

Monitoring Report 2022-2023

NATIONAL POLICY STATEMENT ON

Urban Development Capacity

BLENHEIM URBAN AREA



MARLBOROUGH
DISTRICT COUNCIL



National Policy Statement - Urban Development 2020

Annual Report, Blenheim Urban Area 2022/2023

Introduction

This is the second 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 2022 through to the 30th of June 2023. 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
- Greenfields spatial analysis
- Urban Development Dashboard (new)

Summary of Key Trends

Residential and commercial development indicators continue on the upward trend over ten-year average, but with slight decreases from the previous reporting period. Mean dwelling sales value for the region decreased on average \$10k for the period. In conjunction with this the mean weekly residential dwelling rent prices has increased by \$10 since the last period.

The number of approved consents for new residential dwellings for both Blenheim and the region in general has decreased during the period, with the region wide number decreasing by 29 to 209 in the period, for Blenheim this was a decrease of 24 to 114.

Meanwhile the approved commercial building consents for Blenheim was up by 1 from the period to 12, overall, the commercial numbers for the region were up by 5 to a total of 20.

The Ministry of Social Development - social housing applications, saw a drop in applications from 252 to 216.

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): \$670k (\$10k decrease since the last period)	Mean Dwelling Rent Price (Marlborough): \$473.50 (\$10 increase since the last period)
New Dwelling Consents Issued: 114 (decrease of 24 since last period)	New Subdivision Consents Issued: 48 (decrease of 24 since last period)
Commercial Consents Issued: 12 (Increase of 1 since last period)	Ministry of Social Development Applications **: 216 (Decrease of 36 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.

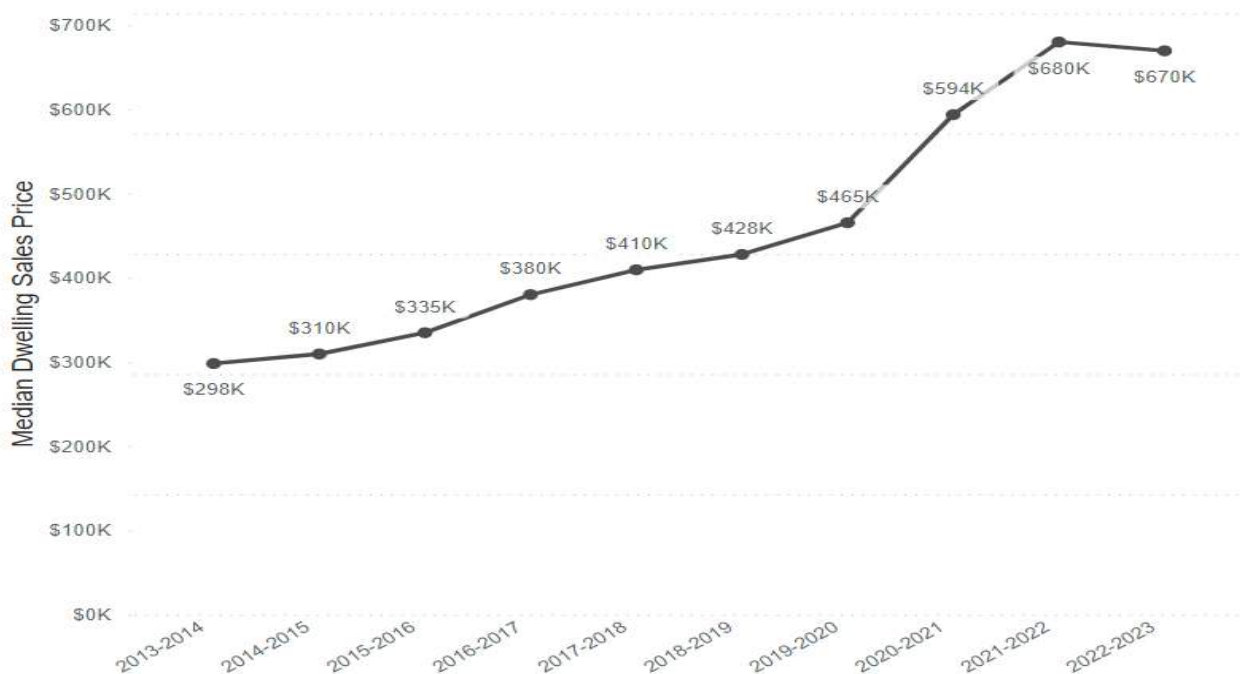
1. Dwelling Sales and Rents Comparison

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 longer-term trend, but for the last period a slight dip was recorded with an \$10k decrease from the last report.

