Grattan ‘More homes, better cities’ report: Evidence review

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Abstract

Key supporting evidence for the Grattan Institute’s report ‘More homes, better cities: Letting more people live where they want’ is investigated to assess any implications for the report’s recommendations for broad-scale residential upzonings of Australia’s major cities.

The Grattan report’s approach to reporting of Auckland’s residential development activity following the adoption of the Auckland Unitary Plan in 2016 does not recognise the significant effect of the previous regime in constraining the development of townhouses. It does not therefore take into account that at least part of the effect of the upzoning relates to providing for that more affordable housing type, rather than being due to its broad-scale nature. The same level of constraint, resulting in a significantly declining proportion of townhouses in Auckland for decades prior to 2016, is not apparent in the growing proportions of townhouses in Australia’s major cities over the 1996-2021 period.

The high degree of constraint on greenfield growth in Auckland, and even more so in Lower Hutt in New Zealand, is another factor affecting the response to the upzonings in those existing urban areas that is not present to the same extent in Australia’s major cities. Also, the scale of the impact of the New Zealand upzonings was significantly increased by the taxation incentives for new builds that applied for three years from March 2021.

The relative or total absence of these circumstances from Australia’s cities could be expected to significantly reduce the resulting housing supply and affordability benefits compared to those that appear to be associated with the upzonings in New Zealand.

Research into other cities, including Sao Paulo (Brazil), Zurich (Switzerland), Seattle (US) and Minneapolis (US) is identified by the Grattan report as supporting the supply and affordability benefits of upzonings. Briefly:

- *Sao Paulo (the only non-Auckland example of a broad-scale, city-wide upzoning) – the research modelled only small benefits in terms of supply and affordability over a 10-year period and may have overestimated the supply that would be feasible;*
- *Zurich - the research provides no evidence of affordability benefits. The scale of the supply changes over a 5-10 year period are a reasonably expected/desired outcome of these more localised upzonings;*
- *Seattle – this research illustrates an appropriate, expected outcome of selective strategic planning for more localised upzonings to accommodate a diversity of housing types over time; and*
- *Minneapolis – this research provides mixed evidence for the housing supply benefits of upzonings. The identified affordability benefits relate to the suppression of price growth due more to increased housing density than to new supply, as such.*

The benefits of any broad-scale upzoning in Australia’s major cities may therefore be significantly less than the superficially apparent outcomes in Auckland would suggest. So, what if the housing supply and affordability benefits are no greater than those of more strategic, localised upzonings such as in Seattle, which can better align to infrastructure upgrading needs and costs over time? With such localised upzonings there would be no need to incur the longer term community costs of earlier additional expense, or delayed availability, of upgraded infrastructure, as potentially associated with broad-scale upzonings.

Introduction

The Grattan Institute's 'More homes, better cities: Letting more people live where they want' report (Grattan report), published in early November (Coates *et al.* 2025), has received a lot of attention.

This paper focuses on some supporting evidence for the Grattan report's recommendations, i.e. broad-scale upzonings of Australia's major cities' residential areas. For the purposes of this paper, broad-scale upzonings are those that provide for medium density housing types, in various building height and density configurations, across most or all of the residential areas of a city.

The major supporting evidence, and indeed the model for the Grattan report's recommended planning regime for Australia's cities and its benefits, comes from the experience in Auckland associated with the adoption of the Auckland Unitary Plan (AUP) in 2016. This paper considers the way in which dwelling development activity in Auckland over time is summarised by the Grattan report, and how that might mislead resulting conclusions.

There are also a number of pieces of research into Auckland and other cities that the Grattan report identifies as providing 'lots of evidence that relaxing planning controls will lead to more and cheaper housing'. This paper considers the context and findings of those pieces of research identified as assessing 'the impact of upzoning reforms on housing supply, prices, and rents'. (Coates *et al.* 2025, p.45)

These analyses enable consideration of the extent to which the housing supply and affordability benefits of broad-scale upzonings, as identified for New Zealand, might translate to Australia's major cities. This is intended to inform assessment of whether the long-term costs of broad-scale upzonings may in fact outweigh the benefits, particularly if similar benefits can be achieved through more strategic, localised upzonings.

