In this report Vanessa Cole investigates the political and economic aspects of the Auckland Unitary Plan in the context of historical and contemporary processes of capitalist displacement of the poor and marginalised.

The Auckland Unitary Plan has caused significant debate, which has brought to the surface complex issues around housing and class inequality in the city. This report investigates the political and economic aspects of the Auckland Unitary Plan in the context of historical and contemporary processes of capitalist displacement of the poor and marginalised. In particular, it looks at the economics of housing within the plan, and the politics that surround this. First, the report provides an analysis of the Unitary Plan before providing a critique of supply and demand as the economic foundation to housing policy. It then provides an alternative view to the dichotomous debate between ‘millennial’ and wealthy homeowners before suggesting some ways of rethinking planning as a tool for resisting capitalism and colonialism.

The Unitary Plan sets out the rulebook for the future of Tāmaki Makaurau/Auckland. The idea is to make Auckland, a rapidly growing city, into ‘the world’s most liveable city’ and to ‘meet its economic and housing needs’. The Unitary Plan is not, however, making a liveable city for all, but instead a liveable city for developers, investors and the landowning class.

The debate around housing and the Unitary Plan in the media has been reduced to a debate between middle-class homeowners from wealthy suburbs desiring the preservation of the historical ‘character’ of their communities, and a younger generation, stuck in an exploitative landlord-tenant relationship, who are unable to enter the housing market as first home buyers.

The limited parameters of this debate risk excluding the material histories of working class and minority populations most impacted by urban restructuring and economic crises. Further, this dichotomous debate silences the historical and systemic processes of colonial capitalism in Tāmaki Makaurau/Auckland in the creation of this unevenly developed city. Existing models and logics of urban planning, currently enacted through bureaucratic government institutions, hold allegiance to class interests.
and economic imperatives rather than equitable rights to community and urban spaces. It is important, therefore, to identify how planning can be reclaimed. Planning holds the possibility of being reimagined in the fight for new forms of living, and a new city.

The history of urban planning practices in Tāmaki Makaurau/Auckland has been a history of a lack of planning driven by speculation.  

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**THE UNITARY PLAN**

Prior to the implementation of the Unitary Plan, several government and council initiatives were already in place to facilitate fast-tracking housing development through amendments to existing planning procedures. These included the Auckland Plan, the Housing Accords and Special Housing Areas Act. These were largely inspired by the Productivity Commission’s Housing Affordability Inquiry report released in 2012. This report primarily argued for the need to free up land supply to address housing affordability. It further identified local council planning regulation with respect to density as a critical limitation on housing developers.

Originally, the Unitary Plan proposed the inclusion of affordable housing through ‘inclusionary zoning’. This zoning policy ensured that developers contributed to the affordable housing supply to account for unequal access in the private market. In the context of the Auckland Housing Accord, these policies facilitated the creation of Special Housing Areas in Auckland. These Special Housing Areas required developers to build either 10% relative affordable housing, defined as not exceeding 75% of Auckland’s median house price, or to build 5% affordable housing where mortgage payments did not exceed 30% of Auckland’s median household income.

This policy to include affordable housing has since been removed entirely from the Unitary Plan by the Independent Hearing Panel. The argument against inclusionary zoning made by the Ministry of Business, Innovation and Employment is that it ‘would likely reduce the efficiency of the housing market due to effectively being a tax on the supply of dwellings and be redistributional in their effect’. The Ministry of Business, Innovation and Employment argues that inclusionary zoning disincentivises developers from contributing to housing supply from perceived higher costs.

