



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Government Policy Statement on Housing and Urban Development 2025

Consultation draft

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Ministers' foreword

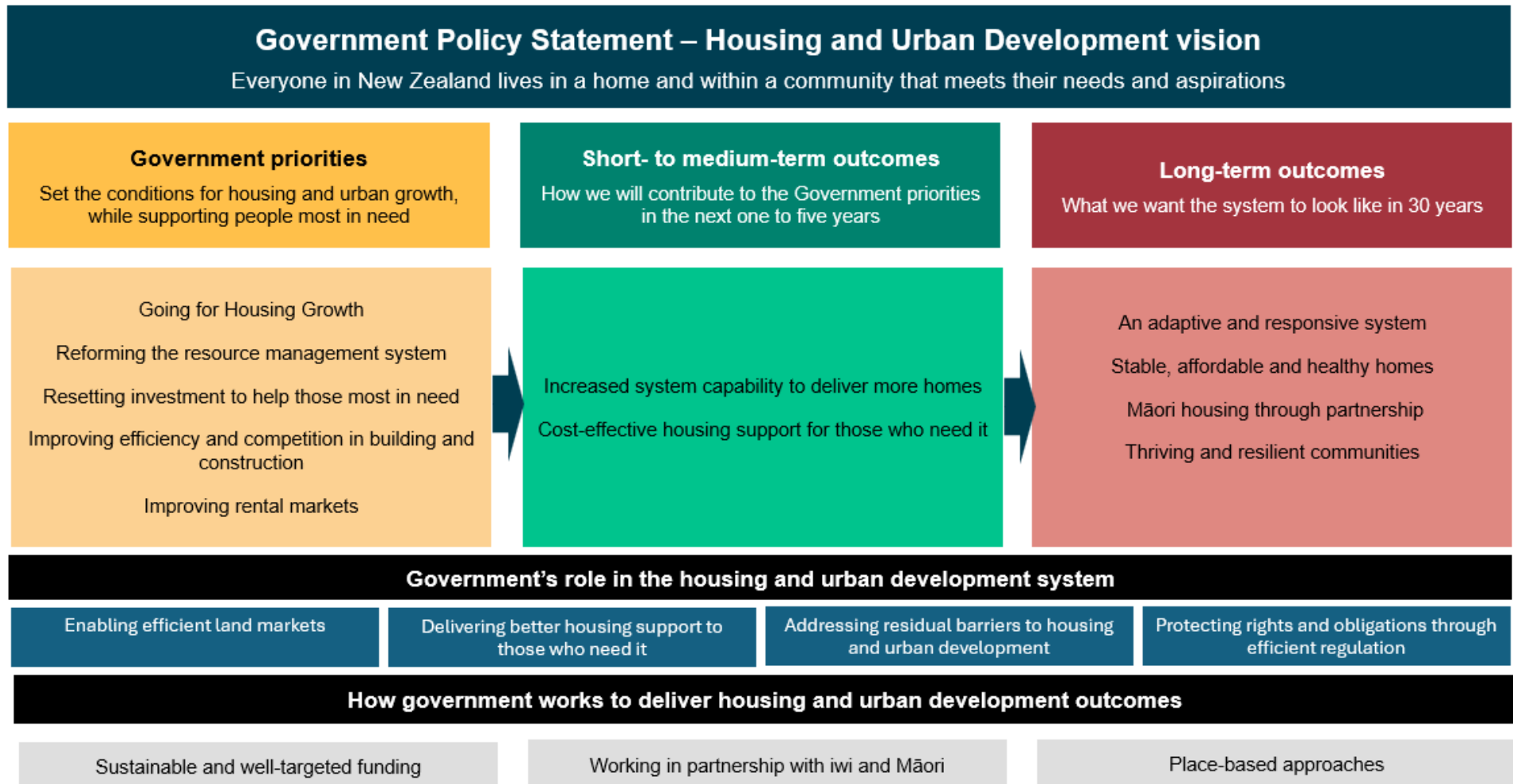
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Hon Nicola Willis
Minister of Finance

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[date]

GPS-HUD at a glance



Overview

Growing our towns and cities, with efficient infrastructure and an ample supply of the right houses in the right place, is vital for Aotearoa New Zealand's economy and its people. Our urban communities should be engines of economic growth and innovation, supporting businesses to access skills and investment. People in stable, healthy housing are more likely to achieve educational success, enjoy good physical and mental health, have jobs, and participate in their communities.

For decades, we have not enabled our towns and cities to grow well. The poor housing and urban outcomes we are experiencing (see appendix 1) require a concerted and aligned effort to resolve. The government is one of many contributors to this effort.

Government's role in the housing and urban system is:

- Enabling efficient land markets – ensuring more responsive supply of land and infrastructure to shift market expectations and behaviour, moderate the price of urban land and increase opportunities for housing and urban development.
- Delivering better housing support to those who need it – supporting people into safe and stable housing (whether market or non-market) to improve the welfare of New Zealanders and minimise wider costs to society. The objective is “Right house, right place, right people” – ensuring that people in need have the type of housing they need, where it is needed.
- Addressing residual barriers to urban development – coordinating development where required to ensure optimal market delivery and address key issues, such as ensuring housing and urban development in main centres maximises gains from transit-oriented development.
- Protection of rights and obligations through efficient regulation – supporting investment certainty and protecting the interests of participants through efficient and effective regulation of tenure and building and construction quality.

The Government Policy Statement on Housing and Urban Development (GPS-HUD) describes long-term and shorter-term outcomes for the housing and urban system, and five government priority actions intended to set us on the road to achieving those outcomes.

- Going for Housing Growth – getting the fundamentals right, to target the underlying causes of the housing shortage and putting the right conditions in place to increase the supply of appropriate land for housing.
- Reforming the resource management system – removing red tape and green-lighting infrastructure and housing development.
- Resetting investment to help those most in need – taking a deliberate, evidence-based approach to housing investment that will make the biggest difference for people in need.