Median Dwelling Sales Price



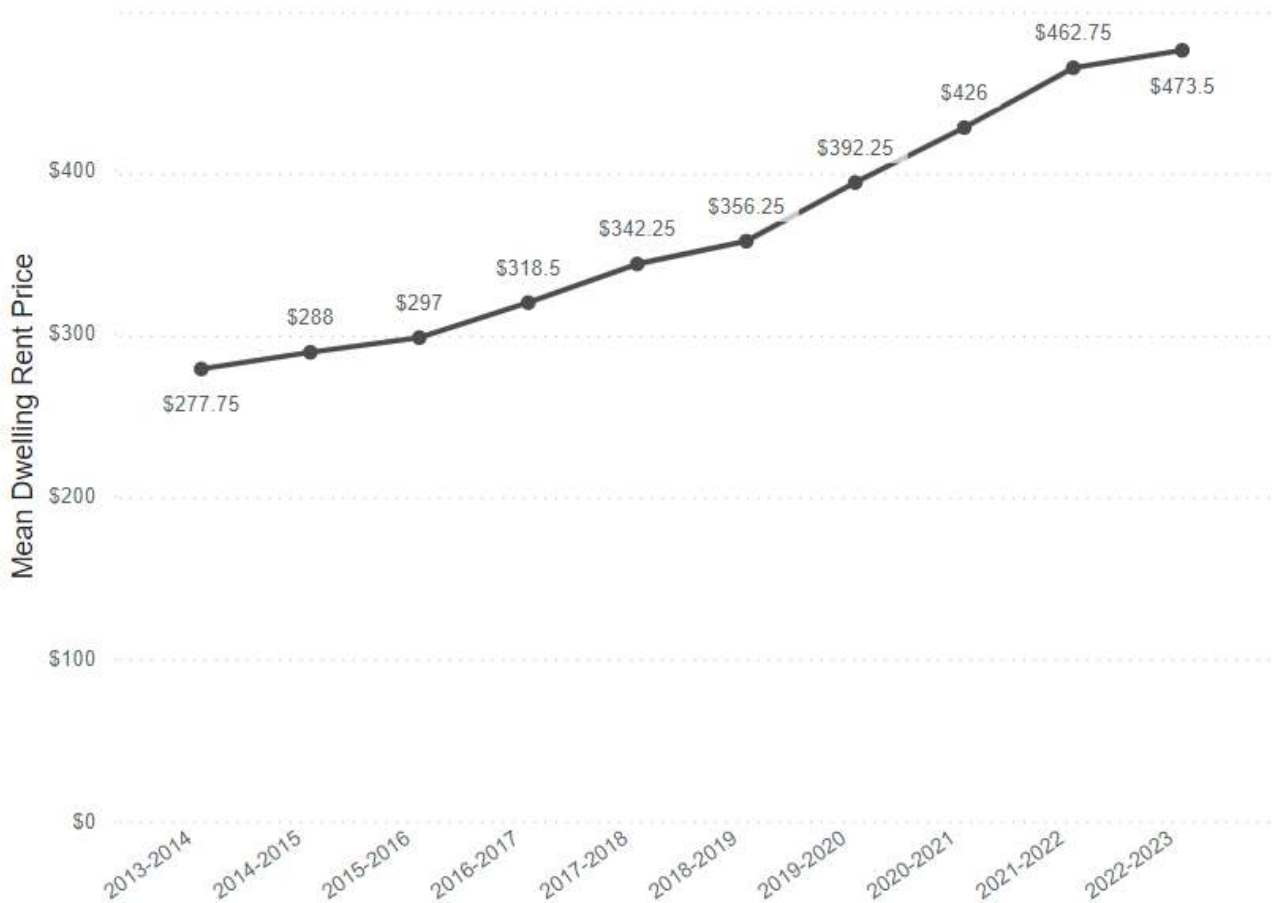
Data Source: Core Logic, no national trend data is available for comparison.

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. The mean dwelling rent price has risen slightly since the last report to 473.5 (change of 10.5), this continues the upward trend over the last ten-year period.

