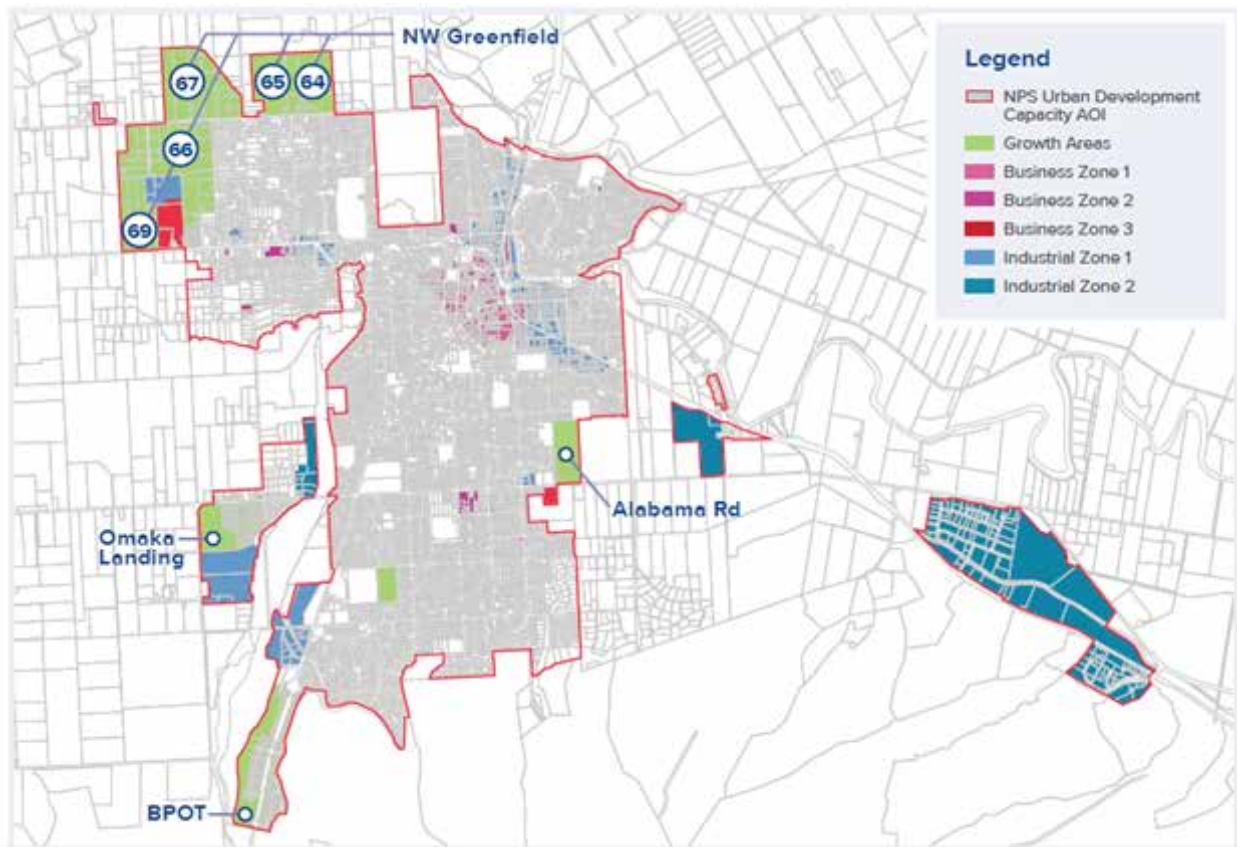
- j. It is recommended that if subsequent assessments continue to identify a potential long term shortage of capacity for residential development, Council review the Growing Marlborough Strategy in order to give effect to Policy PC3 of the NPS UDC.

Further Discussion on Supply

Greenfield Land

A number of opportunities for residential greenfield development and employment land growth were assessed against core criteria consistent with the aims of the Growth Strategy. Sites originally assessed for greenfield suitability included significant pockets to the East of the town. This land was subsequently discounted following a liquefaction study which found the area to be high risk and unsuitable for development. This has meant that options for greenfield development in Blenheim are limited. Areas to the North and North-West of Blenheim were deemed most appropriate for residential growth, and to the south-east for employment growth.

Council made several Plan Change applications in 2013/2014 to implement future growth areas. The process resulted in approximately 140 hectares of greenfield land being zoned Residential 2 to the North West of the town (PC 64,65,66,67 and 69). This has the potential to supply around 1,400 residential lots over the medium to long term based on 10 houses per hectare. The recent development at Omaka landing will achieve a higher density of approximately 12.5 lots per hectare, with a number of smaller lots provided. If this trend continues more lots will be achieved from the available zoned land than 1,400.



Sequential Development

Greenfield land in the North West is ideally to be developed in sequence to ensure coordinated and efficient provision of water, stormwater and sewerage infrastructure. This ensures that infrastructure can be installed in the most cost efficient manner and reduces the cost burden on the ratepayer.

Policy 12.9.6 of the Marlborough Environment Plan requires that before residential subdivision and development of the land can go ahead, that Council infrastructure must be available or budgeted for; and reticulated services owned by or to be vested in the Council must be available for connection and/or financial provision made for them.

These areas contain multiple landowners. To ensure efficiency of design and construction of infrastructure for the entire zones Council intends to coordinate the provision of infrastructure. Accordingly, the North West Extension catchments will incur Zone Development Contributions to meet costs of infrastructure that are required to service the entire catchment in the most efficient and effective way. The council effectively acts as a banker for the zone infrastructure levies - they will collect and distribute development levies to fairly allocate the costs of over-sized infrastructure that a developer may incur for the benefit of subsequent development.

Feasibility

Council have not undertaken a full feasibility assessment of the newly zoned land for this report. This is due to the limited amount of information available to Council to undertake such an exercise, the cost incurred to obtain quality information to inform feasibility, and the amount of time it would take. Council also has concerns that publishing feasibility assessments may unfairly interfere in the market.