- Improving efficiency and competition in building and construction – making it cheaper and easier to build.
- Improving rental markets – incentivising investors to increase the supply of rental housing.

The government priorities are critical actions required now to fix the housing and urban system. As its overriding priority, the Government is maintaining a focus on making the system more responsive to housing need and enabling it to deliver housing growth and improved investment. Action over decades will be needed to fully realise the long-term system outcomes.

Government works to deliver on its priorities by:

- Taking a place-based approach, with central and local government working with partners in places to identify and deliver the best mix of public and private initiatives and services.
- Working in partnership with iwi and Māori using the MAIHI approach, which drives the fundamental shifts required in the government response to Māori housing needs and aspirations, and supports housing and urban development by Māori, with Māori and for Māori.
- Developing sustainable and well-targeted funding, investment and assistance to ensure value for money in delivering on housing and urban objectives and provide clarity about what government will and won't fund.

About the GPS-HUD

Under the Kāinga Ora–Homes and Communities Act 2019 (Kāinga Ora Act), the purpose of the GPS-HUD is to state the Government's overall direction and priorities for housing and urban development and to inform and guide the decisions and actions of agencies involved in, and the activities necessary or desirable for, housing and urban development.

The Kāinga Ora Act requires that the GPS-HUD include:

- the government's overall direction and priorities for housing and urban development, which must include a multi-decade outlook
- how the government expects Kāinga Ora, the government social housing provider, to manage its functions and operations to meet the government's direction and priorities for housing and urban development
- the government's expectations in relation to Māori interests, partnering with Māori, and protections for Māori interests
- how the government expects other agencies to support the direction and priorities
- how the government expects Kāinga Ora to recognise the need to mitigate and adapt to the effects of climate change.

Part one: Long-term direction

The GPS-HUD has a vision for housing and urban development that describes what we want to realise for New Zealand in the coming decades. Four outcomes describe, at a high level, what we want the housing and urban development system to look like in 30 years. While the focus and emphasis of future governments may vary as New Zealand changes and develops, the long-term vision and outcomes are intended to remain relevant.

Vision

Everyone in New Zealand lives in a home and within a community that meets their needs and aspirations

Outcomes: What we want to see

An adaptive and responsive system

A housing and urban development system that is integrated, self-adjusting and delivers in response to emerging challenges and opportunities.

Land, infrastructure, development and construction markets that are responsive to demand, well-planned and well-regulated.

Place-based investment, with central and local government working with partners in places to identify and deliver the best mix of public and private initiatives and services. Decision-making supported by excellent evidence and data.

Stable, affordable, healthy homes

Housing that is affordable and has stability of tenure, whether it's rented or owned.

People able to choose where they live and what type of home they live in.

People with enough money left over after housing costs for other things they need.

The quality, accessibility, size and features of homes support people and families to be healthy and productive.

People in greatest housing need get the support they need, and homelessness is rare, brief and non-recurring.

Māori housing through partnership

Māori and the Crown working together in partnership to ensure all whānau have stable, affordable, healthy homes.

Māori housing solutions led by Māori and delivered locally, with Māori able to utilise their own assets and whenua.

Active Māori participation in the system through partnership with the Crown to invest in and support housing solutions.

Thriving and resilient communities

Development aimed at creating towns and cities that have abundant housing and well-functioning physical and community infrastructure.

Transport that gets people where they need to go quickly and efficiently.

Towns and cities that are resilient to natural hazards, help reduce emissions and adapt to the impacts of a changing climate.

Communities that drive economic growth and support businesses to grow.

Measuring progress against outcomes

He oranga kāinga, he oranga hapori – the housing and urban development system indicators – measure progress against the GPS-HUD outcomes. These indicators will evolve as understanding of the housing and urban development system improves. Indicators will be added and replaced as more information about change in the whole system becomes available.

Information on system indicators is available at [About the indicators - Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development \(hud.govt.nz\)](#)

Part two: Government priorities

The Government's five housing and urban development priorities provide a basis for action to set the conditions that will enable housing growth, enable the market to achieve housing and development outcomes, and meet the needs of the most vulnerable people. They are:

- Going for Housing Growth
- reforming the resource management system
- resetting investment to help those most in need
- improving efficiency and competition in building and construction
- improving rental markets.

Each priority has a set of objectives and achievable initiatives designed to accelerate progress towards the long-term GPS-HUD outcomes.

We expect to start seeing results from some of these priority areas in the next one to five years. Work to implement and embed some of these programmes will need to continue over the next five to ten years. However, the full benefits of this work will play out over an even longer timeframe.

In the shorter term (one to five years), delivering the Government priorities will contribute to:

- increased capability and capacity across the system to deliver more homes, including building and resource consenting processes that flow more effectively and efficiently
- cost-effective housing support for those who need it, and increased ability for people to move from highly subsidised social housing to other forms of affordable housing.

Over time this will contribute to longer-term stability in infrastructure and construction pipelines, assist the sector to invest in developing scale and productivity, and improve land market performance.

Going for Housing Growth

Links to GPS-HUD outcomes

Adaptive and responsive system

Stable, affordable, healthy homes

Thriving and resilient communities

Growing 'up' and 'out' by increasing the supply of land, removing unnecessary planning barriers and providing more flexible methods to fund and finance infrastructure will help to increase the supply of housing and put downward pressure on prices and rents.

Development in the right places will reduce infrastructure and transport costs, and improve people's access to jobs, services and leisure activities. Increased housing supply will enable New Zealand to respond to future population growth.