While inclusionary zoning is not a solution to the housing crisis, in terms of both access and affordability, and does not necessarily guarantee an affordable housing market, its withdrawal signals a more general lack of strategic
planning in the Unitary Plan. Internationally, inclusionary zoning has actually contributed to the displacement of working class communities and increased unaffordability through property speculation on the part of private developers who subsequently profit from the redevelopment of low-income communities. As explained by Samuel Stein: ‘Rather than curbing speculation or aggressively taxing landlords, inclusionary zoning keeps the urban growth machine primed and ready to build. It allows cities to address their housing crises without challenging the norms of neoliberal urbanism or slowing governments’ retreat from public housing and welfare commitments. What this and other public-private partnerships will not do is fix the city’s perpetual housing crisis’.6

We see the failure of inclusionary zoning and Special Housing Areas in the creation of affordable housing in the Auckland suburb of Glen Innes, an area where the New Zealand Government and Auckland Council are participating in a process of state-led gentrification by replacing state housing with a mixture of social, affordable and private housing. Median land values in the area have increased from $400,000 to nearly $1,000,000 since the redevelopment began in 2011.7 The removal of an inclusionary zoning policy from the Unitary Plan, however ineffective it may be, demonstrates the dominant logic that an unregulated market will solve the housing crisis.

The Unitary Plan predominantly rests on facilitating private developers in increasing housing supply through the deregulation of planning and the intensification of housing. The mechanism used to do this is zoning in the form of terraced housing and apartments, and mixed-housing urban and suburban developments. The plan follows global shifts in planning policy which focus on ‘smart growth’, intensification and freeing up under-utilised land as a solution to the affordability crisis in global urban cities.8 What it relies on, however, is the neoclassical economic argument around supply and demand which positions the private market as the best mechanism to produce affordable housing and sustainable growth through the liberalisation of the planning process.

The Unitary Plan is an example of neoliberal urban planning where the state intervenes in the market insofar as it helps facilitate the liberalisation of land supply. This is demonstrated in passing of legislation by the fifth National government and the creation of Panuku, the Council Controlled Organisation in charge of development, by Auckland Council. While the focus of Auckland Council tends to be on urban intensification through inclusionary zoning and mixed-use housing, central government is focussed on freeing up public land to supply affordable housing in a bid to encourage first-home buyers.9 While these appear as different positions, they both comply with the politics of new urbanism where neoliberal capitalism permeates urban policy leading to the restructuring of urban spaces, privatisation of public resources and land, and the gentrification of working class communities.10

This antagonism between local and central government is ultimately a false antagonism because their actions represent the class interests of landowners, investors and developers, at the direct expense of working class and minority populations most impacted by these processes. Where Auckland Council and the New Zealand Government agree are the fundamental principles of supply and demand in facilitating affordability. The reason why this
is flawed is because the market logic of supply and demand does not reach an equilibrium of affordability, it remains in constant contradiction.

The focus on high levels of demand and lack of supply ignore the profit motive of market solutions to supply under capitalism.11 This is a problem of effective demand, as low-income people are not accounted for when we speak of supply and demand.12 If they were, the supply of state housing would greatly increase. The free market logic of supply and demand has historically failed in solving the housing crisis for low-income people.

**ZONING, CAPITALISM AND COLONIALISM**

Urban restructuring, through practices such as zoning and redevelopment, is linked to ongoing procedures of colonialism and the displacement of poor populations from cities through uneven development. The continual history of colonial capitalism in Tāmaki Makaurau/Auckland sheds light on this.

The land in Tāmaki Makaurau was enclosed and appropriated through a process of violent dispossession of Māori from their land.13 Prior to colonisation, Tāmaki iwi built pā around maunga and produced kūmara gardens. Tāmaki Makaurau was one of the most economically and socially prosperous areas. The dispossession of the land of Tāmaki Makaurau from Ngāti Whātua by colonial settlers was rationalised through the growth of the city and wealth accumulation.14 The constructed myth around Ngāti Whātua being complicit in their own dispossession is one of many told to justify the violence of the state and private capital.15

