



National Policy Statement on Urban Development Capacity

QUARTERLY REPORT APR - JUN 2018



National Policy Statement on Urban Development Capacity

Quarterly Monitoring Report

April 2018

Introduction

The purpose of this reporting is to enable council to monitor urban development activity in Marlborough and use the information to inform its three-yearly Housing and Business Development Capacity Assessments (HABA) and future planning decisions. It is a requirement of the National Policy Statement on Urban Development Capacity (NPS).

This report provides updates on housing and commercial development market indicators for the quarter 1 April 2018 to 30 June 2018. As there have been no updates to annual measures or to previously reported price efficiency indicators, they have been excluded from this report. Previous quarterly reports can be located on the Council's website at: <https://www.marlborough.govt.nz/your-council/resource-management-policy-and-plans/national-policy-statements/national-policy-statement-on-urban-development-capacity>

The Ministry for Business, Innovation and Employment (MBIE) have released a new price efficiency indicator this quarter which measures the concentration of land ownership in the reporting area. Unfortunately this indicator is not particularly useful for measuring land ownership concentration in the Blenheim area due to the way it is calculated. The indicator and method are discussed in section four of the report.

Contents of this report:

1. Summary of Key Trends
2. Residential Development Trends
3. Non-Residential Development Trends
4. Price Efficiency Indicators - Land Concentration Control

Appendices:

1. Geographic boundaries used;
2. Demographic trends for Marlborough;
3. Technical guide to the indicators; and
4. The relevant NPS policies

1. Summary of Key Trends

House Prices and Rents

Both house prices and rents increased in Marlborough in the quarter to June 2018. Rents in the Marlborough District increased at a greater rate than house prices. This has resulted in a decrease in the ratio of sale prices to rents (which measures the ease of moving from renting to owning a first home).

Demand and Supply for Residential

There has been no update from Statistics New Zealand on population estimates (next update due October/November 2018). Council approved 40 building consents for new dwellings and 20 resource consents for new subdivisions in the second quarter of 2018, including 11 allotments for Housing New Zealand and 11 for the Nelson/Marlborough District Health Board.

Demand and Supply for Non-Residential

Two commercial building consents were approved in the quarter, and no resource consents were granted for new commercial or industrial subdivisions.

Seasonal Worker Accommodation in Blenheim

No new resource consent applications for seasonal worker accommodation were approved in the quarter to March 2018. There have been delays on the ALAPA development of Recognised Seasonal Employee (RSE) purpose built accommodation on Budge Street which is now estimated to be completed by November 2019.

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. There is still a shortfall in the number of RSE purpose built beds which is being met in part by domestic rental properties.

2. Residential Development Trends

House Prices and Rents

i) Dwelling Sale Prices

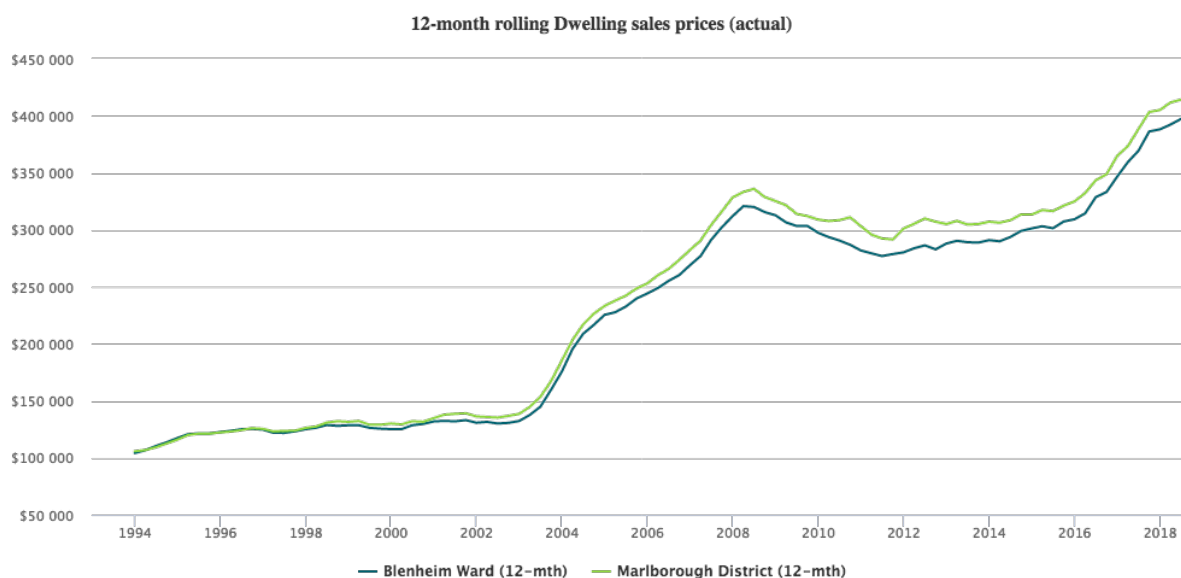


Fig. 1 Dwelling Sales Prices

Median Dwelling Sale Prices (12 Month Rolling Average)

Reporting Area	Quarter 2 2018	Quarter 1 2018	% change
Blenheim Ward	\$397,375	\$391,250	+1.6%
Marlborough District	\$414,288	\$410,570	+0.9%