What we are doing and why

In many parts of New Zealand, restrictions on land supply are a major contributor to housing supply shortages and act as an economic constraint by hampering urban growth. Councils do not always free up enough land for development or plan well for intensification. The infrastructure funding system leaves councils unable to effectively recover infrastructure costs – as a result, the costs are passed on to ratepayers or development stagnates. Persistent undersupply of infrastructure-serviced urban land pushes up house prices. Housing supply restrictions drive public spending by increasing rents and forcing more people to depend on government support.

The Government's plan for change, Going for Housing Growth, is a comprehensive reform programme that will make changes to a range of legislation and regulatory settings to target underlying causes of the housing shortage and support growth – both 'up' within the existing urban area and 'out' into greenfields. It focuses on three pillars:

- freeing up land for development and removing unnecessary planning barriers
- improving infrastructure funding and financing
- providing incentives to councils and communities.

Going for Housing Growth is supported by resource management and Building Act reforms, as well as a range of related initiatives to support the growth of infrastructure. Under proposed settings:

- Councils in larger urban areas (Tier 1 and 2 councils) will have to provide at least 30 years of feasible development capacity for housing at any one time, with requirements to enable intensification in specific areas where it makes sense, but with general flexibility about where capacity is provided
- Councils will need to allow a mix of uses across their urban areas

- Infrastructure funding and financing settings will better enable councils and developers to provide infrastructure where it makes sense economically.

Central government will continue to play a key role in facilitating urban development, for example, helping to coordinate between the many players involved in urban development and infrastructure improvements.

Objectives and expectations for the next three to five years

Objectives and agencies	Expectations
Free up land for development and remove unnecessary planning barriers Ministry for the Environment (MfE) Ministry of Housing and Urban Development	Introduce new and amended requirements for councils through the new resource management system including proposals that require councils to: <ul style="list-style-type: none"> • provide ample development capacity through housing growth targets • enable density in and around central areas and transport corridors where demand for housing is high • be more enabling of a mix of uses across their urban areas • remove unnecessary planning rules such as minimum floor area and balcony requirements.
Improve infrastructure funding and financing Ministry of Housing and Urban Development Department of Internal Affairs (DIA) Treasury Ministry of Transport (MoT)	<ul style="list-style-type: none"> • Enable territorial authorities and infrastructure providers to recover capital expenditure costs from developments, when these costs are necessary to provide capacity for growth. • Provide for landowners who benefit from major transport projects to contribute funding towards them. • Streamline the Infrastructure Funding and Financing Act and broaden the scope of projects it can be used for.
Provide incentives for communities and councils to support housing growth Ministry of Housing and Urban Development DIA	<ul style="list-style-type: none"> • Consider potential incentives for councils to enable more housing. • Implement the first set of city and regional deals to strengthen the partnership between central and local government in pursuit of shared housing and urban outcomes.

Related work across government

Going for Growth

The Going for Housing Growth land and infrastructure initiatives are a key element of the Government's Going for Growth approach, which aims to drive economic growth across talent development; competitive business settings; promoting global trade and investment; innovation, technology and science; and infrastructure development.

Government Policy Statement on Land Transport

Land use and transport planning must be integrated for communities and the economy to thrive. The economic growth and productivity outcomes sought in the Government Policy Statement on Land Transport (GPS-LT) are closely linked to housing and urban objectives, including, for example: unlocked access to greenfield land for housing development, support for greater urban intensification, improved access to markets and employment, and reduced journey times.

Local Water Done Well

Local Water Done Well is the Government's plan to address New Zealand's long-standing water infrastructure challenges. It recognises the importance of local decision-making and flexibility for communities and councils to determine how their water services will be delivered in the future. Like Going for Housing Growth, Local Water Done Well involves setting the rules for infrastructure investment, developing fit-for-purpose delivery models and financing tools for councils, and ensuring value for money and financial sustainability.

Reforming the resource management system

Links to GPS-HUD outcomes	
Adaptive and responsive system	Thriving and resilient communities
Removing unnecessary regulation will help increase the supply of housing and infrastructure and put downward pressure on prices and rents.	
New planning legislation will make it easier for councils to plan for urban growth and infrastructure.	

What we are doing and why

The resource management system greatly impacts the supply, type and location of homes able to be delivered, which in turn impacts land prices, housing and rental affordability. The existing planning system and rules for land development have limited the availability of land for housing in places where people want to live, especially in major cities and towns. This limits development and leads to high land prices. Even when land can be freed up for housing development, funding and other constraints often make it challenging to provide the infrastructure needed.

The Government has committed to a range of reforms to the resource management system over the coming years, aimed at driving economic growth and increasing productivity by making it easier to get things done while protecting the environment. Many of the Going for Housing Growth proposals will be progressed through these reforms. Some of the reforms are already in force, including the Fast-Track Approvals Act 2024. Ultimately the Resource Management Act 1991 (RMA) will be replaced with two Acts – a Planning Act that focuses on planning and regulating the use, development and enjoyment of land; and a Natural Environment Act that focuses on the use, protection and enhancement of the natural environment.

Objectives and expectations for the next three to five years

Objectives and agencies	Expectations
Amendments to the Resource Management Act 1991 (RMA) MfE supported by Ministry of Housing and Urban Development	Resource Management (Consenting and Other System Changes) Amendment Bill: Amend the RMA to set out new development capacity requirements for Auckland and Christchurch City Council as the remaining councils that have not yet implemented the Medium Density Residential Standards.

Objectives and agencies	Expectations
<p>Replace RMA with Planning Act and Natural Environment Act</p> <p>MfE supported by Ministry of Housing and Urban Development and New Zealand Infrastructure Commission – Te Waihanga</p>	<p>Planning and Natural Environment Acts to be introduced focused on:</p> <ul style="list-style-type: none"> • Narrowing the scope of the resource management system • Greater standardisation of plans, with more activities permitted • More enabling settings for housing and infrastructure development, informed by spatial planning that has legal weight • Going for Housing Growth work to free up land for development and remove unnecessary planning barriers will predominantly be progressed via this phase of resource management reform.