While planning was central in the early stages of settler town creation, the orthodoxy of liberal economics meant that land remained unregulated, enabling landowners to subdivide their properties and extract rent from the working class living in substandard conditions.16 The dispossession of most of the land in Tāmaki Makaurau/Auckland from Māori enabled Pākehā capitalist landowners to speculate and profit from fictive land values created to manufacture class inequality.17 Strategic town planning was attempted at several stages, however, the idea of land as a source of profit meant many of these urban planning projects failed. Even early forms of town planning centred on a grid plan were mechanisms for easy subdivision.18 As argued by Ben Schrader: ‘the necessity of short-term speculators for quick capital gain encouraged the subdivision of land into tiny allotments serviced by narrow lanes. These were then sold or leased to mechanics and labourers’.19

The enclosure of Māori land and the imposition of speculative private property in Tāmaki Makaurau/Auckland is an ongoing process that manifests in the continual enclosure and restructuring of urban space. This displacement continues today through the Unitary Plan in several ways. Firstly, the Plan has removed...
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a commitment to tino rangatiratanga and Te Tiriti o Waitangi. This manifests in the special protection for Historic Heritage Places, yet the removal of Cultural Assessment Impacts for Māori. The protection of history, in the case of the Unitary Plan, does not mean the protection of a historic relationship of Māori to this whenua, but instead a protection of colonial history, sites and suburbs which are predominantly occupied by wealthy Pākehā. Secondly, the historic process of displacement of people for the accumulation of capital is demonstrated in the Plan’s redevelopment of low-income communities. In protecting wealthy ‘historic’ suburbs and the class interests of those that reside in these communities, the Plan’s brownfield redevelopment of intensified housing is predominantly set for low-income areas. This, therefore, holds the potential for displacing low-income people from their communities, many comprised of high populations of Māori and Pasifika people.

Capitalism is an economic system built on displacement. This history of speculative urban restructuring in Tāmaki Makaurau has created uneven geographical development. Uneven development is created through a contradiction in capital where it is constantly expanding and circulating while simultaneously centralising and concentrating. We see this geographically with the low-income, under-resourced suburbs existing next to wealthy suburbs. David Harvey describes this process as ‘accumulation by dispossession’, whereby there is a massive concentration of wealth and power in the hands of very few as a direct consequence of the dispossession of public land and collectively produced wealth.

The reason why many new development projects occur in low-income communities or under-utilised public land is because of the prospective profit in redeveloping these areas. Developers can buy land in low-income communities cheaply, build housing and sell this housing for a profit. Harvey argues that urban transformation ‘nearly always has a class dimension, since it is usually the poor, the underprivileged, and those marginalized from political power that suffer first and foremost from this process’. Thinking through the logic of capital in urban restructuring, we can understand why the Unitary Plan involves protecting the ‘character’ of wealthy communities, many of which were formed from previous waves of gentrification, and demolishing state housing in others.

The economic logic at the foundation of the Unitary Plan is that freeing up public land for developers will enable an increase in housing supply which will match effective demand and therefore alleviate increasing levels of unaffordability. Zoning reform and increasing supply will not, however, necessarily produce affordable housing. As argued by Laurence Murphy, former Professor of Property at the University of Auckland, ‘Removing the planning constraints [and] allowing for a massive increase in property development – it’s been modelled that even if we do that the impact on house prices is going to be quite limited for a long period of time’. This is because the logic of blindly supporting free market economics in the creation of affordable housing ignores that housing under our current economic relations is a commodity which is speculated on for the purpose of profit.

Large scale developments require large-scale borrowing from banks. Developers and investors will not borrow money from banks unless they are speculating on massive returns from their investment. This means having access to land
in which its future value is much higher than its current value. Problems from large-scale development in Auckland has already led to the cancellation of several of these developments due to funding issues. While these developments under the Unitary Plan are presented as havens for affordable housing, this provision ultimately fails when capitalists are involved. If we look at similar projects to what the Unitary Plan proposes we can get a better understanding of the flaws in its logic.

