

Te Tūāpapa Kura Kāinga
Ministry for the Environment
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15 August 2025

RE: 'Going for Housing Growth' discussion paper

Who we are

1. Community Housing Aotearoa (CHA) is an Incorporated Society and a peak body for the community housing sector. To achieve our Vision of 'all New Zealanders well-housed', we have a strategic focus on supporting a responsive housing system underpinned by Te Tiriti o Waitangi and the Right to a Decent Home. We are also mindful of the broader institutional and regulatory context within which our members and other community organisations operate.
2. Our member organisations provide homes for over 30,000 people nationally across 26,000 homes and our partner members include developers, consultants and local councils. Our member community housing organisations are primarily registered Charities or not for dividend entities that develop, own and/or manage social and affordable housing stock, with a variety of tenure offerings. We currently have 102 full members providing housing, including 63 registered Community Housing Provider members, and 79 partner members.
3. CHA is a proud Tangata Tiriti organisation and works closely with national Māori housing advocate Te Matapihi, that represents iwi-based and Māori community housing organisations.

Key submission points

We support the direction of travel but see more opportunities to improve housing affordability

4. We appreciate the opportunity to engage early through this discussion document. We believe this approach is valuable considering the complexity of the topic and its importance to the future of Aotearoa New Zealand environmentally, socially and economically. The views expressed here are those of Community Housing Aotearoa informed by input from our members. Some questions which are beyond our technical knowledge to adequately provide input are left unanswered.
5. The proposed replacement of the Resource Management Act 1991 (RMA) will have a significant impact on future generations, and our responses centre this long-term view. We agree with the discussion document's description of the overarching context that; *New Zealand is experiencing a long-running*

housing crisis with a range of barriers to housing supply inflating house and land prices, and our housing does not meet the needs of people and communities.

6. We believe that the new resource management system needs to provide good environmental, social and economic outcomes for all New Zealanders. This means that hazards must be mitigated, culture must be respected, and a range of home typologies and prices must be delivered, not just theoretically enabled, to meet the diverse needs of people and communities.
7. We note that Pillar 2 (infrastructure) and Pillar 3 (incentives for councils) will directly impact on the outcomes achievable. Some of our comments below may change based on what is adopted to implement those Pillars.
8. Community Housing Aotearoa will actively support engagement with our members and other community housing providers to assist with refining the new system to ensure that the resulting legislation results in homes that are affordable, located and built to meet the needs of all people and communities for generations to come.
9. We believe the far-ranging impacts of the proposed changes to the resource management system require significant engagement with Māori in the design of the system and the structures established for on-going consultation once implemented. It is important that Te Tiriti o Waitangi is honoured throughout the process of establishing and operating this legislation.

Responses to Consultation Questions

1. What does the new resource management system need to do to enable good housing and urban development outcomes?

The new system needs to deliver greater consistency, certainty and predictability along with new tools for local authorities to meet housing needs. When evaluating whether the system is enabling good housing and urban development outcomes, it must include measuring affordability based on local incomes and housing costs. A requirement to measure affordability outcomes based on consistent data should be embedded into the system. CHA has long advocated for tailored housing responses based on local needs and expanding the tools available to local councils. Among those tools are an infrastructure funding and finance system that is sustainable and able to spread costs over the useful life of the assets developed.

We also support the Local Government New Zealand remit passed at the August 2020 Annual General Meeting which stated that LGNZ 'Calls on the Government to introduce legislation that would fully enable councils to address housing affordability in their communities through a range of value uplift and capture tools, one such tool being inclusionary zoning'.

2. How should spatial planning requirements be designed to promote good housing and urban outcomes in the new resource management system?

The new spatial planning system as described in Part C 45-49 lacks mention of how climate adaptation will be planned and implemented. Whilst enabling growth, it is also critical to examine and plan for

retreat from areas which will not be suitable to inhabit in the coming decades. A fully costed plan for this should be explicitly part of the new spatial planning system.

As noted in Part C 46, it will be important to define and plan across existing and future housing and employment market areas which span across local and regional boundaries. This is critical to ensure joined up planning and funding for growth in areas such as Wellington, Hamilton, Tauranga/Western Bay of Plenty, and Greater Christchurch where the natural market areas expand across multiple council boundaries.

The system should also be designed with requirements to engage with groups including iwi and hapū, infrastructure providers, and community organisations alongside local and central government agencies. Community input and acceptance are key to ensuring growth is informed by and meets the needs of locals. There also needs to be a robust monitoring and evaluation framework in place which enables corrective actions to be taken when outcomes are not responsive to local conditions.