Council considers that current levels of development, for example the BPOT, Omaka Landing and Rose Manor subdivisions, are sufficient evidence that development is currently feasible in the greenfield areas. The only significant difference between the growth areas to the North and North West is the cost of infrastructure provision. This is discussed below. Interviews with key stakeholders suggests that although there are differences in development costs for different areas, the majority of land provided for is currently financially feasible to develop.

Constraints

Feedback from stakeholders was that land availability due to infrastructure provision and land ownership is the most significant constraint to residential development in Marlborough.

Costs of development relating to Council fees (including development contributions and zone contributions) was also cited as an issue, but not necessarily a constraint. The additional costs are effectively passed on to the end buyer. It should be noted that the alternative to charging Development Contributions to developers is to charge ratepayers for these costs, which could be considered to be unfair. This probably is more of an issue of affordability and a potential constraint to the financial feasibility of providing social or lower cost housing in these areas which are more costly to develop. This should be re-evaluated in the review of the Development Contributions Policy in the next Long Term Plan process in consultation with developers.

Infrastructure

The greenfield land represented by PC 64 to 69 is currently constrained by infrastructure provision - mainly sewerage and stormwater. The provision of the infrastructure is however underway. Major trunk sewer reticulation is expected to be available by late 2020 and stormwater upgrades (Caseys Creek) are underway.

The Deluxe Property Group are undertaking a high end residential development in the area represented by PC 64 and 65 - the Rose Manor subdivision. The first stages of the Rose Manor development are able to proceed, as short term provision for sewer and stormwater management has been offered to the developer. It is estimated that this will provide capacity for around 90 residential sections over the next three years. The rest of the planned development (another 90 sections) cannot proceed until the above work has been completed.

The first stages of 90 sections have been included in the 0-3yr supply category (2018 - 2020). The following stages have been included in the 3-10 year supply category (2021 - 2028) to allow time for the development of the subdivision following the completion of the infrastructure upgrades. The developer will release sections to the market on demand.

The development of areas relating to PC 66 and 69 typically sit within the Fulton Creek and Murphy Creek stormwater catchments. Development is not able to progress until Council has achieved an Accepted Service Plan and Discharge Consent Approval which is currently progressing. This land has been included in the 3-10 year supply category (medium term) to allow time for this process.

Sequential Development

Sequential Development has obvious benefits in terms of managing the cost and complexities of delivering infrastructure to large new areas of development. It does however mean that development should follow a particular order and some future developments are reliant on the completion of previous developments which may increase the time taken for additional sections to come to market. The constraint can be mitigated if the developer funds an advance on infrastructure. Council will take a flexible approach if equitable funding can be provided.

Land Ownership

There are multiple land owners in the North West growth areas. This can have an impact on land availability in several ways including:

- Owners may have no desire to sell or develop meaning that although the land is zoned for residential development, this development may not occur
- Infrastructure provision can become an issue if land owners are not prepared to enable services to go through their property to enable development of the larger area. This can result in expensive work-arounds and/or negotiations and cause time delays to development.

Other Residential Supply

There is a block of land at the end of Alabama Road zoned for residential activity. A constraint exists with the limited capacity of the Town Branch Drain. Council have a strategy in place to complete upgrade works which will accommodate development of this area. Until this work is completed any development of this land will require stormwater attenuation to limit the flows to the discharge point.

The Boulevard Park on Taylor and Omaka Landing subdivisions have also provided for significant growth since 2013 and both still have sections for sale. It is estimated that these two subdivisions will be completed within 18 months time, leaving the Rose Manor subdivision as the only major development activity within the Blenheim Urban Area. There are a handful of sites still without building consent in the Birchwood Ave Burleigh development.

Batty's Road / Area 8

Owners of land west of Batty's road have submitted to the PMEP to request a rezoning of the land to Urban Residential 2. This particular block of land was considered in the Growth Strategy but was not re-zoned. If the rezoning is approved this would add 31 hectares of developable land to the residential supply, and submitters estimate it could provide up to 367 sections (11.8 houses per hectare).

This is subject to its own decision making process through the PMEP hearings and is separate to (and not influenced by) this Assessment. A decision on the request is expected in mid 2019. If approved, it is anticipated that the land could be subdivided and sections available for sale within the short term (0-3 yrs).

Infill Sites

There are some specific sites within the Blenheim Urban Area that are suitable for infill development. These could provide up to 197 new residential lots if the owners choose to develop the land.

Infill development has been relatively slow in Blenheim. Council estimates that on average only 20 new lots are developed each year on back section development. At this rate there would be an estimated supply of 600 sections over the long term (0-30 years) provided that there are enough feasible sites for this level of infill.

Feedback from stakeholders has been that the majority of easy to access sites have already been developed, and the cost of subdividing has increased to a point where it is no longer an attractive option. As proposed earlier in this report, if Council wishes to encourage the development of back section development to increase intensification and maximise use of the urban residential 1 zoning, it could review development contributions relating to subdivision. Any review needs to balance the need for development and future growth, with the ability of ratepayers to contribute to the town's development.

Council's infrastructure strategy includes work on the Town Branch Drain to increase capacity for infill which will enable this level of development to occur over the medium to long term.

Papākainga and provision of housing for Iwi

Rangitāne Iwi are in the very early stages of investigating the development of papakainga housing for their whanau in Blenheim. Ngati Kuia are actively encouraging their iwi members to return home through provision of vocational training for example in bee-keeping, carving and forestry. There are programmes set up in Pelorus to deliver this. In order to attract members home to Te Tau Ihu their need to be job opportunities and housing. Feedback from Iwi is consistent with other stakeholders that affordable housing is in short supply in Blenheim, and the low wage economy and shortage of rental accommodation makes it difficult for families to afford housing. Ngati Kuia therefore support the development of papakāinga for their whanau but suggest that the Council policies on papakāinga need revision. They are advocating for a common set of Papakainga policies across Te Tau Ihu.

