

# Summary of the National Policy Statement on Urban Development Capacity (updated 23 November 2017)

	A: Outcomes for planning decisions	B: Evidence and monitoring to support planning decisions	C: Responsive planning	D: Coordinated planning evidence and decisions
<b>Objectives</b>	<i>These objectives apply to all local authorities and decision-makers. Policies PA1 to PA4 apply to any urban environment expecting to experience growth.</i>			
	<p>OA1. Effective and efficient urban environments that enable people and communities and future generations to provide for social, economic, cultural and environmental wellbeing.</p> <p>OA2. Urban environments that have sufficient opportunities to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.</p> <p>OA3. Urban environments that, over time, develop and change in response to the changing needs of people and communities and future generations.</p>	<p>OB1. A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.</p>	<p>OC1. Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long term.</p> <p>OC2. Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.</p>	<p>OD1. Urban environments where land use, development, development infrastructure and other infrastructure are integrated with each other.</p> <p>OD2. Coordinated and aligned planning decisions within and across local authority boundaries.</p>
	<i>Policies PB1-PB7, PC1-PC4, PD1 and PD2 apply to local authorities with a <b>Medium or High-Growth Urban Area</b> within their district or region. The application of the policies is not restricted to the boundaries of the <b>Urban Area</b>.</i>			
		<p>PB1. Local authorities shall carry out a <b>housing and business development capacity assessment</b> at least three-yearly that:</p> <ul style="list-style-type: none"> <li>Estimates housing demand, including for different types, locations and price points; and the supply of development capacity to meet that demand, in the short, medium and long terms.</li> <li>Estimates demand for 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.</li> <li>Assesses interactions between housing and business activities, and their impacts on each other.</li> </ul> <p>PB2. The assessment shall use information about demand including:</p> <ul style="list-style-type: none"> <li>Demographic change (including Statistics New Zealand population projections)</li> <li>Future changes in business activities of the local economy and potential impacts on demand for housing and business land</li> <li>Market indicators monitored under PB6 and PB7.</li> </ul> <p>PB3. The assessment shall estimate the sufficiency of development capacity provided by plans including:</p> <ul style="list-style-type: none"> <li>The cumulative impact of all zoning, objectives, policies, rules and overlays in plans</li> <li>Actual and likely availability of infrastructure under PA1</li> <li>Current feasibility of development capacity</li> <li>Rate of take up of development capacity</li> <li>The market's response to planning decisions obtained through monitoring indicators under PB6 and PB7.</li> </ul> <p>PB4. The assessment shall estimate the additional capacity needed if any of the above factors indicate that the supply of development capacity is not likely to meet demand in the short, medium or long term.</p> <p>PB5. In carrying out the assessment 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 and other infrastructure.</p> <p>PB6. To ensure they are well-informed about demand, development capacity, urban development activity and outcomes and how planning decisions may affect this, local authorities shall <b>monitor</b> quarterly:</p> <ul style="list-style-type: none"> <li>Prices and rents for housing, residential and business land by location and type; and changes in these over time</li> <li>Resource and building consents relative to population growth</li> <li>Indicators of housing affordability.</li> </ul> <p>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.</p> <p><i>Local authorities are encouraged to publish the housing and business development capacity assessment under PB1 and monitoring results under PB6 and PB7.</i></p>	<p>PC1. To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least: 20% in the short and medium term; and, 15% in the long term.</p> <p>PC2. If evidence from the assessment under PB1, including information about the rate of take-up of development capacity, indicates a higher margin is more appropriate, this higher margin should be used.</p> <p>PC3. When the housing and business development capacity assessment or monitoring indicates development capacity is not sufficient in any of the short, medium or long term, local authorities shall respond by providing further development capacity and enabling development.</p> <p>PC4. Local authorities shall consider all practicable options for providing sufficient, feasible development capacity and enabling development to meet demand including:</p> <ul style="list-style-type: none"> <li>Changes to plans and regional policy statements including zoning, objectives, policies, rules and overlays that apply in both existing urban environments and greenfield areas</li> <li><b>Integrated and coordinated consenting processes that facilitate development</b></li> <li>Statutory tools and other methods available under other legislation.</li> </ul>	<p>PD1. Local authorities that share jurisdiction over an <b>Urban Area</b> are strongly encouraged to work together to implement this NPS, and particularly to cooperate and agree on:</p> <ul style="list-style-type: none"> <li>A joint housing and business development capacity assessment</li> <li>The provision and location of sufficient, feasible development capacity.</li> </ul> <p>PD2. Local authorities shall work with providers of <b>development infrastructure</b> and <b>other infrastructure</b> to achieve integrated land use and infrastructure planning in order to implement PA1-PA3, PC1 and PC2.</p>