3. Do you support the proposed high-level design of the housing growth targets? Why or why not?

Clear housing growth targets are important to a well-functioning housing system. We acknowledge the need for ‘an abundance of development opportunities to shift market expectations of future supply and bring down the price of urban land’ but do not believe abundance alone is sufficient to meet the housing needs of lower-income households. The MDRS experience is cited in the paper as an example of this. However, the evidence of the actual outcomes and the analysis in the Sense Partners and PwC’s Cost Benefit Analysis suggests that the MDRS “reduces this transfer of wealth over time by narrowing the gap between the rate of real wage growth and the rate of housing price growth”.¹ To actually lower the cost of housing in real terms rather than relative to the current state other factors driving housing costs higher need to be addressed. These include land banking behaviours, use of residential covenants and incentives for investment in housing compared to businesses and other productive assets classes.

The impact of the proposed 30-year planning for development capacity on prices is also constrained by infrastructure provision. As the summary of proposals acknowledges, it is generally unviable to provide that much infrastructure up front. Although not a planning imposed rural-urban boundary, the limit of available infrastructure functions as a soft boundary, with serviced land more valuable. Liberalisation of perceived planning constraints does not automatically lead to lower land prices, due to land banking and pricing strategies by developers.² Both land availability and infrastructure are necessary, but without other policies are insufficient to constrain the financialisation of land supply which undermines the intent of Going for Housing Growth.

4. How can the new resource management system better enable a streamlined release of land previously identified as suitable for urban development or a greater intensity of development?

The streamlined and predictable release of land is necessary to ensure developers and builders can make informed decisions, potential buyers can plan for their futures, and central and local government investments are put to timely use. The agile land release mechanism and list of practical requirements in Part C 60-61 are a reasonable starting point to develop a new approach. As discussed above, it will

¹ <https://environment.govt.nz/assets/publications/Cost-benefit-analysis-of-proposed-MDRS-Jan-22.pdf>

² <https://www.sciencedirect.com/science/article/abs/pii/S1051137720300449?via%3Dihub>

be important to design into the process tools to ensure homes are built once services are in place. Rating tools can be effective at reducing incentives to hold onto land to capture future higher prices instead of building homes.

5. Do you agree with the proposed methodology for how housing growth targets are calculated and applied across councils?

We defer to the input of councils and planners regarding the choice of the SA2 high growth scenario projections and a contingency margin.

However, we note simply modelling overall household growth without understanding household composition, demographics and incomes does not provide critical information regarding typology and affordability requirements for future supply. These factors should be incorporated to ensure the resulting homes are responsive to local needs. We recommend that Housing Needs Assessments are required to understand how many homes are needed, at what prices points and typologies, and what social infrastructure may be required to serve the near and long term needs of the community. Regulations can set out the methodology for these assessments, which can ensure we are planning for healthy urban environments.

We are concerned about the ability of councils within an urban environment to transfer a portion of the Target between themselves. Guardrails should be established to ensure this does not result in social and economic segregation within the market area. Any transfers should only be allowed for a set of qualifying reasons, for a limited time and with the transferring council obligated to make up the same amount of growth within an agreed period.

6. Are there other methods that might be more appropriate for determining housing growth targets?

No comment.

7. How should feasibility be defined in the new system?

Defining feasibility and using a consistent methodology across council areas is critical to achieving the desired growth and affordability objectives. Feasibility modelling requirements, inputs and assumptions should be standardised to the maximum extent possible. The ability of councils to depart from the standardised zones should be limited to avoid a slow return to the current state identified as a core problem to be solved by the new system. Any adjustment to standardised feasibility modelling should also be closely monitored. Since the allocation of resources for both housing and related social infrastructure (schools, hospitals, etc.) will be based on the growth projections, it is important that direct comparisons can be made across council areas. If adjustments are allowed, there will need to be clear limits to which inputs can be adjusted and the acceptable types of changes allowable. Core inputs such as interest rates should be fixed across councils.

We are unclear on the last sentence in 66 that existing requirements for sufficient capacity would be retained but sit outside of the housing growth targets system. This seems to run counter to the intent to have a clear, cohesive and coordinated system. If those external requirements were to change without regard to the impacts on the housing growth targets it could run undermine the targets.

8. If the design of feasibility is based on profitability, should feasibility modelling be able to allow for changing costs or prices or both?

Housing development is a business activity and profitability is a core incentive to engage in new development. This must be acknowledged in the modelling and reflected in changing costs and prices over time. Whilst the objective of the policy is to improve affordability, until that is a proven result it is important to acknowledge there are strong incentives still in place to treat housing as an investment vehicle acting counter to flat or falling prices.

