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Exposing the hidden politics of housing provision in Aotearoa New Zealand:

The complex governance landscape of new housing in Hamilton.

A thesis

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of the requirements for the degree

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Kia ora.

Ko Francesca aho. No Paris aho. Ko La Seine te awa. Ko Les Alps te maunga.

Ke Whaingaroa e noho ana. Ko Karioi te maunga. Ko Whaingaroa te moaña. Ko Poihakena te marae.

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

For Chester, whose quiet wisdom and strong sense of justice inspires me daily.

For Beatrix, whose joy and vibrancy encourage me to embrace life's wonder.

Abstract

Delivery of sufficient affordable, quality new housing in New Zealand has been high on the political agenda since the 1990s and, despite considerable government activity and policy attention, achieving that goal remains elusive. Access to an affordable house that is fit-for-purpose is, therefore, becoming increasingly remote for many New Zealanders, including those who earn above average incomes. In fact, it has become common to refer to the problem as a housing crisis. This research aims to analyse the effectiveness of the governance arrangements involved in delivering new housing in Aotearoa New Zealand, by examining the logics and discourses of public and private actors within that process and the decisions that emerge from those interactions. In approaching this question, it begins by exploring past approaches to governing new housing provision, before reporting on a case study of planning for new housing in the rapidly growing city of Hamilton. The in-depth qualitative study approaches decision-making for the provision of new housing in Hamilton through a network governance lens. It involved reviewing the local District and Structure Plans and other planning documents prepared by Hamilton City Council, including strategic documents about the future growth of the city. It also included interviewing 31 participants involved in making decisions about new housing for the city. These were from the public sector, largely council planners but also practitioners from the Building Unit and Growth and Analytics Unit. They were also from the private sector, including developers, architects, consultant planners and lawyers. One participant from an NGO was interviewed as well, to get a national perspective of the problems with new housing delivery.

The study examined their interactions, and the ideas and logics that informed the decisions about new housing that emerged from the governance network. It finds that entrenched beliefs and ideas about what constitutes a normal house in terms of who it is built for, the type of property it is, and the way that property should be delivered profoundly shape the decisions of actors within the governance network, although new ideas are emerging. Underpinning these ideas and beliefs, the market was consistently referred to as a credible source of information about the types of houses and communities householders needed and desired. Reference to the market was therefore an accepted way of explaining decisions about the size, design, location, type and density of new housing. The analysis also provides insights into the forces of inertia that continue to mean suboptimal outcomes are delivered. These included the complexity of the network, with multiple agencies involved in decision-making. Conflicting interests and imperatives within the governance network was also a barrier to change. The concentration of resources in the hands of developers was found to underpin conservative attitudes to development. Prospects for change were found within the network, such as examples of local authorities exercising leadership over built outcomes.

Also, developers with innovative perspectives, and the resources to implement housing developments inspired by such perspectives, were found to exist in Hamilton.

In taking a governance approach to understanding decision making for new housing provision in New Zealand, the study extends traditional research approaches that have focused on policy solutions. It develops our understanding of the housing crisis, and why resolving it remains difficult.

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Contents

Abstract iii

Acknowledgments v

Contents vi

List of Figures xi

List of Tables xii

Acronyms xiii

Chapter 1: Introduction 1

Context 2

Research rationale 4

Aim and objectives 5

Outline of thesis 5

Chapter 2: The Creation of a Crisis 8

Introduction 8

Introducing New Housing Governance in New Zealand 9

A historical narrative of housing governance, policy and planning in New Zealand 11

Towards a more formal approach to planning 13

1990s and the further neoliberal turn 15

2000s and house prices rise further 19

Summary 21

The current regulatory framework for new housing 22

The RMA 1991 25

The LGA 2002 26

The quality, quantity and affordability dimensions of the housing 'crisis' 28

Linking the partial power of housing regulation to the housing crisis 31

Summary 34

Chapter 3: Governing a complex system 36

Introduction 36

Networks and a networked mode of governance 37

The emergence of networked perspectives in subgovernment, policy, and issues 37
Network typologies and classifications 39
The influence of Actors 40
Network functionality, effectiveness and performance 42
Inertia within networks and systems 43
A focus on power 44
Discussion 47
From Theory to Practice: insights from the application of network governance theory 49
Discussion 53
Summary 54
Chapter 4: Methodology 57
Introduction 57
Methodology 57
Methods 59
Literature review 59
Case study 60
Document review on planning for new housing in Hamilton 62
Semi-structured interviews 63
Data analysis 65
Additional observational tool: Council hearing 67
Summary 67
Chapter 5: New housing decisions at the local level: Hamilton in 2019 68
Case study introduction 69
Housing in Hamilton 69
Discourse and Language 72
Housing typologies 72
Local institutional context 74
Hamilton City Council 74
Other councils 76

FutureProof 76
Local government planning tools 76
Implementation process for new developments 79
Preapplication meetings 81
Local government interactions with developers and consultants 83
Three developments 83
Key private-sector governance actors providing new housing 88
What do we know now? 91
General characteristics, perceptions and motivations of actors 92
Summary 93
Chapter 6: The ideational foundations of new housing in Hamilton 95
The meaning of housing in the governance network 96
Nuclear family 96
Standalone house with backyard 98
Low density 100
Home ownership 101
Summary of the meaning of housing 103
How a house is delivered 103
A developer-led, for-profit approach 103
The developer's right to design 106
Commercial imperatives drive the process of delivering houses 107
Problems with current developer-led approach 109
Competing perspectives from different actors 112
Requirements that new housing developments be self-financing 112
Discussion 113
Summary 116
Chapter 7: The construction of 'the market' within the governance network 118
Introduction 118
Moving from an economic to a social analysis of the housing market 118

Perceptions of the market 121
The market as an external economic entity 121
The market as marketplace 123
The market as an indicator of consumer demand 125
The market as a guide to new housing decisions 129
The market is led by developers 131
The relationship between the market and the regulations 134
The problems of delivering affordability via 'the market' 136
Summary 138
Chapter 8: System inertia and prospects for change in the delivery of new housing in Hamilton 142
Conceptual foundations of network inertia 143
The forces of inertia 144
Network complexity 144
The narrative that council regulations are a barrier to change 145
Lack of flexibility within a rules-based approach 147
Zoning and its contribution to inertia 149
Conflicting interests and imperatives within the governance network 150
Agendas do not align 151
Lack of leadership from central government and coordination of local government 153
Resources concentrated in hands of developers 154
Perceptions of financial risk leads to conservatism among private sector actors 156
Short termism of private developers 158
Residents' preferences stifle change 159
Forces for transformation 162
Frustration with historical approaches no longer suiting the needs of residents 162
Council leadership 165
Developers with innovative perspective and resources 167
When innovative housing typologies align with business logic of maximizing profit 169
New perspectives coming into the network 170

Collaboration 172
Summary 172
Chapter 9: Conclusions and recommendations 174
Recommendations 177
Broadening the problematisation process 178
Set a bold vision 179
Bring new participants into the governance network 180
More central and local government leadership 181
Significance of the research 182
Future research 183
Final thoughts 184
References 185
Appendices 211
Appendix 1 Interview questions 211
Appendix 2 Interview Participant Information Sheet 213
Appendix 3 Consent Form for Participants in interviews 215
Appendix 4 Ethical approval 216

List of Figures

Figure 1 Chapters and objectives 7
Figure 2 Map of the regulatory framework for housing 2019 24
Figure 3 NVIVO theme identification 66
Figure 4 Location map showing Hamilton in the North Island of New Zealand 68
Figure 5 Hamilton median house prices 2012-2020 71
Figure 6 Hamilton's residential zones 78
Figure 7 Structure Plans locality guide 81
Figure 8 Ridgedale 84
Figure 9 Parkhaven 85
Figure 10 Peacockes Road 86
Figure 11 Peacockes Road 87
Figure 12 Which actors govern new housing? 90
Figure 13 Whose authority do the stakeholders lie within? 91

List of Tables

Table 1. Table of participants.....64

Acronyms

AH:ETA Affordable Housing: Enabling Territorial Authorities Act 2008

AP Annual plan

BBHTC Building Better Homes, Towns and Cities National Science Challenge

CBD Central Business District (used in New Zealand planning to mean inner city area including residential)

CPAG Child Poverty Action Group

DC Development contributions

GFC Global financial crisis

HAM Housing Affordability Measure

HASHA Housing Accord and Special Housing Areas Act

HCC Hamilton City Council

HUD Ministry of Housing and Urban Development

LGA Local Government Act

LTCP Long term community plan

LTP Long term plan

MBIE Ministry of Business, Innovation and Enterprise

MNI Matter of National Importance

MSD Ministry of Social Development

NZTA The New Zealand Transport Agency

RMA Resource Management Act

WDC Waikato District Council

WRC Waikato Regional Council

Chapter 1: Introduction

> "How you talk about people and housing, how you build homes, where you build homes, and whether you build homes – all of this depends on the type of society you want and how you believe that society should be arranged" (Dorling, 2014, p.335).

Housing provision is central to the wellbeing of all New Zealanders and is a critical area of public policy (OECD, 2019). This research approaches the study of the New Zealand system of planning for new housing from a foundation that acknowledges the critical importance of housing provision to all New Zealanders. There are substantial housing-related problems for many and the notion of a 'housing crisis' has become well established (e.g. Murphy 2011). The recognition of a crisis is evident in many areas, of which three will be the focus of this research – the quality, quantity, and affordability of new housing. The amount of quality, affordable housing in New Zealand is a significant public policy concern (Robinson, Scobie & Hallinan, 2006; Murphy, 2014; White & Nandedkar, 2019). These types of problems affect all citizens to different degrees given that, as Howden-Chapman says, "One way or another, all taxpayers pay for the effects of poor housing, whoever rents or owns it" (2015, p.64). Those at the lower end of the socio-economic scale, however, are disproportionately disadvantaged. The provision of housing for one group in that demographic, beneficiaries, is treated separately by the New Zealand state, under the category of social housing. This research, whilst acknowledging social housing is an area in urgent need of reform, will focus on the private-sector provision of new housing, which has become increasingly unaffordable for a growing proportion of New Zealanders (Eaqub & Eaqub, 2015).

The lack of good quality, affordable housing for New Zealanders is an important dimension of growing economic inequality (Rashbrooke, 2013), as much wealth is tied up in housing (Eaqub & Eaqub, 2015). The economic gap between the rich and poor can therefore be linked to fundamental philosophical and normative questions about the nature of housing. An analysis of housing inequality requires a holistic view of economic inequality, rather than looking solely at income. This view is important because inherited wealth, and wealth generated by capital not income, will generally multiply faster than earned income (Piketty, 2014). In simple terms, as Piketty (2014) argues, when the rate of return on capital is greater than the rate of economic growth, wealth will accumulate among fewer people. He concludes, therefore, that because of the way free-market capitalism is arranged, especially under the neoliberal policy settings implemented in many countries over the latter half of the 20th century onwards, many nations will continue to see a widening gap between the haves and the have-nots. Analysis of the New Zealand housing landscape shows this insight to have merit (MSD, 2019). Globally, Stiglitz (2015) also revealed how the wealthy get wealthier

more rapidly than everyone else, especially in times of recession, and after the economy slowed after the 2008 GFC, inequality became even more pronounced. Beyond that, the provision of housing compounds economic inequality due to the burden of housing costs. Where individuals are housed affects their opportunities in life – including employment options, access to facilities and services such as education and health, and community engagement (Rashbrooke, 2013). On reflection, it appears to have been largely forgotten that the acknowledgment of a self-reinforcing cycle of disadvantage is what led to the establishment of the five pillars of the New Zealand welfare state in 1938: employment, income, housing, health and education (Silloway-Smith, 2010).

Context

The provision of new housing in New Zealand occurs within the context of the dominant market paradigm that has become embedded in New Zealand over the latter half of the 20th century onwards (Jacobs, 2018). The market-led approach was associated with a steady withdrawal of the state from housing provision (Murphy, 2003), and has driven a shift from hierarchical, traditional government to more devolved forms of governance, where decisions about the quality, quantity and affordability of new housing are made within negotiations between networks of state and private sector actors (Tenbensel, 2005). In simple terms, interrogating how these governance arrangements operate is the key focus of this research, along with an investigation into how this can be re-engineered to deliver not just more, but better quality, more diverse, affordable housing.

The process for planning and delivering new houses in New Zealand is complex, and rooted in the country's distinctive political and economic history. It involves multiple state and non-state actors interacting in a framework that has not been conceived of as a holistic system. Rather, the system has emerged over time in a piecemeal and dispersed manner, as various governments have incrementally changed it and developed policy fixes. This research focuses on the interactions between two central groups of actors within this system, suppliers and regulatory agents, and the hidden frames and influences driving their decisions. The broad aim is to understand better the thinking, politics and local dynamics shaping our residential urban environments. It also intends to reveal the 'logics', or meanings given to, and beliefs about, housing that inform actors' behaviour and their decisions.

Under the current governance arrangements for housing provision in New Zealand, the state plays the role of defining the policy context and regulatory framework, in what has been called a 'corrective' role, while the private sector leads the system of housing provision (Thorns, 2009), or what has been called the 'distributive' role. These arrangements have emerged as part of a neoliberal policy context and the belief that market forces will

effectively coordinate housing provision via price signals and forces of supply and demand. Such trust in the self-regulating power of the housing market has been criticised by scholars who have highlighted the special nature of housing given its central role in social wellbeing, and its distinctiveness from other commodity sectors (Arnott, 1987; Howden-Chapman, 2015; Malva, 2016). The longevity of housing decisions and cumbersome nature of houses means the supply side is also distinctly different from other markets (Arnott, 1987). Equally, it is argued the unique nature of housing means it is problematic to treat it as a 'product' in the same way that other consumable items are (Dynarski 1986). The role of the home in providing security and identity, and emotional attachment to this, complicates the commodification of housing, whereby, "developers and builders see themselves as producers of products that are sold to purchasers at a price which will result in an acceptable return" (Ong et al., 2017, p.55). In part response, it is argued by some that free market actors, driven by certain logics, are increasingly inappropriate agents to consider critical issues with housing, such as affordability (Dorling, 2014). To some degree this argument has recently been acknowledged in New Zealand with the development of Kāinga Ora, a new crown entity able to deliver more direct state action in housing provision (Twyford, 2019).

In this market-dominated context, potential or current householders are positioned as consumers, and the housing experiences of people are interpreted as a reflection of their choices within the housing market. An approach that treats householders as consumers may work for those with access to high levels of financial resources, but there is a growing sector of the population that appears to be denied affordable, quality housing when these logics inform policy settings. While it is difficult to get agreement on 'affordability' metrics, some simple figures do serve to quickly bring the scale of the issue to light. For example, the median national household income in 2018 was $85,000 (Performance Urban Planning, 2018), but in December 2018 the median house price in Hamilton was $559,000 (Waikato Plan, 2019). More fundamentally, in the context of the housing crisis the treatment of housing as a commodity to be bought and sold in a marketplace, is in direct conflict with the principle of housing as being a human right and a central factor in promoting social wellbeing. The treatment of housing as a commodity can also lead to vulnerable people no longer being treated as equal citizens with legal rights (Bengtsson, 2015).

Housing is often discussed in political circles and at grassroots level in a reductive way, such as in terms of supply and demand (White & Nandedkar, 2019). Housing is, however, a complex issue, involving competing public policy, rationalities or demands. Actors in this sector, particularly developers, may be operating according to their own individual rationalities which further troubles assumptions of common dynamics (Centre for Housing Research, 2011). For instance, many commentators argue that housing is no longer

considered as physical shelter (Eaqub & Eaqub, 2015; Smith, 2008), instead being viewed as a financial shelter for capital gains. This raises the importance of understanding logics and rationalities behind its delivery. In part response, the importance of values is gradually being made more explicit in housing research. For instance, words such as *domain* are starting to be used to demonstrate all the attributes consumers want from their housing – safety, space, ambience (recognising that this is different for different sensibilities) and demographics (The Centre for Housing Research, 2011; Smith, 2015; Menzies, 2018).

In New Zealand, responsibility for urban planning and housing delivery has been largely devolved to the local level. The main piece of legislation governing this sector, the RMA, empowers local government to make various decisions about housing, such as the impact of residential development on its specific local environments. Each time a developer wants to build a new residential complex, they need land to be zoned accordingly, they need infrastructure to be provided, and they require a number of consents from local government for the subdivision and buildings. The nature of the system means that a number of political and negotiated decisions are made throughout the local level. This research will, therefore, use a local case study approach to understand the operationalisation of the system of planning for new housing. The case study will aim to facilitate a deeper understanding of how the national level framework of regulations governing new housing is negotiated and administered by local authorities, in the context of their relationship with private sector development actors. These interactions and logics inform decisions concerning the provision of new housing, but while some are transparent and follow clear policy and process, others are more informal and many negotiations remain opaque. This research will seek to uncover these hidden politics to understand more deeply what is going on within this complex decision process, particularly in terms of how these interactions may be contributing to the nature and extent of the 'housing crisis'.

Research rationale

At the local level, decision making for housing, then, is inherently political. These politics involve discussions and potential conflict over decisions about housing density, design, typology, location, size, access to amenities, affordability, sustainability, and more. Yet, despite their significance, the nature of the governance arrangements, where multiple state and non-state actors interact throughout the development process, make much of this difficult to easily observe. The nature of these interactions are influenced by the power imbalances, diverse interests, differing levels of resources and conflicting motivations of the actors involved. The outcomes of these interactions, however, fundamentally influence the built environments we see. While there has been much research examining *national* level

housing policies and policy 'fixes' (e.g. Austin, Gurran & Whitehead, 2014; Johnson et al., 2018; Murphy, 2020), there appears to be less research into the local politics associated with decision making for new housing development. Complementary research designed to reveal the ways meanings, beliefs and values about new housing are created and contested at the *local* level will allow us to explore how these meanings and logics have been codified into ways of knowing and doing, why we get the outcomes we do, and what changes can be cascaded upwards to national policy. As such, an understanding of these politics has the potential to illuminate the challenges associated with developing solutions and improving the formal and informal decision-making processes for new housing. Once these norms and practices are revealed, we are better able to examine the extent to which they affect the supply of new housing, and suggest opportunities to improve the delivery of sufficient quality, affordable housing.

Aim and objectives

The research aim is to: analyse the effectiveness of the governance arrangements involved in delivering new housing in Aotearoa New Zealand by examining the logics and discourses of public and private actors within that process and the decisions that emerge from these interactions.

In pursuing this aim, there are four objectives.

Objective 1: To situate the current housing crisis within the context of the history of evolving governance arrangements for housing in Aotearoa New Zealand.

Objective 2: To identify the network of public and private actors and the nature of their interactions in the local governance arrangements for the delivery of new housing.

Objective 3: To understand the logics and discourses that inform these interactions, particularly in relation to the role of the market and private sector, and the implications for housing outcomes.

Objective 4: To question the logics and discourses contributing to system inertia and reflect on the potential of alternative governance arrangements to improve the delivery of quality, affordable housing outcomes.

Outline of thesis

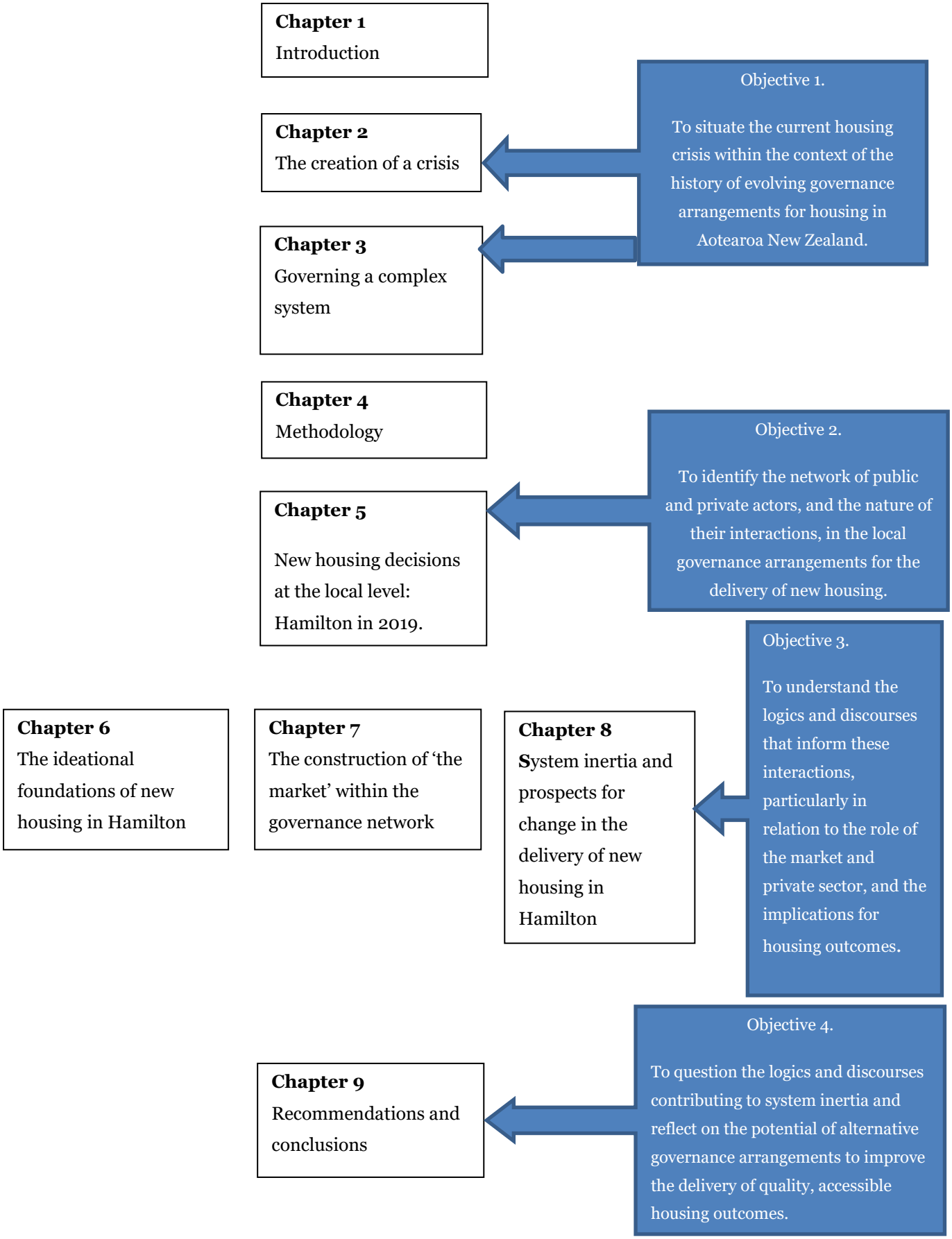
The thesis begins by analysing the national level approach to housing and planning, outlining in Chapter 2 how in New Zealand we developed a system that has both tried to solve, and contributed to, the current housing crisis. Chapter 3 introduces and justifies the

theoretical lens through which the governance arrangements for new housing are examined. Chapter 4 outlines the research approach. Chapter 5 sets the background context of the case study, delineating how the network is composed and what the governance structure in place is.

The next three chapters are empirical and are grouped into three connected themes. The first, Chapter 6: The ideational foundations of new housing in Hamilton, reveals the existence of nine powerful ideas about housing, which have been grouped under two key influential areas: the *meaning of housing in the governance network*, and *how a house is delivered*. Many of the assumptions brought to light are commonly held beliefs, but linking these to their practical influence on decisions about housing and urban form is illuminating. Chapter 7: The construction of 'the market' within the governance network, delves into the taken-for-granted nature of 'the market' and offers a critical exposé of its construction and power. The chapter highlights the insidiousness of a reliance on 'the market' to justify many decisions made throughout the network. The third empirical aspect, Chapter 8: System inertia and prospects for change in the delivery of new housing in Hamilton, uncovers hidden obstacles to change within the network that could be addressed to improve outcomes. The thesis concludes with Chapter 9: Recommendations and Conclusions which summarises the main findings of the research, and highlights how the system of planning for housing could be adapted in order to recognise the influence of hidden politics and help deliver better houses, towns and cities for New Zealand.

Figure 1 shows how the chapters have been designed to address the research aim and objectives.

Figure 1 Chapters and objectives



Chapter 2: The Creation of a Crisis

Introduction

A historical narrative of housing policy and town planning in New Zealand helps provide the context for understanding the nature of the current 'housing crisis', because, as Murphy (2014) asserts, policy formation happens within existing institutional structures and path dependent processes. Institutional structures, and their aims, purposes and ways they enable activities across a wider governance network have a significant impact on housing outcomes. This more structural perspective is useful, as the term 'housing crisis' is problematic. As Jacobs (2018) argues, it, "conveys a sense of a temporary problem that is amenable to a quick term fix, rather than an enduring phenomenon that is underpinned by policies that support speculative investment in housing" (p.185). By taking a more situated approach we start to see the discursive direction of language like 'housing crisis', how it is reductive, neatly packaging a complicated set of problems that have evolved over a long time into a simple soundbite.

This chapter will set the scene for taking a governance lens to the 'crisis', reviewing the developing historical contribution to the enduring phenomenon, shining a light on a long history of a policy regime that has normalised and supported increasing home ownership (Murphy, 2011). In doing so, it will also help demonstrate how the debates of today reflect those of the past (Thorns, 2006). Additionally, the story will gradually illuminate the present governance arrangements for the provision of new housing, and reveal how the system evolved over time and is embedded with it its own norms and practices. Throughout, the chapter will build and develop an argument that seeks to provide a clear rationale of the specific problem being examined: a complex governance system that struggles to deliver on the political requirements for new housing.

Different government attempts to address the housing problems over time will be outlined. In particular, local government capacity to intervene in the production of new housing will be explored, along with its relationship with central government in this sector. This will be considered against wider externalities, such as the historical decision to treat land as capital, which started a long time ago with the colonisation of Māori land and transference from common ownership into private ownership. The cultural and institutional aspects of that decision cannot be divorced from today's housing problems, as Malva (2016) argues, "the housing market is rooted in the private ownership of land established through processes of colonisation, enclosure and appropriation" (p.28). Historical decisions become institutionalised and can, therefore, be sometimes overlooked when focusing on current problems, "The legacy of colonialism is an acceptance that land is to be owned and history is

to be forgotten" (Hayden, 2017, para 79). It is a thread that underpins many of the problems of housing today, especially considering the disproportionate housing inequality of Māori people (Rua et al., 2019) or how land ownership in New Zealand is increasingly concentrated in fewer hands (Newton & Espiner, 2019).

The following story of the nature and creation of our housing crisis is told from a governance perspective, as this is the framework within which decisions are made, discourses and logics are selected, and, ultimately, outcomes emerge. The chapter will argue that to understand the crisis, we need to uncover what Arnouts et al. (2012) label the 'governance shifts' and the 'external factors' that have helped gradually create this.

Introducing new housing governance in New Zealand

Governance is a tricky concept to pin down (Arnouts et al., 2012). Here, the working definition is drawn from Bednar et al's (2019) definition of governance arrangements as, "modes of coordination established between state and societal actors to achieve purposeful policy outcomes" (p.704). This is a useful lens through which to understand how politics and policy at a macro level, meaning the structural and cultural conditions, provide the backdrop for new housing planning in New Zealand, and in turn affect the housing outcomes at the local level (Bengtsson, 2015). The governance processes at the local housing context are seen to encapsulate, "the role of different actors, the nature of relationships between actors, and the dominant instruments used to achieve policy objectives" (Bednar et al., 2019, p.702). For the local level governance of new housing this network does not comprise solely of state agencies, instead including private sector actors who seem independent at first glance, but behave interdependently in reality (Bengtsson, 2015). This framing emphasises how power can also be held at the level of individuals within a system (May & Winter, 2009). In the new housing sector planners who inform decisions about land use and building design occupy this space, but private development actors wield power too.

The system of planning for new housing in New Zealand operates within a particular governance context that sets the current logics, culture and ideas, providing the backdrop against which housing systems operate and deliver outcomes (Austin et al., 2013). In simple terms, central government sets the legislative and regulatory framework, a network of public and private actors makes various decisions at the local level concerning developments (van Bortel, 2009), and the private sector has significant control over the supply of new houses (Smith et al., 2006). Recognising this broader shift from hierarchical modes of governance, with state-imposed rules and huge state building programmes, to more collaborative, networked forms, has been a key focus of governance scholarship (Arnouts et al., 2012). The system of governance we are concerned with most closely aligns with what Kooiman (2003)

defines as co-governance, where outcomes are achieved by public and private sector actors collaborating around the common goal of housing provision, even if this is a largely informal process.

So, what does this broader shift from hierarchical governance to more networked forms look like? Governance can be characterised as existing on a continuum, from traditional styles of hierarchical, closed governance through to open, co-governance, and beyond to more self-governance (Kooiman, 2003). In the former arrangement, those involved are predominantly drawn from the government, and any non-governmental actors involved were mainly on the receiving end. Power and resources were held and managed largely by government actors, who wield significant influence. Within this arrangement there would also be some non-governmental actors working with governmental actors, perhaps as part of a, "small and tightly knit coalition" (Arnouts et al., 2012, p.45). Moving across the notional governance continuum, in more open co-governance arrangements there are considerably more flexibility of practices and dispersion of resources between government and private-sector actors. Due to this, "extensive involvement of all kinds of actors, power is diffused" (Arnouts et al., 2012, p.45). It is investigating this diffusion of power within a governance network that is of particular note for this study. More specifically, Rhodes (2000) classifies a loose networked form of governance, such as we that in place today in the housing sector, as,

> "...interdependence between organizations. Governance is broader than government, covering non-state actors ... Second, there are continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes. Third, these interactions are game-like, rooted in trust and regulated by rules of the game negotiated and agreed by network participants. Finally, the networks have a significant degree of autonomy from the state" (p.61).

This quote is useful to understand the positioning and direction of the thesis. The nature of networks is a core theme, and we will gradually explore the idea of the 'rules of the game', the importance of understanding the nature of interactions between actors, and how this leads to particular outcomes.

Generally, the international trajectory of governance within democracies like New Zealand has been characterised by a shift in power from the public to the private sector for service delivery and the responsibilisation of the individual. This was an ideologically driven institutional response to issues such as a perceived lack of productivity, poor coordination, and inefficient practices (Herrting, 2009). This move has also been argued to be part of a neoliberal turn in New Zealand (Wilson, 2015), with a conscious adoption of private sector led delivery within the housing sector. We will see how the governance shift has created

enhanced opportunities for a broader range of non-state actors to gain traction and power over new housing provision. Yet, this move to a more networked governance creates challenges, not least because new actors and mechanisms can conflict with existing ones, causing real dilemmas that require resolving at a local level (Herrting, 2009). In practice, as we shall see, the governance arrangements for new housing provision currently involve a loose network of actors that collaborate in informal, often hidden ways. To complicate matters, some open forms of governance have been treated with distrust in New Zealand, particularly as problems emerge, with parts of the media and public expecting more top-down responses to problems that are no longer managed by a hierarchical governance structure. This is becoming visible in sectors such as water governance (Eppell, 2014), as well as housing, such as may be seen in the introduction of Kāinga Ora.

In part, this aspect of the research reflects on the significance and effects of these broader shifts in governance arrangements for housing in New Zealand. This is particularly with regard to the roles of central and local government, the role of the private sector, the policies and regulations implemented, the systems of delivery in place and the context against which new housing has been planned.

A historical narrative of housing governance, policy and planning in New Zealand

The following narrative account takes a historicist approach, designed to acknowledge the influence of historical events in shaping the current governance structures, decision making logics, and cultural norms of housing provision.

Colonisation is the foundation of when land started to be priced, and 'earn' money through ground rent. Early planning in the mid-1800s saw a mixed approach of private and central government activity (Miller, 2016) to help achieve this, with four out of five colonial cities founded by the New Zealand Company. They were all planned using the fashionable grid system, with a centre of commerce in the middle and an orderly layout imposed on the surrounding landscape (Productivity Commission, 2017). This colonial urbanism represented the early seeds of an urban design culture and sprawled urban form, which as later chapters will emphasise, continues to influence the New Zealand context today.

New Zealand's early urban planning approach was influenced by Britain's experience of the Industrial Revolution (Productivity Commission, 2017). A key principle was the distinct separation of land for residential and industrial use, in part to help separate people from industrial pollution, a planning legacy that is still powerful today. Within the remit of town planning was the provision of infrastructure including water, sanitation services and the

regulation of various pollutants. The genesis of town planning can therefore be seen as advancing the public good, enabling appropriate land to be developed, and resolving the issues that population growth and urban intensification brought with them. Within this approach was the challenge of finding a balance between growth that benefited the wider community and individual property rights (Miller, 2016) – a recurring challenge which, again, underpins much current housing discourse. State planning must exert some command and control of private development to achieve its goals, but the extent of this has long been contentious. As Olmsted pointed out over a century ago, "the extent to which collective control over private property may properly be carried out is a debatable, and very much debated, matter" (1917, p.12). Such competing public-private interests remain a fundamental tension evident in New Zealand planning decisions today.

Responsibility for housing immigrants was passed back to central government in 1870, starting the tussle of shifting lines of responsibility for housing delivery between local and national levels of government. Within the context of a very small government at the time, housing was predominantly viewed as a responsibility of private enterprise. By 1890 and the election of the Liberal government, however, intervention was called for due to the emergence of slums and a perceived failure of the private sector to provide adequate, affordable houses (Schrader, 2005). The intervention in housing provision undertaken by that government was to provide the model for subsequent state ventures into social housing and remains in evidence (Schrader, 2005, Twyford, 2019).

In 1890 the role of local government was expanded, as local councils were empowered to build rental properties for workers in the cities. However, the shift in responsibility was unsuccessful due to local government capacity and priorities being aligned to functional tasks such as streets and sewers (Productivity Commission, 2017). Who is best suited to be responsible for infrastructure is an ongoing question in New Zealand and, while it has seen lots of experimentation, is still a current public policy problem (LGNZ, 2019). Back in 1905 central government took on the role, building high quality properties that proved expensive to rent and too far from central cities. Shortly afterwards new central government policies were implemented to boost both housing demand and supply, offering state loans for citizens to purchase properties, bringing momentum to the ensuing history of a policy regime that supports home ownership, and state funding for the building of workers houses. This investment in state housing ended with the election of the Massey government in 1912.

In the early 1900s, in a way that would be familiar today, there was increased debate in New Zealand about town planning and how to govern development and manage impacts. The key issues being debated at the time were social problems, run down neighbourhoods, and a lack

of amenities. Early New Zealand town planning was influenced by a wish to protect its citizens from the social ills suffered by the English, referenced in a speech in 1919 by the Minister of Internal Affairs George Russell who proclaimed that, "…town and country planning was 'good', and that society would be less healthy and have lower real incomes in its absence" (cited in Scobie & Jardine, 1987, p.5). The 1926 Town Planning Act (TPA) implemented minimal planning rules for townships with a population greater than 2,000. There were very few town planners at this time, and local authorities were unsure about accepting responsibility for what could end up being an expensive project, so few town plans were produced.

The 1920s saw a resurgence in state house building for Railway Department workers, and new state loans for private house building. These policies drove a boom in house building, with the state assisting in nearly half of all houses built by the end of the decade (Schrader, 2005). An economic depression in the 1930s affected house building, with lenders defaulting and building halting. This early evidence of the power of financial institutions could be seen as the start of a fundamental influence on housing provision in New Zealand. The 1935 election of a new Labour government brought a change of focus towards more state support for the private sector, with the introduction of a new Department of Housing Construction. The government's policies were informed by Keynesian economic principles, and its housing policies were justified as increasing demand, addressing unemployment, and increasing housing security and quality. By 1939, 57 state houses were being completed each week, a model that would resonate with those examining the purpose and impact of the current Kiwibuild programme. The Second World War meant a hiatus in this building phase, but after the war, new 'model' suburbs emerged, such as Naenae in Lower Hutt, heralding the new suburban state-housing estate (Bowman, 2008).

The 1949 election of a National government came from a period of discontent with state rental properties which were not self-financing and in fact required significant assistance to cover costs. The National Party argued that this was unfair and tightened restrictions on state housing to help only the most deprived. The focus shifted further towards promoting private homeownership via State Advances loans, selling state housing, and paying family benefits in advance so it could be used as a deposit. This focus on private homeownership as the political priority continues today.

Towards a more formal approach to planning

In 1954 the Town and Country Planning Act (TCPA) was introduced, with more formal requirements for land use plans to be produced by councils, driven by zoning regulations. The Act's formality gave government some authority over private developers, by imposing

statutory processes that allowed a degree of public scrutiny on proposed developments. However, it also initiated an individualistic ideology that was strongly supportive of landowners' and developers' rights (Perkins et al., 1993, p.11) and which can be visible in some of the current debates. Today's inequality in the access of individuals and families to housing has followed alongside the unalienable rights of property owners becoming a cultural norm in Western democracies (Harvey, 2014; Smith, 2008). Central Government responsibility for town planning at this time was transferred from the Department of Internal Affairs to the more powerful and higher profile Ministry of Works. In recent times there have also been calls to restore the Ministry of Works to better facilitate infrastructure construction across New Zealand (Fonseka, 2020).

The promotion of homeownership, and support of the private sector, continued into the 1960s with a Group Building Scheme. This scheme enabled builders to increase their outputs with guarantees of being paid by the state if the houses did not sell. Around 20,000 houses were built under this scheme (Schrader, 2005). Alongside this support of private building, the state mass-built new suburbs at Porirua and South Auckland, concentrating state housing. In the 1960s and 70s local government started to intervene in the planning process to push local agendas. The role of local councils developed from being purely administrative to being more strategic, with a 'bigger picture' focus. This broader focus is still evident today in district planning processes that are being encouraged to be more spatial in their outlook by RMA reforms (Mackness & Piercy, 2016). In 1974 the Local Government Act (LGA) was passed, legislating the governance of cities, districts and regions of New Zealand. Some sections of the Act are still in place today, providing for the management of roads, transport, drainage and waste management (Harris, 2004).

From the 1970s there was a noticeable retrenchment by government from leading urban planning (CHRANZ, 2014). At the same time planning became more politically charged as the focus shifted from urban expansion towards issues such as housing renewal (Productivity Commission, 2017). A review of the 1953 TCPA culminated in a report in 1973 which led to reform of the TCPA in 1977. The revised Act increased the focus on economic growth and incorporated an acknowledgment of the differences between regions. Into the 1970s and 1980s the state reduced its intervention in the provision of housing, deferring to private finance and deregulating the industry to facilitate this. This period saw increasing reforms that trimmed back the role of government in housing provision, injecting private sector principles wherever possible (May, 2003), with governance beginning to become noticeably more collaborative than hierarchal. This trajectory reflected the introduction of neoliberal policy (Wilson, 2015) and remains evident in much of the current governance arrangements. From 1981 until 1989 there were two goals for intervening in the provision of housing that

continued across a change of government (CHRANZ, 2014): the first was to reduce the level of direct government involvement whilst retaining an indirect role in shaping urban development, the second was to allocate state housing based on need, rather than prioritising two parent working families as had been the historical approach.

In 1986 there was another review of the town planning legislation. It was instigated to review the regulation of all sectors of government, to inject corporate principles into the planning system, to recognise the need for planning legislation to interlink with resource management processes, and as a response to the ongoing discourse that regulations were acting as a barrier to development (Economic Development Commission & Wheeler, 1987, p.3). The review, led by A Hearn QC, made many recommendations for changes to the planning legislation and ultimately led to the Resource Management Law Reform process which culminated in the Resource Management Act (RMA) 1991 being passed. The discourse that regulation obstructs development or raises significant costs continues today, for example with arguments that regulations have had major effects on actual building costs of apartments, because of rules such as building height limits, balcony requirements, and council's desired mix of apartment typologies (Grimes & Mitchell, 2015). Such arguments are now part of the mainstream, the 'red-tape' of the state in contrast to private sector efficiency (White and Nandedkar, 2019).

It is argued two broad goals can be identified in New Zealand's early housing policy: to increase housing supply and to enable financing for lower-income people to buy houses using mortgages (Scobie & Jardine, 1987) — historical aspects which are still recognisable in the current housing crisis (White & Nandedkar, 2019). These goals led to two distinct approaches. The first was the increased construction of state housing (by supporting private sector builders) that was made available at rental prices below private sector rates. The second was to give low-income earners capitalised benefits or State Advances loans to be used as a deposit for housing loans to encourage ownership.

The history of early cultural approaches to housing, and different governance arrangements of the sector demonstrates a series of policy and governance experiments of varying success. These can both exert explicit power via regulation or legislation, as well as embed more implicit cultural influences such as with regard to the perceptions of housing, the role of the state, and the logics of local actors and agencies.

<u>1990s and the further neoliberal turn</u>

The 1990 National government implemented private sector rents for all state housing (Murphy, 2003), which required introducing assistance for low income families to be able to pay those prices, the Accommodation Supplement, a policy that remains in place today. State

houses were sold at an increasing rate to private buyers and the state mortgage portfolio was sold to private finance companies. In 1991 the building regulations were liberalized, continuing the National government's ideological drive to deregulate (Larner, 2000). Problems in the housing sector and complaints about cumbersome requirements had driven a 1986 review of the legislation, which found a, "multi-levelled, disparate and inefficient system" (The Overview Group on the Weathertightness of Buildings, 2002, Sec 3.5). The 1991 Building Act brought in by the National government intended to facilitate the building of new houses and renovation of old houses, and was a performance-based code, focusing on the results that were required (Bierre et al., 2007). This Act created the Building Industry Authority, which was a Crown Agency tasked with implementing performance standards and compliance. The budget for this agency came from approval fees paid by developers. The Act devolved power from central to local government, in line with the prevailing philosophy and reforms of other sectors of government (May, 2003). This was part of a trend of decentralising decision-making, and increasing the onus on local government to be enabling and work in partnership with private enterprise that is strongly embedded today. The devolution of decision-making authority, however, was not accompanied by additional resources at the local level.

The legislative change also brought what may be considered more corporate logics and mechanisms into the process. For example compliance could be issued by local councils or private companies. The 1991 Building Act contained no specific requirements for inspections of the building while underway, and placed responsibility for building safety on the homeowner. Importantly, there were no legal protections for substandard building quality (outside of the Consumer Guarantees Act). Those new Building Regulations contained the Building Code in Schedule 1, which is still in effect today, and which addresses building quality in terms of materials and structure. It is not concerned with the quality of the design or amenities, as that is under the remit of the RMA. This siloed approach means that different aspects of a building's function and form are negotiated and considered by totally separate local government departments working in different ways across the network.

At this time, we can see the governance arrangements becoming more fragmented, with increased potential for informal negotiations and discussions within the system of decision making. The new Building Regulations provided minimum standards, and were performance based, using outcomes as the measure of compliance. It was, however, argued this style of legislation offered flexibility without accountability (May, 2003). Within this regulatory context, towards the mid-1990s new demands for houses and a particular demand for multi-unit dwellings such as condominiums emerged in parts of New Zealand (May, 2003). The RMA came into effect at a similar time as the new Building Act, but, as will be covered later

in this chapter, there was little integration between these pieces of legislation, an issue later chapters will argue is problematic within the current governance environment.

The RMA signified a fundamental shift in the prevailing paradigm of planning, and a radical change in language from the TCPA. It brought in an 'effects-based regime' (Ericksen, 2003) which mandated a role for local government to produce permissive plans that considered the effects of an intended development on the natural environment, rather than the activities themselves. Broadly, the legislation aimed to balance the interests of development and the environment. Many argue, however, that it satisfied neither (Berke et al., 1999; Ericksen, 2003; Thorns, 2006). A governance change of note was that it also added environmental experts into the planning process, intending that establishing certainty around effects would speed up decision-making. It was thought that proposed development would only be restricted if it undermined natural resources (Thorns, 2006).

In sum, the RMA was a broad reform brought in by the National government, but a good proportion of the policy work had been done by the previous Labour Government in terms of extending corporate principles, placing the citizen firmly as consumer and driving competition in the new marketplace (Productivity Commission, 2017). It de-emphasised the social and urban considerations of planning, placing the focus firmly on the environmental consequences of development. Critics argued this approach was reductive and the neglect for community and social values in planning was a mistake (Perkins et al., 1993), a factor that has again come to the fore in more recent discussions on RMA reform (MfE, 2020). The reduction in government involvement in the quality and quantity of housing, as well as the nature of places since 1990 can therefore be described as entirely purposeful (Murphy, 2014).

The early 21st century brought further housing shortages and rising affordability issues. The 1999 Labour-led government reintroduced rents linked to income for state tenants and halted the sale of state housing. This represented a further move from demand side subsidies in the form of state housebuilding, to supply side subsidies such as topping up incomes to address rising rents via the ever-expanding Accommodation Supplement. Central government inaction in planning for new housing remained (Murphy, 2014), but after 1999 there was an increase in the emphasis on the regulation of building practices.

In large part, the new focus on regulating building standards and practices was in response to the 'leaky building crisis,' where large numbers of poorly constructed new houses were found to have leaked and rotted (May, 2003). The situation emerged from a period when consumers were demanding new styles of housing requiring new materials, such as Mediterranean style houses. The private sector answered this need, sourcing low cost, low

maintenance building materials to build the desired houses. The regulatory framework introduced in 1991 had permitted these new designs (The Overview Group on the Weathertightness of Buildings, 2002). This combination of factors, such as consumer demand, the hands-off regulatory approach, and the private sector sourcing low-cost, low-quality materials, all helped lead to leaking buildings and subsequent rotting. The problems brought the specific issue of weathertightness onto the agenda, but wider issues of quality, such as insulation, were much more low profile.

Weathertightness is a common challenge for building in damp conditions such as the New Zealand climate. Buildings must either prevent or deal with water seeping into the outer shell, otherwise the life of the building material is invariably affected. The pervasive nature and scale of the problem reached central government, local government and the building industry (Government Administration Committee, 2003) and drew attention to the complex governance arrangements for new housing in New Zealand, which had gradually become a blended web of actors, possible interactions, and blurred responsibilities. It also raised awareness of the problem posed by de-regulatory tendencies and fragmented approaches, which were now firmly a part of the governance arrangements. The extent of the issue of 'leaky homes' is still not fully clear, but a PricewaterhouseCoopers (2009) report suggested between 22,000 and 89,000 houses were affected. The crisis provoked a response from central government, involving the Deputy Prime Minister, the Minister of Internal Affairs, the Ministry of Commerce and a parliamentary investigation which ultimately led to the 2003 reform of the Building Act. It was also felt acutely at a local government level, with multiple lawsuits brought against local councils. The crisis affected the private sector as well, with building firms going into receivership and building certifiers shrinking in number significantly as securing insurance (a regulatory requirement) became a challenge (May, 2003). This situation is useful to illustrate the impact governance arrangements have on outcomes, as well as how events may change perceptions of risk and deregulation in housing decision making.