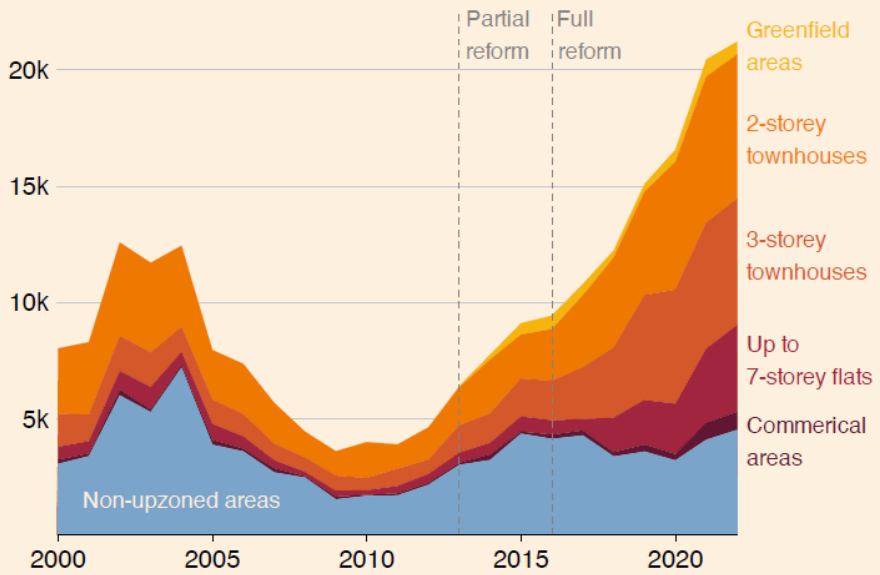
Grattan report summary of Auckland dwelling development activity

Figure 3.3 in the Grattan report, as reproduced below, together with the associated Box 3 (not reproduced), provides the report's summary of the effect of reforming planning controls in Auckland, as associated with the adoption of the AUP in 2016 (Coates *et al.* 2025).

The key problem with Figure 3.3 from the Grattan report is that it reports all dwelling consents (building approvals) before and after the planning reform based on the characteristics of the post-reform zoning for an area. That is, for example, if the post-reform zoning provided predominantly for 2-storey townhouses, then any dwelling consents prior to the reform in those same geographic areas are also effectively characterised as townhouses.

Figure 3.3: Auckland had strong growth in townhouse construction after the 2016 reforms

Annual dwelling approvals in Auckland by zone type



Notes: 'Partial reform' refers to the Special Housing Areas and Auckland Housing Accord, launched in September 2013. 'Full reform' refers to the final Auckland Unitary Plan, which became operational in November 2016.

Source: Greenaway-McGrevy (2023).

The misleading nature of the Grattan report taking that approach can be seen initially by comparison to Figure 1 below which shows actual dwelling approvals by broad dwelling type and zoning status over the same 2000-2022 period (Greenaway-McGrevy and Jones 2023). Figure 2 below clarifies further by showing approvals by more detailed dwelling type over the longer 1991-2025 period (Stats NZ 2024, 2025a).