ii) Dwelling Rents

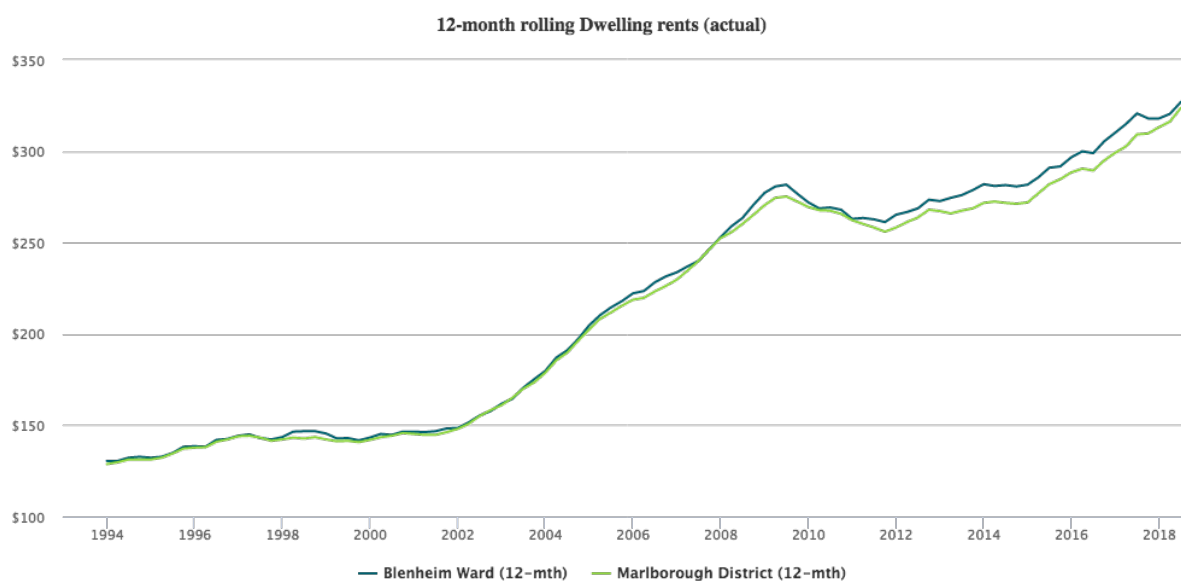


Fig. 2 Dwelling Rents

Dwelling Rents (Geometric Mean, 12 Month Rolling Average)

Reporting Area	Quarter 2 2018	Quarter 1 2018	% change
Blenheim Ward	327	321	+1.9%
Marlborough District	324	316	+2.5%

iii) 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 slightly in the last quarter, reflecting a higher percentage increase in rents than in dwelling sale prices in Marlborough.

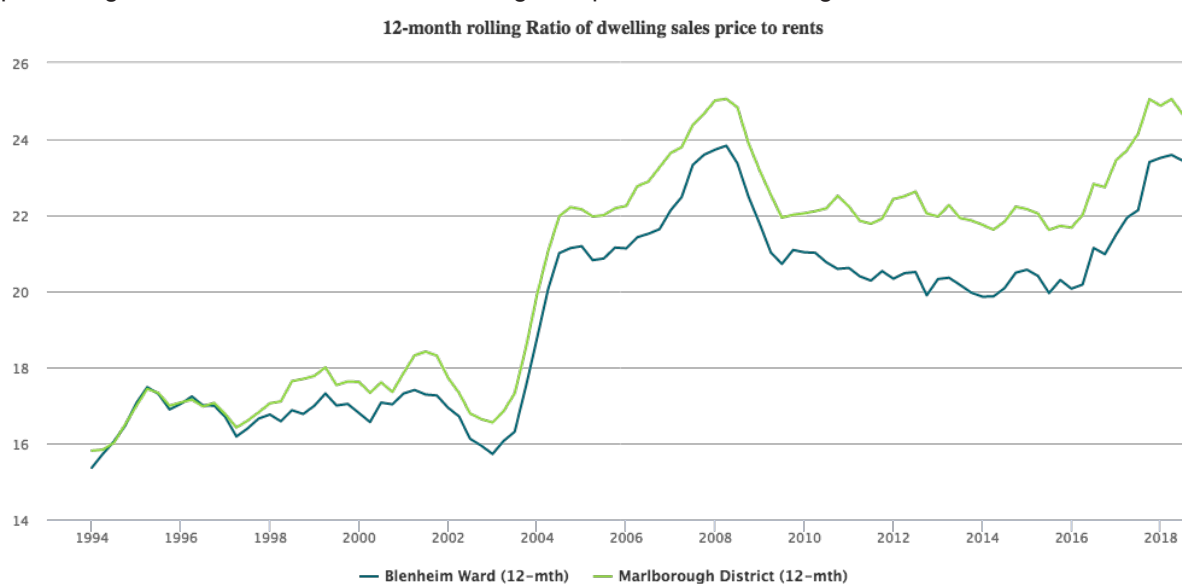


Fig. 3 Ratio of dwelling sales price to rents

Ratio of Dwelling Sale Prices to Rents (Rolling Average)

Reporting Area	Quarter 2 2018	Quarter 1 2018	% change
Blenheim Ward	23.433	23.516	-0.4%
Marlborough District	24.653	24.988	-1.3%

Affordability

i) HAM Version 1.2 Results

There have been no updates to the HAM Buy or HAM rent indicators of affordability this quarter.

Share of households with below average income after housing costs

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

ii) Change in Dwelling Sales Prices Over Time

Overall, house prices in Marlborough are approximately 3.687 times greater now than they were in 1993 using the SPAR index. This is a slight increase on the last quarter result of 3.646. The graphs below give comparisons with the 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 (but hasn't experienced the slowing of sale prices in recent quarters). The Hastings region also has a high level of horticultural production and seasonal work.

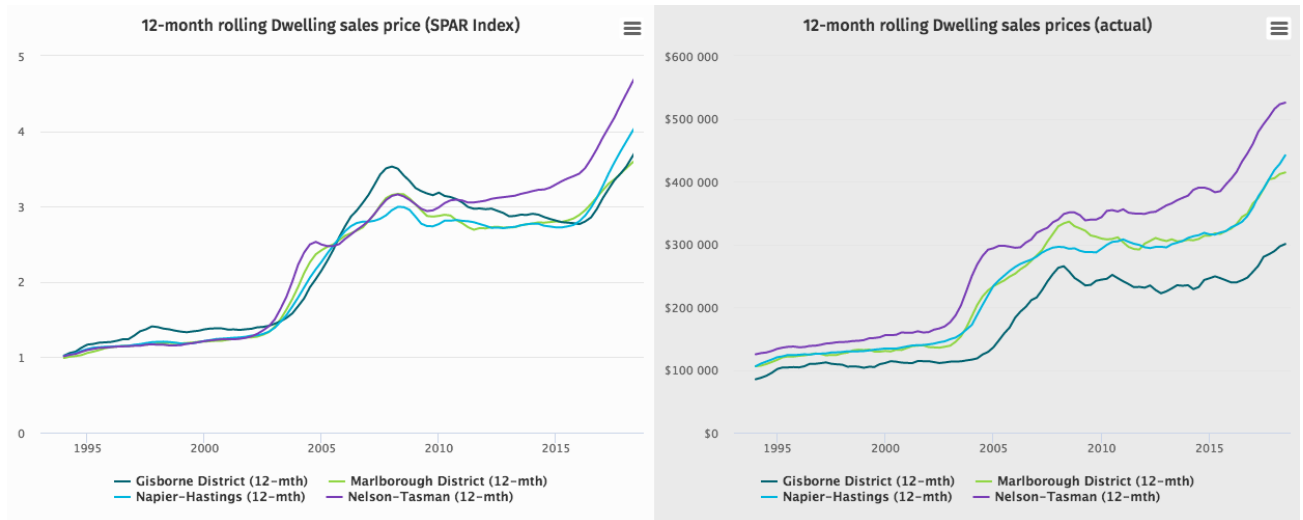


Fig 4. Change in Dwelling Sales Prices from 1993 and Actual Sales Prices (benchmarking with other areas).

