MARLBOROUGH DISTRICT COUNCIL

National Policy Statement on Urban Development Capacity

QUARTERLY REPORT OCT - DEC 2017

Executive Summary

Marlborough District Council (Council) is required to monitor housing and commercial development market indicators from 31 March 2018 under the National Policy Statement on Urban Development Capacity (NPS). This is because Blenheim is classified as experiencing medium urban growth.

This is the first quarterly monitoring report prepared for Council under the NPS. It provides background information on market indicators and data for the ten years to December 2017. Future reports will provide quarterly updates on these indicators.

The purpose of the monitoring reports is to enable Council to monitor trends over time. It is not intended highlight issues for immediate action. The reports - along with other information - will inform a comprehensive three-yearly Housing and Business Development Capacity Assessment that will identify any issues that may need to be addressed and actioned. The first Assessment is required to be completed by 31 December 2018 and will be reported to Council in the new year.

Summary of Trends

Population:

In the year to June 2017 Marlborough's resident population grew by 1.5% to an estimated 46,200 people, and is projected to grow by 2,500 over the next 25 years based on Statistics New Zealand's medium growth scenario. 2018 Census data will be available by the end of the year which will confirm the current resident population.

Labour demand:

Marlborough has the highest forecast growth in labour demand - anticipating an extra 3,600 employees in the period June 2017 to May 2020. The wine industry is estimating a 35% increase in demand for RSE workers over the next two years.

House Prices and Rents:

House prices have increased at a similar rate as other regions over the past ten years, with steep increases between 2002 and 2007, and again in 2016/17. House sale prices rose more than 10% in Blenheim, and 8% in the Marlborough District in the year to December 2017, but prices leveled off in the last quarter of 2017. Rents have also risen over the past ten years, but at a slightly slower rate.

Affordability:

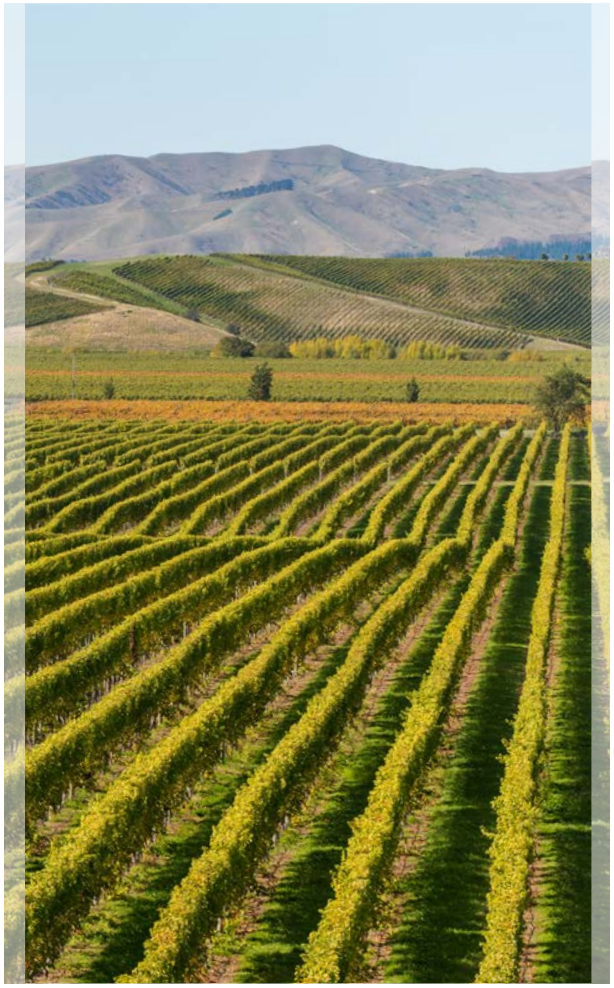
Housing affordability is an issue nationwide. MBIE's housing affordability measure shows 77% of potential first home buyer households nationwide would have below average income after meeting housing costs. Marlborough is just below the national average at 74%. Comparisons with other regions in New Zealand indicate that fewer first home buyer and renting households in Marlborough have a below average income after meeting housing costs than in many other regions in New Zealand. This could be reflective of a combination of Marlborough's reasonable house prices and very low rate of unemployment.

Demand and Supply for Residential:

A recent review of residential section availability for Marlborough District Council estimated that with the current supply of residential zoned (or proposed) land Blenheim has 26.5 years of supply available (based on medium population growth projections). Building Consents appear to be mostly keeping pace with household growth, and a price-cost ratio indicator provided by MBIE suggests that the supply of sections is responsive to demand overall, although both indicators show increased pressure on supply in the past three years, and particularly in 2017. Future quarter results will indicate whether this pressure is easing or continues to build. Council issued 188 building consents for new dwellings in the Blenheim urban area in 2017, and 130 in 2016 - a significant increase on previous years.

Demand and Supply for Non-Residential (Commercial and Industrial):

Council has very little specific data on non-residential development activity. We are investigating options for using existing tools and



data to gain better insights into this area, and this will be expanded on in the Housing and Business Development Capacity Assessment being undertaken later in the year. The number of building consents issued for new commercial buildings shows an overall decreasing trend. Aerial flyovers identified approximately 56.4 ha of unutilised industrial zoned land available in the Riverlands Industrial Estate and Cloudy Bay Industrial Estate. However this land is not necessarily available or suitable for development.

Seasonal Work: Marlborough has a significant temporary seasonal worker population, predominantly for vineyard and winery work, and the demand for seasonal workers is expected to grow in the next two years. Those seasonal workers not housed in Recognised Seasonal Employee (RSE) approved accommodation stay in approved backpacker beds, backpacker hostels, motels and in private suburban rentals. The direct impact of this on the rental and housing market is unknown, but should be investigated further. The supply of specific worker accommodation is increasing. There have recently been resource consents approved that will increase capacity by over 750 beds in central Blenheim and Seddon.

Background

Blenheim is newly defined as a 'medium growth' local authority based on Statistics NZ 2016 urban area definitions and current population growth projections. 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 from 31 March 2018; 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 (first report due 31st Dec 2018).

This is to ensure that local authorities are well informed about urban development activity in their area, so that they can provide sufficient zoned land to meet housing and business market demand, and ensure that planning regulations are not unintentionally constraining urban development. Central Government intends that councils use this information to inform their planning decisions. See Appendix One for specific NPS UDC policies.

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

Data and Indicators used in this report

The Ministry for Business Innovation and Employment (MBIE) has created an online dashboard which provides monitoring of some residential and non-residential development indicators. It uses data from Statistics New Zealand including New Zealand Census information, and CoreLogic - a property information, analytics and services provider. The dashboard provides information for both the Marlborough District and Blenheim Ward areas, and enables benchmarking against other regions and urban areas in New Zealand.

MBIE indicators used in this report:

- Dwelling sales prices and rents
- Housing affordability (for both home buyers and renting households)
- New dwelling consents compared with household growth
- Ratio of dwelling sales price to rents
- Change in Dwelling Sales Prices from 1993
- Dwelling Stock (12 month rolling)
- Price-Cost Ratios

Marlborough District Council Data:

- Building consents for new residential dwellings
- Building consents for new commercial units
- Resource consents for new subdivisions
- Unutilised industrial land from 2018 aerial photography flyovers
- Information on Seasonal Workers from the 2016 Marlborough Viticulture Labour Market Survey

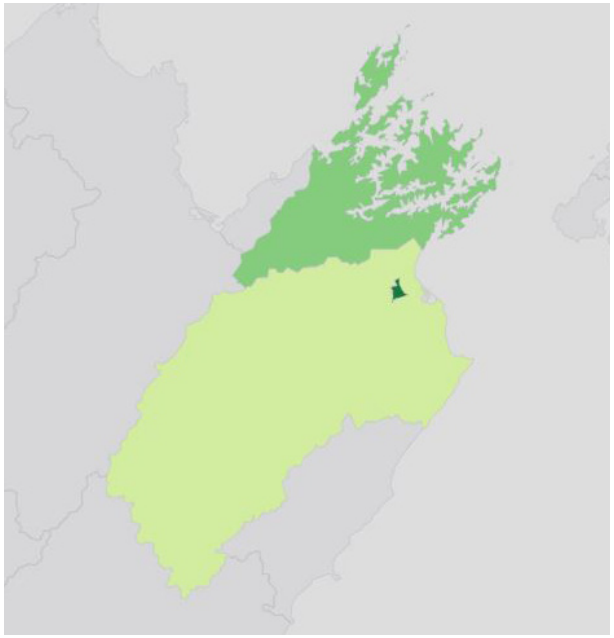
Reporting Boundaries

The MBIE dashboard provides data for both the Marlborough District (Map 1) and smaller Blenheim Ward area (map 2) 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 approximately 26.5 years worth of residential growth in Blenheim based on current population and housing demand projections.[2]
The Marlborough District includes large areas of rural land with lower population density. Some data is only available at this level.