Median Dwelling Sales Price

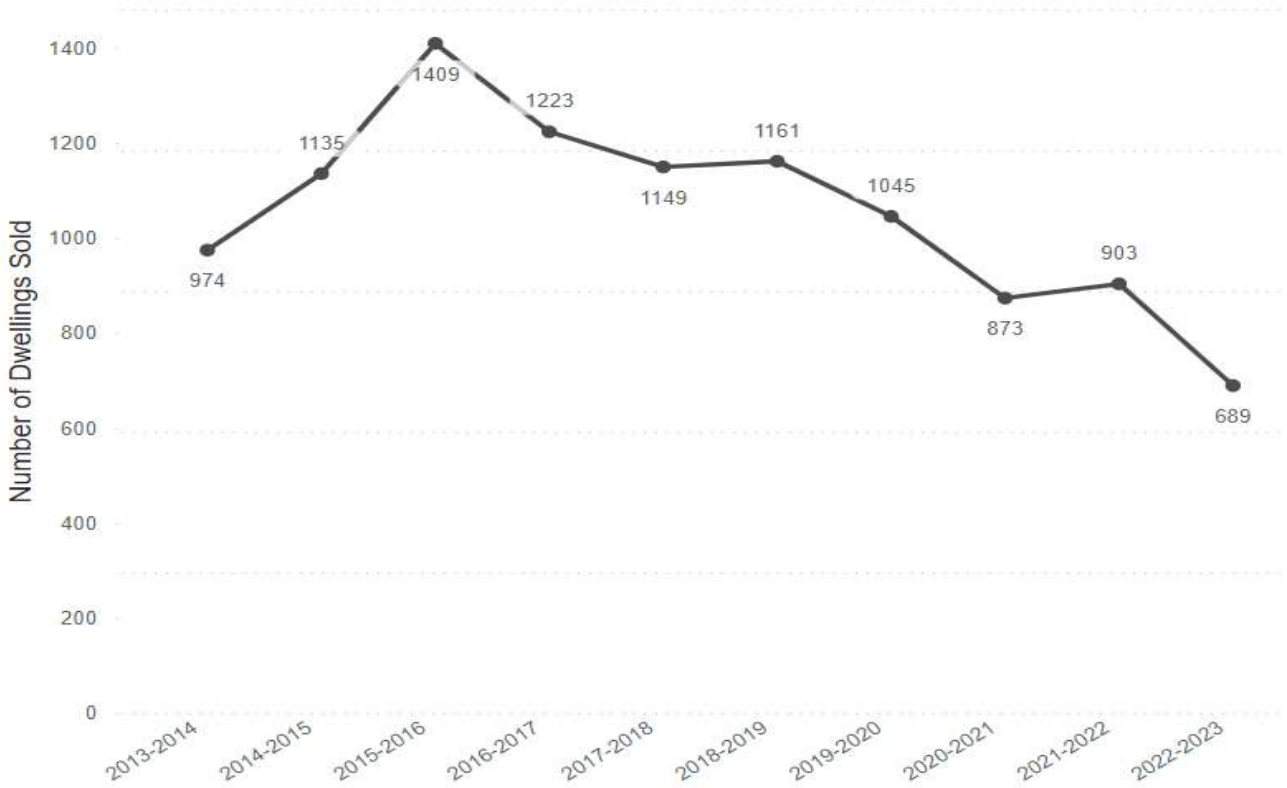


Data Source: Ministry of Housing and Urban Development – Tenancy Services. We do not compare our regional data against the national trend.

Total Dwellings Sold

This indicator represents the number of residential dwellings sold over the reporting period for the region. The total of 689 sold for the year was down by a count of 214 on the previous reporting year.

Number of Dwellings Sold.

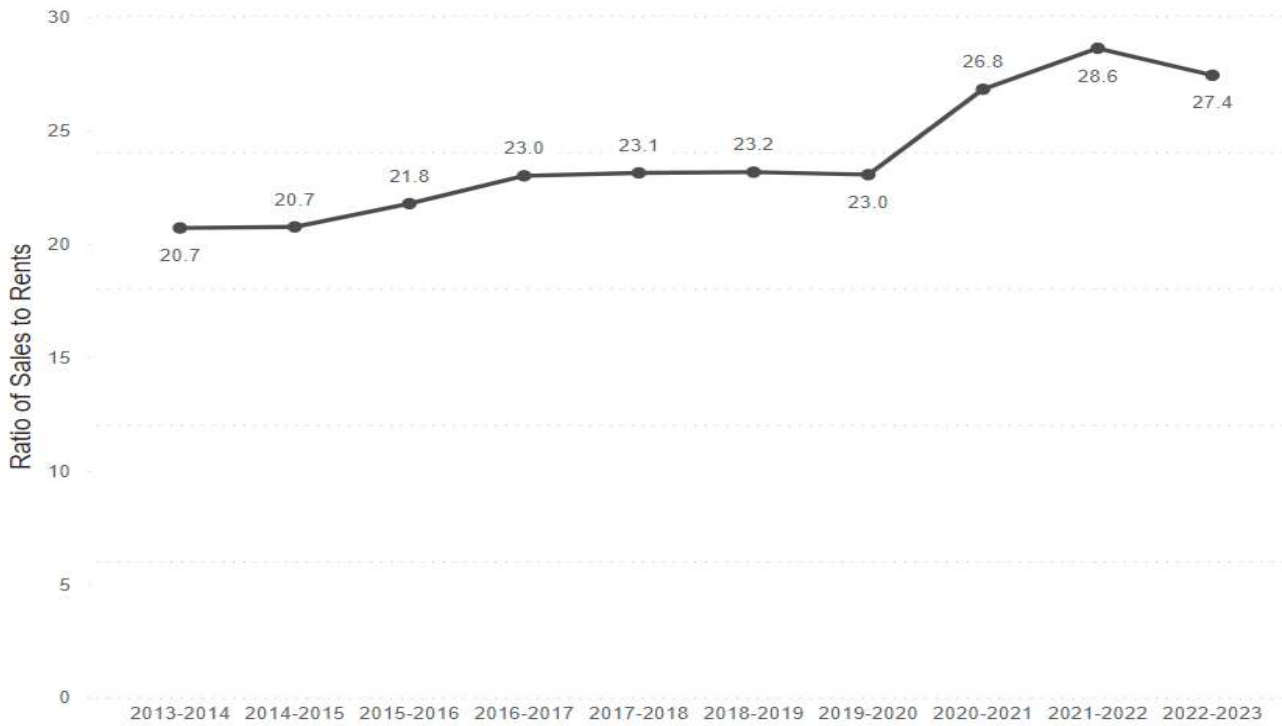


Data Source: Ministry of Housing and Urban Development. no national trend data is available or used for comparison purposes.