Demand and Supply

i) Dwelling Stock

Dwelling stock is steadily increasing, particularly in the Marlborough District. It has almost doubled since 1994. The graph in Fig 8.12 and the table below show results for a 12-month rolling average. Growth in the June quarter has not been as high as that of previous quarters, hence the average reported below is higher than actual results for the quarter.

In real terms, dwelling stock has increased by 5 in the Blenheim Ward and 10 in the Marlborough District between March and June 2018. Note that new dwellings in the Boulevard Park on Taylor, Omaka Landing and North West Growth Areas are included in the Marlborough District figures (but not the Blenheim Ward figures).

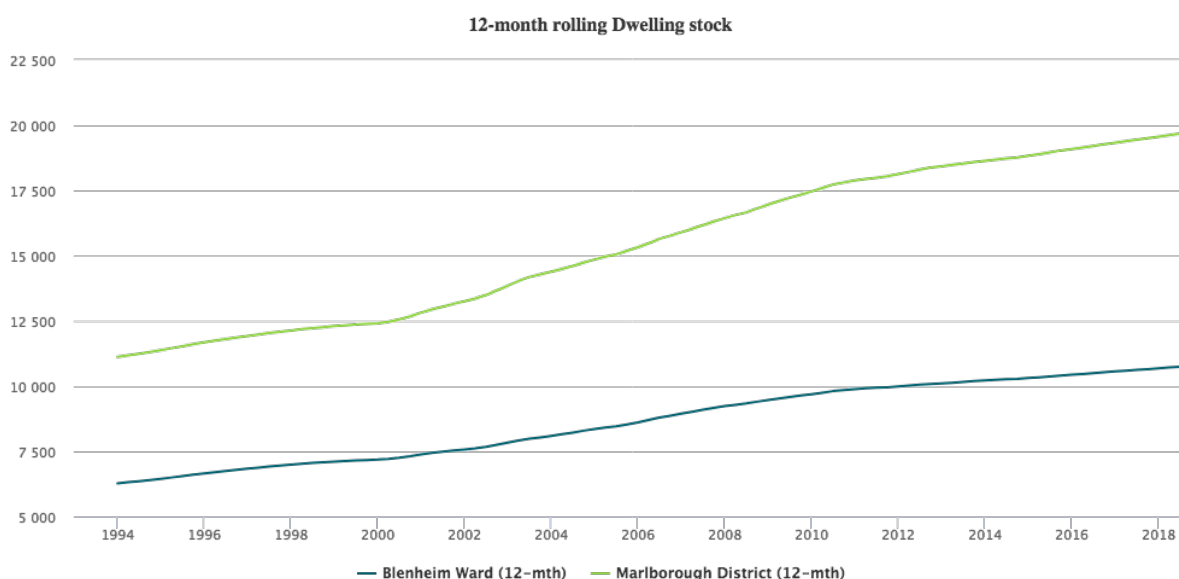


Fig. 5 12 Month Rolling Dwelling Stock

Dwelling Stock (12 month rolling average)

	June 2018	March 2018	No. of new dwellings from previous quarter
Blenheim Ward	10,738	10,714	24
Marlborough	19,673	19,622	51

ii) Consents vs Household Growth

Household growth figures have not been updated by Statistics New Zealand since the previous quarterly report, but the number of consents issued for new dwellings (lagged by six months to account for completion time) has increased by 32 between March and May to 311 and is showing an overall increasing trend.

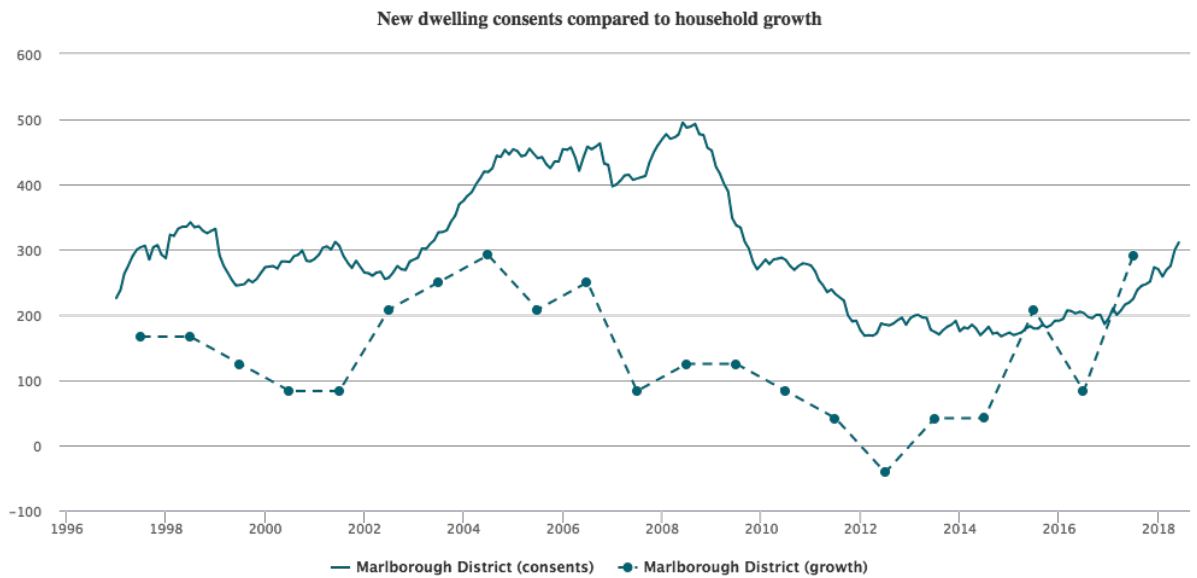


Fig. 6 New dwelling consents compared with household growth

Number of new dwelling consents

	May 2018	March 2018	Change from March
Marlborough District	311	269	+32

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.