Figure 1: Auckland dwelling consents by 2016 zoning change, 2000 to 2022

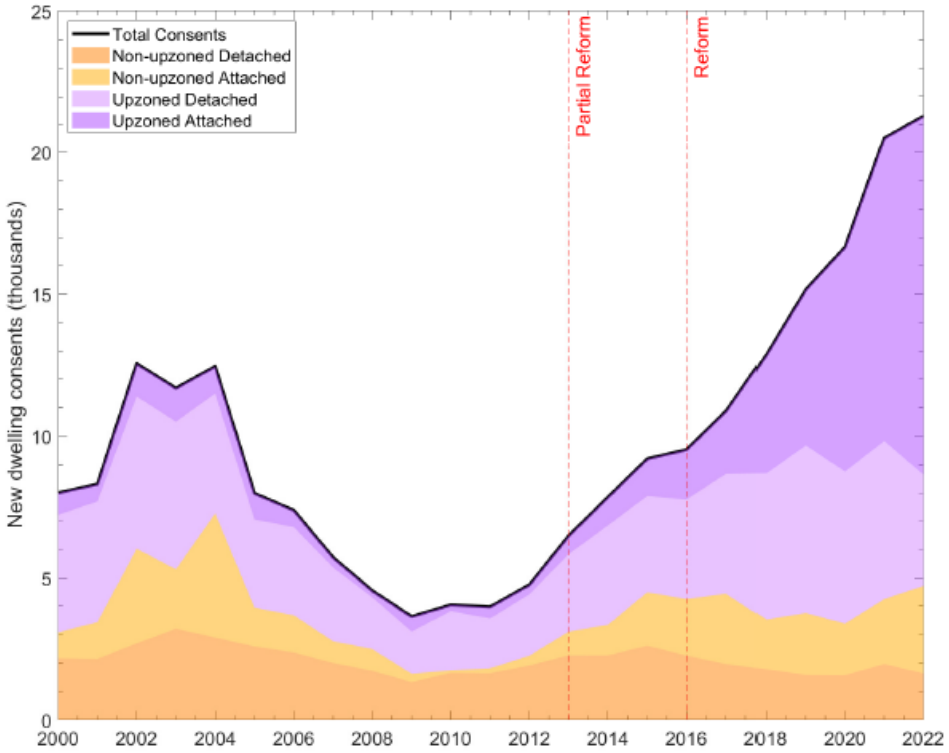
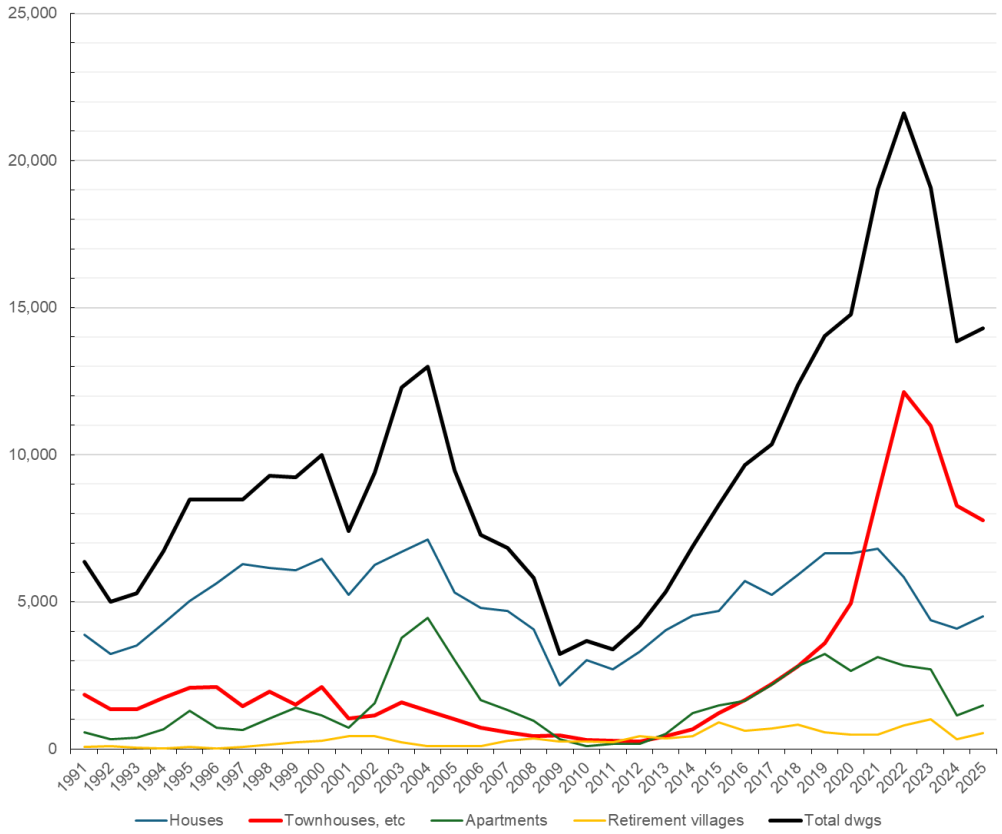


Figure 2: Building consents, dwellings by type, Auckland Region, 1991-2025 (year to June)



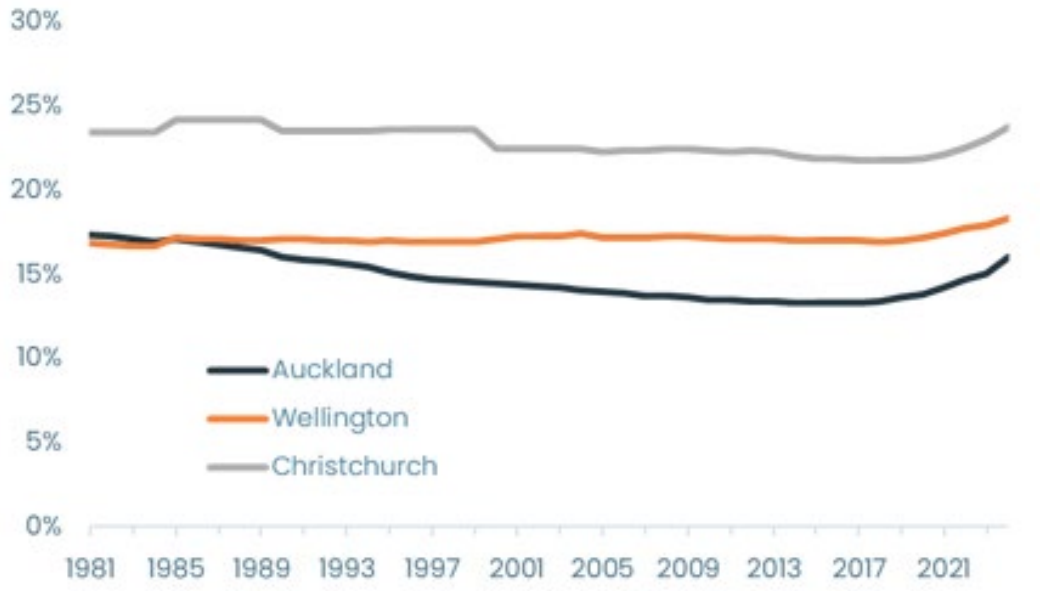
The clear evidence from figures 1 and 2 is the very low representation of townhouses in the dwelling consents for the previous building boom, overall and in the upzoned areas, compared to the misleading implication of Figure 3.3 from the Grattan report.