Both Iwi are partners in the purchase of the airbase at Woodbourne and advise of a potential opportunity to develop housing at the site - either as social housing or general residential supply. Currently the land is all under one title so this would require subdivision consent to develop it into individual lots. There is approximately 30 hectares on the site - potential for around 300 dwelling at a rate of 10 dwellings per hectare.

Price Point and Typology

Demand for different price points and types of housing has been assessed earlier in the report. Recommendations have been made to enhance the information available to Council to improve the level of assessment in future reports. As identified, it is likely that there is a current shortage of existing homes for sale in the \$400k-\$550k price bracket relative to demand. Building new at this price is becoming less achievable and more likely to fall within the \$550k - \$799k bracket due to increases in section prices and building costs. There is also an identified shortage of social housing.

It is also possible that unless the development of smaller homes, including units, townhouses and apartments increases, there may be a mis-match of supply relative to demand in terms of typology in the long term, given the projected changes in population and demographics in Blenheim. This is not an issue unique to Blenheim and it would be useful to understand how other Councils are responding (for example Tauranga and Queenstown).

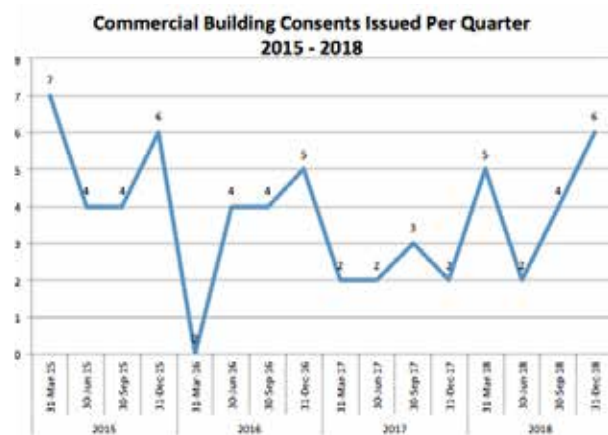
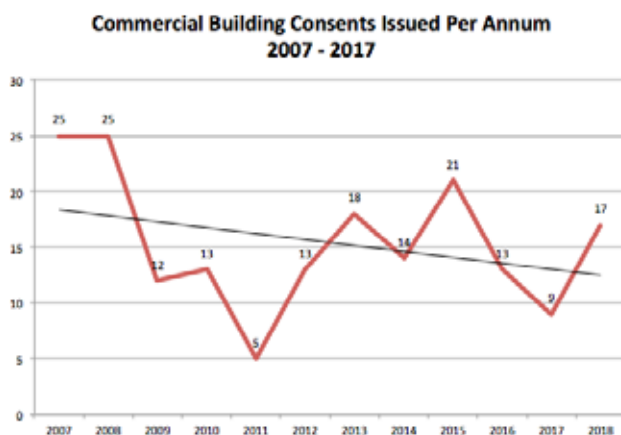
- k. It is recommended that Council investigate how other Council's respond to evident or potential mismatches in residential supply and demand with respect to typology and price point.

Recommendations have also been made earlier in the report to continue to monitor housing stock in terms of typology and price point relative to demand to inform future assessments.

Part Two - Business Land

The NPS UDC refers to Business land as suitable for both commercial and industrial use. Hard data on commercial and industrial development and real estate activity has not been able to be sourced. This is something that most Councils undertaking NPS UDC reporting are finding problematic. It is an area that the Ministry for Housing and Urban Development and Ministry for Business Innovation and Employment are looking to provide additional advice on for Councils as the NPS UDC work progresses.

Council undertook detailed investigations into the demand and supply of employment land in its Growth Strategy work.³⁴ As a result, additional land for industrial activity has been provided for in the Marlborough Environment Plan.



Non-residential Development Trends

Building Consents Issued for New Commercial Buildings

Commercial consents are for a combination of industrial and commercial activity. The number of building consents issued for new commercial buildings in the Blenheim urban area has varied over the past ten years but shows an overall decreasing trend. There has been increased commercial building activity in 2018 with 17 consents issued to November. Recent consents include an industrial building, carport for two washbays and display rooms, a storage facility, commercial warehouse with office & apartment above, concrete slab for wine tanks & catwalks, a wine processing facility, and a workshop with associated offices & showroom.

³⁴ Southern Marlborough Report Part Three Employment Land Analysis

Business Land Demand

Marlborough has a considerable amount of industrial activity - both in wine production, seafood processing and manufacturing. In order to support this it requires a high level of supporting industry by way of transportation, engineering, construction and mechanics for example. Some winery processing happens where the grapes are - in the rural areas. However much of the growth in this area has been in the Riverlands / Cloudy Bay business estate. There is also a large amount of light industrial activity to the east and north of the Blenheim Town Centre.

The Growth Strategy identified that approximately 118 hectares would be needed to future proof employment land provision. Unfortunately a significant amount of land assessed as suitable for providing this was East of Blenheim which was subsequently found to be at high risk of liquefaction and no longer suitable. Additional land for both heavy / wet industrial (Industrial Zone 2) was provided at the Riverlands Estate area of 64 hectares. An additional 18 hectares is to be zoned Industrial 1 (for light industrial activity) on Corlett Road to the south of the Omaka Landing subdivision. This is subject to approval through the Marlborough Environment Plan hearings.

In the June NPS UDC Quarterly Report, it was noted that the Urban Zone Differentials indicator released by MBIE shows that the difference in value of land prices for industrial zoned land versus other zone types within 250m of the boundary is greatest in the CBD and the Riverlands/Cloudy Bay industrial area. This suggests demand for land for industrial activity is greater than demand for land for rural and residential activities in those areas (but less than that for commercial activity).

Feedback provided from stakeholders as part of this Assessment confirms that there is a shortage of land for light industrial activity at present (industrial 1 zoned land). Council has received multiple enquiries from businesses unable to source light industrial land, and real estate companies report constant requests for the same with very little available. This is for activity such as yard space for distribution and construction companies for example. Rangitāne are investing in light industrial developments and report considerable interest in the spaces developed to date.

