

# Summary of the proposed National Policy Statement on Urban Development Capacity

	Outcomes of decision-making	Evidence to support decisions	Coordinated evidence base and decision-making	Responsive planning
Objectives	OA1. Effective and efficient urban areas that provide for social, economic, cultural and environmental well-being. OA2. <b>Sufficient</b> residential and business <b>development capacity</b> to enable urban development that meets demand. OA3. Ongoing development and change is enabled.	OB1. Plans and regional policy statements are based on robust, accurate and frequently updated evidence.	OC1. Coordination within and between local authorities and infrastructure providers in urban areas, consistent planning decisions, integrated land-use and infrastructure planning and responsive planning processes.	OD1. Planning decisions enable urban development in the <b>short, medium</b> and <b>long</b> term. OD2. Local authorities adapt and respond to market activity in the short and medium term.
Policies	PA1. In implementing objectives A1–A3, decision-makers must: <ul style="list-style-type: none"><li>pursue an urban form that seeks to maximise the potential for social and economic exchange</li><li>provide for efficient use of resources including urban land and infrastructure</li><li>seek to enable land and development markets to operate competitively.</li></ul> PA2. Local authorities must at all times provide <b>sufficient development capacity</b> for the <b>short, medium</b> and <b>long-term</b> . PA3. When considering effects of urban development decision-makers must: <ul style="list-style-type: none"><li>recognise and provide for the contribution urban development will make in enabling people, communities and future generations to provide for their social, economic, cultural and environmental well-being.</li><li>provide <b>sufficient development capacity</b> while maximising the positive effects of development and minimising adverse effects of development</li><li>have particular regard to the positive effects of urban development at a national, regional and district scale, as well as local effects.</li></ul>	PB1–PB3. Local authorities, on at least a three-yearly basis, must carry out: <ul style="list-style-type: none"><li>a housing assessment that estimates the demand for dwellings, including for different types of dwellings, locations and price points</li><li>a business land assessment that estimates demand for different types and locations of floor area for local business sectors.</li></ul> Both assessments must also estimate the supply of development capacity to meet demand in the short, medium and long term, and identify any insufficiency in development capacity. Calculations of sufficient development capacity should have particular regard to: <ul style="list-style-type: none"><li>cumulative impact of zoning, objectives, policies and rules and overlays in plans</li><li>likely availability of infrastructure</li><li>current physical and commercial feasibility of development (considering likely costs and revenue of developing)</li><li>likelihood of development opportunities being taken up</li><li>monitoring of price signals.</li></ul> PB4. Local authorities must consult with infrastructure providers, community and social housing providers, and the property development sector. PB5. Local authorities must monitor on a quarterly basis or as often as possible a range of indicators including housing affordability indicators, resource and building consents, price signals, and business land vacancy rates.	PC1. Local authorities must consult other local authorities and infrastructure providers that share jurisdiction over a medium or high growth urban area, when developing plans and policy statements. PC2. The relevant local authorities must work together and with infrastructure providers to agree data and projections used in the development of housing and business land assessments. PC3. The relevant local authorities and infrastructure providers must work together and, as far as possible, ensure coordinated land use planning and infrastructure provision, including expected levels of service for infrastructure.	PD1. When the evidence base or monitoring indicates development capacity is not sufficient in the short, medium or long term, local authorities must respond by further enabling development in accordance with PD2 and PD3. PD2. Local authorities must consider all options for increasing development capacity and enabling development including: <ul style="list-style-type: none"><li>changing plan objectives, policies and rules and their application, activity status, rules about notification of resource consents, overlays, and making plans and regional policy statements simpler to interpret</li><li>customer-focused consenting processes</li><li>in granting consents, the conditions of consent imposed.</li></ul> PD3. In implementing PD1, local authorities must in the: <ul style="list-style-type: none"><li>short term, further enable development through customer-focused consenting processes and, where appropriate, amend plans</li><li>medium term, amend relevant plans and policy statements to provide more development capacity</li><li>long term, provide a broad indication of the location, timing and sequencing of development capacity to demonstrate that it will be sufficient.</li></ul> PD4. In giving effect to PD1, with respect to residential development capacity, local authorities should have particular regard to enabling development in locations that the Housing Assessment indicates are of highest demand, and that is commercially feasible.  PD5–6 Regional councils must set minimum targets for sufficient residential development capacity in accordance with their housing assessment, and incorporate them into regional policy statements. <ul style="list-style-type: none"><li>These targets must be set for the medium and long term and be reviewed if necessary.</li></ul> PD7–9. Local authorities must provide a future land release and intensification strategy alongside their plan to provide certainty that there will be sufficient development capacity in the medium and long term, and that minimum targets will be met. This strategy will: <ul style="list-style-type: none"><li>identify broad location, timing and sequencing of development over the long term</li><li>include processes for flexible implementation.</li></ul> The strategy must be informed by housing and business land assessments and the views of infrastructure providers, land owners, property development sector and any other stakeholders.