The significance of this is that the major apparent increase in townhouse building consents associated with the adoption of the AUP may not be primarily due to the broad-scale upzoning of most of the Auckland residential area to support townhouse development. It may be at least partly or even largely due to the fact that townhouses were highly constrained under the previous regime, together with the fact they are a more affordable form of housing, particularly compared to detached houses.[1]

Under the pre-AUP regime, business areas, centres in particular, were almost the only locations which provided for multi-level and attached dwellings at a low-level consent category (Fredricksen and Balderston 2013). Multi-level development provided for in centres would have been better suited to apartments than townhouses, which need their own ground level access. This is reflected in Figure 2 which shows the significantly higher representation of apartments than townhouses in the previous building boom. The existence of that constraint on townhouses is also consistent with the decline in the proportion of townhouses in Auckland over previous decades, as shown in Figure 3 below (Davidson 2024).

[1] This issue was pointed out to Grattan via LinkedIn comments six months ago on a previous post by them which in part showed the equivalent of their Figure 3.3. The LinkedIn reply via Matthew Bowes was to the effect that, while they took my point and would think about how to express the statistics more clearly, the broad outcome was still the increase in townhouse construction. Unfortunately, the full scope and implications of my comments were not taken on board and no related changes were made for this Grattan report.

Figure 3: Townhouses as a percentage of all dwellings by city



Townhouses generally have lower construction costs per m^2 than other dwelling types and on average provide a much more affordable form of dwelling with ground-level access than detached houses (Davidson 2024; interest.co.nz 2025; Kiernan 2023; McKnight 2023). A higher proportion of townhouses in the dwelling stock thus means that more households might be formed from the same population that could afford to either buy or rent such dwellings. This may increase the number of households and dwellings overall compared to what would have been the case otherwise.

Table 1 below compares average household sizes for Auckland Region and New Zealand overall from the 2018 and 2023 Censuses (Stats NZ 2025b). Although average household sizes overall are reported as the same at the Censuses, with reporting to one decimal place, it is notable that the proportion of households that either own or partly own their dwelling has increased and the average size of those households declined from 2018 to 2023.

Table 1: Average household sizes by tenure, Auckland and New Zealand, 2018-2023
(per cent of households in italics)

Household tenure	Auckland Region		New Zealand Total	
	2018	2023	2018	2023
Dwelling owned or partly owned	3 *(46%)*	2.9 *(49%)*	2.7 *(52%)*	2.6 *(56%)*
Dwelling held in a family trust	3 *(14%)*	2.9 *(12%)*	2.6 *(13%)*	2.6 *(11%)*
Dwelling not owned or held in a family trust	3.1 *(40%)*	3.1 *(40%)*	2.8 *(35%)*	2.8 *(33%)*
Total households stated	3 *(100%)*	3 *(100%)*	2.7 *(100%)*	2.7 *(100%)*

