

Monitoring Report 2021-2022

National Policy Statement Urban Development



National Policy Statement - Urban Development 2020

Annual Report, Blenheim Urban Area 2021/2022

Introduction

This is the first annual monitoring report since the Housing and Business Assessment (HBA) 2022 was released, this report provides an annual summary of housing and commercial development market indicators for the period from the 1st of July 2021 through to the 30th of June 2022. The purpose of these reports is to monitor urban development activity in Marlborough, with a particular focus on Blenheim as the region's largest urban centre.

About the National Policy Statement

The National Policy Statement on Urban Development 2020 (NPS-UD) sets out objectives and policies for urban development under the Resource Management Act 1991. Councils must give effect to these objectives and policies.

The NPS-UD is about ensuring New Zealand towns and cities have well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, while also ensuring the provision of sufficient development capacity to meet the different needs of people and communities, improving how our cities respond to growth to enable improved housing affordability and community wellbeing.

The Marlborough District Council is considered 'Tier 3' under the NPS-UD 2020. The Council is not required to complete the full 'monitoring requirements of a Tier 1 or 2 council, instead we are strongly encouraged to monitor development within our urban environments.

The Council monitors a range of indicators that contribute to urban development, including data on housing and commercial development market indicators, dwelling sales and rents, resource and building consent data. Several external information sources are also used, these are acknowledged in each reporting area. Two new additional indicators are being trialled for this reporting period (identified below).

Reporting Indicators

Indicators covered in this report include:

- Dwelling Sales and Rents comparison
- Building Consents Issued – Housing New
- Building Consents Issued – Commercial
- Resource Consents Issued – Subdivisions
- Housing Affordability Measure
- Ministry of Social Development – Social Housing Requirements
- Development Contributions – Household Equivalent Units (new)
- Greenfields spatial analysis (new)

Summary of Key Trends

Residential and commercial development indicators continue a general upward trend since the last reporting period. Mean dwelling sales value for the region increased on average \$83k for the period. In conjunction with this the mean weekly residential dwelling rent prices has also continued to increase, with an \$80 change in the period.

The number of approved consents for new residential dwellings for both Blenheim and the region in general has increased during the period, with the region wide number increasing by 31 to a high of 250 in the period, for Blenheim this was an increase of 40 to 143.

Meanwhile the approved commercial building consents for Blenheim was up by 1 from the period to 11 but overall, the commercial numbers for the region were down by 6 to a total of 16. The Ministry of Social Development - social housing applications, were down 3 applications compared to the previous period, from 255 to 252.

A summary table is provided below, Colour is used to indicate direction of trend since the previous reporting year (green positive movement, red downward trend).

Median Dwelling Sales Price (Marlborough): \$676k (\$83k increase since the last period)	Mean Dwelling Rent Price (Marlborough): \$464.75 (\$80 increase since the last period)
New Dwelling Consents Issued: 143 (Increase of 40 since last period)	New Subdivision Consents Issued: 63 (Increase of 6 since last period)
Commercial Consents Issued: 11 (Increase of 1 since last period)	Ministry of Social Development Applications **: 252 (Decrease of 3 since last period)

** This indicator reflects the number of applications received for social housing by the Ministry of Social Development. It does not represent the total number of individuals in need of housing, data source, Ministry of Social Development.

