Monitoring Report Quarter 4 2018

NATIONAL POLICY STATEMENT ON

# Urban Development Capacity

BLENHEIM URBAN AREA

MARLBOROUGH DISTRICT COUNCIL

# Contents

# National Policy Statement on Urban Development Capacity Quarterly Monitoring Report

# December 2018

## Introduction

This report provides year to date information on housing and commercial development market indicators for the quarter 1 October 2018 to 31 December 2018. Previous quarterly reports can be located on the Council's website here.

The purpose of these reports is to monitor urban development activity in Marlborough. It is a requirement of the National Policy Statement on Urban Development Capacity (NPS UDC).

This information is used to inform Council's three-yearly Housing and Business Development Capacity Assessments (HABA), the first of which was received by Council in February of this year.

Due to issues with one of their core data sources the Ministry for Business, Innovation and Employment (MBIE) is unable to provide a full update on market indicators on their Urban Development Capacity dashboard this quarter. Dwelling rents and housing affordability indicators are the only dashboard measures reported on in this quarter. The remaining indicators will be updated for the March 2019 Quarter. Council's own data on consents is updated in full.

Statistics New Zealand is providing an update on the delayed release of the Census 2018 data in April. At the time of writing, the update is not yet available.

## Summary of Key Trends

### Residential Activity

The average weekly rent increased by 7.8% over the 2018 year in the Marlborough District. This is an increase of $24 per week. Housing Affordability Measure (HAM) updates are only available to March 2018. In the year to March 2018 the number of renting households with below average income after meeting housing costs decreased by 3.6% according to the MBIE's Housing Affordability measure. There has been minimal improvement to affordability for first home buying households in comparison and the measure suggests that renting in Marlborough is still more affordable than owning a first home.

There were 152 building consents issued for new dwellings in 2018, bringing the average number of consents over the past three years to 163 per annum. Building consents for new dwellings and resource consents for new subdivisions were both down slightly on the previous year which is not unexpected given the near completion of two major residential developments (Boulevard on Taylor and Omaka Landing), both of which are in the final stages. The Rose Manor subdivision is progressing, and a decision on the re-zoning of land west of Batty's Road has not yet been made by the Marlborough Environment Plan Hearings Panel.

### Commercial Activity

There were 17 building consents issued for new commercial dwellings in 2018, almost double the number issued in the previous year.

# 1. Residential Development Trends

## House Prices and Rents

### (a) Dwelling Rents

Rents continued to increase in the last quarter of 2018. The mean weekly rent increased by $12 per week to $342 in the Blenheim Ward, and by $6 per week to $332 in the Marlborough District. Over the year to 2018 rents increased by 7.9% in the Blenheim Ward and 7.8% in Marlborough District.