For the reasons outlined above, the Council has developed its own reporting boundaries set out in Map 3. This includes the existing urban area of Blenheim and areas zoned to provide for growth.

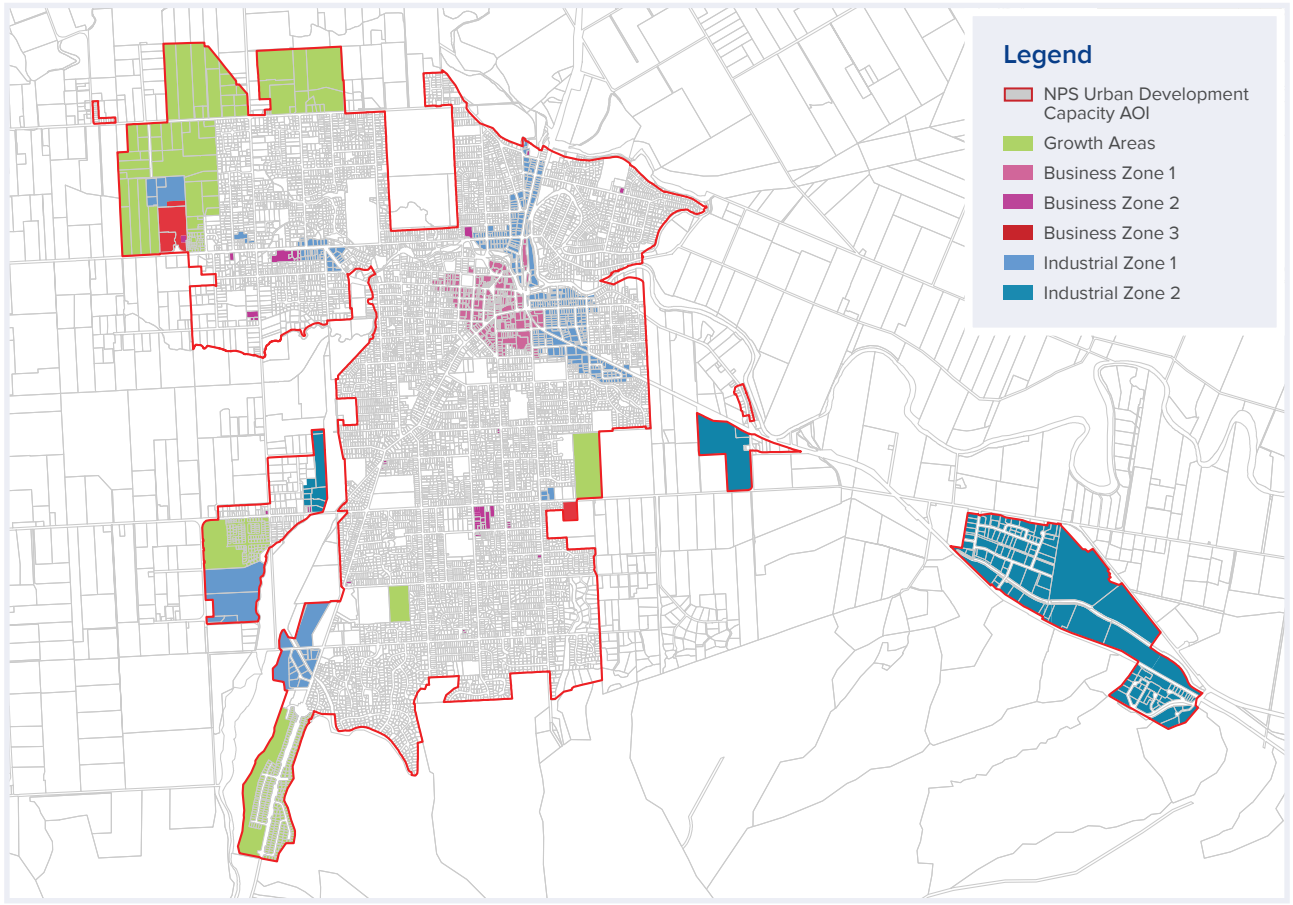
The following images show the three reporting boundaries used in this report:

Map 1
Marlborough District (MBIE data)



Map 2
Blenheim Ward (MBIE data)

Map 3
Blenheim Urban Area (Council data)

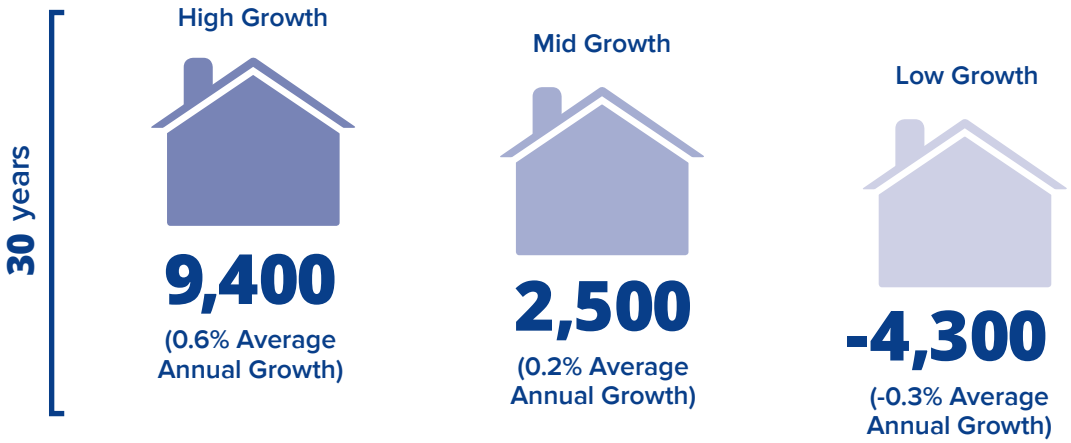


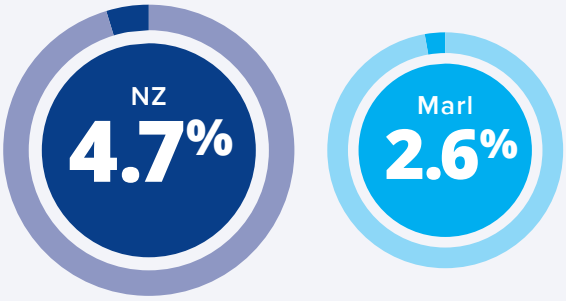
[2] Residential Section Availability in Marlborough - a 20 Year View Ahead 25 September 2017 (Attached).