<b>Policies</b>	<p>PA1. Local authorities shall ensure that at any one time there is <b>sufficient development capacity</b> available as follows:</p> <ul style="list-style-type: none"> <li><b>Short term</b> capacity must be <b>feasible</b>, zoned and serviced with <b>development infrastructure</b></li> <li><b>Medium term</b> capacity must be <b>feasible</b>, zoned and either serviced with <b>development infrastructure</b>, or development infrastructure identified in a long term plan under the LGA</li> <li><b>Long term</b> capacity must be feasible, identified in relevant plans and strategies, and the <b>development infrastructure</b> to support it must be identified in an infrastructure strategy under the LGA</li> </ul> <p>PA2. Local authorities shall satisfy themselves that <b>other infrastructure</b> required to support urban development is likely to be available.</p> <p>PA3. When making decisions that affect the way and rate at which development capacity is provided, decision-makers shall provide for the social, economic, cultural and environmental wellbeing of people and communities and future generations, having regard to:</p> <ul style="list-style-type: none"> <li>Providing choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses</li> <li>Promoting efficient use of scarce urban land and infrastructure</li> <li>Limiting as much as possible adverse impacts on the competitive operation of land and development markets.</li> </ul> <p>PA4. When considering effects of urban development, decision-makers shall take into account:</p> <ul style="list-style-type: none"> <li>The benefits that urban development will provide with respect to the ability of people, communities and future generations to provide for their social, economic, cultural and environmental wellbeing</li> <li>The benefits and costs of urban development at a national, inter-regional, regional and district scale, as well as local effects.</li> </ul>		<p>PC5-11. Local authorities shall set <b>minimum targets</b> for sufficient, feasible development capacity for housing. Regional councils shall incorporate these into their regional policy statement and territorial authorities shall incorporate these as an objective in their relevant plan.</p> <p>Minimum targets shall be set for the medium and long terms and reviewed every three years. When evidence shows that the minimum targets set in the regional policy statement or relevant plans are not sufficient, local authorities shall revise those minimum targets.</p> <p>Local authorities shall set and revise the minimum targets in their regional policy statement or relevant plan without going through the consultation process set out in Schedule 1 of the RMA.</p> <p>PC12-14. Local authorities shall produce a <b>future development strategy</b> that demonstrates there will be sufficient, feasible development capacity in the medium and long terms and that the minimum targets will be met. This strategy shall:</p> <ul style="list-style-type: none"> <li>Identify the location, timing and sequencing of future development capacity for the long-term, including both future greenfield areas and intensification opportunities in existing urban environments</li> <li>Balance certainty about future urban development with being responsive to demand.</li> </ul> <p>This strategy:</p> <ul style="list-style-type: none"> <li>Shall be informed by the relevant long term plans and infrastructure strategies under the Local Government Act 2002 (LGA)</li> <li>Can be incorporated into a non-statutory document outside the RMA.</li> </ul> <p>In developing this strategy local authorities should:</p> <ul style="list-style-type: none"> <li>Undertake a consultation process that complies with either Part 6 of the LGA, or Schedule 1 of the RMA</li> <li>Be informed by the housing and business development capacity assessment</li> <li>Have particular regard to policy PA3 when considering how to provide development capacity.</li> </ul>	<p>PD3. Local authorities that share jurisdiction over an <b>Urban Area</b> are strongly encouraged to cooperate and agree upon:</p> <ul style="list-style-type: none"> <li>The specification of minimum targets and their review</li> <li>The development of a joint future development strategy.</li> </ul> <p>PD4. Local authorities shall work with providers of <b>development infrastructure</b> and <b>other infrastructure</b> in preparing the future development strategy.</p>
	<i>These policies apply to local authorities with a <b>High-Growth Urban Area</b> within their district or region. Local authorities with a <b>Medium-Growth Urban Area</b> within their district or region are encouraged to give effect to these policies. The application of the policies is not restricted to the boundaries of the <b>Urban Area</b>.</i>			