Advice has been that prices of Industrial 2 zoned land in the Riverlands area is too high, and also that it is not readily available for sale or lease for light industrial activity.

Industrial Zone Differentials

This indicator assesses 11 industrial zones in Blenheim, and the land bordering those zones within 250m of the boundary. The zones are shown in the map below. These zones have 11 boundaries with land zoned for a different type of activity - either commercial, residential or rural - where enough data is available to calculate differentials in price between zone types.



Fig. 20 Industrial Zones in Blenheim

**(note that Tuamarina is also included, but not enough data is available to calculate the differentials)*

Of the 11 boundaries measured, there are six boundaries where statistically significant positive price differentials have been identified (industrial land is worth more than the other zoned land types that it borders). The biggest differences in land value exist between industrial and rural land in the Riverlands and Cloudy Bay industrial state and in the CBD. There is also a large difference in land value between industrial and residential land in the CBD. This suggests that there is greater demand for industrial activity in those areas than for the other less expensive activities.

Zone Number	Bordering Zone Type	Ratio of Land Values	Price Difference /m2
2 (Riverlands /Cloudy Bay)	Rural	11.546	\$77/m2
3 (CBD)	Rural	16.857	\$283/m2
3 (CBD)	Residential	1.622	\$132
5 (Taylor Pass)	Residential	1.029	\$4
8 (Springlands Centre)	Residential	1.421	\$106
8 (Springlands Centre)	Commercial	1.452	\$119

There are two boundaries where statistically significant negative price differentials have been identified (industrial land is worth less than the other zoned land types that it borders). Commercial land is worth \$176 more per m² than industrial land in the CBD, and residential land \$76 per m² more than industrial land in the area bordering the Taylor River behind Birchwood Ave.

Zone Number	Bordering Zone Type	Ratio of Land Values	Price Difference /m ²
3 (CBD)	Commercial	0.675	\$176/m ²
7 (Taylor River behind Birchwood Ave)	Residential	0.463	\$76/m ²

The following scatter graph shows the largest five industrial zones (in terms of land area) and distribution of parcel land prices within 250m² of the boundary. Of the five largest industrial zones, statistically significant differences were found in three of the areas - Riverlands/Cloudy Bay, the CBD and Taylor Pass. Of those three, the biggest practical differences in terms of land value are in the CBD where industrial land is worth considerably more than residential and rural land, and considerably less than commercial land.