Demographic Trends for Marlborough

Population:

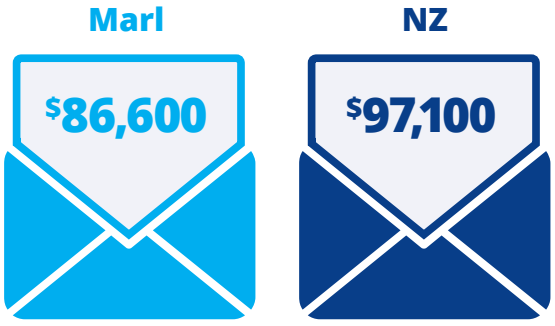
Marlborough's usually resident population at the time of the 2013 census was 44,700, and is estimated at 46,200 currently. Statistics New Zealand population projections for Marlborough give three scenarios for growth over the 30 years from 2013 to 2043:





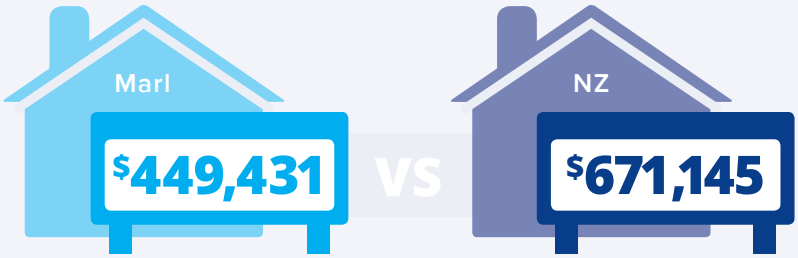
Marlborough District has a very low unemployment rate at: **2.6%** in December 2017, versus the national average of: **4.7%**.

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



The average income in Marlborough is $86,600 versus a national average of $97,100.

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.

Labour Demand:

Marlborough has a large temporary workforce employed in seasonal vineyard and winery work, with over 8,325 temporary positions in 2015/16 in vineyards alone.

MBIE estimates that Marlborough has the highest forecast growth in labour demand in the country for the period June 2017 to May 2020 - anticipating an additional 3,600 employees - the majority of which are for skilled, qualified, managerial, and professional positions.[3]

The wine industry is estimating that total worker numbers will increase by 24% by 2019/20 with a 35% increase in demand for RSE workers, requiring an additional 600 RSE approved beds, 442 beds for casuals and 189 houses for permanent workers.[4]

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

[4] From the Marlborough Viticulture Labour Market Survey 2016, Druce Consulting

Residential Development Trends

a) House Prices and Rents

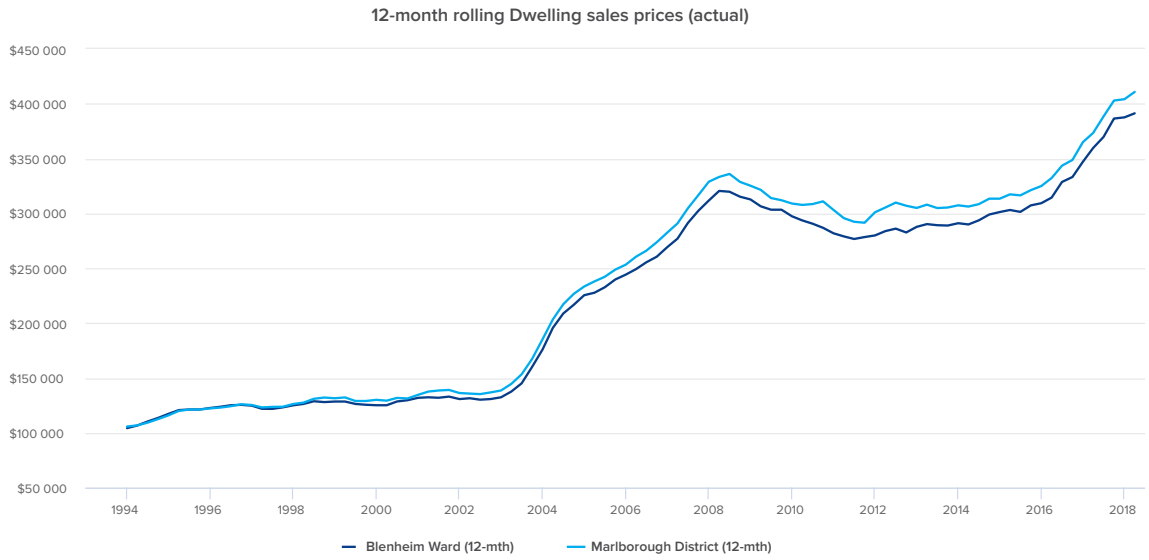


Fig 1: Dwelling Sales Prices

This indicator measures the median house sale price of residential dwellings per quarter, as a twelve month rolling average. Results are not adjusted for size and quality of dwellings.

The median house sale price in Marlborough District and Blenheim Ward has almost trebled since 2002. Significant increases between 2002 and 2008 were possibly due to immigration and intensive growth in the Marlborough wine industry. This was followed by a slight fall as a result of the global financial crisis. Prices have steadily increased since 2012, especially between 2016 and 2017. Sale prices rose more than 10% in Blenheim, and 8% in Marlborough District in the year to December 2017, however prices leveled off in the last quarter of the year. These results closely mirror national trends over the same period.

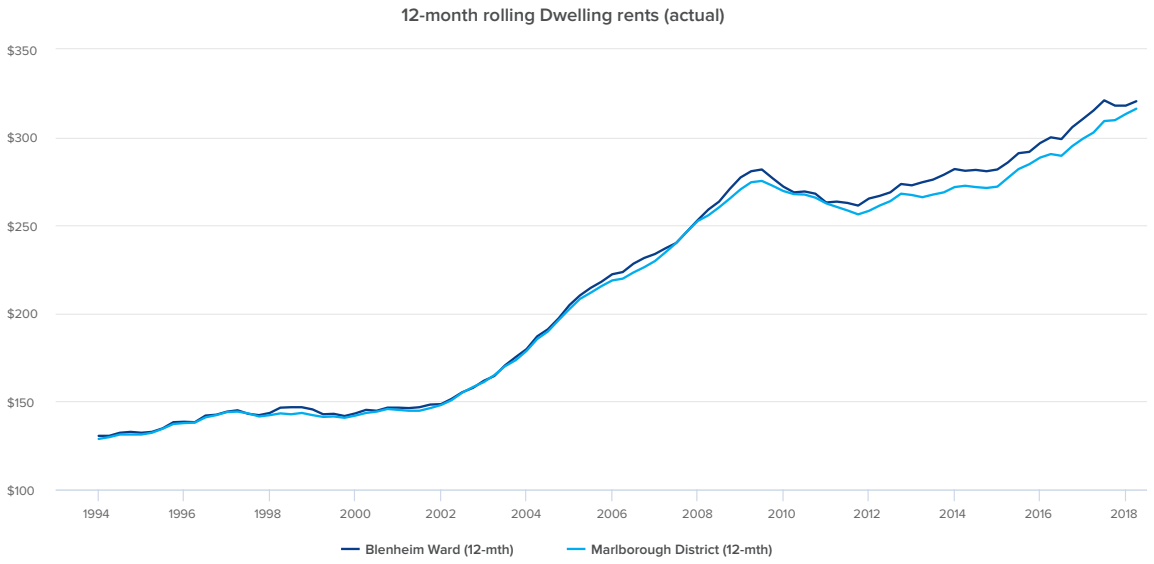


Fig 2: Dwelling Rents

This indicator reflects nominal mean rents as reported in new rental bonds lodged with MBIE. The mean used is a geometric mean. The reason for using this mean is that rents cluster around round numbers, and tend to plateau for months at a time (spiking up by say $10 or $20 at a time). This makes analysis of time series difficult and using the geometric mean is a way of removing this clustering effect. Prices are presented in nominal terms; they have not been adjusted for general price inflation. The data is for private bonds only and so excludes social housing.

Data is sourced from MBIE

Rents have risen over the past ten years, although not quite to the same extreme as sales prices, and increases leveled off in the last quarter of 2017. Rents are slightly higher in the Blenheim urban area than in rural Marlborough, suggesting a higher demand for rental properties in town.