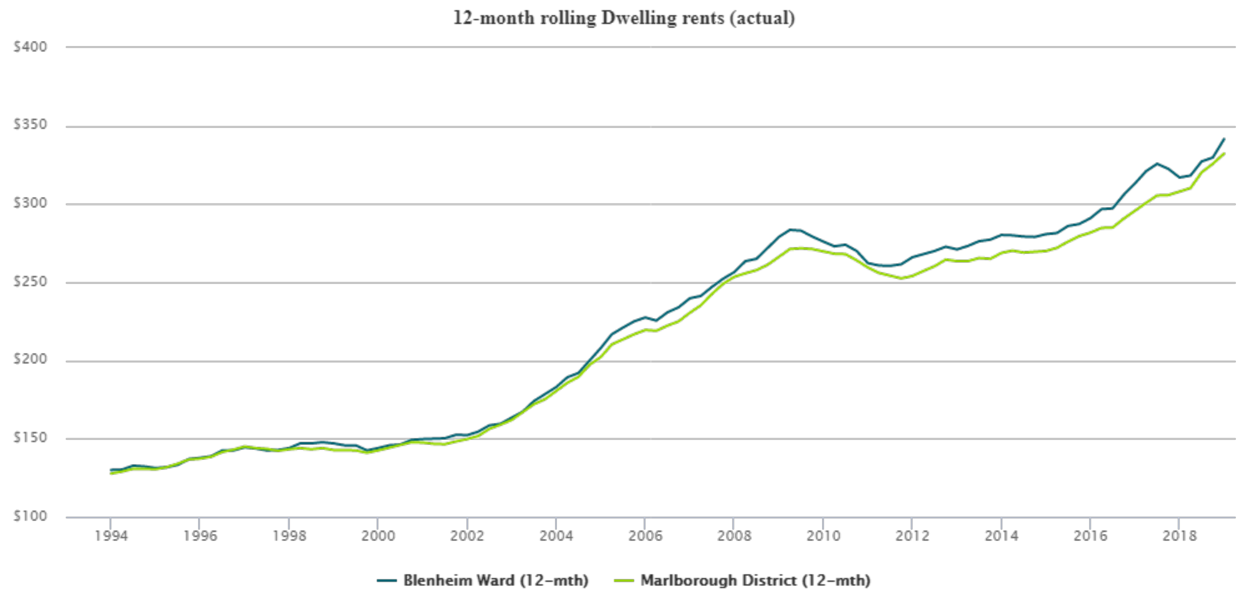



**Figure 1- Dwelling Rents (Geometric Mean, 12 Month Rolling Average)**

**Dwelling Rents (Geometric Mean, 12 Month Rolling Average)**

| Reporting Area | Quarter 4 2018 | Quarter 4 2017 | % change |
|---|---|---|---|
| Blenheim Ward | 342 | 317 | 7.9 |
| Marlborough District | 332 | 308 | 7.8 |

## Affordability

### (a) HAM Version 1.2 Results

According to the Housing Affordability Measure produced by MBIE, affordability improved slightly for renting households between March 2017 and Marc 2018. The number of renting households with below average income after meeting housing costs decreased by 3.6% over the year, despite an average rent increase of 7.8%. There was little change for first home buying households. There are significantly more first home buying households who don’t meet the affordability benchmark in comparison with renting households.

