

Straight Thinking – By Owen McShane

More myths bite the dust.

During the post war decades the theory of “*Architectural Determinism*” was the dominant fad among architects and town planners. As a cocky young architect I just loved it. One justification for urban renewal and public housing was that if we put trashy people into nice “designer” housing their surroundings would transform them into thoroughly nice people.

Unfortunately, the trashy people proceeded to trash the nice architecture and indeed frequently trashed the whole neighbourhood. In English novels “he comes from the Estates” now means “he comes from a slum.” US Public Housing Projects similarly failed to uplift the moral tone of their occupants.

In “*The Architecture of Happiness*” Alain de Botton reminds us that “Architecture may well possess moral messages; it simply has no power to enforce them” and illustrates the point with a photo of Herman Goering chatting with his colleagues in one of Europe’s most beautiful rooms.¹

“*Architectural Determinism*” assumed that the built environment determined people’s behaviour. We soon learned that, in reality, people’s behaviour determined their built environment.

Architectural determinism is now regarded as one of those unfortunate unfashionable fads of the past.

However, central planners need their theories, and over recent decades they have developed the theory of “spatial determinism” – my term, not theirs.

This new theory, as typically implemented by Growth Management and Smart Growth planners, holds that where people live determines how they behave. These planners insist that if we live at high densities in central cities we will all behave like model citizens, while people who choose suburbia will be driven to all kinds of bad behaviour as the price of making such an unfortunate choice.

They tell us that people who live in the suburbs are more obese than people who live in downtown apartments; that suburbanites don’t go to the gym as often as city dwellers; and that suburbanites have more traffic accidents than downtown dwellers.

¹ Page 21, The illustration is titled: “The moral ineffectiveness of a beautiful house.”

They are convinced that if we would just live where they say we should, we would all lead much happier and more “appropriate” lives.

It never enters their heads that our chosen behaviour determines where we decide to live, and that we take our own behaviour with us.

When I was young I liked to eat out, go to nightclubs, dance all night, and generally live the high life – so the central city was the place for me. I could stumble home from *Club Mirage* to *Westminster Court* within risking a drink-drive conviction, and probably feel better for the walk. Now I like to read in the garden, walk the dog, grow my own vegetables, and work from home in the country. The “spatial determinists” blame my location for the lost ‘vibrancy’, rather than the remorseless passage of time.

One consequence of “spatial determinism”, is that RMA planning documents routinely claim we must not live in the outer suburbs because our commuter trips into the central area will be far too long, cost too much, and destroy the planet by global warming. We just don’t appreciate the total consequences of our foolish location decisions.

The Australian report “*Consuming Australia*” challenged the last presumption when it found that low-income households living in the outer suburbs had smaller carbon footprints than families living in central cities.

And now the US urban economists, Professor Peter Gordon and his colleagues, have established that vehicle commuter trips are now outnumbered by non-work trips for social, recreational and other activities. Hence, if planners force people to live close to the CBD to reduce the work trip, they almost certainly increase their total driving times and distances – and their fuel consumption. Furthermore edge-of-city dwellers have the shortest commuting times – they tend to drive across town to their jobs on the fringe rather than into town to the CBD. Professor Peter Gordon’s web page is a treasure-trove of evidence on patterns of work and residence in modern cities.²

Planning lore assumes that households have only one member and that member commutes to the CBD. In reality, different household members set out on different trips, serving different activities, in different directions. Consequently no central planner has any idea how to optimize any household’s location. It’s time these myths about commuter trips were literally laughed out of court.

² <http://www-rcf.usc.edu/~pgordon/index.php>

Professor Gordon's work also demonstrates that cities cope with changing patterns of activity and trade by "churning" their land uses through different locations over time. This churning activity necessarily changes "urban form" in unpredictable ways. The rate of economic growth correlates directly to the rate of churn and hence attempts to freeze urban activities into fixed locations have a negative effect on growth and development. We should celebrate flexible land use rather than attempt to enforce rigid "growth management" rules.

If we want to promote economic growth and development we must avoid any interventions which inhibit economic development in general and flexibility in particular. That includes interventions in supply and price, as well as location.

For example, the Government should abandon any plans to force "affordable housing" on to land developers.

Urban economists in the US have now demonstrated that forcing developers to provide "affordable housing" actually reduces the supply of housing and increases prices.

Sadly, our Government appears to be considering requiring land developers to provide a percentage of their housing at below-market prices in return for consent to proceed with large-scale residential subdivisions. Furthermore, the visiting Professor Bramely cheerfully explained to the *New Zealand Herald* (Nov 17th) that "In the UK, if developers want planning permission they have to provide affordable housing within their projects".

However, the UK is a housing "basket case" with some of the least affordable housing, the worst standards, and the lowest build-rate, of any country in the developed world. Seeking advice from a proponent of UK housing policy is like asking President Mugabe to advise our Reserve Bank on managing inflation.

In their 2004 paper, *Housing Supply and Affordability: Do Affordable Housing Mandates Work?* Benjamin Powell and Edward Stringham concluded that by restricting the supply of new homes and driving up the price of both newly constructed market-rate homes, and the existing stock of homes, "inclusionary zoning" which forces developers to provide a percentage of below market-priced homes actually made housing less affordable.

At the 2007 *American Dream Coalition* conference in San Jose, Tom Means, Edward Stringham, and Edward Lopez presented their latest paper *Below-Market Housing Mandates as Takings: Measuring the Impact*,

A California court had recently found that such “inclusionary zoning” necessarily makes housing more affordable. This paper shows why the court was wrong. The authors have updated the 2004 findings with more rigorous and detailed statistical analysis. Their conclusions should kill off any thoughts of forcing developers to provide a percentage of below-market priced housing in return for resource consents in New Zealand.

The university economists conclude:

Over a ten-year period, cities that impose a below-market housing mandate on average end up with 10 percent fewer homes and 20 percent higher prices. These results are highly significant. The assertion by the Court in "Home Builders Association v. Napa" that "the ordinance will necessarily increase the supply of affordable housing" is simply untrue.

Before any government forces New Zealand home builders and land developers to provide houses at below-market prices someone will need to demonstrate why these findings regarding supply and price will not apply to the housing markets of New Zealand.

This seems most unlikely because both papers are based on the most universal and well-established economic principles linking supply, price and demand.

These affordable housing mandates are most frequently enforced on inner city housing projects as part of the theory of “spatial determinism”.

We can only hope that “spatial determinism” will soon be as passé and laughable as the “architectural determinism” of old.

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