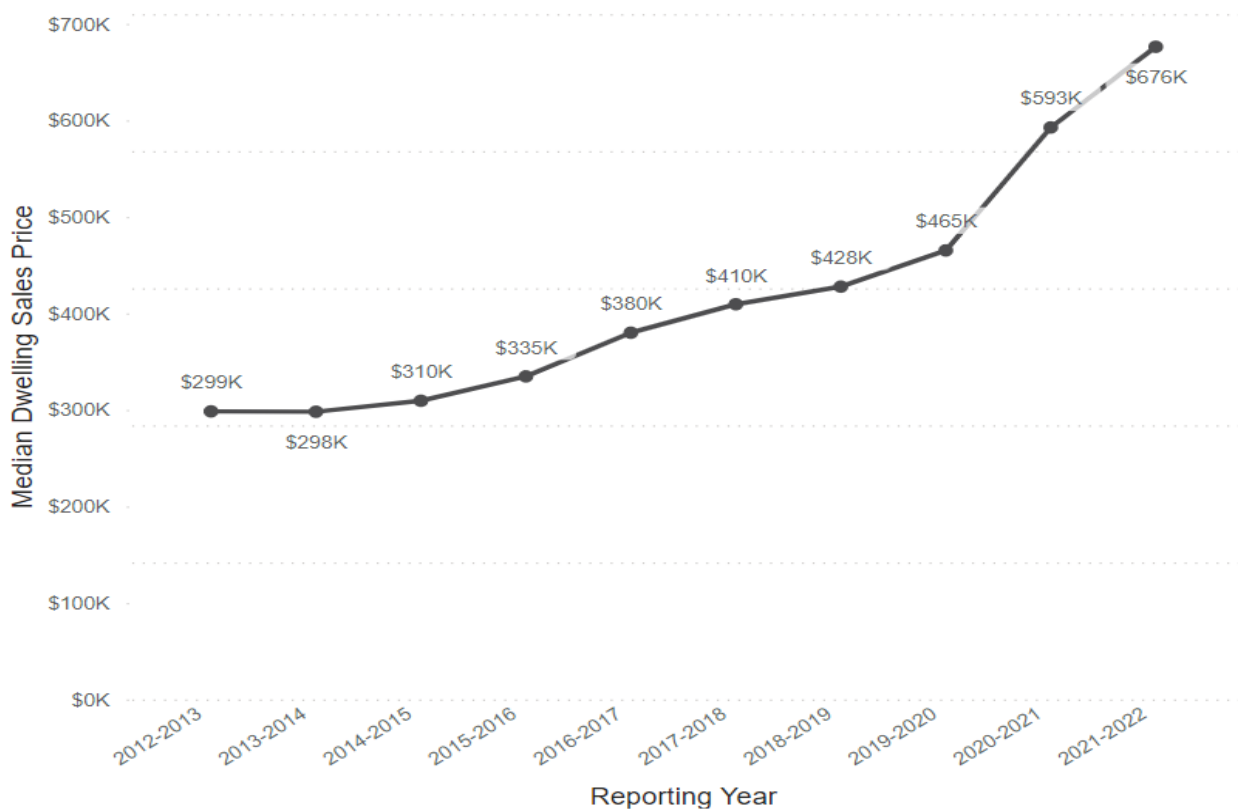
1. Dwelling Sales and Rents Comparison

Dwelling Sales Price

This indicator shows the nominal median prices for residential dwellings sold; this graph reviews the data over a ten-year period. Please note this median price series is not adjusted for size and quality of dwellings. Residential dwellings include houses, apartments, flats, and townhouses only, and 'sales' are those classified as 'market'. administrative lags between sales and data collection should be noted.

The median dwelling sales price continues its upward trend, with an \$83k increase from the last report.

Median Dwelling Sales Price



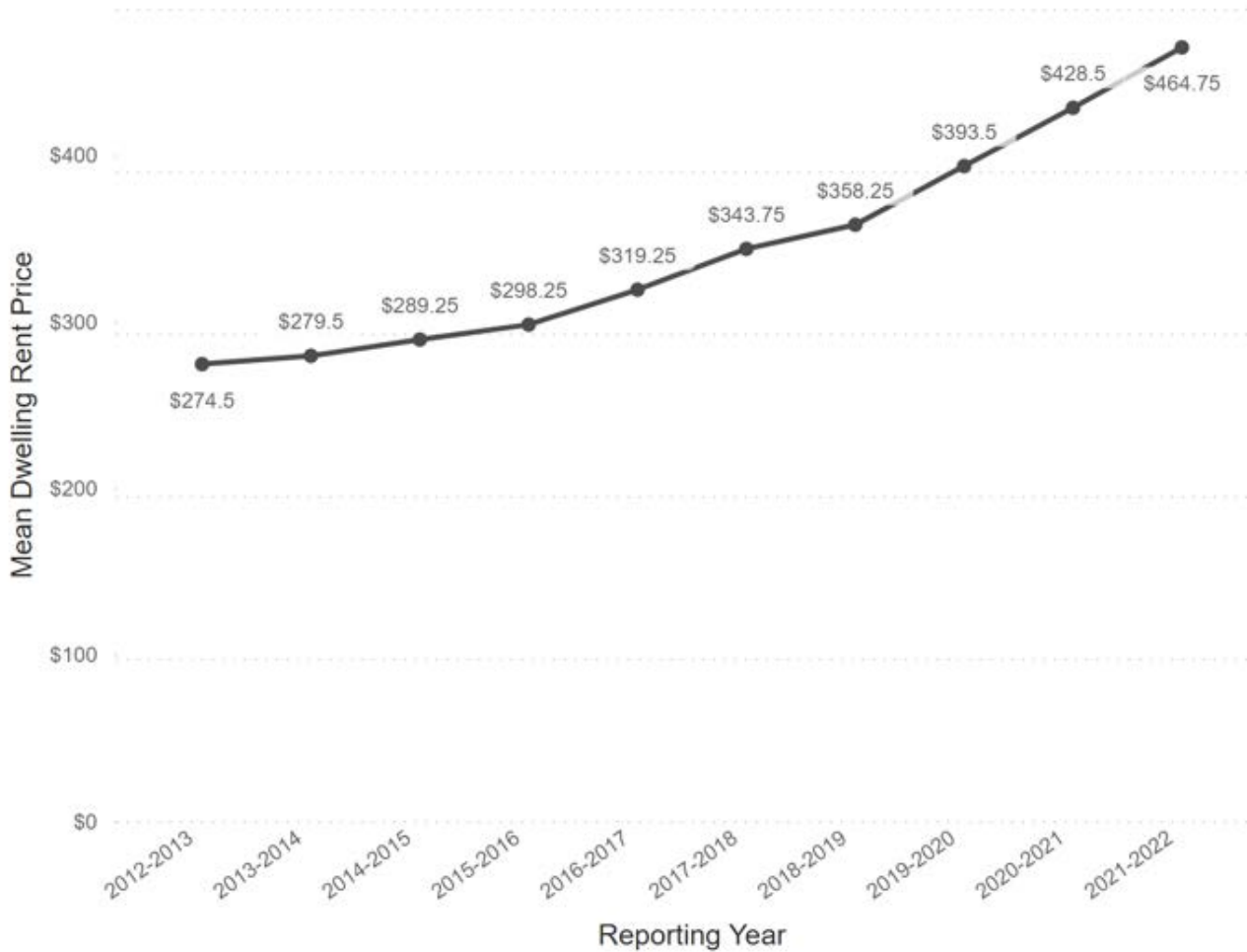
Data Source: Core Logic, no national trend data is available for comparison.

Dwelling Rent Price

This indicator reflects the nominal mean rents as reported in new private rental bonds of houses, apartments, and flats (not single rooms or boarding houses) that are lodged with “Tenancy Services”.