<b>Key (and see over)</b> <div><div></div> Objectives and policies apply to <b>all</b> local authorities</div> <div><div></div> Apply to local authorities with <b>medium and high-growth urban areas</b> within their jurisdiction</div> <div><div></div> Apply only to local authorities with <b>high-growth urban areas</b> within their jurisdiction</div>	<b>Definitions</b> <b>Development Capacity:</b> In relation to residential and business land, means the capacity of land for urban development to meet demand, taking into account the following factors: <ul style="list-style-type: none"><li>the zoning, objectives, policies, rules and overlays that apply to the land;</li><li>the provision of adequate infrastructure, existing or likely to exist, to support the development of the land, having regard to-<ul style="list-style-type: none"><li>the relevant proposed and operative RPS, regional plans and district plans;</li><li>any relevant management plans and strategies prepared under other Acts.</li></ul></li></ul> <b>Sufficient:</b> The provision of enough development capacity to meet demand, plus to take account of the likelihood that not all capacity will be developed, an additional margin of at least: <ul style="list-style-type: none"><li>20% over and above projected short and medium term demand</li><li>15% over and above projected long term demand</li></ul> Total capacity should reflect demands for different types property in different locations. <b>Long, medium and short term:</b> Within 30 years, 10 years and 3 years.
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## Areas that the NPS-UDC applies to: Medium and High Growth Urban Areas and other areas

Urban Area	Projected population growth 2013 - 2023	Relevant Local Authorities	Relevant parts of the NPS-UDC		
<i>High Growth Urban Area</i>			<i>Objectives and Policies PA1-PA3</i>	<i>Policies PB1-PD4</i>	<i>Policies PD5 – PD10</i>
Auckland	18.1%	Auckland Council			
Tauranga	15.1%	Tauranga City, Western Bay of Plenty District, Bay of Plenty Regional Council			
Hamilton	14.8%	Hamilton City, Waipa District, Waikato District, Waikato Regional Council			
Queenstown	14.0%	Queenstown-Lakes District, Otago Regional Council			
Christchurch	11.1%	Christchurch City, Waimakariri District, Selwyn District, Environment Canterbury			
<i>Medium Growth Urban Area</i>					
New Plymouth	9.3%	New Plymouth District, Taranaki Regional Council			
Nelson	8.5%	Nelson City, Tasman District			
Kapiti	6.9%	Kapiti District, Greater Wellington Regional Council			
Palmerston North	6.7%	Palmerston North City, Manawatu District, Horizons Regional Council			
Wellington	6.4%	Wellington City, Porirua City, Lower Hutt City, Upper Hutt City, Greater Wellington Regional Council			
<i>Other Main Urban Areas</i>					
Napier/Hastings	4.9%	Napier City, Hastings District, Hawke’s Bay Region Council			
Blenheim	4.7%	Marlborough District			
Whangarei	4.5%	Whangarei District, Northland Region			
Gisborne	4.3%	Gisborne District			
Invercargill	3.7%	Invercargill City, Southland Regional Council			
Dunedin	3.6%	Dunedin City, Otago Regional Council			
Rotorua	0.7%	Rotorua District, Bay of Plenty Regional Council			
Whanganui	-1.5%	Whanganui District, Horizons Regional Council			
<i>Rest of New Zealand</i>		Rest of New Zealand’s local authorities			

“High Growth Urban Area” is defined as either:

- A Main Urban Area with population growth over the next ten years of over 10%, according to Statistics NZ medium projections
- A Secondary Urban Area with a combined usually resident population and visitor population of over 30,000 people at any time during the year, with population growth over the next ten years of over 10%, according to Statistics NZ medium projections.

Medium Growth Urban Area” is defined as either:

- A Main Urban Area with population growth over the next ten years of between 5% and 10% under Statistics NZ medium projections, according to Statistics NZ medium projections
- A Secondary Urban Area with a combined usually resident population and visitor population of over 30,000 people at any time during the year, with population growth over the next ten years of between 5% and 10%, according to Statistics NZ medium projections.

Main and Secondary Urban Areas are Statistics New Zealand definitions that identify concentrated urban settlements without the distortions of administrative boundaries. A Main Urban area has a contiguous population of more than 30,000 people. A Secondary Urban Area has a contiguous population of between 10,000 and 30,000 people.