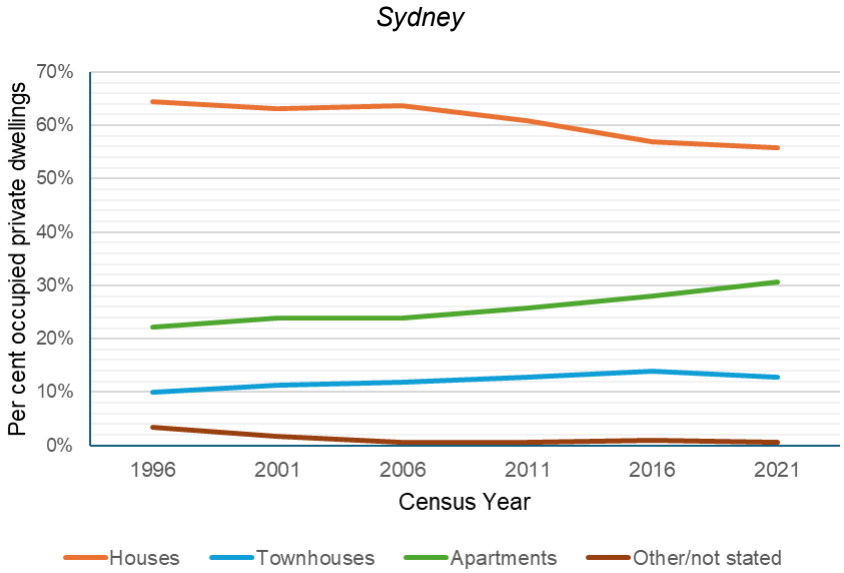
Also, household size for occupied private dwellings in Auckland calculated to three decimal places has declined from 3.012 in 2018 to 2.989 in 2023. Across a total population of about 1.56 million (people in households in occupied private dwellings) for the Auckland Region in 2023, that seemingly small shift equates to about 4,000 more dwellings than if the household size had remained the same as in 2018. That is about nine per cent of the total growth (about 45,000) in occupied private dwellings from 2018 to 2023. (Stats NZ 2025b, 2025c)

So, there are some indications that the growth of townhouses in Auckland since the adoption of the AUP may be related to more, smaller households being formed to take advantage of the more affordable housing option. There are two key points to note in this regard:

1. the townhouse option was far less available under the pre-AUP regime. The marked response in building consents and townhouse growth since then would appear at least partly related to the constraints of the previous regime, rather than necessarily being because of the broad-scale nature of the upzoning for the AUP; and
2. the Auckland circumstances of constraining townhouses pre-AUP are not as apparent in other areas. For example, Figure 3 above shows neither Wellington nor Christchurch experienced the same degree of long-term decline in the proportion of townhouses as did Auckland over previous decades. Wellington shows no decline at all and Christchurch some fluctuation.

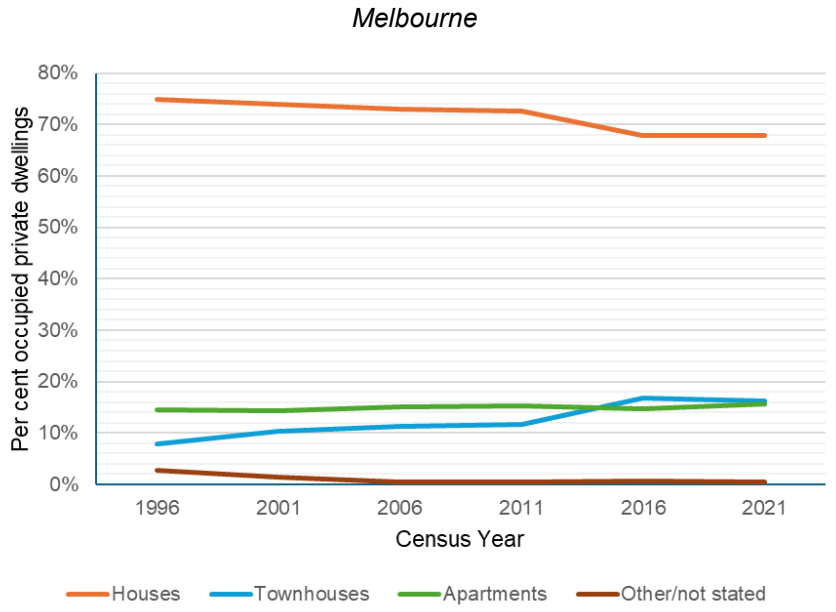
Further to point 2 above, Figure 4 below shows the shifting proportion of dwellings by type for Sydney, Melbourne and Brisbane from 1996 to 2021 (ABS 2025). Apart from a slight decline between 2016 and 2021 for the proportion of townhouses in Sydney and Melbourne, all cities show a consistent increase in the proportion of both townhouses and apartments. The minor proportional decline for townhouses 2016-2021 in Sydney and Melbourne may be partly due to the unprecedented high-rise apartment boom which occurred in that period, or perhaps also the change in the definition of houses that occurred at the 2021 Census.[2] There is certainly no indication in the three largest Australian cities of anything like the major long-term decline of the percentage of townhouses that Auckland experienced in the pre-AUP decades.