Fig 3: Ratio of dwelling sales price to rents

This indicator shows the ratio of nominal median dwelling prices to nominal (geometric) mean rents. It reflects the relationship between median house prices and mean rents, and indicates changes in the ease of moving from renting to home ownership. The higher the ratio, the greater the financial gap between renting and buying. Average returns to investors from renting out a dwelling decrease as the ratio increases.

In Marlborough the price of a median house is over 24 times the mean annual rent paid, and in the Blenheim Ward it is over 23. This is relatively low in comparison with the major New Zealand cities. Along with median house prices, the ratio is in the same vicinity as Napier-Hastings District and Gisborne (see Fig. 4 below).

The increase in ratio over time suggests that rents are not increasing at the same rate as house prices. The ratio reflects the stabilisation of house prices in Marlborough at the end of 2017.

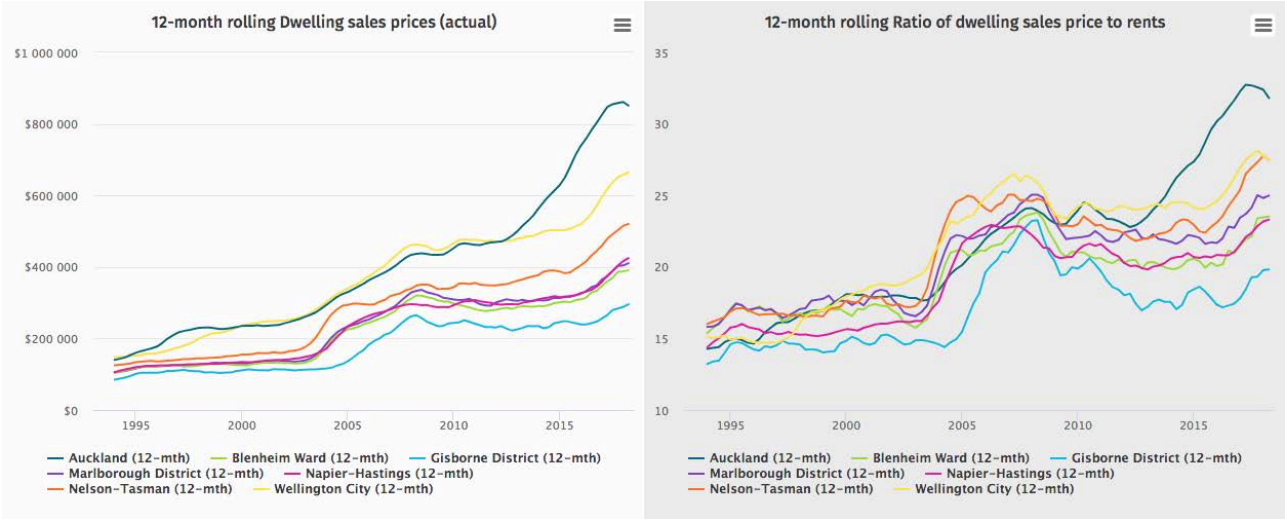


Fig 4: Benchmarking Dwelling Sales Prices and Ratio of Prices to Rents

b) Affordability

MBIE have provided two 'experimental' Housing Affordability Measures (HAM). The HAM Buy and HAM Rent indicators measure trends in housing affordability for potential first home buyer households and renting households. These will eventually be official statistics on housing affordability.

For potential home-owning households, The HAM Buy measure identifies the proportion of potential first home buyers whose income after meeting housing costs - if they were to purchase a modest home in the area in which they live - is above or below the national median. For renting households, the HAM Rent measure identifies the proportion of renting households whose income after meeting housing costs is above or below the national median.

A higher number on the chart means that more households are below the average, and indicates a lower level of affordability.

Affordability for home buyer households in Marlborough has steadily improved over the past ten years. At March 2016 74% of Marlborough first home buyer households had below average income after meeting housing costs, a lower percentage than many other regions in New Zealand. This is possibly reflective of both reasonable house prices in Marlborough, rising income levels, and the very low unemployment rate.

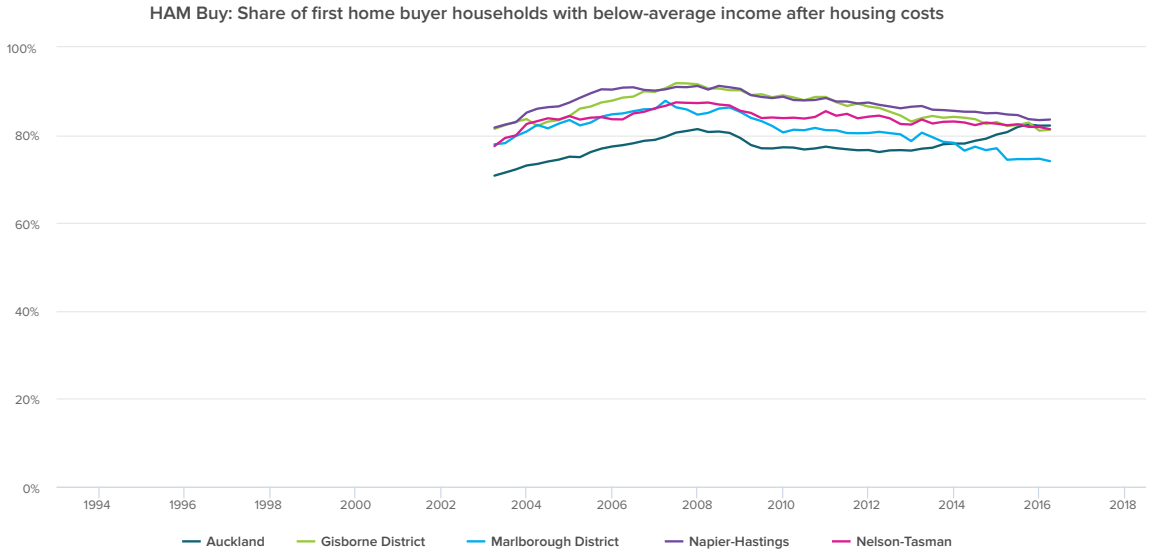


Fig 5: Housing Affordability (HAM Buy; Benchmarking with other areas)

HAM Buy and Rent indicators use data on household incomes and rents from Statistics New Zealand's integrated Data Infrastructure, Corelogic sales price information, and mortgage interest rates. Average income is determined using the National Affordability Benchmark which is set as the median affordability for all homeowners and renters, nation-wide, in June 2013.

The 2013 national affordability benchmark is the amount of income the median New Zealand household had after paying for their housing costs in June 2013. The 2013 national affordability benchmark is residual income of $662 per week for a one-person household, plus $331 per additional adult and $199 per child. The benchmark was calculated using data from Statistics New Zealand's Household Economic Survey, and is adjusted for inflation. 2013 was chosen as the base year as it was a Census year. The national affordability benchmark will be rebased periodically.

Affordability for renting households declined between 2010 and 2014, but has improved since then. At March 2016 64% of Marlborough renting households had below average income after housing costs, again at the lower end of the scale than other regions shown. It is more affordable for first home buying households to rent in Marlborough, than to own a home.