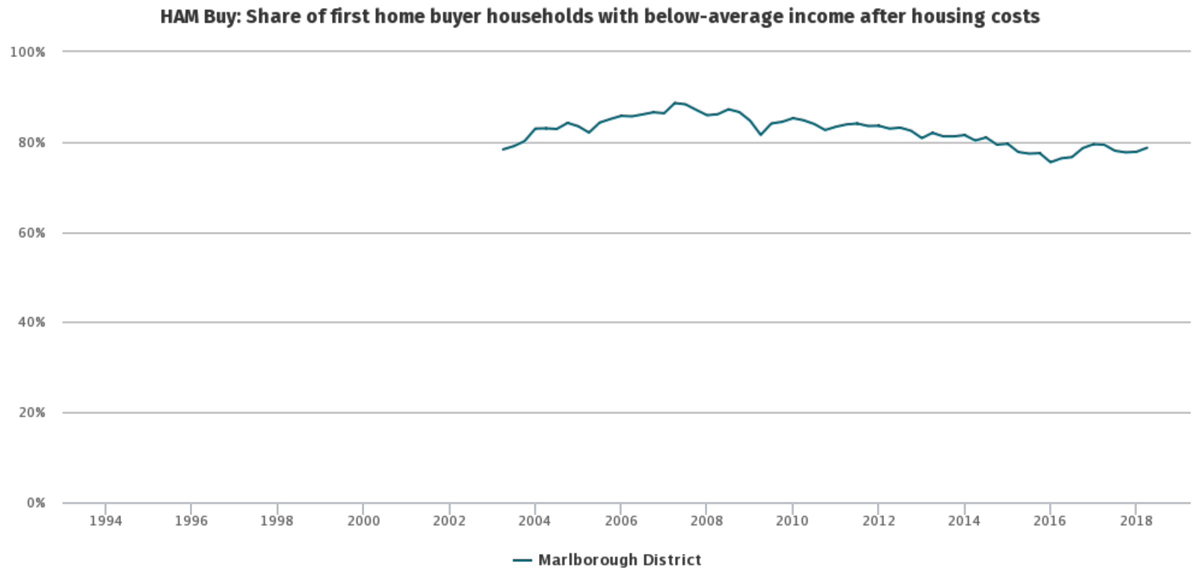



**Figure 2 – Housing Affordability Measure – First Home Buyer Households**

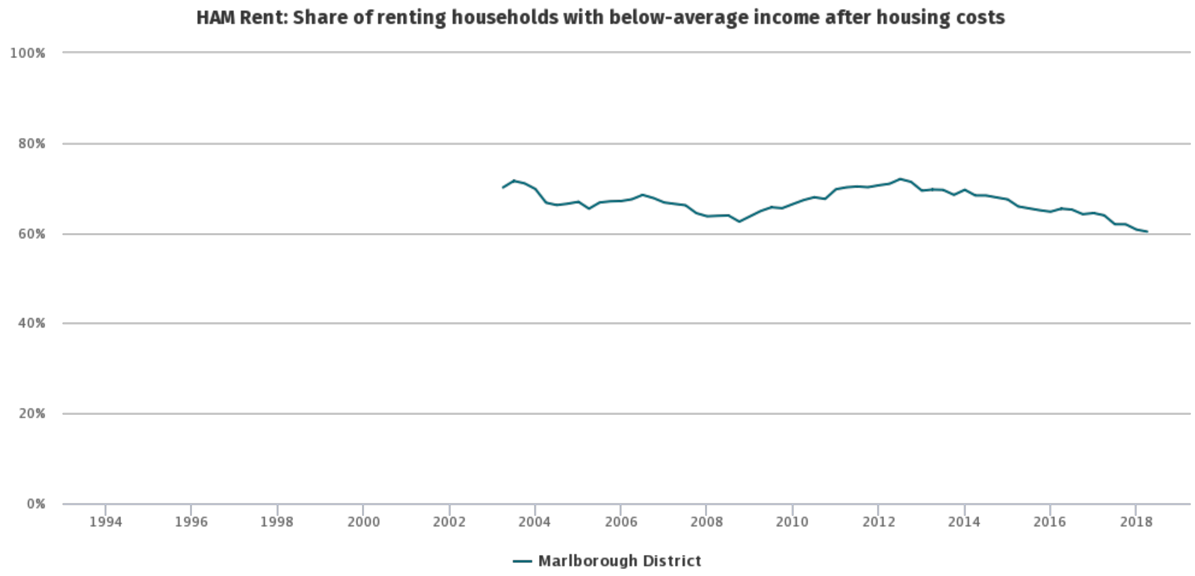



**Figure 3 – Housing Affordability Measure – Renting Households**

**Share of households with below average income after housing costs**

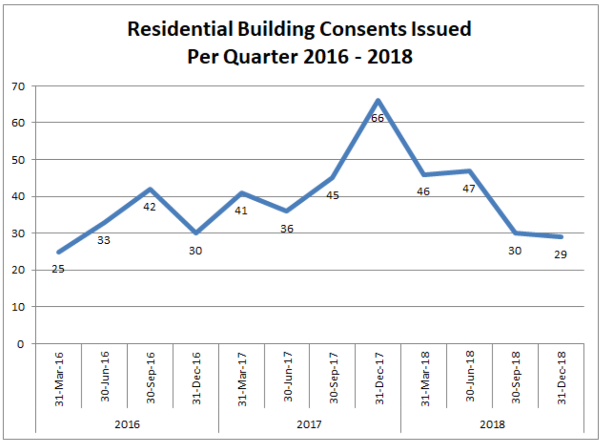
| | March 2018 | March 2017 | % change |
|---|---|---|---|
| HAM Buy | 78.715 % | 79.397 | -0.682 (favourable) |
| HAM Rent | 60.327 | 63.945 | -3.618 (favourable) |