The government response to the crisis culminated in a discussion paper, Better Regulation of the Building Industry in New Zealand (Dalziel, 2003). The key recommendations included more responsibility for building at central government level, performance standards to be more clearly defined, a robust process for measuring the performance of building materials and a warning system if they prove faulty, a tightening up of the inspector certification process, a requirement for contractors to be licensed, and more protection for consumers (May, 2003). In 2004 the building regulations and standards were updated, with the passing of the 2004 Building Act (Schrader, 2005). As part of this reform the Building Industry Authority (BIA) moved from the Ministry of Internal Affairs to the Ministry of Economic

Development to strengthen its oversight. Shortly afterwards the government brought in energy efficiency measures for new houses and supported design and development innovation.

2000s and house prices rise further

In the early 2000s against the context of rising house prices and stagnant wages, the government was again forced to initiate policy responses. Most of the policy activity came under the guise of assisting New Zealanders into homeownership, largely leaving responsibility for the provision of new housing to the devolved governance arrangements inherited from previous decisions. Supporting homeownership has been a continuing focus for the government, positioned as a necessary part of responsible citizenship, as the then Minister of Housing asserted, "Home ownership has significant social and economic benefits. It can promote greater family stability, improve the connections with communities and create continuity of education… provide long term security and a buffer against poverty before and after retirement" (Street, 2008). This discourse supported the government's plan to increase the supply of houses for sale on the private market, and support people into homeownership.

A new Welcome Home loan was introduced, providing mortgages to those with little or no deposit, via government insurance to the lenders. A new Gateway Scheme was also initiated, allowing community housing providers and first home buyers to build or buy houses on government land and put payment on hold for ten years. Kāinga Whenua loans provided no-deposit loans to people wanting to build on multiply owned family land, with the government insuring the loan. Kiwisaver facilitated homeownership for those with little deposit, making funds available and giving grants towards the deposit. Central government gave limited support to the community housing sector, giving grants to enable NGOs in the sector to increase the supply of housing for the most disadvantaged in society, and in 2004 Community Housing Aotearoa was established to support and lead the sector.

Alongside a central government focus on supporting home ownership, there was also an attempt to enable the provision of affordable housing. Local government was tasked with facilitating the delivery of affordable housing to meet the needs of its individual communities, but without the introduction of new regulation, policy tools or resources to facilitate this. For example, in the mid-1990s the Auckland Regional Growth Forum and the Queenstown Lakes District Council sought to employ the limited planning mechanisms available to facilitate the provision of affordable housing, and ultimately failed (Woods, 2011). The proposals relied on zoning changes of two types: the first was linkage zoning, where non-residential developments are linked to affordable residential developments via

houses-on-the-ground or a financial contribution to the local council. The second was inclusionary zoning, requiring developers to include a certain proportion of affordable housing in each development. These proposals were challenged in court and ultimately not permitted under the provisions of the RMA. The desire for zoning instruments to facilitate the provision of affordable housing became a consistent theme in the various state-sponsored reports and documents that were produced in the 21st century (Treasury Report, 2006; Commerce Select Committee Report, 2008; House Prices Unit, 2008). This plethora of evidence demonstrated some central government acceptance of the problems of housing affordability, but emphasised the difficulty in enacting significant change.

As ideas began to emerge about the importance of facilitating and enabling affordable housing, the governance arrangements were shown to be largely incapable and ineffective at delivering them, for example the Labour-Progressive Government's Affordable Housing: Enabling Territorial Authorities Act 2008 (repealed in 2010 by Section 3 of the Housing Act) (Warnock, 2010). While the AH:ETA Act was not mandatory, it provided councils with some policy tools to require developers to contribute towards the provision of affordable housing, either by building some cheaper houses or by contributing money or land towards affordable housing being built elsewhere. Alongside this Act were ongoing reforms of the RMA, such as changes to the consenting procedures to enable increased land supply. These proposals were intended to replace the temporary conditions of the AH: ETA Act, after it was repealed. In 2008 the Sustainable Urban Development Unit recommended producing a district plan at the national level, promoting high density, transport-oriented areas that were easily adaptable to individual local requirements. Local authorities still struggle with undertaking this style of development (Chapman, 2013) and more spatial planning has again begun to influence current governance discussions (MfE, 2020).

In 2013, the Key government's market-based response to the need for more housing for New Zealanders involved establishing the Housing Accord and Special Housing Areas Act (HASHA). It was a short-term act, rapidly brought into force. It worked within the current devolved governance arrangements to place the onus on local government to facilitate affordable developments. It was born from the dominant narrative of the National Party - that planning regulations were obstructing the construction of new housing, causing low housing supply, which obstructed the free-market from self-correcting, therefore resulting in unaffordable houses (White and Nandedkar, 2019). This story of land use planning and regulation as getting in the way of development has been recurring in multiple jurisdictions and has been argued by some to serve the interests of the elite and market-based actors (Gurran, 2013). With this diagnosis of the problem came proposed solutions of faster decision times, reducing 'red tape', and increased automatic approval rights. This narrative

led to policies like the HASHA Act that enabled developers to build under reduced regulations. Under the HASHA Act, a proposed development could apply to be classified as a SHA and be governed by fast track planning rules, with a requirement under most councils to have a percentage of dwellings built as 'affordable houses'. To be successful, 10% of houses in the proposal had to be affordable, a definition which was devolved to local councils to decide.

The HASHA Act demonstrated a permissive approach to development and was a governance change that provided an ever more complex governance arrangement between local and national government. The Act was rescinded after three years on 12 September 2016 by the Housing Legislation Amendment Act (and in Auckland was replaced by the Unitary Plan), with no more SHAs to be established after 2019 and the whole Act to be repealed in 2021. Half of the SHAs originally implemented under a Housing Accord have now been disestablished, and it is unclear how many affordable houses were actually built. Developers received several privileges to build under these SHAs, however they were not held accountable for delivering the affordable housing they promised (James, 2019). The power of the logics of development actors came to the fore, as researchers critical of the policy argued that developers avoided building smaller, cheaper houses because they made less profit. In this way the expectations of the Act were criticised, "We are expecting a commercial industry to deliver on a civic and social need. And unfortunately, those two positions are not ... lining up alongside each other" (Tookey cited in Brettkelly, para 8). This quote highlights an increasing tension in our system of new housing provision — a largely private, profit-oriented sector being expected to deliver on what many see as a social need.

Another central government response to the issue of housing affordability and lack of supply was The National Policy Statement (NPS) on Urban Development 2016. The NPS was developed by the Ministry for the Environment and MBIE and increased the responsibility of local authorities to release land for housing and establish this in resource management plans (Ministry for the Environment, 2017). This policy solution emerged from a framing of the housing problem as being a supply issue and, amongst others things, aimed to increase the quantity of zoned land. It was directive and placed firm emphasis on local level actors exercising their powers to correct a private sector led provision of housing that was perceived as not functioning optimally.

<u>Summary</u>

This narrative has revealed how the current governance arrangements for new housing in New Zealand can be traced back to earlier beliefs connected to the role of the state, the constraints placed upon the private sector, or the nature of the 'crisis' evident at particular

times. We also see emerging issues and logics that will be explored in later chapters, such as the links between home ownership and good citizenship, the power given to the private sector to provide new housing, the focus on affordability via supply and zoning, and the low profile of more strategic spatial planning or place-based perspectives. Underlining almost all the policy changes explored was a division in the treatment of housing between a) state housing for the most vulnerable in society and b) home ownership as the desired outcome for the rest of the citizens, with the rental sector receiving much less attention.

Throughout this account we have seen the responsibility for new housing passing backwards and forwards between central and local government, with the private sector brought in to deliver housing and given increasing responsibility for decision-making. Changing expectations of the balance between state, private sector, and civil society actors and the various institutions created and involved in the governance of new housing continue throughout. Yet despite all this policy focus we see the current crisis become ever more pronounced. It is also interesting to note older policies that are still in place today, such as the Accommodation Supplement, and how they help reflect a long-standing individualistic view of housing as well as support for the private sector delivering that. More generally, this housing governance story has sought to help identify the wider context of current housing problems, its long-standing historical nature, and highlight the broad system of governance arrangements and associated powers that have evolved and may require unpicking. While this narrative account has produced a broad linear story, in reality it is a much messier and reactive trajectory that brings us to the present day and present problems: a system of housing provision, infrastructure development and town planning that is widely critiqued and seen to deliver suboptimal outcomes.

The current regulatory framework for new housing

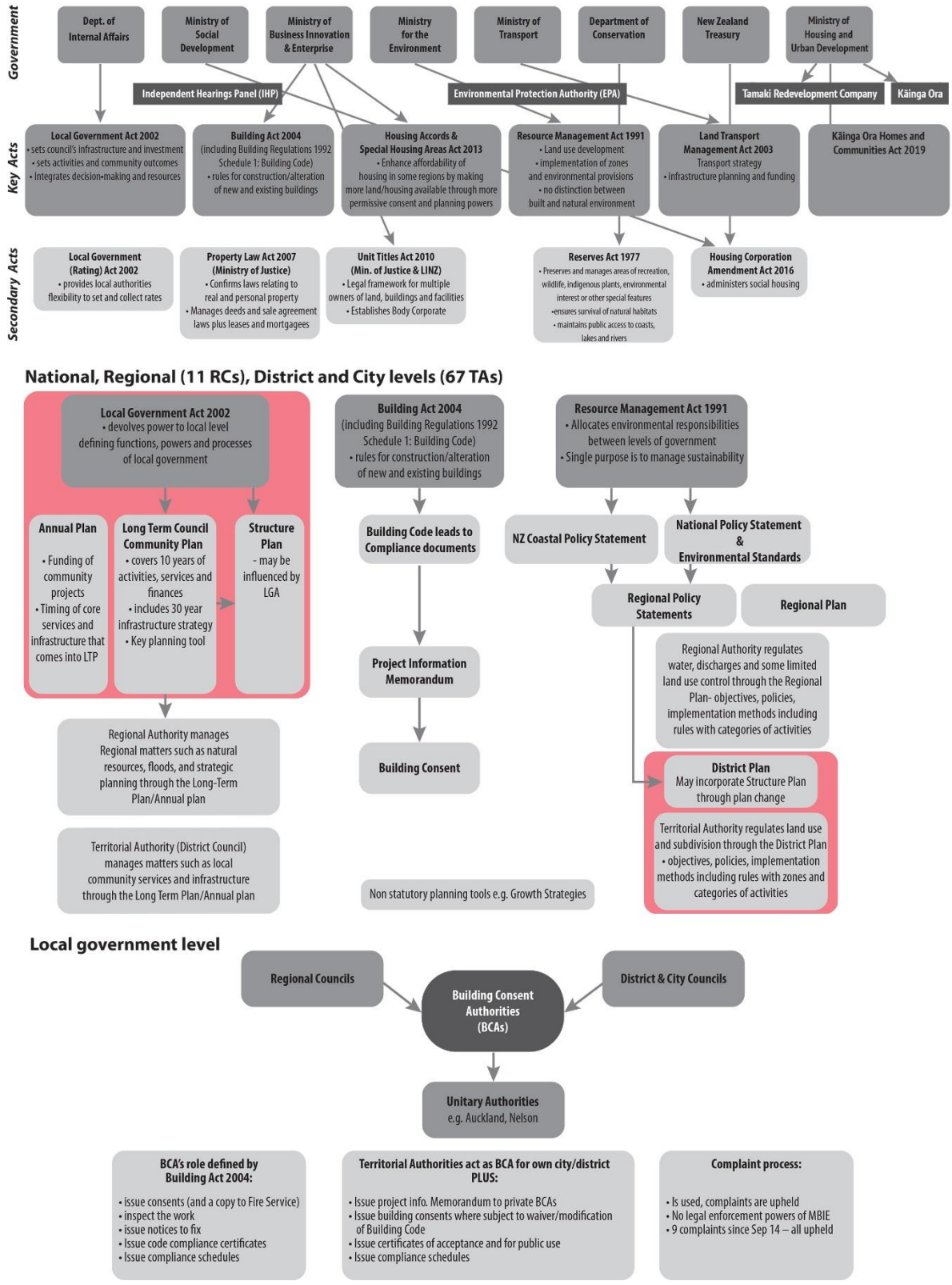
Responsibility for the provision of new housing in New Zealand today, whether it be new greenfield subdivisions or urban intensification, is shared between central government, local government and the private sector. As land is a primary input into the supply of new housing, it is important to consider first the governance of land use. A dominant contemporary narrative places the responsibility for land supply on the state but raises questions as to the speed this occurs, “Until policy can be better aligned and streamlined, land supply will remain slow” (Eaqub & Eaqub,2015, p.146). Yet, state responsibility in a context where the land owner holds the hard power in terms of resources and financial capital is challenging, as Rutland (2015) argues,

> "The state is called upon not just to protect property rights … but also to evaluate and optimize property holdings: to ensure in the interest of the population's survival and flourishing, that the optimal use of land is universally achieved" (p.364.)

In this quote, it is useful to reflect upon differing interpretations of the word optimal, as this may be defined differently amongst the actors involved, depending, for instance, on the logics driving them. According to some researchers, the state should more readily question some of these long-held assumptions. For example, Blomley (2017) argues, "it elects not to act upon other components. In particular, land use planning does not question who owns, or how. Issues of property acquisition and distribution are bracketed" (p.361). They argue the problem of insufficient housing is not as simple as it is made to appear, as the unequal distribution of existing housing is argued to be at least as problematic as problems of supply (Dorling, 2014; Dunkley, 2020).

The supply of development-ready land is impacted primarily by three different pieces of legislation — The LGA, the RMA and the Land Transport Management Act. It is a useful means to appreciate the regulatory complexity of new housing, and the fragmentation contained within it. The current planning and regulatory system for new housing in Aotearoa is depicted in figure 2. It illustrates the key state institutions involved, including central government ministries, regional and local government, council-controlled organisations (CCOs), and the judiciary. It also shows the multiple pieces of legislation that help inform the governance of the sector. More generally, it is a useful device to quickly demonstrate the complex arrangement of state actors, with multiple policies, actors and agencies involved over various scales. It also illustrates the multiple spaces interactions occur and decisions are made in, and the scope for politics to occur, either openly or not, within new housing negotiation and provision.

Figure 2 Map of the regulatory framework for housing 2019



This figure also illustrates the extent of the dispersion of the responsibility for New Zealand's housing across multiple state actors and offers weight to arguments that the regulatory system is compartmentalised and fragmented. To compound matters, within much of this governance framework there is also scope for discretion, partly in an attempt to reconcile tensions between top-down direction and the demands of different local-level contexts. As such, we can better appreciate how we get differing decisions about housing supply across localities and regions. The figure shows a number of pieces of legislation, two of which are fundamental in the governance arrangements for new housing and in how they affect local level decision making: the RMA (1991) and the LGA (2002). We now turn our attention to these.

The RMA 1991

As indicated earlier, the New Zealand government devolved some regulatory powers and decision-making power to local authorities (Murphy, 2016). The RMA is a complex document, but we will briefly highlight a few aspects that will help contextualise later discussion in the thesis. In simple terms, the RMA impacts housing provision by mandating which land can be made available to become development-ready, what processes the land owner must go through to reach a point where the land can be developed, and what the final development may look like or impact upon. Under the RMA local government has a degree of responsibility for meeting the housing needs of its citizens, but as the growing crises helps evidence, there are question marks over whether there are the requisite policy tools and resources to facilitate this. Other issues include the lack of capacity within local government to plan over different spaces and longer times for future developments (Ericksen, 2003), particularly as the RMA is seen by some to promote an effects-based focus for council planners. Along with RMA and central government direction, regional and district resource management plans inform decisions around resource consents and regulating land use. The RMA aims to balance respecting property rights with controlling the effect of development on the environment. The rules are often developed in isolation from each other and there is a frequent argument that these rules have not been collated to understand what wider outcomes they lead to (Ericksen, 2003).

The Productivity Commission's (2017) Better Urban Planning report discussed how the architects of the RMA initially expected that alongside regulatory tools, economic tools such as prices, taxes and subsidies would be applied by local government to encourage or discourage certain behaviours in developing new housing. This has not eventuated due to various political issues and barriers, and does create issues in the current system, not least how to pay for growth. For example, councils face an uphill struggle to raise rates, and have limited scope to create new tools to raise revenue. Similarly, targeted rates are a tool that is

within council's power, although they do not appear to have been frequently used. The Productivity Commission's report suggests that this lack of capacity has led to an overuse of RMA rules, because they are squarely within council's remit. However, legislation is only one part of an effective planning system. Also significant are the culture, capability and national stewardship (Productivity Commission, 2017). The decision-making culture was identified in the report as not being pro-development, with recommendations that the balance needs to shift from 'obstacles to development' to a presumption of 'development as priority'. Other findings the report made concerning culture was a perception amongst the development community of an undue regulatory burden, and the risk averse nature of the New Zealand construction industry. This both supports, and is supported by, evidence focusing on revealing the importance of the dominant economic logic of developers, for instance, calculations about acceptable profit levels, and the culture of development feasibility and access to finance (Murphy, 2019). Of relevance for this thesis, this results in multiple important decisions made by various actors within the decision-making architecture, who may all have different preferences (Productivity Commission, 2017). This is an inevitable feature of this system. However, the RMA is tasked with resolving value judgements and striking a balance between not being overly prescriptive and still providing certainty.

The LGA 2002

The LGA 2002 is a key part of the urban planning system, devolving power and defining the functions, powers and processes of local government. Local government impacts residential development by producing Annual Plans (AP), Long Term Community Plans (LTCP), and choosing to produce Structure Plans. Regional Authorities manage regional matters and Territorial Authorities manage community issues. Under the RMA, the intention was for more cooperation between local and regional authorities, requiring that local government to produce Regional Policy Statements, Regional Plans and District Plans that regulate land use and subdivision. Local government also issues consents for building through Building Consent Authorities (BCAs). In this way, New Zealand uses national policy tools to direct local government to produce plans to meet national and global environmental goals. These goals are not necessarily achieved, however, perhaps due to issues such as funding constraints and mandates that force local government to act against its own needs (Berke et al., 2001).

The LGA 2002, Section 93 requires a LTP to set community outcomes and priorities. The 2014 LGA amendments added in the requirement for a 30-year infrastructure strategy to be part of the LTP. Under Section 30 and 31 obligations of the RMA, one tool to enable local councils is the Structure Plan, a strategic spatial plan written for a distinct area, and which is a good opportunity for public consultation about urban futures. This tool is accepted as best

practice by the Environment Court for promoting the integrated management of environmental issues and supporting the wellbeing of citizens. Its existence is not prescribed in legislation, but a Structure Plan can take legal effect if it is implemented through statutory plans such as district or regional plans. District, city and regional councils prepare Structure Plans as part of their regulatory and planning function, informed by the LTP, implementing and monitoring them after completion. Private sector development interests are key stakeholders in the structure planning process (Quality Planning, 2014), sometimes even leading a structure planning initiative. The discourse around a private sector-led Structure Plan is that these actors can be flexible and are less constrained in negotiations than councils, therefore they can focus resources without the limitations and competing demands faced by the public sector. The risk with this approach is that their objectives are different and sometimes contrary to council objectives. When the initiative is complete, whether council or private sector-led, the outcomes then pass over to the relevant council. Emphasising the co-governance aspects of this network, collaboration is seen as key to the success of Structure Plans. For instance, public-private partnerships in structure planning where councils and other key public agencies including the New Zealand Transport Agency have been involved in formally established project teams. This is an example of the governance trend towards multiple actors collaborating in networks (Arnouts et al., 2012), the various spaces for politics, and the ways the balance of power between actors can affect outcomes.

When a landowner, developer or council wants land to be rezoned, often outlining this in a Structure Plan, a Plan Change is required. This can be led either by the council or a private developer. A Plan Change will generally be notified by Section 32 or 34 of the RMA and then a hearing will be submitted. From there, if the hearing is successful, the Plan Change will be accepted, and the land will be rezoned. There has been concern that this process can dilute the original intention of the Structure Plan, particularly the time it takes. The time that elapses between land requiring rezoning and having development-ready land is typically five years (Productivity Commission, 2012). This time lag in the process helps fuel the discourse that the planning system is delaying the availability, and therefore affecting the pricing, of land for housing (Productivity Commission, 2017). Yet, some argue this discourse fails to consider that land is a finite resource, and pricing is driven by externalities (Kono & Joshi, 2018), such as purchasers' incomes and vendors expectations.

BCAs, who make decisions on Building Consents under the Building Act 2004, sit between Regional and District/City Councils. They can be council led or private stakeholders (e.g. Professional Building Consultants in Central Auckland and Manukau). When BCAs make decisions about Building Consents, there is room for subjectivity, emerging from the conflict

between a strict interpretation of the legislation and good practice. For example, the policy calls for paper-based site examinations, but in practice the physical inspection of a site is far superior.

We can see how planning regulations managing land supply are under attack from many angles, with the Productivity Commission (2017) arguing that confusion with definitions used in the RMA, as well as its lack of consideration for the differences between the built and natural environments, lead to unclear boundaries. The 2017 report also found the current regulatory framework lacking leadership and in urgent need of management and cohesion,

> "A future planning system would see the variety of central government agencies with an interest in planning and the environment organised much more effectively to exercise regulatory stewardship. Clear and capable leadership over the built and natural environment (and their interactions) is needed" (Productivity Commission, p.393).

This quote highlights the need for stewardship and leadership in residential planning decisions, as a shift away from state hierarchy has left space that may not have been occupied in a strategic fashion (Rhodes, 2000). It also highlights the need for attention to be given to how the network of housing governance can function more effectively.

The quality, quantity and affordability dimensions of the housing 'crisis'

The discussion so far in this chapter has started the process of addressing objective 1: situating the current housing crisis within the context of the history of evolving governance arrangements for housing.

The overview also emphasises that this is a governance problem. We can see how the complexity of the problems of housing in New Zealand, and how it affects different sectors in society, struggle to be fully appreciated (Glynos & Howarth, 2007). We can also see how much discourse around the provision of housing is political and has elements which are socially constructed and produce uneven distributions of effects between people and places.

To help unpack these dimensions, first, let us look at what is meant by the term 'housing crisis' and who is disadvantaged by it. The housing problems look different to different demographics, but they are more acutely felt by those at the lower ends of the socio-economic scale (Malva, 2016). The system for providing housing, and therefore the problems accessing housing, look different to different people (Howden-Chapman, 2015). The lack of alignment between housing as a social good and as a private capital source, contributes to this crisis (Malva, 2016). Housing has, therefore, become a broad social issue, regardless of

how affordability is defined (Squires & White, 2019). In the recent past, New Zealand's economy has rested on increasing house prices and capital gains, a situation which appears increasingly problematic (not just for those struggling to access housing) and requiring of serious consideration (Murphy, 2011). Yet, the paradox is that house price booms have become a political imperative in New Zealand, as Murphy (2011) argues,

> "Moreover, the primacy of home ownership as a tenure in these countries, and the role of housing in wealth formation, means that government policy is increasingly bound to support house price growth, even if this is inherently problematic" (p.336).

Home ownership is now more about financial shelter than the emotional security of having a place to call home, an approach that is argued to have driven housing policy in many countries (Harvey, 2014; Smith, 2015). It also emphasises that the problems of housing affordability in New Zealand do not exist in isolation from the rest of the world (Dorling, 2014; Martel, Whitzman, & Sheko, 2019). Yet, while connected, there are differences. For example, the New Zealand housing economy frameworks did not collapse in the same way as the US, due to pre-existing institutional practices, private sector conditions and government policies (Murphy, 2011).

Problems associated with housing quality, quantity, and affordability appear to be worsening with, for example, increasing health problems and hospitalisations attributed to poor housing quality (Howden-Chapman, 2015), lowering rates of homeownership (Eaqub & Eaqub, 2015), growing homelessness (Harris & Salvation Army, 2015), significant disparities in housing security for Maori (Rua et al., 2019) and decreased affordability relative to income (Piddock, 2019). Let us briefly look at each of these strands of the crisis in turn to build a broader understanding of its nature.

The first is quality. A legacy of resistance to regulation by the private sector (May, 2003) and historical building practices that were of lower standards than other similar climates (Eaqub, 2015), has left a significant portion of the housing stock rendered cold, draughty, damp and unsafe. The OECD estimated that at least 33% of New Zealand's 1.8 million private homes were under-insulated (2017). The issues of housing quality were brought sharply to the agenda during a 2016 speech by a Labour MP who referenced a coroner's report that cited poor housing as contributing to the death of a two-year-old child (Walters et al., 2015).

The second strand of the problem is quantity. A University of Otago report in 2018 showed that New Zealand has the highest percentage of homeless people amongst wealthy OECD nations (Amore, 2016). While there have been recent attempts to increase supply, over a long period there have been insufficient numbers built to keep up with demand. It was claimed by

the economist Eaqub in an address to the 2017 NZ Planning Institute conference that there has been a cumulative 500,000 gap in housing supply over the last 30 years (Tarrant, 2017).

The third strand of the housing crisis, affordability, can be defined in different ways, making it hard to get a clear picture of what the problem is. The Ministry of Housing and Urban Development (HUD) draws household income data from Statistics NZ to understand the affordability of housing, arriving at the Housing Affordability Measure (HAM). This has three categories: the percentage of households spending more than 30% of their income on housing costs; the percentage of households with below average income after they have paid housing costs; and an affordability index (HUD, 2020). This measure found that in December 2018, 31% of renters were spending over 30% of their income on housing costs. If those same people had bought their first home (a lower quartile house in the same area with the same number of bedrooms), 74.8% of them would have been paying over 30% of their income on housing costs. 56.9% of renter households had below average incomes after housing costs, whilst 70.5% of potential first home buyer households would have had below average incomes after housing costs. The National Housing Affordability Index found that between December 2017 and December 2018 housing affordability improved by 3.6% for potential first home buyers and improved by 4.2% for renters (HUD, 2020). Notwithstanding this small gain, housing in New Zealand is widely seen as unaffordable and rising house prices rising mean that the homeownership level is at its lowest point since 1946 (Statistics New Zealand, 2019). Another measure, the Demographia survey, paints a different picture. It defines an affordable house in relation to average income, as being one that is priced at three times or less than the average income. In the last quarter of 2018 it rated New Zealand's housing as severely unaffordable, with a Median Multiple of 6.5, and Auckland city as moving from a Median Multiple of 5.9 in 2004 to 9 in 2018 (Performance Urban Planning, 2019, p.20).

The supply and demand mechanism at the centre of a market approach highlights the contradictions involved in treating houses as financial assets. The value of housing as a home and place of security is seen as subjugated to its economic value. As Harvey (2014) argues, "The provision of adequate housing use values (in the conventional consumption sense) for the mass of the population has increasingly been held hostage to these ever-deepening exchange value considerations" (p.22). State housing previously acted as a protective barrier to mitigate such effects, by providing affordable housing and protecting citizens from monopolistic rents (Malva, 2016). Yet, until recently such protection has been diminished as central government has retreated from state housing and increasingly left it to the private sector - the legislation governing Housing New Zealand says it must follow private sector rents rather than lead them.

Another part of the problem of affordability is that for the new houses being built, many are not appropriately sized (and therefore priced) for those who need them. There is a disconnect between changing household demographics and needs, such as the rise in single person households, and building practices, which still prefer to deliver the traditional kiwi 3 or 4 bedroom detached home in a suburb (Tucker & Ryland, 2014). Yet, when practices do change, the market can respond. For example, occupants of new, higher density developments such as Hobsonville Point in Auckland reveal, "a high level of satisfaction with size (despite being smaller on average than houses built in New Zealand since 2010)" (Haarhoff et al., 2019, p.41). In simple terms, demographically appropriately-sized houses are still not being built. The majority of new houses being built have multiple bedrooms, whilst household sizes have grown smaller (Eaqub, 2017). This is a situation not isolated to New Zealand. For example, UK figures quoted by Colenutt (2019), reveal that Berkeley Homes built 3,536 homes in 2017, making that developer appear to be contributing to solving the housing crisis. However, looking further we see these houses had an average price of £715,000, which is more than 24 times the 2017 median household income of £29,600 (Office for National Statistics, 2019). The same dynamic has been happening in New Zealand, "By 2014, almost 58% of house new builds were in the highest quarter of house prices" (Saville-Smith, 2020, p.43). So, quantity may not necessarily directly address affordability.

Now some key elements of the housing crisis have been explored, we can begin to build the appreciation of the links between governance aspects and the complexity of the problems and start to investigate the various ways the regulatory framework may address or underpin these. This research focuses primarily on the private sector building of new housing for ownership, but acknowledges that other aspects of housing outcomes are similarly affected by regulation beyond this.

Linking the partial power of housing regulation to the housing crisis

Turning to explore the connections between the housing crisis, and the institutions and regulations, a key recurring issue in New Zealand and beyond, is that we see the planning system blamed for restricting the supply of development-ready land and the quality and quantity of new homes (Gurran, 2013; Productivity Commission, 2017). Such views argue that restrictive zoning, inefficiencies in consenting, and obstructive regulations add considerable cost to development budgets that can result in projects not being financially viable (Grimes & Mitchell, 2015). Arguments such as these emerge from an anti-regulation perspective and culture (Bierre & Howden-Chapman, 2020) that is typically supportive of private enterprise and advocates for a 'lighter touch' regulation. The culturally specific

discourse attached to regulation in New Zealand is important to consider. For example, "In neoliberal English-speaking countries, regulation is considered inefficient and too costly, whereas in Austria, Germany and Switzerland regulations are thought of as stabilisers, reducing risks and transaction costs for both landlords and tenants" (Howden-Chapman, 2015, p.49). Blame does have the potential to be shared, however. The planning system certainly impacts the supply of new housing, and contained within it is the potential to resolve some of the problems of under supply, as well as the wrong kind of supply, revealed earlier. The conflict between the fact that land ownership is private, and the right to develop that land is publicly managed via the planning system is a central political tension both nationally and locally. Yet, we also see that the current planning system has limited levers to increase the supply of land and is not solely responsible for land being scarce. In some cases, like Wellington, for example, it simply institutionalises a geographical truth (Schmidt, 2009) and responds to political leadership and priorities that may protect existing areas. Moreover, while it may zone more land for possible development there is no guarantee that the private sector will turn that into more housing in the near future. We also begin to appreciate the existence of multiple markets at play. For example, there is a market for land as well as housing, and increasing the supply of land also increases the potential for tradeability of that as an asset. The impact land pricing has on the business model of developers is significant, and filters through into wider discussions about the costs of development and profit margins. The financial viability calculations of residential development are a highly politically charged subject, "As land is the indispensable primary input into house building, it is unsurprising that many of the systemic failings of housing supply have the origins in the land market" (Jefferys et al., 2015, p.41).

Another more indirect way that central government decisions impact the housing crisis, which is little explored especially in the New Zealand literature, is by regulating wages. We have seen that by some metrics housing affordability is linked to income (e.g. Demographia, 2019), so if income is consistently low and stagnating (Perry, 2015), taxation policy and wage regulation have the potential to address this. As housing is viewed in a more global context, we also see how immigrants have become an easy scapegoat for the lack of houses available. Until more recent times, New Zealand authorities have lacked proper data on foreign buyers, which has meant the real effect of immigration on prices is unclear (Tarrant, 2017). The current coalition government reacted quickly to allegations of immigration affecting housing availability and affordability with a policy to ban non-residents from purchasing property. Recurring calls for a stated population policy (Eaqub, 2017) serve to highlight the link between access to housing and migration.

This discussion links to how housing is increasingly viewed as an asset worldwide, and this is particularly marked in New Zealand. The financialisation of housing both affects inequality and wider perceptions of what a house is. For example, "the value of non-financial assets – basically land and buildings – grew by 45% or $210 billion over the four years between 2012 and 2016" (Johnson et al., 2018, p.18). This asset group of land and buildings earns considerable income for some New Zealanders, with recent research by Rehm and Yang (2020) arguing, "housing speculation in Auckland is endemic and its housing market is a politically condoned, finance-fuelled casino with investors broadly betting on tax-free capital gains" (p.1). The NZ Herald reported back in 2016 that, "The standard Kiwi home is earning more than the average worker makes from their job in seven of the country's 12 districts" (Nichols, 2016).

New Zealand policy and planning decisions have supported the power of private capital, further driving this financialisation of housing. For example, policy such as the Accommodation Supplement directly supports homeowners by contributing to their mortgages either directly, or for second homes through paying portions of the rental incomes received from their tenants. The culture of supporting home ownership, promoting it as responsible 'earned' citizenship (White & Nandedkar, 2019) also ties into a support for the financialisation of housing. Within this logic, building the biggest possible house maximises the profit level, which contributes to the self-perpetuating cycle of rising house prices (Tucker & Ryland, 2014).

While there are counter arguments shifting the discussion from planning, these struggle to gain traction. For example, discussions over implementing a capital gains tax to address the insidiousness of this income stream were recently opened up in New Zealand in 2017. One of the four key recommendations from the Tax Working Group (NZ Government, 2019) was to use the taxation regime to improve housing affordability. However, substantive change remains off the table and many New Zealanders display an ongoing resistance to a capital gains tax (Sutton, 2020).

This brief discussion of the complexity and scope of the housing crisis should also be seen in the context of governance. It is particularly evident that the regulation of housing has been subject to a process of fragmentation as governance becomes dispersed and power shared. As Lowe argued back in 2004, "House building operates through a poorly integrated policy community made up of builders, planners, housing officials, financiers, landowners, central government and their regionally based colleagues" (p115). A situation that has changed little since. Revealing the importance of this complex regulatory landscape allows the research to take steps towards highlighting its effects on decisions and outcomes, and the power

relations that help determine the quantity, quality and affordability of homes. This provides an insight into why the governance arrangements may contribute to the crisis, "The fragmentation of power, the creation of new networks and cross-scalar engagements means that there is rarely one single actor or agency with the unilateral power to solve problems, and each stakeholder may have different resources and agendas" (White, 2015, p.74). If power is disseminated and 'hidden' in the interactions and non-decisions (as much as decisions) of stakeholders, then a more political approach can assist in not just critiquing the regulatory system but also those wider governance actors and agencies who operate within it.

A final note is about the impact of governance arrangements on the experiences of the growing proportion of New Zealanders who rent their home. New Zealand legislation offers little protection for tenants, in terms of security of tenure, quality of housing, and reasonableness of rental prices (Bierre & Howden-Chapman, 2020). This is an area of government policy that has been under the radar, but as the renting population grows, and includes more working professionals, their voice grows stronger. The experience of a country like Germany which has cultural acceptance of renting as an equally valid form of housing preference as home ownership, shows how significant long-standing policy support for this market (Kohl, 2017), could offer New Zealand policy inspiration. While this section has sought to provide a broad overview, we should also acknowledge problems relating to housing are continuously developing. For example, the lack of regulation of short-term holiday rentals is another problem contributing to the rise of short-term rental contracts and lack of security of tenure experienced by tenants (WDC, 2018; Campbell et al., 2020).

Summary

This chapter has told the story of the housing crisis from a governance perspective, outlining how historical decisions provide insights into the problems of today and why the crisis may be difficult to 'solve'. It has charted the emergence of the current regulatory framework for new housing and the complex and overlapping roles of nine government departments and ministries and six primary pieces of legislation as well as five secondary acts. Within that framework, the chapter has shown the shifting responsibilities across central government, local government, and private sector levels. It has set the scene for an argument that multiple public and private sector actors and agencies interacting to fulfil different but related responsibilities (such as transport, infrastructure and house building) are an important contributing factor to the delivery of poor outcomes and to an inability to design effective initiatives to improve these outcomes. But it goes beyond that, it is also about highlighting the need for attention on the interactions that occur within this system and their culture, logics and rationalities surrounding new housing provision.

The changing governance arrangements for housing across the 20th and 21st centuries have been argued in this chapter to have contributed to the current housing crisis, as lines of responsibility have become increasingly blurred between local and central government actors and the private sector. The scale of the problem also extends far beyond the formal regulations, as the earlier historical account demonstrated. Externalities such as the financialisation of housing, the culture of home ownership and the leaky building crisis also have a role to play in reproducing the housing crisis. For instance, this chapter has demonstrated how the dominance of housing wealth in the wealth portfolio of New Zealanders, along with increased speculation in residential housing by property investors, has been increasingly supported by policy intervention supporting homeownership and free-market principles. It therefore also links regulation to culture, such as concerning the norm of homeownership, or the dominant idea that owning a house is superior to renting.

This chapter has used a historical narrative and introduced a governance approach to cast a different perspective on how we have arrived at the current problems of housing provision in New Zealand. The next chapter develops this argument by turning our attention to the theoretical framework chosen to develop this inquiry, network governance, and reveals the potential for this to analyse the problems of new housing in Aotearoa. In particular, it will provide more nuance to the discussion thus far by examining literature relating to understanding the interaction of actors within these governance arrangements, and the ways these shape housing decisions and outcomes, and may resist calls for change. It also emphasises the complex nature of this crisis and how we need to look at multiple aspects using differing methods. As the BBHTC National Science Challenge argued at its inception (2015), for built outcomes to improve there is a need for more effective collaboration between a host of actors making decisions in the housing sector – from science to policy.

Chapter 3: Governing a complex system

> "Selecting certain aspects of a worrisome situation for attention is a contingent, political act: Other features might have been selected; these might have brought other configurations of decision-makers and resources into play; and they might have focused on aspects of the situation that worry other societal groups" (van Hulst & Yanow, 2014, p.99).

Introduction

The previous chapter introduced the current governance arrangements for new housing provision in New Zealand and identified key aspects of the system contributing to the 'worrisome situation' of housing quantity, quality and affordability. The structure and operation of this system was linked with increasing housing costs, problems with the types and homogeneity of housing delivered, problems with the quality of new housing, problems with sufficient new housing, and problems with the distribution of housing. In the context of these varied problems, this chapter will review theoretical approaches to the study of governance, to assist in identifying and analysing what van Hulst and Yanow refer to above as the 'configuration of decision-makers and resources' that are at play. Theory in this respect will be used as a tool to guide the researcher's observations (Babbie, 2008). The theoretical framework selected will inform the later analysis of the decision-making dynamics and negotiated interactions between interdependent but relatively autonomous actors within the network delivering new housing.

In simple terms, the neoliberal policy reforms of the late 20th and early 21st centuries have propelled a trajectory from traditional, hierarchical forms of governance towards more network or market governance relationships (Hood, 1991). In many 'Western' democracies, including New Zealand, new housing is not delivered by the government, but predominately by private sector actors. As such, along with these new governance frameworks comes a need for critical thinking about the results, the exercise of power, the differing motivations of multiple actors, and the often unseen influences on decision-making that impact aspects such as the cost, types, and quality of new housing.

The chapter will begin by reviewing literature on a mode of governance that is closely related to the situation in New Zealand, network governance (Mullins & Rhodes, 2007). This mode makes explicit the plurality of governance in areas such as new housing provision, where the state shares power and influence with multiple actors. The resulting complex scenario we label here as 'network governance' has been defined by Esmark and Triantafillou (2007), "…as a mode of governing that depends upon the mutual adjustment and coordination of the

self-governing capacities of autonomous, but interdependent actors" (p.101). One of the arguments introduced in the previous chapter was that the framework of governance arrangements for new housing in New Zealand in operation today was not explicitly designed for the role it fulfills. Rather it evolved in a piecemeal way over time through the shift of housing planning from central to local government, and from the state to the private sector, and via a series of policy interventions across different domains. This chapter will produce a more theoretical lens to this argument by firstly outlining how the influence of networks on government and policy has been increasingly recognised over the last four decades by a plethora of international research (Lewis, 2011; Mullins & Rhodes, 2017; Bednar et al., 2019). We will then explore more deeply issues connected to the function and operationalisation of networks.

Networks and a networked mode of governance

The emergence of network governance as a theoretical lens was driven by ongoing attempts to conceptualise more clearly the shift from traditional hierarchical forms of government dominated by a unified central state, towards arrangements where power was dispersed across a wider spread of actors in collectivities or networks (Moran, Rein & Goodin, 2008). The idea of network governance is related to the earlier notion of collaborative governance, and is defined by Purdy as, "processes that seek to share power in decision making with stakeholders in order to develop shared recommendations for effective, lasting solutions to public problems" (2012, p.409). Given the discussion so far, we can appreciate how this sharing of power between diverse actors, as well as the way that 'recommendations' of preferred housing outcomes emerge, is central to the New Zealand context. It is the properties, processes and outcomes of these networks that we will use to help explain behaviour and policy outcomes (Knoke et al., 1996). The theory also highlights the value of a systems perspective, where the culture, logics and practices form as a result of relationships and interactions between different components of the system (Boston, 2000; Chapman, 2002; Eppel, 2014).

<u>The emergence of networked perspectives in subgovernment, policy, and issues</u>
First, we start with a brief historical timeline of the recognition in research of the fragmentation of governance away from a hierarchical, top down approach and towards power sharing amongst actors and agencies. Network theory originally emerged from sociology and the study of social networks (Barnes, 1954), recognising that while actors are important, it is the relationship and ties between actors within a network that is important in understanding outcomes. In the 1970s, political thinkers began to pay attention to the importance of 'collectivities' of actors in policy processes - the relatively stable groupings of

actors who find themselves thrown together on an ongoing basis as they deal with specific issues within a policy subsystem (Howlett & Ramesh, 2009). The term subgovernment was initially used in the US to capture this phenomenon, whilst the term policy network became more prevalent in Britain. Both terms relate to groupings of actors that are the building blocks of policy making. The recognition of the importance of these collectivities was a significant step on the journey to analysing public policy, as it enabled them to be studied as individual entities.

This early language of subgovernment was described by deHaven-Smith and Van Horn as, "groupings of societal and state actors in routinized patterns of interaction" (1984, p.148). It is these habitual patterns that remain the focus today of research into networks. From this identification of subgovernment emerged a realisation that a closer examination of the power such groupings held was crucial. From this came a recognition that in some policy sectors the power held by subgovernment within the policy process appeared absolute. The label 'iron triangle' was used to describe this absolute power, a term which has continued to be used to mean a closed style of politics (Skok, 1995). In this way, early understandings of the importance of interactions between formal and informal policy actors within a network can be seen as fertile ground for the evolution of a new theoretical framework for the study of governance.

Emerging concerns about the power of subgovernment led to a drive to more specifically characterise the nature of these collectivities, so the language of networks and communities emerged. In the late 1970s, the theory was developed further with the concept of issue networks, which were proposed as type of policy sub-system that was less rigid and more flexible (Heclo, 1978). Elkin (1975) then defined networks as, "complex and dynamic: there are multiple, over-lapping relationships, each one of which is to a greater or lesser degree dependent on the state of others" (p.158). This definition remains useful today to classify the complex interdependency of actors, and blurred boundaries of power. Classifying the interactions between policy actors as a 'network' has allowed such relationships to be studied as units of analysis, distinct entities that exercise influence during the formulation, as well as the implementation, of policy (Marsh & Rhodes, 1992).

Other theoretical perspectives that have helped broaden our understanding of the policy process by investigating actor relations more deeply than simply labelling them as political or bureaucratic, are the identification of policy communities and issue networks. This approach distinguishes between different communities and types of networks, giving language to explain nuanced differences in groupings, and subsequent impacts on outcomes (Atkinson & Coleman, 2005). Policy communities are cohesive, closed groups that define a

problem and its solutions within one clear ideological approach. One early body of work that studied the role of policy communities, found they succeeded in driving policy results (Heclo & Wildavsky, 1974). In contrast, issue networks are much broader, looser, often with multiple government departments as members, and less single-minded (Smith, 1997).

Policy networks can exist at different levels of government. They originally emerged from an intellectual shift in focus away from the agency of rational actors and towards the power of the political decision-making process. In some ways this research project has its inspiration from this shift. As ideas about networks evolved, Rhodes (1988) made the important observation that when the government sets up a network and manages access to it, this helps create the 'rules of the game' and the culture within which it operates. This governance dimension has links to Foucault's (1979) concept of 'governmentality', in which the state is seen to influence modes of thought by guiding and shaping people (White, 2015). The important role policy networks can play in developing policy, and aiding the government in following its agenda, is examined by Smith (1997),

> "If the government does want to achieve a particular policy goal with the minimum of conflict, it needs the assistance of groups in the development and implementation of policy. Government can exchange access to the policy process for cooperation and thus establish a policy network" (p.78).

To help draw parallels between theory and practice, the Special Housing Areas policy discussed in chapter 2 can be seen as a direct response to the government needing to change the network configuration and attain the buy-in of private developers, such as by allowing them to side-step aspects of the planning process by fast-tracking it to further their interests (James, 2019).

<u>Network typologies and classifications</u>

Now the recognition of the role policy communities or networks may play in policy-making has been established, we look at ways in which these networks can be classified. This is important because, to really understand complex networks, we need to consider literature relating to how their characteristics need teasing out and analysing. In simple terms, these functions and characteristics are significant because they impact outcomes (De Bruijn et al., 2002). While early classifications distinguished between policy communities and issue networks, later research identified new typologies that provide a framework for considering the structure of a network and its suitability for the outcomes it is expected to deliver, such as Keast, Brown & Mandell's (2007) cooperative, coordinative, and collaborative networks. In this categorisation, cooperative networks are less strategic and less risky, encompassing more information sharing. They retain independence and their own goals, whilst

compromising and taking others needs into account. Coordinative networks display more integration than just information sharing, with coordinated goals, planning and decision-making. More formal linkages exist, although organisations still retain independence. Such networks are less based on goodwill, with more of a formal mandate to coordinate actions, leading to more stable, formal and enduring processes. Collaborative networks are categorised by reciprocal interdependence. These interactions require positive input by each member organisation to actively change processes and structures to develop a 'new' collaborative approach.

Another approach to classifying networks comes from De Bruijn et al's (2002) research into complex decision-making dynamics. This research identified four important characteristics of networks: pluriformity, closed-ness, interdependency and dynamism. These are relevant to this research because the network being studied here has specific characteristics that may be contributing to poor outcomes. For example, the first, pluriformity, meaning the diversity of ideas and approaches held, is higher depending on the number of actors involved in the network, their characteristics, goals and perceptions. The second, closed-ness, illustrates the level of leadership in a network and, when high, the insight that the government is no longer able to coerce other actors as it could in traditional hierarchical forms of governance. Closed-ness is the opposite of transparency and highlights the absence of accountability. It can also be perceived as a positive, necessary attribute to limit external signals being received and allow a concerted focus on one aim. Intense relations with other actors in the network mean a closed network will resist intrusion by actors outside the network, as that could be viewed as admitting weakness or an inability to resolve the issue (van Bortel, 2009). The third characteristic, interdependency, results from the fragmentation of resources as they are devolved into smaller specialist firms, so greater collaboration between actors is required. The fourth characteristic of networks that De Bruijn et al. (2002) identified is dynamics, where opportunities and barriers for decision-making evolve as actors join and leave the network and rules change. This dynamism highlights the unpredictability of networks, due to the lack of hierarchy. These four characteristics are a helpful route to understanding influences on decision-making within networks, to understand the process that is followed and the dynamics present, and how the network can best be oriented to effect positive change.