Fig 6: Housing Affordability (HAM Rent; Benchmarking with other areas)

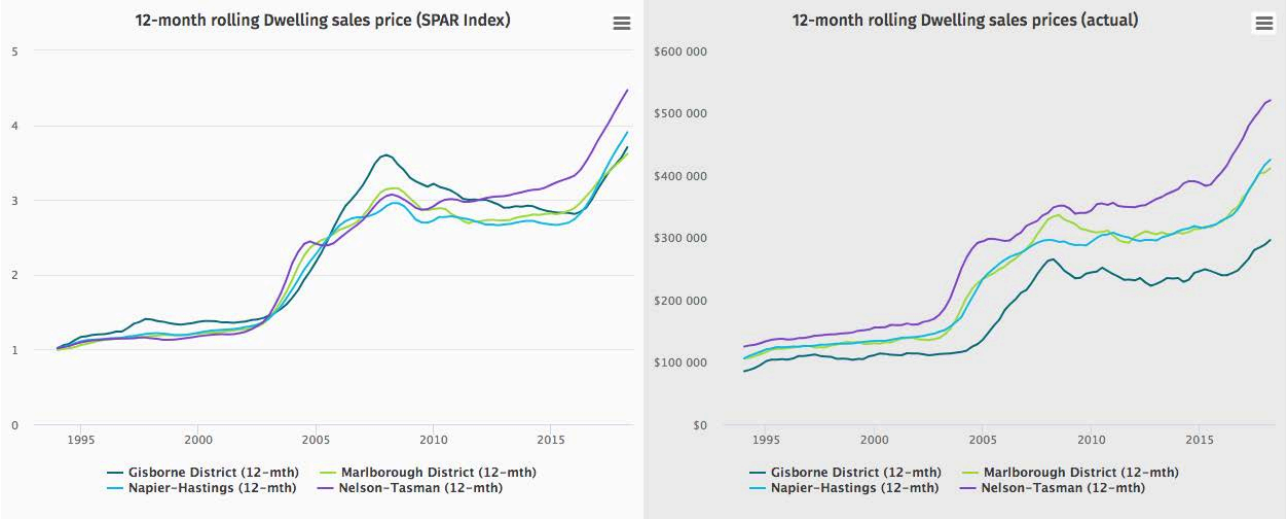


Fig 7: Change in Dwelling Sales Prices from 1993 and Actual Sales Prices (benchmarking with other areas).

The Sales Price Appraisal Ratio (SPAR) provides an index of percentage change in dwelling sales prices relative to a common base year (1993). It is constructed by comparing the sales price of each dwelling sold in a period with its valuation estimate. It adjusts for the composition and quality of the dwellings sold over each period. Data is sourced from CoreLogic

Overall, house prices in Marlborough are approximately 3.5 times greater now than they were in 1993 (using the SPAR index). The rate of increase follows a similar trend to other 'like' regions, and along with median dwelling sale prices and the HAM affordability index, indicates that Marlborough is a relatively affordable region for both buyers and renters. Affordability for first home buyers has improved over the past few years. The above table shows comparisons with Gisborne Region (which has a similar population count), Nelson and Tasman for its geographical closeness to Marlborough, and Napier Hastings which has similar house sale prices and also has a high level of horticultural production and seasonal work. In comparison, house prices in Auckland and Queenstown are over 6 times greater than in 1993 (not shown above).

c) Demand and Supply

i) Dwelling Stock

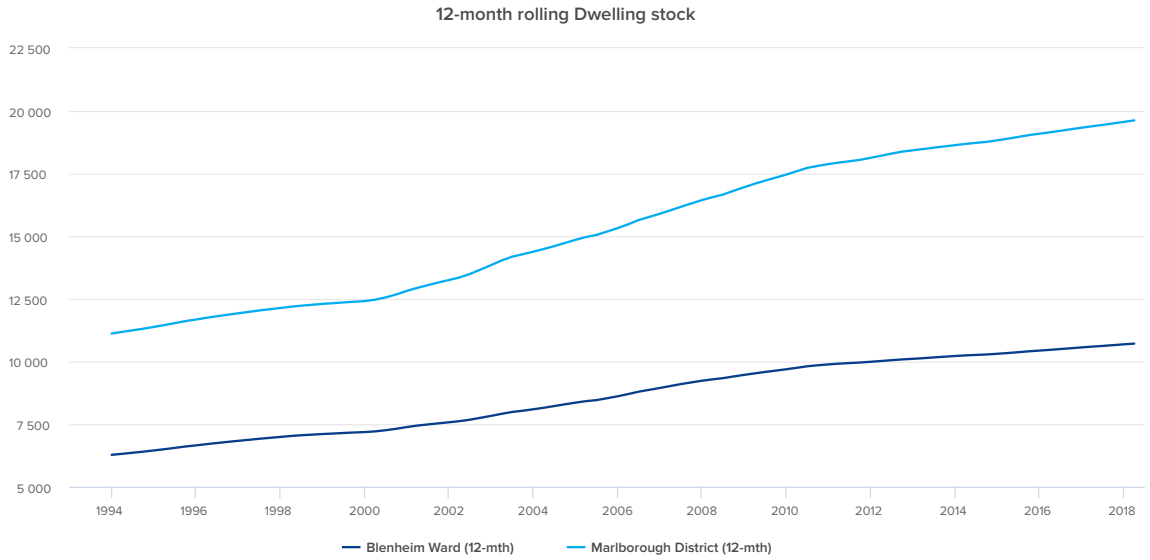


Fig 8: 12 Month Rolling Dwelling Stock

This is an estimate of total residential dwelling stock sourced from Corelogic.

Dwelling stock is steadily increasing, particularly in the Marlborough District and it has almost doubled since 1994.

ii) Consents vs Household Growth

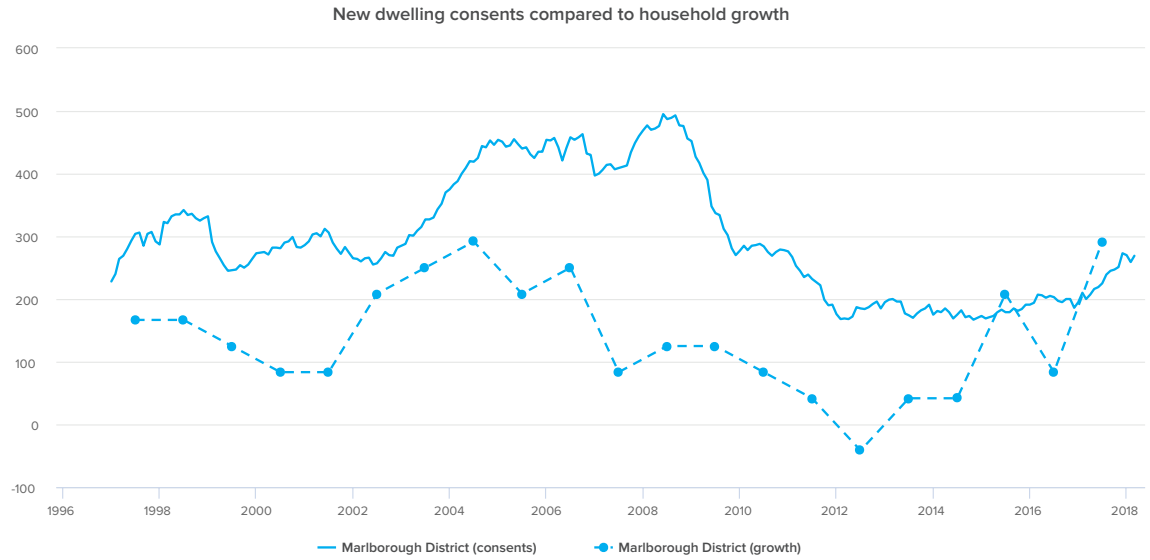


Fig 9: New dwelling consents compared with household growth

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 number of consents is not adjusted for non-completions, or for demolitions. It is used as a proxy for supply.

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 Statistics New Zealand. It is presented as a 12 month rolling average.

When growth outstrips new dwelling consents, it may indicate barriers to supplying new homes to meet the demand. In the Marlborough District, supply has historically been sufficient to meet demand, but has been slower to respond to steady household growth from 2013 and spikes in growth in 2015 and 2017/18. The number of households grew by approximately 290 between 2016 and 2017. This demand pressure may have contributed to the rise in house sale prices in 2016/17.

Council data shows that residential building consents issued in 2017 were up significantly from previous years, indicating that availability of new land and subsequent new builds has started to compensate for the increase in demand. Monitoring the trend over the next few quarters will give a better idea as to whether current consent activity is keeping pace with household growth.

iii) Price-Cost Ratio

MBIE have developed a price-cost ratio as an indicator of price efficiency. The ratio is the gap between house sale prices and construction costs, across a defined area. The ratio measures the relative contribution to house prices of construction costs (including real estate fees of 5% and a construction cost buffer of 25%); and land (infrastructure serviced sections).