Related work across government

New National Direction

As part of the reforms under the RMA, the Government is proposing a suite of new and amended National Direction instruments to unlock development capacity for housing and business growth (including to facilitate the provision of granny flats), enable delivery of high-quality infrastructure for the future and support primary sector growth and development.

As part of this, Te Puni Kōkiri is developing new National Environmental Standards on papakāinga. The objective of the new National Environmental Standards is to ensure all district plans contain provisions that enable papakainga developments on Māori ancestral land.

Resetting investment to help those most in need

Links to GPS-HUD outcomes

Adaptive and responsive system

Stable, affordable, healthy homes

Māori housing through partnership

Improving effectiveness and value for money by building a flexible system made up of the right partners, including community housing providers, Kāinga Ora, iwi, Māori and the private sector, playing to their strengths to meet housing needs in places.

Responsiveness to need in places will provide stable, affordable housing and housing support for those who need it – right house, right place, right people.

What we are doing and why

Even if market housing is abundant, some people will continue to be excluded from, or find it difficult to access, adequate housing because of their personal circumstances – for example because of low income, household composition or disability. Many people need types of housing that the market does not often supply, such as accessible housing.

Social housing, affordable rental provision and other forms of government housing assistance respond to these gaps in the private market to ensure that housing needs are met. In addition, there will always be a need for safe and secure temporary housing, including emergency housing, when circumstances require it and for people who have no safe, appropriate or affordable place to stay.

The way government invests in housing and urban development has been complicated, unfocused, duplicative and expensive. It costs taxpayers over \$5 billion per annum on housing support and assistance. These costs are continuing to grow, while outcomes for many people in housing need remain poor.

Demand remains very high for housing support, with thousands of people waiting on the social housing register. The current system is also driving inequitable outcomes, with some people in private rentals who have similar housing needs to those in social housing receiving less housing support.

Government is changing the way it invests in housing and housing services. The new housing investment system seeks to ensure government invests in solutions that the market will not provide, that have the greatest impact, and that provide value for money.

Investment requires careful consideration of what to invest in, how investment decisions are made, and how to measure success. This will be done by using high-quality data, evidence, analysis, and reporting to inform decisions, drive continuous improvements to housing outcomes, and ensure interventions provide value for

money. Over time, government will grow its understanding of the housing needs of specific population groups such as Māori, Pacific peoples, young people, older people and disabled people, so that it can better direct investment to benefit those most in need.

As a first step in establishing the new investment system, a flexible fund was established as part of Budget 2025 to simplify investment. The flexible fund will move away from having numerous tightly specified programmes that are difficult to navigate to a future state where funding for housing support is simpler, more consolidated and responds more effectively to needs in different places.

An ongoing housing investment strategy will guide government's investment choices to ensure they are effective and deliver value for money. The Investment Strategy will be based on a single investment objective: to enable people in high housing need to have access to stable and secure housing. Investment decisions, including how to prioritise people in the right houses in the right places, understand impact, identify interventions and work with partners, will be informed by data.

As part of its place-based approach, the government will work with the community and partners in places to ensure the people most in need are supported in the most effective way. Community housing providers (CHPs) and, iwi and Māori housing providers, who often have specialised local and population knowledge and well-established relationships with their communities, will have an increasingly important part to play in helping to effectively meet a diverse range of needs.

Kāinga Ora will remain the largest provider of social housing. It is progressing a turnaround plan to make sure it is financially sustainable and focused on its core business of being a good social landlord.

As a top priority, the Government committed to ending the large-scale and long-term use of emergency housing. The target of reducing households in emergency housing by 75 per cent has been reached, and the focus has now shifted to maintaining that target.

Objectives and expectations for the next three to five years

Objectives and agencies	Expectations
Reset investment to support a more responsive system Ministry of Housing and Urban Development Ministry of Social Development (MSD)	<ul style="list-style-type: none"> Establish a dedicated flexible fund that, over time, will rationalise and consolidate housing support funds and programmes Establish a new housing investment system in the Ministry to administer and direct flexible funding and solutions Enable more flexible solutions, including support for affordable social rentals

	<ul style="list-style-type: none"> • Address wider issues with the social housing system, including the Income-Related Rent Subsidy and the Accommodation Supplement, and a longer-term view on the role of affordable rentals • Reset programmes and services to support people experiencing or at risk of homelessness to access and maintain secure and stable housing, to address system challenges and improve effectiveness and value for money.
<p>Work with housing providers to deliver more cost-effective social housing and housing services that are responsive to need</p> <p>Ministry of Housing and Urban Development Kāinga Ora</p>	<ul style="list-style-type: none"> • Improve Kāinga Ora's performance, financial sustainability and value for money • Support CHPs to increase social housing supply through sustainable funding options • Work with a variety of providers including CHPs, Kāinga Ora, Māori providers and the private sector.
<p>End the large-scale and long-term use of emergency housing</p> <p>Ministry of Housing and Urban Development MSD</p>	<ul style="list-style-type: none"> • Maintain the target reached at the end of 2024 of reducing households in emergency housing by 75 per cent by 2030 • Ensure emergency housing is used for its intended purpose as short-stay accommodation for those in urgent housing need.

Social housing and public housing are terms used interchangeably in New Zealand to describe rental accommodation for people who can't afford to live in a private rental, where the government pays an income-related rent subsidy. These homes may be provided by Kāinga Ora – Homes and Communities or by a community housing provider.

The resetting investment priority also encompasses other forms of government-assisted housing and housing support for people in need, such as emergency housing, and the accommodation supplement that subsidises the incomes of people in market housing.

Improving efficiency and competition in building and construction

Links to GPS-HUD outcomes

Adaptive and responsive system

Stable, affordable, healthy homes

Removing regulatory barriers to efficient construction will enable the system to respond quickly to housing demand.