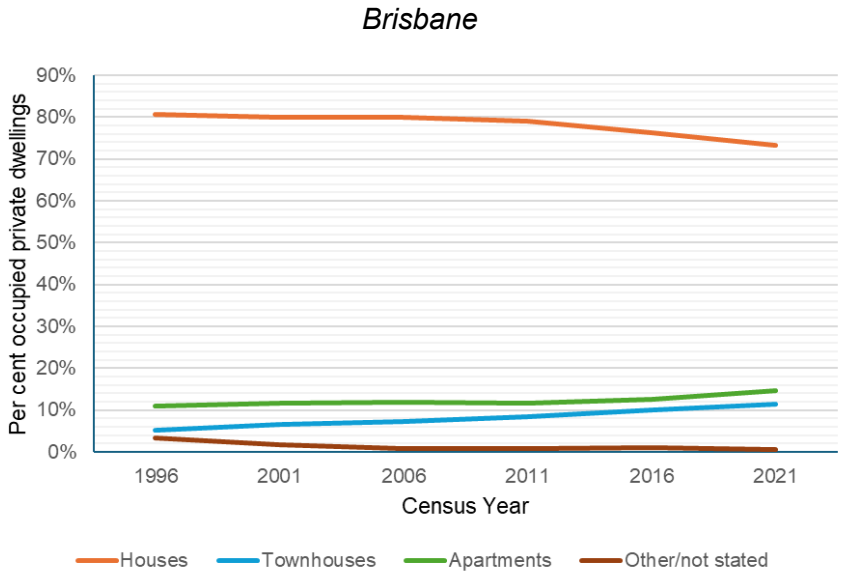
Figure 4: Occupied private dwellings by type, 1996-2021 Censuses[3]



[2] The effect of the definitional change was that separate houses only needed to be structurally separate from each other to be classified as such, rather than needing to be separated by at least 500 mm as previously. This change would have meant some dwellings previously classified as townhouses were instead classified as houses in 2021. (ABS 2021)

[3] The dwellings are: Houses = Separate houses; Townhouses = Semi-detached, row or terrace house, townhouse, etc; Apartments = Flat or apartment. Excludes visitor only and other not classifiable households for 2006-2021 Censuses. Excludes overseas visitors for 2001 Census. 2011, 2016 and 2021 figures are for Greater Capital City Statistical Areas (GCSSA) and 1996, 2001 and 2006 figures are for Statistical Divisions.





Other research into housing affordability impacts of planning reform

As well as considering Auckland from a broader perspective, the following sub-sections consider the findings of other research summarised by Figure 4.1 of the Grattan report. Specifically, it is those pieces of research identified in Figure 4.1 as 'assessing the impact of upzoning reforms on housing supply, prices, and rents' that are considered here.[4]

Auckland, New Zealand

The previous section focused on the implications of the misleading way in which post-AUP development activity is reported in the Grattan report. Previous research at https://www.landsupplyinsight.com.au/insights , namely 'The Auckland upzoning impact: Dwelling type and tax matters' published in August 2024 (Anstey 2024), considered tax

[4] Some of the research involves detailed econometric analyses and modelling, including methods beyond the scope of this paper to fully evaluate. The research findings and its implications are instead reviewed from a broader statistical perspective, considering its geographic, demographic, historical and institutional context.

changes that are not directly addressed by the various pieces of research which have assessed the impact of the AUP upzoning on housing supply and affordability.

For three years from March 2021, taxation arrangements in New Zealand encouraged investment in new builds over existing dwellings, contributing to the peak of dwelling consents in 2022 (Anstey 2024). Although this nominally affected all of New Zealand and all dwelling types, those areas most impacted were those with more scope for townhouse development at that time, particularly Auckland, but also Christchurch and Lower Hutt (see sub-section below for consideration of the latter). One indication of the significance of this is a major property investment advice firm whose stated purpose was '…to help Kiwis grow their wealth using New Build investment properties…' supported by their relationships with 97 developers from around New Zealand (Opes Partners 2024).[5]

So, it would appear clear that at least some of the increased townhouse development activity was due, not to the upzoning itself, but to the taxation incentives for new builds over the 2021-2024 period. To the extent relevant research does not take the taxation factor into account, it may overstate the effect of the upzoning itself.[6]

Another significant factor affecting the upzoning impact in Auckland may be the relative lack of urban expansion options for growth. Auckland Council's Future Development Strategy 2023-2053 provides for only limited future urban expansion and indicates over 80 per cent of recent growth happened within existing urban areas, and a compact approach to growth has been in place since the late 1990's (Auckland Council 2023).

