

NPS Urban Development Capacity approved

The Government has recently announced its approval of the National Policy Statement for Urban Development Capacity ("[NPS](#)"). The NPS will become operative on 1 December 2016 with all objectives and certain policies having immediate legal effect. The remainder of the NPS comes into force in stages for different councils.

The NPS is one of a number of initiatives designed to improve housing supply and affordability, including extending and amending the Housing Accords and Special Housing Areas Act 2013; amendments to the Building Act 2004 and the Construction Contracts Act 2002; development of the future housing infrastructure fund, and potential urban development legislation.

The key purpose of the NPS is to ensure that resource management decisions are informed by more robust and specific information on supply and demand, and to ensure that councils are providing enough residential and business land supply for projected future demand.

The details of how the NPS works are included in our earlier article: [Councils under \(housing\) arrest](#).

The central aspect of the NPS is that it applies different obligations to different councils depending on whether they contain a 'high' or 'medium' growth urban area within their jurisdiction. Importantly, where councils do contain a high or medium growth urban area, the application of the NPS in that district or region is not limited to the boundary of the urban area. This could in theory lead to more 'outward' development in greenfield areas. The more onerous provisions of the NPS will require local authorities with high growth urban areas to complete a housing and business development capacity assessment (by 2017) and a future development strategy with minimum targets for development capacity (by 2018).

The general objectives and policies applying to all councils may also have a consequential effect on planning decisions, as foreshadowed in the Minister for the Environment's [Press Release](#): *"It is also a powerful lever for those seeking additional residential zoning from councils in that they can appeal council decisions to the Environment Court on the basis the council is not meeting supply requirements"*.

The current split of high and medium growth areas (and associated councils) is as follows:

7 November 2016

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Area	Council	Objectives and Policies
All	All Councils	All objectives Policies PA1-PA4
Medium growth urban areas (subject to change as population projections are revised)		
New Plymouth Wellington Palmerston North Kapiti Nelson	New Plymouth District, Taranaki Region, Nelson City, Tasman District, Kapiti Coast District, Greater Wellington Region Palmerston North City, Horizons Region Wellington City, Porirua City, Lower Hutt City, Upper Hutt City	As above, plus: Policies PC1-4, PD1-2, PB6, PB7, PB1-5
High growth urban areas (subject to change as population projections are revised)		
Auckland Tauranga Hamilton Queenstown Christchurch	Auckland Council, Tauranga City, Western Bay of Plenty District, Bay of Plenty Region Hamilton City, Waipa District, Waikato District, Waikato Region, Queenstown Lakes District, Otago Region, Christchurch Christchurch City, Waimakariri District, Selwyn District, Environment Canterbury Region	As above, plus: PD3-4, PB1-5, PC5-11, PC12-PC14

To find out more about how the proposed NPS-UDC will affect you, contact our specialists in the [Environment, Planning, and Natural Resources Team](#).