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 an average increase indicated, in the last reporting period the data has a slight drop to 27.4 (years to meet the sales price).

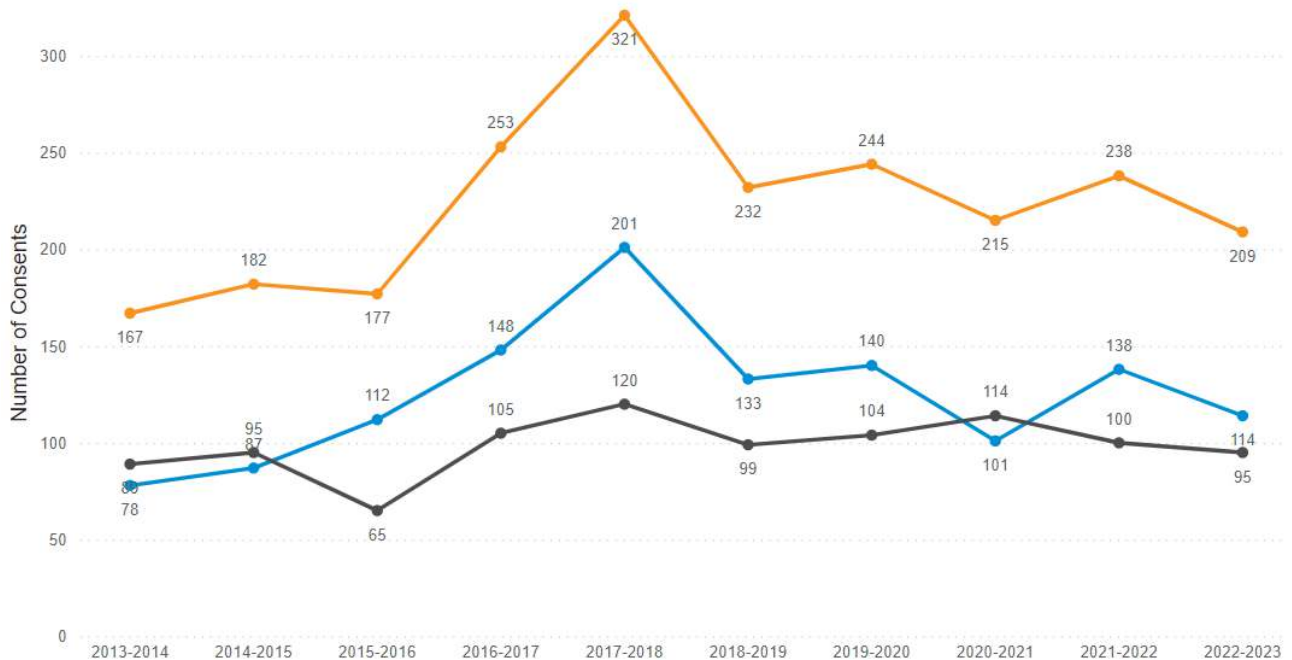


Data Source: Ministry of Housing and Urban Development. no national trend data is available or used for comparison.

2. Building Consents Issued

Residential Dwellings – Year

The following indicator graph represents ten years of trend data, with the number of residential building consents (new dwellings) issued by Council for Blenheim dipping slightly to 114 for the reporting period (blue line). The orange line represents the 'all of Marlborough' data which also indicates a regional drop.

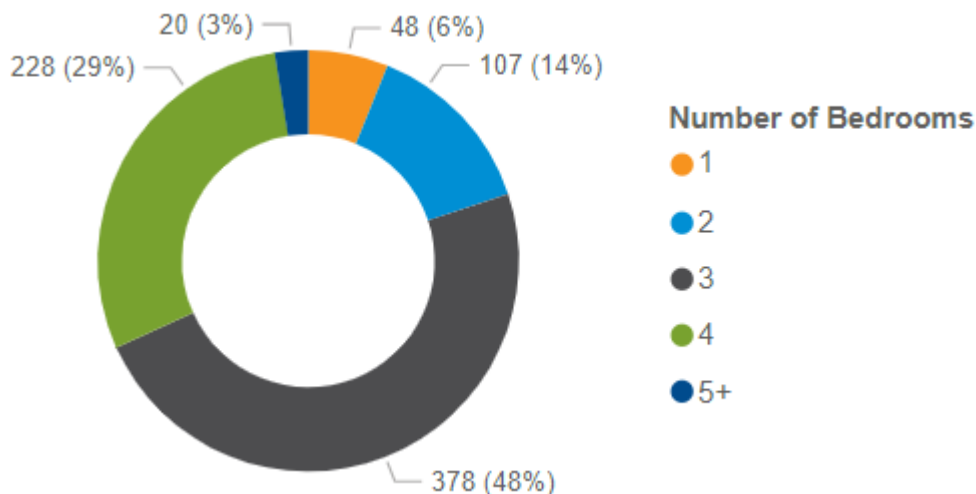


Data Source: Marlborough District Council. *no national trend data is available or used for comparison.*

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.