To the extent other cities/regions accommodate higher proportions of growth in greenfield areas, there is less scope for upzonings of their existing urban areas to have the same degree of impact. For example, for the five years up to June 2021, South-East Queensland accommodated about 41 per cent of dwelling growth in expansion areas, and the Victorian Government has a target for 30 per cent of new homes to be in Melbourne's greenfield areas over 10 years (QG 2021; VG 2025). Even in relatively constrained Sydney, 20-30 per cent of new homes are in greenfield areas (NSWG 2025).

Sao Paulo, Brazil

This research investigates the impacts of 2016 zoning changes in Sao Paulo, Brazil on housing supply and prices, partly involving modelling of expected change up to 2026. Figure 5 illustrates the scope of the changes to maximum built-area-ratio (BAR), i.e. the ratio of constructed square metres per square metre of land area. Some changes reduced BAR, but overall more than half of blocks in the city experienced an increase in BAR, with 45 per cent having a maximum BAR increase of 1 or more and the average increase being 0.54, from 1.55 to 2.09. (Anagol *et al.* 2023)

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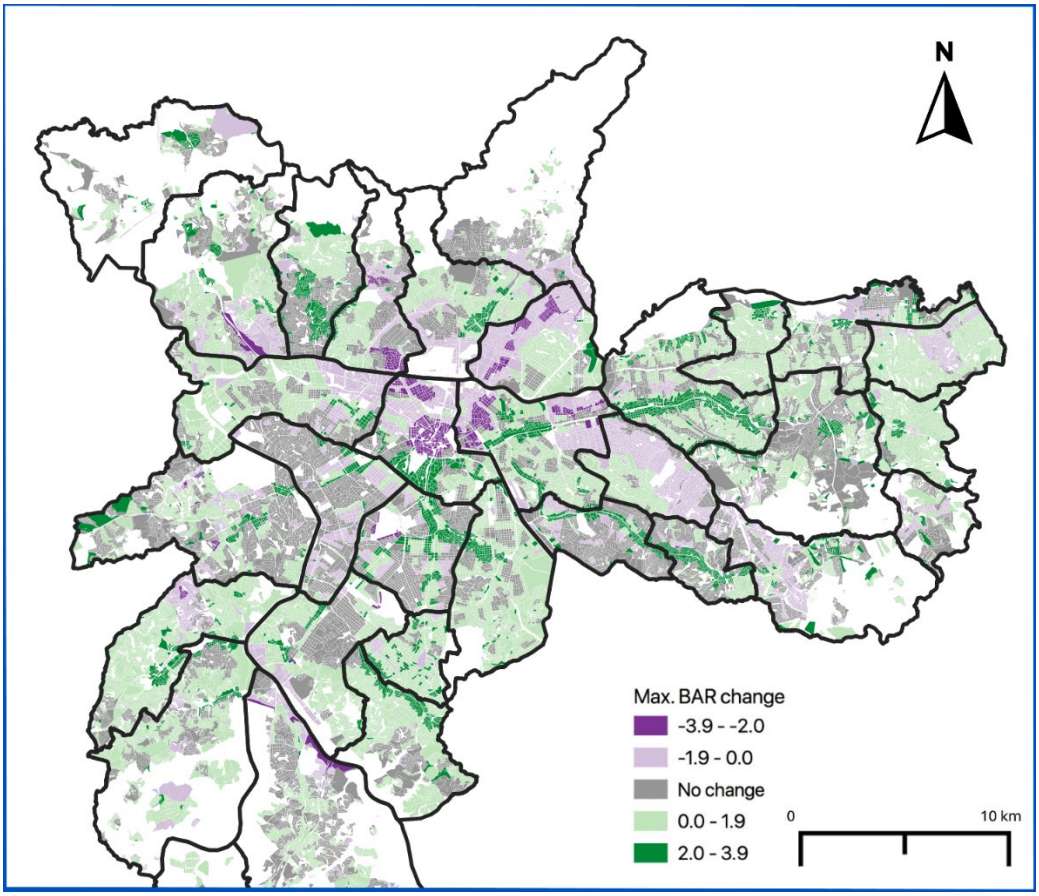
[5] For the years ending 30 June 2018 to 2023, 80 per cent nationally of the dwelling consents for 'Townhouses, flats, units and other dwellings' as categorised by Statistics New Zealand ('Houses', 'Apartments' and 'Retirement village units' are separate categories) were in the Auckland (58 per cent), Wellington (8 per cent) and Canterbury (14 per cent) regions. Across New Zealand overall, two-thirds of the increase in dwelling consents over the years ending 30 June 2018 to 2023, compared to the years ending 30 June 2001 to 2006 of the last housing boom, was for 'Townhouses, flats, units and other dwellings'. (Stats NZ 2024, 2025a)