i) Building Consents Issued for New Residential Dwellings

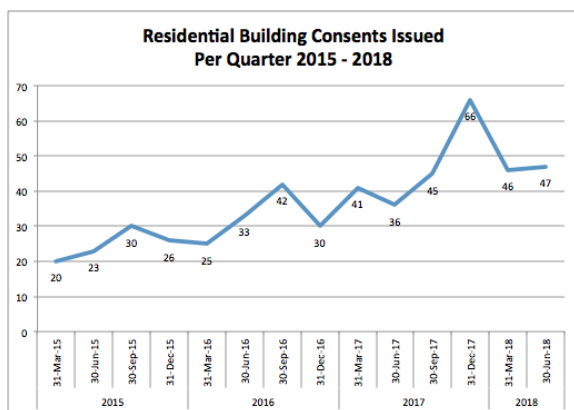


Fig. 7 Building Consents Issued for New Residential Units in Blenheim Per Quarter 2015 - 2018

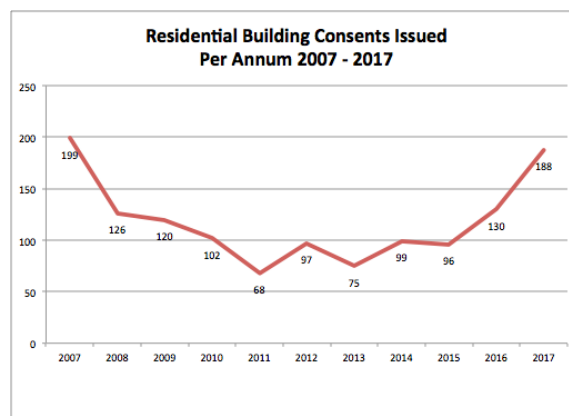


Fig. 8 Building Consents Issued for New Residential Units in Blenheim Per Annum 2007 - 2017

Council issued 47 building consents for new residential dwellings in the quarter to March 2018. 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 map in Fig. 9 below shows the location of building consents issued for new residential dwellings both for Quarter 2 2018 and for the past ten years.

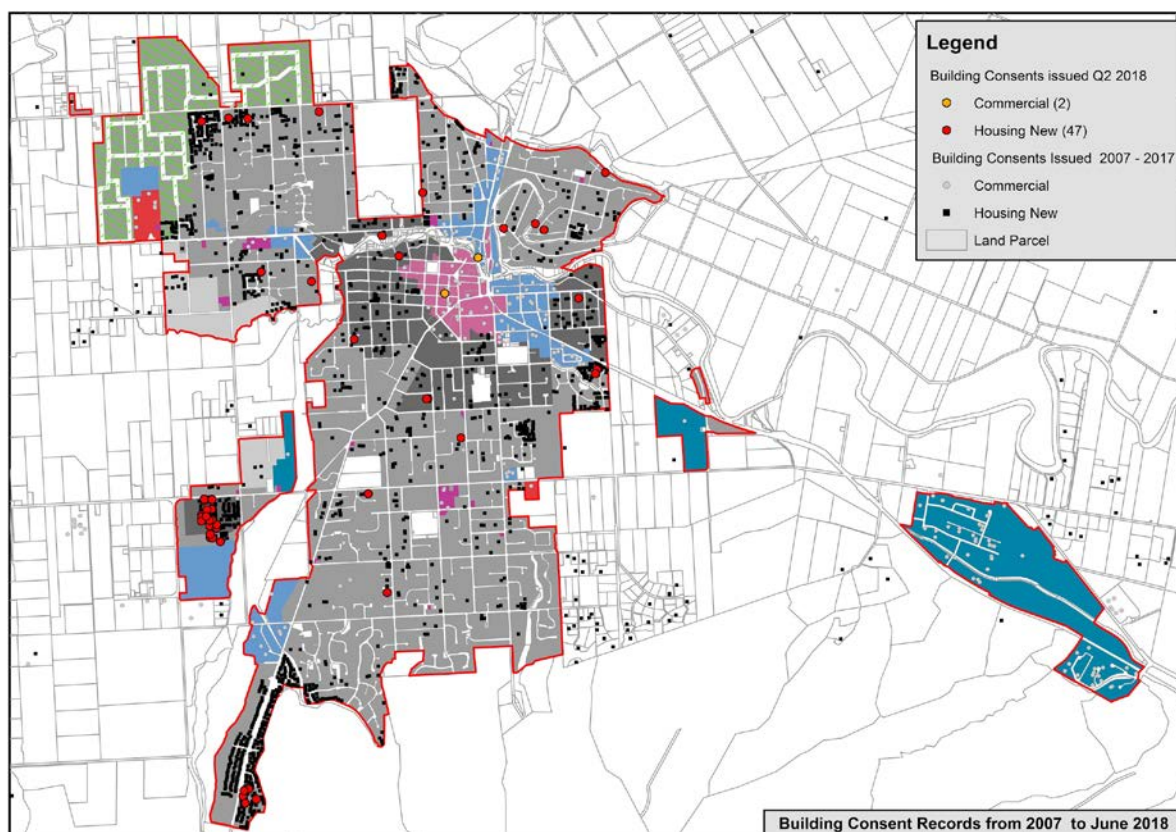


Fig. 9 Building Consents Issued for New Residential Dwellings - Q2 2018 and from 2007 to 2018

ii) 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.

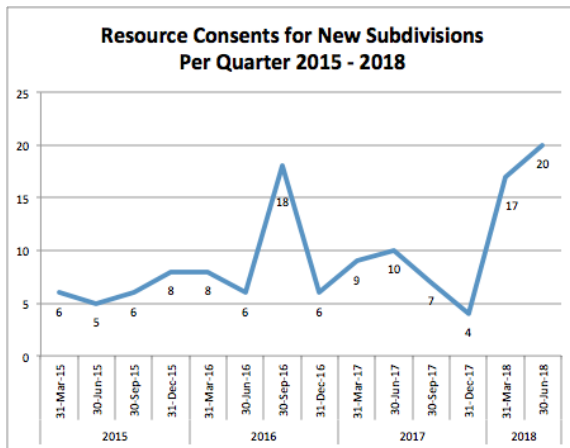


Fig. 10 Resource Consents for New Subdivisions in Blenheim Per Quarter 2015 - 2018

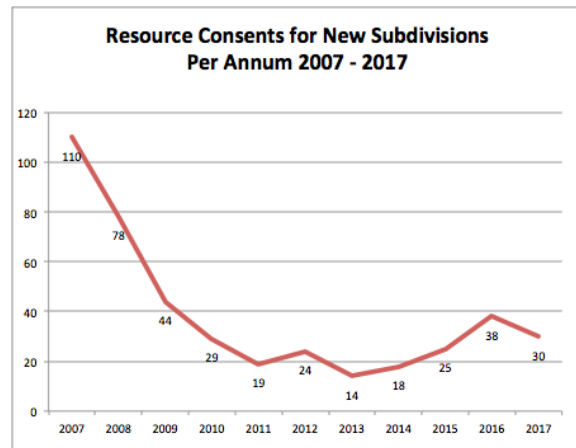


Fig. 11 Resource Consents granted for New Subdivisions in Blenheim Per Annum 2007 - 2017

Council approved 20 resource consents for new subdivisions in the second quarter of 2018, continuing the increasing trend. Note that the number of consents granted does not reflect the actual number of lots created (one consent may result in multiple lots). These 20 consents were for the creation of 118 allotments, 83 of which supersede three earlier consents for staged development at Omaka landing. Resource consents were granted for the development of 11 allotments for Housing New Zealand and 11 for the Nelson/Marlborough District Health Board.