Making it easier and less expensive to build benefits housing affordability and affordable housing supply.

What we are doing and why

New Zealand needs a better performing construction sector to realise the benefits of Going for Housing Growth. For a variety of reasons, building new homes in New Zealand is costly. New Zealand's building cost inflation is high compared to most OECD countries. Over the decade to December 2024, the cost of building a new home rose 80 per cent while the median household disposable income only rose 55 per cent. This means that it has become harder for many households to afford to build or buy a new home.

In part, higher costs of construction reflect the challenging build environment in New Zealand, including weather conditions, seismic activity and challenging topography, as well as our preference for customised housing. They also highlight construction sector inefficiencies in designing, consenting, securing materials and finance, and coordinating labour to deliver a high-quality build. A 2022 report by Te Waihanga – Infrastructure Commission found that our biggest problem is that we struggle to scale up for growth – we purchase extra construction output at the cost of high construction inflation. These struggles reflect long-term issues around the capacity and capability of our construction workforce, material supply chains and volatility of investment.

Inefficiencies in the building consent system, risk aversion on the part of builders, councils and lenders, development finance costs and inconsistent approaches between different councils create uncertainty and delays and erode development profit margins. This creates challenges to increasing housing supply.

Building firms impacted by periodic downturns can lack confidence or ability to invest in new housing development, or to develop scale, skills and innovation.

Building and construction reforms currently underway are intended to increase housing supply by reducing consenting barriers, increasing competition and driving down costs in the building system.

Objectives and expectations for the next three to five years

Objectives and agencies	Expectations
<p>Improvements to the building products regime to increase competition</p> <p>Ministry of Business, Innovation and Employment (MBIE)</p>	<p>Changes to the Building Act to better recognise high-quality building products from overseas jurisdictions and make it easier to substitute products.</p>
<p>Improvements to the building consent system</p> <p>MBIE</p>	<ul style="list-style-type: none"> • Streamline consent pathways for low risk building activity, including enabling trusted builders to sign off on their own work; restructuring building consent authorities to ensure they are fit for purpose; enabling granny flats to be built without resource or building consent; and adopting a more balanced approach to liability for collective work • Improve consistency of building consent authority functions • Monitor and report on building consent authorities' compliance with statutory timeframes.

Improving rental markets

Links to GPS-HUD outcomes

Stable, affordable, healthy homes

Māori housing through partnership

Supporting investment in rental housing, removing barriers to housing supply, and ensuring proportionate regulation of the market will support access and affordability for tenants while improving experience for all regulated parties.

What we are doing and why

In New Zealand the great majority of tenants rent privately-owned dwellings. The proportion of people renting long-term, and the proportion of our population entering their senior years as renters, has increased significantly in recent decades. There are also more children, proportionately and in actual numbers, being raised in rentals.

There is not enough rental housing in places where it is needed for a range of reasons, including population growth through immigration and the absence of incentives to build new housing specifically intended for rental. Some of the unmet demand for market rental housing is redirected into government-funded housing.

Pressure on supply of market rental housing increases rents and limits tenant choice and security of tenure, especially for people on lower incomes. Housing costs for renters have risen disproportionately in recent decades compared to costs for owner-occupiers. It can be difficult to find rental homes that are accessible or provide for intergenerational living. Insecure tenure is linked to negative mental and physical health, education and employment outcomes and can have significant impacts on renters, particularly older people, young single people, disabled people and families. People in rentals are more likely to live in lower quality, damp, cold housing.

A properly functioning private rental market with an increased supply of rental housing will complement the social housing reforms by taking pressure off social housing, improving affordability and enabling people to transition into greater independence.

Ultimately the way to reduce rental housing pressures is to increase housing supply through Going for Housing Growth and related initiatives. However, these changes will take some time.

As a first step, Government has taken immediate action to change settings in tenancy laws, which some sector stakeholders report were unintentionally limiting rental housing supply. Government has also taken steps to unlock investment in build-to-rent housing as an opportunity to increase the diversity and supply of quality, longer term private market rentals.

Budget 2025 also resulted in allocation of funding for the provision of 400 affordable rentals in high-need areas by Māori housing providers. As Māori are a key group

experiencing disparate housing need, this funding maintains momentum while the flexible fund is established (page 15).

Objectives and expectations for the next three to five years

Objectives and agencies	Expectations
<p>Implement changes to the Overseas Investment Act 2005 to encourage investment in New Zealand's housing sector</p> <p>Treasury</p> <p>Land Information New Zealand (LINZ)</p>	<p>Implement a new streamlined consent pathway for build-to-rent developments, better enabling investors to acquire residential land for build-to-rent developments.</p>
<p>Accelerate supply of affordable rentals by Māori housing projects</p> <p>Ministry of Housing and Urban Development</p>	<p>Implement supply of 400 affordable rentals by end of June 2027.</p>
<p>Implement amendments to the Residential Tenancies Act 1986 (RTA) to help incentivise landlords and reduce barriers for tenants</p> <p>Ministry of Housing and Urban Development</p> <p>MBIE</p>	<ul style="list-style-type: none"> • Implement legislation that restores some of the abilities landlords previously had to end a tenancy, for example by reintroducing 90-day 'no-cause' notices for periodic tenancies • Implement pet bonds and new pet consent rules to make it easier for tenants to keep pets in rental properties.
<p>A light touch regulatory regime for residential property managers</p> <p>Ministry of Housing and Urban Development</p>	<p>Policy advice on options for regulation of property managers to support the introduction of a Bill.</p>
<p>Regulations for managing methamphetamine contamination in rental housing</p> <p>Ministry of Housing and Urban Development</p>	<p>Policy advice provided and regulations in force covering when and how methamphetamine residue in rental housing should be addressed.</p>

Part three: Māori housing through partnership – the MAIHI approach

The GPS-HUD, through its “Māori Housing through partnership” outcome, sets government’s intention to partner with iwi and Māori to deliver better housing outcomes. Housing outcomes that work for Māori can work for everyone, and all of New Zealand will benefit from a strong, vibrant Māori housing sector.