9. Do you agree with the proposal to replace the current ‘reasonably expected to be realised’ test with a higher-level requirement for capacity to be ‘realistic’?

The devil is in the details regarding these requirements for capacity. We believe that whatever name is applied, the results will be driven by clear guidance on the methodology and inputs to use, the data sources to be utilised consistently applied and on-going monitoring systems in place.

10. What aspects of capacity assessments would benefit from greater prescription and consistency?

The specifics aspects are beyond our current expertise, but we agree with the stated intent to set prescriptive rules and guidance as described in 71. In general, it seems that all aspects will benefit from this approach as described in our response immediately above.

11. Should councils be able to use the growth projection they consider to be most likely for assessing whether there is sufficient infrastructure-ready capacity?

The growth projection used to determine infrastructure-ready capacity should be consistent with the projection used for the growth targets discussed in 62-66.

12. How can we balance the need to set minimum levels of quality for demonstrating infrastructure capacity with the flexibility required to ensure they are implementable by all applicable councils?

The variation in technical ability and resources available to councils must be considered when setting the requirements. We suggest this may be something which could be tasked to the Infrastructure Commission as part of their long-term planning. A potential solution is to utilise a central technical resource to assist smaller councils to meet robust standards.

13. What level of detail should be required when assessing whether capacity is infrastructure-ready? For instance, should this be limited to plant equipment (e.g. treatment plants, pumping stations) and trunk mains/key roads, or should it also include local pipes and roads?

We defer to technical experts in councils, planning and infrastructure providers regarding the level of detail required. As above, the expertise of the Infrastructure Commission may be useful for this.

14. Do you agree with the proposed requirement for council planning decisions to be responsive to price efficiency indicators?

We agree it is important for active monitoring of price efficiency indicators and that these should be centrally measured and published by Te Tūāpapa Kura Kāinga. However, as discussed in our response to Question 3 above, simply enabling more land is not a sufficient response to land banking behaviour. New tools are required to actively ensure that new homes meet the typology and affordability needs of the projected population. These tools should include value capture mechanisms, targeted rating

responses and the ability to easily remove restrictive covenants. The increasing use of covenants and their impacts may work against the desired Going for Housing Growth objectives.³

15. Do you agree that councils should be required to provide enough development capacity for business land to meet 30 years of demand?

We agree it is important to ensure business land is available to balance jobs and housing growth over time. As previously mentioned, it is also important to identify and plan for the required social infrastructure of schools, hospitals, libraries, open space, etc.

16. Are mechanisms needed in the new resource management system to ensure councils are responsive to unanticipated or out-of-sequence developments? If so, how should these be designed?

It is important the new planning system has clear criteria regarding unanticipated or out-of-sequence development proposals. As described in the discussion document, the new system is intended to clearly define growth areas and related infrastructure over decades. We agree this approach is important to achieve the Going for Housing Growth objectives. A key current constraint has been the provision of enabling infrastructure, which is the subject of Pillar 2 with details yet to be released.

Based on the information in the discussion document, it is unclear how the careful planning and sequencing of infrastructure to meet housing demand would benefit from out-of-sequence proposals leapfrogging over planned areas. Should these proposals be allowed, significant benefits would need to be realised and the impact on planned development areas be insignificant. These out-of-sequence proposals should be responsible for paying the infrastructure costs under the principle of 'growth pays for growth' if approved. Where the infrastructure required will benefit areas leapfrogged over, a reimbursement mechanism could be utilised rather than requiring direct funding in advance from the local council. This would ensure the planned development sequencing is not negatively impacted.

17. How should any responsiveness requirements in the new system incorporate the direction for 'going for housing growth'?

As discussed in the prior question, it is important that responsiveness requirements do not undermine the planned and sequenced growth adopted by local councils. Certainty is required to achieve the Going for Housing Growth objective to improve affordability. This means councils should be able to focus on delivery rather than responding to ad-hoc private plan changes.

18. Do you agree with the proposal that the new resource management system is clear that councils are not able to include a policy, objective or rule that sets an urban limit or a rural-urban boundary line in their planning documents for the purposes of urban containment? If not, how should the system best give effect to Cabinet direction to not have rural-urban boundary lines in plans?

We believe that New Zealand cities need to smartly plan for and manage their growth with a balance of intensification and expansion. If excluding 'hard' boundaries is adopted the definition must be clear. For example, hazard areas and culturally, environmentally and economically significant areas must be clearly excluded from development and not subject to a land developer's interpretation and legal

³ <https://knowledgeauckland.org.nz/media/qwgmbuh4/tr2018-013-land-covenants-in-auckland.pdf>

challenge. Enabling growth at all costs does not benefit the long-term wellbeing of our communities, land and water.