A ratio of 1.5 signals that the cost of a section makes up approximately one third of the total price of the house, with the following two thirds comprising construction and purchase costs. A ratio of more than 1.5 means that land prices make up a larger proportion of the total cost - indicating pressure on the supply of infrastructure serviced sections, pushing land prices up. A ratio of less than 1 indicates an oversupply of serviced sections.

Fig 10: Price-Cost Ratio for Marlborough District

The ratios use corelogic data on residential house sales and size, and Statistics New Zealand data on building consents' value by square metre and territorial authority area. Data for stand alone houses only is used.

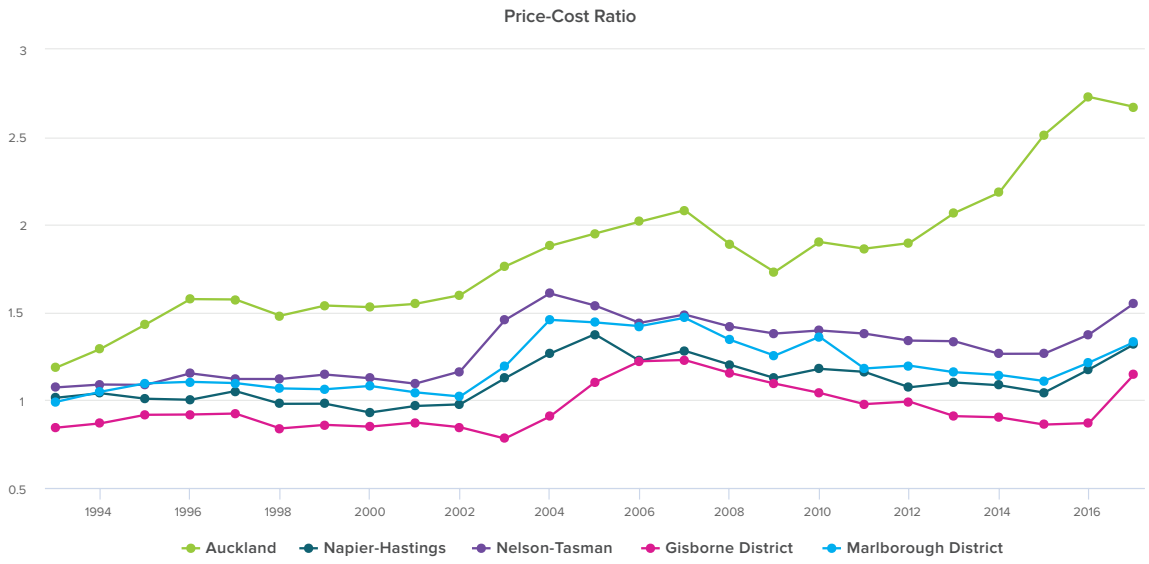


Fig 11: Price Cost Ratio Comparison with Other Regions

The Price Cost Ratio increased sharply in 2002 as Marlborough experienced significant household growth and increases in house prices. From that point on, the trend shows an overall slow decline, but rose again in 2016 and 2017 as household growth and demand for serviced sections increased over that period. The ratio has remained below 1.5 and above 1, however, indicating the supply of land and development opportunities are relatively responsive to demand. If the ratio continues to rise to above the 1.5 level Council will need to investigate why. For example, there appears to be sufficient greenfield land available for development - is Council not keeping pace with demand in providing services to new sections? Or are there other constraints such as concentrated land ownership of serviced sections and undeveloped land?

Marlborough District Council Data on Building and Resource Consents

The following building and resource consent data has been sourced using Council's own GIS system and includes information for the newly defined Blenheim Urban Area plus the Omaka Landing and newly zoned residential land in the North West growth areas.

iv) Building Consents Issued for New Residential Dwellings

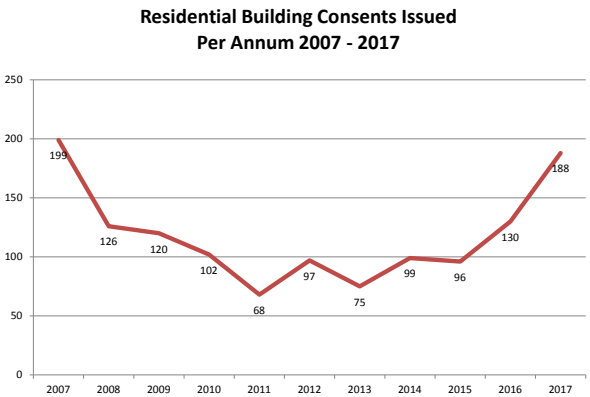


Fig 12: Building Consents Issued for New Residential Units in Blenheim Per Annum

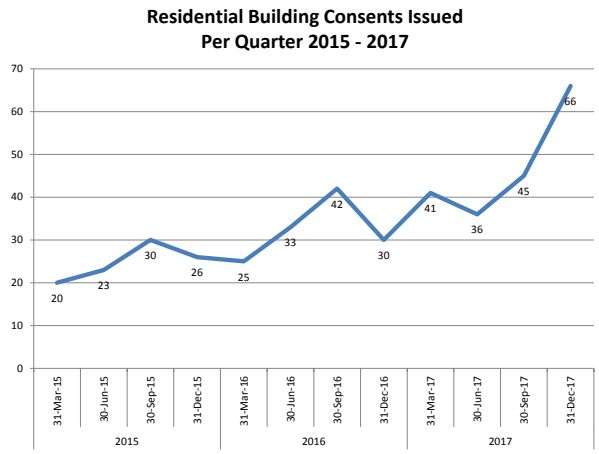


Fig 13: Building Consents Issued for New Residential Units in Blenheim Per Quarter 2015 - 2017

Council issued 188 building consents for new dwellings in the Blenheim urban area in 2017, and 130 in 2016 - a significant increase on previous years. The number of consents issued has risen steadily over the past five years after a decline between 2007 and 2011. The increases in 2016 and 2017 presumably reflect new subdivisions becoming available for building. Quarterly data shows a sharp increase in activity in the last quarter of 2017, with 66 consents issued.

v) Resource Consents Issued for New Subdivisions

Marlborough District Council does not currently distinguish between residential and non-residential subdivision resource consents. The information below therefore includes both.

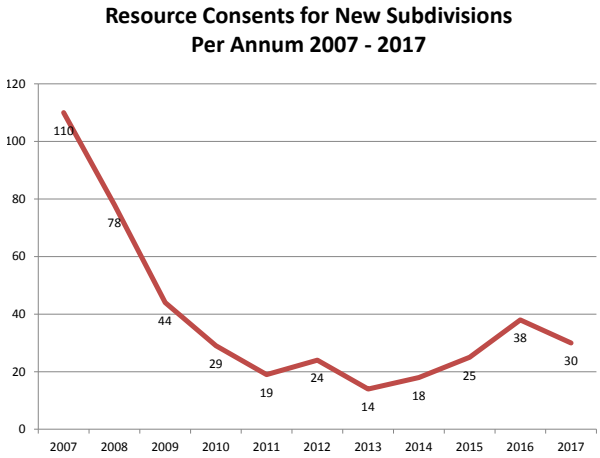


Fig 14: Resource Consents granted for New Subdivisions in Blenheim Per Annum 2007 - 2017