The reason for using this mean is that rents cluster around round numbers and tend to plateau for months at a time. This makes analysis of time series difficult and using the geometric mean is a way of removing this clustering effect.

Median Dwelling Sales Price

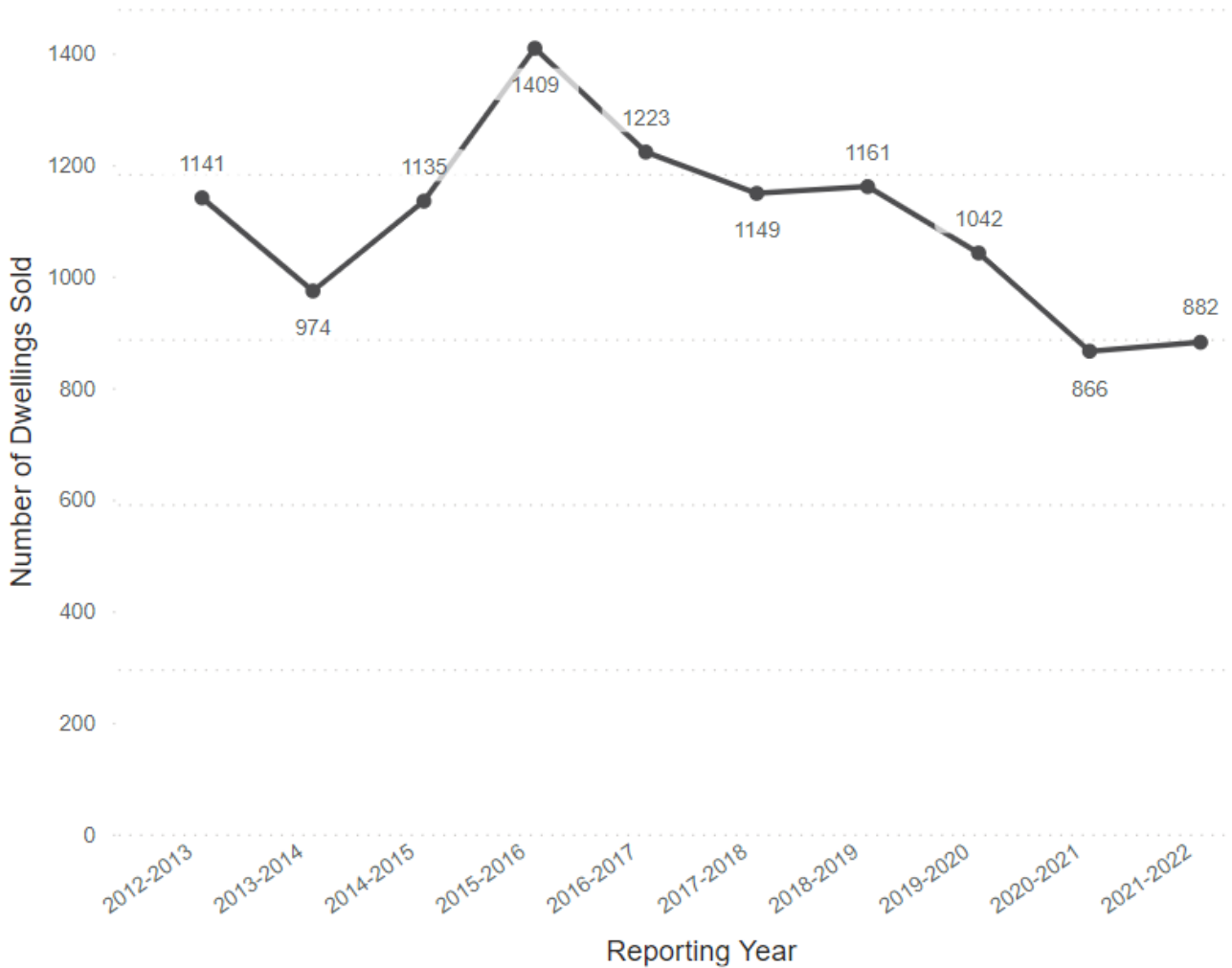


Data Source: Ministry of Housing and Urban Development – Tenancy Services. We do not compare our regional data against the national trend.

Total Dwellings Sold

This indicator represents the number of residential dwellings sold at a given time. The total of 882 sold for the year was slightly up by a count of 16 more than that of the previous reporting year (1.8% change when expressed as a percentage).

Number of Dwellings Sold.