**HOBSONVILLE POINT**

Hobsonville Point is a large-scale development being undertaken by Hobsonville Land Company, a subsidiary of Housing New Zealand. The project originally planned to build state housing on under-utilised land, but in 2006 former National Party Prime Minister John Key, then Member of Parliament for the area, stated that it was ‘economic vandalism’ to build state housing on valuable land. A decision was made by John Key, with support from the Hobsonville-West Harbour Ratepayers, to remove state housing from the Hobsonville Point project. Instead of state housing, ‘affordable’ housing was built on the land through the Government’s Gateway Home project which was then closed down in 2009. The project still retains 20% affordable housing and a further 10% of housing sold for $450,000-$550,000.

The project has the capacity for 5,000 residencies with a mixture of apartments and terraced housing which are then sold to companies such as Fletcher Building, who then sell the homes to potential buyers. The rationale is to encourage developers to build some affordable housing by marketing the projects as profitable investments and to sell these high-density housing projects to middle-class homeowners as attractive and safe communities. The majority of the homes built on previously public land were sold between 2015 and 2017 for $800,000 to over $1,000,000.

**TĀMAKI REGENERATION**

The Tāmaki regeneration project, which began in 2012, is hailed as the ‘greatest urban transformation project in New Zealand’. The redevelopment of Tāmaki (Glen Innes, Panmure and Point England) began after an agreement was signed in 2012 between Auckland Council and the New Zealand Government which established the Tāmaki Redevelopment Company. The Tāmaki regeneration project involves the removal of the current housing stock and its replacement with a mixture of social, affordable and free-market priced housing. In April 2016, 2,700 state houses in Tāmaki were transferred from Housing New Zealand to Tāmaki Regeneration Limited, with their tenancies transferred to Tāmaki Housing Association Limited Partnership. Many of these homes will be removed or demolished, and in their place 7,500 new homes will be built over a 15 year period.

This project is presented as a solution to the housing crisis through large-scale development. The crisis is not solved, however, for low-income families who are displaced from their state homes and community through speculation. The Tāmaki regeneration engages with developers and investors to increase housing supply and housing intensification in the area. While the project is argued to increase housing supply on under-utilised land, the overall number of social houses is not increasing. Developers and investors are profiting from this redevelopment through gaining access to public land and speculating on future values.
While there is an increase in supply, this increase is catering to the demand of wealthy investors and homeowners, not the current community and not the homeless population waiting for social housing. Under the Unitary Plan, Tāmaki is zoned as mixed-use and terraced housing and apartments. The argument is that removing some state housing frees up land for more diverse housing which will help house more people. The way this is being done, however, is through relying on the market to solve the problems of housing shortage and affordability. This is most vividly depicted in real estate advertisements, one of which states: ‘Glen Innes has had some major transformation over the years and Castledine Cres is certainly no exception. It has virtually all been or in the process of being developed in to Million dollar plus homes’ and continues ‘Explore the possible potential under the current “Multi Unit, Flats” zone but “mixed housing urban” zone under the unitary plan to maximise the investment opportunity!’.

The land values in Tāmaki have increased significantly since the area started to be redeveloped. This is a direct result of land speculation in conjunction with developers and investors being facilitated by local and central government policy in a process of state-led gentrification. Alongside Hobsonville and Tāmaki, other projects are starting to demonstrate similar trends including 35 cancelled housing projects as a result of the costs associated with financing major redevelopment projects.

Developers, investors and financiers are not interested in planning for a better city where all people can live. Their motivation is the profitability of land in the city. The state supports this through legislation and policy which facilitates urban restructuring. What many of these development projects which focus on supply of housing actually cause is a process of trickle-down gentrification. As argued by Tom Angotti: ‘The trickle-down approach conceals a fundamental truth: the market driving everything is the land market, not some mythical housing market. Developers and investors choose areas where future land values are higher than current ones and try to build on this land so they can make a profit from rising land values’.