The map in Figure 12 shows the location of resource consents approved for new subdivisions in Quarter 2 2018 and for the past ten years.

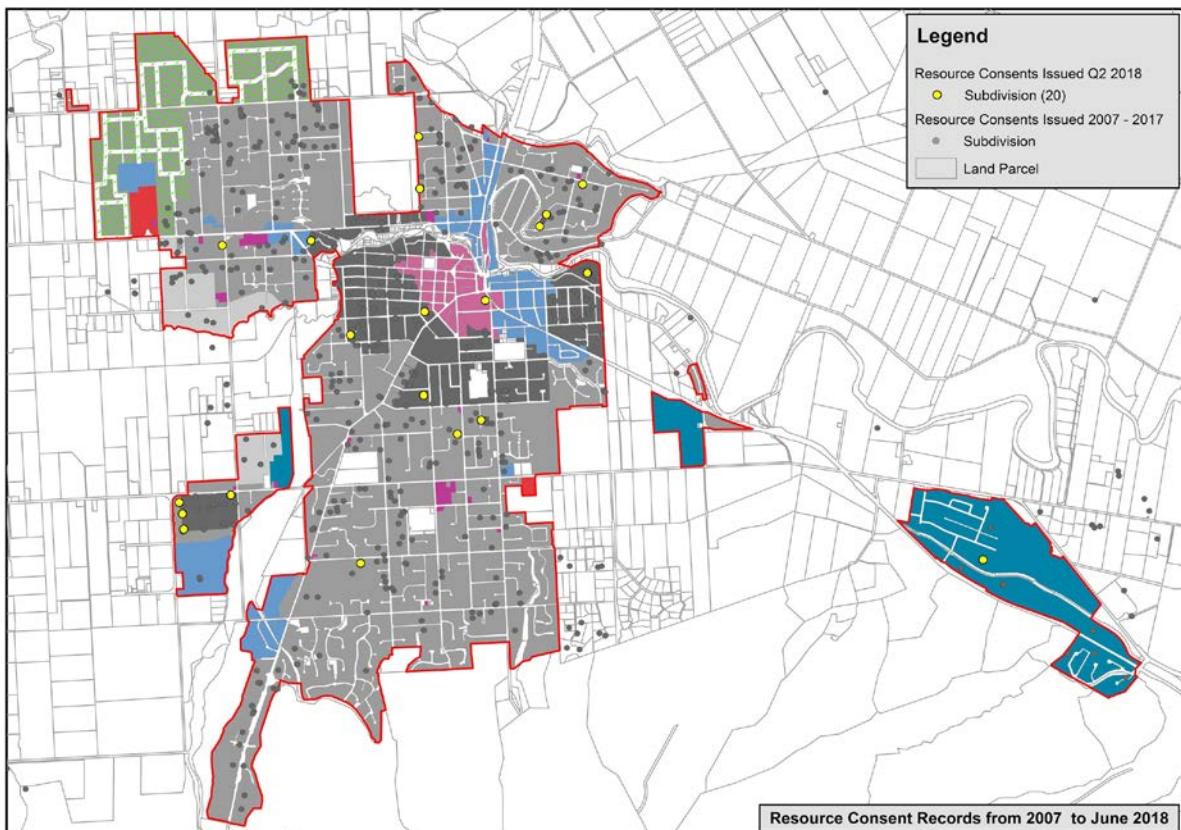


Fig. 12 Resource Consents Issued Q1 2018 and from 2007 to 2018

iii) Seasonal Worker Accommodation in Blenheim

No new resource consent applications for seasonal worker accommodation were approved in the quarter to April 2018.

The ALAPA development of RSE purpose built accommodation on Budge Street reports delays due to additional engineering work required along the northern bank of the Ōpaoa River, and a shortage of construction labour. It is now estimated to be completed by November 2019.

The 2016 Viticulture Labour Market Survey estimated that in order to service the extra hectares of vineyard planned to be planted between 2016 and 2020, Marlborough alone would require an additional 600 RSE workers (as well as additional temporary seasonal workers). In 2017 the government increased the national cap on RSE visas by 600 (taking the number of visas to 11,100) for the 2017/18 season, however only 80 of the additional visas were granted to Marlborough. This has meant there has been a labour shortage, and the anticipated increase in additional RSE workers and associated demand for beds has not been as large as expected to date. There is still, however, a shortage of RSE approved beds, meaning domestic rental properties are used for a significant portion of RSE accommodation.

3. Non-residential Development Trends

i) Building Consents Issued for Commercial Buildings

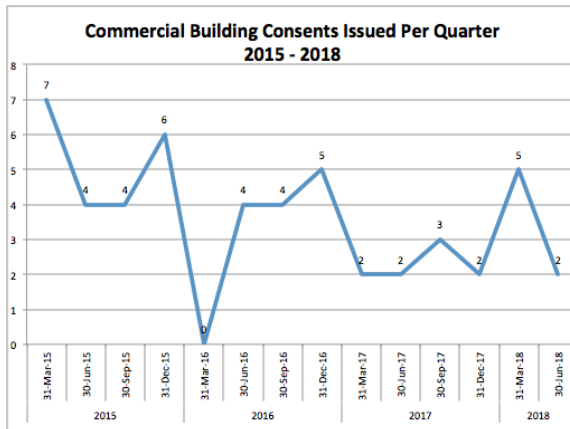


Fig. 13 Commercial Building Consents Issued per Quarter in Blenheim 2015 - 2018

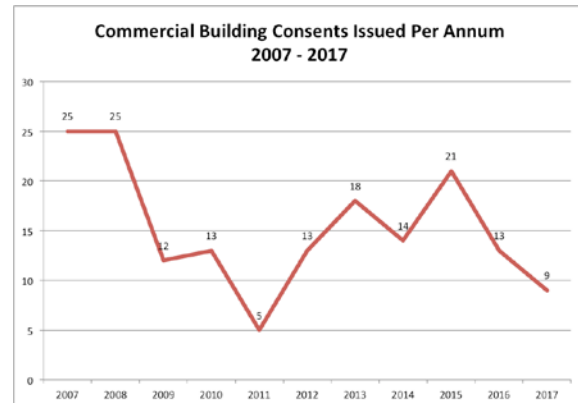


Fig. 14 Commercial Building Consents Issued Per Annum in Blenheim 2007 - 2017

Commercial consents are for a combination of combination of industrial and commercial activity. Council issued two commercial building consents in the quarter to June 2018. Both consents were for building work to existing premises.

iii) Unutilised Industrial Sites

No update from previous quarter.

iv) Additional Supply of Industrial Land

No update from previous quarter.