19. Do you agree that the future resource management system should prohibit any provisions in spatial or regulatory plans that would prevent leapfrogging? If not, why not?

We would only support the proposal to prohibit leapfrogging if strict criteria are in place. The development of clear, long-term growth plans and associated infrastructure financing will be undermined if councils are not allowed to restrict leapfrogging. As discussed in response to questions 16 and 17, the ability and criteria to allow any leapfrogging should be clearly defined. Any approved proposals should be required to pay the full infrastructure costs for their growth. It is important to ensure that the 'soft' boundaries created through the planned sequencing of development and related infrastructure are not undermined or subject to repeated disruption by out-of-sequence proposals.

20. What role could spatial planning play in better enabling urban expansion?

The spatial planning system can better enable urban intensification and expansion by adopting long term growth plans supported through clear and consistent policies enabling expansion through orderly growth supported by the funding/financing tools need to deliver the necessary hard and social infrastructure. These plans should be built in partnership with local communities, iwi and hāpū, infrastructure providers, and community organisations alongside local and central government agencies. The resulting plans need to enable growth, protect against current and known future hazards from climate change and be designed to meet both immediate and future generations.

21. Do you agree with the proposed definitions for the two categories of 'key public transport corridors'? If not, why not?

We agree with the proposed definitions for the two categories of 'key public transport' corridors. We believe the alignment of these with NZTA's classification framework is a good practice to increase consistency and ease of understanding across agencies which are key to infrastructure provision. We support the intensification aligned with public transport to reduce reliance on cars and associated traffic congestion and parking needs. This also supports carbon reduction efforts.

22. Do you agree with the intensification provisions applying to each category? If not, what should the requirements be?

We agree with the intensification provisions applying to each category.

23. Do you agree with councils being responsible for determining which corridors meet the definition of each of these categories?

We are not familiar with the details of the NZTA classification of the corridors so do not comment specifically. Like other feedback we have provided, we believe that to the greatest extent feasible clear definitions and standards should be applied in the new planning system to minimise discretionary decisions running counter to the intent of the Going for Housing Growth objective to improve affordability.

24. Do you support Option 1, Option 2 or something else? Why?

We support Option 1. We support the provision of minimum catchment size definitions that provide certainty and consistency. We believe that Option 1 better reflects distances which are reasonably sized to ensure broad accessibility. We also encourage the new system to ensure safe and accessible

walking routes are required to ensure people of all ages and abilities can benefit from proximity to transport and neighbourhood amenities.

25. What are the key barriers to the delivery of four-to-six storey developments at present?

No comment.

26. For areas where councils are currently required to enable at least six storeys, should this be increased to more than six storeys? If so, what should it be increased to? Would this have a material impact on what is built?

We support encouraging and enabling greater density. We do not have the direct experience to comment on the number of stories and material impact but believe it will be beneficial over time.

27. For areas where councils are currently required to enable at least six storeys, what would be the costs and risks (if any) of requiring councils to enable more than six storeys?

No comment.

28. Is offsetting for the loss of capacity in directed intensification areas required in the new resource management system?

We support requiring offsetting the loss of capacity in directed intensification areas in the new system. This better supports the outcome of increased intensification rather than pushing capacity toward greenfield development.

29. If offsetting is required, how should an equivalent area be determined?

We support redistribution within the same intensification area or catchment by using a more intensive standardised zone. A land value approach will be harder to implement and require the use of more subjective assumptions, especially if the objective of lower land costs is achieved through the new system.

30. Is an equivalent to the NPS-UD's policy 3(d) (as originally scoped) needed in the new resource management system? If so, are any changes needed to the policy to make it easier to implement?

We are unclear why an equivalent policy would be needed under the proposed new system utilising standardised zones. We also foresee difficulties and inconsistencies across councils in determining the level of accessibility to commercial activities and community services along with demand for housing and business use.

31. What controls need to be put in place to allow residential, commercial and community activities to take place in proximity to each other without significant negative externalities?

We support the intent to allow activities to take place in proximity whilst mitigating negative externalities. We note New Zealand is significantly less experienced with higher density environments and suggest following international best practice regarding the controls and processes that are effective. We believe organisations such as the Urban Development Institute of New Zealand can provide useful input on this topic.

32. What areas should be required to use zones that enable a wide mix of uses?

Key transport corridors and intensification catchments are logical areas to enable a wide mix of uses to fully utilise the public investment in infrastructure and amenities.