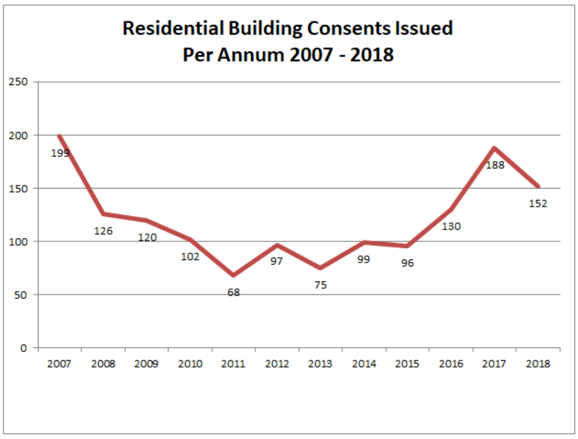
## Building and Resource Consents

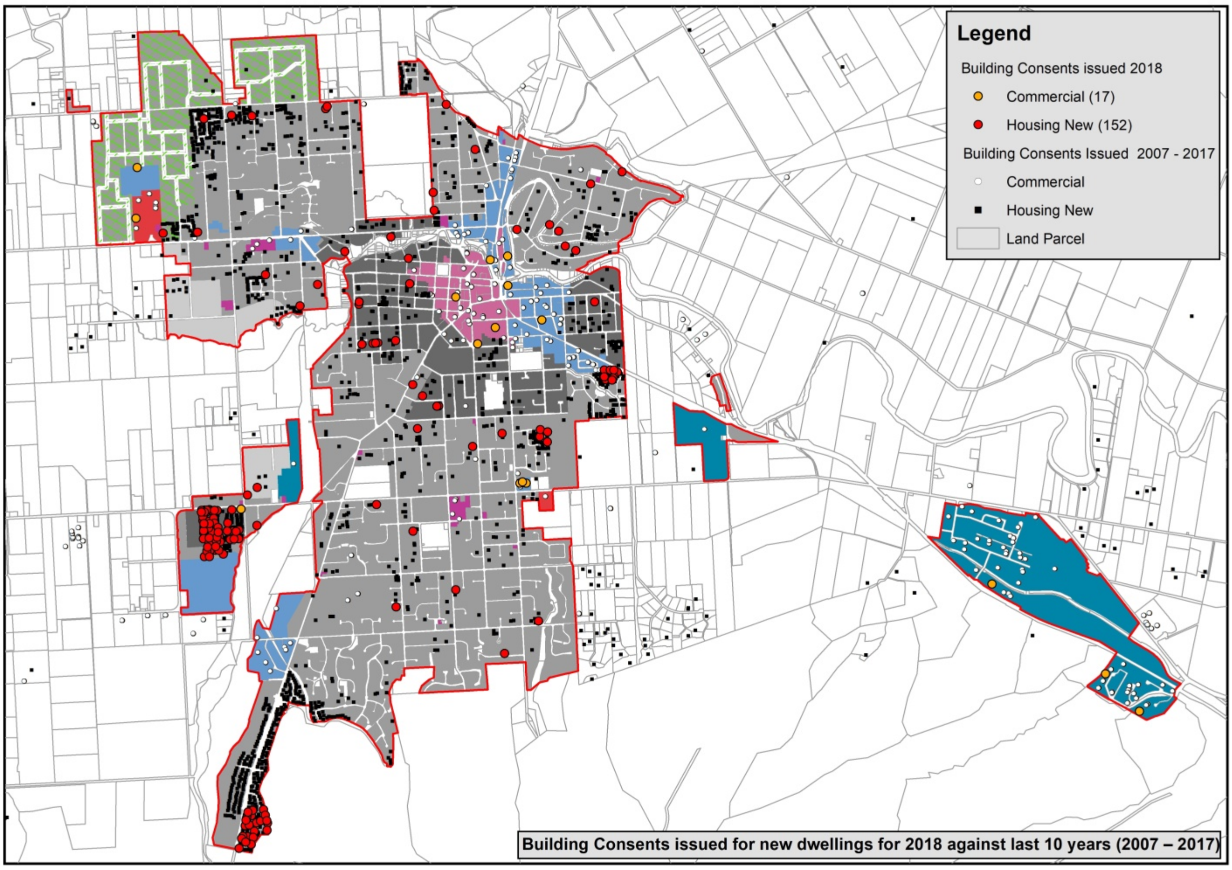
The following building and resource consent data has been sourced using Council's GIS system and includes information for the newly defined Blenheim Urban Area which includes the Omaka Landing and newly zoned residential land in the North West growth areas.