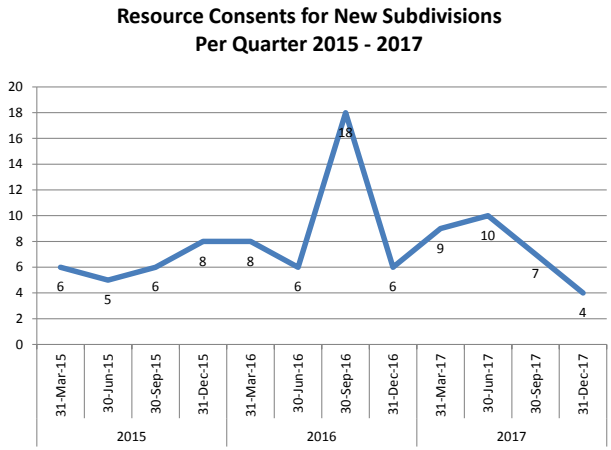


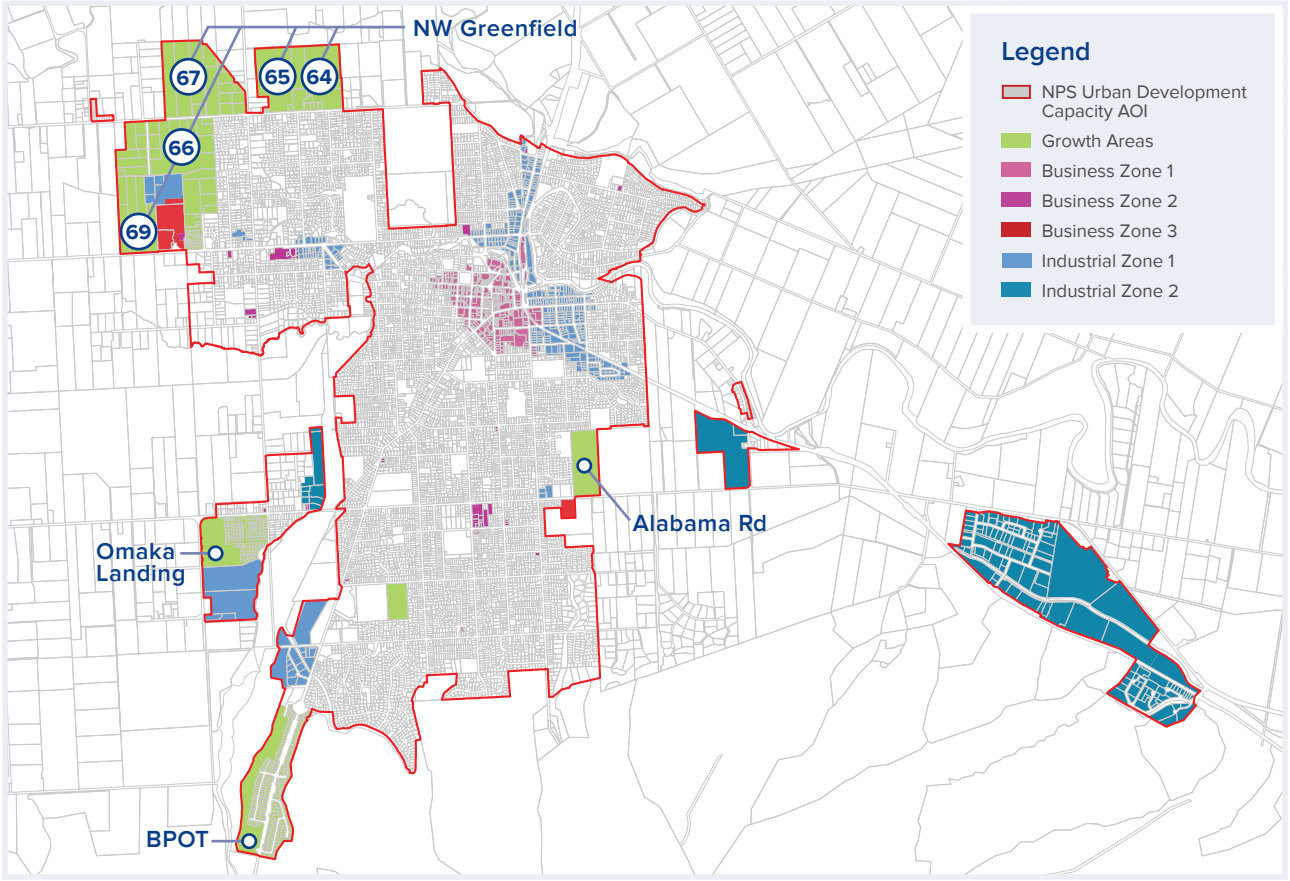
Fig 15: Resource Consents for New Subdivisions in Blenheim Per Quarter 2015 - 2017

There was a spike in the number of consents granted in the Blenheim urban area in 2007 (at 110) presumably as viticulture development intensified and increased house sale prices encouraged more infil subdivisions. 2016 saw another increase (at 38), but not to the same extent. Note that the number of consents granted does not reflect the actual number of lots created (one consent may result in multiple lots).

Consents granted in the quarter to December 2017 were for the creation of 6 allotments, two dwellings which exceed permitted site density, and to subdivide an existing cross lease into two freehold titles.

vi) New Serviced Residential Sites From Zoned Land

Site	Progress with servicing
Boulevard Park on Taylor (BPOT)	All services to allow progression of development are completed, therefore not any servicing constraints.
Omaka Landing	All services to allow progression of development are completed, except for the additional water supply from across the Taylor River to boost pressures and firefighting capability. This water addition is currently under construction, and with recognition of that, Council is allowing development to progress without servicing constraints.
NW Greenfield (PC64, 65, 67)	The main development underway is Rose Manor. This is a consented five stage, 36 lot development adjacent to Mowat Street. The development will initially run with a temporary modified sewer system, that will rely on on-site storage when the downstream services are unable to cope. This development will also rely on initially larger than planned stormwater attenuation ponds to take the loads off of downstream waterways. The progression of further development is reliant on the planned upgrades to; 1. Receiving Sewer infrastructure, mainly in McLauchlan Street, scheduled to be completed by summer of 2019/2020, and 2. Stormwater discharge point, Caseys Creek, scheduled to be completed by summer of 2019/2020. There is a limit on further sequential development to the west and the north that is able to progress, however will rely on installation of further temporary systems until the upgrades downstream are completed.
NW Greenfield (PC66, 69)	These areas typically sit within the Fulton Creek and Murphy Creek stormwater catchments. Planning is still underway for servicing these areas. Prior to any development approval, Council must first achieve an Accepted Services Plan, and Discharge consent approval. This is progressing.
Alabama Rd	A constraint exists with the limited capacity of the Town Branch Drain. Council have in place a strategy to complete upgrade works, that will accommodate development of this area. At this stage, any development of the **Alabama Rd** land will require stormwater attenuation to limit the flows to the discharge point.



vii) Infill Sections Available

The Residential Section Availability Report identifies potential supply in Blenheim of 426 infill sections (including 226 in specific identified locations and another 400 in other areas) estimated to be available over the next 20 years, based on historic infill subdivision rates.

d) Seasonal Worker Accommodation in Blenheim

Blenheim has 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), casual workers from the region, or casual workers here on working holiday visas. It is difficult to track the exact numbers of seasonal workers.

Wine Marlborough has provided up to date estimates on the number of RSE allocations for the Marlborough wine industry, and the Marlborough Viticulture Labour Market Survey 2016 states the number of RSE workers employed as well as casual workers (which includes - but does not distinguish between - locals and international travellers). All data is for vineyard activity only - not winery activity.

In 2017 the wine industry were allocated approximately 2,240 Recognised Seasonal Employee (RSE) workers in winter months and 1,410 in summer.[5] 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 work.[6]

Total Vineyard Workface in Marlborough – Current and Projected Demand

	Current worker numbers 2015/16	Required worker numbers 2019/20	Increase in demand for workers 2015/16 to 2019/20	% Increase in workers required 2015/16 to 2019/20
Permanent Workers	1670	1859	189	+11.3%
Winter Casuals	1901	2275	374	+19.7%
Winter RSE	1669	2269	600	+36%
Summer Casuals	1976	2418	442	+22.4%
Summer RSE	889	1195	306	+34%
Harvest Casuals	220	288	68	+31%
Total Workers	8325	10304	1979	+24%

Note: As casuals are employed for short term seasonal work and the same person may be employed as a winter, summer and harvest casual; the same person may be countered in more than one category.