33. Which rules under the current system do you consider would either not meet the definition of an externality or have a disproportionate impact on development feasibility?

The wholesale removal of some rules may have unintended consequences. Minimum floor areas and bedroom sizes can ensure there is adequate space for inhabitants and that homes are accessible and functional. There needs to be a balance between realising the building and operating cost efficiencies of smaller homes and ensuring suitability for a variety of occupants. Consideration also needs to extend beyond the homes themselves to ensure there are sufficient community facilities and open spaces in proximity to offset the impact of a potential rush to the bottom by developers in size and amenities. It is important to support cost efficiencies and better utilisation of land resources whilst maintaining good living environments.

It is also necessary to look beyond local authority-imposed rules. Residential covenants are cited by some of our members as a greater contributor to higher costs than council regulations. Research in New Zealand has found covenants “typically, although not exclusively, include minimum dwelling sizes which are typically of larger size than the existing stock and new builds outside covenant developments”.⁴ As discussed in our response to question 14, the planning system should minimise their use and provide local authorities clear powers to remove them when they run counter to the objective to improve affordability.

34. Do you consider changes should be made to the current approach on how requirements are targeted? If so, what changes do you consider should be made?

The requirements should be applied over housing market areas, including where they span across more than one local authority. A good example of where coordination is occurring is the Greater Christchurch Partnership. Its housing market area focus includes all of Christchurch City along with the urbanised areas of Selwyn and Waimakariri Districts. There needs to be a requirement for coordination across such local council areas embedded in the new system. Wellington is a good example of how an inter-connected job and housing market without a coordinated planning framework can result in pushing demand far afield, with the Kapiti Coast, Upper Hutt and Wairarapa housing markets seeing sharp price increases in recent years.

Applying different tiers is appropriate for different council areas but must be grounded in the actual housing and job market areas. This means that some areas of a local council may be part of a larger grouping and others solely under the local council, such as in the Greater Christchurch Partnership.

35. Do you have any feedback on how the going for Housing Growth proposals could impact on Māori?

We defer to Te Matapihi and to Māori to address the impact of the Going for Housing Growth proposals on Māori. We note that reports commissioned for the Waitanga Tribunal claim 2750 have concluded that New Zealand housing policy has consistently been developed with inadequate consultation with

⁴ <https://faabsmallhomes.goodhomes.co.nz/wp-content/uploads/2024/06/Size-Matters-Final.pdf> page5.

Māori and documented the poorer housing outcomes of Māori compared to Pākehā.⁵ We suggest that learnings from these past failings are taken on board for the process of establishing the new system.

36. Do you have any other feedback on Going for Housing Growth proposals and how they should be reflected in the new resource management system?

We believe that active measures are required to deliver affordable homes based on local incomes and household sizes. Local Government New Zealand passed a remit at its Annual General Meeting in 2020 which stated that LGNZ: “Calls on the Government to introduce legislation that would fully enable councils to address housing affordability in their communities through a range of value uplift and capture tools, one such tool being ‘inclusionary zoning’.” Incorporating value capture into the new planning system now will ensure that tools are available if the intended objective of improved affordability through enablement is not achieved. As we found in our research report on value capture and inclusionary housing, enablement alone has not proved sufficient internationally.⁶ The sheer number of households in housing stress requires new tools to meet their needs. Relying solely on central government housing subsidies is insufficient to resolve the problem.

37. Should Tier 1 and 2 councils be required to prepare or review their HBA and FDS in accordance with current NPS-UD requirements ahead of 2027 long-term plans? Why or why not?

We believe the focus should be on moving forward to implement the new system. Councils have been pushed and pulled in recent years with the swings in changing central government direction and policies. Providing clear, consistent direction and enabling councils to progress the new rules will provide greater benefits than meeting outdated requirements. We envision some of the work required under the new system will overlap with information provided under the HBA and FDS. Identifying those components early will enable council staff to plan with certainty to realise the benefits of the new system.

Community Housing Aotearoa appreciates the opportunity to provide this feedback. We value the working relationship we have with the government and agencies tasked with the progressing this important work. We offer our feedback in the spirit of wanting to support the improvement of our housing system and achieve our vision of ‘all New Zealanders well-housed’. We welcome the opportunity for further engagement.

Ngā mihi

Paul Gilberd, CEO, Community Housing Aotearoa – Ngā Wharerau o Aotearoa



⁵ <https://www.waitangitribunal.govt.nz/en/inquiries/kaupapa-inquiries/housing-policy-and-services>

⁶ <https://communityhousing.org.nz/inclusionary-housing-a-pathway-forward-in-aotearoa-new-zealand>