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New Productivity Commission inquiry – Using land for housing

The Government has asked the Productivity Commission to investigate ways to improve the way local authorities regulate to make land available for housing.

In 2012 the Productivity Commission completed an inquiry into housing affordability. This new inquiry will build on the 2012 inquiry, focusing on improving the supply and development capacity of land for housing in New Zealand cities, especially in areas of high population growth.

The Commission has been asked to examine and compare the rules and processes of local government to identify leading practices in planning and taking decisions about making land available for housing, and providing for necessary infrastructure. It has also been asked to look at models adopted by cities overseas that might provide valuable lessons for New Zealand.

“Our inquiry into housing affordability identified constraints on the supply of land as a major driver of New Zealand’s housing affordability problems. This new inquiry will delve deeper into how councils take decisions about making land available, as well as decisions about increasing the capacity for housing in existing urban areas through rules around such things as subdivision and intensive development.”, said Commission Chair, Murray Sherwin.

“Capacity for more housing is not the single answer for housing affordability, but it is an essential component of a policy response, especially where demand for housing is outstripping supply.

“It is important that local authorities’ planning and development systems are working well to deliver an adequate supply of housing, while balancing the competing social, environmental and economic consequences of development. This inquiry will seek to identify which authorities are effective in making available enough land to meet demand, and have good processes that could be adopted by other authorities.

“We expect that the range of approaches used internationally and in New Zealand will provide valuable lessons for local authorities making decisions about land for housing”.

The terms of reference are now available at www.productivity.govt.nz and anyone interested in the topic can [subscribe to receive regular updates](#).

The Commission will begin the inquiry with the publication of an "issues paper" that will outline its proposed approach to this inquiry, the context for the inquiry, and a preliminary list of key questions to be addressed. The issues paper will seek submissions from all interested parties and be accompanied by consultation to gather a wide range of views and experience. The Commission’s final report to the Government is due on 30 September 2015.

About the New Zealand Productivity Commission

The Commission – an independent Crown entity – was established in April 2011 and completes in-depth inquiry reports on topics selected by the Government, carries out productivity-related research, and promotes understanding of productivity issues.

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