Many of the areas zoned for ‘terraced housing and apartment’ or ‘mixed housing’ under the Unitary Plan are working class, marginalised communities – Onehunga, Avondale, Henderson, Northcote, Ōtāhuhu, Tāmaki – areas that promise massive profits for developers due to speculation on future land values. The areas zoned as Single House Residential zones that are protected under heritage rules are areas such as Ponsonby, Grey Lynn, Westmere and Freeman’s Bay. Unsurprisingly, however, the area of Freeman’s Bay near Wellington St and Hepburn St where there is a high concentration of state housing is zoned for Terrace Housing and Apartments. The Unitary Plan does not seek to make more connected communities, but rather to facilitate developers to continue the accumulation of capital through forcing the poor into the fringes of the city and in some cases the eradication of the poor from the city all together.

Intensification is argued to lead to a more affordable and ecological city. What occurs, however, when the market drives urban planning is that intensification is based on making profit from every small piece of land in the city. There is nothing inherently wrong with urban planning which aims to increase the supply of housing...
through intensification, and provide green public spaces for people – as the Unitary Plan promotes. The problem is that the Unitary Plan is being rolled out through the same mechanisms which have created our unplanned city – an unregulated capitalist system that accelerates class inequality and enables developers, speculators and the wealthy to continue to profit from this land.

GENERATION ZERO/CLASS WAR

The logic of supply and demand is not only embedded in the discourse of politicians, planners and developers, but spills into mainstream public debate around the Unitary Plan. On what was deemed an extraordinary Auckland Council meeting on 24 February 2017, the Auckland Council voted down zoning proposals in favour of property owners. This meeting and the debates surrounding it framed the housing and planning crisis facing Auckland as a predominantly generational issue. On one side of this debate you had the ‘millennials’, represented by groups such as Generation Zero and Coalition for More Homes supported by left liberal media such as the Spinoff. On the other side of the debate you had the landlord class who want to protect their views and ‘character’ communities, represented by groups such as Auckland 2040. This dichotomous debate framed the Auckland housing crisis as generational, and as a consequence eradicated the aforementioned history of capital accumulation and its creation of class inequality. The housing crisis is not a new phenomenon, it is an ongoing crisis inherent in capitalist economies. To frame the debate as generational ignores a continual history of urban restructuring and dispossession of working class and marginalised groups from the city.

The economics of the millennial argument, as delivered in recent media such as the Spinoff’s series on the ‘War for Auckland’ is that increased supply will match demand and create affordable housing. The politics of this argument is focussed on the idea of intergenerational theft where millennials are shut out from homeownership and forced into the rental market. The ‘millennial’ debate has provided an important critique of the historical shift to neoliberal economics as a factor in increased unaffordability in the housing market and rising rents. This, however, is not an issue of generation, but rather the class interests of those in power over the last 40 years who have supported landlords and developers through deregulating the land market and financial institutions.

Pensioners living in council flats risk having their homes privatised, and elderly state tenants are being evicted from their long-term homes. These are ‘baby boomers’ that did not benefit from a more stabilised housing market. The politics of inter-generational theft as delivered by these youth-led groups are dangerous because they ignore the class dynamics of the housing crisis rooted in capitalism. Removing class
from the question, removes the history of class struggle for affordable housing. This is the struggle which in Aotearoa/New Zealand led to a massive build of state housing which solved the housing crisis of the 1930s.

This framing of the debate provides people with two sides, both of which uphold one particular class interest and erases the voices of working class and marginalised populations. There are, however, groups who are resisting the Unitary Plan for reasons other than protecting their wealth and gated communities. An example of this is the state housing tenants in Glen Innes who formed the Tāmaki Housing Group to resist the ‘regeneration’ of their community. Another example is the mana whenua movement Save Our Unique Landscape who are fighting against the Special Housing Area redevelopment of Ihumātao which is near a Māori burial ground.

These struggles against the displacement of indigenous and working class populations are erased when we discuss housing and the Unitary Plan through the lens of generational disparities.