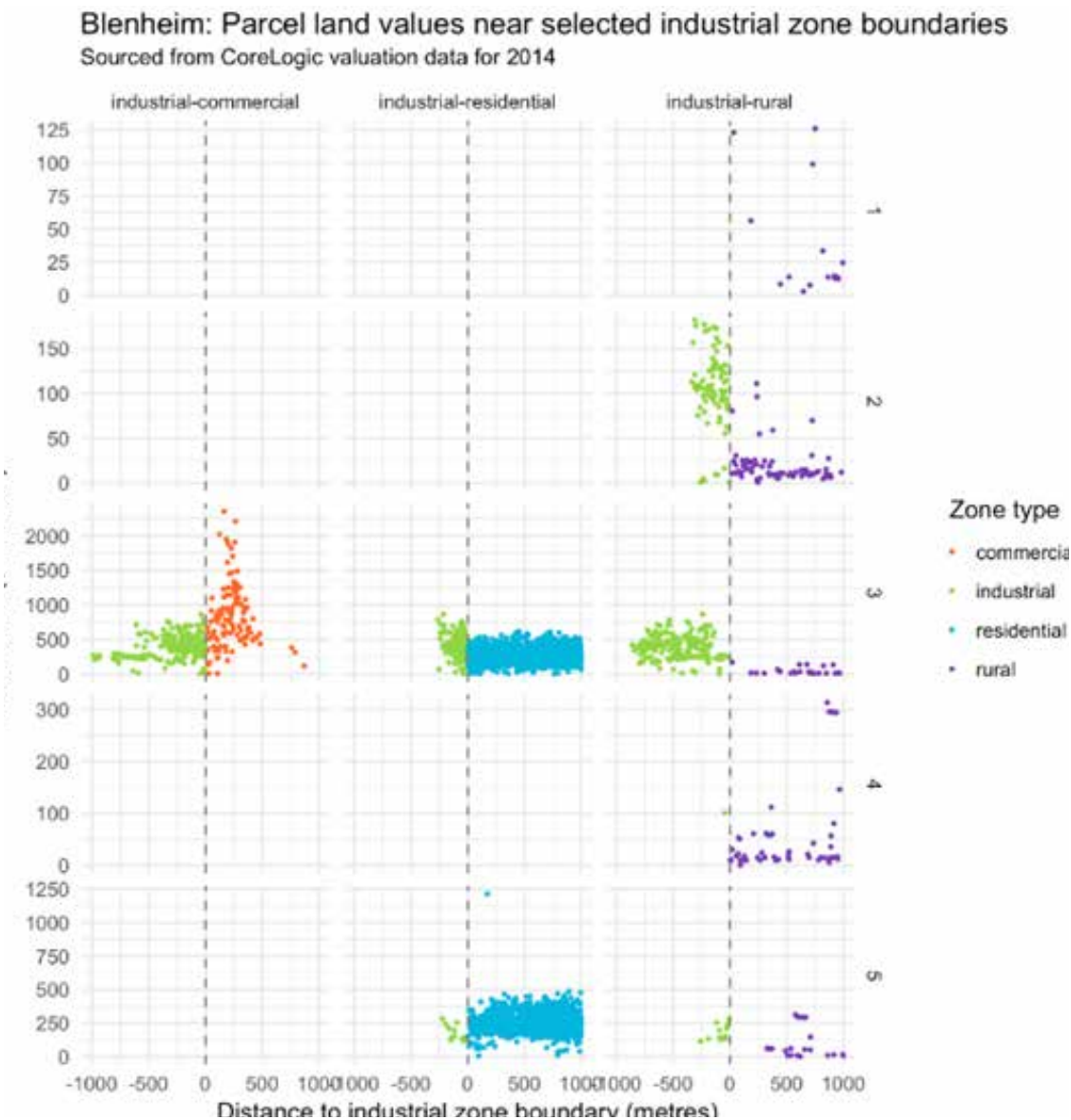


Fig. 21 Parcel Land Values near Industrial Zone Boundaries

Business Land Supply

Unutilised Industrial Sites

Based on analysis of aerial photographs flown in 2018, there is 56.4 ha of unutilised Industrial 2 zoned land available in the Riverlands Industrial Estate and Cloudy Bay Industrial Estate. However this land is not necessarily available or suitable for development. 12.3 ha is under a resource consent application currently to convert the land to vineyard, and .1564 Ha has a building consent for a winery processing building. A full list of sites is included as Appendix Four.

Additional Supply of Industrial Land

As a result of the Growth Strategy, 64 additional hectares were zoned for heavy industrial use (Industrial 2) in the Riverlands area, and an additional 18 hectares for light industrial (Industrial 1) in Omaka to the south-east. There is also an additional 7 hectares of industrial 1 zoned land to the north of the Westwood development, accessed by Rene Street. The Industrial 1 zoning is subject to approval through the Marlborough Environment Plan hearings.

Feedback from some stakeholders was that the amount of additional land proposed to be zoned Industrial 1 would be sufficient for the medium term provided the zoning is approved, however there is no data available to back this up.

- I. Council continue to monitor provision of land suitable for light industrial activity to ensure the level of capacity is sufficient to meet demand. If the rezoning of land to Industrial 1 at Omaka is not approved, additional capacity will need to be found.

Rangitāne Iwi advise of potential opportunity to develop further employment land at Woodbourne near the airport. This is not in the study area but would provide additional options with good access to the main highway and air freight.

Commercial Space

Feedback from stakeholders was that there is a current surplus of office space in the CBD, particularly on the first and second floors (ground floor is in higher demand for example for retail). The oversupply is generally thought to be due to the high cost of real estate in the CBD (either to buy, rent or lease). Some businesses find it more cost effective to set up their offices out of the town centre where they are also able to build new spaces that better fit their needs. There is also a trend towards working remotely now that technology better enables it.

This oversupply lends itself to future residential developments in the CBD if the market demand increases.

Future Data Improvements

Employment Land Demand

Council could investigate options to undertake research into employment and growth projections over the short to medium term, for example through a detailed one off survey of businesses (similar to the Marlborough Viticulture Labour Market Survey), and/or a regular survey of businesses in Blenheim, and use the information to assess demand for business land. It should investigate options to partner with other organisations to do this such as Wine Marlborough and the Marlborough Chamber of Commerce. The Marlborough Housing Group also offers an opportunity to improve data collection and availability due to the range of organisations and expertise represented in the group. If such research was undertaken it would need to be done using specialist research expertise to ensure the design and execution will provide the best possible results.

- m. It is recommended that Council Investigates options for commissioning research into Blenheim's business sector including growth projections and associated demand for employment land, in partnership or consultation with other industry and organisations.

Consent Categorisation

Although the resource consent process doesn't require the applicant to distinguish between commercial and residential activity, it would be useful to have a distinction so that development in either category can be more easily tracked (rather than having to read through information on each individual application to determine the nature of the consent).

Appendix One - NPS UDC Policies

PB1: Local authorities shall, on at least a three-yearly basis, carry out a housing and business development capacity assessment that:

- a. Estimates the demand for dwellings, including the demand for different types of dwellings, locations and price points, and the supply of development capacity to meet that demand, in the short, medium and long-terms; and
- b. Estimates the demand for the different types and locations of business land and floor area for businesses, and the supply of development capacity to meet that demand, in the short, medium and long-terms; and
- c. c) Assesses interactions between housing and business activities, and their impacts on each other. Local authorities are encouraged to publish the assessment under policy PB1.

PB2: The assessment under policy PB1 shall use information about demand including:

- a. a) Demographic change using, as a starting point, the most recent Stats NZ population projections;
- b. b) Future changes in the business activities of the local economy and the impacts that this might have on demand for housing and business land; and
- c. c) Market indicators monitored under PB6 and PB7.

PB3: The assessment under policy PB1 shall estimate the sufficiency of development capacity provided by the relevant local authority plans and proposed and operative regional policy statements, and Long Term Plans and Infrastructure Strategies prepared under the Local Government Act 2002, including:

- a. The cumulative effect of all zoning, objectives, policies, rules and overlays and existing designations in plans, and the effect this will have on opportunities for development being taken up;
- b. The actual and likely availability of development infrastructure and other infrastructure in the short, medium and long term as set out under PA1;
- c. The current feasibility of development capacity;
- d. The rate of take up of development capacity, observed over the past 10 years and estimated for the future; and
- e. The market's response to planning decisions, obtained through monitoring under policies PB6 and PB7.

PB4: The assessment under policy PB1 shall estimate the additional development capacity needed if any of the factors in PB3 indicate that the supply of development capacity is not likely to meet demand in the short, medium or long term.

PB5: In carrying out the assessment under policy PB1, local authorities shall seek and use the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities, and the providers of development infrastructure and other infrastructure.

Appendix Two -

Stakeholder Engagement

The following companies and organisations were consulted as part of this Assessment.