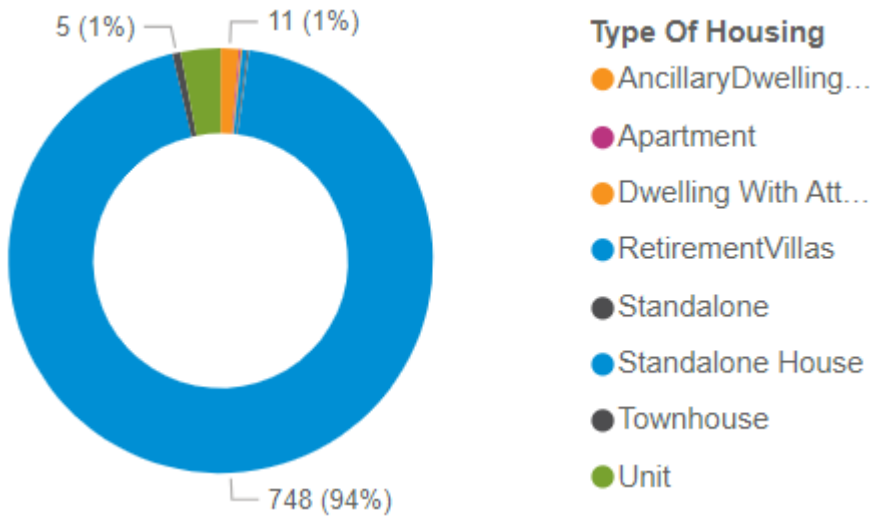
48% of all new dwellings are being created with 3 bedrooms, with the next highest category 29% having 4 bedrooms. These are slightly reduced numbers showing a slight % increase towards both 1 & 2 bedroom dwellings for the period.

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 94% proportion of 'standalone' houses remaining as the preference since the last reporting period.

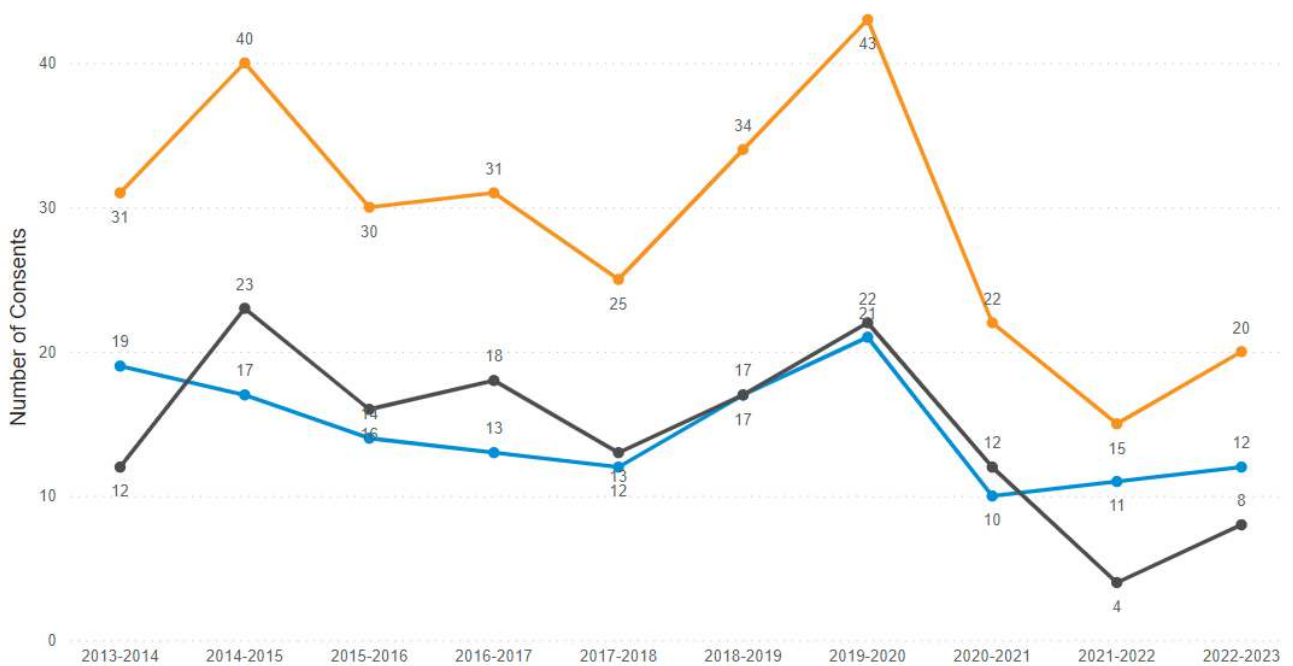
Pattern of Dwelling being created.



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 period, the region wide numbers have slightly increased by 5 to a total of 20, for the Blenheim area the number has risen by 1 to 12, up one from the previous period.