Further, what is missing from this debate is that the interests of so-called millennials, amidst unaffordable and insecure renting conditions, should align with these working class struggles and not with the struggle to access the class privilege of homeownership. A struggle for state housing could result in the creation of a competitive alternative to the private market and ultimately result in driving down rental prices. If there was a mass build of state housing, millennials would have access to secure housing instead of relying on the insecure and unstable private market.

POSSIBILITIES FOR PLANNING

The Unitary Plan is not creating a liveable city for people, it is restructuring the urban in the interests of the capitalist class. There is, however, hope of re-envisioning the city as one based on fundamentally new social relations. As David Harvey argues: ‘the question of what kind of city we want cannot be divorced from the question of what kind of people we want to be, what kinds of social relations we seek, what relations to nature we cherish, what style of life we desire, what aesthetic values we hold. The right to the city is, therefore, far more than a right of individual or group access to the resources that the city embodies: it is a right to change and reinvent the city more after our hearts’ desire. It is, moreover, a collective rather than an individual right, since reinventing the city inevitably depends upon the exercise of a collective power over the processes of urbanization’.

We need a plan. We need a plan that does not erase Māori, working class and marginalised groups from this city. We need a plan centred on a set of new social relations, not based on the profitability of land and the accumulation of
wealth by a small landowning minority backed by the state. Envisioning planning differently involves all of the people who make up the city. We cannot enable the market to plan a city. If we look at Tamaki Makaurau/Auckland today, it is a symbol of the market’s failure to economically plan. A new form of planning is immediately practicable and necessary through reclaiming and redefining the parameters of what is understood to be economic necessity for Auckland’s housing.

**KAITIakitanga**

Economic, ecological and social planning of the city would involve honouring Te Tiriti o Waitangi in a real and material way. Honouring Te Tiriti would involve the decommodification of land and resources, with kaitiakitanga as the foundation of resource management. In te ao Māori, land cannot be a commodity because ‘land is identified as the source of human creation, from which we are born, by which we are nurtured, and to which we return’.

Kaitiakitanga is the act of guardianship, while it is often understood as people looking after the land, traditionally it was that land was the katiaki (guardian) of people. Land is what sustains life, it provides food and shelter. Honouring Te Tiriti in a material way would involve the decommodification of land because you cannot own that which sustains life. Capitalist forms of development and production are destroying the ecological landscape, and are irreconcilable with the principle of tino rangatiratanga expressed in Te Tiriti. A planning system which upholds tikanga Māori would ensure the protection of the environment. It would also ensure the guardianship of people through providing the means of subsistence and production stripped from tangata whenua through capitalist dispossession from land.

**STATE HOUSING**

A planned city would need to involve a mass building of state housing and a commitment to housing people in currently empty houses. The private market has failed to house low-income families, and private developers building so-called affordable housing does not solve the crisis. State housing which is universally accessible is a way of creating a strong alternative to the exploitative private market. It will house those on the social housing waitlist, and those living in emergency housing such as motels and cars. It will also house young people currently pursuing the class privilege of home ownership who are locked out of the market.

Building large scale projects of good quality, secure and universally accessible state housing will drive down the prices of private market housing leading to overall affordability. Currently, private landlords charge monopoly rents because they have the power to do so. If state housing is built as a desirable competitive alternative, landlords will no longer be able to charge monopoly rents. State housing is the only solution to the housing crisis and it is completely possible. State housing, combined with the socialisation of land, would provide the foundation for radically rethinking how we live together.

A city built on economic, ecological and social principles with a commitment to equality is possible if we claim back the planning process from the so-called ‘expert’ bureaucrats and start building a better plan together. This involves a reclaiming of urban planning as a strategy of resistance within and in opposition to capitalism and colonialism.
NOTES


23. David Harvey. ‘The right to the city’ in Rebel Cities: From the Right to the City to the Urban Revolution. London: Verso, 2012, p. 16.


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