

18 September 2025

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

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Thank you for the opportunity to provide comment on the draft Policy Statement on Housing and Urban Development (GPS-UD).

As a Tier-1 high-growth local authority, under the National Policy Statement on Urban Development 2020, and rapidly growing district with some acute housing supply and affordability issues, we welcome the Policy Statement's bringing together of Government's long-term outcomes and priorities in the housing and urban development space.

We have recently made submissions against a number of national direction and legislation change proposals in this and related areas. We make reference to these submissions in this letter, and highlight some relevant information from these submissions that should be taken into account in relation to this Government Policy Statement as well. In this submission we focus on additional areas of feedback, specific to this consultation.

We have specific feedback against the outcomes and priorities in the draft GPS-UD 2025 below.

### **Proposed Outcomes in the draft GPS-UD 2025**

1. Given that the outcomes of the draft GPS-UD 2025 have been largely brought through from the GPS-HUD 2021, we are broadly supportive of the vision and high-level outcomes presented.
2. However, with respect to the outcomes we also note:
  - Are heartened that through the priorities the draft GPS-UD 2025 is more ambitious/transformational than its predecessor, better supporting the vision that *'Everyone in New Zealand lives in a home and within a community that meets their needs and aspiration'*
  - Acknowledge that the priority actions explain how government is intending to achieve the outcomes
  - Reiterate our concerns that while government is working across a wide range of priority areas to improve housing supply and affordability, and our urban

environments, it must ensure that it is not too narrow in defining the problems and their causes and is open to solutions that provide balance. Unfettered reliance on the market is a one-dimensional response, and doing things faster, with fewer checks and balances, may trade one set of problems for another

3. Council has commented through previous submissions on its support and concerns in this area. These points are referenced below under the government priorities.

### **Government Priorities**

4. As with many other areas around Aotearoa New Zealand, Kāpiti is experiencing significant housing pressure as well as future growth. This provides challenges, as increasing house prices and rents over time and market preferences create increasing pressure on our communities, displacing parts of our community who can no longer afford to live here. This impact is apparent in both the ownership and rental markets.
5. As such, we are acutely aware of the need to get the balance right between the Government's desire to ease restrictions to enable faster uplift in housing and necessary infrastructure, and ensuring that we manage any unintended environmental and social impacts and meet the needs of current and future generations as outlined in our 30 year growth strategy, [Te tupu pai, Growing well](#).

### **Going for housing growth**

6. We highlight the below challenges previously noted in [Council submission](#) on the *Going for Housing Growth* discussion document. These points also need to be addressed in the GPS-UD 2025 to ensure sustainable growth.
  - Incentivising development to occur in the right places to ensure our communities develop in ways that support people to lead good lives here.
  - Ensuring residents rights to 'have a say' in the shaping of the character of their community as we grow are upheld
  - Addressing the growing gaps for needed social infrastructure (for example education and health services that are provided by central government) and ensuring they are aligned with the scale of intended growth
7. We re-iterate our concerns regarding housing growth targets on the basis that Councils are not developers and generally do not have the ability to deliver housing.
8. Additionally, we note the following additional points:
  - In freeing up land supply it needs to be recognised that, irrespective of the amount of land that councils may zone, land banking by market players has as much a negative impact as council zonings and local government does not have the tools to counter this.
  - With respect to housing affordability, eliminating certain types of private covenants put in place by developers that effectively and significantly increase construction costs and restrain future changes to land use for intensification, needs a central

government response, as highlighted in [the New Zealand Productivity Commission's 2015 inquiry on Using Land for Housing](#).

#### Reforming the resource management system

9. Council has made a number of previous submissions on different documents associated with this priority (please see previous [Council submission](#) National Direction Reform Packages 1 and 2 for further detail).
10. Generally, Council's position is that while we support making the system more efficient and less onerous, care must be taken that in re-balancing the system, it is not put out of balance from another perspective by privileging economic performance over environmental, social and cultural outcomes.
11. Council is acutely aware of the need to get the balance right between easing restrictions to enable faster uplift in housing and necessary infrastructure, and in ensuring that we manage any unintended environmental and social impacts so that we balance the needs of current and future generations.

#### Resetting investment to help most those in need

12. With respect to resetting the rental market, Council recommends that there should be processes for routinely undertaking housing need assessments and applying MHUD's flexible fund to establish local solutions to address specific housing needs identified in any assessment. As an example, Kāpiti district's older population requires a response to the demand for smaller accessible units. Of note:
  - Sixty nine percent of households on the housing register require one-bedroom units while only 12 of the existing Kāinga Ora portfolio in Kāpiti (233 units) are one bedroom.
  - Kāinga Ora have told us that it is not economic for them to build one-bedroom units even though the overwhelming evidence is that is what is required. This is a fundamental mismatch between need and supply and goes nowhere toward helping those in need.
13. Council advocates that MHUD focus on this data when making purchasing decisions regarding access to Income Related Rent Subsidy. Here in Kāpiti, a local solution might involve the use of Council's older persons' housing portfolio as a basis for growth of the portfolio to meet forecasted demand.
14. We also highlight that actions under the resetting investment priority should include a service to assist people who are homeless – a growing issue in our district, and around the country, as government's approach to emergency housing bites the most vulnerable. The service could assist people to engage with central government agencies.

#### Improving efficiency and competition in building

15. Council is supportive of measures that reduce red tape, cost, and time in housing development and cost.

16. However, while building consenting processes may seem an easy target, Council maintains a degree of concern that the measures to be put in place around remote inspections, use of overseas sourced products and systems, and the consenting of 'granny flats' poses risks that outweighs the potential savings in time and money. As these are mostly now implemented, Council looks forward to appropriate monitoring of changes to technical standards to ensure any adverse impacts to ongoing housing quality is identified. (Please see the following previous Council submissions for further detail: [Efficiency of inspections process](#); [Overseas building products](#); and [Small stand-alone dwellings](#) and ['Granny flats'](#)).
17. In closing, Council would like to acknowledge the Government's efforts in tackling the difficult challenges in this area to achieve better outcomes for New Zealanders but would advise balance throughout these initiatives, between the market, good regulation, partnership and an-all-of government approach to achieving the GPS-UD vision.
18. We would be happy to engage further on any aspect of this submission.

Yours sincerely



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