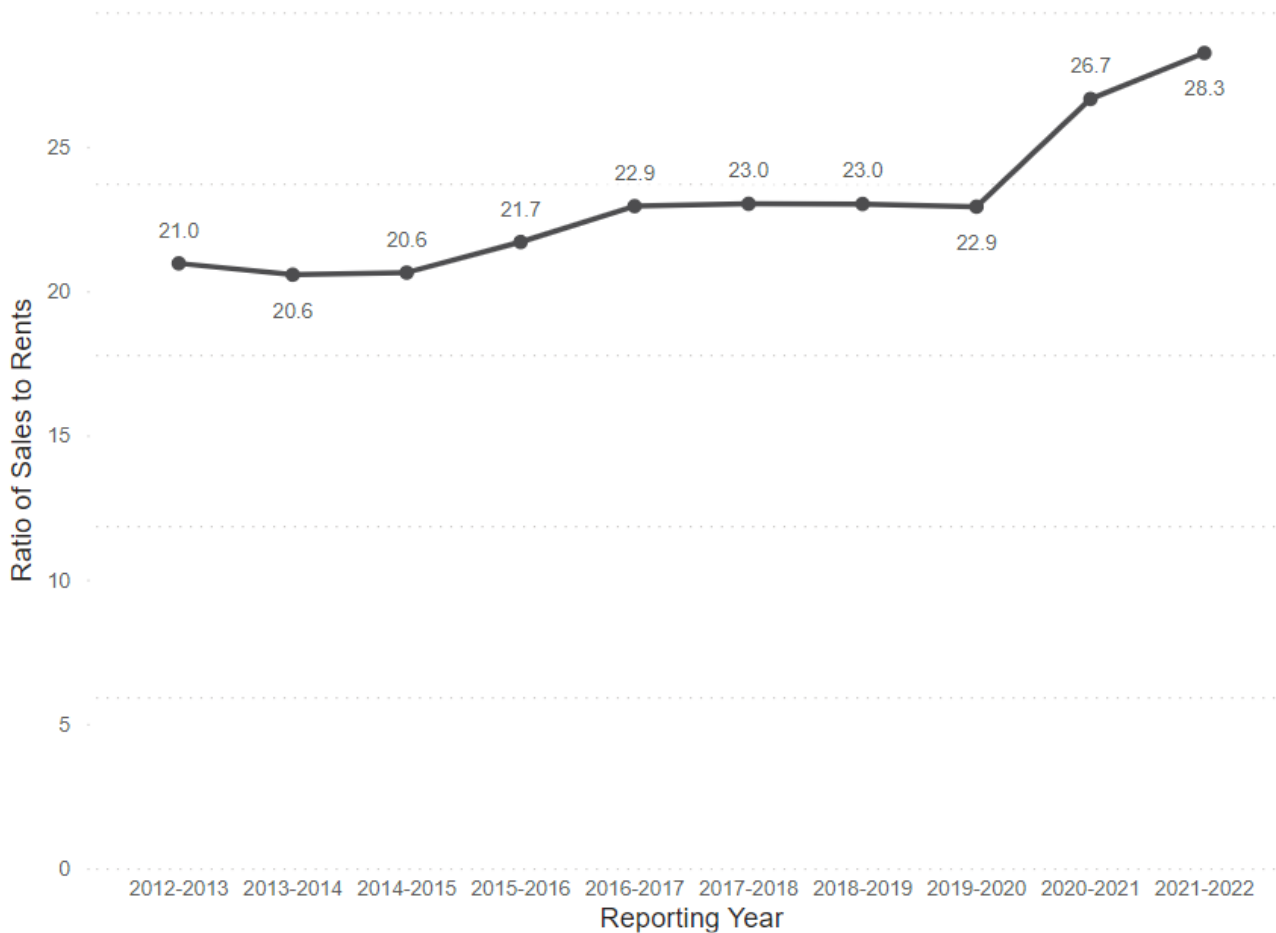
Data Source: Ministry of Housing and Urban Development. no national trend data is available or used for comparison purposes.

Dwelling Sales to Rent Ratio

This indicator is a ratio describing the relationship between the median market rent and the median sales price of residential properties, at a given time. It depicts how many years of 'Rent' would be required to meet the 'Sales' price.

The graph represents data from across the last ten years, with a continual increase, particularly in the last reporting period where the data has lifted to 28.3 years to meet the sales price.

Ratio of Dwelling Sales Price to Rents by Reporting Year -

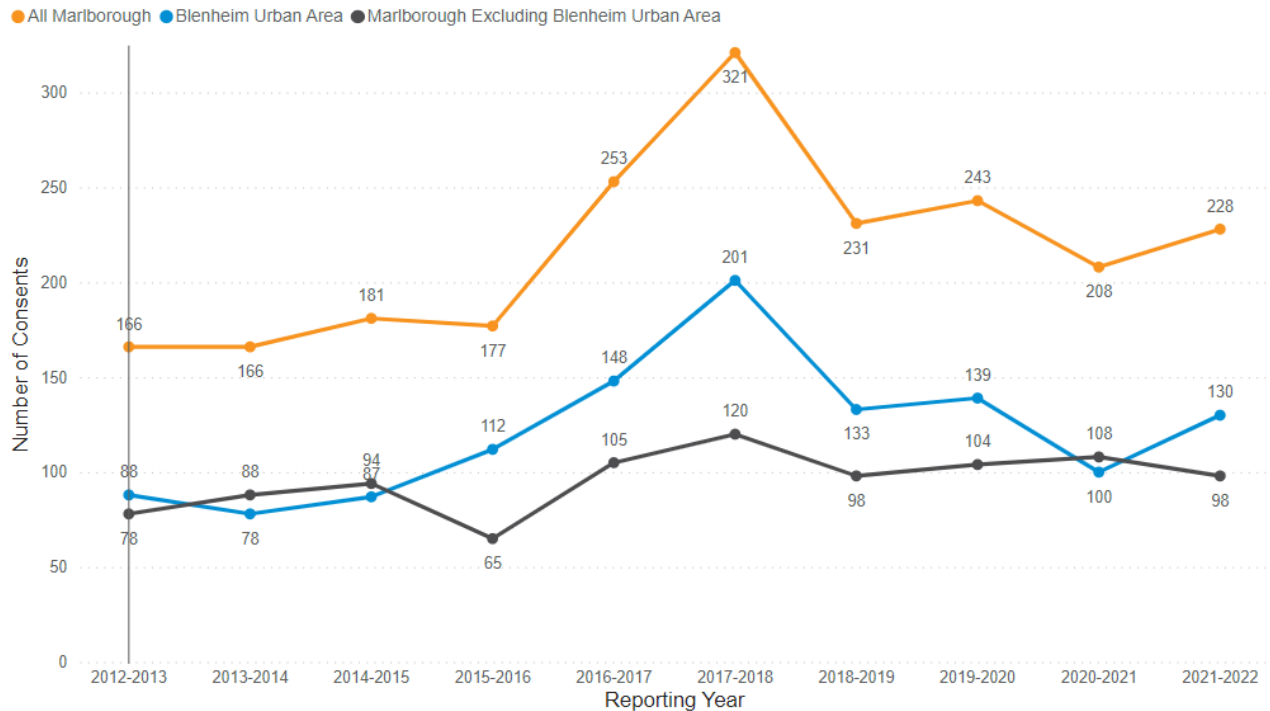


Data Source: Ministry of Housing and Urban Development. no national trend data is available or used for comparison.

