

## Coalition Government's new plan to "fix our housing crisis"

**The Government has unveiled Stage One of its new [Going for Housing Growth Plan \(Plan\)](#) to unlock land for housing, build infrastructure, and share the benefits of growth including by removing Land Use Capacity (LUC) 3 land from the definition of highly productive land in the National Policy Statement for Highly Productive Land (NPS-HPL).**

The Plan will be structured around three pillars, to be rolled out over three years. These changes are expected to be implemented through amendments to the Resource Management Act 1991 (RMA), the National Policy Statement on Urban Development (NPS-UD) and the NPS-HPL.

Pillar 1 of the Plan, "Unlocking Land", focuses on freeing up land for urban development and includes requiring councils to free up land, for housing by:

1. Establishing Housing Growth Targets for Tier 1 and 2 councils;
2. Allowing cities to expand outwards at the urban fringe;
3. Strengthening the intensification provisions in the NPS-UD;
4. Requiring councils to enable mixed-use developments in our cities;
5. Abolishing the minimum floor area and balcony requirements.

Requirements for Pillar 1 are expected to be in place by mid-2025, with formal consultation on the changes occurring in early 2025.

### Future work programme

The Plan is also expected to include:

- Infrastructure financing tools. The Government will reform the Infrastructure Funding and Financing Act "to reduce red tape for developers to fund infrastructure". They consider this, along with targeted rates to fund greenfield developments, will remove the need for councils to fund greenfield infrastructure from their balance sheets. Housing growth will also be a priority for New Zealand Transport Authority Funding.
- Housing Incentives: Housing performance incentives for councils. The Government will introduce a \$1 billion Build-for-Growth performance-based fund to incentivise councils to deliver more new housing. The fund will be funded by stopping existing programmes like KiwiBuild.

### Exclusion of LUC 3 land from the NPS-HPL

The Government have also announced they will refocus the NPS-HPL by excluding LUC 3 category land.

Under the current NPS-HPL, territorial authorities must avoid the rezoning and subdivision of highly productive land unless certain exemptions apply. Land is treated as highly productive land if it contains LUC 1, 2 or 3 land (being the most arable soil types). The Government say they "support the protection of our most valuable sources" but that the NPS-HPL has gone too far by protecting too greater quantity of land that could be better used for housing.

### Timing and next steps

The Government has indicated the changes will be progressed through a Resource Management

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## Coalition Government's new plan to "fix our housing crisis" (Continued)

Amendment Bill and a national direction process. Further Ministerial decisions, including decisions on Pillars 2 and 3 are expected over 2024 and 2025.

### Broader plan to end the housing crisis

The Plan is the first of five "critical elements" to build more houses. The other elements are:

- Improving the rental market;
- Resource Management Act reform;
- Building Act reform; and
- Supercharging social housing.

### Want to know more?

If you have any questions about the Plan, please contact our specialist [environment, planning and natural resources team](#).