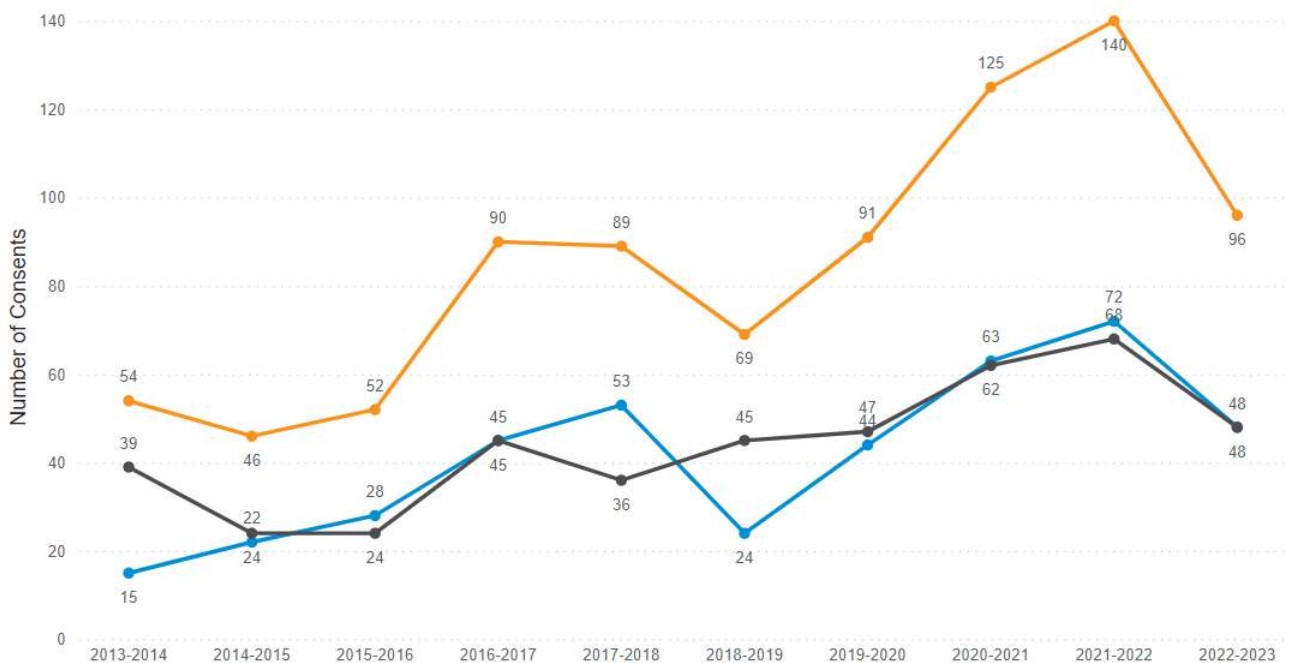


Data Source: Marlborough District Council

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 96 for the region and 48 for Blenheim, for the longer term trend (10 years) these numbers indicate a drop in both the regional and Blenheim data since the previous report.

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

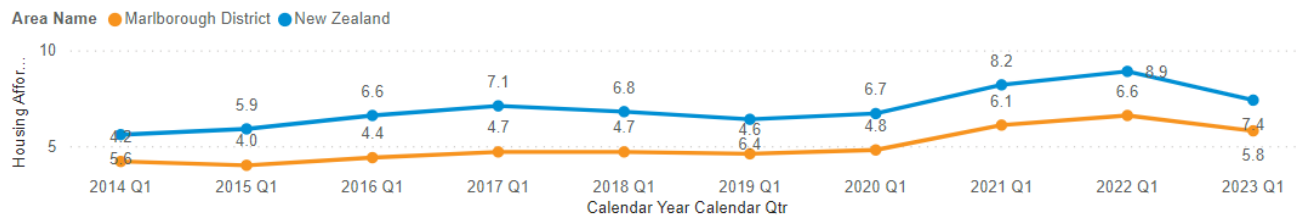


Data Source: Marlborough District Council.

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 our 10-year data trend shows we have remained at a similar level since quarter one 2014, with an index score of 5.8 (2014, 5.6), still well below the 7.4 for the remainder of New Zealand.