MAIHI guides the approach to enable Māori housing

In 2021, Māori representatives in the housing sector including iwi, hapū, stakeholders, and providers collaborated with the Crown to develop the MAIHI (Māori and Iwi Housing Innovation) approach. The MAIHI vision is that all whānau have safe, healthy, affordable homes with secure tenure, across the Māori housing continuum.

MAIHI aims to ensure that the entire system is better positioned to deliver an equitable approach to housing and enable better outcomes. Tailored Māori housing solutions are delivered alongside the wider housing and urban development efforts being undertaken across the country. To ensure that government’s actions are fit for purpose and deliver on the MAIHI vision, the Ministry of Housing and Urban Development measures progress against Māori housing outcomes through its MAIHI Ka Ora Ka Mārama Dashboard and the MAIHI system indicators.

The MAIHI approach breaks down the action needed to address Māori housing challenges into six key priority areas:

Māori-Crown partnerships

Goal: To work in partnership where Māori and the Crown achieve balance through a collaborative work programme that strengthens housing solutions for whānau, working to reverse the poor housing outcomes that Māori have often experienced.

For the Government’s housing and urban development programmes to deliver successful housing for Māori, government must partner with Māori and invest in and support Māori-led approaches. To ensure the partnership is genuine there must be shared decision-making processes, transparency between the partners, information sharing and positive collaboration. MAIHI sets an expectation that government agencies will work cohesively and collaboratively to accelerate Māori housing and outcomes.

Māori-led local solutions

Goal: There is a significant increase in the number of quality, locally-led Māori housing solutions that meet the needs of whānau.

Previous “one size fits all” approaches have not worked. A focus on Māori-led local solutions aligns with the government’s place-based approach, which targets places with high need, enabling Māori and the Crown to better identify need at a local level

and deliver fit-for-purpose housing solutions that take a “by Māori, for Māori” approach.

Māori housing supply

Goal: The number of Māori, iwi and hapū owned homes can meet the housing needs of all Māori.

There is a lack of quality, affordable housing for Māori to rent or own. Ensuring we build more houses, for example through the Going for Housing Growth initiative, is the main part of the solution, but we also need to provide the right mix of housing that suits the needs of different whānau – including, for example, affordable rentals, options for those ready to buy their own home, and enabling people to return to their own land and live with their whānau in papakāinga. The flexible fund established as part of the Resetting investment priority is intended to allow investment to meet a range of needs including those of Māori.

Māori housing support

Goal: Whānau have better access to effective support that is fit for purpose and enables them to attain and maintain the housing that meets their needs.

A warm, dry home is important for the physical and mental health of whānau. The housing support system needs to be easy to navigate for whānau to access these benefits. This aligns with the improvements to social housing identified as part of the government’s Resetting investment priority.

Māori housing system

Goal: The system supports Māori to accelerate Māori-led housing solutions.

There is a need to address fragmentation and complexity in the housing system, and legislative barriers that stand in the way of Māori being able to use their own assets to provide better housing solutions.

Māori housing sustainability

Goal: Whānau are supported to achieve mana-enhancing housing solutions on their whenua. Māori are able to sustain a connection to their land through housing, and their housing is innovative and responsive to the impacts and effects of climate change.

We need to ensure that housing solutions for Māori provide stability and permanency. This includes the development of sustainable funding options and supporting the connection between Māori and their whenua.

Current Government action to improve housing outcomes for Māori

Current Government action	MAIHI priorities supported
Continuing to work with post-settlement governance entities across the country to support housing solutions for their whānau and communities.	Māori-Crown partnerships
A new national direction on papakāinga (see page 14). The aim of this reform is to better enable Māori communities to build homes for their people on their ancestral land (specified whenua Māori and general land). As part of this, each district plan will be required to establish minimum standards for papakāinga housing.	Māori-led local solutions Māori housing system Māori housing sustainability
<p>Since December 2023, a total government investment of up to \$446 million has been approved to accelerate the delivery of approximately 1,000 homes for whānau Māori. This funding is being strategically placed across three targeted tranches, each designed to deliver housing outcomes within specific timeframes:</p> <ul style="list-style-type: none"> • Tranche 1 – Approximately \$114 million committed to advancing Māori housing initiatives, with completion expected by July 2027 • Tranche 2 – Approximately \$96 million allocated to continue momentum, with delivery targeted for December 2026 • Tranche 3 – \$200 million dedicated to delivering 400 homes by June 2027. 	Māori housing supply Māori-led local solutions
<ul style="list-style-type: none"> • As part of Budget 2024, \$140 million was allocated for 1,500 new social housing places to be provided by CHPs from 2025 to 2027 • Budget 2025 commits new funding to deliver around 550 additional social homes in Auckland in the 2025/26 year, with the new places to be available for tenancing by November 2026. 	Māori housing supply
As part of the Resetting investment priority, the flexible fund and approach to government investment will focus on addressing Māori housing need through effective use of Māori housing providers who are well-known and trusted in their communities, and unlocking whenua Māori for housing.	Māori-led local solutions Māori housing support

Government continues to support papakāinga housing, housing repairs and maintenance, housing financial literacy and rental affordability.	Māori housing support
Te Puni Kōkiri is considering changes to Te Ture Whenua Māori Act to make it more efficient, streamlined and easier to navigate, with the aim of removing legislative barriers to economic development. This work includes exploring improvements to clarify aspects of the Act to support the development of, and access to, Māori freehold land for housing.	Māori housing system

Part four: Working together to deliver change

Different parts of the housing and urban development system – government, developers, the building and construction sector, finance providers, iwi and Māori, local government, housing providers and others – bring different skillsets and knowledge to the table. At their best, these diverse perspectives can work together to achieve outcomes and help government to design policy and interventions that work well on the ground.