[5] Figures from Wine Marlborough.

[6] From the Marlborough Viticulture Labour Market Survey 2016, Druce Consulting.

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. The use of rental house accommodation for seasonal workers presumably puts pressure on rental supply in Blenheim for local residents, including for permanent workers and their families, however the data sets available for this report do not enable this analysis. This should be investigated further in the Housing and Business Development Capacity Assessment.

The current demand is for approximately 2240 RSE approved beds. The wine industry is estimating that total number of vineyard workers will increase by 24% by 2019/20, with a 35% increase in demand for RSE workers, requiring an additional 600 RSE approved beds, 442 beds for casuals and 189 houses for permanent workers.[7]

Accurate data on the supply of worker accommodation is difficult to obtain. The 2016 Labour Market Survey identified 771 RSE approved beds and 689 non-RSE approved rental house beds in the region (supplied by the contractors and vineyards interviewed in the survey which account for a large portion of the industry). There will be some additional accommodation facilities supplied by contractors not interviewed in the survey - both RSE approved and rental house beds. However, based on these figures this leaves a requirement of around 1469 RSE approved beds, or 780 including rental house beds. The survey notes the low level of freedom camping in Marlborough, compared with other regions with significant seasonal work such as Hawkes Bay, suggesting that casual workers are able to find accommodation here. However, the impact on the availability of rental accommodation is still significant. A recent survey undertaken by Wine Marlborough for the labour inspectorate identified 93 rental properties[8] used for RSE approved beds.

The following resource consents have been granted for RSE approved accommodation and provide a total of 920 beds in Blenheim and another 150 beds in Seddon. The consents approved post the 2016 survey account for 774 beds. Once this additional capacity becomes available it should 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.

Pre-2016	No. of People
U030838: 25 Fearon Street, Seddon (now Marldene Avenue)	16
U050244: 21 Seymour Street, Seddon	18
U071015: 1 & 3 Carkeek St, Seddon	40
U071227: 3043 SH1, St Andrews	200
U140641: Hammond Road, Renwick	22

Post 2016	No. of People
U161260: 3023 SH1, Riverlands, St Andrews	418
U170970: 36 & 36A Budge Street, Blenheim	240
U170631: 7 & 9 Marldene Avenue, Seddon	56
U170774: 21 Seymour Street, Seddon	28
U180066: 19 Goulter Street, Seddon	32

[7] From a presentation to the Marlborough Labour Summit 3 by Wine Marlborough.

[8] Properties where the labour employer is not the property owner, in residential areas.

Non-residential Development Trends

Council has very little specific data on non-residential development activity. We are investigating options for using existing tools and data to gain better insights into this area, and this will need to be expanded on in the Housing and Business Development Capacity Assessment being undertaken later in the year.

a) Building Consents Issued for New Commercial Buildings

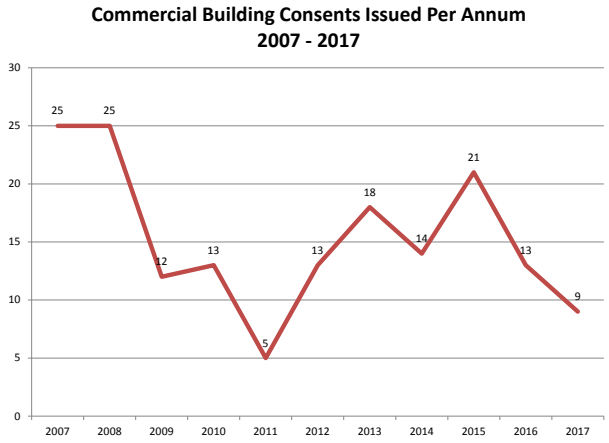


Fig 16: Commercial Building Consents Issued Per Annum in Blenheim 2007 - 2017

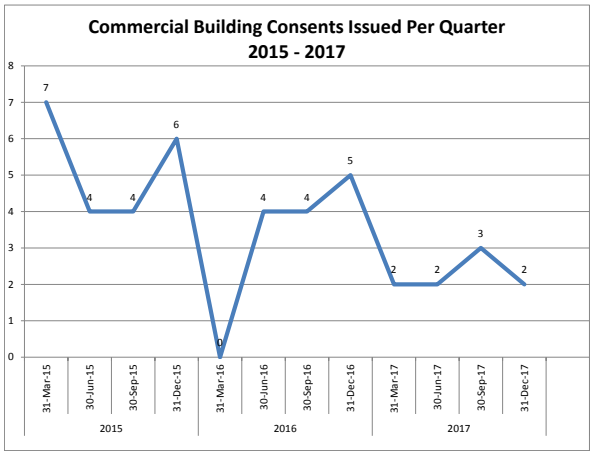


Fig 17: Commercial Building Consents Issued per Quarter in Blenheim 2015 - 2018

Commercial consents are for a combination of 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 with only nine commercial consents issued in 2017, two of which were in the last quarter. Among the nine consents issued in 2017, six were for new buildings, including a service station, winery processing building and other new workshops.

b) Resource Consents Issued for new non-residential subdivisions

Resource Consent information doesn't specify whether a consent is for commercial or residential subdivision. However, application details suggest that none of the consents issued in the last quarter of 2017 in the Blenheim urban area were for commercial subdivisions.

c) Unutilised Industrial Sites

Based on analysis of aerial photographs flown in 2018, there is 56.4 ha of unutilised industrial 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 Two.

d) Additional Supply of Industrial Land

There is additional land zoned for industrial purposes in the Marlborough Environment Plan north of Omaka Airfield and around Westwood (subject to decisions on submissions made to the plan).


Only Marlborough

APPENDIX ONE

PB6: To ensure that local authorities are well-informed about demand for housing and business development capacity, urban development activity and outcomes, local authorities shall monitor a range of indicators on a quarterly basis including:

a) Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time;

b) The number of resource consents and building consents granted for urban development relative to the growth in population; and

c) Indicators of housing affordability. Local authorities are encouraged to publish the results of their monitoring under policy PB6.

PB7: Local authorities shall use information provided by indicators of price efficiency in their land and development market, such as price differentials between zones, to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed.

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) 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) Demographic change using, as a starting point, the most recent Statistics New Zealand population projections;

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) 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. 13

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

Unutilised Industrial Land in Marlborough - Based on aerial photographs flown in 2018

Riverlands Industrial Estate and Cloudy Bay Industrial Estate			
Property number	**Legal description**	**Land Area**	**Related consents, permits, comments**
256304	Lot 2 DP 323372	2.67 Ha	
536000	Lot 3 DP 421549	.7928 Ha	
538225	Lot 2 DP 497524	.7292 Ha	
538224	Lot 1 DP 497524	1.2102 Ha	
255908	Lot 60 DP 10769	.6134 Ha	
255909	Lot 54 DP 10769	.3188 ha	
535640	Lot 1 DP 414053	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	13.1460 Ha	Vineyard
535632	Lot 5 DP 414053	7.3220 Ha	Was the golf driving range - now in vineyard
535632	Lot 2 DP 427791	12.3094 Ha	U130446 - to establish and operate a vineyard
536004	Lot 8 DP 421549	3.330 ha	
536004	Lot 1 DP 511773	.6257 Ha	
533130	Lot 5 DP 404704	.4464 Ha	
533128	Lot 3 DP 404704	.3878 Ha	U170908
533127	Lot 2 DP 404707	.1564 Ha	BC171029 Winery processing building
527860	Lot 8 DP 326320	.1933 Ha	Large portion of site not utilised
527859	Lot 7 DP 326320	.1379 ha	Aerial shows site may be used for storage of materials
532051	Lot 4 DP 388524	.1288 Ha	
532049	Lot 2 DP 388524	.1100 Ha	

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