4. Price Efficiency Indicators - Land Concentration Control

MBIE has developed a series of indicators of price efficiency for use in the three-yearly Housing and Business Development Capacity Assessments (HABA). The four indicators are

- Price to Cost Ratio,
- Rural and Urban Zone Boundary Price Differentials
- Industrial Zone Boundary Price Differentials; and
- Land Ownership Concentration

The following table from MBIE's guidance gives a clear summary of each indicator and what it tells us:

Table 23: The four price efficiency indicators

Indicator	What it tells you	Description	Geographic detail	Date
1 Price-cost ratio (for homes)	A general indicator of the extent to which the costs of land or construction have been contributing to the prices of homes. This signals if there is a shortage of sections and development opportunities relative to demand.	House prices are compared to construction costs, to estimate how much of the remaining price is driven by the cost of land (infrastructure-serviced sections) and whether this proportion is changing over time.	15 high and medium growth extended urban areas Territorial authority areas Auckland wards	Annual time-series 1993 – 2017 Updated annually
2 Land ownership concentration indicators (for residential land)	Whether the market for new developable residential land is dominated by a few owners (who could significantly affect development opportunities and/or land prices).	Quantifies the amount of undeveloped residentially zoned urban land and how ownership of this is distributed across different land owners.	Areas based on Statistics New Zealand's urban areas or component zones ⁴⁴	Most recent valuation date (ranging from 2014 to 2016) Updated with next three-yearly revaluation
3 Rural-urban differential (residential)	The impact on the value of urban sections at the edge of the city, of current land use regulations that constrain urban residential development capacity. ⁴⁵ Whether plans have been providing sufficient urban development capacity for homes.	The modelled ratio and per square metre dollar difference between the values of all similar residential land parcels 2 kilometres either side of the boundary between urban and non-urban zones after major explainable other factors that affect different land values have been removed.	15 high and medium growth extended urban areas ⁴⁶	Most recent valuation date (ranging from 2014 to 2016) Updated with next three-yearly revaluation
4 Industrial zone differential	Whether zoning at specific locations matches current relative demands for different land uses. More expensive land uses may be more capacity constrained than cheaper land uses. A starting point for considering rezoning between uses.	Compares the values of properties 250 metres either side of the boundary between an industrial zone and other zones. These include commercial, residential or rural land.	Industrial zones within 15 high and medium growth extended urban areas	Most recent valuation date (ranging from 2014 to 2016) Updated with next three-yearly revaluation

As there have been no updates to the first three indicators (which have already been reported to the Committee in the previous monitoring reports), they are not included in this quarter report. The results will be used in the HABA and reported later this year.

i) Land Concentration Control Indicators

This group of indicators focuses on undeveloped land that was zoned for urban residential development at the time of the most recent valuation (2017 Blenheim). The indicators are available online on the MBIE Urban Development Capacity Dashboard. They are designed to be used as a package.

Together they indicate: how much space for residential development is available within the constraints of geography and district plans, how concentrated or distributed the ownership of these development opportunities is, and whether there are single land-owning entities with enough of a market share to materially affect the supply and price of land for development (including who these entities are, and where their titles are located).

The indicators are intended to show whether concentrated land ownership can help explain high or increasing price-cost ratios up until now and provide a picture of what could happen in the future. This can help inform future development strategies that identify the location and timing of rezoning and infrastructure provision.

The land ownership concentration control indicator provides:

1. A table showing
 - the total area of land zoned in the relevant district plan/s for urban residential development and the proportion of this that is “undeveloped”;
 - Statistics New Zealand estimates of population for the geographic area; and
 - an index of land concentration control of undeveloped land that is zoned for urban residential development. This index produces a single number from close to zero (highly distributed ownership where each parcel is the same size and is owned by a different entity) and 10,000 (where all of the land would be owned by one entity).

2. A table identifying the largest owners of undeveloped land zoned for residential development, the number of titles and total area of land that they each own, and their share of the market.

3. A map of where the parcels are located.

In calculating the indicators, MBIE have applied ‘developability’ filters to residentially zoned land. These filters include improvements ratios which measure the existing building footprint on the land as well as the difference between capital value and land value. If either is too high, the land is not classed as ‘undeveloped’ and therefore excluded. These filters have been applied consistently nationwide.

Unfortunately the application of the filters means that a significant amount of undeveloped residential zoned land in Blenheim is excluded from the results (including the key North West Growth Areas, Omaka Landing, Burleigh, Taylor Pass Road).

For example, the parcels in the northwest growth areas around Old Renwick road and Thomsons Ford road are excluded as they do not pass the improvements ratio filter which states that the ratio of the capital value to the land value cannot be greater than 1.1. For example, the largest parcel 188 Old Renwick Road, Marlborough District has vineyard plantings, with a CV of \$8 m and LV of \$4 m, i.e. the CV/LV ratio is around 2.

Parcels in the south near Taylor Pass Road are only partially residential zoned, and since MBIE’s unit of analysis was the parcel/rating valuation unit, these were not included (results exclude some partially zoned residential parcels yet to be subdivided.)

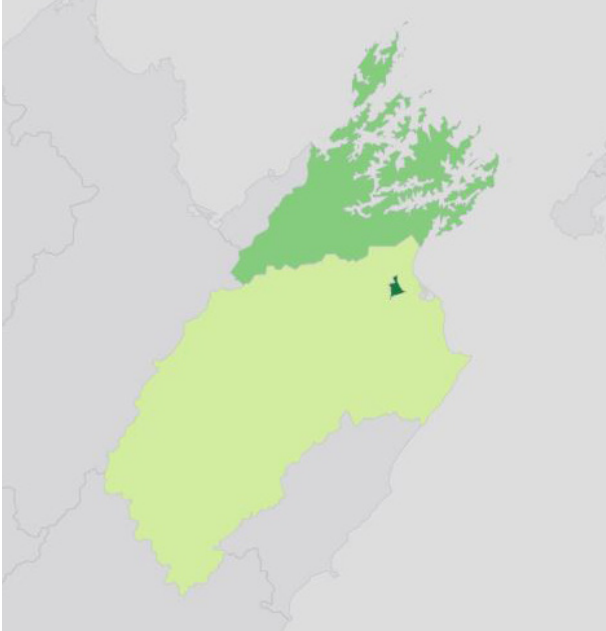
Essentially this means that we are unable to use the indicators to measure the land ownership concentration in these growth areas.