<u>The influence of actors</u>

The scholarship on network governance, whilst prioritizing inter-dependencies and interactions, also directs attention to the way individual or collective actors construct meanings within a network (Bransden, 2001). This recognition of the role actors play is imperative to the political perspective taken by this research, which intends to reveal and

analyse the political 'rules' and 'games' (Bengtsson, 2015) that are played en route to new housing being delivered in Hamilton. In this case study the actors in the network governing new housing provision construct and perpetuate the dominant meaning of a new house, and help construct meanings of the housing market, such as with regard to the economic norms of supply and demand (Smith et al., 2006). The focus of this research is on understanding meanings of home within the network. Home is a contested concept, as per Gallie's conditions for an 'essentially contested concept', therefore the disputes and fluidity surrounding it are understandable (Meers, 2021). For example an economic focus neglects to consider the emotional attachment to place research has demonstrated is contained within the notion of home (Chukwudumogu et. al., 2019). There is increasing intellectual concern in New Zealand housing research (Murphy, 2019) with the largely unseen decision-making power these actors hold. Researchers analysing, "the embeddedness of actors in a network of social relations through which housing transactions are conducted" (Smith et al., 2006, p.84), argue understanding actors' behaviour is crucial to unpick why improvements in new housing outcomes do not occur. For instance, networked forms of governance can exacerbate risk and uncertainty in policy making, because an array of actors (each with different levels of information, appetite for risk, and expertise) bring different values and frames of reference (Koppenjan & Klijn, 2004). These values, and ways of meaning making, and how they contribute to outcomes are also part of this study.

The previous chapter emphasized that the shift to governance in how new housing is delivered, means that we also see the formation of new strategic alliances between firms and broader networks. A deeper understanding of how this network governance operates, and how each actor contributes one piece of the puzzle, will help explain why we continue to get suboptimal outcomes. For instance, this new landscape may have led to more relationships and power imbalances, and more opportunities for meanings to be made than previously in traditional hierarchical governance contexts. Mullins and Rhodes (2007) found that leaders emerge within these supply chains, rising to control the network through their access to resources. This insight emphasising the need to assess whether and how the impact and leadership of certain actors affects the network will be explored in later chapters.

As a final point, it is worth mentioning that within network governance theory, there is a strand that uses a cognitive lens to analyse the behaviour of actors in the network, rather than focusing on their material drivers (Schneider, 2015). Heclo's earlier research (1978) helped develop this approach, using a relational perspective to seek explanations for outcomes from the interactions between actors in the network rather than structural factors. These two factors, structural and relational, can however, be combined to inform a study of networked governance arrangements by drawing attention to how they both influence

behaviour. This is relevant to the governance arrangements for new housing, for example, as power is dispersed and hidden within interactions and patterns of relationships.

Network functionality, effectiveness and performance

Having identified the significance of networks in more dispersed modes of governance, and different approaches to classifying those networks, this section will introduce ways to assess the effectiveness of those networks. This contributes towards meeting research objective two, understanding the network governing new housing in New Zealand, in order to ascertain whether the network itself is contributing to the housing problems, and whether it has the capacity in its current form to effect change. This section is essentially about developing a greater understanding of the way the network functions, which Provan & Denis (2008) argue is important, "since only then can we better understand why networks produce certain outcomes (p.229).

The way a network functions, and its effectiveness, can be assessed in a number of different ways. One measure is whether it achieves shared goals, what Provan and Kenis (2008) call, "the attainment of positive network-level outcomes that could not be normally achieved by organizational participants acting independently" (p.230). This measure requires those 'network-level outcomes' to be clearly articulated and agreed upon by all stakeholders. That stage of the policy cycle, defining the problem and agreeing upon shared outcomes, has been shown in chapter 2 to be a complex, fraught, politically-charged undertaking. Here we settle upon the first problem of the network being studied here. It does not identify itself as a network and it has not articulated a clear definition of the problem(s) that needs addressing, and the outcome(s) desired. Therefore, we can see why this measure of effectiveness is posited as being overly simplistic - networks can also be messy affairs, not linear, organised structures with clear lines of responsibility and intentions (Keast & Mandell, 2013). A more elaborate definition of effectiveness comes from configuration theorists such as Raab and Suijkerbuijk (2009), who measure it as based on performance within key components: purpose and strategy, governance mechanism, structure, management, people and context, the way these are aligned with each other, and the way they fit into the external policy landscape. This research draws from Keast and Mandell's approach and focuses on two components: the type of network formed and the role of people within the network and their interactions. A third approach to measuring the effectiveness of a network is analysing the context and process of the collaborative decision-making, and whether there is an environment of good communication, trust, and shared goals (Norris-Tirrell & Clay, 2010). Drawn from the approaches outlined here, the three measures that this research will use to assess the effectiveness of the network governing new housing provision in New Zealand are:

whether shared goals have been defined, whether there is a strategy to meet those goals, and whether the balance of power between actors is clear and equitable.

Inertia within networks and systems

As this research is also concerned with obstacles to change in the system of housing provision, we will also briefly discuss how inertia occurs within networks. The concept of path dependence is a useful means to guide this exploration. The concept is designed to guide an investigation into the pathways for change within an institution or wider system, and will help answer questions about why, despite acknowledgment of a housing crisis and an intention to find policy solutions, systemic change remains elusive. This approach draws attention to what policy has come before, to understand how that informs future decisions, and how patterns emerge (Pierson 2000; Bengtsson & Ruonavaara, 2010). The previous chapter provided some insights into path dependency by revealing how the governance arrangements and decision making culture that are in place today emerged throughout a series of political manoeuvres between central and local government, and the public and private sectors. Path dependence assists in uncovering the way practices become institutionalised (Bengtsson, 2015), therefore can inform an investigation here of the way that rules and habits of interaction in the network can become taken for granted. Just why does inertia persist in a particular network? Nordahl's (2014) insight from research into Norway's housing governance arrangements contributes to explaining why this happens, despite the will to implement change, "The way people process information is culturally determined and will eventually narrow the set of options and strengthen tendencies of path dependency" (p.491). It is this 'cultural determination' of logics, culture and practices that we intend to similarly bring out into the open in later chapters.

In simple terms, path dependency emphasises the long-standing practices and values of an institution or process that endure long beyond the original intentions and can continue to impact on outcomes indefinitely. It is helpful to draw parallels with the physical sciences, where it is explained as, "Processes that are non-ergodic, and thus unable to shake free of their history, are said to yield path dependent outcomes" (David, 2000, p.5). In this context, non-ergodic systems are those that lack an inherent ability to break free from their previous state. From here comes the idea in social science of 'lock-in' (Nordahl, 2014), where it is easier and less costly to continue with a failing system, due to the negative equity inherent in having established and sustained that system for so long. This theory amplifies the importance of good decision-making, reflective research and practice, and how crucial it is that decisions are intentional and collaborative, as they will leave a long legacy.

A focus on power

Some of the key questions that network governance theory emphasises are: how and why a network becomes established over time; whether it changes; and what the nature of the interactions between actors are (Keast & Mandell, 2013). It is therefore intrinsically concerned with power. Network governance theory facilitates a focus on relationships between actors within a network, including the distribution of power within the network, how that power is exercised, and what motivates the interrelations between actors. Power is a contested term with many interpretations and differing ideas, which informs the way a situation is viewed (Lukes, 2018). The definition of power underpinning this research stems from Latour's (1984) work, which moves away from a traditional interpretation of hierarchical power, and towards power as influence,

> "[t]hose who are powerful are not those who 'hold' power in principle, but those who practically define or redefine what 'holds' everyone together. This shift from principle to practice allows us to treat the vague notion of power not as a cause of people's behaviour but as the consequence of an intense activity of enrolling, convincing and enlisting" (p. 273).

This broader explanation of power demonstrates how within a network power relations need to be brought into the open, such as in the way agendas are set or problems are defined. This ties in with Lukes (1974) 'three faces of actor-based power' thesis, which directs attention to the role of actors in decision-making, agenda-setting, and ideological power. This theory of power is particularly relevant to the network governing new housing provision, where judgements are made continuously by various actors about the type, location and design of new housing, etc. Judgements and logics of powerful actors could then be partially responsible for outcomes that some posit are suboptimal. This begs the question, "of the moral and political responsibility of the powerful for what they do and fail to do" (Lukes, 2018, p.51). In this quote, the powerful may not recognise their power within a network, and subsequent responsibility for reflection on that. Lukes' (2018) further consideration of power extends this thought,

> "various significant ways in which power bypasses conscious awareness: through unconscious intuitions and inferences and taken-for-granted cultural schemas, by occlusion, excluding thoughts from consideration, and by signalling, in ways that mimic reasons' (p.49).

Power exercised in this unconscious way within a network, can reflect the power structures of the broader society, which in turn can act as a reflection of the dominant cultural context

– in this case, possibly the financialised nature of housing, or the way that market actors in a network have been given significant power to address a problem that is seen as both local and societal.

How can we tease out the location of this subconscious power within a network, if we take Weber's ideas (cited in Giddens, 1972) that power can be sociologically amorphous, without definition or form, requiring legitimacy to have meaning? Weber's ideas emphasise that power does not exist in a vacuum - its relational nature within a network is essential. For instance, "Political power is inherently relational: one or more actors seek resources and other advantages despite resistance by others" (Wu & Knoke, 2015, p.154). This relational power can become a norm of a network, particularly when much is decided via negotiation as in our case, and can acquire a sense of 'taken-for-granted' authority. Within a network, 'taken-for-granted' authority is often not challenged, (Wu & Knoke, 2015) and nor is the assumption that policy actors are rational when exchanging resources. The rationality argument is criticised by researchers who have identified power imbalances at the root of the initiation and aftermath of such exchanges (Wu & Knoke, 2015). The influence of such power has the potential to affect outcomes considerably and can be rendered largely invisible when formal policy or processes are studied. A recognition of hidden power is a key justification for using network governance theory to explore the existence of relational power held by actors in the network governing new housing planning, and its effects on new housing outcomes.

The intention for this research is that by seeking to explore the politics within the network, and seeking to understand the ways in which actors interact and operate, will lead to a deeper understanding of the relational power present within the local level of New Zealand housing delivery. Power also highlights how networks can at times display both collaborative and combative elements. In this sense, relationships between actors can be seen as another kind of 'game' to be played out, characterised by power dependence and centred on exchanging resources (Rhodes, 1997). Here, each actor deploys its resources to affect outcomes, whilst resisting becoming dependent on other actors. This relational view of power sees that actors within the network may largely act in their own self-interest, despite resistance by others (Wu & Knoke, 2015). In a similar vein, Hertting (2009) also looked at local governance networks in urban area renewal and his interpretation of network governance is as a lightly rational 'battle of the sexes' game, where key state and private actors constantly seek closer collaboration, whilst being frustrated by both the process of this and the outcomes gained.

Network governance theory further notes it as important to identify imbalances of power that exist between stakeholders within a collaborative decision-making environment and the impact this can have on outcomes (Purdy, 2012). Paying attention to this element will help us understand the ways that decisions are made in practice, as well as those people and places that are more disadvantaged. For this thesis, the main sources of power considered in the network are influence, resources, and discursive legitimacy. The arenas where this power is put into practice are identified by Purdy (2012) as being the participants, the process design, and the content of collaborative governance processes. Interactions between actors and agencies can involve a web of collaboration, and these three sources of power can also be useful for understanding the dynamics at play between actors, and particularly the imbalances. Network behaviour can be viewed as a direct result of power dependence, thereby driving outcomes that are subsequently a result of those same power imbalances (Moran, Rein & Goodin, 2008).

Power is necessary to lead other actors, but in sectors when the leader is also a participant, such as housing, this becomes challenging. Such imbalances mean that actors may be excluded or overtaken by more powerful, dominant participants (Purdy, 2012). These imbalances and struggles may be seen in the network planning new housing. For instance, where the local government planning tools are intended to provide leadership, but because the council planners are also participants, the state's agenda could be overcome by actors who hold greater resources over the specifics of development. It will also be interesting to explore how this power imbalance, and struggle over leadership, is reflected in the outcomes of the network (Haus, 2004). In the context of network governance, Purdy (2012) argues this purely zero-sum, resource-based view of power is insufficient, asserting that it can be useful to look at the ways power is used – for one's own gain, mutual gain, or altruistic gain. This more nuanced view is a useful lens to bear in mind in the context of a local housing network, as, for example, development actors may also be residents and want to leave a legacy rather than be solely driven by a profit motive. Huxham and Vangen (2000) place these three power orientations on a continuum, labelled 'power over,' 'power to' and 'power for', which will be returned to as a useful way to understand different forms of power in the network being studied here.

Turning to institutional power, the 'organisational field' strand of network governance theory (Mullins & Rhodes, 2007) also acknowledges the importance of power relations, both within and between organisations. Organisational fields are distinct areas in which organisations develop relationships and interdependencies arise (DiMaggio & Powell, 1991). These fields are structured by power and prestige, with a centre emerging and a periphery usually evident. This approach also highlights the need to recognise the cultural negotiation of

‘rational myths’ (Meyer & Rowan, 1977) that can help explain institutionalised behaviour with more sensitivity than the rationality of resource dependence can. The way organisations operate, and allocate resources, is often institutionalised. For example, meanings of housing may also have been institutionalised over time, “In this way, the institutionalist perspective enables the relationship between resources, power and beliefs to be explored in an inter-organisational context” (Mullins & Rhodes, 2007, p.6). The later substantive chapters will explore more deeply how resources, power and beliefs interact and lead to outcomes.

Discussion

The ways of understanding power expressed in this section are crucial to set the background context for exploring the networked governance arrangements, the interaction between actors and agencies, and how this leads to particular rationalities and housing outcomes.

The move away from traditional, hierarchical governing by government means that power is more dispersed, shared by formal and informal actors, and the exercise of it is nuanced. This is significant in the housing sector where we have seen the responsibility for decision-making shift from central to local government, and from the state to the private sector, at the same time as we seen blame allocated to planning policy and the public sector. Yet, this dispersal of power means there are multiple ways outcomes can be influenced and highlights the value of examining informal, political processes. Latour’s (1984) definition of power helps us understand how actors can exercise power gently and in unseen ways, by setting the agenda or establishing meaning or priorities, and starting discussions off from a place that may exclude parts of the community. We will see how relevant this is in a sector such as housing, where the ‘product’ is laden with values and meanings. Lukes’ highlighting of the moral responsibility of the powerful, and how this can be overlooked because their power is often unconscious and unrecognised, is also crucial to consider, and make explicit, in the housing development sector. Wu and Knoke’s (2015) idea of power being relational is relevant to facilitate a close analysis of the ways actors interact in the informal network governing housing provision, as their roles and responsibilities are often not formally defined and policed. Similarly, Rhodes (1997) classification of actors’ interactions as a game, with rules, and winners and losers, is helpful to make sense of how the network operates and how outcomes are arrived at.

More fundamentally, the making of meaning within a network, such as what is a house or home, is about power too - the power of ideas and logics to frame an issue, to emphasise some aspects and de-emphasise others. Academics in planning have long examined the making of logics and meanings, such as Hillier (2002). This strand of literature brings to light how it is not just developers, policy makers also exert an influence. For instance,

Hillier's research draws attention to the hidden power of relations, associations and encounters between macro-level structures and micro-level movements and flows, and informs the network governance approach that this research has taken. Within urban planning and governance of new housing there are a multitude of issues which emerge from the politics of housing provision and consumption. Actors in this sector are both independent and interdependent. Shared meanings are made as a result of these interactions in the network. The definition of discourses used here is as, "explanations of the world around us. They are deep structures which pattern thought, belief and practices" (Benton & Short, 1999, p.2). Chapter 6 in particular finds and exposes some of these patterns of thoughts that are evident when new housing is being planned in Hamilton.

Other interpretive housing research uses a similar approach to gain deeper insights into why housing as a complex social problem resists easy fixes that tend to be designed on a national scale (Jacobs, 2018; White & Nandedkar, 2019). This research is designed to complement some of these studies by being situated as a local level. It seeks to uncover what influences the different actors' preferences, attitudes and interpretation of 'better' homes within local housing networks. It also asks how the subjective nature of these attitudes influences the problem definition, framing and subsequent policy responses in this locality and sector. Within this decentred form of governance, the beliefs driving the actions of members of the network are influential. Lewis at al. (2011) explain, "Decentring explores how networks are constructed by individuals to create meanings in action, and so it highlights the importance of beliefs, meanings, traditions and dis-courses" (p.1225).

Housing researchers examining meaning making and attitudes, for example Murphy (2000), demonstrate the impact it can have on the policy process and social change. Murphy reveals how one selected logic - the strong economic focus since the 1980s - can drive behaviour, and lead to a particular problem definition. In this case, a relatively individualistic one of insufficient income amongst households to pay their housing costs. From there, he presents how a policy solution then logically results from the selected problem definition, specifically the accommodation supplement created to enable households to afford free-market rent or mortgage repayments. As such, another key consideration, alongside the 'hidden' power of informal institutions is the importance of assumptions in driving logics, policy and desired outcomes. In this research the language of logics and discourses is adopted to mean ideas, beliefs and assumptions. Bengtsson (2015) emphasises these as a key influence on policy outcomes arguing, "Such frames are often institutionalized into more or less dominant discourses, and as such they may be even more persistent as restraints to political action than tenures and other formal institutions" (p.687).

From Theory to Practice: insights from the application of network governance theory

International examples of how other researchers have used network governance theory to study complex governance arrangements show how effective this approach can be. It is useful to examine what the researchers paid attention to within the networks they studied, and what questions they asked. Such examples are unusual in the New Zealand literature, a gap which this research intends to help address. This section will discuss four themes that emerge from the literature – the diverse range of actors that make-up a network, the interactions between those actors and how they lead to norms, the way informal rules can emerge and be played out as games, and how the balance of power between actors influences outcomes.

Researchers examining complex governance arrangements focus on networks that are made up of multiple actors from different sectors and backgrounds coming together to work towards a common goal. This makes decision-making more complex as each actor brings a different approach. Van Bortel and Elsinga's (2007) examination of the governance of social housing in the Hague revealed how governments and other agents use 'steering instruments' in practice, and how characteristics of the network, and interdependencies, influence the outcomes of these tools. The steering instruments they identify, which can be used by government or private sector actors, are termed second-generation tools and include: multilateral instruments, person-specific instruments, incentives, performance indicators and communication. The research showed a shift towards indirect steering strategies, such as by using other players to influence one actor, or by focusing on inputs rather than outcomes. It also identified the use of 'fine-tuning' steering techniques, where the nuanced power imbalances between actors are acknowledged and utilised. In this example we can see the significance of identifying influential steering instruments, such as the RMA or best practice guidelines, and how they influence actor logics and behaviour, such as the focus on 'inputs' like consent applications, rather than 'outputs' like the quality of houses delivered.

While much network governance theory highlights the key actors and agencies, it can also serve to emphasise what is missing or silent. For example, Van Bortel's (2009) research into the multiplicity of actors involved in the urban-regeneration network in Groningen in the Netherlands, examined the system of decision-making among government, market, third sector and community actors. It drew attention to the exclusion of non-represented actors, such as ordinary citizens, referred to as 'weak actors'. In addition to paying attention to the multiplicity of actors within the network, the literature directs us to two other ways actors can be excluded from a network (Sorensen & Torfing, 2007). External exclusion is when

possible policy actors outside the network are not allowed to enter formal or informal participation. Internal exclusion is when actors who are included in the network are actively overlooked in a way which denies them the opportunity to influence any output of the network, from the discourse to the agenda. This has synergies with Lukes' nuanced view of power as being the ability to silence or exclude voices. To address research objective 2, close attention will be paid to which actors are included and excluded from the network being studied here.

Keast (2015) examined the relational power of individual actors working in a network and concluded, "It is relationships that give networks their strength and edge over other governance forms. In networked arrangements members do not exist as independent operators but rather exist in relation to other entities" (2016, p.443). Important scholars in the development of theories of networks and governance, Mullins and Rhodes, also focus on the interrelations between actors, explicitly making the interrelations the units of study in research designed to conceptualise ways these interrelationships have causal implications on behaviour. This is relevant because, so far, there is little visibility of, and even less understanding of, the nature of interactions between actors involved in the provision of new housing in Hamilton and how they lead to new housing outcomes. Using this lens will allow a light to be shone on how information exchange between actors leads to cognitive cohesion that then gives the network a greater ability to influence its environment. Rhodes' (2009) research took six case studies across Northern Ireland and the Republic of Ireland, examining the complexities of the mixed model approach the government took towards social housing regeneration and focusing on the influence of interdependencies between actors in driving outcomes. Her work on decision factors and how the emphasis on these differed between public sector (largely politics), non-profit (mainly reputation), and private sector agencies (predominantly profit/economic) was illuminating in revealing the different motivations and how they embed into decision-making processes. Rhodes' findings that interdependencies matter represented a step forwards in showing that how housing systems are constructed matters, and understanding this can help explain unexpected outcomes.

Keast and Mandell's (2013) research into six networks at different levels of government in the USA and Australia investigated the links between the actors involved and the ultimate outcomes achieved. This use of network governance theory found that individual identity often becomes linked to the network, meaning the way people behave in networks can affect the overall performance of the network. Identity then becomes imperative to facilitate collective action, they argue,

> "Identification occurs when an individual's self-perception is actively connected to the entity, creating a sense of one-ness (Asforth & Mael, 1989), to the extent that it shapes the individual's beliefs and behaviors to that of the network and embeds them into the network psyche" (2013, p.31).

One example Keast and Mandell outline is the Family Youth Network (they label FYS), in which they found strong connections internally between members, leading to additional support for each of them. This translated into more commitment to reaching goals by members, which ultimately resulted in service enhancements and FYS working more effectively with other agencies.

Keast and Mandell's conclusions also informed the development of objective 2, which seeks to understand the actors involved in the network. To understand identity further, Porter et al.'s argued three indicators (1974) are helpful: belief, commitment to goals, and willingness to act to maintain membership. Agency, defined here as the resource of people to work independently, can directly affect the capacity of the network to function. It can be restricted by external factors of interest to this study, such as regulation and funding. They argue the more a person identifies with the network, the more likely they are to embed the status quo and be constrained in their actions to change the processes of that network (Keast & Mandell, 2013). Mullins (2002) research into lead investment partners and how the process of securing funding operates in practice, found that outcomes depend on the values and culture shared by actors when they form alliances within the network. Mullins' discoveries that value and culture can drive outcomes led to the focus of this research on uncovering the shared ideas and logics about housing that are contributing to the status quo, as articulated in objectives 3 and 4.

Issues such as network values and culture, leads us to a second theme of note, studies that focus on the ways interactions between actors form accepted 'ways of working' which then become embedded in the network as future 'rules' or norms. Scharpf (1997) found networks to be informal institutions, permanent and non-hierarchical, with informal organisation and governed by rules. Koppenjan & Klijn's research (2004) provides more nuance by making negotiations between actors a unit of analysis, finding that these negotiations drive the establishment of rules that become implicit and are perpetuated by these dealings. In a related fashion, Czischke (2007) used network governance theory to study the cognitive dimension of a specific network and the management techniques employed. This research argued that information exchange between actors leads to greater cognitive cohesion, which in turns leads to habitual ways of working that become institutionalised as rules. Keast and Mandell's (2013) research drew similar conclusions, finding the existence of collective

identity, whereby new norms and values were developed and participants built identification with the network. Such a shared identity was found to smooth out disagreements and give actors a common purpose and culture.

The third theme the literature draws attention to takes these informal rules that become embedded in the network and looks at the ways they lead to decisions and outcomes. Koppenjan and Klijn (2004) use the term 'policy games' to conceptualise such a series of interactions. An actor's position within the network is determined by the resources owned and the interactions evident (which are guided by both the actor's own goals and logics as well as those of others). These policy games happen in 'arenas', activated parts of the network. One game could be played in multiple arenas and rounds, each one culminating in a key event or decision. Bengtsson's (2015) research investigated political 'games' in the Swedish housing sector, finding that informal institutions were often more heavily involved than evident initially. This research discovered that the logics and discourses evident in these games influenced outcomes. This insight inspired the focus of this research on unpicking how logics and discourses are influencing new housing outcomes. Scharpf (1997) used game theory to understand why nations such as Great Britain, Sweden and the Federal Republic of Germany had very different reactions to the economic stagflation of the 1970s. Through this approach he arrived at actor-centred institutionalism, arguing that,

> "policy is the outcome of the interactions of resourceful and boundedly-rational actors whose capabilities, preferences, and perceptions are largely, but not completely, shaped by the institutionalised norms within which they interact" (p.195).

These norms can materialise as a resistance to a change in the culture and rules of a network, which Scharpf (1997) asserts is because networks privilege a few actors, who portray their own interests and the public interest as being the same.

The fourth theme that the literature highlights is power within a network, what constitutes power, how it is exercised, and how imbalances can be significant to outcomes. Van Bortel and Elsinga (2007) looked at Dutch social housing, where the government is not dominant but one of a network of players. No single player can deliver the social housing needs for the region. To achieve outcomes, these players must work with others and combine resources. This is relevant to the network being studied here because in New Zealand, as in many other Western democracies, there is increasing blurring of the boundaries between public and private sector actors in the new housing sector, meaning that traditional hierarchies and locations of power have changed. Van Bortel and Elsinga (2007) found that when players work together in small groups, 'steering' strategies and instruments are used to influence the

actions of others. The choice of steering tool depends on the characteristics of the network. For example, they referenced top-down steering tools, such as legislation or regulation, that can only be exercised by government. Other agencies rely on tools such as persuasion. If power is relatively equal between actors, outcomes are less certain and more sophisticated steering instruments are needed to engender cooperation, such as multilateral performance agreements.

This section has been designed to advance discussions on how a network governance approach is helpful to inform an investigation into the complex system that has evolved to provide new housing in New Zealand. The argument that networks shape behaviour and may influence housing outcomes is proposed as a way to provide a novel understanding of cause and effect relationships in areas delivering public service, such as housing.

Discussion

In order to better understand why suboptimal new housing outcomes continue to be delivered, this chapter has found it is essential to examine theories that help us understand the influence of governance arrangements relating to the delivery of new housing and how they may be studied. We have ascertained that as governing processes have become less controlled by governments (Lewis et al., 2011) and many decisions today about new housing development in New Zealand do not come from the state we may need new analytical lenses to research this area. Networks have become established as a key mechanism for delivering public policy and services and are part of the institutional landscape of many democracies, including New Zealand (Keast & Mandell, 2013). New Zealand's move away from hierarchical governance, with its elected officials, towards a networked approach with partnerships and horizontal actors, has strengthened the need for theories that are able to help identify where power is held and exercised in this new system (Herrting, 2009).

The problems of housing quantity, quality and affordability are set against this highly networked governance context, with power-laden interactions between actors, and strongly held beliefs and logics that the literature has shown to be significant factors in determining outcomes. Accordingly, this research takes an interpretative approach to find out the logics influencing decisions made about new housing provision in New Zealand. In this regard we see the potential of network governance approaches, which ask questions beyond the formal institutions or policy, enabling a closer examination of the driving forces behind outcomes. It is not just the characteristics of the individuals and agencies involved in decision-making that impacts outcomes, but also the interdependencies and the nature of those relations between the individuals. Attention paid to interactions is particularly relevant for the new housing governance arrangements in New Zealand, because there are multiple actors

operating in a network that is largely closed from citizen's input, beyond the 'choice' of which house to purchase or the engagement with a District Plan. Within the Waikato region there are very different qualities of new housing developments in evidence, from poor quality through to much higher quality, more urban design led buildings. As such, unpacking the accepted norms and rules of the housing governance network will be useful to identify why such dramatically different residential developments emerge under the same regulatory framework.

The forthcoming analysis of the sharing of power by public and private actors in the new housing sector in Hamilton draws from a perspective that acknowledges that power is exercised in daily interactions that are both formal and informal, "...this approach specifically targets the relations between interdependent actors and the interactions that result from decision-making processes in situations where there is no dominant actor" (van Bortel, 2009, p.169). Power here is used in the relational sense, emerging from interactions and negotiations between actors, and often unseen or dispersed. Networks are formed when interdependencies force actors to enter such negotiations to secure the resources they require to pursue their own objectives, or establish rules and patterns that become accepted norms. Power is thus displayed in the way that judgements and assumptions are translated into outcomes.

Overall, it is hoped that knowledge of how the network operates and influences decisions has the potential to improve the delivery of better new housing outcomes. The leadership role that used to be held by central government in housing provision has become diluted, "the central government is still an important party in housing systems, but a shift in orientation can be seen from a 'providing state' to an 'enabling state'" (Doherty, 2004, p.256). This is evident in New Zealand housing, where the key national policy (the RMA) leads to very different decisions being made about housing developments at a local level. Alongside this, insights into path dependences will facilitate a closer understanding of what is driving system inertia and habitual ways of working that could be questioned.

Summary

This chapter set out to review theoretical approaches to the study of dispersed forms of governance, and their utility for shedding light on why new housing outcomes continue to be suboptimal. The literature has taken us beyond a traditional empiricist approach to networks (i.e. that looks at their objective characteristics), to consider their social construction by many individuals and agencies. Bevir and Rhodes (2006) argue that these multiple actors are, "acting on all sorts of conflicting beliefs which they have reached against the background of a range of traditions and in response to varied dilemmas" (p.76). From the links between

these autonomous, but interdependent actors, emerge patterns of relations that are key to understanding outcomes. For instance, we have seen how these patterns, dynamics and habitual ways of working between diverse actors can become institutionalised, resulting in the status quo being perpetuated. For this research, the focus will be directed at the interactions between local government and private sector actors when making decisions in line with Structure Plans, District Plans, Building Consents and Resource Consents. Attention will also be paid to noting those actors who are excluded from the network, and therefore do not have a strong voice within decision-making.

The literature raised three key themes which will be drawn from to inform the objectives of this research, which will be outlined in Chapter 4. The first theme is the need to understand and situate problems of new housing today against the governance arrangements for the sector. In the shift away from hierarchical government to a more dispersed, networked form of governance, bureaucracy has been replaced with a more entrepreneurial government - less government and 'rowing', and more governance or 'steering' (Osborne & Gaebler, 1992). This flexible form of governance is characterised by fragmentation, networks, responsiveness and flexibility (Peters, 1996).

The second theme indicated by the literature is the need to identify the make-up of the network, and the nature of the interactions occurring within in, in order to be able to understand more deeply the collective outcomes resulting from it (Wu & Knoke, 2015). Formal policy-making institutions, regarded as an actor in the network, can influence the structure and dynamics of networks they are part of (Lehmbruch, 1984), directing our attention to Hamilton City Council as the major formal institution that is part of the network we are interested in. Interactions between actors, including the city council, are part of a dynamic process and shared ways of being, doing and thinking, whereby relationships both influence, and are influenced by, the system. The theoretical insights revealed in this chapter will help set the framework for organising the collection and analysis of data on the network governing new housing planning in Hamilton.

The third theme is the power of ideas and beliefs that underpin interactions within the network, resulting in dominant ways of framing a problem, "meaning is generated and communicated, and the consequences [that] the transmission of different meanings [have] for the material choices that institutions make (Sullivan, 2007, p.158). In this regard, the logics and shared belief system underpinning decisions made by the network governing new housing in Hamilton will need to be explored. In the housing field, basic value priorities wield significant influence over the outcomes evident. Shining a light on these will assist with understanding why such different outcomes emerge. These core value choices, such as how

much of a priority economic development is in relation to environmental protection, influence land zoning and resource consent decisions significantly (Miller, 2011). Another is the value of private sector freedom in relation to the responsibility of the state to enable social equality, which is argued to underpin many decisions made about new housing (Dorling, 2014). This foray into theory has revealed the power of discourse and logics to frame an issue, which then can become institutionalised as 'The One Right Way' (Stone, 1997) and become an obstacle to change that is insurmountable.

The next chapter turns its attention to outlining the methodological approach this research follows in order to address the research aim and objectives. It will outline the strategy and methods chosen to lead an exploration into the actors and agencies involved in decision-making, and how these will reveal the deep, hidden practices and power struggles affecting new housing outcomes.

Chapter 4: Methodology

Introduction

The central focus of this research is on understanding the governance arrangements for new housing in New Zealand, and within that the meanings and logics that inform decisions about new housing. The previous chapter outlined the key theoretical concepts from which the four research objectives emerged. This chapter describes the methodological approach taken to examine the nature of the governance network and the way meanings about housing are constructed within it. It involves identifying the formal framework for 'how' new housing is planned, as well as uncovering the beliefs and assumptions that drive decisions (Wagenaar, 2011). The chapter begins by providing an account of the ontological and epistemological foundations of the research, before introducing the research methods.

This research obtained approval from the Human Research Ethics Committee in Te Kura Kete Aronui, Faculty of Arts and Social Sciences at Te Whare Wānanga o Waikato, University of Waikato, as seen in Appendix 4. Approval was given on 12 December 2017 for interviews to be undertaken with key policy actors and decision-makers from the network and was valid for the duration of the research (as designated in the application). The research was subsequently undertaken in compliance with the regulations stipulated by the Committee. The ethical dimension of the case study approach, and subsequent focus on the logics driving decision-making, acknowledges the contingency of social and economic constructions such as the 'housing market'. As Glynos and Howarth (2007) explain, focusing on the normative specificity of a practice such as the 'housing market' from an ethical lens, "sharpens the critical focus on the ways in which subjects identify and are gripped by discourses" (p.197).

Methodology

The study of housing can be approached in many ways. Decisions about which approach to take are informed by a set of ontological assumptions about the nature of the world (Babbie, 2008). The ontological framework for observing social reality provides the philosophical foundations for research, a way of viewing the world, and directs the researcher towards an epistemology manifested as a suite of research methods. Identifying the steps from ontology through to methods is necessary to ground the research and ensure it will take the researcher and the topic in the intended direction (Denzin & Lincoln, 2003). The choice of ontology, therefore, informs the epistemology, or approach to knowing (Babbie, 2008) from which the researcher selects the methods to answer the research questions.

Ontology deals with the way we understand reality and make assumptions about what is worth knowing. Such internal sense-making provides the context and approach for all that

follows (O'Donohue, 2004). This research emerged from the ontology of social construction, a lens that views social phenomena and their meanings as continually being created by social actors. This approach is firmly rooted in anti-foundationalism, which argues that 'reality' or 'knowledge' do not exist separately from our understanding of them (Grix, 2004).

The social constructionist ontology implies that knowledge is not something to go out and find, instead it is a result of the processes by which we make sense of the social world. The researcher is less an explorer going out to find new lands, and more a sense-maker, identifying the meanings that are held in the world around them. This sense-making does not happen in isolation, but within a context of common language, understandings and practices (Schwandt, 2003). Such an approach is useful to uncover hegemonic understandings of social problems in areas such as housing (for example by Jacobs 2019). As Jacobs (2019) says, doing this helps, "to shed light on the way that problem identification and responses are performative activities designed to convey authority and legitimacy" (Jacobs, 2018, p.186).

Against this ontological background, the research will adopt an interpretive research approach to understand meaning making within the governance arrangements for new housing in Aotearoa New Zealand. The aim is to get inside the thinking of the actors and their decision-making (Bacchi, 2012). Interpretive analysis views meaning as being not just an important political phenomena, but also constitutive of political structures and behaviour (Wagenaar, 2011). Foucault's concept of an episteme being a, "kind of cultural code that governed the thinking and acting of an age" (Wagenaar, 2011, p.113) underpins the approach, driving an exploration of the meanings that inform decisions about planning for new housing. An interpretive approach will complement and deepen the findings of research that has focused on the more structural aspects of housing like the policy frameworks that we explored in chapter 2 (Thorns 2001; May, 2003; Chapman, 2013; Murphy, 2014). This interpretive approach sees that the problems of housing provision do not exist in a vacuum – they are created and sustained by the practices and decisions of multiple actors.

The aim is to understand the 'logics' through which actors within the governance network view the housing 'problem'. Guided by research by Guy and Farmer (2001), the use of the term 'logics' here means the, "specific ensemble of ideas, concepts and categorisations that are produced, reproduced and transformed in a particular set of practices through which meaning is given to social and physical realities" (Hajer, 1995, p44). The research will, therefore, focus on the ensemble of ideas that have become widely accepted as simple truths that exert influence and go unchallenged in the housing sector. Logics are a part of the

worldviews that become embedded in planning and policy institutions through processes of the social construction and the development of intersubjectivity (Remling, 2018).

Interpretivism positions the social scientist as an investigator, studying patterns of social behaviour in order to understand them (Jacobs, 2018). These meanings are constructed by actors within collectives (Schwandt, 2003). Understanding these meanings requires a qualitative methodology.

Methods

In planning and undertaking this research study, various methods for gathering data, and analysing that data, were used. The research methods to examine the governance arrangements for delivering new housing in New Zealand were designed to identify and understand network of public and private actors, and the nature of their interactions, in the local governance arrangements for the delivery of new housing. From this, the intention was to examine the logics and discourses that informed the actors' interactions, and understand the implications of these logics and discourses for housing outcomes. What follows is an account of these methods, beginning with the initial literature review.

The methods were centred on an in-depth case study of the network of actors that oversaw decision-making for new housing in Hamilton. Case study research is an all-encompassing method, incorporating design, data collection and data analysis (Yin, 2003). When trying to understand complex social phenomena, case study is regarded as a useful method that allows the holistic and meaningful characteristics of real-world processes to be retained (Yin, 2003). Many important case studies have shown the usefulness of this method, including within the field of housing politics internationally (van Bortel & Elsinga, 2007; Czischke, 2007; Hertting, 2009), demonstrating the broad scale validity of this method. Yin asserts that the case study has a distinct advantage over methods when, "a how or why question is being asked about a contemporary set of events, over which the investigator has little or no control" (2003, p.9). This case study involved a review of the grey literature associated with planning for housing in Hamilton and in-depth interviews with key individuals.

<u>Literature review</u>

The first phase of this research involved conducting a critical review of the relevant literature. The literature search was carried out in five key areas: housing policy, the New Zealand regulatory framework for housing, approaches to the study of housing policy and planning, theories associated with networks and governance arrangements, and approaches to public policy and planning. The literature review helped clarify the aim of the inquiry and the need to focus on the logics and discourses that inform decisions about new housing. An

outcome of this first phase was that the objective of the research became more clearly focussed on the policy and planning politics for new housing. The scholarship on what housing politics in New Zealand consists of is still emerging. Van Bortel and Elsinga's 2007 study of social housing provision in the Netherlands provided insight into the way that dispersed forms of governance, such as network governance, mean that governments must interact with other actors as one of several key players in the network, rather than the key player. Van Bortel and Elsinga argue such networks can be classified by characteristics like interdependence, closed-ness and multiformity, that in turn influence outcomes, for example by lowering the transparency of a network.

Alongside this, a search was conducted of all recent major government housing policy initiatives to build a picture of how the national government perceive the problem and to clarify the current policy arrangements. This included technical reports such as the Government Administration Committee's Weathertightness of Buildings in New Zealand (2003), the New Zealand Business Council for Sustainable Development's Better Performing Homes for New Zealander's (2008) and the Productivity Commission's Better Urban Planning (2017).

Case study

The primary method selected for investigating the network for governing new housing provision was a case study. The case study of planning for new housing in the Waikato, and predominantly within Hamilton city, was selected to allow an in-depth exploration of the decision-making dynamics within this arena. The research commenced by analysing publicly available Hamilton City Council structure plans, the District Plan, submissions on these plans, the Long-Term Council Community Plan, the Ten-Year Plan, the Urban Growth Strategy, new housing consent applications and council consent decisions.

For this research Yin's (2003) definition of case study was adopted as the starting place. He defines a case study as an empirical inquiry that, "investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (p.13). This definition is clearly relatable to the network governing new housing planning in the Waikato, as the boundaries between new housing as a phenomenon and the context are blurred. This form of inquiry is useful in this sector to draw together wide-ranging sources of evidence into a cohesive analysis. The method represents a sound approach to addressing the objectives selected for three main reasons: i) the problems of housing in New Zealand have been socially constructed; ii) to understand the rules of the game within the loose network governing the planning of new housing at a

local level, and; iii) how the politics of housing planning play out in a local governance network.

My understanding of the case study was enhanced by my being a local resident. The geographical proximity meant that site visits and interviews were relatively straightforward to organise. A carefully planned research design guided the interview process, analysis, and interpretation. Yin (2003) identifies five parts to a case study design: the questions, propositions, units of analysis, logic connecting the data to the propositions, and criteria for interpreting findings (p.21). Before conducting the case study research, time was spent investigating relevant theories and positioning the problem. This phase of the research was important as theoretical propositions act as a blueprint for the inquiry, leading to a robust research design that is set up to succeed (Yin, 2003).

The case being studied is the network governing new housing provision in Hamilton and surrounding areas. As part of the process of selecting the case study, it was predominantly HCC's Long Term Plan, Urban Growth Strategy and the Operative District Plan, plus the Peacockes Road structure plan that were consulted as a comprehensive way to understand the recent housing history of the city and what was planned for the future. The Hamilton Growth Indicator Report produced by the council was useful to understand the current overall housing situation and economy of the city. Newspaper articles about the housing problems in Hamilton provided additional insights. I scanned for recent new housing developments in applications for consent lodged with HCC. The original plan for the research was to select three new housing developments as case studies and interview all the actors involved. This plan quickly turned out not to be feasible, as key stakeholders in some developments were not available or declined to participate in the research. Alongside this, some key respondents discussed other projects they were currently involved in which provided fertile ground to draw insights from and help understand the network. The two developments initially selected were Ridgedale and Parkhaven. Both were mentioned in many council documents and newspaper articles, as they are close to the central city and involved high-profile developers. It was relatively straightforward to gather details of these developments, for example each had a website and had been covered in multiple local news stories, which supplied additional information about the intended housing and the key contacts involved in each project. The websites of the architects, property developers, builders and engineers involved in those developments provided further information to build up the case study description and understand the motivations of the different actors. These developments acted as a starting place to steer the choice of participants, but from there the snowball technique was employed as planners and developers recommended other stakeholders.

From there, the case study research started with observing 'on the ground' residential developments, via site visits and observations in the field, working backwards to track the ways decisions were made. Using local government resources and key industry contacts, the governance network was identified and key actors identified. This process of defining the network contributed to meeting objectives 2 and 3, informing a robust critique of the current architecture of decision-making.

The first stage of conducting the case study was preparing for data collection. Yin (2003) suggests the importance of asking good questions and listening to the answers, being adaptable and flexible, understanding the problems being discussed, and coming to the research without any prior biases. My previous 15-year career working in marketing and client management has provided experience in each of these areas. The next stage involved preparing the case study protocol. This stage was much more than just writing the interview questions, it included rules and procedures to be followed across the interviews in order to maximise the reliability of the findings. Yin (2003) recommends that this stage comprises an overview of the intended inquiry, the procedures for site visits, the interview questions and a guide for observing proceedings. The final stage before data collection involved identifying, screening and contacting chosen participants for the research. The multiple stage approach started with desk-based research to identify potential individuals of interest within the chosen case study, an excel spreadsheet compiled to capture names and contact details, an initial letter of introduction to those preferred, and then ongoing logistical discussions to confirm arrangements. These were largely conducted via telephone calls, as the personal nature of these allowed details to be discussed and a connection to be made between the researcher and the respondent. The snowball technique also came into practice during this phase, as potential respondents recommended peers within the network to approach to be part of the research as well.

Moving onto the next stage, four sources were drawn from for this inquiry. These were documents, archival records, primary interviews and observing council proceedings. Drawing on multiple sources allowed a breadth of understanding of the case study, aligning with Yin's identification of three important principles of data collection: "a) using multiple, not just single, sources of evidence; b) creating a case study database; and c) maintaining a chain of evidence" (2003, p.85).

<u>Document review on planning for new housing in Hamilton</u>

As a part of developing the case study around the network for governance of new housing in Hamilton, Hamilton City Council and Waikato Regional Council plans and documents, media reports, and housing planning proposals were systematically collected. Media reports

provided valuable contextual information about specific housing developments and the stages of completion. The document review complemented and reinforced evidence collected through other avenues, corroborating evidence gathered through interviews. The more sources of evidence a case study draws from, the richer its analysis will be (Yin, 2003).

The document analysis followed the eight-step process of gathering, assessing and exploring relevant texts, as articulated by O'Leary (2014). Initially desk-based research was conducted to map the regulatory framework of the housing sector in New Zealand, which resulted in the working schematic in figure 2. The intention for this was to first identify the relevant government agencies and legislation that constituted the regulatory framework governing planning for new housing. This exercise led to the identification of the land zoning, district planning, structure planning and resource consent decision arenas as critical nodes in the wider decision process affecting new housing quality, quantity and affordability. Documents consulted included central government legislation such as the Building Act, LGA, the RMA and HASHAA, and reports by local, national and international institutions such as the NZ Business Council, Immigration New Zealand, the UN, Ministry of Transport, Hamilton City Council, Child Poverty Action Group and Statistics NZ. The documents were analysed as subjective pieces of information written for a particular audience, serving a particular purpose, and meeting an intended agenda in accordance with the recommendations of Yin (2003, p.87) who says, "documents must be carefully used and should not be accepted as literal recordings of events that have taken place". The intention of the document analysis, therefore, was to understand what the regulations were for, and acknowledging this was a launch pad to understand how they operated in practice.

Semi-structured interviews

Interviews with members of the network governing new housing provision in Hamilton were the primary tool to collect data, and allowed active inquiry into the relationships between network members, and the logics and discourses that informed them (Denzin & Lincoln, 2000). Semi-structured interviews allowed participants to discuss their experiences of new housing development in Hamilton, and enabled a closer understanding of the ideas driving them in their approach and interactions with other actors.

For the case study, 31 semi-structured interviews were conducted, each approximately 60 minutes long, at a location of the respondents' choice (usually their workplace). These evolved as discussions guided by the interview questions. As all respondents were professionals in their field, an informal approach was adopted to enable them to convey the breadth and depth of their understanding of the housing decision processes. Zolner, Rasmussen and Hansen (2007) highlight the two main uses for qualitative interviews when

analysing a governance network. Firstly, such data has the potential to provide insights from participants' observations that illuminate the spaces that exist between and within formal decision-making processes. Secondly, interviews can reveal the deeply-held perceptions of participants and the way these informed their interpretations and decisions.

The 31 interviewees included council planners, property developers, planning consultants, valuers, architects, builders, other council staff, lawyers and the chief executive of an NGO concerned with national residential growth. Interviewees were determined by identifying the key participants in the decision processes involved in current new housing developments in the Waikato. Of the 31 participants interviewed for this research, 27 were male, 30 were pākehā, and their ages were between 30 and 65. Members of the public (i.e. residents) were not part of this research.