2. Building Consents Issued

Residential Dwellings – Year

The following indicator graph represents ten years of data, with the number of residential building consents (new dwellings) issued by Council increasing for 2021 by 20 additional dwelling, a slight increase on the previous period. The orange line represents the 'all of Marlborough' data, Blue for the 'Blenheim' area extent.

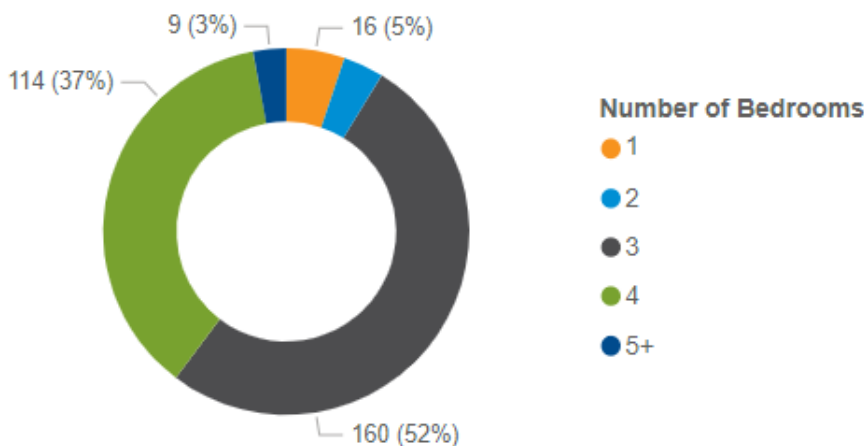


Data Source: Marlborough District Council. *no national trend data is available or used for comparison.*

With the building consent data available to Council, it is possible to drill deeper into the building consent information and statistics to look at the 'Number of Bedrooms' being created or contained by each new dwelling being created.

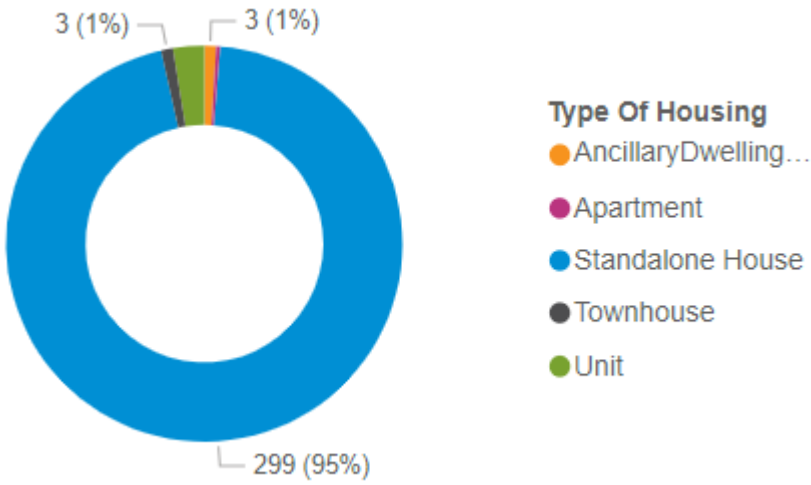
52% of all new dwellings are being created with 3 bedrooms, with the next highest category 37% having 4 bedrooms. Similar pattern to previous reports.

Number of Bedrooms being created.



From the same information source, we can also determine a pattern or preference for the 'type of dwelling' being created, with a heavy 95% proportion of 'standalone' houses currently being created across the data.