### (a) Building Consents Issued for New Residential Dwellings

There were 30 building consents for new dwellings issued in the last quarter of 2018 in the Blenheim urban area, taking the total to 152 for the 2018 year. This is a slight decrease on the previous year's 188. The average rate of development of new residential dwellings is 163 homes per year over the last three years.



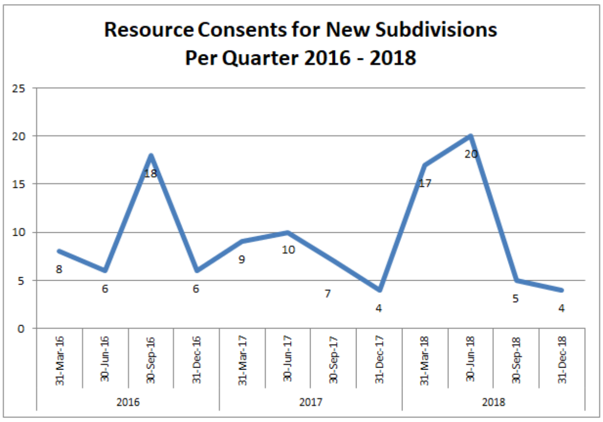



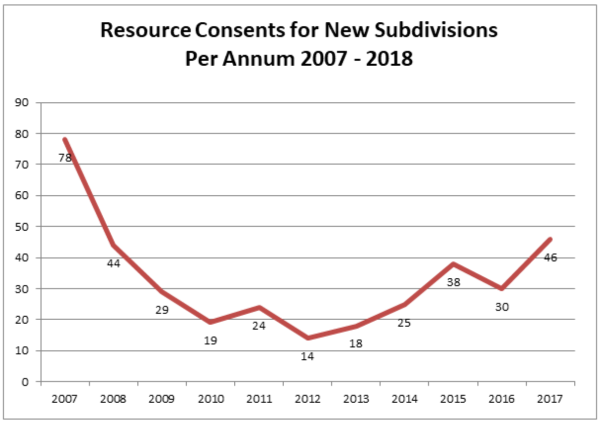



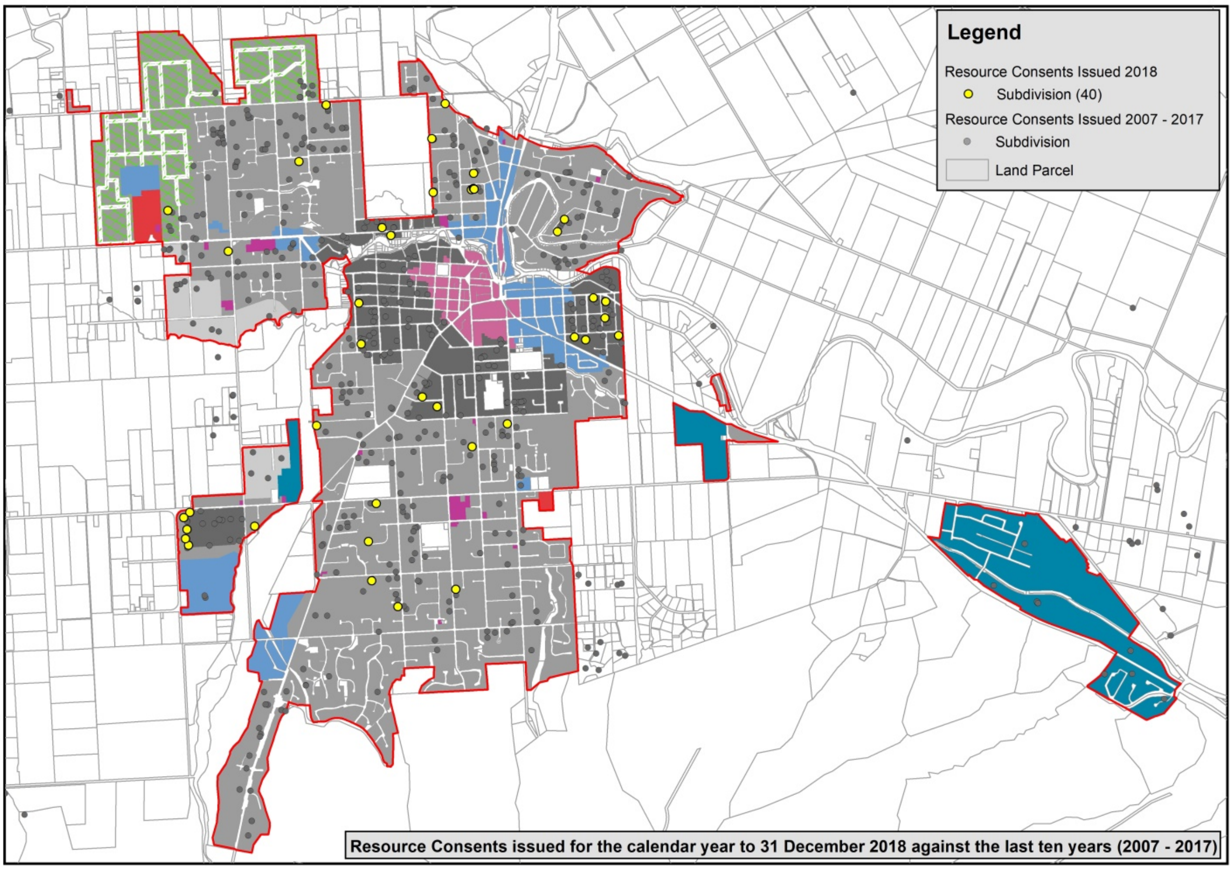

**Map 1 - Building Consents Issued for New Residential Dwellings in 2018 and from 2007 to 2017**

## (b) Resource Consents Issued for New Subdivisions

There were 50 resource consents issued for new subdivisions in 2018. Eight consents were issued in the last quarter, creating a total of 61 residential lots – 40 of which were at the Omaka Landing development.




**Map 2 – Resource Consents for subdivision issued in 2018 and from 2007 to 2017**

## (c) Greenfield vs Infill Subdivision

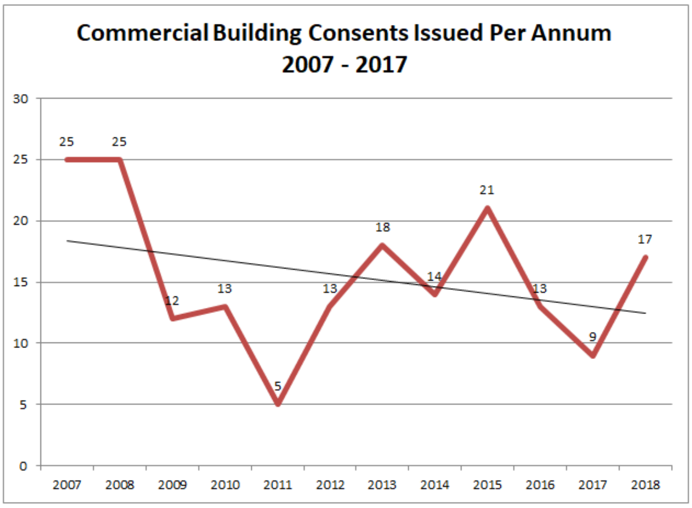
As seen in Maps 1 and 2 above, there have been a number of subdivision consents and building consents for new dwellings issued over the 2018 year in infill locations, however the bulk of building activity has been in the Boulevard on Taylor and Omaka Landing greenfield developments. There have been two significant infill developments on Camborne Crescent and Ara Drive.

Staff are investigating options for tracking rate of development in greenfield areas and intensification in the Urban Residential 1 and Business 1 zones as per the recommendations of the 2018 Housing and Business Development Capacity Assessment.

# 2. Non-residential Development Trends

## (a) Building Consents Issued for Commercial Buildings

There were 17 building consents issued for commercial buildings in 2018, six of those were issued in the last quarter of the year.

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