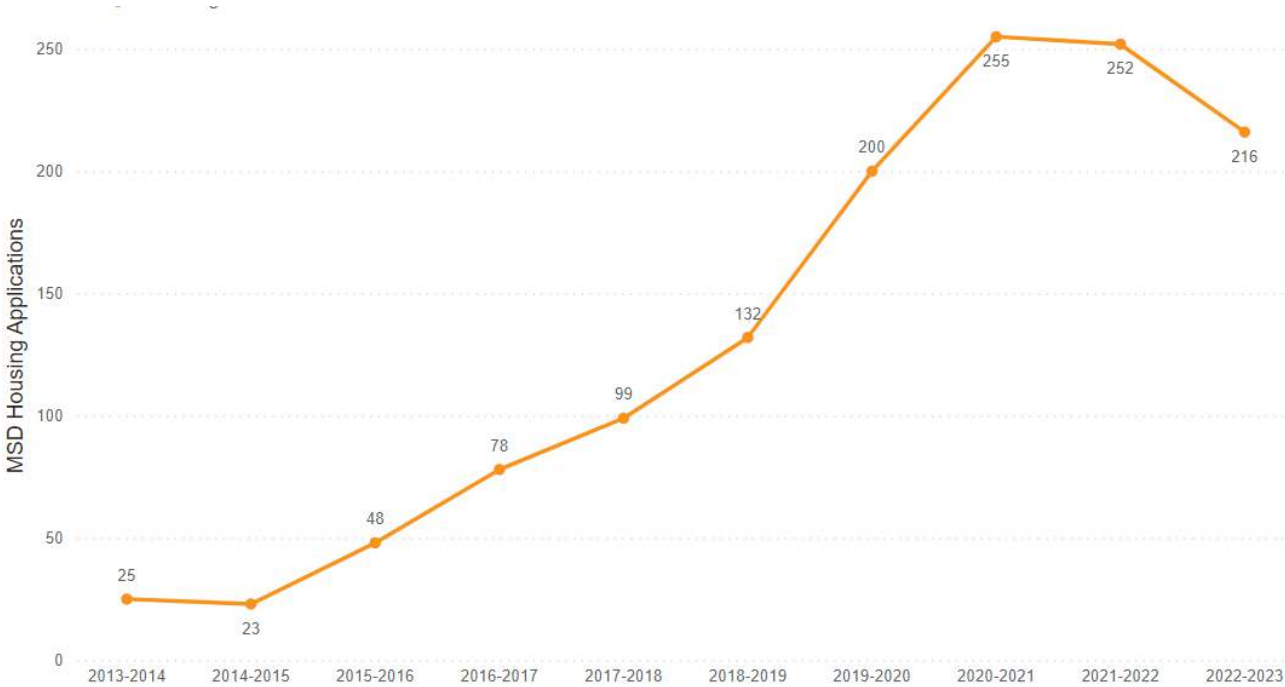


Data Source: Infometrics, data is in this category compared to that for the remainder of New Zealand.

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, 216. 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 36 since the last period in 2020 – 2021, with the graph showing the overall 10-year 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.

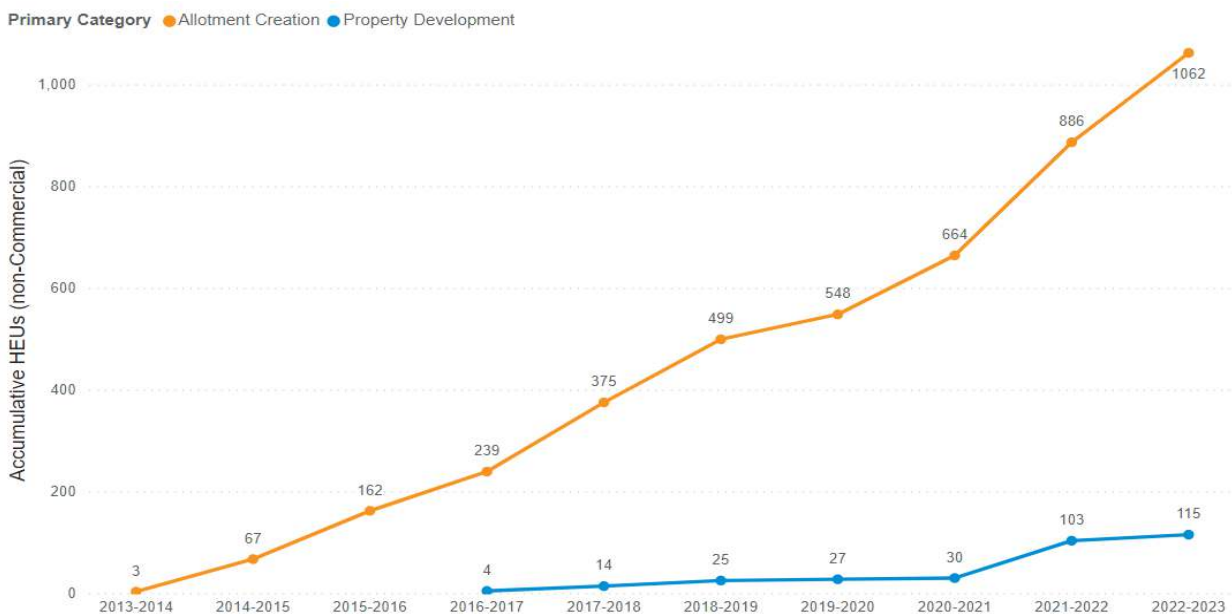
Development Contributions is one such source. Council considers the use of the Development Contributions mechanism under the Local Government Act 2002 will provide a far more equitable means of recovering the cost of growth as compared to charging the entire cost of growth to ratepayers.

This graph is representing 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 Councils 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.

This is the second year Council has used the above methodology and data, a total of 1,062 lots of been created for residential development since 2013/14, an increase from the last period of 176. With an accompanying lift in 'property development numbers from 103 last period to 115 for the latest reporting period.