Bayleys Marlborough
Harcourts Marlborough
First National Marlborough
Alexander Hayward Ltd
Deluxe Property Group
Grey Power
Ngati Kuia
Te Runanga A Rangitane O Wairau
Marlborough Chamber of Commerce
Marlborough District Council
Jennian Homes (Marlborough)
GJ Gardner Homes (Marlborough)
Ayson Survey
Marlborough Sustainable Housing Trust
Employers and accommodation suppliers
of Recognised Seasonal Employees
SMIT Ventures
Wine Marlborough
Clifford Land Developments LTD

Appendix Three -

Residential Supply Analysis

Section Availability

Blenheim Urban Area 2018 - 2048

November 2018

Supply: Overall Summary For 30 Year Horizon 2018-2048

	Greenfield Capacity	Number of Lots
A	Sections sold/sections for sale (with no building consent approved) ³⁵	154
B	Available within 12-36 months	242
C	Timeline Undefined	1,462
	SUB-TOTAL	1,858
	Infil Capacity	
D	Infill – specific locations ³⁶	197
E	Infill – non-specific estimate	600
	SUB-TOTAL	797
	TOTAL	2,655
	Plus Area 8 (if confirmed)	2,955

This analysis is based on the development of standalone dwellings on individual sections. It has not factored in multi unit development in Urban Residential 1 zoned areas, or residential activity in Business 1 zoned areas which would increase supply.

Greenfield sites have been estimated as having a capacity of 10 lots per hectare based on historical development trends. If future developments produce sections at a higher rate (for example recent sales of smaller sections (under 400m²) at the Omaka Landing development), supply would be further increased.

³⁵ For the purposes of this exercise, once a building consent has been approved for a section, the section is no longer deemed as 'available' and is not counted as potential capacity. This approach is the most consistently reliable data source for section availability. Code Compliance Certificate achievement is not as accurate and has longer time delays. This does mean, however, that sections which have already been purchased are included in the 'available' category.

³⁶ Row D in supply table is an estimate

Demand: Overall Summary

1. Demand Based on Building Consent Activity:

Mixed Demand Scenario

(Yrs 1-3 @ 160p.a., Yrs 4-5 @ 130p.a., yrs 6-10 @ 110 p.a., and Yrs 11-30 @ 90 p.a.)

	Lots available	Demand	Number of years supply	+Area 8 (300 lots)
Blenheim	2,655	103 p.a.	26	29

Long Term Demand Scenario³⁷

(Based on 10-Year average annual number of building consents)

	Lots available	Demand	Number of years supply	+Area 8 (300 lots)
Blenheim	2,655	110 p.a.	24	27

Medium Demand Scenario

(Based on 5-year Average annual number of building consents)

	Lots available	Demand	Number of years supply	+Area 8
Blenheim	2,655	130 p.a.	20yrs	23yrs

High Demand Scenario

(Based on 3-year average annual number of building consents)

	Lots available	Demand	Number of years supply	+Area 8
Blenheim	2,655	160 p.a.	16.5yrs	18.5yrs

2. Demand Based on Population Projections

Statistics New Zealand's estimate for the Blenheim Urban Area is for 26,200 people in 2018.³⁸

Total growth 2018 to 2048: +5,448

Divided by household size of 2.2

Demand: 2476 additional dwellings required by 2043 (25 yrs).

3. Blenheim Infill Lots Estimate

600 infill lots over 30 years have been estimated.

In the past six years, an average of 17 new infill lots have been created per annum in Blenheim. The range is from 10-26 per annum.

³⁷ Demand scenario based upon approximate long-term average of 'new housing' (HN) building consents issued, of which approximately 60% are issued in Blenheim
³⁸ (Based on 2017 updates to 2013 Census Data) using Census Area Units closest to the Blenheim Urban Area: Blenheim Central, Springlands, Mayfield, Whitney, Redwoodtown, Witherlea. Note that the NW growth areas fall into the 2013 'Rapaura' area and Omaka Landing into the 'Omaka' area. These two areas cover a significant amount of rural land and therefore haven't been included.

Supply Detail

- Blenheim Greenfield Capacity - developable land plus land already developed with sections sold/for sale (with no current building consent)
- Other zoned land – other infill and back sections

1. Blenheim Greenfield Capacity				
#	Development	# lots	Council Services Status	Comments
a. Sections sold/sections for sale				
1	Omaka Landing	44	Available	25 released in stage 6a. 19 remain without building consent from previous stages
2	Birchwood Ave	13	Available	Sections for sale
3	Boulevard on Taylor (Stage 6)	61	Available	Only 11 sections remain for sale
4	Rose Manor	36	Available	
Total	154			
b. Available within 12-36 months				
5	Omaka Landing Stages 6b,7	58	No constraints	Still to be released to market
6	Alabama Road - McGregor	120	Stormwater not available	Still to be developed
7	Rose Manor	54	Temporary Infrastructure Provision	(estimated at 30 per year over next three years)
8	28-24 Rose St	10	Stormwater not available	
Total	242			
c. Zoned land – timeline undefined				
	Boulevard on Taylor (Stage 7)	23		
	Rose Manor (future stages)	90	Sewer and stormwater not available	Timing dependent on infrastructure
	Old Renwick Road (east of Thomsons Ford Road)	139	Sewer and stormwater not available	Sequential to neighbouring development
	Old Renwick Road (west of Thomsons Ford Road)	370	Water, sewer and stormwater not available	Sequential to neighbouring development
	Middle Renwick Road (around Westwood development)	680	Water and stormwater not available	Sequential to neighbouring development
	David/Severne/Bary St	160	Tbc	New MEP proposed zoning. Estimated yield
Total	1,462			
TOTAL GREENFIELD CAPACITY BLENHEIM		1,858		

2. Blenheim Infill Capacity

	Address	Number of Lots	Status	Comments
Available lots – infill specific locations				
	Harakeke Place	12	Available	Infill - consented
	Ballinger Drive off Budge St	14	Available	Infill
	Gascoigne Street	3	Available	Infill
	Collett Place, off Budge St	10	Available	Infill
	Brook St, Springlands	7	Available	Infill
	Hospital Road (hospital site)	52	Available	Infill
	South St, adjacent to railway land	8	Available	Infill
	Shirliff St	6	Available	Infill
	Muller Road	39	Available	Infill –based on scheme plan
	Murphys Rd/ Cherrywood Park	7	Available	Infill
	70-78 Murphys Road	20	Available	Infill
	73-77, 74-78 Colemans Road	19	Available	Infill
Total Infill Specific		197		

Available lots – infill non-specific estimate

	Various locations	600	Available	Estimate on back section subdivision 2018-2048 @ 100 per 5 years
Total Infill Non Specific		600		
TOTAL BLENHEIM INFILL CAPACITY		797		
TOTAL BLENHEIM RESIDENTIAL DEVELOPMENT CAPACITY		2,652		88.4 per annum over 30 years

Demand Detail - Building Consent Scenarios

The 'Building Consents' scenario is considered to be the best demand scenario for the purposes of this exercise as it relates to actual completions over a sustained period rather than the others which are projections.