## Which NPS-UDC objectives and policies apply to which local authorities

Area	Relevant Local Authorities <i>(Subject to change as population projections are revised)</i>	Relevant Objectives and Policies for Implementation		
		All Objectives and Policies PA1-PA4	Policies PB1-PB7, PC1-PC4 and PD1-PD2	Policies PC5-PC14 and PD3-PD4
<b>High-Growth Urban Areas</b>				
Auckland	Auckland Council	X	X	X
Christchurch	Christchurch City Council, Waimakariri District Council, Selwyn District Council, Environment Canterbury Regional Council	X	X	X
Hamilton	Hamilton City Council, Waipa District Council, Waikato Regional Council	X	X	X
New Plymouth*	New Plymouth District Council, Taranaki Regional Council	X	X	X
Tauranga	Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council	X	X	X
Queenstown	Queenstown Lakes District Council, Otago Regional Council	X	X	X
Whangarei*	Whangarei District Council, Northland Regional Council	X	X	X
<b>Medium-Growth Urban Areas</b>				
Dunedin*	Dunedin City Council, Otago Regional Council	X	X	
Gisborne*	Gisborne District Council	X	X	
Kapiti	Kapiti Coast District Council, Greater Wellington Regional Council	X	X	
Marlborough*	Marlborough District Council	X	X	
Napier-Hastings*	Napier City Council, Hastings District Council, Hawkes Bay Regional Council	X	X	
Nelson	Nelson City Council, Tasman District Council	X	X	
Palmerston North	Palmerston North City Council, Horizons Council	X	X	
Rotorua*	Rotorua District Council, Bay of Plenty Regional Council	X	X	
Wellington	Wellington City Council, Porirua City Council, Lower Hutt City Council, Upper Hutt City Council, Greater Wellington Regional Council	X	X	
<b>Rest of New Zealand</b>				
Other areas	All Objectives and Policies PA1-PA4: Those local authorities that contain an 'urban environment' and expected to experience growth. All Objectives: Those local authorities that contain an 'urban environment'.	X		

\*Denotes those urban areas newly identified as medium or high growth during 2017.

## Timeframes for Implementation

	Immediate effect	2017	2018	2019	2020	2021	2022
Objectives (OA1 - OD2)	▶▶▶▶▶▶▶▶						
Outcomes (PA1 –PA4)	▶▶▶▶▶▶▶▶						
Responsive Planning (PC1 to PC4)	▶▶▶▶▶▶▶▶						
Coordinated Evidence and Decision-Making (PD1 –PD2)	▶▶▶▶▶▶▶▶						
Coordinated Evidence and Decision-Making (PD3 –PD4)	▶▶▶▶▶▶▶▶						
Monitoring market indicators (PB6) <i>PB6 - newly defined as medium growth only</i>		▶▶▶▶▶▶▶▶					
Indicators of price efficiency (PB7) <i>PB7 - newly defined as medium growth only</i>			▶▶▶▶▶▶▶▶				
Housing and business assessment (HBA) (PB1) – High-Growth Urban Areas			★			★	
HBA (PB1) – High-Growth Urban Areas- <i>newly defined</i>			★			★	
Housing and business assessment (HBA) (PB1) – Medium-Growth Urban Areas				★			★
HBA (PB1) – Medium-Growth Urban Areas- <i>newly defined</i>				★			★
Minimum targets in RPS (PC5)				★			★
Minimum targets in district plans (PC9)				★			★
Future development strategy (PC12- PC14)				★			★