APPENDIX ONE

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

Map 1

Marlborough District (MBIE data)



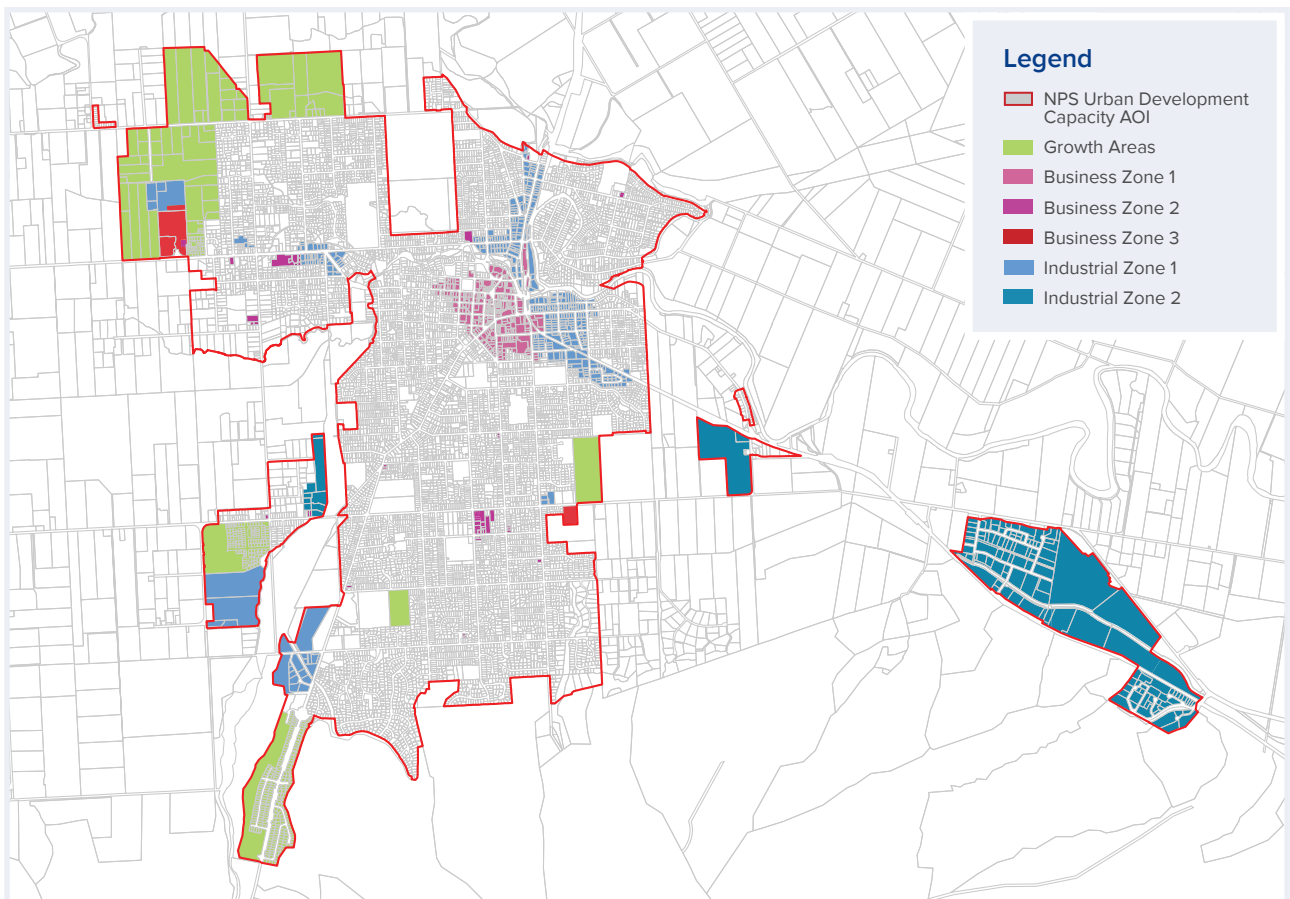
Map 2

Blenheim Ward (MBIE data)



Map 3

Blenheim Urban Area (Council data)

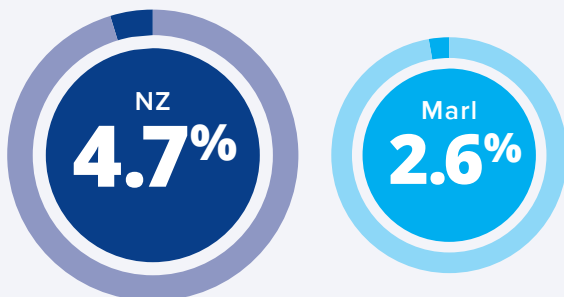
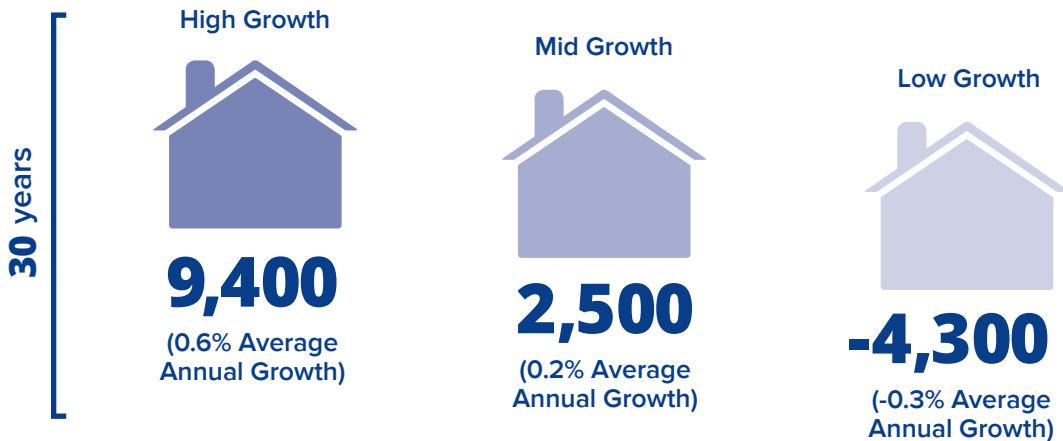


APPENDIX TWO

Demographic Trends for Marlborough

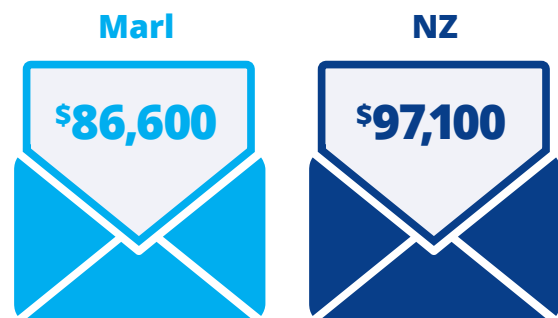
Population:

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%**.