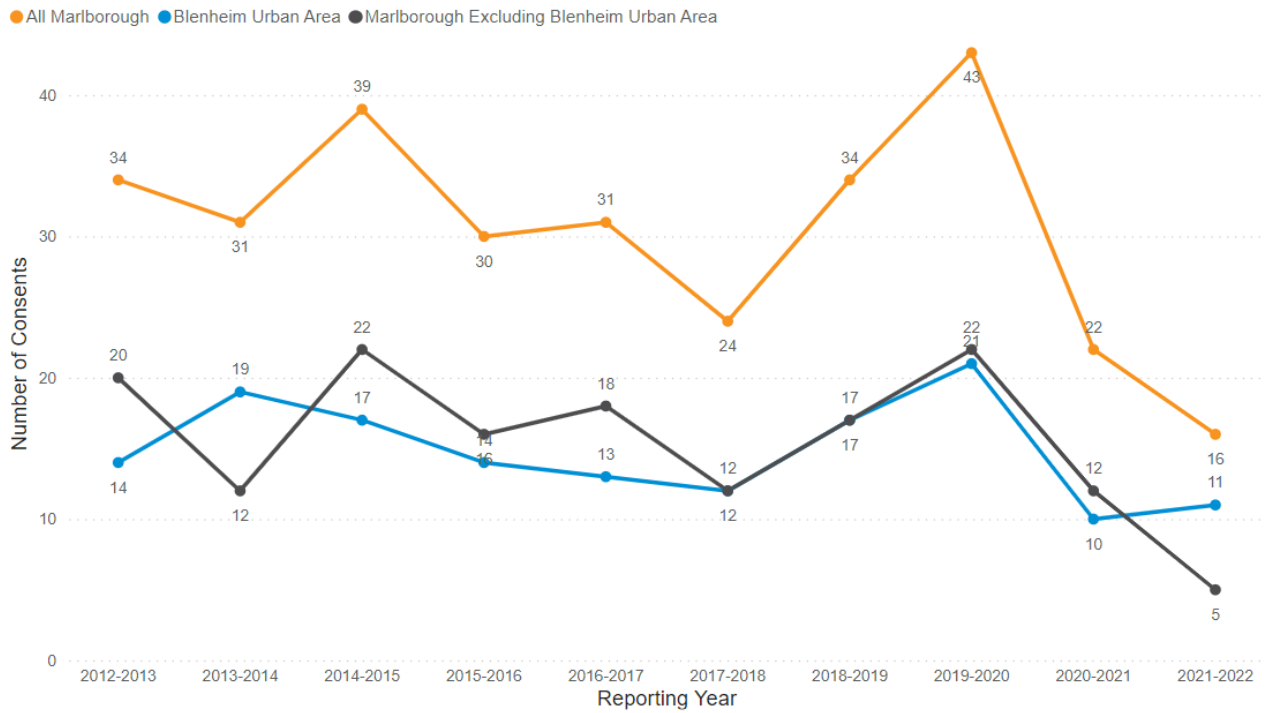
Pattern of Dwelling being created.



Data Source: Marlborough District Council

Building Consents Issued – Commercial

This indicator reflects the number of building consents that Council has issued for new commercial buildings for the reporting period, the region wide numbers have tracked down slightly from 22 to 16, for Blenheim urban area the number has risen by 1 to 11, up one from the previous annual period.

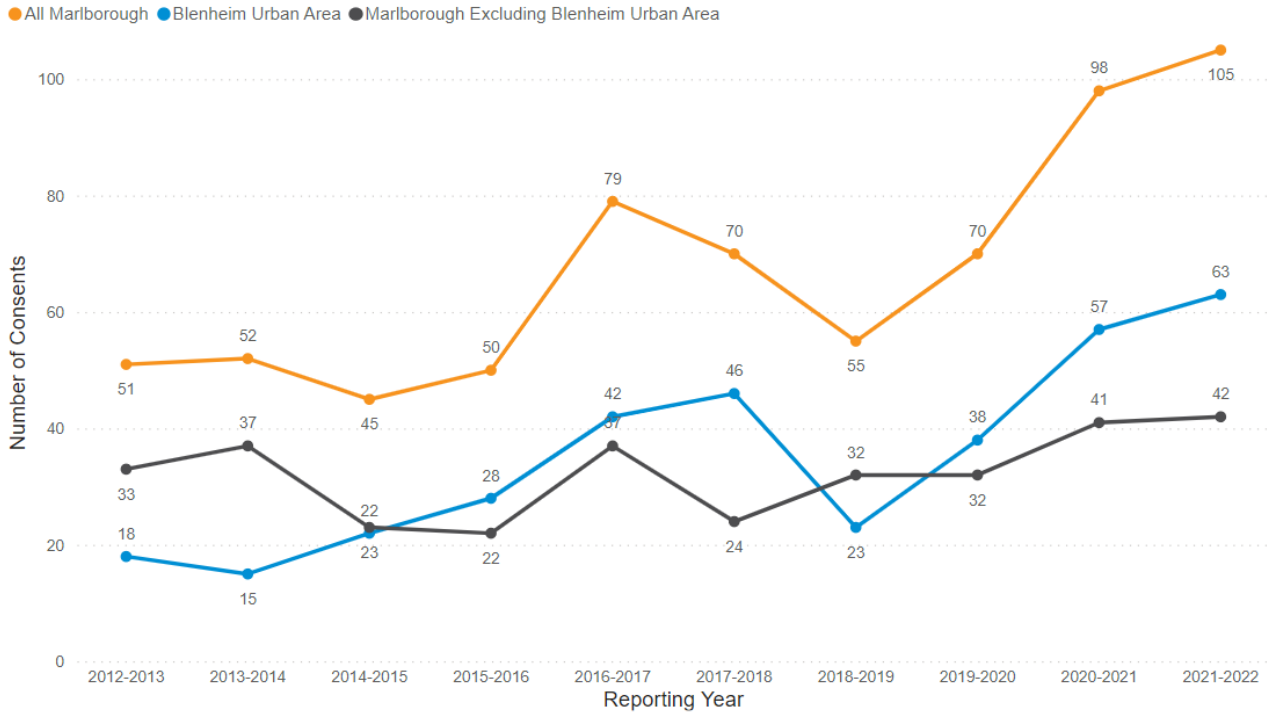


Data Source: Marlborough District Council

3. Resource Consents Issued – Subdivisions

This indicator reflects the number of resource consent applications approved by Council for new residential and commercial subdivisions, with a total of 105 for the region, compared to 63 for Blenheim, this is up 6 on the previous report.

The report writer acknowledges that this does not represent the number of new lots created through this process, just the number of applications approved.