Building Consents – average new housing completions in Blenheim Urban Area

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
126	120	102	68	97	75	99	96	130	188	158*

*12 month average calculated using actual data to 31 October 2018

3yr average 2016 - 2018: 161 per year
 (+/- from 3 yr average) Lowest 2016 (130) highest 2017 (188)

5yr average 2013-18: 134 per year
 (+/- from 5yr average) Lowest 2013 (75) highest 2017 (188)

10yr average 2007-16: 113 per year
 (+/- from 10yr average) Lowest 2011 (68) highest 2017 (188)

Building Consents – annual new housing completions in Marlborough

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
263	215	152	167	164	194	176	184	215	314	265

Where development takes place

Over the three year period 2016 - 2018 approximately 56% of new housing was constructed in the Blenheim Urban Area and the rest in the Marlborough Region.

	2016	2017	2018*	Total	%
Total housing additions	215	314	265	792	100%
Blenheim	130	188	166	488	62%
Rest of Marlborough	85	126	99	304	38%

The long term average (10 yrs) of new builds is 114 per annum in the Blenheim urban Area, approximately 60% of the 205 per year average for Marlborough.

The short term average (3 yrs) of new builds is 163 houses per annum in the Blenheim Urban Area which is about 62% of the 264 per annum average for Marlborough.

Demand Detail - Other Scenarios

Two other demand scenarios were investigated.

1. Demand Based on Population Projections Population Estimates

Statistics New Zealand estimates that population growth in Marlborough has trended between the medium and high projections over the past five years, and is currently 46,600 (November 2018 update). There was an estimated growth of 400 people in 2018, and significant peaks in 2015 (+500 people) and 2017 (+700 people). Net migration accounts for the majority of the growth with an estimated average natural increase of 100 people per year (births minus the number of deaths).

Marlborough District Population Growth 2013 - 2018

Year	Estimated Population	Estimated Growth ³⁹	Net Migration	Natural Increase (births minus deaths)
2013	44,700	-	-	-
2014	44,800	100	0	100
2015	45,300	500	400	100
2016	45,500	200	100	100
2017	46,200	700	600	100
2018	46,600	400	200	100

³⁹ From Statistics New Zealand Population Estimates 2013 - 2018: <http://nzdotstat.stats.govt.nz/wbos/index.aspx>The estimated resident population of each area is based on the 2013 Census usually resident population count updated for: net census undercount (as measured by the 2013 Post-enumeration Survey) residents temporarily overseas on census night reconciliation with demographic estimates for ages 0-9 years births, deaths, and net migration between census night and the date of the estimate. For more information about the base population, see Estimated resident population 2013: Data sources and methods on the Stats NZ website (www.stats.govt.nz).

Marlborough District Population Projections

Statistics New Zealand population projections for Marlborough District (based on 2013 census results and updated in 2017) give three scenarios for growth for the district over the 30 years from 2013 to 2043:

- High Growth +9,400 (21% total growth, or 0.6% average annual growth)
- Medium Growth +2,500 (5.6% total growth, or 0.2% average annual growth)
- Low Growth -4,300 (decline of 9.6%, or 0.3 average annual decline)

Blenheim Urban Area Population Projections - 2018 to 2043

This has been calculated for Blenheim Urban Area Units - Blenheim Central, Springlands, Mayfield, Redwoodtown, Whitney, and Witherlea.

- High Growth +5,890 (22.4 % total growth, or 0.9% average annual growth)
- Medium Growth +1,570 (6.1% total growth, or 0.2% average annual growth)
- Low Growth - 2,220 (decline of 8.9 %, or 0.4% average annual decline)

Growth in the Blenheim Urban Area accounts for approximately 62% of total growth in the Marlborough District.