A range of players have key roles in the system

The private sector

The private sector plays the largest role in funding, financing, designing, constructing, delivering and maintaining the built environment, and has a key role in enabling and supporting urban development in the Going for Housing Growth priority.

Property investors and property owners are the largest providers of rental accommodation in New Zealand. Most are individual or family investors, but a growing number of rental homes are being provided by businesses focused on long-term rental housing.

Māori/iwi

Many iwi post-settlement governance entities, marae, Urban Māori Authorities and Māori land trusts play crucial roles across the housing and urban development system. For example, iwi and Māori work in partnership with the Crown to address homelessness and Māori housing needs by providing affordable housing options through social housing and other housing solutions. Māori community housing providers (CHPs) often have strong links with their communities and play an important role in the provision of social housing, particularly in small towns with high housing deprivation. Iwi and Māori also provide investment that supports housing and urban development for the general population, including whānau Māori.

Local government

Local authorities play a key role in shaping housing and urban development within their communities. As part of the resource management system, councils are responsible for making plans that enable and regulate the provision of housing, commercial and community activities, subject to central government direction on housing and urban growth. Local government also delivers significant infrastructure, including network infrastructure like roads, and community infrastructure such as parks and libraries. Through spatial planning processes that are being formalised and strengthened through the proposed Planning Act, local government will be responsible for working with central government, infrastructure providers, and other stakeholders to align housing and urban development capacity with the provision of infrastructure

across their region. Councils also play an important role in issuing building consents and inspecting building work.

Community housing providers

Community housing providers (CHPs) provide a range of housing and housing support for people on low to moderate incomes, including specific population groups who find it difficult to access stable housing in the private market. This includes about 14,000 social homes funded through the income-related rent subsidy and provided by registered CHPs, as well as other forms of affordable housing such as affordable rentals and progressive home ownership. In some areas CHPs have strong community connections that may make them well-placed to achieve housing outcomes. In future CHPs, with iwi and other partners, will play a greater role alongside Kāinga Ora, as government moves towards a purchasing model that procures housing services from those best able to meet needs in specific places.

The social sector

The social sector is a diverse group of organisations that deliver and fund services across the country with a shared goal of improving social outcomes for New Zealanders. It includes government and non-government agencies that work with individuals and whānau in welfare, health, education, child wellbeing, justice and disability support services. These organisations work with government or independently and play a critical role in delivering community-led initiatives as local solutions to local issues. Some philanthropic and social sector organisations also invest in affordable housing development.

Government has an important role

Ministry of Housing and Urban Development leads the system

The Ministry of Housing and Urban Development leads the housing and urban development system. The Ministry's purpose is 'He kāinga ora, he hāpori ora – thriving communities where everyone has a place to call home'. The Ministry is responsible for strategy, policy, monitoring and regulation of the housing and urban system, and administers a range of legislation. Its roles include:

- leading policy work on housing and urban development and social housing, and maintaining and reviewing legislation, regulations and settings across the housing and urban development system
- delivering direct funding, purchasing outcomes and contracting and partnering with others; developing and delivering the national investment strategy; and managing end-to-end delivery of programmes and place-based strategies, including partnering and working with Māori using the MAIHI approach
- using data and evidence and listening to different stakeholder perspectives to understand what is needed in different places and help plan actions and interventions

- collaborating and building influence with other agencies, local government, community, iwi and Māori, and private and social sector organisations, supporting a collective approach to achieve the best results for housing and urban development.

Kāinga Ora – Homes and Communities is the government social housing agency

Kāinga Ora operates more than 73,000 social housing homes and has almost 4,000 supported housing homes in its portfolio, with approximately 1,000 additional homes leased to community housing providers. Under the Kāinga Ora – Homes and Communities Act 2019, Kāinga Ora has had a broad remit across housing and urban development, delivery of quality social housing and tenancy management. Following the Independent Review of Kāinga Ora in 2024, Kāinga Ora has commenced a significant change process, focusing on providing and managing the renewal of social housing for people in housing need and being a responsible landlord. Kāinga Ora will continue to play an important role, alongside the CHP sector, as a social housing provider and tenancy manager.

The Kāinga Ora Statement of Intent sets out Kāinga Ora's role and strategic intentions and is renewed at least every three years. In its annual Statement of Performance Expectations, Kāinga Ora makes a commitment to its Ministers and the public about what it will deliver in the year ahead. The Statement of Performance Expectations may be supplemented by letters of expectation sent to Kāinga Ora by Ministers from time to time.

The Government expects Kāinga Ora to:

- deliver on its annual Statements of Performance Expectations
- have regard to any relevant letters communicating Ministers' expectations or investment decisions
- recognise the need to mitigate and adapt to the effects of climate change, consistent with its core role of providing and managing social housing.

Other government agencies have responsibilities that impact the system

Improving housing and urban outcomes will support better results across all portfolio areas of government. Some government agencies – like the Ministry for the Environment, the Ministry of Business, Innovation and Employment, and the Ministry for Social Development – have key, defined expectations to deliver on government priorities.

Agencies that support population groups often have a strong focus on housing. For example, Te Puni Kōkiri delivers investments in critical repairs and papakāinga development; the Ministry for Pacific Peoples is responsible for Fale mo Aiga: Pacific Housing Strategy and Action Plan 2030 and operates Pacific Building Affordable Homes, the Our Whare, Our Fale initiatives alongside the Financial Capability Fund

and Pacific Healthy Homes Initiative; and Whaikaha – the Ministry for Disabled People is working to see housing outcomes incorporated into the refresh of the New Zealand Disability Strategy.