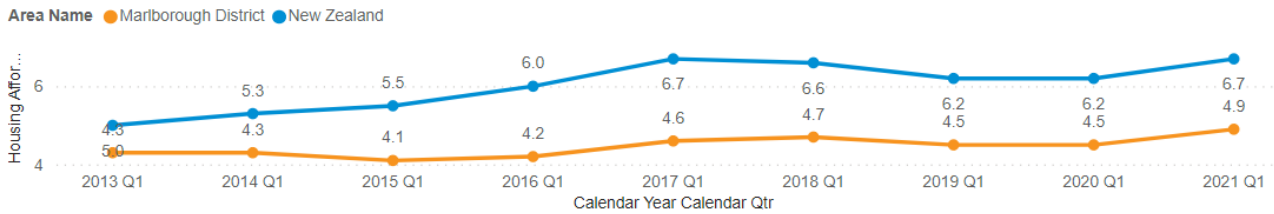


Data Source: Marlborough District Council.

4. Housing Affordability Measure (HAM)

This data represents the ratio of the average current house value to average household income in Marlborough. A higher ratio would suggest that median houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

In the Marlborough setting we remain largely unchanged in our housing affordability index ratio, with an index score of 4.9 below the 6.7 for New Zealand.

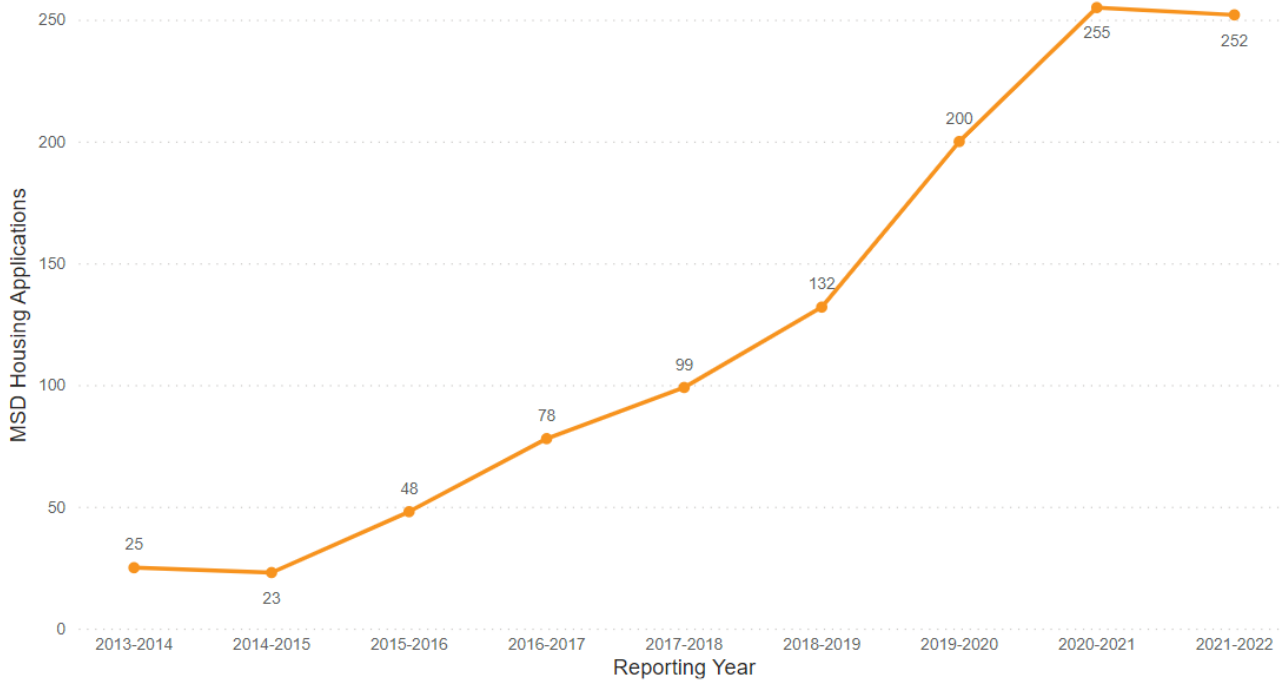


Data Source: Infometrics, data is in this category compared to that for the remainder of New Zealand.

5. Ministry of Social Development – Social Housing Requirements

This externally provided indicator reflects the number of applications received for social housing in the Marlborough region, 252. This indicator does not represent the total number of individuals in need of social housing, just the number of applications for this service.

This is a dip of 3 since the last period in 2020 – 2021, with the graph showing the overall trend since 2013-2014.



Data Source: Ministry for Social Development. no national trend data is available or used for comparison.

6. New Urban Development Indicators for Marlborough.

Development Contributions – Household Equivalent Units.

Marlborough District is a growing region and expects continued growth in the foreseeable future. Although this is often hailed as positive for the community, growth also presents several challenges. Not the least is Council's task of expanding infrastructure networks to support the increased use of essential services. The cost of expanding these networks is often high, and the issue of funding inevitably arises.

Funding the expansion of these core networks entirely from general rates (or other indirect means) is inequitable because existing ratepayers may neither cause these works to occur, nor materially benefit from them. As a result, alternative means for funding these capital works must be considered.