Table 1. Table of participants

Category	Role	No.
Council planners	Council planning guidance	4
	Council growth unit	4
Associated industry	NGO	1
	Council building unit	2
	Lawyers	2
	Valuers	1
	Builders	1
Architects	Architects	4
Developers	Developers	8
Consultant planners	Private planners	4

Interviews were approached as guided conversations rather than a strict question and answer format, which constituted an essential element of this case study research due to its focus on human affairs. Participants were knowledgeable and engaged and revealed important views through the interview process. They also short-circuited the process of understanding the history of an issue by directing the researcher's attention to key periods of time or pieces of documentation (Yin, 2003). The number and range of interviews mitigated the human limitations of bias and distorted memory, and the preceding document analysis meant the insights that emerged from the interviews could be triangulated in official reports.

After potential participants had been identified, their details were captured in an excel spreadsheet with name, job title, organisation, contact phone number and email address. Initial contact was then made via telephone, enquiring as to whether potential participants

would like to be involved in the research, emphasising that they could choose their level of participation within the interviews, including declining to answer a specific question. The questions are attached in Appendix 1, with three variations for different categories of participants. For those who responded positively, follow-up contact was made via an email with the information sheet attached (Appendix 2). Logistical details surrounding the interview (time, location, date) were confirmed via email as well. If respondents requested the interview questions in advance, they were also provided via email. On the day of the interview, after answering any questions they had about the research, respondents were required to sign a permission form (Appendix 3). Participants were made aware that the interviews would be transcribed and stored securely in accordance with the University of Waikato's Ethical Conduct in Human Research Regulations, subject to careful consideration of privacy. Transcriptions were shared with each individual participant as they were completed, and labelled anonymously across the five groups shown in table 1 above.

Data analysis

The aim of this research is to understand the effectiveness of the governance of new housing in the case study, and in particular the logics and discourses of public and private actors within that process, and the decisions that emerge from their interactions. The exploration involved revealing how these discourses are embedded within the network governing the provision of new housing, and how they informed decisions by actors. The aim was to identify the beliefs and assumptions held by participants. I employed a general inductive approach to analyse the interview data. The approach enabled the identification of key themes that, "are often obscured, reframed or left invisible because of the preconceptions in the data collection and data analysis procedures imposed by deductive data analysis" (Thomas, 2006, p. 238). I approached the data inductively through multiple readings of interview transcripts and complementary grey literature, and this enable the identification of central themes.

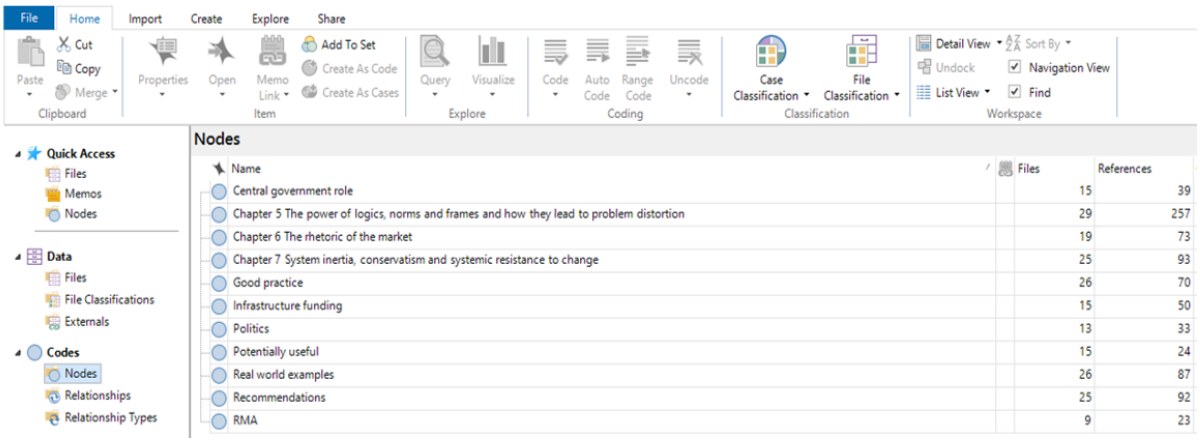
The study aimed to understand how reality was produced or constructed within the network governing new housing (Wagenaar, 2011, p.107). These processes are not always explicit or self-evident within policy and planning processes, operating informally and hidden from sight. The technique used here is therefore akin to being a kind of 'meaning detective', who notices and observes interactions between actors within the network, in order to, "build up a picture from below, from the detail gleaned from dialogue and the knowledge of others" (Clark, 1998). In this research the focus is on the role that ideas play in creating and communicating meaning in the governance network for new housing provision. The hope is to shed light on the make-up and culture of the network, by paying attention to the discourses, logics and assumptions held by the participants and institutions.

This approach has potential to make a contribution to housing research, especially in New Zealand, which traditionally takes as its starting place the use of economically stylized facts about the housing market. Such a reliance on numeric portrayals of supply and demand means research stagnates before it even begins (Clark, 1998). The critical methodology adopted here brings in elements of multiple approaches to allow a detailed study of the culture surrounding new housing provision in one locality. It allows actors who may have previously been virtually invisible, to be explicitly studied as 'meaning makers' in their own right (Bransden, 2001), influencing how new housing is considered and the market is constructed.

The semi-structured interviews were recorded and transcribed. The first step of the analysis was to identify recurring themes to allow it to be organised into workable segments. It was an inductive process involving the researcher making careful, intuitive decisions about what constituted a valid theme, drawing on the theoretical framework to inform the research objectives, and noticing reoccurring patterns within the data. This approach is shared with Boyatzis (1998) who maintains that the selection of themes is a mixture of both inductive and deductive decision making, the former based on emerging ideas from the data, and the latter based on drawing from the theoretical context selected.

NVIVO software was utilized for this stage of the data analysis. Eight themes were identified through the subjective process explained in the previous paragraph and are displayed in figure 3 below: the role of central government, the power of logics, the importance of the 'housing market', system inertia, good practice, infrastructure funding, politics and the RMA. From this initial list, three themes emerged as the most significant and recurring, with the most data in each, and these became the three substantive chapters.

Figure 3 NVIVO theme identification



Additional observational tool: Council hearing

After interviewing one participant, the researcher was invited to observe a hearing for a new development they were attempting to get consented in Cambridge. Attending a public meeting helped to provide another source of data and locate the interviews in the real world context. As the first medium density development in the area, it was permitted in the District Plan. However, eight submissions had been received by the council against the development, and a decision was made to hold a hearing. The researcher attended in the capacity of observer and sat in the public viewing section of the proceedings. The main observations were captured and written up as part of Chapter 8: System inertia and prospects for change.

Summary

This chapter has introduced the research approach and the choice of methods and analytical techniques. A case study using document analysis and semi-structured interviews with key actors in the Hamilton network for the governance of new housing was used. It provided a rich source of data on the relationships between actors within the network, and of the logics that informed decisions. A general inductive approach was used to draw insights from the data. The results of that analysis are presented in Chapters 6, 7 and 8 and are organised around the themes of shared housing ideas, the construction of the market within the network, and resistance to change and prospects for change. Before that, the thesis turns in chapter 5 to the real-world context of this study, examining the landscape of planning for new housing in Hamilton, and the governance network that was identified.

Chapter 5: New housing decisions at the local level: Hamilton in 2019

Figure 4 Location map showing Hamilton in the North Island of New Zealand (Ruth et. Al, 2007)

This research focuses on new housing largely within the Hamilton city boundaries, formally governed by Hamilton City Council (hereafter referred to as HCC). The broad intention for this chapter is to understand who the actors are within this decision environment, the interactions that occur between these actors, the authority held by these actors, and the political dynamics inherent in the operation of this network.

Nested within the broader context of the formal regulatory framework for new housing in Aotearoa (outlined previously in figure 2), the governance arrangements for the planning of new housing and their operationalisation in the city of Hamilton will be delineated. This chapter will firstly introduce the city of Hamilton, its current housing supply issues, and the specific problems of housing. The local institutional context will be established, with an outline of the actors and agencies involved in the provision of new housing and the tools used to make decisions. From there, the way these actors work together on bringing new housing developments into fruition will be examined. The landscape of planning involves a complicated web of interactions, all taking place on different scales, in different locations, with different stakes at risk and at different points in time. This research aims to better understand, how each actor or institution makes decisions. In doing so, it will help reveal how they perpetuate logics, and institutionalise practices and procedures. The formal consenting processes are a key part of the puzzle, but it will become clear that relying on this

excludes critical parts of the story, informal brainstorms, site visit chats and 'coffee catch-ups' play a role here too.

Case study introduction

Hamilton is the fourth biggest city in New Zealand and is continuing to grow rapidly (HCC, 2019), despite lingering perceptions of it as a provincial town, "not too big and not too small" (HCC, 2010, p.4). The culture of the city until recently reflected the agricultural, service-town history of the town (Swarbrick, 2010). It is now going through a major transition period, as articulated by one research participant:

> It's changing the city psyche from small town to metro. So, the District Plan tries to make it a liveable city, but it has its challenges, that rural transition, it's almost like growing pains for an adult (associated industry 1).

With a population at June 2018 of 169,300 (HCC, 2019) and an increasing number of migrants and immigrants, Hamilton is becoming a more connected and larger city. It is one of the fastest growing urban areas in New Zealand, with an increasingly diverse economy. The city has been the focus of much increased infrastructure investment, such as the New Zealand Transport Agency's completion of the Hamilton section of the Waikato Expressway in 2019. One participant reflected on the city's growth and the impact that growth is having on housing and land, positing that:

> You take 2,000 people, there's roughly 2 people to a house, roughly, that's a thousand houses that need to be built a year. At the old yield that's 10 houses to the hectare, so that's 100 hectares of land that needs developing. They're now doing developments at 16 to the hectare, so you've probably halved that again, so the hundred's more like 60, but that's 60 hectares of land each year needing to be serviced, subdivided, just to cope with the influx of people" (associated industry 3).

This reflection on migration and intensification outlines that even with denser planning strategies, there is still considerable serviced land required to house the growing population of the city. HCC is aware of the challenges posed by growth, attempting to structure its operations to embrace the opportunities whilst mitigating the negative effects.

<u>Housing in Hamilton</u>

The average house value in Hamilton at the end of December 2018 was $570,866 (HCC, 2019), relative to the median price in New Zealand at the same time of $560,000, and the median Auckland price of $860,000 (Real Estate Institute of New Zealand, 2020). In 2018 an affordable house was defined by HCC as one that sells for less than 90% of the average Hamilton house value, or whose floor area is less than 120m^2, which at the time of setting the definition (September 2018) meant a selling price of $500,000 (HCC Extraordinary Council Open Agenda, 2018). The Ministry of Business, Innovation and Employment (MBIE)'s new

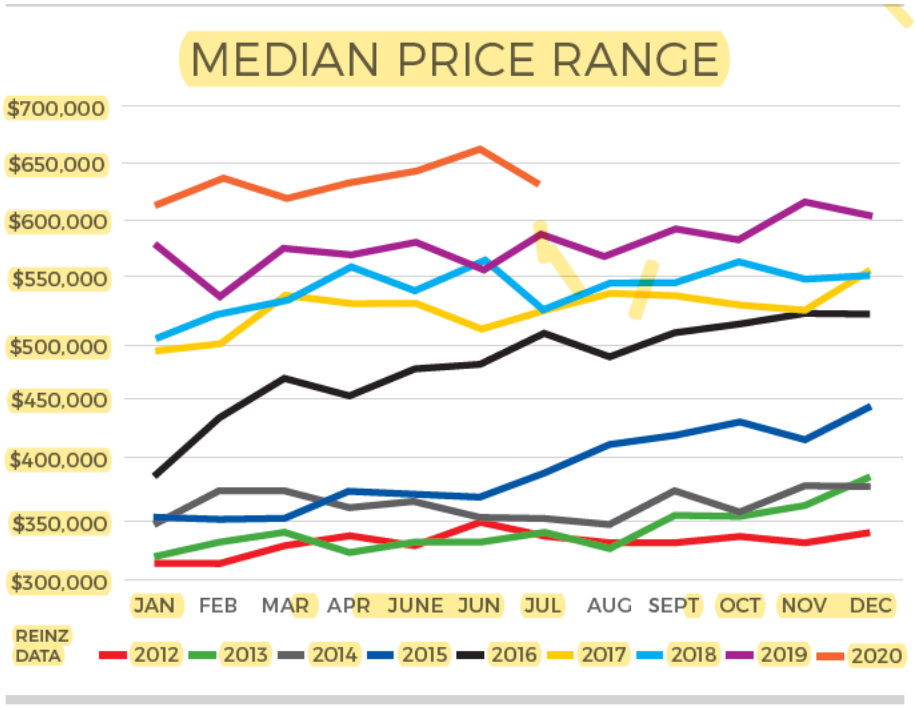
Housing Affordability Measure (HAM) demonstrated that for the renting population in the city, rent was increasingly unaffordable and for the first home buyer population, a modest first house was even less affordable (HCC, 2017). Whilst it is frequently argued that Auckland is the most unaffordable city in New Zealand, government statistics clearly show there is a housing problem in regional areas like Hamilton. It has been identified as the third most unaffordable city in New Zealand, with a shortage of 4,000 houses in the city, and 8,000 in the region (Piddock, 2019).

Hamilton is now widely acknowledged as having multiple housing problems, not only housing affordability declining, but also the worsening quality of old houses and insufficient houses being built to keep up with population growth (Piddock, 2019; Waikato Region Housing Initiative, 2019; Leaman, 2020). However, within the official documentation about housing in Hamilton, there is little mention of the 'housing crisis' that the wider media and central government discuss. Instead, there is regular mention of Hamilton's, "residential housing boom, in both house sales prices and number of new dwellings consented" (HCC, 2017). This language positions rising house prices as a positive phenomenon, highlighting the inherent tensions within the logics of housing, dependent upon your position. Here we begin to see the fundamental tension between rising house prices meaning increased capital gains for existing homeowners or landowners, and also indicating a city that is economically vibrant for investment, but adding increasing barriers for first home-buyers, and increased rents for renters.

The issue of housing affordability in Hamilton is typically viewed through an economic, 'free-market' lens by HCC, with such assumptions evident in official documents. For example, "Requiring an affordability provision for SHAs, to some extent, results in the market being less free. A freer market generally has a more efficient allocation of resources" (HCC Open Agenda, 2018). This underlying logic of the 'free-market' has penetrated New Zealand's public institutions so deeply that it is now taken as a simple truth that is rarely challenged. This insight will be further explored throughout this research, and specifically in Chapter 7: The construction of 'the market' within the governance network.

Back in 2015, Hamilton was added to schedule 1 of the Central Government's Housing Accord and Special Housing Areas Act (HASHA) 2013, deeming it an unaffordable region. An affordability provision was considered necessary for Hamilton to address this issue, "The type, age, overall stock, and price of housing add to growing affordability pressures facing Hamiltonians" (HCC Extraordinary Council Open Agenda, 2018). In March 2020 the average housing price in Hamilton had risen to $625,000 (Lodge, 2020). The following figure shows the trajectory of purchase prices for houses in Hamilton from 2012 until 2020.

Figure 5 Hamilton median house prices 2012-2020



Note. (Lodge, 2019)

In 2018 there was very high residential development in Hamilton, with 1440 new houses approved, a 28% increase on the previous year (HCC, 2019). There was also a growing discussion concerning where the houses should go, in particular a push away from greenfield towards a more balanced infill/greenfield mix. For instance, a decision was taken by HCC in June 2018 to incentivise CBD development by significantly reducing the contributions paid by developers (DCs), with the adoption of the Development Contributions Policy 2018/19. This policy was intended to make residential and commercial development in the central city area more feasible for developers. The policy of a 66% remission on DCs for developments within the CBD has been seen as effective and was recently extended until 30 June 2021 (HCC, 2019). Another key decision by HCC was to promote infill beyond the CBD, enabling growth in the existing city as opposed to the more typical urban sprawl and new zoning. This decision was encapsulated in the District Plan, by the designating of the CityLiving Precinct, an area intended for high-density houses, with 50 houses per hectare.

There is still a focus on creating large new housing areas though. Hamilton has been officially identified as a high growth area, due to its strategic geographic position in the North Island, along the main transport corridor to Auckland. To help release development land, HCC was the first council to prepare a detailed application to MBIE for a loan from the Housing Infrastructure Fund, and the first council to receive funding ($290.4 million) for the development of a new growth cell at Peacockes Road, including a new bridge over the

Waikato River. New growth is a challenge for local authorities across the country, because of the logistics and cost of infrastructure funding to prepare the land for development. One respondent discussed the last 15 years of housing development in Hamilton as being, "lumpy growth". Due to the high costs of infrastructure funding, HCC has found it difficult to sustain an even, steady trajectory of growth, and there is growing discussion of who should bear the costs for this, e.g. developers or ratepayers.

Discourse and language

Throughout the data collection for this research a picture emerged of a network of actors with many ideas and visions for this growing city. Words such as 'vibrant', 'diverse' and 'forward-thinking' are used in the marketing material for HCC, to conjure up an image of a city that can rival others nationally and globally. Private sector real estate marketing material shares this language, and throughout the interviews actors shared these sentiments verbally. The language used is rather simplistic however, turning the city into a one-dimensional entity rather than a complex, variegated reality of a collection of environments and humans living in close proximity.

From a cultural perspective, the researcher repeatedly heard stories of a proactive attitude, innovative solutions to problems, and a council planning team that is prepared to collaborate with the private sector in unprecedented ways. Actors had a shared understanding that this is a time of unprecedented growth for the city, displaying the closeness of relationships in existence between the public and private sector actors who work together in this network. This recognition came with acknowledgement of the shared responsibility to manage growth proactively and manage negative consequences. Participants discussed the importance of navigating 'growth', even as all actors operating in this network follow their own mandate whilst seeking to consider other stakeholders and possible outcomes. The idea of collaborative 'navigation' thus becomes a proxy for promoting connectivity and shared practices within the system, so it can adapt to changing market circumstances. Yet, flexibility gives actors more agency beyond formal policy, and with this comes the potential for power to reside in informal relationships as well as formal rules. Attention to power dynamics between actors in the network will be paid throughout the ensuing analysis.

Housing typologies

Hamilton was discussed by participants as being a city that is maturing in approaches to residential development. By this, participants elaborated that Auckland is seen as having more mature development, i.e. that is denser and more innovative in design, and Hamilton is now starting to follow its lead. In contrast to more settled and lower growth areas, large residential developments require a certain level of both professional longevity and stamina,

as they can bring high levels of uncertainty and economic risk. Many participants emphasised how their assessment of the quality of a development has been refined over time, especially as they are involved with larger numbers of higher density, or other different kinds, of developments. This experience was discussed by participants as helping combat the perspective of an inherent conservatism in Hamiltonians. The 'shared' nature of the vision and the language discussed earlier in this section suggests a close alignment between actors that should foster an efficient system with less conflict, but perhaps also one that is more closed and resistant to change. We shall later discover how this operates on the ground.

As briefly mentioned earlier, the need for new infrastructure is a significant barrier to growth in Hamilton. The current funding model for local government generally intends that development contributions paid by the private sector, along with rates paid by existing homeowners, will pay the cost of new infrastructure required for growth (Scott, 2016). In reality this does not tend to meet the total cost, leaving a significant deficit, which may be gradually clawed back by the growth in future ratepayers. This issue is not often discussed as part of the mainstream public debate about housing problems. However it is central to the provision of new housing. One participant, a land valuer, challenged the current funding model, asking:

> Who should pay for the infrastructure? I believe it should come from the original landowner when it changes its zone from rural to urban use, that's when the cost should be borne. So a farmer has land on the edge of the city worth $60/70,000 a hectare and when it goes to being worth $500,000 or a million dollars per hectare as urban land in that should be an allowance for the cost. So if the developer knows what the cost is, he'll pay less for the land to the farmer, the farmer effectively wears the cost (associated industry 3).

This participant worked with developers subdividing land and building new housing, and was acutely aware that the cost of land translates into the cost of housing, which is rising much faster than incomes in Hamilton. The issue of infrastructure investment and who should bear the cost of servicing land is not a core focus of this research, but is a significant contributory factor to the supply of new housing, and therefore is deserving of attention.

Within the Urban Growth Strategy (2010), HCC identified eight types of housing in evidence in Hamilton city:

1. Small holdings (typically 1 unit: 4ha+)
2. Rural-residential (typically 1 unit: 1 - 2ha)
3. Large lot residential detached (typically 1 unit: 800m² – 1,200m²)
4. Residential detached (typically 1 unit: 400m² - 800m²)

5. Residential 'compact' detached (typically 1 unit: 300m² - 400m²)

6. Infill on existing residential property (typically 1 unit: 300m² - 400m²)

7. Medium density types (greater than 1 unit: 300m²)

8. High density apartments and mixed-use (greater than 1 unit: 100m²).

Within some official planning documents, for the past decade there has been a growing emphasis on pedestrians and a people-centred approach to building the city (HCC 2010; FutureProof 2017). This emphasis represents an attempt to change logics and norms, such as how dwellings need to be considered within the context of communities and access to jobs and amenities. Traditionally New Zealand cities have been heavily reliant on the car, with development to date having taken a car-centred approach. This fundamental change in official discourse around transport planning, and considering alternatives to car use, is taking time to disseminate into people's habits. Such a change will require further patience to see translated from strategic documents to lived realities around the city.

Local institutional context

Hamilton City Council

HCC, Te Kaunihera o Kirikiriroa, is the territorial authority responsible for managing Hamilton. HCC manages the zoning of land and the consenting of its development, and it is primarily through these roles that HCC contributes to housing development in the city. Local government has limited capacity to manage housing supply, and in New Zealand it currently has minimal levers for housing affordability. The levers that do exist are complex to enforce, involving politically charged discussions, and often result in affordability criteria being removed from local policy (HCC, 2018). Future Special Housing Area provisions could have allowed HCC some capacity to set the parameters of what it considers affordable, but with the Act being repealed that opportunity was lost.

The current period of growth in Hamilton is framed by HCC's Urban Growth Strategy, which was formalised in 2008 and looks ahead to the next fifty years. It outlined key growth cells in the city and estimated the infrastructure costs required to service new land within them. In 2018 1440 new dwellings were consented, with more than half of all consents being for higher-density housing (HCC, 2019). The population growth outlined in the Urban Growth Strategy report (HCC, 2008), along with shrinking household size, identified that there would be increased demand for housing in Hamilton – 36,000 more houses by 2041. Past approaches to growth have involved the planning system producing Structure Plans for new growth areas such as Rototuna and Peacockes Road. Some argue that this has resulted in inefficient growth, urban sprawl and poor environmental outcomes (Bowyer, 2015). Part of

the reason for this urban sprawl is because of the norm of car-based travel which has meant poor provision for cycle paths and public transport routes. The site-based nature of development discussions may also play a role. An individualised approach to residential development means developers buy land and develop houses without a holistic view of how the whole neighbourhood will end up. The researcher witnessed this first hand in one of HCC's growth cells, Peacockes Road, where different developers are building on opposite sides of the same street in a piecemeal, disconnected fashion. HCC has drawn lessons from this and made adaptations to its approach to growth to mitigate these negative outcomes. These changes resulted in the Urban Growth Strategy (HCC, 2008) articulating eight city strategies for future growth: Environmental Sustainability, Social Well-being, Economic Development, Access Hamilton, CityScope, Creativity and Identity and Active Communities.

Evidence of growth and development in Hamilton is predominantly clustered into areas of high development in the CBD and new suburbs. Now is a period of growth and change for this provincial town, and the challenges that come with this are evident in the local media and council hearings (Leaman, 2020). In 2018, 837 consents were issued by HCC for 1436 new dwellings valued at $304M, an increase of 28% in the number of dwellings from 2017 (HCC, 2019). The depth and volume of decisions required for this growth trajectory are largely hidden from public view. The general public have very little visibility of the work that council planners do behind the scenes to keep the city's development in the public interest and mitigate the effects of growth on business as usual.

Over 45 public service planning staff work in HCC to consider the future ramifications of every land use application lodged. They are tasked with upholding the RMA by preserving environmental values and mitigating the negative effects of growth, protecting social values, regenerating areas of Hamilton that have declined and managing the development of new places. Discussions by participants in this research outlined that they view their role as to retain the best of what Hamilton currently is, whilst fostering innovation and promoting growth to accommodate more people.

HCC planning staff work across business units, with responsibility for different aspects of planning being held by different departments. The *Growth Funding and Analytics* department is responsible for setting and administering Development Contributions (DCs). Central government's policy for DCs is unstructured, delegating to the Local Authority the decision-making on details such as how to calculate the cost and how to administer it. Unsurprisingly this gives rise to frequent complaints from developers that the rate significantly differs across the country. The *City Planning* department at HCC compiles the District Plan, writes the rules and sets the policy for land use, building standards and

consents. The *Planning Guidance Unit* manages the regulatory process, administering the application process for consents and certificates under the RMA. The *Building Unit* is responsible for overseeing building consent applications and liaising closely with the local construction industry, performing site visits and inspections. The *City Development* unit manages engineering requirements for new development. The *Strategic Development* department oversees high growth areas outlined in the Structure Plans, such as Peacocke and Rotokauri. It also manages huge infrastructure investment projects such as the new bridge over the Waikato River. In 2019 a Regulatory Efficiency and Effectiveness group was tasked with investigating the council's policies and procedures to see how they could be refined to meet the growing demand for development in a more streamlined fashion. Within HCC there are also the Urban Design and Heritage advisory panels, Tangata Whenua, and relationships with central government agencies such as NZTA. FutureProof, the Sub-Regional Growth Management forum bringing together several Waikato councils, will be discussed further on in this chapter. Vista, Hamilton city's design guide places the city's river, lakes and CBD firmly at the centre of the city's identity, and articulates a vision of a vibrant, modern community with thriving neighbourhoods, diverse natural features and more considered gateways to the rest of the country.

Other councils

There are two other authorities in the region that are also involved in the growth of the area in different capacities. Waikato District Council (WDC) has responsibilities for the District Plan process as well as ratings valuations for properties. Waikato Regional Council (WRC) has responsibility for Coastal Plans, Regional Plans and resource consents. Developers interact with these authorities for various consents for subdivisions and new developments.

FutureProof

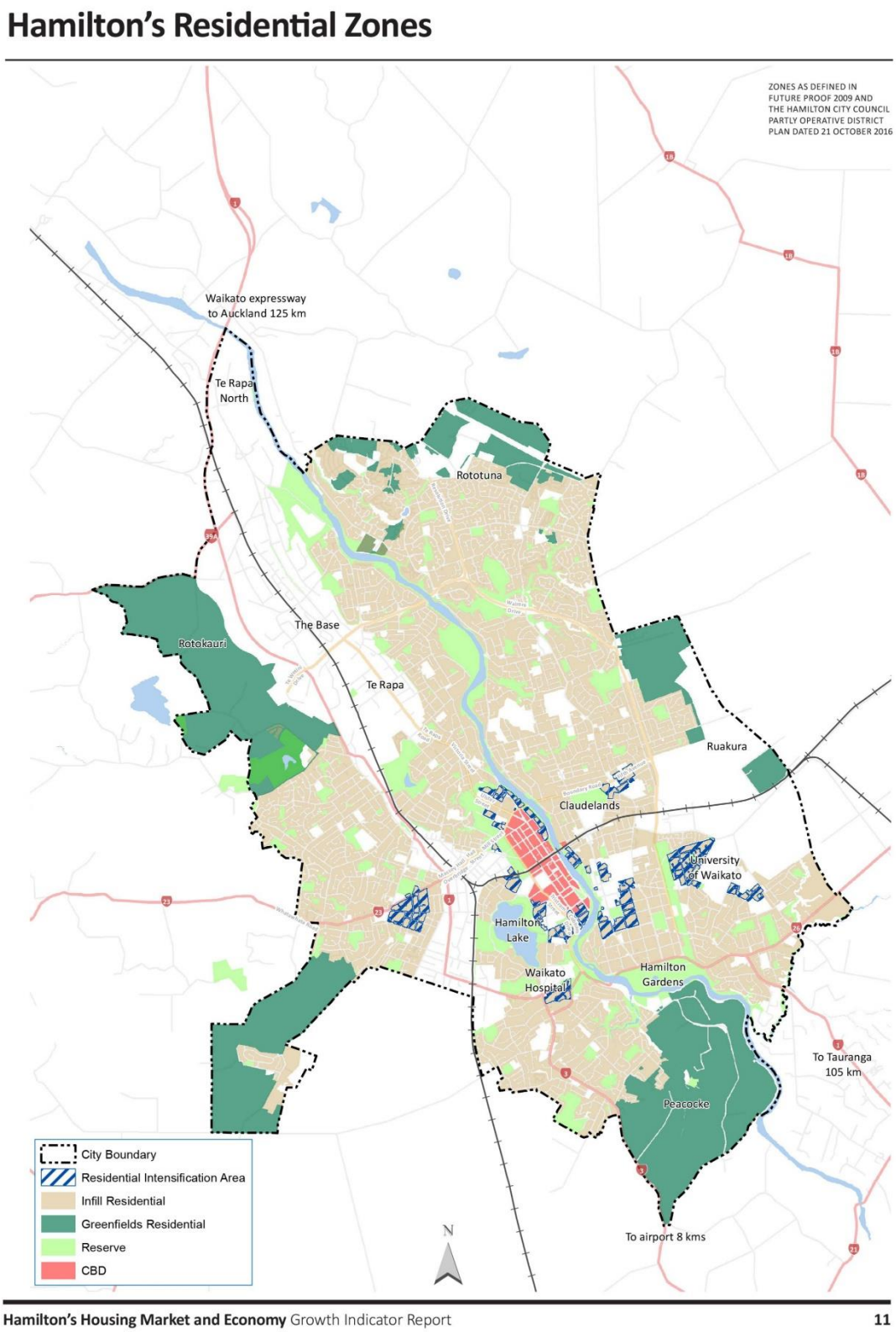
Many local government and NGO stakeholders from the region have joined forces to create FutureProof, Te Tau Titoki, with the specific purpose of visioning the direction of growth for the Waikato. The partners are HCC, WRC, WDC, Waipa DC, Waikato Iwi, NZTA and the Waikato District Health Board. Launched in 2009 by the Prime Minister and Kingi Tuheitia, it took a 30-year view of the region. Public consultation processes revealed that a business-as-usual approach to the region was not acceptable, and instead either a concentrated or compact settlement approach was necessary. Several features of the FutureProof strategy discuss residential development and specifically housing.

Local government planning tools

The formal planning tools of HCC are the Long-Term Plan, District Plan and Structure Plan. Under the District Plan, the council embedded its desire for the central city to be intensified,

labelling a specific area as the Downtown Precinct and explicitly inviting higher density living and mixed-use developments to be built there. Figure 6 following identifies Hamilton's CBD, areas of residential intensification, infill and greenfield land, and reserves.

Figure 6 Hamilton's residential zones



Note. (HCC, 2017)

Implementation process for new developments

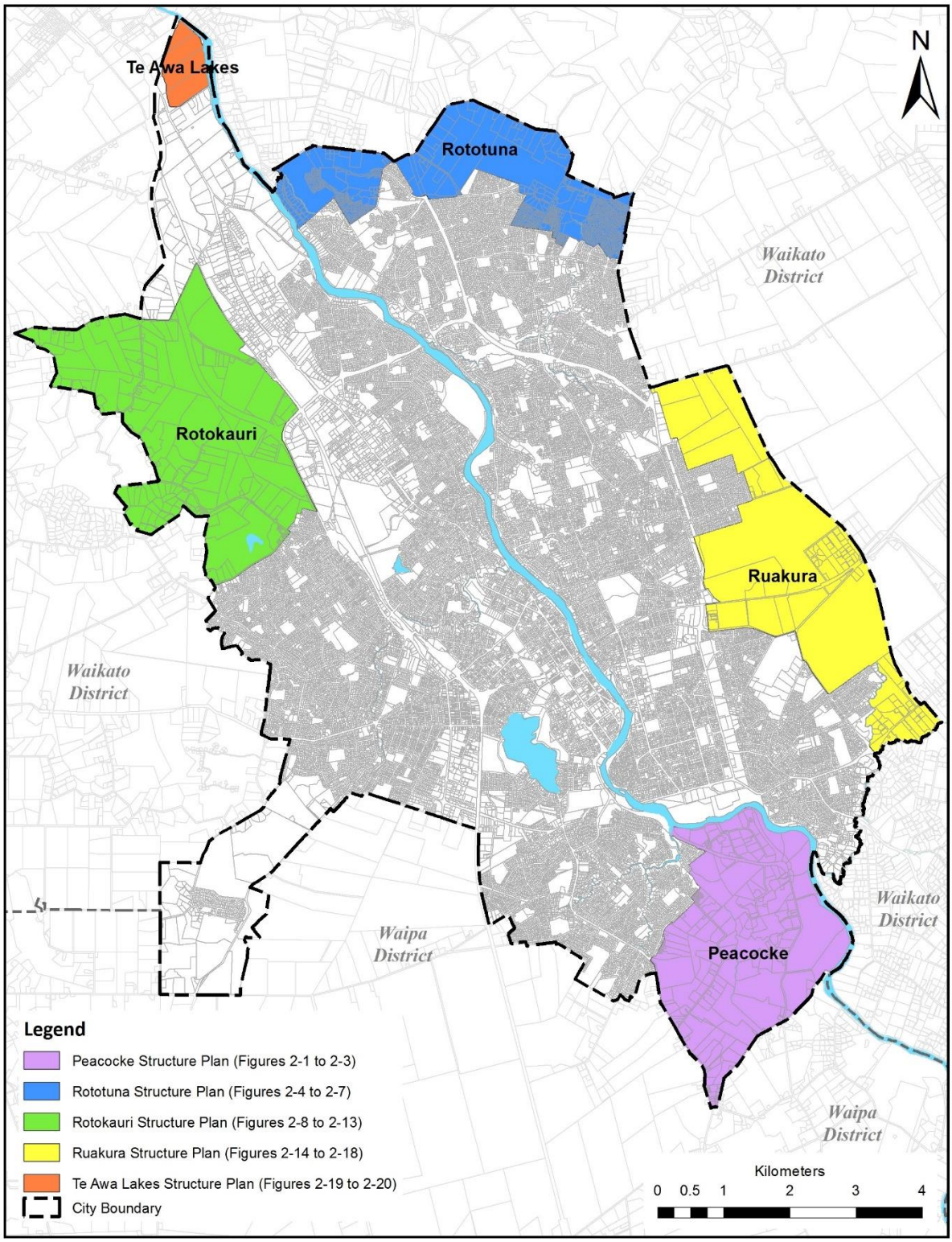
The process of getting a new housing development underway is very different depending on whether it is infill or greenfield development, and whether it requires a Resource Consent or is a Permitted Activity. In Hamilton, for the year ending December 2018, 53% of developments were infill and 47% were greenfield. These statistics illustrate the emerging shift in development activity towards multi-unit dwellings such as townhouses, units and flats (HCC, 2019). An infill residential development can commence via various scenarios including: i) the property owner subdivides, and builds a private dwelling on the second title ii) the property owner subdivides and sells the land either to a developer or private purchaser which they then build on iii) the developer buys a property, demolishes the existing building and builds a new, higher density development. For a greenfield development, the land is required to be zoned residential and may be allocated within a Structure Plan. Hamilton City has five areas identified for major growth and designated worthy of Structure Plans – Peacockes Road, Rotokauri, Rototuna, Te Awa Lakes, and Ruakura. These are illustrated in figure 7 on the following page.

A developer will require various types of consents to subdivide greenfield land into sections, depending on the zoning of the land. The surveyor normally works through the plan for subdividing the land. For example if land is zoned as 'restricted discretionary' it will require a Resource Consent, Land Use Consent and Subdivision Consent. HCC amalgamates these into a Comprehensive Consent. Also commonly required are a Flood Report, Contaminated Land Assessment, Asbestos Report and Infrastructure Assessment. After this part of the process is complete, regardless of zoning, the developer is required to approach WRC for an Earthworks Consent and Stormwater Management Applications. The developer can also fund Technical Reports to facilitate the process. Subdivision consent stage can address site-specific geotechnical issues if this had not been considered in the initial Structure Plan. Involved in the process of a new subdivision are many stakeholders, including Surveyors, Civil Engineers and Geotechnical Engineers. The interactions within these processes will be discussed in more detail in chapters 6, 7 and 8.

After HCC has granted resource consent for the land use, and subdivision consent for the overall development, an architect, building company or draughtsman will be engaged to design the building(s). This process is normally done on an individual dwelling basis unless it is part of an Integrated Development Consent, Comprehensive Development Consent or Special Housing Area (the last two consent routes are being disestablished). As individual houses are planned and built, the builder (or owner) must apply for a Building Consent for each separate dwelling. Even if there is a Master Plan, each house still requires a separate

building consent. These Building Consent applications are reviewed by planners to ensure all District Plan rules are complied with. If an infringement is found, for example site coverage infringement, then a Land Use Resource Consent will be required. This requirement exists because once a Lot has been created via subdivision, any building on the site will still need to comply with the requirements of the District Plan.

Figure 7 Structure Plans locality guide



Note. (HCC, 2017)

<u>Preapplication meetings</u>

An interesting observation from interviewing participants about the decision-making process for new consents was the prevalence of informal conversations that take place between

council planners and private sector actors. This part of the process is formally recognised as Preapplication meetings. The general intention for these meetings is for the development proposal to be introduced, and for all parties to suggest ideas and opportunities to be discussed openly in a relaxed, informal setting, before the formality of rules of regulations happens. Network actors from both the public and private sector openly discussed how useful this tool is in navigating contentious or innovative proposals, actively listening to alternative viewpoints and reaching workable solutions that all parties can agree to progress. One participant, a land valuer, discussed the process of working with clients to get a development consented, and different experiences of working with HCC:

> So that was refreshing, that common sense would prevail. They [HCC] had prescribed they wanted 'x', we were in a position with an existing development where we couldn't give them 'x' - we could give them 'y'. 'Y' wasn't far from 'x', and was probably better than not having it at all, because that was the option. If they didn't get 'y' they were going to get nothing, and their aspirations for some urban design would go out the window. In that case they showed some flexibility around (well, haven't yet) but they've said, "let's sit down and talk that through and see if it can work". So that was a positive outcome (associated industry 3).

Other participants explained that individual conversations occurred between council staff and developers, to make design decisions before pre-application meetings were held and applications were lodged. One of the council planning managers who participated in this research discussed in detail an example where a practical solution, proposed by them, to a design challenge from the developer allowed a HCC rule to be met and the developer's urban design aesthetic to be upheld simultaneously. This collaboration transpired as a direct result of a casual coffee chat between the two individuals on a rainy Tuesday morning at a café in the CBD. The developer had bought a prominent Hamilton CBD building and wanted to remove the pedestrian canopy on the outside of the first floor, as they found it ugly and dated. The council planning manager looked at the building (that was opposite the café), empathized and understood the developer's motivations. The pedestrian canopy was non-negotiable as a structure, as it allowed a dry thoroughfare in the city centre on a rainy day and provided shade on a sunny day. The council planner explained their openness to the concerns of the developer:

> He came and had a chat to me in preapp around the canopy, the pedestrian canopy. He wants to remove that to give effect, better design and flexibility for design of the buildings. So I'm all for that, it's just a balance to manage different challenges like - today, it's raining - we need the shelter to help promote pedestrian movement, connectivity, walkability and the success of our city centre (council planner 4).

This example led to a quick brainstorm which resulted in a creative solution that met both the council's and the developer's agenda. The solution is explained in chapter 8, in the

section entitled 'Forces for Transformation'. Creativity in problem solving was perceived by council staff to emerge most often in informal settings, such as those outside of the official planning processes of resource and building consents. This demonstrates how informal meetings allow the flexible interpretation and implementation of formal rules and processes. This example displays the forms and power of negotiated interactions that can occur between different actors, and how when trust and active listening takes place in an informal setting, real understanding can emerge. From there solutions can be designed that meet the needs of all parties.

Local government interactions with developers and consultants

Council staff make decisions on consents. While there are opportunities for discussion and negotiation, perhaps inevitably there are also arguments of inconsistency made by frustrated developers across New Zealand (Grimes & Mitchell, 2015). Developers interact with various council staff in many ways, and they are heavily involved in New Zealand's planning system. For instance, developers can propose urban rezoning, leading a Structure Plan process (Quality Planning, 2014). The approach of developers involves identifying the issue, their objective and then the local government rules that apply, with the business logic of maximising profit as usually the implicit driver. Local government interactions with developers and private consultants are a focus for this research. To help deliver this we will drill down into general negotiations as well as those associated with specific developments.

Three developments

The initial intention for the case study of Hamilton was to select three residential developments across the city. These developments were chosen as examples of high profile, large scale, innovative developments currently underway. In part the idea was to see the ways that actors in the network interacted, how easy or difficult it was, and what lessons could be learned.

1. Ridgedale

Figure 8 Ridgedale

Note. (Oliver, 2015)

This new housing development by Yeoman Homes in the north of Hamilton is an example of design-led intensification in a suburban setting. The land area of this development is 6.2 hectares and it was one of the last blocks available for development in Hamilton's north-east as the growth cell nears completion. Building commenced in 2015 and completion was at the end of 2018. It provided 145 houses and has been classed as the first large scale medium-density development in Hamilton. The developer consulted with the local community and real estate agents to establish what type of housing was in demand, which resulted in a development of mainly two storey houses, with 15 single storey. The section sizes varied from 180 to 300 square metres, and the houses were all double-glazed, with above-code insulation, heat pumps and LED lighting, and priced initially from $645,000 (compared to the average price at the time, cited previously as $570,866). Yeoman Homes built the roads, the parkland and the wetland, as well as the housing, and the development won the Property Council's Urban Design and Architectural Merit Award in 2016. Urban design was a stated priority for this developer, who talked in the media about the importance of considering how a property faces the street, its interactivity with the surrounding area and the 'coolness' of its frontage (Lewis, 2018). Ridgedale has significant community infrastructure nearby, being next to the Resolution Drive extension and 200 metres from the upcoming Rototuna town centre which will have a library and swimming pool, and already has shops and educational facilities for all ages.

2. Parkhaven

Figure 9 Parkhaven

Note. (BCD, n.d.)

This is the first purpose-built, mixed use city-centre development in Hamilton's CBD. The $14.5m development is located on 220 Tristram Street in the area classed in HCC's District Plan as the Downtown Precinct. It is a luxury development of mixed-use spaces, with 16 residential apartments and commercial premises. The history of the development demonstrates how much influence individuals can have in shaping our cities. Hamilton engineering and planning firm BCD outgrew its current office in Hamilton city and noticed that this site nearby had become available (after the Department of Corrections moved out). BCD's vision for its new offices fitted in with the new District Plan for high density in the area classed as the Downtown Precinct, north of London Street. There are 16 apartments with 11 different floor plans and two commercial levels, and 90 car parks.

The process commenced in 2016, drawing on the experience of BCD founding director Blair Currie. He started by fully documenting the building with the design team, before quoting it with local consultants. Edwards White Architects took a modular approach to the bathrooms and kitchens which enabled all design attention to be focused once only and then replicated. BCD Group commercial manager and CFO Mitch Mace explained in the media:

> "The efficient design that resulted was achieved by the Edwards White team and engineers working closely together early in the process, which allowed sensible structural design while not compromising the overall architectural vision. Often in

developments compromises are made along the way. From our concept we pretty much made none, only minor tweaks" (Waikato Business News, 2018).

Design features in this development included the air conditioning being individually ducted from the roof (not units on balconies), careful acoustics to minimise the noise from neighbours, high windows on the top floor apartments, a generous entrance area to interact with the street, and no units facing south.

3. Peacockes Road Masterplan

Figure 10 Peacockes Road

Note. (HCC, n.d.)

Figure 11 Peacockes Road

Note. (Piddock, 2019)

This new suburb is a master planned area that reveals the complexities of financing boundaries between local and national government. Part of the central government's $1bn Housing Infrastructure Fund granted HCC loans to build a new bridge over the river, opening up this area of the city for further residential development. The bridge will cost $50m and the whole roading project will cost $113m. NZ Transport Agency has granted subsidies to cover half of this cost. HCC has long considered this area as a key site for future residential development, with 620 hectares of the land being suitable for building. Council plans intend to eventually fit 7,500 houses and 20,000 people there. The land has been sold to multiple different developers, and a site visit to the area revealed different typologies of housing, street lighting and roading alongside each other.

These three distinct developments, of suburban intensification, CBD density, and large greenfield development, form significant elements of the landscape of new housing development in the Waikato and formed the bedrock for understanding differences across the case study. However as the research progressed it became apparent that to restrict the focus to only these three developments would limit the scope, and interviewees had much general experience and insights to draw upon. A decision was made to pay attention to a wider range of developments across the city and region, to explore more comprehensively the ways members of the governance network interrelate across the city.

Key private-sector governance actors providing new housing

The first link in the complex chain that is housing development in New Zealand is the landowner. This group of actors was not an explicit part of the data set for this research, but given the nature of development in the city some of our interviewees were developers as well as landowners. While the methodology provides more detail, we will also briefly link the key actors to the data collection in this part of the chapter. For example, a land valuer was included, as land value is a significant part of the make-up of the housing problem in this country. The land valuer selected was very experienced in residential development in Hamilton, having worked with many of the actors and agencies involved for many years. The ownership of land in Hamilton follows the national trend of being concentrated in the hands of a few, for example *Wintec* own significant parcels of land in Hamilton. Much of it has been sold, but ownership is retained of around 20 hectares on Avalon Drive to the north-west of the CBD. *Tainui Group Holdings*, the property arm of Waikato Tainui, owns significant areas of land including the University of Waikato campus and is joint developer of a block of land at Ruakura. *The Peacockes family* owns over 200 hectares in the Enfield subdivision and have multiple other land holdings in the region. *The Kimptom family* are long term Hamilton landowners and farmers, with significant rural land holdings remaining. They have also moved into developing residential property. Property developers *CDL* own 90 hectares of land on the eastern periphery of Hamilton that is currently in Waikato District Council's jurisdiction but zoning laws mean it will come into Hamilton city in the future. It is called the R2 area and is earmarked as a future development for the city, for 2039. Land value is a driver for the agendas of other actors in the process and is a relevant consideration for the planning regime and therefore this research.

The next set of actors of note in the process are the development companies who purchase the land. There is a core group of residential property developers in Hamilton, offering a range of housing with traditional single storey family houses, luxury apartments and medium density, smaller section size townhouses. The active development companies in Hamilton include *PCL developments*, which is responsible for several residential areas across the city including Horsham Estate in Rototuna and Greenhill Park, which is a less traditional approach. *CDL*, as well as being a landowner, is currently developing sections in Flagstaff, with 85 remaining in the development it has been involved with since the late 1980s. *The Ryvington Trust* (owned by the family) owns and is developing The Meadows on River Road, on the site of a former 60ha dairy farm (Fox, 2013). That has been a staged approach, with just the final stage of 400 consented sections remaining to develop. Nearby are two other subdivisions, Eden and Glaidesdale. *Yeoman Homes*, is completing the medium density development previously mentioned, Ridgedale, along with others across the

city. *Stark Property* are largely involved in CBD development, both residential and commercial. *Pragma Homes* are building lower cost, higher density developments near the university as well as more traditional large houses in new suburbs. *Da Silva Builders* concentrates on family houses in Hamilton, and is starting to build higher density housing in Auckland as well. *Transland* build medium density housing in the broader Waikato region. *Tainui Group Holdings* is the property development arm of Waikato Tainui and has multiple developments underway across the city. *The Adair Group* (subsidiary of the Peacockes family) was the first development company to apply for a major subdivision in the new Peacockes suburb, to build 900 houses. One respondent from HCC gave their views on that development:

> They have a quite a different perspective around urban development, and they're looking to achieve different things (council planner 6).