Other agencies like the Ministry of Education and the Ministry of Health have a less defined, but potentially major role in supporting the delivery of housing and urban outcomes for communities. For example, the provision of services like education and health is a key shaper of communities, influencing where people seek to live, their transport choices, and how connected they feel to their communities. Government policy settings around immigration and transitioning people out of state care also have an influence on where housing need arises.

Appendix 1: Context – challenges facing the system

New Zealand faces complex housing and urban development challenges. The poor housing and urban outcomes we are experiencing have developed across decades and require a concerted and aligned effort to resolve.

New Zealand does not build enough homes

Contributing to the housing supply shortage are land use and infrastructure constraints, high costs of construction labour and materials, and inefficiencies and economic volatility affecting our construction sector. This undersupply has major social and economic consequences, including unaffordable house prices and rents, and high demand for government-provided and subsidised housing.

Twenty-six point six percent of households who owned or partly owned their dwelling and 45.9 per cent of households who do not own their dwelling spent 30 per cent or more of their disposable household income on housing costs (Household Economic Survey 2024, Stats NZ).

Growth in towns and cities is being hampered by planning rules and insufficient infrastructure

In recent years, planning restrictions have been reduced and in our main cities, new townhouses and apartments have overtaken new stand-alone housing. However, in many places, planning and consenting rules still act as barriers to growth. There is also a significant infrastructure deficit, and major challenges to funding and financing the infrastructure needed to support housing growth.

In 2021, each square metre of land inside Auckland's Rural Urban Boundary cost 4.3 times more than land immediately outside it (Housing Technical Working Group 2024).

Construction in New Zealand is costly

For a variety of reasons, building new homes is costly. Increased construction costs can be caused by the environments we build in, a preference for customised housing, and inefficiencies in our construction sector. Other issues include the capacity and capability of our construction workforce, material supply chain, volatility of investment and risk aversion.

Over the decade to December 2024, the cost of building a new home rose 80 percent while the median household disposable income only rose 55 percent (the

People on lower incomes have fewer housing choices

Lower income earners are less likely to own their own home or access secure rental housing. They sometimes live in poor quality, insecure housing, which is strongly linked to worse outcomes in other life areas such as health and education. These social impacts disproportionately affect specific population groups, including Māori, Pacific people, children and young people, disabled people and older people.

An increasing number of people reaching pension age are renting or still paying a mortgage. This can exacerbate cost of living pressures in retirement (the Ministry's Long-term Insights Briefing, March 2023).

Pacific peoples have the lowest rates of home ownership across all population groups, with 35 percent of Pacific peoples living in owner-occupied homes, compared with 64 percent of the total population (2023 Census, Stats NZ).

Māori have often experienced poor housing outcomes

Poor housing outcomes for Māori are not new but have been exacerbated by broader housing affordability issues. Examples of how the system impacts Māori include: lack of a pathway to secure tenure; vulnerable whānau living in inadequate housing (tents, lean-tos, garages); overcrowded housing; getting 'stuck' in public housing dependency; stress and poor mental and physical health; disruption for tamariki and poor performance at school; disconnection from whānau and whenua; insufficient locally-led Māori housing solutions.

While there has been progress in increasing 'by Māori for Māori' housing supply and building capability in the Māori housing sector, the scale is small, and there are still systemic and legislative barriers to achieving better outcomes for Māori housing.

For example, there is variability across the country in relation to whether Māori can develop papakāinga on their ancestral land. Some district plan rules only allow for one home per property, particularly in rural areas, effectively preventing the development of papakāinga. Māori landowners may have to go through long and costly consent processes to develop papakāinga or may not be able to develop papakāinga at all.

Around 30 percent of Māori own their own home, compared to just over 58 percent of those of European ethnicity (2023 Census, Stats NZ).

34,557 Māori were estimated to be in severe housing deprivation (homeless) at the 2023 Census.

The Ministry is leading the Crown response to Wai 2750: Housing Policy and Services Kaupapa Inquiry undertaken by the Waitangi Tribunal (the Tribunal). The first stage of the Inquiry focused on the Crown's response to Māori homelessness between 2009 and 2021. The Tribunal released its report in May 2023 and determined that aspects of the Crown's homelessness response had breached the Treaty, including by failing to provide Māori experiencing homelessness with housing that meets a range of basic standards. Stage two will consider all remaining claims including the use and development of whenua Māori, regulation of the housing market, the provision of social and emergency housing, and health and housing.

The impact of government investment has been variable and uncertain

Government has a role in supporting housing for those in most need. The funding system for housing and urban development has been complicated and confusing, with multiple overlapping funds, often without long-term funding, making it difficult to navigate and creating uncertainty about the pipeline of government investment.

The Government spends over \$5 billion a year on housing support and these costs continue to grow (Ministry data). Demand remains very high for housing support, with thousands of people waiting on the social housing register.

New Zealand's population is growing, ageing and diversifying

The growth and ageing of our population is placing pressure on housing supply and on the ability of our housing stock to meet the needs of older people. The make-up of families and extended households are expected to continue to diversify, requiring an increasing variety of housing to accommodate different types of family needs and sizes.

Statistics New Zealand projects the number of people aged 65 or over will nearly double between 2023 and 2053, from around 850,000 (17 per cent of the population) to around 1.5 million (24 per cent).

Many places in New Zealand are at risk from natural hazards

New Zealand is inherently vulnerable to hazards such as flooding and earthquakes. Climate change exacerbates some of these risks. It is becoming increasingly expensive or even impossible to insure homes in vulnerable areas. New Zealand's

housing stock is not always built and maintained to be resilient to earthquakes and other natural hazards.

A 2023 National Institute of Water and Atmospheric Research (NIWA) study identified that more than 400,000 residential buildings are at risk of flooding.