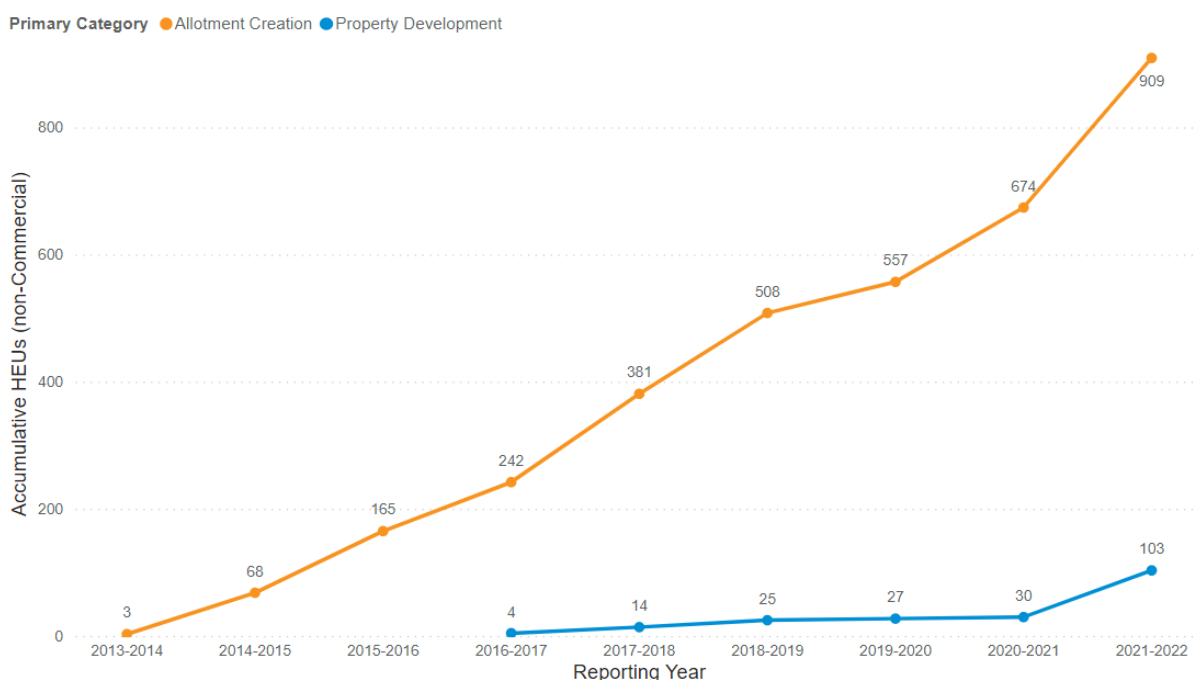
Development Contributions is one such source. Council considers the use of the Development Contributions mechanism under the Local Government Act 2002 will provide a far more equitable means of recovering the cost of growth as compared to charging the entire cost of growth to ratepayers.

This is a new indicator graph Council is trialling to represent information associated with the assessment of development contributions (DCs), with this indicator development contributions are assessed and compared to a standard Household Equivalent Unit (HEU) for each application, please note these are cumulative figures, calculated as follows.

- One additional 'Lot' = One HEU (Allotment Creation) **ORANGE**
- One additional 'Dwelling' = One HEU (property development). **BLUE**
- RSE accommodation is included as an equivalent HEU using wastewater demand.
- The Wastewater HEUs have been used to assess the numbers.
- The community facilities HEUs have been used to remove commercial activity not associated with residential type occupation.

Development contributions are typically recorded in the Council's system as completed immediately prior to RMA Section 224 Certification of Completion is acquired for subdivision consent, and Code Compliance Certificate issued for building consents. The graph therefore represents a timeline where new buildings are about to start. It must be acknowledged that a 'lag time' exists in completing all necessary physical works on a site before the Section 224 is issued, in this case a lag appears between the allotment creation (**orange**), and urban development-property development (**blue**) lines on the graph.

Since 2013-14, 909 lots of been created for residential development.



Data Source: Marlborough District Council, *Section 224 (RMA) is final certification from Council that all conditions of the subdivision consent have been complied with.

Urban Residential Development - Greenfields Uptake

Council has developed a spatial mapping indicator to track the 'uptake' of residential development. This is through the identification of land that has been identified (zoned) for residential development, and which then subsequently through resource and building consent processes becomes developed, reducing the overall total of 'available' zoned land.

The spatial analysis identified an overall greenfield urban development 'land bank' total of **191 ha**. The spatial mapping considers the total available 'land bank' as residentially zoned land from the decision date for the Marlborough Environment Plan (MEP) 9/06/2020.

Since the MEP decision version was released a total of **37 ha** of land has been developed from within the 'greenfield' bank, with a remaining **154 ha** of 'greenfield' banked land left available for further residential development.

If Council takes the assessment criteria from the 2022 HBA Council can estimate the total housing capacity that could be created from the remaining 150ha of greenfield zoned land. The HBA assumed an average density of 12 dwellings per hectare, Blenheim then has the capacity for approximately **1,848** dwellings within the currently provided greenfield zoned land. **See Appendix 1.**

Recent Development Activity

'Wait-Iti', Alabama Road

The resource consent subdivision for Wai-Iti (U200158) has created 132 residential allotments in 5 discrete stages. The allotment creation is complete, with building consent applications now being lodged and dwellings created across the development.

Summerset Villages (Blenheim)

The development of a comprehensive care 'Retirement Village' at 183 Middle Renwick Road (U201097), aiming to create a total of 224 residential units and 43 care beds (rest home and hospital beds). Construction is underway on this integrated development. For analysis purposes this site is classified as residential.

46 & 48 Hospital Road – Wairau Housing Development

The aim of this site is to provide a medium density, mixed tenure development that incorporates affordable housing methodologies, such as build-to-rent, that meets a wider range of affordable community and iwi housing needs.

The proposal is 'lodged and in progress' with the Environmental Protection Authority (EPA) as a fast-track development. The current description for the application is to subdivide the site into approximately 105 allotments, for the spatial analysis this is recorded as in an undeveloped state.

Appendix 1. Greenfields Spatial Analysis