This comment starts to reveal the role an individual developer's perspective has in shaping the residential growth of Hamilton. The fact that the main actors can be individually named, also gives an insight into the nature of the network at a local scale, and how actors and agencies in smaller cities, like Hamilton, will meet frequently.

Developers such as the companies outlined here are the orchestrator of the whole process of getting a housing development off the ground. Seven Hamilton development company managing directors were interviewed for this research. One Auckland non-traditional developer was also interviewed, as this participant was recommended by a Hamilton architect as being a significant resource to offer a different perspective of development.

Before a development company can commence a new project, the first task is to secure investment for the development, usually via a lender. While finance companies are not a part of this research, the interviewees were able to speak about the role that finance plays upon their logics and behaviours. This group of actors have been studied by other researchers in New Zealand, in particular the work of Larry Murphy (2019). Developers also engage a lawyer to handle the legalities of the process. The role the lawyer plays in the process of developing land, and their influence in shaping the quality, quantity and affordability of new housing is considered in this research. Two Hamilton property lawyers were interviewed.

Other private sector actors are engaged by the development company to fulfil the necessary processes. A surveyor is engaged if the process requires subdividing land. Additionally, developments may require a private planner. This role is key to liaising effectively with the regulators. In Hamilton there are a small group of private planning firms, who develop an ongoing relationship with a developer and work together on multiple projects. Four private planners across three different companies were interviewed for this research. Private

planners deal with a range of council staff, but initially it is the planning team where they will be allocated a case planner.

The development companies then engage an architect to draw up their vision for the development. This schematic drawing is a key stage of a development, for at this stage the typology of housing is envisioned. There are many architects working in Hamilton. Developers seem to have a preferred architect whose design ethic aligns with their own, and they form a close partnership. Often architects will deal directly with the planning team at HCC, and many of them have close working relationships with local government. Four architects from firms across Hamilton were interviewed for this research.

A building company is then engaged to bring the developer's vision to fruition. Some of the developers also own building companies, but many of them contract in a supplier to execute the development. One building company general manager who operates in the Waikato and Bay of Plenty was interviewed for this research, bringing a unique perspective of interacting with two different local councils.

As the consent process unfolds, a new development may require expert reports from specialists. The developer will be required to engage with these experts on an individual basis depending on what the specificities of that development require. No specialists were interviewed for this research, as they are specific to each development and therefore the researcher did not consider them to be a generalisable unit of analysis.

Figure 12 illustrates the group of actors who together constitute the network governing the provision of new housing in Aotearoa.

Figure 12 Which actors govern new housing?

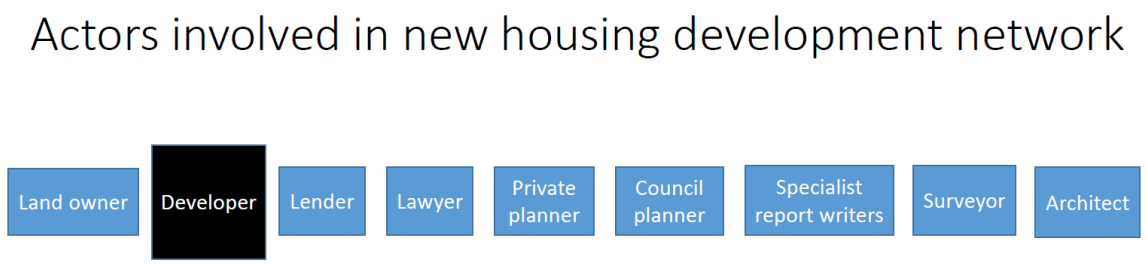
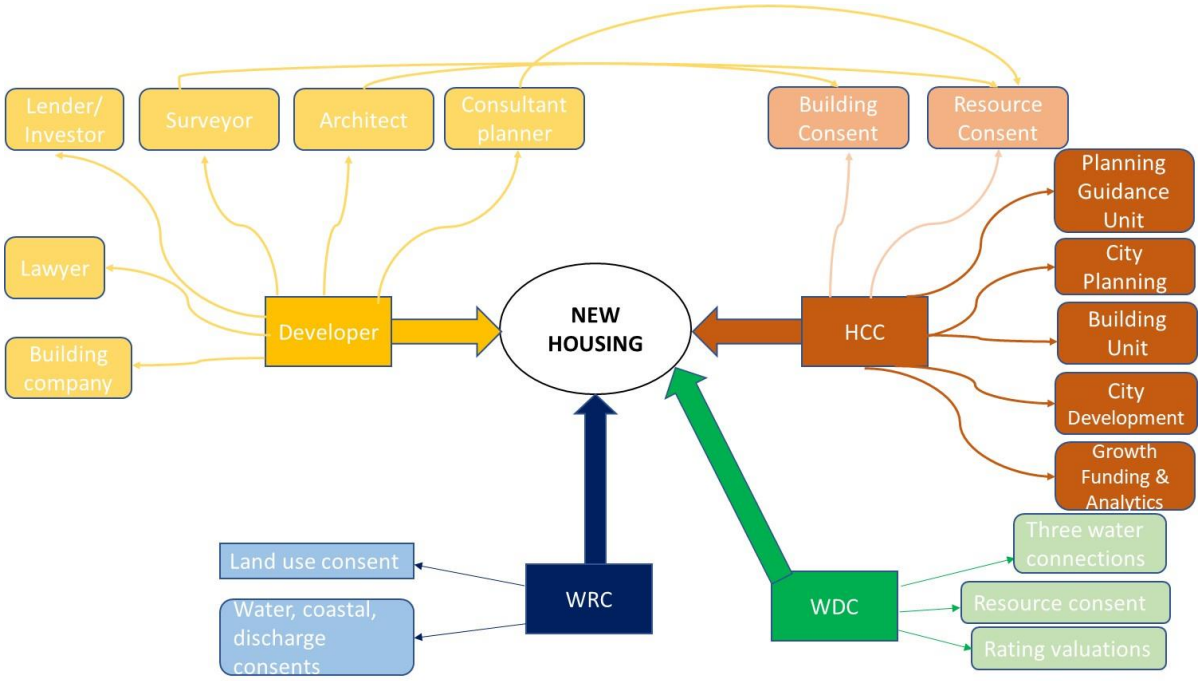


Figure 13 following shows the multiplicity of specific stakeholders involved in the provision of new housing in Hamilton, and how they are directed by two main institutions, HCC and the development company. It starts to show the complexity of the system and illustrate the web of interrelations between actors. It also begins to highlight how actors engage with different areas and stages of the decision-making process. It can be used to guide our

understanding of the nature of the network that has evolved and the many ways that informal rules and flexible ways of working can emerge and become normalised. Also revealed are the many connecting points in the system where logics and meanings can be brought in by different actors. Throughout this research we will see how logics and meanings then inform interactions and become internalised in the system as assumed ways of working.

Figure 13 Whose authority do the stakeholders lie within?



<u>What do we know now?</u>

Having set the scene and looked more closely into how the decision-making architecture for the provision of new housing in Hamilton works, we can now turn our attention inwards to the system, to explore the roles and realities of the many actors working together within the networked arrangements. The key themes that have emerged in this chapter are that Hamilton city is at a crucial time in its genesis, it is growing rapidly and requires substantial levels of residential growth to support the population. The local government context is complex, with a number of councils administering different rules and regulations. The private sector is also complex, with land ownership dispersed and approaches to development differing between different individual developers. These differing approaches are interesting and worthy of further attention. This chapter works towards addressing objective 2, by working to identify the network of public and private actors, and the nature of their interactions in the local governance arrangements for the delivery of new housing.

Outlining the multiple actors involved in the network sets the groundwork for this analysis, facilitating an onward journey in the direction of objective 3, to understand the logics and discourses that inform interactions between actors.

General characteristics, perceptions and motivations of actors

As chapter 3 introduced, when actors participate in a network, it can become perpetuated by collective choice rules and use operational rules to apply itself to an issue (Cairney, 2012). These two sets of rules are constructed and rely on a shared understanding of the issue and the appropriate ways of doing things. So, in the network governing new housing in Hamilton, what are these rules, or agendas? They may be both formal and informal, so to tease them out of observations from actors interacting in the network is the challenge for this research. These are explored in Chapter 6: The ideational foundations of housing.

It is also apparent that the participants interviewed had distinct similarities in their use of language, particularly about the perceptions of the city and its challenges. Moreover, they were all very cognisant of the economic logic of housing and explicit about the need for a new development to be profitable for the developer. Within this initial scene setting of the key actors, it was also becoming clearer how some of them had a greater appetite for innovation and were motivated to try new typologies of housing, whilst others were more conservative. While economics was a strong general motive, there were other considerations of note. For instance, while discussing general housing issues for the city, there was a noticeable design logic, where it was accepted that development needed to achieve good urban design outcomes. This design logic was less prevalent than the commercial motivations voiced by all participants, and the level of importance given to the design ethic differed between individuals. This issue will be discussed more in subsequent chapters.

All private sector interviewees reported generally positive experiences of working with council and were aware to some degree of the necessity of regulation and the complex role of regulating in a litigious environment. Many of the non-developer participants discussed their role as being a balancing act of performing their function skilfully whilst heeding the financial motives of the client (the developer). This balancing act is understandable, as the developer engages all the other actors to work on their development. In some ways therefore, we can see how a stable, mature network can function efficiently.

Another general scene setting comment of note was how the changing landscape of the housing needs and desires of Hamiltonians came through strongly in the interviews. Participants demonstrated awareness of the multiple demands on new housing from different demographics. Some of the participants discussed their personal housing situations

and the lack of housing choice available in the city. This revealing of lived experiences was illuminating, as when participants' answers crossed the boundary from professional opinion into personal stories, broader perspectives were revealed.

Each of the participants in this research are required in their professional capacities to make decisions large and small concerning the new housing being built in Hamilton today. Each participant displayed an awareness and understanding of some of the drivers and agendas at work within the system of new housing provision. Interestingly, a picture of an unstated hierarchy and power imbalance in the network emerged, where the developer is in control overall and hires in the other stakeholders to perform the functions they require of them. An actor's approach to development affects the way they do business. Some developers prefer informal coffee conversations, whilst others are more comfortable in the formal processes and arenas. The researcher witnessed a level of professionalism between all actors, and some understanding of the constraints and risks influencing peers within the network. There were differences in the level of trust and respect displayed to other stakeholders, depending on individual characteristics. Several of the developers were frustrated by the complexity and cost of the regulatory processes. Their levels of annoyance varied, illustrated by the intensity of the language they used. Yet, at the same time many developers displayed some awareness of the importance of regulation as a tool for protecting the New Zealand environment, and the necessity of development contributions to contribute to the large cost of growth.

The network operates as an intricate system, where different actors come together at different stages in the process and in different places, to progress the development and overcome blockages, and ultimately make decisions. A lot of the work is done remotely via written applications and emails. This standard procedure of working relationships means that decisions and deadlines are documented and there is a written trail of evidence of what has transpired. A reliance on a paper trail of written evidence reflects the risk averse nature of all actors involved in the development industry, in addition to the highly charged nature of the political landscape surrounding it. We will see in the following chapters how many participants discussed professional and financial risk, and how the stakes are high in large scale residential developments.

Summary

This chapter has found that Hamilton is a rapidly growing city, with its own set of housing problems that mirror the problems faced across New Zealand: of quantity, quality and affordability. New housing is of critical concern in this city. Hamilton is fortunate to still have land available for residential development, both greenfield land and land which can hold denser housing. This calls for significant attention to be paid to the decisions being

made right now about how the growing population should be housed, while there is still the space to engender a vision of a liveable city.

The local institutional context is complex, with a city council, a district council and a regional council, all of which have a role to play in new development. There are a range of planning tools that HCC have available, and every new development will follow the formal process to get consented. These institutions interact with a range of private sector actors to provide new housing for residents. Developers are the fundamental driver of new housing in the city, and, interestingly, can be identified by name. This allows the network at a local scale to be studied as a unit of analysis, through interviews with its members. We have started to see that the perspective of individual actors comes through in the built outcomes across the city, especially by focusing on two innovative developments, Ridgedale and Parkhaven.

Actors and agencies interact in many locations, at many different stages of the development process, in both formal and informal ways. The small size of the network means that there was a level of familiarity between members, and a shared pool of experience. The dynamics of the network appear relatively stable, with a low turnover of actors and longevity of the main players. This exploration of the network, and the characteristics of its members, sets the context against which the ensuing analysis sits.

The following three chapters will discuss the insights that emerged from analysing the interview transcripts from 31 actors operating within the process. Chapter 6 commences the analysis, by revealing and analysing the deeply embedded ideas about housing, and how it is delivered held by actors in the system, and how these influence housing decisions in Hamilton.

Chapter 6: The ideational foundations of new housing in Hamilton

An owned house is "a hybrid of money, materials and meaning" (Smith, 2008, p.521).

The previous chapter examined how the governance arrangements for new housing in New Zealand are translated into the local level by shining a spotlight on Hamilton. The complex network of actors that is responsible for the decisions that lead to the provision of new housing across the city was presented. Members from this governance network were interviewed, as chapter 4 explained, to understand their perspectives on new housing and the way in which they make decisions.

Chapter 6 commences the analysis of the interview data from participants. In the words of Stone (2005), this chapter will, "skulk around the political and philosophical underground" (p.272) of decision-making among participants in the network of actors planning new housing in Hamilton. Analysis of the responses from members of the governance network revealed a range of ideas about new housing and how it is delivered. Taken together these ideas can be seen to constitute the philosophical foundations of new housing decisions, as well as the debates and tensions within these foundations. These philosophical foundations can be thought of as the logics or the analytical shortcuts and categorisations by which actors make decisions in the policy and planning processes associated with new housing.

The insights revealed through the analysis in this chapter are organised around two broad themes: *the meaning of housing in the governance network* and *how a house is delivered*. As indicated in the previous chapter, the research participants included local government officials, planners, developers and affiliated industry stakeholders working across Hamilton. Together, they constitute the network of actors governing the planning and delivery of new housing in the city. The analysis of the interview transcripts revealed the logics associated with housing as articulated by these actors.

Revealing the intrinsic ideas that inform decisions within the network will help uncover how existing understandings about housing have emerged and how they continue to exert influence over outcomes. This, according to interpretive policy analysis (Wagenaar, 2015), will lead to a better kind of knowledge that matches the reality of a social process such as the planning for new housing in Hamilton. This approach enables the analysis of meaning in various ways outlined in chapter 3, such as in what Wagenaar (2015) labels 'hermeneutic' ways that reveal how individuals move about against a backdrop of shared understandings and routines, and how they interpret themselves in that light. As discussed in chapter 4, the approach has similarities to Hajer's interpretation of discourse analysis (1995), which draws attention to how a mix of ideas, concepts and categorisations can contribute to outcomes.

The focus on logics draws inspiration from research by Glynos et al. (2014) and Griggs et al. (2013).

The ideas and categorisations of housing that are revealed help explain why new housing in Hamilton has taken the form that it has.

The meaning of housing in the governance network

Nuclear family

Assumptions about who lives in a normal household were found to drive the dominant view of what a house is - or should be. There was a persistent view of the nuclear family as the norm. The idea of the norm of, "one family form, a married couple and their offspring" (Pool et al., 2017, p.217) is well established, and was evident in expectations by participants that new houses needed to be designed for this typical family type. It was expressed by most participants and is evident in the following quotes:

> I found in discussing the District Plan… when it was being set up, there is often a nuclear family assumption behind planning (associated industry 6);
>
> In the end it's all the 2.7 people in each family that are driving everything we do (council planner 7).

The reference to the 2.7 people in a home captured the way planners resort to default assumptions about household make-up to guide their decision-making. The way this figure 'rolled off the tongue' of the council official shows how expectations about household types shaped the views of participants. The prevailing belief among council officials, planners, developers and associated industry participants was that this 'typical' New Zealand family was who they should be planning for, even though family make-up has been changing since the 1970s (Pool et al., 2017). Some participants acknowledged that such a view has stifled diversity in housing typology and sizes for decades.

The changes in household composition and increasing diversity are, however, significant. Since the late twentieth century, New Zealand society has become increasingly diverse, and this is evident in the emergence of new types of households, such as single person households, older people living alone, single parent families and inter-generational households (Eaqub, 2019). The traditional model of the nuclear family has become less common as, "high profile changes in family forms as living arrangements and marital status go through radical mutations and diversify" (Pool et al., 2017, p.218). While these changes were acknowledged by some participants, they were rarely translated into rethinking the assumptions of household type that continued to inform planning for new housing. However the importance of recognising these high-profile changes in the family form for the planning of new housing is clear. New Zealand census data shows that most families no longer fit this

standardised version of a nuclear family. One participant referenced changing household form as having an impact on housing density:

> The demographics of our society are changing and that is what's causing, well generating, the demand for the infill. And I think migration probably has a lot to do with it as well, not just the age of people (consultant planner 1).

The quote says that changing demographics, in terms of age and migration, lead to different meanings of what is a desirable house. Here this participant has argued that age and geographical relocation are driving a demand for higher density housing in Hamilton.

As the makeup of New Zealand's families diversifies, so does the requirement for the houses they reside in, for example inter-generational living, as revealed by some participants. One council official, discussing the unaffordability of new rental properties in Hamilton for families living on lower wages, commented:

> How do we get people on lower income into a warm dry home either paying lower than market rental rates or starting off at a much lower entry level for them eventually getting into ownership?
>
> ...We were noticing two families living in one house, or people renting and subrenting, or family members living with uncles or aunties, so you have families who sleep elsewhere that have to come back to get the children ready for school (council planner 7).

This quote revealed, firstly, that there is a problem of access to affordable housing. It continued on to outline how low income drove some people in Hamilton to cohabit in multi-family households to save money, this reflecting another mismatch between assumptions about who lives in a normal household.

Another participant, this time a private planner, talked about the changing shape of society and how different values lead to different requirements from a house:

> New Zealand's culture is so diverse now, there's so many different races and I think that in the mix is, for example you might have an Indian family next door to you, the extended family living in small quarters (consultant planner 1).

The quotes illustrate that different kinds of households bring very different needs from a house to that of a nuclear family. An awareness of a diverse range of needs in housing was not, however, evident amongst all actors in the network. Instead, the nuclear family was the norm.

The point was illustrated further by one architect, who discussed the number of clients in Hamilton who want to modify their existing house to suit them through life stage transitions and accommodate extended family members permanently. They explained that the District Plan rules often prohibited what people wanted to achieve:

> We talk to council a lot about this, for example older people who want to downsize but stay on their properties… I've said "your rules are not flexible enough to allow different types of models" (architect 1).

The quote expressed a desire for more flexible rules to allow existing properties to be modified to suit changing needs. The participant explained how, from their perspective, older people increasingly wanted a smaller, higher density form of housing, but to keep their own garden and privacy. An example of this that was evident, was to remodel existing properties to create a self-contained flat or sleep-out for themselves and then invite children/extended family to live in the larger original house. Again local government rules were said to make this problematic at best, and impossible at worst, by declining consents. In this way we see how planning housing around one nuclear family as the occupants is restrictive.

A key insight from the interviews, then, was that the assumption of the nuclear family as the norm stifled diversity in new housing in terms of housing types and sizes.

Standalone house with backyard

The interviews also revealed the view that a house in the Hamilton context meant a building with an individual property title, with one bedroom per person or couple (Cooper, 1972; Johnson & Salvation Army, 2007), and that it would eventually be owned with a mortgage. This dominant Western cultural norm has historical roots and is embedded in local government planning rules for Hamilton. An architect who had worked on high density design in Sydney and low density design in Cambridge, and is currently involved in a master planned subdivision in Hamilton, highlighted,

> The district plan's obviously set up for a lot of individual property titles within a particular zone (architect 4).

Property ownership is commonly delineated in Western democracies by different types of title. An individual property title is one dwelling on a piece of land that is owned in its entirety. Individual titles provide the basis on which loans can be secured (Walker & Barcham, 2010). Comments by participants indicated that a house was understood as an owned, single title building. The HCC Urban Growth Strategy, which looked ahead to the predicted growth for the city in coming decades also reflected, this stating, "There is a seemingly established pattern of consumer preference for home ownership around clearly delineated private property (separated horizontally and vertically), over more intensive medium density semi-detached housing" (2008).

The expectation of a house as a standalone building with a garden and multiple bedrooms is a reflection of the Kiwi dream (Johnson & Salvation Army, 2007), as one participant suggested:

> I think it's a bit of a Kiwi thing as well, "I want my own title" (council planner 4).

This view of the Kiwi dream (Johnson & Salvation Army, 2007) has driven the existing New Zealand planning approach of suburban sprawl (Zhao et al., 2011). One property lawyer, discussing covenants they have been involved in putting together for Hamilton subdivisions, revealed how covenants today continue to reflect these historical perceptions of the optimal house and its neighbourhood:

> They're designed around... I suppose 1950s style perceptions of what good suburbia looks like a lot of the time (affiliated industry 6).

The quote is a comment on the way the historical norm and approach to city planning is translated into powerful tools like covenants, and how these continue to influence the built environment. Covenants were mentioned by other participants in relation to planning for new housing, and the way they imposed restrictions on development and constrained the type of house built. Covenants were not managed by the state.

The dominant idea of a house as being an owned building on a single title was institutionalised in local government planning rules and meant that land continued to be subdivided in what HCC called in 2008 an 'inefficient' way, stating that, "The way we currently develop land in the city is inefficient. With the majority of section sizes being maintained at 600-800 square metres, we are sprawling" (p.4). One architect, who had experience designing more diverse forms of housing in other countries, explained other approaches to subdivision they would like to see permitted in Hamilton city. In this discussion, it became clear that the rules perpetuated a version of housing that was individualistic and allowed little room for prioritising a sense of community. The translation of an individualised logic into physical built outcomes was highlighted in the following quote from that participant:

> The natural planning progression - if you go one step at a time - it doesn't allow particularly good design for community... at the moment the District Plan suggests the best of use of this land [a large piece of unserviced rural land] would be 5,000 square metre lots, with standalone houses with everyone with their own septic tank, their own garage, their own driveway, their own shed and all of these sorts of things, and that's what's happening nearby (architect 4).

This quote reveals how the planning system was perpetuating the norm of what a house is. Architect 4 continued on to say their preference for this land would be to design a more cohesive development with a much tighter footprint for houses and shared services. This approach would be more cost efficient and sustainable, and use the land more efficiently, giving the example that there would not be multiple septic tanks.

Another member of the governance network for new housing argued that fixed views of housing were an obstacle to building at scale in New Zealand. They referred to their experience of Irish approaches to new housing:

> Ireland was one place where they build these whole subdivisions full of houses that all look the same and you think that's a good idea because you can build them really cheaply, because it's all the same design and... [that] doesn't happen here. New Zealanders don't take to that well (associated industry 1).

The point being made in this quote was that solutions to building affordably, at higher density, and at scale, exist internationally, but cannot be implemented here due to the New Zealand idea of a home being a unique, standalone house.

Low density

The norm of the optimum house as a standalone building with its own garden was linked to a view that low density subdivisions were ideal, as one participant expressed:

> It just seems to be the New Zealand quarter acre dream thing (developer 4).

Some participants asserted that a tighter footprint than the expected urban sprawl was seen negatively by the public in Hamilton. One developer, discussing complaints in the media about a recently completed medium density development in Hamilton, argued:

> It's not even that dense. That'd be urban sprawl in Europe (developer 4).

This participant continued on to specifically discuss objections to their planned medium density development in a rural town neighbouring Hamilton. This developer interpreted the criticism of the planned housing development as disproportionate, and asserted that medium and high density has been enabled by the District Plan in certain areas:

> Neighbours complaining to council they "don't want it", they "don't like it". It's the two storey form they "don't like" (developer 4).

The researcher attended a council hearing and observed the airing of these objections. The depth of resistance to the idea of two storey properties neighbouring single storey houses was strong. Emotional pleas for their privacy and anecdotal evidence about the position of the sun at certain times of the day were used equally to challenge the proposal for more intensive development. The council hearing illustrated the process of intensification in action and showed the types of resistance to denser housing developments, and how hard it is for an intensified development to proceed in that environment.

Home ownership

Members of the governance network viewed home ownership as the norm and as a superior form of housing tenure. This norm is well established according to the New Zealand scholarship on housing, as Eaqub (2014) illustrates, "Until renting is a comparable option to owning –in terms of the design of rental contracts, professionalism of landlords and the various institutions related to renting –home ownership will continue to be seen as superior to renting" (p. 18). When discussing the problems of housing quantity, an experienced council building unit manager described why a simple fix of building more houses, as encapsulated in the KiwiBuild policy, would not in their view be sufficient to address the roots of the problem. They saw the problem as being:

> ...down to the psyche of the New Zealand way of, I guess, home ownership and what they think about that (associated industry 1).

The wider context of the quote inferred that there were strongly held views about what a house is, and that it was an owned, unique, standalone building.

The logic of home ownership as the only route to having a 'true' home was widely held across participants. Home ownership was viewed not just as meaning responsible citizenship, but also as being more desirable for the aesthetics and tone of the neighbourhood. One developer, discussing large scale residential developments they had produced in Hamilton, explained:

> In an ideal world you'd like to have a nice mix of, maybe, 60-70% owner-occupier, 30% investors. I'm not saying all investors or rental properties have bad tenants ...[but] that then sometimes provides a reputation to the address, to the area, how the people are living in it, certainly the effects on the neighbouring piece of land (developer 3).

This quote reflected the view that communities with high rates of home ownership were better - that homeowners were more active, engaged members of their community and that they took more pride in their house and its surroundings. The quote captured the perception that owning a house is superior to renting and that the concentration of the 'mix' was important. A 'nice mix' involved low levels of rented housing (NZ Institute of Economic Research, 2014). Interestingly, within the quote the participant started to temper their remark by saying that it was not a blanket judgement of renters, perhaps recognising that it sounded elitist. The quote carried on to further reinforce their belief that there was a fundamental difference between people who own their house and people who rent their house.

The treatment of owned homes as assets was sharply illustrated by references to norms relating to the ownership of multiple homes. A property valuer in Hamilton revealed that

owning a holiday house was a cultural norm for some Hamilton homeowners, or at least those he associated with, stating it in financial terms:

> ...a philosophy we think, of splitting their asset base. And what I mean by that is they'll have invested in a house in the city, but they'll also have one at the beach (associated industry 1).

The participant went on to elaborate this point further, bringing in the metaphor of the property ladder:

> It's quite an expected thing that that's what people will have, by the time they're in their mid-life sort of thing, they'd have built up to that (associated industry 1).

This view of housing as an asset that provided access to the housing ladder that is intended to be climbed, was another dimension of the norm of home ownership.

Despite expectations around the norm of home ownership, an increasing number of people rent their house in Hamilton. Out of the city's private occupied dwellings in 2013, 37% were rentals (Waikato Region Housing Initiative Working Group, 2019). There is a scarcity of research on whether, as renting becomes more widespread among middle-income people, these tenants live differently in their properties compared to homeowners. While that question was not a focus of this research, some participants suggested tenants live similarly to owners. One developer, who has produced large scale residential developments that were mixed between ownership and tenancies found that:

> Sometimes the tenant can look after better, or put better controls, [on the house] than an owner-occupier (developer 3).

Another developer, who had worked in Ireland and New Zealand, and directly managed the tenancies of some developments they have been involved in financing and producing, said:

> We've always found the renters have been just as involved as the owners. We have been up to about a third rentals at one point (property developer 8).

These quotes emerged as a challenge to the homeownership norm, and the belief that homeowners lived more responsibly in their properties and engaged more in their neighbourhood than renters.

If ideas about the superiority of homeownership begin to be challenged, and if renting comes to be seen as a viable alternative in the long-term, the debate around pricing and legal protection for tenants and landlords in New Zealand is likely to increase. One participant referred to the need for this type of policy development when discussing the housing needs of citizens in Hamilton, noticing there are:

> Plenty of houses to rent but the rents are so high they can't… [afford them] (council planner 7).

Within a context where homeownership remains the ideal, there are currently insufficient protections for renters, and the price of rental housing in the form it is currently offered is out of the reach of those requiring housing. This council planner continued on to talk about overcrowding in houses and extended families pooling resources to meet prohibitive rents. Most of the housing affordability research in New Zealand focuses on the affordability of houses for ownership, rather than houses for rent (Murphy, 2014).

Summary of the meaning of housing

The interviews with members of the governance network for new housing in Hamilton, therefore, led to the identification of four foundational ideas that continue to shape what a house is considered to be in Hamilton in 2019: that it is built for the nuclear family, that it is a standalone house with a backyard, that low density housing is ideal and that homeownership is superior to renting. Members of governance networks, as Bevir and Rhodes (2002) say, "act on their beliefs and preferences" (p.131), and this is evident in the decisions emerging from this governance network and in housing outcomes.

How a house is delivered

The current approach to delivering new housing expects the private sector-led system of provision to deliver houses for all New Zealanders (except those most vulnerable and, therefore, eligible for social housing). Chapter 5 illustrated the system of housing provision that exists in Hamilton, and listed the actors involved in the network. The developers who shape new housing across the city were introduced in the section entitled *Key participants in providing new housing in Hamilton* and a number of agencies were named, along with the developments they are working on.

A developer-led, for-profit approach

While the development of Hamilton city's housing is the focus of the HCC District Plan, many participants articulated the view that it was private sector development actors who were shaping new housing developments. When asked what is driving the new housing in the city, participants answered directly:

> That's, I would say, being shaped by developers and the land covenants that are being registered (associated industry 7);

> Urban environments need market actors to provide those goods that sit within a city (council planner 6).

The perspective was shared among participants in the governance network and it pointed to the power held by the private sector developers to influence built outcomes. The land

covenants were a private sector policy tool within this process, these being registered by the developers doing the subdivision.

A second observation was that the financial imperatives driving developers' decisions, in the end, powerfully shaped the kinds of houses and subdivisions that were being built. These imperatives overshadowed a focus on other priorities, such as urban design or liveability, and in the process the complex question of what constituted a house, and a home, was reduced to financial criteria.

The logic of business, therefore, informs the delivery of new housing. In discussing how new housing was delivered, a council building unit manager talked about how the logic of business translated into building companies working to minimum standards, and described the process as a, "drive to the bottom". When discussing why newly built houses in Hamilton can be cold, damp, and expensive, this participant explained:

> Their [developers] mantra is to maximise profit and so, "why go beyond that"? (associated industry 1).

The participant reinforced the point that the drive to maximise financial gain translated into poor housing outcomes, later in the interview, when discussing the different motivations of different actors in the process. They pointed out that their specific focus within the council is building standards, whereas other actors in local government might be concerned with, for example, promoting liveable communities:

> And developers, perhaps a lot of them, are just interested in making money frankly. They're just interested in building them as quickly and as cheaply as possible. They'll do what they need to do to comply under the District Plan and they'll put in the bare minimum they need to comply (associated industry 1).

The delivery of new housing developments by the for-profit sector brings housing outcomes that are driven by financial imperatives.

Tension between regulators and developers was driven by a conflict of imperatives - a desire from local government to develop liveable communities was motivated by other values. One developer highlighted this, implying that the need for broader imperatives for housing is seen - but not acted on - by private sector agents, because they are constrained by the logic of business:

> The district plan has a whole lot of stuff in it about urban design outcomes, and by choice, developers wouldn't choose, out of choice, to do fantastic urban design. They'll do whatever makes them the most money. So there is an inherent tension and that is why you have a regulator in the land market otherwise we'd have a whole lot of very average development (developer 1).

The quote demonstrated how a developer-led approach, if unregulated, can be incompatible with meeting the housing needs of, especially, middle to lower-income segments of society. One outcome of a private sector-led housing industry is that developers avoid building smaller, cheaper houses because they are less profitable (see Tookey, 2017). The result is a tension arising from the fact that, "We are expecting a commercial industry to deliver on a civic and social need. And unfortunately those two positions are not ... lining up alongside each other" (Brettkelly, 2017, para. 8).

A developer-led approach did not necessarily supply an absence of design innovation. Comments by several participants revealed that some developers were embracing experimentation in the design of new housing developments. One developer stated their approach:

> We want to take a fresh, new approach... not go down a typical market-driven model. It's pretty much the opposite, "what's the design, is it good for people?" (developer 6).

This developer was building a high density, luxury apartment building in the Hamilton CBD. It had high-level urban design values, whilst also fitting within a business logic. It was positioned to appeal to a wealthy clientele, to meet the developer's financial objectives as well as their drive for visual excellence. The participant's view that their approach is 'pretty much' opposite to a market-driven route is not borne out by their product offering, which is priced for an elite segment of the Hamilton population. It highlights how innovation tended to be happening at the high-end of the price-range, rather than in affordable housing.

As the review of housing policy in chapter 2 indicated, the pursuit of a free-market approach after 1990 has resulted in the provision of new housing being led by the private sector – i.e. developers. This was widely acknowledged by participants as being an obstacle to the provision of affordable housing. One consultant planner, who was hired by a developer to act as the liaison with the council planner, pointed out:

> It's the developer's decision, so council doesn't really have any control over where they build those houses, because there's no specific rules for more affordable housing (consultant planner 2).

A developer-led approach, then, as this quote reveals, is not delivering housing that is needed by a growing segment of society, including those in full time employment on average household incomes ($100,103 at June 2107, Performance Urban Planning, 2018). It also reveals how, although the governance network appears not to be hierarchical, some participants are more influential in shaping the provision of new housing.

The developer's right to design

The interviews also revealed the belief that private ownership of land for development granted a right to developers to do as one wished with one's property. Rooted in Western philosophy and capitalism is the logic of private ownership of land, bringing with it the belief, embedded in legislation, that the rights of the landowner are total and impenetrable (Mill, 1999). This widely-held view of property rights, therefore, ascribes to the owner of property the right to shape the design of houses, towns and cities. The analysis of the responses indicated that members of the governance network accepted that private sector developers could build what reflected their values and sensibilities. A property lawyer working with developers in Hamilton reflected:

> In terms of the role developers play, again most of them know what they want to do. They're very good at having a vision of what it's going to look like in place. ...We get the results that the development community wants (associated industry 6).

By "development community" we could infer that the quote is referring to the governance network, but this participant was referring to the way that land owners and developers were the primary influence. The quote came in response to a question about how much influence the District Plan and council vision had on the development of Hamilton's housing. A comment from another property lawyer expanded on this point, in the way it identified the role that covenants played in influencing the development of new housing. It was through covenants that developers imprinted their design approach and sensibilities into the built outcomes:

> That's [urban development] I would say being shaped by developers and the land covenants that are being registered (associated industry 7).

An assumption underpinning the views of participants in this governance network, then, was that property rights brought rights over the land and the design of houses and subdivisions. Covenants did this by formally setting rules about the how the land could be used (e.g. site coverage) and the house that could be built upon it (e.g. setting minimum square metreage of the house). One Waikato developer working on a proposed medium density development (that had provoked criticism from neighbours living in low density developments), appealed to this principle when arguing that their right to develop should take precedence over the current homeowners' right to sunlight and existing views:

> We've got four neighbours who oppose the project, and have held it up - at substantial cost to us. [They're] really worried about what they're going to look at, and a bit of daylight shading (developer 4).

In this case the developer was worried the plans would not be consented, because of pressure from opposing parties. The quote reveals, nevertheless, the belief that it was the developer's

right, as owner of the land, to determine the nature of the design of the development. The quote captures the assumption that it was unfair that development had been delayed, and money had been lost because of objections.

The historical development of the governance arrangements for new housing, as outlined in chapter 2, included an early decision in planning to defer to property rights. The power for local government to intervene in the process of land development, when it was led by a developer with these assumed property rights, was weakened. One local government planner, discussing the political challenges for the council to acquire land for housing, explained:

> So when you start getting into private property rights and what the state can do – we do that already, Public Works Act, acquire land where there's public benefit. So in principle, I'm not opposed to it, but you've got to be careful. You're getting right to the heart of Western capitalism and philosophy and that's certainly beyond my abilities and thoughts (council planner 6).

In this quote, the research participant (a manager in local government) expressed their reluctance to assert the authority of the council as a regulator acting in the public interest over the presumed right of a developer in the design of a development. In justifying that reluctance, they referred to, "the heart of Western capitalism and philosophy" and the notion of private property rights, thus confirming the normative basis for developer-led planning. That normative basis also implies this assumed right of developers remains unchallenged.

<u>Commercial imperatives drive the process of delivering houses</u>

The private-developer business logic, therefore, dominates the process, at the expense of other values. One research participant, who was formerly an architect and had then become a developer for a personal project, outlined the shift in approach they made from a business logic to a broader, more communal logic. The housing they developed was a co-housing development that had community values at its core, rather than a business logic. They expressed reflections on the developer-led, for-profit approach to new housing as:

> A lot of the time the emphasis (or the attention) is on the economics, and clear legal agreements – separate ownership and things – rather than thinking what makes a good living environment (property developer 8).

The focus on issues relating to the financial feasibility of new housing is described here as trumping other considerations like, "what makes a good living environment". One general manager of a building company working in Tauranga and Hamilton explained the dominant metrics of economic viability:

> Feasibility is always a challenge at the moment, land values have increased significantly, construction costs have increased significantly (builder 1).

Commercial imperatives influenced by factors such as land values and construction costs were, for this participant, the primary consideration in shaping notions of feasibility. Feasibility was defined here only in financial or economic terms.

One developer also expressed that an aspect of these commercial imperatives was to deliver new housing that buyers would want:

> I guess if it sells out quick then everyone wants it and that's like you've hit the nail on the head and that's probably the most challenging thing is to try and, you want to build something people want (developer 5).

Another participant also commented on this dimension of the idea of commercial imperatives driving decision making. He was a property valuer who had worked with developers in Hamilton for decades, and he explained that:

> Good development has strong demand for the end product, therefore it takes less time to develop. Or once you've constructed it, it takes less time to sell - which creates less risk for the developer, creates more surety around the prices they're going to receive (associated industry 3).

This quote was illustrative of the answers by many participants to the question of what is good development. A successful residential development was defined largely in financial terms, and the sale of houses was an indication that it was responding to housing demand.

The pricing of land, and by extension a portion of the price of a house, is driven by free-market principles. This construct of land pricing has historical roots: land was a viewed as a resource that could be taxed and therefore provide funding (in the form of rates) for local government. One local government participant talked about changing approaches to land, and how developers in Hamilton are starting to expand out from just single dwellings to consider higher density housing. Council rules permitting density impacted the value of the land, along with the economic logic of maximising profit. The following quote from this participant revealed how these two dynamics created land prices:

> My experience in pre-application meetings and liaising with developers in the community where they feel that a lot of the land is now being priced off what you can yield off it, whereas it was previously based of a more standard typology ...that land value has probably gone up significantly because you've got the yield going up (council planner 8).

The participant said that until recently land was priced based on it representing one dwelling. How this pricing was arrived at was discussed by other participants as being a complex mix of closeness to economic centres and amenities, and desirability of the area. This quote highlights that the pricing of land in Hamilton has changed as the process of what is bought and sold has changed. Now many building companies buy land and then on-sell land and house packages, and larger pieces of land that are sub-dividable into denser forms

of living are more financially attractive as they can result in more profit. The use of the word 'yield' again reveals the dominant economic logic through which land is viewed. This represents a deepening of the financialisation of land, from a section previously representing one dwelling to it now being considered as an asset that can be made to be more productive than just providing one dwelling, and therefore will be priced accordingly. The same participant explained:

> That's [changes in density] contributing to the price of land which is maybe increasing, but you're getting a larger yield out of it (council planner 8).

This change ties into the economic logic revealed earlier that propels a focus on profit and return on the investment made.

Problems with current developer-led approach

The commercial imperatives which drive developer behaviour, as can be expected, did not necessarily align with the imperatives required in local government regulations. That lack of alignment was evident in the following quote from one developer, talking about the different motivators of actors:

> Developers are there to make money, that's their driver. The regulator's there to ensure policy requirements are met. They are two totally different motivations (developer 1).

The key motivation of the developer was profit, and this participant explained that it was a rational expectation in the current economic system of capitalism. The quote captured the essential conflict that lies at the heart of planning, where commercial logic collides with logics of safety, sustainability or community. The developer continued to explain his view:

> For example, the district plan has a whole lot of stuff in it about urban design outcomes and, by choice, developers wouldn't choose out of choice to do fantastic urban design, they'll do whatever makes them the most money (developer 1).

This participant was saying here that an unrestrained or unregulated developer-led approach to delivering new housing would lead to the neglect of urban design values.

Participants did question commercially-driven development, and asserted that the regulatory system had an important role to play. One property lawyer, who worked closely with developers putting together ownership contracts and covenants, explained:

> We don't want developers running riot through the city, willy nilly doing developments, because what happens to the development once they leave, it has potential to turn into a not very pleasant area (associated industry 7).

The concern expressed by this participant, runs counter to the anti-regulation discourse in New Zealand. In fact, participants in the governance network did express a growing appetite for clearer regulation.

However, it also emerged that local government faced challenges in matching the influence of developers in leading new housing developments. These challenges were driven by a lack of resources, both human and financial, meaning there was a power imbalance with private sector actors who held greater resources. Local government participants did express how a government-led system of new housing provision would have a greater emphasis on community building. One council planner, discussing the residential growth needed in Hamilton, explained:

> To deliver an area well, in an integrated fashion, let's go to Rototuna in the North (as an example where that didn't happen) - Hamilton City [Council] needs to be the lead developer and that's really challenging (council planner 1).

This participant described how a greater council involvement in the new suburb being developed at Peacockes Road was ensuring superior community outcomes and greater usability of infrastructure that impacts on the wellbeing of residents, for example through safer, wider cycle lanes on the new bridge over the Waikato river.

Given concerns about commercially-driven, developer-led developments, a council planner made the case for a greater role by central government. Central government leadership, they argued, was needed in terms of funding and infrastructure planning. Discussing recent Infrastructure Investment into the Waikato from central government, one council planner called for more of the same:

> In terms of [the balance of responsibilities] between central and local government, central government tends to have an approach of "that's local government's basket". So that it would be better if the central government was more involved across the cities and you know, like, for example, funding. There are some things that it's just national interest to do certain things, and there could be more support from government there (council planner 5).

This participant identified a hands-off approach by central government as problematic. Greater support for local government to perform its planning function was called for by this participant. They gave an example of a new form of support that central government is making available to certain councils, that had already allowed greater investment in the services needed for growth in Hamilton:

> we have got central government funding in Peacocke, a $180m interest free loan there, and they're setting up a framework to have a finance funding model that takes expenditure off our balance sheet so allows some more debt flexibility and stuff (council planner 5).

The constraints posed by a lack of financial resources are something that central government has the capacity to address, argued this participant, who said that, "there are some things that it's just national interest to do". For example, later in the interview, this participant specified the need for central government funding for infrastructure, such as roads, cycle paths and leisure facilities, to enable residential growth in Hamilton.

Another council planner commented that there was a greater role for central government to play in the network for governing new housing in Hamilton. The reason was that there was a need for greater coordination within the governance process between developer-led developments and the provision of infrastructure and other central government agencies:

> There's the biggest gap, the connection from central government, cabinet, out to the various agencies to provide that common, all-of-government view and direction. At the moment it seems to me we're solely reliant on the views of each individual crown agency (council planning manager 1).

Overly localised decision-making in isolation from the wider regional or national context, where the developer's priorities were the principle driver of decisions, was seen here as problematic. There was little scope within the governance arrangements for a holistic, coordinated approach where central government responsibilities were built into the process. This participant continued on to discuss the example of a new school required for a new suburb being built in Hamilton, and how the two growth streams are treated in isolation by the current system. The Ministry of Education was overseeing the school provision, while the HCC was directing the planning of new housing and services. Other participants within the network commented that there was a need to consider giving central government a greater role in supporting new housing development and a more coordinated approach to providing the infrastructure required for growth. The varying levels of growth between local regions was highlighted as a challenge, as major growth councils were not given additional support from central government but had a much higher requirement for investment in infrastructure and services.

The multi-level nature of local government, with regional, district and city council boundaries in Hamilton and the Waikato, were argued to increase the politicisation of infrastructure provision. This in turn was an obstacle to streamlined services for the growing population. One participant discussed this issue in the Waikato:

> Everyone's trying to solve the problem on their own, so you end up... Wastewater, there's probably half a billion dollars set aside cumulatively in everyone's 10 year plans on wastewater in this region, but that's not necessarily the best response because it's not fully joined up. Everyone's talking, and people want it to be joined up, but when it comes to the final vote everyone's not (council planner 1).

In the absence of a coordinated approach to development, between central government, local government and developers, local government were left to make decisions in isolation. Efficiencies in infrastructure needed for growth are not being achieved currently, because of the piecemeal approach to land, the arbitrary city/regional boundaries, and a lack of coordination among the multiple agencies involved.

Competing perspectives from different actors

In stepping back and observing the nature and operation of the network for governing new housing in Hamilton, it is clear that different industry stakeholders bring different interests and motivations that are not necessarily well aligned. Each industry and, within that, each profession, brings its own set of norms and approaches to the housing problem. This variation in agendas was highlighted by one architect who had been involved in large scale subdivisions in Hamilton. This participant argued that different professional norms, perspectives and financial interests by network members drove decisions in ways that could be problematic and mis-aligned:

> It's worth noting that a lot of master planning is done by surveyors, and it's purely about how many sites they can squeeze onto a larger plot of land. No consideration to the type of houses you might put on there or how they might orientate. The surveyor's motivation is purely about how many sites they can squeeze on there, because every site is worth a, whatever, $100,000. If they can get one extra site then that's more profit, or more potential profit, isn't it? Whereas an architect might be less ruthless about that, to try and make the sites a bit better. However that's probably not a model the developer or the surveyor might appreciate (architect 1).

The quote demonstrates how commercial imperatives can win out over the design, community-building and sustainability imperatives. The insight revealed here is that the influence of logics on the development process is hidden, therefore the logics remain unexamined and taken for granted. By exposing the impact of logics such as those explained here, they can be questioned and debated, and alternatives proposed.

Requirements that new housing developments be self-financing

HCC is a high growth council. The idea that growth pays for growth becomes severely tested when there is such a rapidly growing population - 26,231 new houses is the projection of need for Hamilton by 2043 (Waikato Region Housing Initiative Working Group, 2019). The capital raised by development contributions, combined with homeowners' rates, does not provide sufficient funds to allow the maintenance of existing, and creation of new, services. This shortfall in the funding for growth, and inadequacy of the current system, was graphically illustrated by one council participant who explained that:

> Right at the moment - within the whole of the Waikato region - there's only one compliant waste-water treatment plant, only one! And so you've got to

> sit here and say, "If you're tipping raw sewage into rivers and waterways, should you be consenting any new houses at all?" (council planner 1).