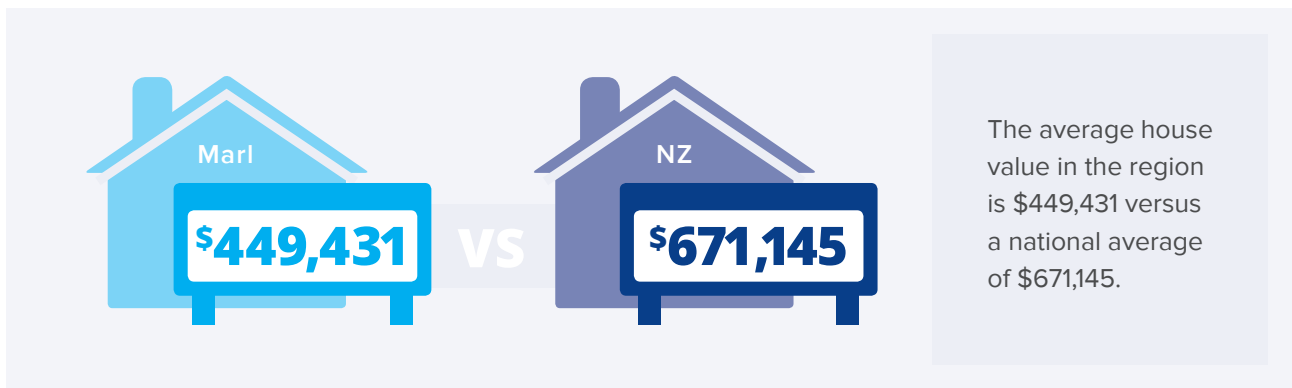
Marlborough has the highest proportion of residents over 65 years of age (**20.5%**)



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.



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

APPENDIX THREE

Technical Guide to the MBIE Dashboard Indicators used in this report

More information about each indicator, and latest published results, can be found on the Ministry's Urban Development Capacity website at mbienz.shinyapps.io/urban-development-capacity/

Dwelling Sale 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.

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

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.

Housing Affordability (HAM Buy and HAM Rent)

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. It equates to a 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.

Change in Dwelling Sales Prices from 1993 (SPAR index)

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

12 Month Rolling Dwelling Stock

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

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.

House Price to Cost Ratio

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.

Rural-Urban Differential

The analysis uses CoreLogic rating valuation data and zoning from the 2014 valuation cycle for each territorial authority area. The underlying concept of the rural-urban differential is that it should be a 'like for like' comparison of the value of similar land parcels that have been zoned for rural or urban uses. If there are large differences in the value of similar sites with different zoning, it may indicate that urban planning policies and/or infrastructure funding and planning policies result in insufficient development capacity for urban uses. The methodology therefore controls for a variety of differences between parcels that may affect their value to obtain a meaningful estimate of land value differentials across rural-urban boundaries. Including:

- Geographic constraints on development
- Local amenities and proximity to centres and waterways
- Land development costs associated with subdivision of land, on-site infrastructure, and development contributions to contribute to bulk infrastructure.

Industrial Zone Differentials

The analysis uses CoreLogic rating valuation data and zoning from the 2014 valuation cycle for each territorial authority area. Land value differentials were estimated on a zone-by-zone basis, rather than averaging differentials across all zones in the city. All the property parcels within 1000 metres of the boundary were identified, and the straight-line distance between the parcel centroids and the relevant zoning boundary were measured.

In order to conduct a 'like for like' comparison between property parcels located in a similar area, with a similar level of proximity to other land uses, transport networks, and natural and man-made amenities, the focus was on properties within a shorter, 250 metre distance band of the boundary. As valuation dates differ between councils, or even within council areas in some cases, land values were adjusted to a consistent date (2017 Quarter 1) using the sales price to appraisal ratio (SPAR) index at a TA level.

The indicator enables a comparison of whether any differences in land values across zoning boundaries are 'practically' significant – ie large in dollar terms or large as a proportion of land values at that site. A measure of whether there is a statistically significant difference in the distribution of land values for individual property parcels on either side of the zoning boundary is also reported. Differentials that are not statistically significant should be given less weight when interpreting the results. Even if there are large 'practical' differences in land values, these differences may simply reflect random 'noise' in the data rather than an issue that requires policy attention.

APPENDIX THREE (continued)

Land Concentration Control Indicators

The land concentration control indicators provide information about how concentrated the ownership of undeveloped residentially zoned land is in different urban places. They indicate whether the decisions of a few individual land owners have the potential to significantly affect the supply and price of land for residential development, and hence affect housing supply.

Land concentration control indicators use three sources of data:

- CoreLogic's rating valuation data, which provides information on the zoning of individual sites within urban areas, existing land use, building floor area and property valuations, which are used to estimate capital/land value ratios
- Land Information New Zealand's (LINZ) land parcels and titles database, which provides information on parcel sizes and the names of people and/or companies listed as owners on the title
- Companies Office data on companies and their shareholders and holding companies, which can be matched to land title data to identify owners that are related via company structures.

First, the extent of the market for residential-zoned land was defined to include all undeveloped land within an extended urban area or Statistics New Zealand urban zone that was zoned in district plans for residential development at the date of the most recent valuation.

Filters were applied to include only land parcels:

- with an area > 300m² (LINZ parcel "survey_area" or "calc_area" field) because most District Plans still prohibit development on sites smaller than this,
- where (Building_Floor_Area / Area) < 0.2 (Corelogic floor area and LINZ area), and
- where CV/LV < 1.1 (Corelogic CV and LV fields).

Next, within this subset of land, land titles were grouped by matching the names of people and/or companies listed on the titles, and their significant shareholders and holding companies. Such a grouping was defined as a single land controlling entity.

APPENDIX FOUR

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.





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