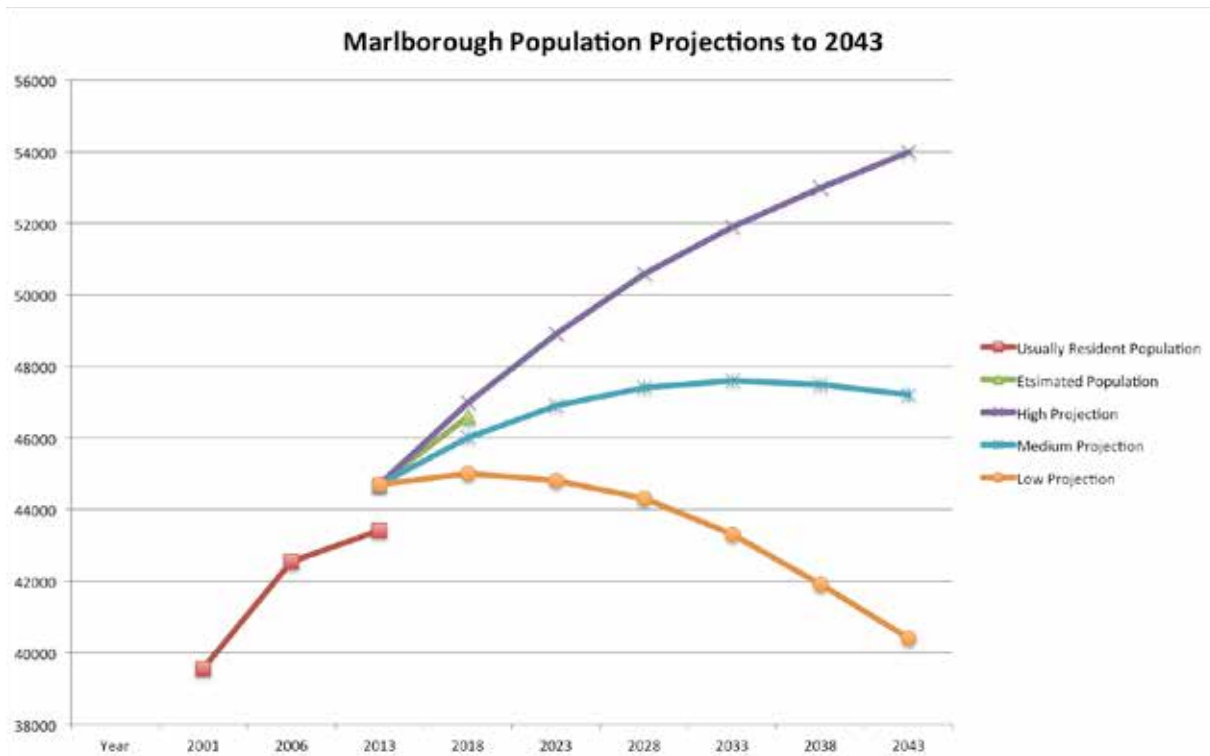
Growth is projected to slow (and decline in low projections) from 2033 due to low natural population increase as a result of Blenheim's significant ageing population.

	Population change (2018-43)	Estimated dwellings required (@ 2.4 persons per dwelling)**	Dwellings required p.a. until 2043 (25 years)
Low	2,220 fewer people	925 fewer dwellings	N/A
Medium	1,570 more people (960 more people in 2033)*	654 more dwellings (400 more dwellings in 2033)*	26 per annum
High	5,890 more people (3,150 more people in 2033)	2,454 more dwellings (1,312 more dwellings in 2033)	98 per annum

**In medium growth scenario population will peak in 2033, then decline by 2043*

***Average household size in Marlborough in 2013 Census was 2.4, in 2006 it was 2.6 (NZ 2013 = 2.7)*

Marlborough Population Projections vs Actual Growth:



2. Infometrics new house building projections Marlborough Infometrics produce building consent estimates for new dwellings with a five year view. This is based on historical building consent data from statistics new zealand. These are produced nationally. They show significantly higher projections than other demand scenarios.

Marlborough District								
2017	2018	2019	2020	2021	2022	2023	Total	Average
233	220	387	455	434	415		2,144	357 p.a.
	332	211	269	345	352	346		
Blenheim Urban Area (@60% of total consents)								
2017	2018	2019	2020	2021	2022	2023	Total	Average
	127	161	207	211	211	208	1113	185.5

Infometrics new house building projections by type of dwelling

Marlborough District Change in Demand for Dwelling Types

Type of Dwelling	Number		Change 2018-2023	
	2018	2023	Difference	% ↑ p/a
Apartment	1	5	4	38%
Townhouse	9	27	18	25%
Retirement	6	9	3	8.40%
House	316	305	-11	-0.70%
Total New Dwellings	332	346	14	0.80%

APPENDIX FOUR - Unutilised Industrial Land

Unutilised Industrial Land

Based on aerial photographs flown in 2018.

Riverlands Industrial Estate and Cloudy Bay Industrial Estate				
Property number	Legal description	Location	Land Area	Related consents Permits, comments
256304	Lot 2 DP 323372	35 Sheffield street, Riverlands	2.67 Ha	
536000	Lot 3 DP 421549	5 Kendrick Road, Riverlands	.7928 Ha	
538225	Lot 2 DP 497524	25 Vernon Street, Riverlands	.7292 Ha	
538224	Lot 1 DP 497524	23 Vernon Street, Riverlands	1.2102 Ha	
255908	Lot 60 DP 10769	15 Vernon Street, Riverlands	.6134 Ha	
255909	Lot 54 DP 10769	11 Vernon Street, Riverlands	.3188 ha	
535640	Lot 1 DP 414053	3430 State Highway 1, Riverlands	11.8116 Ha (total allotment size 25 .177 Ha)	Portions of site planted in vineyard rather than utilised for industrial purposes.
535632	Lot 1 DP 8762	3518 State Highway 1, Riverlands	13.1460 Ha	vineyard
535632	Lot 5 DP 414053	3518 State Highway 1, Riverlands	7.3220 Ha	Was the golf driving range - now in vineyard
535632	Lot 2 DP 427791	3518 State Highway 1, Riverlands	12.3094 Ha	U130446 - to establish and operate a vineyard
536004	Lot 8 DP 421549	45 Kendrick Road, Riverlands	3.330 ha	
536004	Lot 1 DP 511773	45 Kendrick Road, Riverlands	.6257 Ha	
533130	Lot 5 DP 404704	25 Cloudy Bay Drive, Wither Hills	.4464 Ha	
533128	Lot 3 DP 404704	21 Cloudy Bay Drive, Wither Hills	.3878 Ha	U170908
533127	Lot 2 DP 404707	19 Cloudy Bay Drive, Wither Hills	.1564 Ha	BC171029 Winery processing building
527860	Lot 8 DP 326320	12 Chandler Close, Wither Hills	.1933 Ha	large portion of site not utilised
527859	Lot 7 DP 326320	10 Chandler Close, Wither Hills	.1379 ha	aerial shows site may be used for storage of materials
532051	Lot 4 DP 388524	4 Cloudy Bay Drive, Wither Hills	.1288 Ha	
532049	Lot 2 DP 388524	2A Cloudy Bay Drive, Wither Hills	.1100 Ha	