The argument in this quote is that growth should not be permissible whilst the existing services are not functioning adequately. However, population growth is not within the remit of local government, and even central government only has limited levers to control it, via immigration policy and labour laws. The stark reality highlighted by this participant reveals that the current funding structure is not fit-for-purpose, and invites the question of how growth could be more effectively funded.

The infrastructure that is needed for growth, to enable large tracts of land to become usable for residential development, is so capital intensive that one (or even many) private sector actors cannot pay for it. This is where large-scale funding is essential, with the current solution being local government. Meeting the large financial cost of new services is a fundamental challenge of growth. As one participant explained, there are:

> Two different ways to provide asset creation – public and private purse. So a developer who does 50 or 100 lots, could never fit on their balance sheet a bridge into Peacocke. They just couldn't do it. Even if you got 2 or 3 together – for one I'd be surprised if they'd agree – but they still couldn't do it. That's where you need the public purse to come in and ride across the top of inter-generational debt, and the means to deliver this communal asset (council planner 1).

This quote explains succinctly why, from this planner's perspective, growth cannot pay for growth. Yet this norm continues to inform the development of new housing. It emphasises that issues relating to the cost of infrastructure are largely absent from the public debate about the housing crisis.

Discussion

The views identified here of the meaning of housing are tied into a wider perception of the ideals of family life that traditionally involved a large private garden where children had the freedom to play safely, while the parents engaged in the trappings of domestication (Johnson & Salvation Army, 2007). However, these ideals are increasingly out of step with changing demographic patterns and lifestyles of New Zealand society. The changing cultural make-up (Johnston et al., 2010) and the changing ideas of family, and household forms, need to inform the planning system, as meanings of home and the ideal house look increasingly different to the traditional model.

The dominant New Zealand narrative of 'the Kiwi dream' (a quarter acre section) discounts the multitude of ways people live, that are not solely driven by financial capability but by different priorities and values. As Terkenli (1995, p.325) says,

> "The idea of home is broad and profoundly symbolic, a parameter that infiltrates every relationship between humans and the environment as humans reach out to the unknown and return to the known. Every activity or experience in which people engage to some degree affects their geographical delineation of home".

This conception of home shows us why it is contested, it is seen to be about far more than the bricks and mortar of the actual house or building, or the financial value it brings.

The views of what a house is have been perpetuated by actors across the network, with no real challenge to them, or leadership to broaden views of what a house could be. The leaders who do emerge are those that control access to resources, with their primary motivations being driven by a business logic. In official documentation, HCC noted a lack of consideration amongst housing actors for other ways of living. It offered some reasons why this is driving homogeneity in housing preferences and outcomes currently offered in Hamilton,

> "Other legitimate reasons for this housing preference could include the lack of effective information or 'marketing' for intensification in comparison to greenfield development. In particular the fair representation of benefits and costs (capital, maintenance, other amenities and conveniences etc.) between housing types in public forums is typically not strong" (HCC Urban Growth Strategy, 2008).

The lack of new ideas for alternative housing options help us understand why we continue to get housing decisions that are not meeting the local population's needs. Intensified housing is increasingly viewed as an optimum outcome for many, as it is affordable and if well designed has potential to meet the desire for a house which includes community or shared services. However, the official rationale for increased density has not filtered through to the habits of the wider community. A cultural resistance to density in New Zealand has been well-documented (Martin, 2019), and for many it continues to be viewed as inferior to traditional single storey housing. The council's piecemeal approach to density, as was explained by research participants, may also be contributing to the public's negative view.

A differentiation between householders who own their house and those who rent is a well-established New Zealand cultural norm. Examples of other countries, such as Germany, where there is greater systemic support for renters, and a cultural acceptance of renting (Easthope, 2014), demonstrates that a dwelling can be just as much of a home whether it is owned or rented by the inhabitants. The conflation of a home with property ownership rights can be traced to the government's historical approach to housing in which the welfare system was dependent upon home ownership, as seen in chapter 2. The legacy of this systemic

reliance on home ownership is that those who rent today are perceived as having housing insecurity. Renting is not purely a financial necessity for an increasing percentage of New Zealanders across a range of demographics today, it is also a preference for some households. The choice to rent a house challenges the norm that homeownership via a mortgage is the optimal outcome. In New Zealand culture, a mortgage is viewed as a secure and accepted form of debt. The mortgage, however, is a social construct that can be viewed from other logics. For example, Montgomerie & Büdenbender (2015) suggest, "residential housing can be a wealth-generating asset or a highly leveraged vehicle capable of decimating the household's entire financial security" (p.392). As an increasing number of New Zealanders make life choices that divert from the traditional 'job and house for life' constructs, renting a house becomes a preferable solution to meet their housing needs. More research is required to ascertain whether there is a new type of tenant in New Zealand that is indistinguishable from a homeowner in how they live in their property.

One repercussion of the norm of home ownership, and buying a second home or holiday home, is that in small beach towns around Hamilton there are increased housing shortages for permanent residents looking for long-term rental houses, alongside an increased percentage of houses owned as second houses and holiday rentals amongst the existing housing stock. This type of housing shortage has become a topic of emotional debate among residents of such towns, with a recent report (WDC, 2018) detailing the negative impact holiday rentals have had on local housing stock. With regards to the seaside town of Raglan, the report recommended, "trends should be monitored… as a high proportion of whole house listings throughout the year suggests Airbnb is starting to encroach on the private rental market" (2018, p.6). This report also revealed how the elevation of an economic logic to be the dominant view of housing has resulted in the deprioritisation of other logics of housing.

The process by which housing is delivered shapes the outcomes that emerge. The developer-led, for-profit system identified here is impacting outcomes. Land prices continue to increase in New Zealand, contributing to rising house prices within the current 'housing market' construct. Price rises are not a natural phenomena, but a social construct, driven by a particular logic or rationality through which land is viewed. It comes from the calculative rationality which is dominant in Western property development today, that prices homes based on their financial value. And Malva says, "The capitalist logic of land use is visible in its market price" (2016, p.14). Underpinning this is a treatment of land as a purely financial asset, with no consideration of its other values. This financialisation of land illustrates one of the ramifications of colonisation (Jackson, 2019), the disregard for Māori values such as kaitiakitanga (guardianship) of land.

Financial outcomes are outward signs of status and wealth in this society, and this has become the dominant metric in housing. Malva (2016) has also argued, "the idea of a home as a source of speculative wealth has become a social norm" (p.28). When selling a house, for either developers or private owners, maximising the profit made from the sale is taken as a 'given', even a necessity, and is unchallenged. Development actors are obligated by institutional structures to conform to development/land economics. They could not run their business without thinking economically.

The reliance on housing as an asset group has further reframed housing from being a place of security and home, to being a financial resource. Within an economic logic there is also a competitive element – a sense that property is a game with winners and losers. Further embedding an economic approach to new housing is the norm of all businesses within the current free-market system of housing provision needing to protect themselves. This individualistic approach gives rise to the insecurity present in all actors involved in housing development. Individualism promotes self-reliance and defending as well as maximising one's own interests (in this case one's assets in the form of houses).

New Zealand has had a long history of devolving responsibility for planning to local government (see chapter 2). The LGA (2002) embeds in legislation the belief that local government is best placed to take authority for making planning decisions, including providing sufficient housing for its inhabitants. This Act represents a belief that is at the heart of politics in New Zealand, and the RMA has continued the previous unwillingness to impose central direction onto regional planning (Ministry for the Environment, 2017). The merits of this belief were challenged by many participants in this research, with suggestions that because the private sector's failure to deliver sufficient adequate housing for all New Zealanders is so severe, it is time for Central Government to execute some leadership onto local planning decisions.

Summary

This chapter shone a light on what Hillier (2002) called the "invisible influences" at work in new housing decision-making in Hamilton, by revealing how different ideas, categorisations and logics influence those decisions. It revealed understandings of housing that are relatively stable amongst decision-makers. This implies governance arrangements that are a relatively closed, coordinative network, where new, alternative ideas are rarely expressed. Part of the reason for this stability is that there is a group of actors within the governance

network in Hamilton that, over time, have helped create a fixed view of what a house is and how it should be delivered.

This research revealed influential views on what a house is and how it should be delivered. The views have become institutionalised in the system, becoming as Moore (1997) argued, "economically reinforced as members of a society come to share a set of meanings or benefits" (p.25). Assumptions about the nuclear family form drove ideas of what a house is. An optimal home was identified to be a standalone building with a garden, owned on an individual title. The norm of low density housing was still dominant and seen as the ideal. Members of the governance network identified the developer-led, for-profit approach to building new houses in Hamilton. Within this the developer was allocated the right to design new homes. It was accepted that commercial imperatives drove the process of delivering housing. Problems were identified with the system, such as an imbalance of resources between actors leaving local government poorly equipped to drive a broader, community-focused vision for new housing.

The following chapter discusses insights that emerged from analysing the data around perceptions of 'the market'.

Chapter 7: The construction of 'the market' within the governance network

Introduction

This chapter turns to conceptions of 'the market', and how these powerfully influence planning decisions about new housing in Hamilton. The previous chapter explored the influence of ideas about housing that have become taken for granted and embedded in the network governing new housing. Here the focus is specifically on analysing reference to 'the market' and the agency that it was assigned in shaping decisions about new housing. It was informed by the observation that many members of the governance network for new housing in Hamilton referred to 'the market' as a way of explaining decisions about the size, design, location, typology and density of new housing.

The observations of this chapter are informed by an international housing scholarship that positions 'the market' as a detached, external entity. This 'market' discourse is part of a classical economics approach (Callon, 1998) which views markets as being rational, self-regulating, efficient devices to deliver goods and services. For example, decision-makers viewed the housing market in Edinburgh as an object, "a fascinating and colourful character: adjectives like 'good'. 'hot', 'active', 'wide', 'strong' as well as more emotive terms like 'exciting', 'frightening' and 'amazing'" (Smith et al., 2006, p.86).

The analysis will provide the basis for a, "critique of the discourses of [market] competitiveness and their articulation" (Jessop. 2010, p.337) in this policy and planning context.

Decision-makers in the governance network bring their values and humanity into the process. Bransden (2001) calls this approach the need to 'bring actors back in', and here we pay attention to the part they play in constructing the housing market.

Moving from an economic to a social analysis of the housing market

A classical economics view of the market forms the foundation of today's Western democracies such as New Zealand, where the system for distributing resources (including housing) is capitalism (Harvey, 2014). This classical economics approach emerged from Adam Smith's liberal ideas being interpreted into a new economic context and translated by Milton Friedman. The resulting neoliberalism has at its heart a laissez-faire approach, with ideas of deregulation, free trade and a trimmed-back state (Wilson, 2015). This approach, part of a broader cultural shift in New Zealand, is optimistic about the potential of free markets to drive innovation and efficiency and, in terms of housing policy, maintains that

the market is the best approach to deliver housing for all (except the most vulnerable) New Zealanders.

The neo-liberal turn has removed the 'messiness' of sociality from actions, positioning decision-making as being a technical, non-ideological exercise (Murphy, 2014), and rendering decisions entirely economic. Smith et al. (2006) label this shift a reluctance to, "entertain the possibility that human agency had a role other than to step back from markets, freeing them up to work to greatest efficiency" (p.84).

There is a growing scholarship that challenges the basic assumptions of this classical economics approach, enriching and deepening understandings of the market. The conceptual approach taken here draws on the theoretical body of work by scholars from varied disciplines including politics, sociology, psychology and anthropology (Mackenzie, 2004) that intentionally 'opens up' economic terms that have previously been taken for granted. Specifically, it draws on a cultural political economy lens that questions the foundationalism associated with markets, and in this case the housing market, arguing that it is not a *basic* thing, but a multifaceted, social construction (Smith, 2005). This perspective has potential to illuminate the dynamics of new housing provision that have previously been unexamined. Here it will be used to inform an analysis of references to the housing market collected from participants who are involved in the network governing new housing in Hamilton. Jessop (2010) refers to the cultural political economy lens as being a part of the "cultural turn" in social analysis where there is a focus on the, "intersubjective production of meaning" (p.337). The data presented here reveals the strong influence of broad understandings of the market among actors planning new housing in Hamilton. The analytical approach adopted here investigates how the housing market is performed by people drawing on their values and logics, and the way these values and logics influence practices, behaviours and interactions within the network, orienting the system to deliver more of the same (Barker, 2004; Jacques, 2016).

Where classical economists have viewed the market as an institution (North, 1977), the broader lens driving the analysis here views the market as an 'economic imaginary'. The contrast between these two approaches is profound, as Jessop (2010) describes,

> "whereas the imaginary is a general term for semiotic systems that shape lived experience in a complex world, institution belongs to a family of terms that identify mechanisms that embed lived experience across different social spheres" (p.344).

A focus on the culture of planning for new housing enables the identification of 'imaginaries' (the semiotic frameworks that inform the calculative rationalities of actors) and institutions

that shape housing planning practices and policies. This broader way of understanding the market has potential to illuminate and raise questions about how deeply-held ideas in planning for housing have a powerful impact in shaping the planning context, the relations between actors within that context, and the decisions made.

Understanding the culture behind new housing planning is part of a move by social researchers to challenge economic essentialism, opening economic terms to scrutiny. As DuGay and Pryke (2002) found, 'old certainties' such as what makes markets work now seem less definite. It contributes to the movement to uncover the, "social and power-filled character of markets: their diversity and complexity, their sensitivity to context" (Smith et al, 2006, p.81).

It also aligns further with the work of Smith et al. (2006), who call for more insights from the housing sector to contribute to the body of work opening the lid of the Pandora's box of the market. The aim is not to,

> "pose an alternative to economics as a way of studying housing market dynamics, but rather to engage the cutting edge of economic analysis in closer dialogue with the rich texture of other social research concerned with economic ideas and practices" (p.82).

The two approaches to markets complement each other and when used together give a richer understanding of how the market is constructed and how individual behaviour shapes it. Using this lens, the actors in the governance network interviewed for this research can be seen as both making the market and being influenced by it.

The following analysis, therefore, will explore references to the market collected from the actors who perform or practice within it every day, and how they informed decisions about new housing in Hamilton. Participants' answers to the interview questions repeatedly revealed how the idea of the market was influential in shaping planning for housing. The aim is to contribute to addressing objective 3, to understand the logics and discourses that inform interactions, particularly in relation to the role of the market and private sector, and the implications for housing outcomes. This analysis will help to understand, and expose, the role of the market in forming the local culture of planning for new housing in Hamilton. It will also explore to what extent 'the market' is constructed and perpetuated by the actors performing it. The intention is to make explicit many unexamined assumptions about the market, and understand how they are contributing to the status quo in new housing. The chapter is divided into seven sections, each of which looks at one way in which the market is viewed.

Perceptions of the market

Participants working within the network governing new housing in Hamilton referred to market processes as a way of explaining and justifying decisions that inform housing outcomes. The ideas about the market and its processes matter because they frame how new housing provision is considered, and it is within that frame that suboptimal outcomes continue to be delivered.

<u>The market as an external economic entity</u>

The housing market has been described by Smith et al. (2006, p.86) as being conceived of as a, "separate, self-contained, economic entity" (Smith et al., 2006, p.86). As an economic object it is granted the power to make decisions and lead in the housing sector. Members of the governance network delegated authority to 'the market' for decisions about housing made on multiple scales and in multiple locations. Reference to 'the market' as an external, financial institution has become the principal explanation for the side-lining of other, non-financial values, such as liveability, sustainability or affordability. The following quote was typical, where a respondent held 'the market' responsible for one aspect of the housing crisis, the lack of housing, saying:

> The market will work eventually, but it's too slow at the moment (developer 7).

Contained within this quote is a criticism of the market - that the market currently is not building houses fast enough. It also implies a trust that the market approach to housing provision will deliver adequate results eventually.

Conceptions of the housing market as an external economic entity were tied into the treatment of houses as principally financial assets, and the norm of houses as shelters of financial capital. One member of the network, discussing the landscape of housing in Hamilton, explained:

> People are going, "Oh actually, rather than have a million dollar house there, and my one at the beach that's now worth [$] 700, I'm up to 1.7. If I can get a townhouse in town at 6 or 700,000, and I can have my beach house at 6 or 700,000, I've still got $1.5 million of asset base split between the two". So, I think a little bit of that has driven our market over time (associated industry 3)

This participant, a property valuer, was using a desire amongst people they associated with to own two homes, as one justification of why there is high demand for houses in the $6-700,000 price bracket. They acknowledged this is "a little bit" of what has driven 'the market', but offered no further explanations of other driving forces.

The way 'the market' operated was explained differently by different participants. Comments by one public sector official within the governance network indicated that what was commonly described as the market was very much the result of planning by developers and by officials about the release of land for new housing developments:

> We have a housing crisis, do we? I've got multiple sub divisions that have just been sitting there, because developers are land banking. They choose to release stages and get title when they want to, I can't force them. If I force everyone to flood the market with sections, supply goes up, demand goes down, house prices go down (council planning manager 4).

The quote reveals how supply was controlled to maintain high prices - if supply was increased, demand would drop, and this would result in lower house prices. It thus points to how the market is constructed, or in the words one property developer, "designed" (developer 6) and how prices were not simply the outcome of 'natural' forces of supply and demand. Rather, supply was the outcome of planning processes designed to maintain high demand.

The types of housing being built, within the context of the norms outlined in chapter 6, and in the way they were being transferred to homeowners or renters, was explained by reference to the market. One respondent explained the shift in the approach to new housing developments as involving change in the subdivision and building process. In the past, land being subdivided was sold as a section to a private buyer who then built a house of their choice. Today it has become more common for a builder to buy multiple sections of land and build multiple identical houses on these sections, and then on-sell them to individuals, be they investors or owner-occupiers:

> The market has significantly changed from 10 years ago, in terms of how it works. It used to be land developers sold sections to end users. Now, almost always, they're selling sections to builders - who put a house on and sell to the end user. That's been a significant market change which think is also driving more similarity probably because builders are choosing what they deliver to purchasers, rather than purchasers saying, "I'll put a house on it" (associated industry 6).

The change in the process of subdivision and house-building was explained by reference to 'the market'. What is described as a "significant market change" here refers to both the types of houses being built – they are much more standardised – and the subdivision and building process. Change in processes of land acquisition and house-building are explained by reference to the market, as it is the outcome in terms of the houses that were built. The important thing to draw out here is what participants described as driving these changes – was it 'the market'? It was, nevertheless, clear that other processes such as planning and zoning decisions, and the actions of actors within the sector were influential in driving

changes. In this context, with this specific change in the product being bought and sold, there were multiple influences.

Another participant explained that the levels of profit available at the different stages of the development process impacted the way the process operated:

> The model's changing in the market because [of] the margins, because of increased development costs for subdivision. There's a lot of land development/house building [that] has been amalgamated, because there's not a lot of margin there (property developer 3)

This insight was echoed by other participants, for instance property developer 5 who moved from just building houses into land ownership and development as well to maximise returns on their investment. The market was, therefore, referred to as a signaling and coordinating force that guided the building development process in Hamilton. It achieved these processes of signaling and coordination in a way that reinforced a commercial, profit-driven logic. These ideas were evident in the following quotes by one of the property developers who was interviewed:

> The market is designed to get people in the door; how many bedrooms can you build? How many people can you fit in? It goes on a spreadsheet, "I can get $150 bucks per room for that per week", and then it goes out to the market (developer 6).

The developer then explained that approach to residential development as being:

> ...a typical 'market-driven' model, which is first of all: Does it stack up financially? (developer 6).

<u>The market as marketplace</u>

The physical process of a product being bought and sold was one description of the housing market, labelled here as 'the market as a marketplace'. The structure of the housing marketplace is governed in a way that creates the housing outcomes we see today. The perception of a marketplace which determined the price, design, quality, typology and quantity of housing is at the heart of the findings in this research. One developer explained the role of the marketplace in matching up sellers and buyers of new housing:

> A builder doesn't care who goes into the houses as long as they sell them, and that'll again depend on the market. So, if it's a 'still' market, people won't care if they sell to an investor, owner-occupier or a group investor (property developer 3).

The word 'still' is used as an adjective in this quote to describe a market in which there is little activity. A part of the perception of the 'marketplace' as an external entity in its own right, therefore, involved attaching descriptors to that entity. The market in Hamilton was described as going through different phases, it was still or active. That same participant

carried on in the interview to use other adjectives to describe the market. One was as a "moving market". In this context, the participant was talking about the need for more homes, and the local context where the council is needing to invest in infrastructure to open up new growth cells. Another reference of this nature was to a "sensitive market", used to mean the high-risk nature of development and the particular example of the "environment" around development contributions changing. In this instance the participant was saying that local government rules can influence the market. Later in the interview the developer talked about a "good market", using the word good to mean the availability of a diverse range of housing types, from "large detached down to duplexes and apartments". Another perception of the marketplace this participant expressed was "if the market takes a turn", here they were referring to people's buying habits in the market place, ascribing to the market some agency that influences buyers' behaviour. These descriptors all have different connotations of the activity going on in the marketplace, and assign the marketplace influence over the behaviour and decisions of both buyers and sellers.

The market was therefore referred to by some participants as guiding significant change. It was also referred to as something that could be "spooked", and in this respect it was interpreted as limiting change and reinforcing a conservative approach to new housing development. This perspective is captured in a quote by a council planner:

> They [the developers] only ever take the ultra-conservative view. They don't want to spook the market. They don't want to make an investment with no sure outcome of sales. So, they just stick with ultra-conservative. And so, there's no way they would ever lead (council planner 1).

This quote can be read alongside a previous point that the market was referred to as leading to significant change in the process of subdivision and building, but not in the types of houses being built. The market, here, was referred to as a way of explaining why developers were reluctant to innovate in terms of the types of buildings they delivered, and produce houses through, a "cookie cutter put onto the site" (developer 3) approach.

The marketplace was explained to be somewhere that developers delivered goods, and then waited to consumers to purchase them. This meant that there could be a time delay between production and sale, with the longer the delay, the more meaning drawn from it, that the product was not right. One developer illustrated this point:

> We've done that, where we go, "people are going to love this", we build houses and then they sit on the market for 12 months. And it's like, "oh this sucks" (developer 5).

The idea of timing a product's (housing) entry to the marketplace was echoed in this quote by a property valuer:

> Peacockes is an example.
>
> ...the developers have got enough critical mass in their development to actually be able to afford to 'advance fund' services, to get the thing underway in the next 12 months, which will give them a headstart on the market in terms of producing product and selling (associated industry 3)

The reference to a "headstart" on the market suggested it is a race to enter the marketplace with a product and get it sold before a competitor came along. It also firmly positions the market as being an external entity that exists outside the actions of the developer who is "producing and selling" the housing.

Many other developers justified their continuation of the same style of building, and their reluctance to build other types of houses, by arguing that 'the market' has to tell them what consumers want, and when that messaging emerges then they will change their approach. One developer specifically defined a good development as being one where all the homes sell quickly:

> You want to build something people want. You don't want to have a business selling something nobody wants (developer 5).

There were differences, however, in perceptions of what consumers wanted between different private developers, reflecting the subjective nature of these judgements. It reveals that the market dynamics, what Bengtsson (2015) calls 'the rules of the game', were complex and varied, and one standardised view of consumer demand was not possible. Instead, consumer demand was open to interpretation, and meant different things to different actors in the network, as evidenced by the diverse approaches of developers interviewed here.

<u>The market as an indicator of consumer demand</u>

The market was, therefore, imbued with signaling power to indicate what people as consumers wanted. When asked what kept them in touch with what kind of houses people want, one developer responded:

> We just try to constantly watch the market; we talk to real estate agents, buyers, investors; we read articles, the paper. It's not always a great measure. You take it all in, and you just have to make a call (developer 5).

This quote offers two insights – that the market is a fixed entity that can be "watched". This was the dominant view of participants. There was also a recognition alongside this that there is room for subjective interpretation of what that fixed entity is, "you just have to make a call". That space for subjectivity was one of the features of the decision process this research uncovered in the network.

An illustration of the way the market was referred to as an external force that translated people's personal preferences into new housing was evident in the following quotes:

> Everybody demands space, a section, and the typical type of housing, whereas in other cities there are drivers why you can't have the space, so the market gets shifted (developer 6).

> The reality is when you design something differently, you put it to the market and the market decides what they want, "I need a clothes line, so I will not buy a unit that doesn't have a clothes line, or provision for one. I will find somewhere else" (consultant planner 3).

Here, the market was referred to as an indicator of housing demand which was assumed, in turn, to drive what developers built. This is why low density development has continued in Hamilton (Duggan, 2012; Bowyer, 2015), whereas other cities have been quicker to adopt intensified forms of housing. The market was perceived to be an indicator of citizens' expectations in Hamilton. The second quote reveals a view that the classical economics idea of the market, as being supply and demand that operates freely and self-corrects, is an accurate description of housing in Hamilton. The data here aligned with findings from Schuetz (2018), who found that markets operate and are performed in varying ways by actors, depending on their appetite for change and the logics within their world view.

Throughout the analysis emerged a strong sense of the market as a simple truth. Views from participants portrayed the process of new housing development as occurring in a natural arena, which existed externally to all actors, where buyers and sellers met. Moreover, the market was viewed as an unchallengeable reality by participants across the public and private sectors. While these actors shaped the market, they did not acknowledge it. One participant's comments on the market indicated that it was a vehicle to translate consumer preferences, even when those preferences were difficult to grasp:

> There's a greater demand for development on the East side of the river as compared to the West, and that's one of those intangibles of the market as to why that is (associated industry 3).

The Waikato River that runs through Hamilton splits the city, and the central suburb known as Hamilton East (on the east side) has experienced considerable development, becoming gentrified, with a reputation for being a vibrant and desirable community. In this quote, the participant allocated 'the market' responsibility to respond to the desire of citizens for more development on one side of the river. The view is endowing the market with the power to represent and communicate consumer demand, although the actual communication of that demand is said to be an "intangible" process. Reference to the "intangible" process of the market as guiding decisions and trends in housing development was a common theme, reflecting the classical economic theory idea of the "invisible hand" of the market (Smull, 1980).

Reference to 'the market' to mean housing demand included different needs, expressed as different markets. One example was the emergence of a growing desire for denser housing for older, empty nesters in Hamilton that came through from the interviews. This demographic, participants argued, wanted to be able to lock up their houses and leave them empty for long periods while they travel. They also wanted lower maintenance living. One developer discussed how the identification of this type of need led to a new type of development for their company to pursue:

> We're probably tapping into that market where people stay here 5 days a week, want a quality space, and then go out at the weekends (developer 6).

The type of housing arrived at by this developer, to meet this desire, was luxury, high end apartments on the river in Hamilton East, a vibrant, district a walk over the bridge from the CBD. In this example we see the space for the interpretation of consumer demand by the developer, and how this interpretation shapes built outcomes. The developer saw a desire for a certain kind of housing, and met it with their own interpretation of what was wanted.

Many participants discussed that consumer demand was moving slowly towards higher density and more innovative forms of housing. There was hope expressed that this changing mind-set would motivate developers to build for this. One council planner, when discussing the potential for innovation, argued:

> What allows it to happen is the preference of people buying houses (council planner 5).

Other participants asserted there has been movement in the expectations of Hamilton residents, which translated into the development of new housing types:

> There's been a market acceptance around different housing forms (council planner 6);
>
> I've got heaps of people who want to buy them (townhouses), who don't want big sections… it's lower maintenance (developer 4).

The first quote uses 'market' to mean consumers, and is using an economic logic to measure acceptance, by looking at house sales by typology. The second quote is from a developer with an appetite for change, who was building medium density house, and interprets consumer desires as being in line with their vision. This insight illustrates how inter-connected development is – people can only buy the houses that are available, but developers can use a demand, or lack of, to justify building their own vision.

There were frequent references to the densification that has happened in Auckland, and comparisons with the "more mature" demands of residents in that higher populated city. Actors from both local government and the private sector expressed a shared interest in

building well-designed, higher density housing. They discussed the beginnings of a newly emerging desire for this in Hamilton. There were, however, mixed opinions about whether Hamilton residents have an appetite for this kind of housing yet. For example, the acceptance of changing demands by Hamilton residents for housing shown in the previous three quotes was disagreed with by other participants, who argued that the reason they continued to build the urban sprawl form of large, single storey, standalone dwellings was because it was what consumers asked for. One private planner, talking about what stood in the way of them proposing innovative forms of housing to the developers they work with in Hamilton, illustrated this:

> When you think of good urban design principles, shared space, that kind of stuff, I think there's got to be a market for it and people actually want to buy that and I don't think that's there yet in Hamilton, I think people are still glued to their cars or whatever, they want their big driveways and big streets so they can park all their cars out the front (consultant planner 4).

The history of Hamilton as a provincial farming town may explain the traditional approach by some residents to housing, and the embedded norm discussed in the previous chapter of the 'Kiwi dream'. This participant argued that there is a reluctance by some residents in Hamilton to change the ways they lived, and an acceptance of new forms of housing was slow to emerge. The view neglects to consider that consumers can only buy what is offered. Through this lens it could be more about a conservative development sector which did not want to jeopardize their ability to generate returns by taking higher risks in building new types.

Reference to signals from the market, then, were given as reasons for limiting innovation in housing types. One developer, who previously worked in residential development in the UK, reflected on the differences in this context. They said norms in the UK are very different, observing that even in rural areas a 2-storey house was expected, whereas in Hamilton a 2-storey building was mainly considered only in central parts of the city, and even then was not a norm. Their observation of Hamilton, after working here for a few years, was:

> People don't like change so it's become..., market acceptance is taking a while to change around typology of housing (developer 3).

The existence of diverse housing requirements in Hamilton was labelled by participants as representing multiple 'housing markets'. Such diversity is referred to in the literature as submarket sectors "of different sizes which serve distinct groups" (Austin at al., 2014, p.457). Here 'market' is used to mean sectors of housing, grouping consumer demands into succinct segments that can be approached and turned into a profitable development opportunities for developers. Private sector participants saw the existence of these 'multiple markets' from an

economic logic, as an opportunity for them to go out looking for a demographic that wants the product they were offering. As one developer explained,

> We're trying to find markets that we can deliver housing at a price that works for the buyers, and also it's going to be economically, commercially viable (developer 5).

This quote presents a view of different housing markets being illustrated by different types of buyers with different wants and needs. The idea of developers going out and 'finding' markets reveals the influence those actors hold on outcomes. The quote reinforces the economic logic of housing, and the logic of business that a product must make an acceptable profit for the business or it is not worth providing (in this case building) it.

The reference to multiple markets was common across developer participants, with one explaining that different styles of housing constitute the existence of several 'markets'. Here the term 'market' was used to mean 'demand', so the market was seen as a vehicle to rationally translate diverse consumer demands. Respondents often mentioned different ways of assessing this demand. In fact, each developer had a different viewpoint on what consumers in Hamilton were wanting, which raises questions about 'the market' as an authoritative signal. For example, one developer's interpretation was:

> There's different markets, there's free-standing homes in the suburbs, and medium density closer to the city so there's all those kind of things. But whatever typology the development is it still has to be for a market (developer 5).

The reference here to 'the market' as a plural entity was different to the majority of references which described it as a singular entity. Out of the total 154 references to 'the market' in the data, only six references were plural.

The houses that have been built in Hamilton, according to some participants, were not actually meeting the needs and desires of the residents they were intended to serve. One developer reflected on the mechanism of 'the market' as an indicator of consumer demand as having failed:

> I think if you gave anyone a choice of what to buy it wouldn't be what has been built (developer 7).

This level of self-reflection, supports the argument that the marketplace we have in New Zealand today is the result of a developer-led housing sector.

<u>The market as a guide to new housing decisions</u>

Authority was, therefore, given to 'the market', as a way of communicating the needs and wants of householders. This related to the type of properties that would be built. When asked

what a certain developer would choose to build on a piece of land that had been subdivided, one participant said (in a tone that suggested the answer was quite obvious):

> I would think it will follow the market (associated industry 3).

Developers echoed this point, saying:

> It's still, "Whatever the market wants" is good development (property developer 5);
>
> So it's really market driven – what is the good outcome of a good development (developer 3).

Both referred to 'the market' as defining what made a development 'good', and they were not alone. The perception revealed was that the market was the higher power that held authority and must be followed. These quotes made a clear assertion that the market was the leader of the development process and the indicator of householder demand.

When asked about HCC's view of what makes a development good, one member of the governance network revealed how the answer to this was subjective, with the market as the centre of gravity:

> When they have the District Plan and create it they think, "oh this is wonderful". Then the developers come in and say, "that's not achievable", and there's always wriggle room. Then it settles on something that might not have been what they anticipated, it's just always shifting based on housing market (consultant planner 4).

The reference to the market in this quote pointed to how it was a way of describing the compromises that were reached between the aspirations of planners and regulators to prescribe the types of houses to be built, and the commercially-focused decisions of developers. The outcomes of how developers negotiated their way through regulations or District Plans were seen as market outcomes.

In this way, the market was described as having agency. This perspective was illustrated by one participant, when asked if HCC views were changing about what makes a good development:

> The market does decide this for itself. But it's quite interesting what the low expectations of what the market accepts are (developer 6).

The market here was portrayed as 'deciding for itself', albeit in a way that would result in suboptimal outcomes. Ascribing this decision-making power to 'the market' meant it was accountable, and governance actors were able to side-step responsibility for poor outcomes. This is problematic, especially in a context when limited liability means that no actor is really held accountable.

While there were references to the market that ascribed it with decision-making, or decision-guiding agency, there were also references to the market that characterised it as an unexplainable entity, and a constantly moving force. One developer, when discussing securing funding for and planning an upcoming residential development in Hamilton, illustrated this:

> We just need to figure out what the market's doing and then build to it. But the other thing is, it takes so long you're still crystal ball gazing (developer 5).

There were other references to the process of planning as being crystal ball gazing, and this was an attempt to describe the uncertainty associated with making predictions about the behaviour of buyers in 'the market'.

Markets were also ascribed with the power to influence citizens' needs and wants. In this way, the market was seen as affecting the behaviour of consumers within its rules, by shaping the way they approached housing. One participant argued:

> What this market is forcing people to do is think harder about the design of their houses (developer 3).

The use of the word 'this' suggested that at that current moment in time, the marketplace was different to what it had been previously and could be in the future. So 'the market' was not always seen as a mirror that reflected consumers' needs, it was also considered to shape those needs and change behaviour.

The view of the market as an external guide was also evident in comments by public sector officials. A number of local government participants made comments that revealed their assumptions that the market played a significant role. One participant, when talking about the role HCC has in planning residential growth, said:

> I think our role is to remain in tune with the market, and be flexible, and offer multiple ways of building multiple typologies (council planner 4).

The market was perceived as an absolute, a reality, which HCC had to orient itself around. It implied the concession of leadership from the public sector to 'the market', and in this process a void was created that was filled by developers.

<u>The market is led by developers</u>

Contrary to the idea of the market as being a signal of consumer demand, an insight that emerged through the research was that private developers were the primary influence in shaping consumer demand. One developer, who was starting to build higher density developments, illustrated this:

> The market's definitely, I think, changing. It's almost a build it and they will come (developer 7).

Further on in the interview, they continued the point, also contradicting themselves in the use of 'the market' and whether it drives behaviour or is driven by developers:

> So there has been an evolution there that has been driven by the market, and just the population accepting what the market's providing or what the development market's providing (developer 7).

Here, this participant acknowledges there is a role for consumers to be led in a certain direction with the types of housing being built. This quote suggests that consumer demand was not as influential as implied earlier. Rather, it was the 'development market' – that is, property developer-led decisions about housing development.

In contrast to the argument that consumer preference (via market signals) drives the types of houses built, therefore, an alternative understanding emerged that private developers played a key role in leading decision-making, building according to their motivations. Consumers were left to choose a house based on what the developers had built. One developer observed there had been little diversity in Hamilton housing development over the last few decades. They argued:

> A lot of the types of housing you see in New Zealand has been because that's what developers have built. So, the market's had very little choice (developer 1).

This alternative perspective allocates to developers the power to decide what kinds of houses are built in Hamilton. It is an alternative to the argument that consumer demand, distilled via people's purchasing practices through 'the market', dictates what gets built. In this way, the market can be seen as a kind of empty signifier for whatever it was that participants wanted to fill it with, such as their own preferences or ideology.

The influential role of developers was a recurring theme that emerged from the analysis. If a developer had an appetite for change, and a bold vision, they would build to meet that. A factor in this was the financial security of development companies (Delas et al., 2015) that brought together the company balance sheet and the attitudes of the developer. It was the approach of the developer that was driving the development of new housing in Hamilton. With regard to a particular local subdivision, one participant said:

> The developers have gone out of their way, in that case, to look at urban design and quality of development that exceeds other development around. So it'll be interesting to see how that is accepted by the market (associated industry 3).

The insight here is that decisions about design were made by the developer, reflecting how the individual ethos of one developer was bringing a unique typology of house to the market. It highlights how developers have potential to bring alternative logics to the building process, whilst acknowledging that this also brings risk. In this interpretation of the marketplace, it was implied that consumers voted with their purse strings, and if they supported the developer's vision, they would buy the houses, but if they found them too bold then they would not.

A tool that is prevalent in New Zealand's planning, but has received little research attention, is the covenant – a legally binding private sector contract a landowner attaches to a title. The covenant was revealed to be another way that power was wielded by developers. It emerged that landowners or developers used covenants to drive their vision of good housing, which in turn shaped the built outcomes. One participant, a lawyer who worked with developers, discussed the role of covenants:

> Essentially they're unilaterally imposed by developers. They get put on titles before they're sold to anyone else, and in most markets people have very little ability to negotiate them (associated industry 6).

This quote offered a closer look at the influence held by covenants, and the role they played in acting as a form of regulation of housing albeit a form of regulation removed from democratic accountability. This participant had worked with covenants for a long time, and during the course of the interview started to reflect on them through a different lens than that provided by the dominant commercial logic in which they are normally considered. In this process of reflection, new questions were asked by the participant, and new observations about the authority they hold. The researcher witnessed a professional in the process of changing their mind, bringing to life the act of what Blake called "the eye altering alters all" (1803):

> Current land covenants, I can't think of any that are less than 150 sq metre, often they're over 200, and that's driving bigger houses (associated industry 6).

The potential power covenants have for fostering positive change became apparent to this participant as they discussed the need for smaller, cheaper homes in Hamilton.

Discussing the types of housing being built in Hamilton, a council planner named one individual developer who was shaping the city:

> He's really leading the market, but he's only one person. And for every [*developer name removed], there's 10 people that say, "I'm never doing that" (council planner 6).

The participant revealed the importance of an individual developer's approach to development, and the influence that wields on the houses that are built.

There was a blurred line between two distinct interpretations of where power lies within the marketplace that buys and sells housing portrayed by participants in this research. The first is that consumer demand drives what was built. The second is that developers were selecting the type of housing that was being built, drawing from their own values and beliefs. The implications of this second interpretation requires considering and debating at both political and societal levels. One problematic impact is the concentration of the power to shape the city's growth in the hands of a small number of unelected property developers. The distortion was discussed by one participant:

> We get the results that the development community wants, more because I think they're more attuned to the market. Some of them will work to whatever the rules are, because they see profit or quality or result in it (no matter what the rules are). But if there's no market for what the plan allows, it won't get built (associated industry 6).

Ascribing responsibility to 'the market' has become normalised, allowing developers to use it to justify their decision-making and the suboptimal built outcomes that are delivered. The public sector had little capacity to argue against the rhetoric of the market, and instead were found to perpetuate it, as there was a perception that there was no alternative.

<u>The relationship between the market and the regulations</u>

Alongside the dominant market logic, was an anti-regulation discourse (May, 2003). Within this approach, rules and regulations were argued to stifle development, leading to the current housing problems. This criticism is a dominant discourse in housing and has been since the 1970s. The following quote illustrates the anti-regulation logic that is intrinsic amongst private sector housing actors (Grimes & Mitchell, 2015):

> The rule book is the problem. The rules don't necessarily let good urban outcomes result (developer 4).

The demand for lighter regulation was evident in the development sector, where a discussion of the current housing shortage being caused by 'red tape' and 'over-bureaucracy' is commonly heard. As one participant acknowledged:

> You've got this whole issue of forcing regulation on people, and with the current commentary about, "People are over-regulated to death" (associated industry 1).

The aversion to regulation rolled off the tongue of private sector actors who saw council rules as an obstruction to the process of building more houses:

> ...they legislate against it and there's more rules and it becomes more difficult. So if they loosened up on the RMA that would be good, especially in cities (developer 5).

This argument positions regulations as a scapegoat, covering up the multiple complexities that contribute to constructing and perpetuating the housing shortage in Hamilton.

There has been a lack of central government direction on how houses should be built (Murphy, 2019). Urban growth has been made the responsibility of the private sector to steer in the direction it sees fit. This trajectory has occurred under the ideology that views the private sector as the most efficient, effective vehicle to deliver housing. It stems from a parallel reluctance by central government to impose central leadership and regulation. Within this view, the market has been given an assured, reliable status by all housing sector actors, across both the state and private sector. Participants argued, however, that strong national direction was needed to answer the questions of what urban environments should deliver in New Zealand. Such leadership was described as absent under the previous National-led government. Acting as a clear example of how an ideological stance is institutionalised in a network, one participant outlined:

> Now, the current Government's doing a lot to address that. Prior to that, and I say this without a political view, the previous Government had a perspective that "the market will solve it, and the public sector just has to get out of the way" (council planner 6).

This quote outlined the trust placed in the market, trust that it had the capacity to realise a vision of growth that met the needs and wants of citizens. It also revealed an ideological suspicion of the prospect of state intervention in the sector. These perspectives - of trust in the market and suspicion of regulation - go some way towards understanding the provision of housing today. The split is falsely polarising, missing the recognition that shaping growth is a big job that requires a multi-faceted approach and many actors working together. As the same participant later argued:

> There's lots of market players, but no one market player on their own is going to shape a city (council planner 6).

The market was described by respondents as being an automatic force that self-corrects when external changes are needed.

Private sector participants displayed scepticism about whether local government actors were aware of the impact council rules and decisions have on property prices. One participant discussed rising house prices in Hamilton, and firmly placed the responsibility on changes in planning rules:

> I'm not sure they (HCC) fully understood the implications of what allowing that to do from a planning point of view [subdivide previously single title sections] would do to the market side of things, it obviously just pushed prices up (associated industry 3).

This discussion revealed that local government planners were assumed to be out of touch, and revealed a simultaneous arrogance on the part of the private sector. The relationship between a District Plan that enabled subdivision of single unit titles, and an increase in property prices, was positioned as a straightforward, automatic cause and effect relationship. The use of the word 'obviously' presents this a simplistic, automatic reaction to the external trigger. It revealed how discourse and ideas can become taken for granted, "the nature of politics means these (complex issues) become reduced into a simple dominant frame" (White & Nandedkar, 2019, p.3).

<u>The problems of delivering affordability via 'the market'</u>

Many members of the governance network recognised there were problems of house prices being too high for much of the population of the city. For example one developer explained:

> It all comes down to price point, because people can't afford the ratio between income to house prices, [it] just keeps [going up].... It's crazy. (developer 6).

Another developer illustrated the tensions within this problem from their perspective:

> You get a disconnect between the market and the buyer where you go, "What's advertised is this, so therefore surely this would sell". But if you think - dive a bit deeper into the market - I mean in Hamilton, "What's the average wage, what can people afford?" (developer 5).

This quote made 'the market' responsible for resolving the tension of affordability. It also separated 'the market' and the buyer into two different entities. However, earlier in the interview this participant conflated them, viewing the market as being an authoritative signaling tool for consumer demand. This contradiction reveals a lack of clarity about what 'the market' actually is.

Different price points for housing were termed discrete 'markets' by participants interviewed here. Some acknowledged the existence of a need in Hamilton for more diverse housing to be provided. As one participant pointed out:

> Some [developers] are focused on keeping costs down, getting as affordable a product as they can, making as much profit out of them as they can. But I think sometimes they are serving just as much of a market as the others, they're just not doing it in such a positive way (associated industry 6).

Respondents talked about "missing markets" in Hamilton, meaning housing types that were not currently being built, because it was argued there was little demand for them in Hamilton.

Even within the context of the commercial logic, there was a growing appreciation of the need for more affordable housing both at the national and local level. Against the context of central government recognition of the problems of housing affordability, and of the growth needed in Hamilton (Wilson, 2018), HCC has defined an 'affordable' house in Hamilton. It set the definition at 90% of the median house price. This was an example of a local government decision that affects the provision of new housing in the city. The decision to define affordability by its relation to the sale prices of other houses was a political decision that emerged from an expectation that pricing was driven by 'the market'. One participant outlined the political nature of defining affordability (Adabre & Chan, 2019), and the multiple considerations of what affordable actually meant to people:

> We try to embed about 10% of that yield as affordable housing - and even that definition of affordable housing is challenging for some people at the lower income levels. It's set at 90% of the median house price for Hamilton, so even that can be very challenging for those on low incomes. But it's certainly a proportion of housing that is below market rates. That is a council policy decision to set affordable as 90% (council planner 6).

The reference to "yield" reveals the commercial and investment logics. Other terms used, such as "embed" were the language of business and the private sector (Graham et. al., 2020). They portrayed housing as simply a product, a potential investment, which generated market returns. This aligns with the finding in the previous chapter that new housing was delivered by a developer-led, for-profit system. This public sector participant acknowledged that the council policy decision about affordability does not meet the needs of all citizens. The use of the term "challenging for some" minimised the impact of the affordability criteria, and mad it an individual problem. The phrase "below market rates" used in the quote framed any price that is below what the market dictated as being a positive – of assistance to lower-income citizens. In this way the 90% figure can be viewed as a token gesture towards addressing the needs of a growing portion of citizens. It revealed that government policy decisions were bound by the conventions of the commercial logic that used the market as its compass (Smith, 2017).

Some participants expressed the view that the current developer-led, for-profit system of providing housing will not and cannot deliver diverse housing for all Hamilton residents. One explained that a commercial logic demanded that developers operated at the higher price points:

> It's all left up to private enterprise, which focuses at the top end. You're never going to get private enterprise to build affordable housing really. You might get the odd person who's socially that way inclined, but it's very minor (developer 4).

This view was pessimistic, and saw little potential for the tension of delivering affordable housing to be resolved within the current system.

To leave this section on a more positive note, one participant offered an example of an initiative that attempted to resolve the tension of delivering affordable housing in a for-profit system:

> It's a joint venture between the commercial wing of Tainui and the social element, where we're trying to get first time buyers into their first home at a reasonably affordable level, whilst also trying to derisk the process for builders around delayed settlement terms of sections, providing them with purchasers (property developer 3).