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 **38.32 ha** of land has been developed from within the 'greenfield' bank, with a remaining **153 ha** of 'greenfield' banked land left available for further residential development (approximately 1ha of 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 153ha of greenfield zoned land. The HBA assumed an average density of 12 dwellings per hectare, Blenheim then has the capacity for approximately **1,836** dwellings within the currently provided greenfield zoned land. **See Appendix 1.**

7. Urban Development Dashboard.

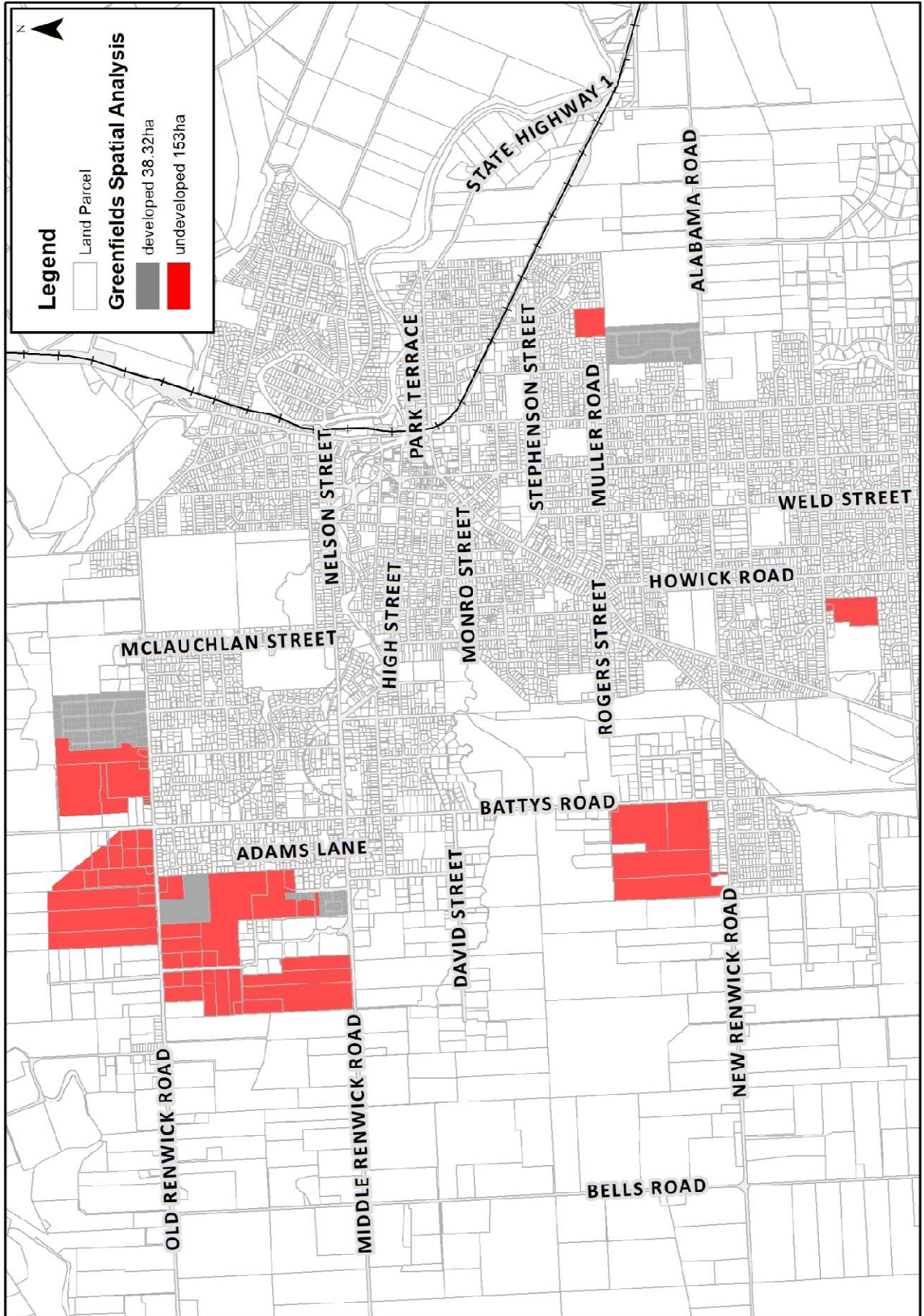
Since the previous annual report was released, Council has developed a digital system as a more digitally efficient means of collecting and communicating residential development indicators for Marlborough.

The primary focus of recording trends and information for 'Blenheim' remains, but through digital enablement Council can now enable direct public access to data and trends through an online dashboard. This system is not intended to replace the annual reporting on NPS-UD indicators.

A link to the dashboard is located on the MDC website: <https://www.marlborough.govt.nz/your-council/resource-management-policy-and-plans/national-policy-statements/national-policy-statement-on-urban-development-cap>

Staff will provide a quick demonstration of the dashboard at the Environment and Planning Committee meeting.

Appendix 1. Greenfields Spatial Analysis 2022-23





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