This example considered the need for housing to be available at an affordable price for consumers, alongside the need for a return on investment for the builders.

Summary

Many of the actors in this network framed decisions about new housing as being led by consumer demand. There was, however, an ongoing contradiction represented in the responses, with references to the market as being both consumer-led and developer-led. These two views appeared to coexist and interchange. Participants expressed awareness of both dynamics in different contexts. Here they will be examined separately, as two distinct perceptions of what drives decisions, but they are not held as discrete viewpoints, instead being interrelated and fluid. One reason for the lack of clarity about what drove decisions about new housing outcomes could be because of the dominant financial process that exists for interpreting what consumers want and need from a house. The process of referring to the market as an authoritative signalling tool represents an unexamined reliance on a developer's own interpretation of consumer demand. The method that participants discussed for understanding what consumers wanted stemmed from the dominant economic logic of what they can afford financially, not what they actually needed or desired.

There were, then, discrepancies in the way the market was viewed - that it was seen as a separate, economic object that had the power to drive housing outcomes, and also as the developer-led marketplace that had the same power. The market was presumed to be an authoritative signal of people's needs, but it was also revealed to be an empty signifier that actors in the network could fill with whatever values or metrics they desired. This is argued

to be a feature of capitalism - it absorbs, “the entirety of space for its own purposes” (Lefebvre, 1991, p.95).

Developers held the hard power, in terms of access to capital. Their deference to ‘the market’ - particularly its interpretation as meaning consumer demand - as the justification for all their decisions was an easy, reflexive answer that allowed them to disregard the complexity of housing.

This chapter reviewed the way participants in the network governing the delivery of new housing referred to the market to justify decisions on what kind of housing to build. Such answers revealed an assumption that the market was an institution that provided signals about what people would buy, in the language of choice as ‘what people want’. Deferring to an external force, here a market signal, allowed governance actors to diminish their own contribution to the problems with new housing. A growing body of housing literature argues that the market is constructed and perpetuated by the actions of actors such as these (Murphy, 2000; Raworth, 2017).

The process by which ‘the market’ has become established as a simple truth, and an external object, can be thought of as the ‘re-ification’ of the market. This term is a useful way to consider the elevation of the market into a dominant force that defines the houses that are built today in New Zealand. Petrovic’s definition of the term ‘re-ification’ could have been written for specifically this context,

> “The act (or result of the act) of transforming human properties, relations and actions into properties, relations and actions of man-produced things which have become independent (and which are imagined as originally independent) of man and govern his life” (1983, p.411).

This chapter has revealed shared ideas about ‘the market’ as a powerful entity that guided decision-making. Reference to the market meant actors took little, or no, responsibility for its co-creation and performance. These insights crossed the public-private sector boundary. This analysis has revealed assumptions and beliefs about the market that have become embedded in the network. These views of ‘the market’ influenced decision-making that, in some situations, stifled innovative, alternative approaches to new housing, and perpetuated the status quo in the new housing sector.

There were three key insights revealed by a close analysis of the data.

i) References to the market positioned it as an institution that was external to the actors performing it, and specifically to the socially enacted process of planning for new housing.

ii) References to the market supported the established literature that it is powerful (Smith et al., 2006) and extended this to frame it as an authoritative signalling tool that justified decisions about housing size, design, type, density and price.

iii) References to the market were held up as justification for maintaining the status quo, which continued to deliver suboptimal housing (Johnson et al., 2018).

One consequence of an assumed, "taken-for granted" (Smith et al, 2006, p.88) status of 'the market' is that actors in the development industry did not have to take responsibility for their role in continuing a trajectory of suboptimal outcomes in the built environment. This absolving of responsibility was not only local, it is internationally evident as a result of residential development in a developer-led, for-profit system (Dorling, 2014).

The actors interviewed for this research, regardless of the level of resources they had, mostly portrayed themselves as lacking agency because 'the market' had it all. This trajectory emerged from the political changes in the 1990s, when privatisation replaced state leadership, and New Zealand became a more neo-liberal, market-led society. This catch-all role for 'the market' is a very convenient discourse and fits neatly into the sound bite culture of today's media, reducing the housing problem to being simple and external.

Moving from an economic to a social analysis of 'the market', this research found that the attitude and approach of the holders of capital matters, and was reflected in the types of housing they built. Some developers held conservative views of consumer demand and an appetite for system stability, continuing with traditional forms of development. Others were found to be creative, courageous and bold, driving new typologies of housing and choosing to take risks with venturing into denser developments that are different to Hamilton norms. Interestingly, both types of developer justified their approaches and decisions by reference to 'the market'.

Leaving housing to one sector of society, driven by an economic logic, has been shown to be problematic for delivering diverse and affordable housing. The logic of the private market dictates that developers will only build what will maximise profit for them. It, "will act, build, buy and sell when and wherever profit can be maximized, nothing more and nothing less. It does not maximize happiness or utility when left to its own devices" (Dorling, 2014, p.11). This chapter's clear uncovering of how concepts of 'the market' are weaved into every stage of new housing production leads the researcher to conclude that political and civil debate about the roles of the private sector and the state in new housing is urgently needed. The unquestioned assumption that 'the market' is to be blamed for the problems of new housing is a convenient assertion that we can all use, including homeowners and citizens.

The final empirical chapter turns its attention to the perpetuation of the status quo in housing outcomes, asking what features of the governance arrangements are stifling change. It also looks to future urban imaginings, uncovering prospects for change. Alternative views emerging amongst network actors, that have not yet become realised, may be key in interrupting the forces of inertia.

Chapter 8: System inertia and prospects for change in the delivery of new housing in Hamilton

> "…particular courses of action, once introduced, can be virtually impossible to reverse; and consequently, political development is often punctuated by critical moments of junctures that shape the basic contours of social life" (Pierson, 2004, p.18).

The governance arrangements for planning new housing shapes the broad contours of new housing developments in Hamilton by setting the rules and norms which inform decisions. The notion of path dependence holds that once started, policy trajectories such as the one governing new housing in Hamilton, take on a momentum of their own (Pierson, 2004). This chapter will analyse the ideas and discourses of members within the governance network, positing that the insights will have the potential to deepen understandings of what the institutional, economic, political and cultural barriers to change are. A key discovery of this chapter is that resistance to change exists within the public and private sectors but, in contrast to much thinking regarding innovation, appears more prevalent in the private sector because of its need to mitigate financial risk. Innovation in the housing sector is seen by private sector actors through the lens of economic and professional risk, which engenders a largely conservative and cautious approach to development.

This chapter will contribute to understanding why the governance network for new housing continues to deliver suboptimal outcomes, despite widespread acceptance of the significant housing problems in the city. It reveals an ongoing resistance to change in the system of planning for residential growth, illustrated by the recent withdrawal of changes to the HCC's District Plan that would have increased the density and speed of building homes (Leaman, 2020). The analysis will show various ways that change is resisted, such as the forces driving stability rather than change within the governance arrangements. It will consider what innovation means, along with specific examples of innovative approaches to residential development such as intensification, prioritising design over economic returns, and the use of new building materials. The attitudes underpinning a conservative approach to development will be explored, as well as the perception of risk for both the public and private sectors (New Zealand Business Council for Sustainable Development, 2008). Leadership of the sector, or a lack of, will be examined to see how this contributes to system inertia. The intention for this chapter is to uncover the reasons why the status quo is perpetuated, and identify prospects for change.

Conceptual foundations of network inertia

Networks are posited as a more flexible, responsive form of governance than traditional, hierarchical arrangements. For this reason, networks are argued to be particularly well suited to solving complex problems, like the delivery of new housing (Considine, 2013). There is, however, a tension evident when networked governance arrangements struggle to deliver optimum outcomes, such as new housing provision in Hamilton. This case offers an alternative perspective – that networked modes of governance have their own forms of rigidity and inflexibility. Contexts such as this show other characteristics of networks, such as how locked-in ideas and path dependent processes, what van Bortel and Elsinga (2007) call the "closed-ness" of a network, lead to system inertia. This chapter examines and analyses the research findings in terms of the issue of system inertia, but also in terms of how they revealed new prospects for change in the approach to the delivery of new housing.

The theory of path dependence, as originally conceptualised by David (1985) as the way historical decisions have long-term impacts shaping current decision processes, has been embraced by political scientists to try and explain institutional change (or the lack there-of) (Bengtsson, 2010; Martin, 2010; Pierson, 2004). The argument that collective understandings are influential, and contribute to path dependencies in networks informs the analysis in this chapter (Torfing, 2009). Networks can play a role in reinforcing shared perspectives, as Wendt argues, "identities and interests are not only learned in interaction, but sustained by it" (1999, p.331). These sustained identities and interests translate into the basic outlook of a network. From this basic outlook emerges the adoption of an ideology that can be shared and reproduced by all actors across the network (Pierson, 2000). Within the theory of path dependence is the idea of lock-in, a mechanism which amplifies the forces of continuity and stability in a network.

The core values of a network form its frame of reference, which can lead to closed-ness, "Organizations are usually sensitive to steering signals that are in tune with their own frame of reference and tend to ignore signals that are not" (van Bortel & Elsinga, 2007, p.35). There are two ways in which van Bortel and Elsinga argue external ideas will not penetrate the network if they do not fit in with its current views. Firstly, external ideas that do not align with the network's modus operandi will drive active resistance from the network. Secondly, ideas that are deemed irrelevant will simply be ignored. Closed-ness can be regarded as necessary in a complicated problem area like new housing, in order to limit the complexity of information on offer that could disorient the network or cause significant upheaval.

An absence of hierarchy within a governance network can lead to, "never ending talks, no decisions" (Meuleman, 2008, p.50), resulting in inertia. Actors participating voluntarily in a

network can resist change, as they, "avoid commitments and shun coercive mechanisms that would ensure implementation" (Bednar et al., 2019, p.706). A move from traditional forms of government with clear authority over other actors means that governments are argued to have only 'rubber levers' to reposition a network to achieve desired outcomes (Rhodes, 1997, p. 41). This argument goes some way to explaining why the New Zealand government's stated efforts to increase affordable housing have failed, and poor outcomes continue.

The forces of inertia in the network

Network complexity

The nature of the network itself, as revealed in chapter 5, consisting of multiple local authorities with different gatekeepers on different issues, was a factor that lead to the reinforcement of the status quo. Problems emerged from overlapping authority across agencies, different priorities, and contested negotiations between them. The complex nature of the process was highlighted by those working within the system, as one participant noted:

> Often a development will require multiple consents across a couple of consenting authorities, so there's a risk you might get the land use consent from Hamilton City Council, but when you go to Waikato District Council for the discharge consent for stormwater they've got different priorities (council planner 1).

This participant was referring to the intricacies of one part of the regulatory process to get a new subdivision consented, even before an architect has been engaged to plan the housing. It is helpful in illustrating why the broad discourse about regulation being a barrier to development has gained such traction in New Zealand. Local government has limited capacity and resources to carry out its mandate of planning for growth under the RMA (Berke et al, 1999; Simonson, 2019).

Planning for housing is a complex, time consuming and involved process that requires many different elements to be considered including the environment, infrastructure provisions, transport, education, leisure, visual effects, noise levels and the existing local community. Decisions about different aspects of a new development are negotiated and considered by discrete local government departments working poles apart across the network. Participants from across the governance network argued that a lack of local government capacity placed considerable limitations on what could be achieved in a standard development, and even more so if the project disrupted the established norms. One architect explained:

> Leadership is lacking from council. [There is a] lack of resources and capacity (architect 3).

The quote revealed a void of leadership within the network for residential growth. For leadership, and the big picture of growth to be provided there must be sufficient capacity to

both process applications, and consider long-term development issues – the 'big picture' of growth.

Even within one agency, the lack of a joined up approach to development, and overly complex system was seen to be a hurdle to achieving streamlined residential development and community building. One property lawyer, who had previously worked in council, explained:

> The consenting team will decide, "yes, you need a park" [in a new subdivision]. Quite often the Parks Team are unaware that park is coming into the council's possession until later, when the development has been built (associated industry 7).

The quote revealed poor process internally within HCC to join up development in terms of housing and amenities.

The complexity of the network, therefore, inhibited a flexible, dynamic approach to development. Such complexity meant the system facilitated more of the same outcomes.

<u>The narrative that council regulations are a barrier to change</u>

Regulations were also described as being an obstacle to improved outcomes. One private planner explained how this worked in practice:

> There's not a lot of innovation because the rules… I'm just thinking of a job we're doing at the moment, we want to do something a little bit different and council are like, "yeah, I can't see that happening, how are you going to make that work?" (consultant planner 1).

The quote expressed the dominant view that council rules obstruct change, and were oriented to achieve more of the same outcomes. The view was echoed by other participants, who identified conservative attitudes within local government. One argued that council:

> Might have a particular idea of what they see as appropriate, or what works in their rules, so if you go with something that is different to their rules, or different to what everyone else is doing it can be quite hard for them to get their heads around (architect 1).

The status quo was explained in this quote to be as result of both the conservative attitudes of local government decision-makers, and also a lack of precedent. The perspective that planning rules inhibited innovation was a convenient way that private sector actors placed responsibility externally.

Other quotes revealed that a convenient discourse about local government rules stifling change covered up risk-averse approaches by private sector actors. One developer's comments illustrated an ingrained resistance to change in their own attitude, and how this came up against a bolder vision for change held by the council:

> There's a lot of power in the individual in council. Like the urban designer will say, "I went to university, and I'm 21, and I've got a degree that says Amsterdam they bike everywhere, so I want to see bike parks in this development". And you're like, "this is Hamilton bro, no-one bikes, we don't have infrastructure, we don't have trains, great idea, it's not Amsterdam" (developer 5).

The quote revealed a strong, dominant view of Hamilton and the current normal of reliance on private car travel. It also revealed a deeply embedded protection of this 'normal', and a determination to resist change. Interesting to note is the disparaging tone used about local government's vision for the city. The quote articulated a view that the HCC vision for the city of having denser residential areas connected with cycle paths and public transport routes was too far removed from the reality of the habits and infrastructure of the present. It also illustrated how, although there was no clear hierarchy within the governance network, leaders did emerge and assumed authority positions based on their resources, often without recognising that is what they were doing.

So, council regulations were not the only barrier to change. Both public and private sector participants discussed risk, and how it inhibited change. One consultant planner explained the cautious approach that council took:

> I think the council sometimes, if it's just a little bit too much, they're like "Yeah, no, I can't see that happening, don't want to grant it because, then, what happens if that developer, and that developer, want to do the same thing, how can I stop that". So it's that first break from the norm that is the hardest (consultant planner 1).

The quote highlighted a key role of council, as a protector of the city and a champion for considered growth. The tensions in that role are articulated here, that council planners had to consider future ramifications of decisions they made, and this led to cautious approaches. The participant argued that innovation was possible within the current regulatory system, but required resources and willingness from private developers:

> If you want innovation, then you know you're going to have to take the 'hard road' through council, and that costs money and time, and a lot of developers aren't up for that (consultant planner 1).

The participant was quietly supportive of council in this statement, acknowledging that it was possible to get change, with "hard" work.

A slightly different, but related, point that council rules did not encourage innovation was made by a developer. They argued that if innovation was a goal, then council should be leading that process, and in the absence of that leadership, the status quo would prevail. It contradicts the neo-liberal narrative that the private sector is best placed to be adaptive and creative:

> There's never been the council planning requirements to do anything different (developer 1).

This placing of responsibility for inertia on the regulator was another strand of the anti-regulation narrative that has been discussed throughout this research, framed here in a slightly different way. There is an inference in this quote that regulations were part of the solution to housing problems, if they were oriented differently.

Lack of flexibility within a rules-based approach

The interviews revealed the extent to which fixed thinking had become internalised in the regulatory system. This was evident in rules mandating requirements that were out of step with the different ways people were living in 2019 in Hamilton. There was also some inconsistency in how these fixed rules were applied. An example outlined by one participant was the requirement for external clothes lines. The council rules required an external washing line to be installed for all new dwellings built in Hamilton, except for those in the CBD area. The participant commented in a conversation with the council planner that this rule did not make sense, for if a resident in the CBD did not require an outdoor area to dry their clothes, then why would a resident living in a suburb one kilometre away require one? They explained the outcome as it related to their request to be exempted from this rule:

> We got one approved. But the next one we tried to roll out using the same approach, we're getting a little bit of push back from the team leader (consultant planner 3).

This example outlined how the application of regulations by local government was inconsistent, and the opportunity for subjectivity. The frustration for actors such as this consultant planner was evident, and the case also illustrates how these kinds of debates over plans delayed decisions and drew processes out.

Regulations became embedded into the built landscape by reinforcing the dominant view of what a house is, as explained in chapter 6. This meant that traditional ideas and practices remained influential in shaping new housing, and in the way housing was situated within the wider locality. An example was the way the District Plan institutionalised a reliance on cars as the primary means of transport, by requiring that new housing has allocations for car parking and vehicle access. The connection between housing and the wider built environment was referred to in a comment by an architect who had an alternative vision for development of Hamilton:

> Our whole streetscape is dominated by vehicles, and I think that's something that the district plans are calling out for - all these vehicle parking requirements and access in terms of getting your vehicles onto and off the site - in a direction that really limits the streetscape (architect 4).

Regulations relating to the provision for motor vehicles, then, also locked in both assumptions about what a house was, and what a streetscape should be, reinforcing the status quo. The multi-car household has become normalised in New Zealand, as more adults work in different geographic locations and as young people become increasingly dependent on a car to access their social and study networks (Rose, Witten & Mccreanor, 2009), and this is reinforced by housing regulations.

The planning process had a limited view of acceptable housing types, with a presumption of one set of housing needs shared by all, as discussed in chapter 6. That viewpoint was commented on by some participants who had been exposed to new demands for housing from different demographic groups who were open to living in different ways. Participants argued that there was a need for new types of housing beyond that specified within the norms of the District Plan, and it was being rejected because it did not align with current norms. For example, one participant talked about a growing demand for rental housing by the room, with shared common facilities for single professionals and transient workers. This participant explained that their consent application faced resistance from council:

> Council have been concerned that each of these rooms will be used as an apartment and so they're trying to take the square peg and put it through the round hole (consultant planner 3).

This example revealed how different ways to approach housing were not facilitated by the planning system, because in its current construct it required a formal definition of 'what a house is' in order to efficiently issue consents. This type of rule-setting did not allow flexibility for including other definitions of a house.

Hamilton city is growing quickly, and local government was argued to not be set up to efficiently deal with this. The chief executive of an NGO explained:

> In the council context an extra customer doesn't mean more revenue, it's just an extra person to share the load against. And, actually, they mean more cost. So you don't want more customers, they're actually a nuisance. So all of your incentives in the local government construct are around cost reduction - so growth is a problem to managed rather than an opportunity to be harnessed (associated industry 5).

The quote reveals a view that the foundation of local government is not aligned with residential growth. In its current structure, local government cannot support a broad view of residential growth, and from this participant's perspective was a significant systemic barrier to change.

Private sector actors often blamed local government for driving conservative approaches to housing. This form of scapegoating gave a convenient rationale for the private sector to carry

on operating in the same way, without examining its own practices. Such attitudes were prevalent, as one actor revealed when arguing that HCC is conservative in its approach to density:

> Hamilton is 10 years behind Auckland in terms of adopting a slightly more liberal approach to things like density and intensification.... It's just not there yet (consultant planner 3).

This participant continued on to suggest that HCC's conservative approach to density includes planning measures that are inefficient, such as "dabbling and compartmentalism" (consultant planner 3). This labelling of local government as obstructing the path to density is a convenient narrative to enable private sector actors to continue the status quo.

Zoning and its contribution to inertia

The approach of zoning land according to how far out from the CBD it is, and then applying different planning rules to the differently zoned land, was argued to be out of step with both a growing concern that development is sustainable, and how people live in 2019. New Zealanders today live differently depending on their interests and lifestyle, not necessarily their geographical location relative to the CBD. One architect explained how restrictive this approach was:

> To try and get all these great ideas about what to do from a comprehensive development, we're really going past what they anticipate planning wise.
>
> ...In land planning it goes from a tiered approach from rural to CBD and each one has an incremental change from the last one (architect 4).

The participant explained that they wanted to design housing for new subdivisions in Hamilton that was more sustainable in its use of land, for example with shared services and gardens. The current planning system was closed to this type of development, the rules did not permit it. The consideration of land as existing on a continuum from rural through to urban has the geographical location at its starting place, rather than the needs of the people living there. Zoning was seen, therefore, as a restrictive measure which sustained inertia.

Approaches to planning housing and cities have become embedded in the network, as chapter 6 showed. The sprawling form of development that was popular in New Zealand, with a CBD and then suburbs spreading out from there, requires a car to get around. Public transport will never be efficient in such a regime. There are reasons why urban sprawl met the needs of citizens in the past, but now it does not:

> Because we're a new country we've invested in urban sprawl the old-fashioned way... I think the thing is, the traffic's getting worse, and it thinks it's going to fix itself (developer 2).

The quote argues that this form of urban development is not aligned with people's needs today and is out of step with the way society is changing.

Conflicting interests and imperatives within the governance network

Within HCC, and between the other regional councils, responsibilities for planning, growth, infrastructure, transport and servicing lie across different departments, with different mandates. The dispersion of responsibility was argued to lead to a disconnect between these parts of the network, and in turn obstruct change.

Interviews revealed the lack of a coherent, streamlined approach to residential development. Divergent agendas and timelines amongst actors was said to lead to the network not functioning efficiently. Funding infrastructure was identified as a significant obstacle, as one participant from an NGO stated:

> The integration of planning, funding and delivery across the region, I would argue, is dysfunctional (associated industry 5).

The explanation for this dysfunction lay partly in the first argument of this chapter, that the complexity of the network inhibited the smooth delivery of new housing. The quote delineated three stages of the residential development process: planning, funding and delivery. The first, planning, was regulated by central government through legislation (as we saw in chapter 2) and operationalized at the local level by a network of public and private actors and agencies (as described in chapter 5). The second, funding of residential development, has two strands: the funding of the public planning process and necessary infrastructure comes from local government, which we saw has limited income streams that were not sufficient to cover current growth, and the funding of land purchase, subdividing, designing, consenting and building new housing came from developers (and lending institutions). The third stage, delivery, was managed by developers and the consultants and other private sector actors they engaged. There were, then, multiple interlocking parts of the process, and a lack of integration at various points within this complex system was seen to be problematic. The same participant explained the experience of Auckland in the 1990s, when it had a growth strategy which relied upon city and district councils to invest in infrastructure. The reliance on collaboration between different councils over funding and regulation was a key barrier to responsiveness and change:

> Auckland had the same in the 90s, a growth strategy that was based on a compact city ...They were all on different budgets, different timelines, different political agendas and so effectively it collapsed (associated industry 5).

The participant provided this example as a warning to Hamilton, arguing that without a joined-up approach to manage development, where budgets, timelines and agendas are

agreed upon and coordinated, the process can 'fall apart'. The institutional context of local government in the Waikato is not set up in this way, and was described here as a threat to change.

Another contributing factor to inertia was the risk averse approach of lending institutions. One participant who built medium density developments outlined an example of a high-density development in Auckland that they planned but had eventually abandoned because of two obstacles: the first was related to obtaining finance - the bank was cautious about lending high amounts on an untested, high density development; and the second was related to getting it consented - it did not fit within the density norms of the District Plan for the region at that time. This participant concluded with:

> Someone came and made us an offer on the land and we just gave up, it was too hard. So they just put it into standard houses, and all the density got lost for that area (developer 4).

The conservative position of financial institutions was a factor, alongside local regulations. Other similar stories told by participants revealed that even when higher density was permitted within a district plan, the interpretation and application of rules were still an insurmountable obstacle to intensification. Densification of housing is relatively new in New Zealand, and remains for some to be a contentious proposition (Dixon & Dupuis, 2003).

Conflicting imperatives that contributed to inertia included the focus of local government on building a community, which was broader than just meeting housing needs. Comments revealed that the focus of council was split across meeting many needs of the intended residents. This concern with building community is another way of defining the word "holistic" that was used in an earlier quote by a developer to mean 'considering what consumers want'. The council's focus on residential growth and development went beyond treating people as consumers of housing, to considering the needs of their social and cultural wellbeing. There were competing imperatives, then, between the developer-led, for-profit delivery of housing that did not take account of the broader community dimension of development. As one public sector planner argued:

> It's the sports fields, parks, esplanades, hospitals, retail centres and bus provision, walking/cycling. You get into heaps and heaps of stuff that isn't considered in the upfront gateway funding decisions, and it's all those things that make the community (council planning manager 1).

<u>Agendas do not align</u>

Local government's agenda of self-preservation is problematic to its function of coordinating residential growth, argued one participant. They gave an example of water reform that was proposed in the Waikato region. Three local councils, Waipa District Council, Hamilton City

Council and Waikato District Council were involved in discussions to streamline processes by setting up one water provider, a council-controlled water authority (CCO), that would service all regions and be managed independently. This proposal would have brought significant economies of scale, leading to cost savings along with better water outcomes in terms of discharge and water quality. The plan was ultimately voted against by Waipa District Council and the proposal collapsed:

> The political risk to Waipa council was that if they lost water, it was 40% of what they do, so their viability as a council comes into question. So, they were consequently opposed to the change, and managed to convince their local community this was a bad thing (associated industry 5).

This example demonstrates the political nature of growth and the forces of inertia in action within local government. It shows the complexity of systemic change, and the uphill struggle for stakeholders to reach joined-up thinking on services that are fundamental to growth areas. It also illustrates the power of discourse. Waipa District Council were able to form a narrative that garnered broad support for their agenda, as in Stone's (1997) stymied progress story discussed in chapter 7. This failed initiative reveals how a story can be told from many different angles, and used in a political way to gain support for a cause. The fragmented manner in which the institutions of local government have been set up allows space for different agendas to creep in and polarise priorities.

A developer's agenda is, of course, very different to that of local government, in its primary concern of profit maximization (Murphy, 2019). A business logic drives the delivery of homogenous housing, limiting innovation and diversity, argued a private-sector members of the governance network:

> It's all left up to private enterprise, which focuses at the top end. You're never going to get private enterprise to build affordable housing, really (developer 4).

The quote reveals a need for 'affordable housing' and an acknowledgement that within a developer-led, for-profit system of delivery of housing, this outcome will not happen. The explicit assertion by a member of the development community that they and their peers cannot be responsible for delivering housing to meet the needs of a growing segment of the population shows the void where accountability for housing all residents vanished.

Tension between a business and a design logic also led to inertia. The differences between motivations led to conflict, stalemate and ultimately the domination of the status quo. As one participant simply said:

> Unfortunately, financial viability doesn't equal good design.

> ...Our banks don't necessarily value the long-term economic benefits in doing a good development. The banks need to know that it will sell easily (developer 3).

The quote demonstrated the delicate balancing act between design and profit, and the hidden power that the economic logic has to influence outcomes in the built environment.

Another developer talked about the short-term nature of building in New Zealand, and how the Building Code requires a house to stand for only 30 years. They explained that they chose to build houses that were superior to the minimum standards, and would last for up to 100 years, but that most developers took a different perspective, prioritising profit over quality:

> Most developers, even the large developers, don't want to get involved in that [increasing the longevity of their housing] because they make enough money in the typical thing, so we get the status quo (developer 6).

If the aim of making a good return on investment is being met, then there is no motivation for private sector actors to innovate or diversify.

A property lawyer who worked closely with new housing developments in Hamilton explained the delivery of homogenous housing through the lens of the motivations of building companies:

> The builders as I see it prefer larger luxury houses because they make more of a margin than on cheap, smaller houses (associated industry 6).

The participant carried on to argue there is a need for smaller homes:

> I personally don't think it's bad to have more cheap developments around, because they serve a certain part of the market. And if you had smaller houses, smaller sections, that's not necessarily the end of the world (associated industry 6).

There was not, however, a clear answer in the data as to who would deliver smaller, cheaper homes.

<u>Lack of leadership from central government and coordination of local government</u>

Central government has the capability to create and enforce formal rules to regulate the provision of housing (Howden-Chapman, 2015). However, residential growth is affected by many other factors that are managed by central government, such as employment and immigration. Participants argued that towns and cities in New Zealand urgently need resources from central government to assist in the management of new housing growth. The nature of the resources needed was framed differently by different participants, but can be grouped into three categories: steering support, top-down leadership, and funding. One participant from an NGO, discussed the challenges of adequately funding infrastructure for residential growth across New Zealand:

> The planning statue that allows growth without funding the infrastructure necessary to support it is always going to be problematic (associated industry 5).

The problem here was legislation which emerges from central government. The participant carried on to explain that the NGO they worked for believed that the country's planning laws needed a fundamental rewrite, and the system for financing infrastructure required a complete rethink. This point is illustrated by the fact that various policy and institutional solutions have been attempted to address the obstacles to funding infrastructure and supporting development (as explained in chapter 2), but they have delivered little noticeable results. An example is a recent initiative, Build Waikato, aimed at connecting all the local councils together with a common focus to facilitate growth and connect the building requirements across all areas within the Waikato. One participant, an ex-employee of the Building Unit at HCC (associated industry 4) discussed how this initiative had the potential to build efficiencies and scale-up the building capabilities of the region. This potential was not realised due to challenges in integrating a fragmented local authority context, a lack of funding, and complexities associated with decision-making where they are negotiations between public and private sector actors.

Another participant articulated the problems caused the lack of financial resources held by local government, and how it is exacerbated in small towns in the Waikato:

> You've got these small communities, they've got no money, and water's hugely expensive and they've got no means to address these issues so then you just go back on this endless loop (council planner 1).

<u>Resources concentrated in hands of developers</u>

Approaches to residential development more widely in New Zealand were discussed by participants as being situated on a continuum of maturity, with Auckland developers being further along that journey than Hamilton developers. A habitual, fixed approach to residential development is key to understanding why we continue to get the same kind of outcomes. One council planner explained:

> There's a much more mature perspective around urbanism in Auckland, compared to some other developers in Hamilton (council planner 6).

This quote contains one of only two references to urbanism throughout the whole data set. This suggests some actors in Hamilton do not consider it as urban an environment as Auckland.

Innovation is in the hands of a minority of developers who have the intention and resources to try new things, and therefore by default to lead the sector. The importance of the personal style of development selected by the developer was a re-occurring theme from many

participants in this research, and is one that can help explain why inertia persists. Motivations between different developers varied, within the parameters set by references to 'the market' as explained in the previous chapter. Different approaches to development were described by participants:

> I just like doing medium density planning, I think it works, I think it's better (developer 4);
>
> I was talking to a traditional Rototuna developer – if I call Rototuna traditional – he just said that when it comes to housing development, they only ever take the ultra-conservative view (council planner 1);
>
> We want car parks. That [council] planner has been to university and they've got a degree and it's like, "dude you're 23, what do you know? I've been doing this a long time. No-one cares about bike parks" (developer 5).

These three quotes reveal different approaches to development by three developers working in Hamilton today. The first approach was resisting inertia and championing intensification in the city. The second approach was perpetuating the status-quo, delivering low-density development. The label "traditional" was used by numerous participants to describe a style of development that typifies recent urban sprawl - suburbs of streets with modern, largely single storey, concrete, cheaply built houses with multiple bedrooms and bathrooms, large internal access garages, private driveways and fenced gardens. From this quote we cannot discern if the developer's attitude can be separated out from that of their financial backer, or if their outcomes are too intertwined. The third approach was conservative and repelling of change, actively resisting transport alternatives that the council was attempting to implement. The personal approach to development held by a developer was key in determining outcomes and was not reducible to simple measures such as their location, demographic or funding model. Instead, there were varied levels of appetite for change amongst developers. This was illustrated by the finding in chapter 6 that there is a primary logic of financial imperatives driving developers, but alongside this are emerging secondary logics such as urban design.

The concentration of power in the hands of developers, and their influence on the built environment of Hamilton was starkly expressed by one developer who is high profile in the city:

> You're in an environment where the barrier to enter being a developer is finance. As soon as you've got money - you don't need a license - you can just go build what you want, it's kinda crazy. Not many industries where you can just rock up, first day on the job, and just develop something. But, the development community influence everybody, cos every human is interacting with what developers have built (developer 6).

Perceptions of financial risk leads to conservatism among private sector actors

As indicated earlier, conservative financial institutions were also identified as contributing to inertia. Economic feasibility arguments translated directly into tools that influenced decision-making about new housing, such as in financial viability assessments (Wainwright, 2015). Like Murphy (2019), the interviews revealed the influence of financial institutions on decisions about what kind of developments were built. Assessments by these institutions dictated the size and density of developments that would be funded, with ramifications throughout the housing sector. This led to conservative decision making, explained one developer:

> The banks need to know that it will sell easily. So the easiest thing to do is the same sh*t that everyone else has done, because the bank can go, "well a hundred of these sold last year so we should be able to get them away" (developer 2).

The participant stated in the quote that certainty is important in lending institutions' decision-making. This highlighting of risk, and requirement of assurance that the product would sell, directly translated into the design choices a developer made for a new housing development. The developer acknowledged directly in the quote that the houses being built are not something to be proud of, or of a great standard – even using an expletive to illustrate this, in their words: "the same sh*t". The influence of financial institutions on the built environment in New Zealand was significant and it flowed through all stakeholders and all stages of the planning and decision process.

The perception of risk to a developer (or other private sector actor) of losing money – for example because the design of houses was perceived as being difficult to sell, was a barrier to innovation. This finding sits alongside the point made earlier in this chapter, that it was council rules that stifled innovation. One developer explained how homogenous outcomes emerged from conservative attitudes amongst their peers:

> A lot of the types of housing you see in New Zealand, has been because that's what developers have built. A lot of them have three plans, and know how to build them for x amount of dollars, and they'll build them (developer 1).

Another participant, a building company general manager, summarised how a perception of financial risk affected decision making:

> For us it's obviously got to be profitable, it has to be a certain risk profile, we don't want to be taking on too much risk (associated industry 2).

The participant carried on later in the interview to acknowledge the significance of an individual's 'approach to risk' in driving change when discussing offshore modular

construction as a potential new way to build houses more quickly, efficiently and cheaply. They said innovation required developers who were willing to take on risk:

> I think around liability and risk people [developers] are quite closed in their approach on things…it's around who will take the risk and be liable (associated industry 2).

For this participant, overcoming the barriers to innovation required individual companies taking the risk and trying new products in New Zealand. There were no suggestions, however, of how such a risk could be shared or mitigated. For example, in the interview they detailed a specific example of an innovative, high density development the company built in the Bay of Plenty for a local developer that had been hugely debated before it started:

> …that developer took on a lot of the risk in starting the project without achieving the sales that most developers would want to achieve before getting things underway (associated industry 2).

The quote revealed that developers did carry much of the risk when pursuing innovations in new housing.

Inertia, then, was also explained to be a direct result of conservatism among developers, driven by perceptions of financial risk. Given the financial imperatives of a developer-led, for-profit system of housing provision, this is a rational risk. A council planner made this direct link:

> I don't think we've seen any innovative forms of housing in Hamilton after travelling around a bit. But what I can tell you is a lot of housing is driven by what developers perceive they can sell.
>
> …You're only ever second best in terms of what you're getting, cos no-one ever takes risk in development (council planner 1).

The quote meant that repeated forms of traditional, urban sprawl, suboptimal quality, low-density new housing are evident across the city, and were 'second best'. For a developer, these were low risk developments, delivering a proven product with a proven record of sales. This observation was supported by other participants:

> When you drive round, new suburbs tend to be just pretty conventional things that suit their purpose. Some are well designed, some of them aren't so much (architect 1).

In response to being asked what are the main barriers or obstacles to getting innovation in Hamilton, one participant said:

> I think there's a real concern that it won't sell. So I think as a city we need to step up and say this isn't acceptable (developer 2).

The participant was calling for greater leadership in the residential development of Hamilton, whilst acknowledging that financial risk has dominated decision-making.

Insurance companies were also implicated in actively dissuading developers from building medium to high density housing. One council employee (planner 7) explained how insurance companies calculate higher density housing to be disproportionately more risk than lower density housing, because of the risk of fire and accidents with two storey buildings. Another developer explained how lenders and insurers' agendas influence the houses that are built:

> It's really hard to innovate within this industry because who's insuring it, who's funding it, all these things, you go to a bank with this out there design that's not tested, they don't want to fund it, then you have to go private funding, then so who's going to insure it (developer 6).

Both the two previous quotes reveal the influence that lending institutions' aversion to risk has on the typology of housing built and how it helps stabilise existing ways of operation. Development is an expensive process, and being reliant on lending means that many developers are steered by the expectations of their financers (Murphy, 2019). The power of lenders is encouraging resistance to change and perpetuating the building of suboptimal housing.

<u>Short termism of private developers</u>

Some participants argued that private developers made decisions based on short-term thinking, and this, too, detracted from a willingness to innovate. The participant that explained earlier why developers are "risk averse", outlined the resulting limitations that came from this approach:

> ...therefore, they tend not to do stuff at scale there, they just do stuff, they just feed infrastructure to meet the very obvious demand in front of them. And so you get incremental development instead of scale development (associated industry 5).

The quote implies incremental development which is not meeting the need for larger scale development.

There was, then, a constant tension among participants between trying something different, which involved an element of risk, or sticking with a housing project that was traditional and offered certainty. One private planner, who has extensive experience working with multiple developers across Hamilton, brought a unique insight into the differences between developers. They explained the different approaches to development:

> If you get a developer who's willing to bend the rules a little bit, to get a better outcome, they can create a little bit of innovation. But I think a lot of

> developers are like, "those are the rules, so let's just make it easy for ourselves and let's just do that" (consultant planner 1).

The quote offers a perspective of stagnation, or at best gradual change, within approaches to new housing. It also reveals a lack of bold decision-making and strong leadership. The inertia implicit in this quote is driven by many forces, including personal resources (little desire for change and a comfort level of sticking within the proven ways of doing things) and professional resources (the financial capacity to take an innovative approach).

Residents' preferences stifle change

Citizens were not a part of the data set of this research, but members of the governance network referred extensively to the views of Hamilton residents as being conservative and resistant to change. For example, one participant lamented the lack of innovative housing designs in Hamilton:

> Hamiltonians are conservative in themselves and just demand ho-hum architecture, don't think outside the box (consultant planner 1).

Another talked about resistance to change in New Zealanders' attitudes, and specifically in Hamilton:

> The Kiwis struggle with change, change in the city. The city's changing, it's getting more dense (council planner 4).

The quote appeared to argue that the fear of change is a cultural fear, endemic to New Zealanders. The literature tells us it is not limited to New Zealanders, for example Hobbes posited that human action is motivated by fear (cited in Coen, 2008). That fear is playing out in new housing decisions in a time of significant growth in Hamilton.

One expression of fear is NIMBY attitudes (Martin, 2019). Internationally recognised in the scholarship, this is a recognition that people accept growth in theory, but if it affects them in reality they feel threatened. Resistance to change is especially evident in older neighbourhoods in Hamilton, where education about the advantages of living at higher density has not penetrated, "some of the key advantages of intensification are simply not appreciated or understood in processes of determining comparative best advantage in their living choice" (HCC Urban Growth Strategy, 2008). This resistance was a key concern of local government argued one participant:

> If you start intensifying your established residential areas, lots of kickback from the current residents, because they've bought into a particular environment - and presumably they want that environment to not change (council planner 3).

This quote defined such NIMBY attitudes as containing three fears: of change; of difference; and of losing money. One developer who faced opposition for a proposed medium density development in a neighbouring rural town, named it as such:

> We're having multiple challenges with the ultimate NIMBYs (developer 4).
>
> The public's view is, "yes it's a good idea to have it, but not in my back yard". That's basically it. I mean the high-end's very precious about what goes next to it (developer 4).

The background to this development is that Waipa's District Plan recently made provisions for medium density development in a small town neighbouring Hamilton. This policy represented a new, more urban direction for a previously rural area which had a strongly embedded norm of the quarter acre section and single storey, homogenous neighbourhoods. Even though medium density development was facilitated by the plan, and a new vision for the area was clearly articulated, obstacles emerged to actually getting such a development built. The researcher attended a Council Hearing about this development, where a group of homeowners submitted against the proposed development. All four submitters were homeowners who would be neighbours of this new development, and all were highly emotive in their discourse. Their arguments all came from the same place of resisting change, and a fear of difference. The emotions displayed were intense, with dramatic shows of tears and anger. Research on NIMBYism reveals that people often feel threatened by changing ideas of what places are and how people live (Devine-Wright, 2009; Miller, 2011). The hearing illustrated how deeply held, and personal, the logics surrounding the ideal way to live are. The new development being discussed was the first medium density housing in the town and challenged the cultural norms. All four local homeowners who submitted argued that the proposed housing - two storey, medium density, affordable town houses - were not suitable accommodation to raise a family. Their view was that such housing would attract a lower socio-economic demographic to an affluent area, lead to substandard lived experiences for those families as well as the neighbours, and lower the value of the neighbouring properties. The assumptions revealed through the narrative were many, including the assumption that only lower socio-economic families would be interested in medium density living, and the implication that such families would be undesirable as neighbours. The labelling of "the high-end" in the second quote is a form of scapegoating. The participant argued that their vision for the land should be able to be built, and their motivations were more valid than those of existing residents.

Another member of the governance network justified the plethora of "traditional, Rototuna style developments" across the city, by pointing to the demand from people for these types of

housing. The developer argued such planning decisions are made because they reflect the communities they exist within:

> It's new, it's crime free, there's new amenities, homogenous communities, and a whole lot of people like that (developer 1).

A council planner echoed these attitudes, when they explained the norms that continue to dominate resident's housing expectations:

> They want a big house on a small section, and they want at least a 2 car garage if not a 3 car garage and the plan allows them to do that in most areas (council planner 3).

Perceptions of what a good house is can be emotionally charged. A stubbornness to cling on to a romanticised version of the past was revealed. As discussed in chapter 6, car-based suburbia is the New Zealand cultural norm. This typology of housing has been the dominant one available, therefore is what people know and, as a consequence, want (Miller, 2011).

Planning decisions are influenced by the social expectations of the community in which the system operates. This explains why decisions are not always streamlined and consistent. One council employee discussed the example of consenting new childcare centres, and how in the ten years they have worked at HCC there has been a shift in the people's views towards them, which affects decision-making. The attitude in 2019 was:

> Childcare is "horrible, too noisy", that's what our community's thinking is at this time. 5 years ago they loved childcares. In 5 years time they'll love them again. So love and hate goes on all the time.
>
> ...decision-making is so hard because you're always reacting to the local community's expectations. So where you're sitting in that love-hate relationship (just using childcares as an example). "You hate childcare" so our decision-making is very conservative, and it's long and tedious and careful, and we think a lot about it. Versus in the past or future "you love childcares", we start making childcare processes very easy and fast (council planner 7).

This example demonstrated that planning processes do not exist in a vacuum, instead they represent the values of the community in which they exist. Therefore, for example, if Hamilton city ratepayers are arguing against increased density, this (combined with other factors) will impact on the amount of housing, and especially affordable housing, that the planning system can deliver.

Planning decisions are made in the context of the fear outlined in this section. It is important to make this point explicitly, as local government does not exist in a vacuum but it is created and sustained by the local community around it. One council planner explicitly made this link:

> All planning regimes, in my mind, are reflective of the communities they live in, and the priorities (council planner 6).

This argument takes the debate beyond a simple culture of blaming regulation for stifling growth. In New Zealand, as previously discussed, there is a strong anti-regulation rhetoric, with suspicion and criticism of varied decisions. The role of resident's attitudes in limiting innovative forms of new housing has contributed to the housing crisis in Hamilton, but is often missing from the mainstream discourse.

Forces for transformation

The chapter, so far, has commented on the forces of inertia evident within the governance network for new housing in Hamilton. Comments by participants also referred to the prospects for innovation. Networks can be a good environment for alternative ideas to flourish and be shared. However there is a caveat to this - how well connected actors in a network are can determine how effective it will be at bringing about change. Considine (2013) posits,

> "The effects of connectedness are greater than the sum of the individual connections. We can contrast this with traditional hierarchies where there may be only one or two authorized links allowing access to decisions and where most individuals are inaccessible to most others" (p.442).

This section will present an analysis of the data that showed the potential for innovation from within the network.

<u>Frustration with historical approaches no longer suiting the needs of residents</u>

Another force for change within the governance network is the attitude towards historical decisions that no longer serve the communities in which they were made. Density has been identified as a more sustainable form of development (Lietz & Bijoux, 2014). Alongside this, the negative consequences of urban sprawl are becoming more widely known (Bowyer, 2015). Knowledge about these two shifts is slowly filtering through to the wider public. One participant acknowledged that intensification is required in Hamilton, and can be done well:

> If they [denser houses] can still be well designed, which they can be, intensification doesn't have to mean bad design (associated industry 6).

However, higher density forms of housing are not in alignment with the well-established development approach of low density in New Zealand. The negative repercussions of low-density development, known colloquially as 'urban sprawl', have provided impetus for change in larger cities. One developer explained how frustration with traffic congestion in Auckland has already led to new approaches to planning housing:

> The reason - in part - why Auckland is intensifying, is because it's just too hard to get around. So it's forcing people to change their lifestyle (developer 2).

The decision to change the direction of new housing planning towards higher density, is argued to be because of the problems inherent in the traditional, urban sprawl approach. The quote reveals that, in this context, frustration with current outcomes overcame system inertia. Auckland is further advanced along the journey of promoting density and restricting urban sprawl (Syme et al., 2005). The developer expected that the same trajectory of attitudes will happen in Hamilton, but it will just take longer.

A developer and architect in Auckland shared an example of historical approaches to planning in other countries that could be useful in addressing the problems participants argued lie with the current urban sprawl approach:

> I had travelled a little in Europe and South America, and seen older models of villages that had evolved before the private car came into use, and they're really different. They're designed around models of what works for people on foot, or on horse etc. And dense villages a day's walk from another dense village. So it's not like the motor car model which is miles and miles of evenly spaced houses with some land around it (developer 8).

An emerging paradigm in planning internationally, labelled the '20 minute city' posits this approach as being key to planning more liveable communities. The central tenet of the approach is that every household should be within a 20 minute walk of amenities. It is argued that such a direction for planning would reduce a reliance on the car, bring people more opportunities for social contact, and stem the trajectory of loneliness and disconnection (Williams, 2005) that has spread across the Western world.

Other members of the governance network echoed the perspective that there are flaws in the current planning approach, specifically criticising the reliance on private cars for transport. These participants expressed the emerging realisation in New Zealand that car parks do not build communities - and that the car can actually be an obstruction to place-making:

> We planned for the car and it's been a massive mistake (property developer 4);

> There's no meeting on the street to say hi because you drive out in your car, so you don't get those social connections (property developer 2);

> Urban sprawl is a huge cost not only in public transport because it's harder to fund it, the health negativity of sitting in a car all day, driving round. Look at Hamilton - it's the size of San Francisco, Paris, with 150,000 - and apparently it's run out of land (developer 4);

> When you spend a bit of time travelling, and looking, and thinking, we start to go, "what makes this place appealing?" And acres and acres of car park don't make places appealing (property developer 2);

> Relying on the car, "why are we so fat?" That's really rude and abrupt, but it's the reality. We're fat because of our urban form. Amsterdam - I couldn't believe how athletic they are! (property developer 4).

Developer 4's reference to Amsterdam as being a positive role model, and inspiration for Hamilton to grow towards, is interesting to read in relation to property developer 5's earlier quote that "it's not Amsterdam". That quote was arguing that local government are trying to reorient Hamilton's planning towards a model more like Amsterdam, and that in doing so it is out of step with where Hamilton is right now. Developer 5's resistance to change was in direct conflict with developer 4's desire to innovate.

The preference for car-based transport, and its translation into the built environment, is continuing to affect new types of housing in Hamilton. One architect participant who had previously designed apartments in Sydney, and is now doing the same in Hamilton, highlighted the difference between the planning system's approach to cars in Australia and in New Zealand. They explained how in Sydney the assumption is that apartment dwellers do not own cars. Therefore it is a bureaucratic struggle to add car parks into the design of an apartment building. Using the example of a multi-storey block they designed with 30 apartments in Sydney, the maximum car parking the Local Plan would allow was 10. In Hamilton, their experience has been the opposite, with uphill negotiations with the local council to remove car parks from the design of a similar-sized apartment building, as the minimum requirement is so high. The participant explained:

> That's another issue that I have with NZ, that's their reliance on cars, and particularly in central CBD (architect 4).

This example reveals the power of assumptions, and how the widely-held belief here in New Zealand is that apartment dwellers will own cars. It also accentuates the delicate balance between meeting residents where they are now in their habits, by providing parking, and the role the governance actors have to play in changing habits and providing bold vision.

Change in new housing typologies has also been driven by problems of affordability. The traditional, urban sprawl approach to planning produces single storey homes with private gardens on individual sections. This is an expensive model of housing, because of the land cost and the building cost. More economically efficient ways of building houses involve multi-unit dwellings (Haarhoff et al., 2019), where the land cost is shared across multiple properties and the building cost is also shared because of shared floors and walls. One consultant planner argued problems with being able to afford home ownership in Hamilton are driving developers to innovate in the types of new housing they build:

> We're talking about innovation in a context of residential affordability, perhaps, and that - in order to make an affordable development - you need

> to be slightly more flexible about how that development is put together (consultant planner 3).

Observations that people are starting to live differently in Hamilton, and therefore require different amenities around their homes, emerged from members of the governance network for new housing in Hamilton. One property lawyer argued that change is needed in the approach to green spaces:

> One of the things I think need to change in places like Hamilton, is the parks strategy. Traditionally, we've had big suburban parks which serve a certain neighbourhood. If we're going to have a lot more intensification, people aren't going to have back yards, and people are potentially going to have to go further to a park. You'd probably need more smaller parks, rather than unusable development land. I'm not sure that's filtered between departments in council, parks planning, amenity planning (associated industry 6).

This argument was echoed by another participant who highlighted that the current system is not using land efficiently, and is resulting in under-utilised green spaces in Hamilton:

> We might not even need parks for apartments. But somewhere someone can come out of their apartment and they're on a walkway that leads to the river. Cos I can think of some parks, especially the park where I live in Mahoe, that's absolutely huge and doesn't get used for anything - not even sport - it's a waste of space (associated industry 7).

Views like these have the potential to drive meaningful change in the planning system, towards building better homes, towns and cities in Hamilton.

<u>Council leadership</u>

Evidence of innovative thinking within HCC was found in this data. One building company general manager, who discussed the first mixed use, high density development in Hamilton, explained how it was supported by HCC, who:

> ...had an appetite for that project, and by all accounts were quite accommodating along the way (associated industry 2).

The quote reveals that, in contrast to the perceptions of some participants, as described in the previous section, there was a willingness within the local council to support the development industry to innovate, and back new housing typologies.

Another example of council leading an effective collaboration with a developer emerged. This was introduced in chapter 5 in the section entitled 'Local government interactions with developers and consultants', and was discussed by both the developer and the council planner involved as an example of a good outcome emerging from close cooperation. The council planner explained the problem posed by the developer, which was that they did not want to build an ugly canopy in the CBD:

> So you start thinking, "Ok, cos the plan asks for that, it's like a non-negotiable". So, in terms of getting good outcomes, you go, "Right, listen". And I trust him, I know that he's going to do a good development. And I know that if he reduces the ugly verandah it will be better from an aesthetics and visual component, but I've got to balance the needs of the city as well. So I go, "Hmm, what are the different ways we can do that?" And definitely I start throwing out some ideas, and one of the cool things we settled on was a green canopy - so when I say green I mean like trees and wires and creepers. So it's not attached to the building, but you've created a visual green connection corridor which can keep you out the rain, but also add a bit more vibrancy to the city (council planner 4).

The process of listening closely to the intentions of the developer, allowed the two participants to realise that it was not in conflict with the intention of the council rules. This identification of a common ground allowed an innovative solution to be arrived at that met both the agenda of the developer, and the agenda of the council.

This research has also opened up questions about the need for central leadership to navigate the different agendas between residents, developers and local government. Central and local government were argued by participants to be best placed to play the leadership role and bring intention to the system. Housing planning is a politically charged subject at the local level, requiring careful balancing of different needs and wants of the wider community. One council planner argued that it was essential for political leadership to promote change at the local level:

> No reform can happen without a political champion (council planner 6).

The participant gave an example from their previous role at the Greater London Authority, of how important political support for change is:

> We could only do what we did because we had Ken Livingstone out there fighting it every single day. And extolling the virtues of his programme. But it was informed by people - Lord Rodgers, who was drafted in to set up the Architecture and Urbanism unit. So when you've got that, it's almost like a symbiotic relationship, between the politics and a bureaucracy that can advise it in the best way it can, to achieve good planning practices (council planner 6).

The importance of wider support from within the governance network for innovation is demonstrated here.

A new growth cell in Hamilton, the Peacockes Road development, has had extensive local government involvement in the planning of the development. For example one council planner outlined the early consideration that was given to transport in the area:

> Rather than have bus bays, we might just have the buses in the live traffic - because of all the messaging that sends about bus travel and bus priority. There's going to be a huge focus on walking and cycling.

> ...we're exploring park and ride opportunities (council planner 1).

The quote shows new consideration being given to alternatives forms of transport by the HCC. The importance of these "game-changing" ideas being tabled and discussed at the early planning stages of a new development was displayed by another council planner:

> ...driving a denser city to allow eventually for mass transport options, so we can provide those alternatives other than driving. You can't provide alternatives to cars when you're at 16 houses per hectare, no bus service will pay for itself, you've got to be around 50 (council planner 6).

Big picture thinking is evident in the quote, revealing a vision for a city that is far more conducive to public transport than Hamilton is in its current form.

The Hamilton City Urban Design Panel, along with HCC is currently tasked with regulating the design of large-scale commercial developments in the city. Participants argued that this agency has the potential to improve new housing outcomes in Hamilton, by reprioritising medium and high-density residential developments as its focus. The motivation behind the argument was to put people and housing at the centre of the city, rather than the norm of cars and businesses being the focus. One architect argued the city should:

> Try to get better results at that mid-range stuff we don't get. Like in 5 Cross Roads, rows of strip housing down the middle, constantly everywhere (architect 1).

As Hamilton city is a high growth area with increasing demand for housing, and more infill being planned, the importance of urban design for new developments such as the one specified in this quote becomes increasingly important.

<u>Developers with innovative perspective and resources</u>

Examples of private developers with an interest in innovative housing development, and the financial capacity to deliver this, were uncovered. There are a number of developers operating in Hamilton with a combination of personal commitment to innovation, and professional experience. An architect who had worked with developers like these discussed how the developer of an innovative CBD mixed-use development displayed bravery, in the face of considerable risk and uncertainty:

> The client had pretty good ambition to see it through. Myself and the director thought they were taking on quite a bit of risk... we thought these guys were a bit crazy at some points, but it definitely paid off for them and I think it's proving to other people this is possible (architect 2).

The idea from the quote that once a new housing type had been tried once, it was easier for other developers to follow suit, supports an earlier quote from consultant planner 1 that, "it's the, that first break from the norm that is the hardest".

Another developer, who was building medium-density developments in Hamilton and surrounding areas, displayed the motivation to innovate and change housing outcomes for the better:

> I understand how you create a better city and that's through urban design (developer 4).

In explaining what a good housing development is, participants argued it is those projects that do not accept the status quo, but instead push to improve standards, that will bring better housing to Hamilton:

> The better developments often do push those boundaries a little bit (architect 1);
>
> We've got really good clients that really push the boundaries (consultant planner 1).

The second quote defined "good clients" as being those developers that were prepared to instigate change and put in the hard work to get innovative developments built. These quotes suggest that development that sticks within the remit of 'traditional' is suboptimal.

Another developer, who brought new typologies of housing to Hamilton, and is active in the CBD, explained their vision for the latest residential development they planned:

> We see this Hamilton East site is particularly good, and it's got a high street I suppose, a strip of shops that will make people feel comfortable that they can live there, walk up to get a drink, food, to service their life. So making it a liveable city, a liveable village, that's the aspect we're going for (developer 6).

The quote revealed leadership of the development of Hamilton city, and a vision for a different kind of living experience than that which is currently the norm in the city. This innovation was, however, in higher priced housing.

A consultant planner who worked in Auckland until recently, and now works in Hamilton explained their perspective on what a good development was, showing a logic that gives preferential treatment to intensified development, which is innovative for Hamilton:

> I think a good development starts with context; where is it located? What sort of accessibility does it have? Does it have transport (be it roading, be it public transport)? What kind of accessibility it has to amenities, supermarkets, doctors, parks, reserves, that kind of thing. And proximity to employment. So again, this is me aligning with - I guess - my preference for infill development, because you'll find that all of these things already exist (consultant planner 3).

The insight that using existing amenities and services is a more efficient way to develop new housing than greenfield development has become a norm in Auckland (Syme et al., 2005), but was still emerging in Hamilton.

HCC has prioritised parks in new subdivisions currently being planned. This decision acts directly on a recognition in the scholarship that 'third places' for people to recreate are essential to community wellbeing (Oldenburg, 1999). The status quo approach to housing, as we saw in chapter 6, assumed a house to be an individual, large dwelling with a fenced-in private garden. As higher density developments become more accepted, there is less provision for individual gardens and more need for community spaces for people to recreate. One developer gave the example of their current project, a medium density development in a small town outside Hamilton:

> We've got 1.1 hectares and we've got 34 [houses] on it, with a small park in the middle for kids to play on (developer 4).

This is a different approach to development that took a more community focused view and gave a changing vision of the future city. Multiple smaller, denser housing developments with small, well-used parks in each is a bold vision for the city.

<u>When innovative housing typologies align with business logic of maximizing profit</u>

Evidence emerged of new housing developments where better housing outcomes fitted in with the primary motivation of private sector actors. One developer talked about innovation in building materials, and rather than discussing a short-term economic narrative that the effort to get a new building material consented is time consuming, inefficient and expensive, they saw the potential for it to lead to quicker delivery of new housing:

> This year we're going to buy a site in Auckland and put some modular housing on there from China. And we're doing that because we think the cost will be a lot cheaper than the building cost here.
>
> ...We've got to navigate the council which will be a big problem, and we're expecting that. We're expecting a year's worth of effort to get that across the line, and we're willing to invest in that just to see if it comes off, and if it does we'll do more of them (developer 1).

Another council planner discussed one developer who diverted from their traditional approach to try a new style of development, completing one of the first medium density housing development in Hamilton's suburbs. That development was successful and it provided a model, and certainty in terms of selling properties, for other developments to follow its lead:

> Now he's done it, their next development's going to use that model as they can see it sells like hotcakes (council planner 1).

The insight revealed by analysing these quotes is that it is the first step towards change that is the most uphill part of the battle. Once a physical development exists and can be touched,

felt, walked around and seen, this removes the fear of difference from what an earlier quote referred to as 'the psyches' of homeowners.

A new typology of housing for single adults wanting privacy, but not able to afford to live alone, was discussed by a private planner. This was seen as an opportunity for a developer they are working with to innovate, but with the certainty of knowing a specific segment of people wanted to purchase the houses:

> Innovation that we're trying at the moment is high yield residential development, where a development consists of - let's say a 4 bedroom house of which each has their own bathroom, it has reduced communal kitchen lounge because the tenants have greater private space within their room (consultant planner 3).

<u>New perspectives coming into the network</u>

Interviews with actors from the governance network for new housing in Hamilton revealed changing perspectives around housing from within the network, and also from outside the network. One private planner explained that they have started working with a Wellington-based architect who is used to building on steep sections that have previously been considered unusable for housing. This experience is useful in Hamilton and they have already been successful in building new homes on land that had been discounted. This example of innovation, explained the participant, revealed that:

> I think bringing in fresh eyes is going to bring in innovation (consultant planner 1).

This example of an innovative approach to building on challenging terrain further consolidated the preciously made argument that it can be the approach and view of an individual actor in the network that brings about change.

There is a range of residential development in progress in Hamilton city, from traditional, low density development through to higher density development. All the participants interviewed here are involved in decision-making for housing that falls along this range. Some revealed their personal, as well as professional, approaches to housing, because most of them live in Hamilton as well as working there. One participant, who lives in a CBD apartment in Hamilton, explained new approaches towards the Kiwi dream,

> I think there's a shift of that Kiwi dream of the quarter acre section, as that dream shifts to, you know, like a cool attached apartment. "That's my dream" kind of thing, so maybe that quarter acre section dream is a dream for less people, certainly it's not a dream for my wife and I, we've got an apartment in the city.
>
> ...So we're one of the people who want that [higher density/lower maintenance]. We all know people who want the other thing. So I think

> that's the shift, that's just New Zealanders' preference changing, at least in Hamilton a bit (council planner 5).

The quotes highlight an important driver of change that is often overlooked in the mainstream media and public discussions about affordability and growth. The attitudes of residents, and their needs and wants from their house, vary significantly and impact development.

There is a growing recognition that diversity in housing is required in Hamilton, as the demographic of the city changes and the composition of households changes (as explained in chapter 6). One developer acknowledged the homogeneity in new housing development that has pervaded New Zealand:

> What fundamentally needs to drive it going into the future is enough choices - so people with different housing needs, their needs can be met. And that's what's been really, really, lacking in traditional New Zealand development over the last 30 years, is a total lack of variety of housing styles (developer 1).

The historical, homogenous approach to housing development is out of step with the landscape of New Zealand residents today. There are many and varied ways people live. This diversity comes from different life stages, cultural backgrounds, socio-economic levels, approaches to living and much more, but the housing being built is not suited to this. Recognition that a growing city needs intention and vision to consider its direction emerged from participants, such as this developer asking:

> What sort of community do you want is the question? (developer 1).

New perspectives can emerge within an individual, especially as they experience other types of approaches to new housing. One member of the governance network described the broadening out from their deeply-held personal preference for homogenous, single storey developments that occurred as the built environment in Hamilton started changing. The participant explained the progression from their original perspective:

> I used to see apartments- terrible looking things in Hillcrest - and I wanted to become a planner so I could put a stop to these ugly things.

to

> If you look at medium density development, Greenhill is a whole different way of seeing it, and it works quite well. They all look really nice from the street, and you've got your landscaping, your car parking. You can fit a lot more houses onto the sections, it's really good, it works well together (council planner 1).

This a clear example of higher density housing becoming more acceptable to an individual operating within the governance network. When a development embraces urban design

considerations and uses quality materials intensification gains favour. The participant here initially had a negative perspective of denser housing. Their aversion to intensification may remain, but became nuanced when they witnessed a more pleasant urban design approach with green spaces that allowed better liveability. The quote also revealed that housing is about far more than the actual physical building in which people reside. Instead it is about the connectivity with the surroundings, the quality of life for the residents, and the access to services.

Collaboration

The creativity, open mindedness and attitude to risk of the members of a network, and their capacity to work together, is a force for change (Bengtsson, 2015). One participant from the governance network for new housing in Hamilton discussed the importance of collaboration in driving change:

> We come up with a new concept, we try it out with council, it finds favour (consultant planner 3).

This participant discussed an example where the innovation started with the private sector actor and was then facilitated by the council. There were other examples discussed by participants where the innovative idea came from the local government planner and was picked up by the developer. The data revealed that innovation is not the product of any specific part of the network, instead it is a result of joined-up thinking.

Summary

This chapter uncovered how a systemic resistance to change is perpetuating the status quo in new housing outcomes in Hamilton today. It revealed that inertia is present in both the public and private sectors. In doing so, this chapter challenged the widely accepted market narrative that it is council regulations that stifle innovation. This belief has become internalised as an anti-regulation discourse in New Zealand, as discussed in the previous chapter.

The chapter outlined ways that local government rules do restrict change, by attributing fixed meanings to housing and also by an aversion to risk. Alongside that it revealed that resources are concentrated in the hands of developers, driven by a commercial logic that pushes standardised approaches. In the private sector, inertia stems from a fear of change, driven by perceptions of financial risk, and conservative attitudes to development. These attitudes have been operationalised within the system, orienting it to produce homogenous outcomes. The analysis revealed a closed network governing the planning of new housing that inhibits the ability of new ideas and innovations to gain traction. The systemic

embedding of a 'business as usual' approach to new housing was revealed across the network.

The differing aims and motivations of actors also hijacked opportunities for change (Dewick & Miozzo, 2004). To complicate things further, decision-makers were found not to be rational actors, but humans bringing subjective approaches (Bacchi, 1999). Within the governance network was revealed to be a multitude of conflicting interests and imperatives. This lack of alignment further embedded the status quo.

Cultural norms about what a house is in Hamilton, discussed in chapter 6, were found to be strongly present amongst the network. Participants also highlighted the presence of traditional views amongst the broader population of the city, and this was found to be an obstacle in interrupting standardised approaches to new housing development.

The chapter carried on to uncover forces of transformation that exist within the network governing new housing provision in Hamilton. There is an appetite for innovation in the public sector, which requires private sector resources to be realised. New typologies of residential development have to be led by the developers and enabled by the financial institutions. We have seen examples of developers taking the lead and striking out in new directions, proving that it can be done, but that it requires courage and capacity within the private sector. Within a system that appears to be oriented towards stability, there are examples of incremental change and new typologies of housing being built, but these are largely peripheral.

The outcome of system inertia is that homogenous development, and inequality in housing outcomes have become the norm. This norm appears out of step with the needs and wants of New Zealanders today, who have diverse requirements from housing. The problems of the governance arrangements for new housing in Hamilton not being responsive to change, and not meeting the specific needs of citizens, are key considerations to address when reworking the architecture of decision-making.

The final chapter concludes the findings of this thesis, revisiting the research objectives and looking at how these were systematically addressed. It then considers alternative governance arrangements for planning new housing that could optimise the emergence and delivery of innovative solutions, and suggests avenues worth of further research.

Chapter 9: Conclusions and recommendations

This research set out to uncover the often hidden political dynamics driving decisions about new housing delivery in the rapidly growing city of Hamilton. Its starting point was identifying the governance network responsible for many of these decisions, that being the local web of actors and agencies from across the public and private sectors who deliver new housing in Hamilton and beyond. Central and local government, land owners, developers, architects, valuers, lawyers and private planners all interact at different times and in different places to make decisions that ultimately result in the new housing that is built across the city. Initial observations of the network found it to be relatively stable and closed, and this posed limitations to change. Governance arrangements such as this have emerged alongside the adoption of neoliberal policy settings from the early 1990s (Wilson, 2015), and they have been informed or driven by an economic logic, resulting in the sidelining of many other values associated with housing. The research has observed the implications of these values and logics within the governance network, and the resulting impact on built outcomes.

The starting point for the research was the observation that, despite much policy attention, the governance of new housing provision is not addressing what has been described as a 'housing crisis', although well-established property speculators and existing homeowners have been well served (Johnson et al., 2018). The crisis has a number of elements, including the lack of suitability of housing currently being built in New Zealand for an increasingly diverse population that resides there. Secondly, decision-making power, as it relates to the delivery of new housing (as defined in chapter 3 using Huxham & Vangen's (2000) power 'for', power 'over' and power 'to', in the forms of influence, resources and discursive legitimacy), tends to rest in the hands of a few who predominantly hold housing-related capital, and are not the democratically accountable officials. Thirdly, change has been difficult to achieve – i.e., resolving the housing crisis has proven to be extremely challenging. Finally, fixed ideas about housing, and the role of the market in delivering housing, were found to be pervasive and problematic.

The specific problem that was the focus of this research was the inability of the current governance arrangements to respond adequately to the need to house a diverse and growing population. These arrangements are not addressing the current obstacles for a growing number of citizens to gain access to quality housing, including working New Zealanders who in previous decades would have been able to purchase their first house. The provision of new housing is, first and foremost, a political issue. Nowhere is this illustrated better than by the

governance of 'affordable housing'. As Austin et al. (2014) say, affordable housing is very much determined by policy decisions by government,

> "the way the policy is specified and the government's commitment to that policy; the legislative framework in which the agreements are determined; the strength and nature of the organisations involved in providing the affordable housing; and perhaps most importantly the market conditions in which the policy operates" (p.462).

Again, 'market conditions' are referenced as a taken-for-granted, external, economic factor, in this case that influences the success of policy delivering affordable housing, without being closely examined.

Objective 1 for this research was to situate the current housing crisis within the context of the history of the evolving governance arrangements for housing in Aotearoa New Zealand. Chapter 2 addressed this objective, by conducting a historical exploration of the changing governance of new housing in New Zealand. This review outlined the shifting responsibilities for housing between central and local government, and the private sector. The tensions between respecting individual property rights, and considering the collective wellbeing of society, became apparent from the early days of town planning in New Zealand. Within the changing governance arrangements the start of a link between home ownership and good citizenship came into existence, which we see today embedded as the cultural norm that considers home ownership superior to renting. In more recent years, a focus on affordability via limited policy tools such as supply and zoning became evident. The remaining low profile of more strategic approaches to planning, such as those that prioritise places and spaces, was also identified. The review of the historical governance of housing in New Zealand placed the current housing crisis in the context of a changing landscape of attitudes and approaches to planning. In doing so, it established the importance of viewing today's housing problems through a governance lens, rather than the more traditional 'policy' lens.

Objective 2 was to identify the network of public and private actors, and the nature of their interactions in the local governance arrangements for the delivery of new housing. Chapter 3 outlined the theoretical rationale for focusing on the governance network. It outlined the foundations of this approach, and why it is relevant for understanding new housing provision today. It gave examples of international research that has used this lens to illuminate outcomes in the housing sector. Chapter 3 also introduced the role of ideas and logics in driving the decisions that emerge from governance networks. The notion of power within and outside the network was explored, using the definition of power as being power 'over', power 'for' and power 'to' (Huxham & Vangen, 2000). Particular attention was paid to how and where power has become dispersed in the networked governance of housing, at

local government level in New Zealand. This shift in where power lies, and is exercised, has happened within a changing political field where the boundaries between the public and the private sector have become increasingly blurred. The networked form of governance was found to have driven a democratic deficit in the planning system, whereby there is an over-representation of the voices of the holders of capital, and a multiplicity of voices excluded from decisions (Perkins & Thorns, 2001).

Research objective 3 was to understand the logics and discourses that inform interactions within the governance network, particularly in relation to the role of the market, and the implications for housing outcomes. One of the more significant findings to emerge from this study is that values, beliefs and logics are inherently political, not least in terms of how they frame decision processes and options. The logics that informed housing decisions can be thought of as an 'economic' or 'housing imaginary', aligning with Lukes' idea of a cultural schema, "internalised habits of interpretation… importantly sustained and reinforced by mechanisms, such as word associations, of which people may be wholly unaware" (2018, p.53).

Chapter 6 revealed that decisions about new housing developments were made from an ideational foundation that houses were (still) to be built for the traditional nuclear family, that home ownership was the norm, and that houses should be standalone properties with a backyard and an individual title. It also revealed the widely accepted views that this type of housing was most appropriately delivered by private developers on a for-profit basis, that developers had a fundamental right to design houses and housing developments, and that it was appropriate for commercial imperatives to drive that process. While these assumptions were identified as continuing to influence decisions and interactions within the governance network, different perspectives that questioned these assumptions were also identified. The current commercially driven developer-led approach was rarely consistent with logics of community wellbeing or sustainability. It also led to an overly localised focus that did not account for wider regional goals. Additionally, local government officials struggled to reign-in private developers and reinforce local regulations.

Chapter 7 reported on how assumptions about 'the market' influenced decisions that emerged from the network. 'The market' was seen as an external economic entity and was referred to as a way of explaining and justifying decisions about new housing. For example, 'the market' was referred to as an indicator of housing need, or in the jargon of 'the market', 'consumer demand', and therefore a justification of the type of housing that was being built. Authority was therefore given to 'the market' as a way of indicating the needs and wants of householders, with regard to the types of houses that were to be built. The findings revealed,

however, that 'the market' was actually led by developers, and developer preferences were more influential in housing decisions than consumer demand. Alongside the references to 'the market' as a rationale for decisions about new housing, was the critique that government (central and local) regulations stifled innovation and development. Markets, however, were found to be problematic when it came to the delivery of affordable housing.

The fourth objective was to gain insights into why change was difficult to achieve. Chapter 8, therefore, examined factors contributing to system inertia, and how these were an outcome of processes within the governance network. It revealed that broader thinking about new housing was rarely considered if it was outside the frame of reference of the accepted norms of housing and the market. Institutional lock-in (Martin, 2010) was evident in many of the interviews, with decisions being made in an almost rote fashion. Little lateral thinking was demonstrated outside of the traditional route demanded in the participants' professions. The forces of inertia included the nature of the governance network, which included multiple local authorities and often poorly coordinated regulatory processes. Council regulations were also presented by participants as a barrier to innovation, and the interpretation of regulations was a factor. Conflicting interests and imperatives within the network in relation to responsibilities for planning, growth management, infrastructure, transport and servicing were also driving the status quo. Additionally, a lack of both leadership from central government, and coordination by local government, was seen as a barrier to change. Perceptions of financial risk amongst private developers contributed to inertia, along with a short-term focus by those actors. In addition to identifying forces of inertia, the research also identified prospects for change and potential drivers of transformation in the network. These included greater powers being given to local government, supporting developers with innovative perspectives and resources, and providing opportunities for new participants to engage in, and bring new perspectives to, the governance network. Frustration with current suboptimal outcomes was found to be inspiring greater collaboration between actors towards a bolder vision for the city.

Recommendations

All social problems bring into question a society's values. Housing is one such issue that tests and reveals the values held by a society, "There is no overall lack of space to house people well in the rich world, but a huge lack of willingness" (Dorling, 2010, p.249). In Aotearoa New Zealand this quote contains a lot of wisdom, as this is a country with huge pockets of land still available for development. Understanding and exposing this lack of willingness is what the chief executive of Community Housing Aotearoa called 'the zone of uncomfortable debate' at the Shift Aotearoa housing conference in Wellington (June 2019). Paying attention

to this reluctance to interrupt the status quo is an important part of uncovering the dynamics at play in the governance arrangements for new housing in New Zealand. Insights about the role of values in the system of planning for new housing have been revealed throughout the analysis of the data collected during this research.

Instead of a set of solutions to the 'housing crisis' that can be implemented holistically, this research presents a blueprint of 'thought-starters' that could lead to systemic change. In the words of Long and Long (1992) systemic change, "should be viewed as an on-going transformational process in which different actors interests and struggles are located" (p.9). Underpinning the thought starters is a recommendation that planners need to be accepted as more than technical experts. Their role needs to be understood as being overtly political, and critical to the direction in which new housing in Hamilton takes, to be more about, as quoted earlier, "initiating and framing questions, shaping attention and expectations" (Hillier, 2002, p.12).

Broadening the problematisation process

The first thought-starter is that a better understanding of the housing needs and wants of the population, and alongside that a deeper view of the multitude of housing problems that exist in Hamilton, is needed. As was explained in chapter 2, there is much talk about the problems of housing, but these look so different to different groups of people that it is meaningless to aggregate them into a phrase like 'the housing crisis'. This early stage of the problematisation process needs involvement from the wider society, including central government, in order to fundamentally align with the right to housing for all New Zealanders. Inequality is bad for everyone in a society (Wilkinson & Pickett, 2009). It is a hidden truth that those who make a lot of money on their house, do so at the expense of others. This hidden truth requires elevating to the level of the mainstream debate about housing, to counterbalance the dominant individualised financial discourse. As Rutland (2015) argued, the state needs to play a stronger role in ensuring the equitable distribution of housing.

As part of this problematisation process, more finely tuned facts about land supply must be made widely available, to ascertain what land is available, what is appropriate for residential development, and who owns that land. In addition, questions need to be raised about the process of releasing land for new housing, such as who should pay for the servicing of land and how the pricing of it can be made more affordable. An audit of the current houses in Hamilton needs conducting, to establish how many are empty (or under-occupied), and where there is capacity to use the existing housing stock in a more efficient, equitable way. The inequitable division of land, and housing, must be made explicit, and brought into the mainstream debate about housing problems. For Hamilton to provide new housing in a more

equitable way requires a deep understanding and compassion amongst decision-makers for the lived experiences of the 'housing poor' (Rashbrooke, 2013). More diverse voices must be part of this problematisation process.

As a side note, the problems of housing affordability are closely linked to those of employment, and this must be made explicit at every level of society, "You cannot just build and expect people to buy, reliably, when you no longer employ them reliably" (Dorling, 2014, p.104). This quote recalls Standing's (2011) identification of the 'Precariat' strata of society, those who exist week to week on their pay checks. There is a scarcity of data on the New Zealand precariat, but this must be addressed, and the information brought into the problematisation process, in order to comprehensively understand the problems of housing.

Set a bold vision

The second thought-starter is that the residential development of Hamilton requires a strong, bold vision to meet the projected growth figures in an intentional way. A clearly articulated goal for the governance arrangements to achieve would empower actors and agencies to identify the options available to take, evaluate the likely outcomes of the various options, and then select the preferred choice(s) of action. Currently, there is not enough clear articulation and agreement of what 'Better Homes, Towns and Cities' would mean, beyond broad brush terms that are subjective, like 'liveable', 'affordable' and 'quality'. Such loose descriptors are little better than meaningless if not defined precisely, and consensus arrived at by decision-makers, through a mélange of multiple, diverse, conflicting approaches. What is a good outcome for Hamilton in terms of new housing?

A shared vision for the network, with a clearly defined intention (or goal), and a strategy to meet it, is essential for any network to be effective. For the forces of transformation to succeed, clearly articulated housing outcomes are needed, that all members of the governance network for new housing can agree on. Considine (2013) argues, "To bring greater coordination to its particular domain, such a network requires an agreed goal narrated in a form that all key actors in the network can accept" (p.442). As developer 1 asked, "What sort of community do you want is the question?"

A vision can foster debate first (see thought starter 1 above), then align actors behind new objectives. Currently, the network governing new housing in Hamilton is delivering on two intentions (that are unstated): to provide a house for anyone who can afford to pay market prices; and to make profit for the developer. Once an alternative intention or goal (or goals) has been agreed upon, the vision could both inspire others, and be inspired by existing examples of development that aligns with the vision. The researcher learned that once participants had witnessed a unique style of development finished and occupied, it led to

more comfort with difference, and more likelihood of new forms of development being facilitated.

One way to use a shared vision to inspire other local authorities and private sector development actors, would be to implement a platform nationally to share what one planner called housing 'success stories', with evidence of new developments that pushed boundaries and had good outcomes. In this way each development would be treated as an outcome that is an element of a new feedback process and influences subsequent behaviour. The platform could be housed within, for example, Kāinga Ora.

The first step to change is removing barriers, and such an information repository would make it easier for developers to consider taking on risk. This could be broader than just educating about different styles of housing development, it could also include case studies of different forms of land ownership. For example, HCC has recently voted to establish a CLT (Community Land Trust). This is an alternative model of homeownership, where the purchaser buys the house and pays a lease on the land. There have been successful models of housing developments on land owned in a similar way in Queenstown. For council planners, developers, citizens, and all interested parties to have access to positive stories of people buying their first house through this route, would be helpful and inspiring. It would also go a long way towards removing the fear that is attached to purchasing a house via a non-traditional model, as the norm of property ownership with an individual title via a mortgage is so dominant in our culture.

<u>Bring new participants into the governance network</u>

The third thought-starter is that once there is a clear goal for the network, the most suitable governance arrangements to deliver that goal would be considered. That approach would be the opposite of the current system, which emerged in a piecemeal fashion from changing responsibilities between central and local government and the private sector. Current actors involved in the delivery of new housing in Hamilton, including in sectors that were not part of this research such as community housing and retirement homes, could be called upon to co-create a new system involving new participants, new processes and new content. New participants could include agencies from outside the housing sector, such as New Zealand universities, who are mandated by legislation to be the "critic and conscience of society" (Education Amendment Act, 1989, Section 162 (4) (a) (v)).

A co-created network could create new rules, because the market lacks the capacity to respond to human rights. It responds to needs, but in an unequitable way. The process of co-creating a new system, labelled by Stone (1997) as 'constitutional engineering', would involve

redistributing resources in the form of finances, discursive legitimacy and influence throughout the network.

New ideas about funding for growth could be welcomed into the network, as the current model of rates and developer contributions is not enough. The research has uncovered that a fundamental belief about growth in this country - that it will pay for itself - is not realistic nor the entirety of the debate, there will be winners and losers. This insight should be explicitly stated and debated at central government level and filtered through into an ongoing public debate. Such debate would educate citizens about the complexity of growth and give more resolution of the direction New Zealand cities such as Hamilton can take with their growth. Infrastructure provision is a crucial component of the current system of land zoning, and its planning and funding would need reconsidering in the new network. It is one of the key obstacles to well planned growth. Recent policy initiatives have begun to do this, such as the Urban Development Act 2020 (New Zealand Parliament, 2020).

The current, overloaded network highlights the potential need for a single actor to perform a steering role in a new system. This requirement has been recently identified in literature concerning other complex policy problems, such as climate change adaptation (Bednar et al., 2019). Funding and a strong direction from central government about the outcomes they want to see is imperative, "For policy networks that operate at the level of local governance, this suggests that governments retain their role in steering policy, recast as the governance of governance" (Haus, 2004, p.3). The current regulatory framework has too much flexibility, which allows people to carry on what they're doing. As we have seen, power currently resides with the developers, a balance which needs redressing.

<u>More central and local government leadership</u>

Leadership is essential to steer these actors through the risk and uncertainty of the process of broadening the debate, arriving at a shared vision, bringing new participants in and ultimately driving improved outcomes.

An examination of the role and resourcing of local government is imperative for change to occur. For example, HCC council needs increased resources for democracy to engage in more interpretive and reflective practices, and increased financial resources to redress the balance of power with the private sector to allow it to fulfil the role of nurturer, protector and leader of urban growth. At central government level the regulatory system needs reorienting to address the structural weaknesses and assist with co-creating a new market. There were existing examples revealed by participants of a new approach to delivering housing that could be argued to be a new form of 'market', for example developer 3 discussed a joint

venture between the commercial wing of Tainui and its social element that combined an economic logic with community-based values.

Planning rules are increasingly out of step with how people live. The system needs reorienting towards meeting the increasingly diverse needs to the population, and the many ways people want to live. Rules like fixed zoning, that are recognised as being obstacles to liveable cities (Gehl, 2010), need scrutinising. Leadership to incentivise the appropriate types of housing to be built, in terms of size, affordability, location, quality and typology (Colenutt, 2020), is essential to improving outcomes. Tucker and Ryland's recommendation of three incentives for developers to build smaller, more affordable houses is a good starting place: "first, increased engagement between the local Council and developers; second, addressing land availability and price; and third, addressing financial (and procedural) issues" (2014, p.75).

Local council planners do their best to delicately balance meeting residents where they are now in their habits and expectations, with championing a bold vision and nudging peoples' habits in a more sustainable and community focused direction. Stronger regulation, and increased resources would offer local government more capacity to change people's habits, without being stifled by the political risk it represents. Local Government needs to be empowered to withstand the NIMBY attitudes outlined in this research. Elevating the connection between people's actions and subsequent local government decisions to the mainstream debate could help people to understand their role in influencing councils. From there, such an understanding could encourage people to reflect on their own attitudes towards growth, to recognise the fear that may exist, and put conscious time and effort into addressing it themselves.

Significance of the research

This research has exposed why the policy attention that has been paid to housing problems so far, has been relatively ineffective. It is because policies have been aimed too far along the process of new housing provision, leaving the system entirely intact and just tinkering at the edges. Here the need for policy change at a much more foundational, systemic level has been identified. This research has highlighted the importance of language in politics, demonstrating how this pervades the practice of politics and what Hajer and Versteeg call the 'real' world (2005). It has exposed how the definition of the problems with housing has been steered by powerful actors into directions that suit their agenda. This research contributes to what White and Nandedkar call: "connecting political framing and truth calls to power and the policy initiatives developed in response" (2020, p.7). This research has shown that the problematisation of housing needs to occur in a more diverse way, with more

voices at the table, so that: “this reality construction can take place in a more democratic way” (2005, p.182).

Unexamined assumptions about the market are shown to be problematic, and perpetuating the status quo. This assumption, along with the intrinsic economic logic, have become internalized as simple truths in the network. They have then been translated into rules of the game that drive suboptimal outcomes and stifle new thinking. Understandings of, and approaches to risk and liability are also influencing outcomes significantly. Risk needs elevating to the mainstream dialogue, as it was a reoccurring theme throughout the data. Once it is fully appreciated, and the realities are teased out from the meanings made about it, then it can be mitigated in order to enable effective change.

Future research

This research started to explore the role of meaning in directing outcomes. There is much need for further research to pick up the threads of insight exposed here and follow them further.

1. There is a sizeable New Zealand body of research on the multiple meanings of home for people in New Zealand, starting with Dupuis and Thorns’ (1996) findings that it represents a “complex interweaving” of security, identity and financial wealth. Today it remains an avenue worthy of further exploration as the multi-faceted concept of home becomes an increasingly complex cocktail of values infused with ideas of financial security, ontological belonging, physical safety, and more (Murphy, 2000). Updated understandings are urgently needed to inform a clear intention for a re-engineered network governing the provision of new housing in New Zealand.

2. There is a void of leadership of the system providing new housing. The question of how best to fill that void requires further research to understand what is required from that leadership role, and which actor or agency in the network (or outside it) is best placed to fulfil it.

3. Research gaps are evident around alternative forms of funding for growth, and especially the infrastructure necessary for growth. Public and political debate is required, and open-minded thinking about where the funds could come from and how growth could be managed better.

4. Taking a governance approach to the problems of new housing exposed the influence of covenants, and the power they wield to shape new housing. Covenants essentially act as a policy tool at arms-length from the state, therefore are worthy of further research.

5. As more and more Hamiltonians rent their home, it becomes pressing that research is conducted into ways to reorient the system of rental housing provision towards reaching more secure, stable outcomes for tenants. Focusing on the governance arrangements for new housing showed a gap where rental housing needs to be asserted as a legitimate form of housing and equal to home-ownership, as it is in other countries such as Germany. This first requires tenants' rights to be brought into alignment with owners' rights, and regulation to be brought in to protect those rights.

6. Research into private property and the right to individual ownership as being fundamental obstacles to the equitable delivery of housing is needed. Past research revealed the contested nature of the concept of private property (Waldron, 1988, p.51-52). This needs bringing in to the current context of the deeply financialised nature of housing.

Final thoughts

As humans we are meaning makers. Therefore, it is understandable that our houses, and homes, have a multitude of meanings. It is also understandable that decision-makers bring their values and logics to the table when approaching planning decisions about new housing. This intrinsic part of human nature cannot be escaped – and in fact can be embraced as being part of the solution to the problems of housing. The main insight here is that housing has become too homogenous. This homogeneity starts with the demographics of decision-makers and the values they have. If the decision-makers in the network were more representative of the multitude of people that call New Zealand home, the outcomes would be more aligned with the needs of those people.

A reconsideration of the system of housing provision is timely, coming after the recent recognition by the UN Special Rapporteur for Housing of the problems of housing availability and affordability for the citizens of New Zealand (Corlett, 2020). The provision of new housing in this country requires urgent addressing for the wellbeing of all, because problems of housing are not just practical ones, but resonate much further,

> "In this current housing crisis it is not only people's physical health that is compromised… At a deeper level, people's wairua (spirit, soul) is also affected" (Rua et al., 2019, p.10).

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Appendices

Appendix 1 Interview questions

THE UNIVERSITY OF WAIKATO
Te Whare Wānanga o Waikato

Interview questions: Local decision-making in the housing sector.

1. To start with, tell me about your involvement in housing developments in Hamilton…

2. What factors do you consider make a development 'good'?

   2b. In your experience, does this view differ between participants in the process?

   2c. Have you found that the wider view in HCC is changing?

   2d. Has your opinion of what makes an 'ideal' development changed during your career?

3. From your experience, what barriers or difficulties exist along the way to getting a new subdivision consented?

4. Who are the parties that need to work together within this process? Can you tell me the nature of the relationship HCC has with them?

5. What does HCC want to achieve in this process? What role, in your opinion, is required from HCC?

6. What, in your view, enables higher density, innovative forms of housing to go ahead in Hamilton?

7. Considering one example of a preapplication meeting, can you please outline the nature of the discussion, the differing agendas evident and how the discussion led to the outcome?

   7b. From your perspective, what would have been the optimum outcome of that meeting?

7c. What about the optimum outcome from the perspectives of others?

7d. Was your preferred outcome reached? How was the final decision reached?

8. Tell me about your experience of working within HCC, how open is the planning system and staff to innovation? What works well and not so well?

9. How does Hamilton City Council's District Plan converge and diverge with the developments currently in progress? Are the housing outcomes you see around us in line with the intentions of the Plan?

10. How could the decision-making process be improved? Are any organisations missing from the table? Should any be removed from the process?

Appendix 2 Interview Participant Information Sheet

THE UNIVERSITY OF WAIKATO
Te Whare Wānanga o Waikato

PARTICIPANT INFORMATION SHEET

Decision-making in the New Zealand housing sector: analysis of a complex governance network

I am a PhD researcher in Public Policy and Environmental Planning at the University of Waikato, conducting research into the ways decisions are made about new housing in Hamilton City. The PhD is part of National Science Challenge 11, Building Better Homes, Towns and Cities for New Zealand, and is due for completion in April 2020.

The goal of the research is to gain a better understanding of the current system of governance in the housing sector, particularly in terms of decision processes associated with consents for new subdivisions and residential developments.

An underlying goal is to improve these processes to better meet the diverse, changing housing needs of New Zealanders.

Key individuals involved in local level decision-making in the housing sector are being interviewed as part of the research. The interview will require up to 60 minutes and can be conducted at a time and location that suits you.

After this research is complete, my supervisors and I will seek out opportunities for participants to be involved in future research that may grow out of the findings of this project.

What are your rights as a participant?

If you choose to participate you have the right to:

- Choose the level of your participation with the interview by giving short answers or giving more in-depth explanations.
- Refuse to answer any particular questions.
- Withdraw from the research up to a month after completing the interview.
- Ask any questions about the research at any time during your participation.
- Read a transcript of the interview and remove or add material from your answers, prior to completion of the research, by contacting the researcher.

Confidentiality

Although we will collect the names of interview respondents, we will not report any names in the research without your express permission. We will only attribute comments to individuals by name if permission is granted by that individual. In this circumstance we will contact you to discuss the use of specific comments, and to discuss the representation of your identity in

the research. Due to the specialised nature of the subject matter there is a very small risk of identification even if you are not specifically named in subsequent research output. Please be assured we undertake to make a fair representation of your views.

All interview transcripts will remain secure and accessible only through a regularly changed password on a closed network. The contents of the completed transcripts will be printed on hard copy, which will be stored in a locked cupboard in the researcher's office. Non-identifying data will be stored for five years (the standard for purposes of academic review).

This research project has been approved by the Human Research Ethics Committee of the Faculty of Arts and Social Sciences. Any questions about the ethical conduct of this research may be sent to the Secretary of the Committee via email or post:

Email: fass-ethics@waikato.ac.nz

Postal address: Faculty of Arts and Social Sciences, Te Kura Kete Aronui, University of Waikato, Private Bag 3105, Hamilton 3240, New Zealand.

The research team comprises of:

Francesca Dodd-Parr. Email: fjd5@students.waikato.ac.nz. Phone: 021 441 556

Supervisors for this researcher are:

Dr Patrick Barrett. Email patrick.barrett@waikato.ac.nz
Professor Iain White. Email: iain.white@waikato.ac.nz

Postal address: Political Studies and Public Policy Programme, University of Waikato, Hamilton, New Zealand, Private Bag: 3105

Appendix 3 Consent Form for Participants in interviews

THE UNIVERSITY OF WAIKATO
Te Whare Wānanga o Waikato

CONSENT FORM FOR RESEARCH PARTICIPATION

Name of person interviewed:

_____

I have received a copy of the Information Sheet describing the research project. Any questions that I have relating to the research have been answered to my satisfaction. I understand that I can ask further questions about the research at any time during my participation and that I can withdraw my participation at any time.

Within the interview, I understand that I do not have to answer questions unless I am happy to talk about the topic. I can choose not to answer any questions. I understand that I can amend, remove or add material to my interview, by contacting the researcher.

When I sign this consent form, I will retain ownership of my interview answers, but I give consent for the researchers to use the interview answers for the purposes of the research outlined in the Information Sheet.

I understand that the researchers will send me an email summary of the findings from the research and a link to any forthcoming paper for publication, or the thesis upon its release in 2020.

Participant :		Researcher :	Francesca Dodd
Signature :		Signature :	
Date :		Date :	
Contact Details :		Contact Details :	fjd5@students.waikato.ac.nz
			+64 21441556
			Political Studies and Public Policy Programme, University of Waikato, Hamilton, New Zealand, Private Bag: 3105

Appendix 4 Ethical approval

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THE UNIVERSITY OF WAIKATO
Te Whare Wānanga o Waikato

Francesca Dodd-Parr
Patrick Barrett
Iain White

Environmental Planning
Political Science & Public Policy

12 December 2017

Dear Francesca,

Re: **FS2017-48 Decision making in the New Zealand housing sector: Analysis of a complex governance network**

Thank you for submitting your revised application to the FASS Human Research Ethics Committee. We have reviewed your response to Committee concerns and the Committee is now pleased to offer formal approval for your research activities, including the following:

- interviews with key policy actors and decision-makers from the Waikato District Council, Hamilton City Council and the Waipa District Council.
- workshops with decision-makers and policy actors from the Waikato District Council, Hamilton City Council and the Waipa District Council.

We encourage you to contact the committee should issues arise during your data collection, or should you wish to add further research activities or make changes to your project as it unfolds. We wish you all the best with your research. Thank you for engaging with the process of Ethical Review.

Regards,

Colin McLeay, Chair
Faculty of Arts and Social Sciences Human Research Ethics Committee.