[6] Others may consider any implications this factor has for the 'synthetic control' methods used for various pieces of research into the impacts of upzonings in New Zealand, e.g. Greenaway-McGrevy 2023 and Maltman and Greenaway-McGrevy 2025. That is, to the extent 'donor' areas used to generate the synthetic controls had only low levels of townhouse development activity, and therefore also low impacts from the taxation incentives, this would tend to overstate the effect of the upzoning. It is complicated, of course, because without the upzoning there would not have been the same scope for increased townhouse development due to the taxation incentives.

Figure 5: Sao Paulo 2016 zoning changes



The research found that, compared to what would have occurred under the previous zoning regime, the 2016 changes were expected, by 2026, to increase overall Sao Paulo housing stock by 1.9 per cent, and to reduce housing unit prices by 0.5 per cent. Bigger changes were found to be associated with those blocks that had greater increases in BAR. (Anagol *et al.* 2023)

The modelled improvements in housing stock and prices are quite small, but nonetheless they are expected improvements, and the research suggests greater benefits in housing stock and prices would accrue from greater overall increases in BAR. The research does though effectively assume there would be demand for any effective increase in housing stock through people moving from areas outside Sao Paulo. (Anagol *et al.* 2023)

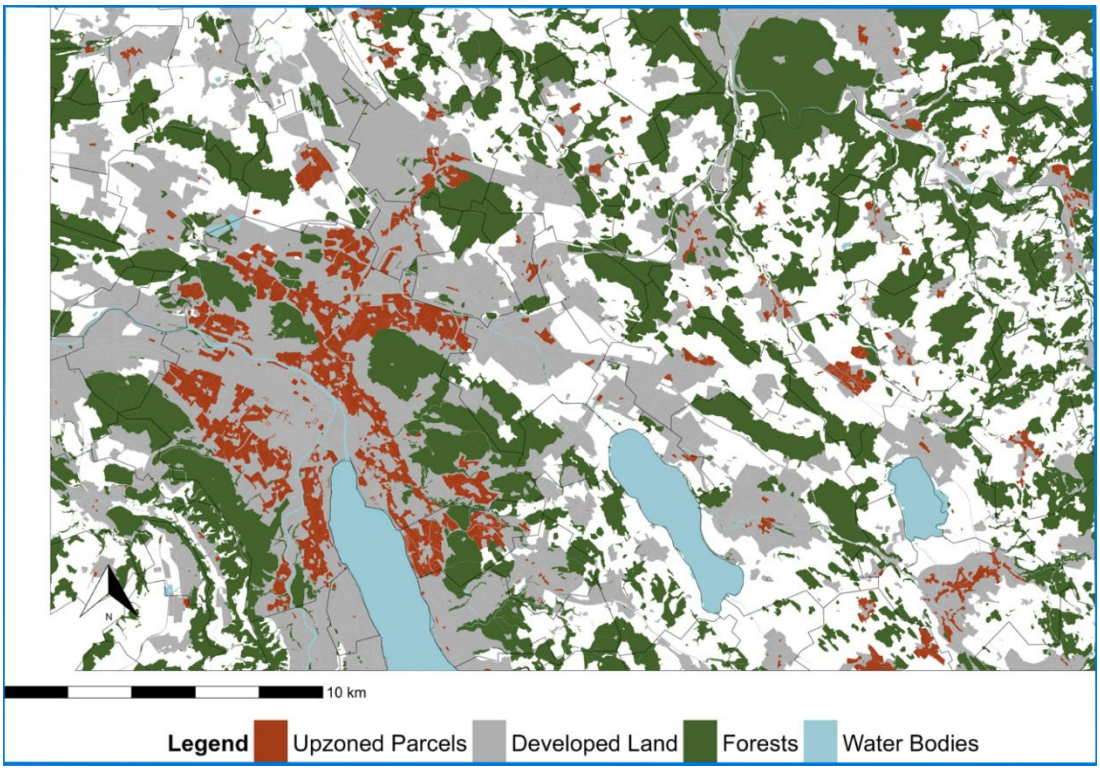
The latter assumption implies there is no demand-side constraint on the amount of new housing produced, which is contrary to the concept of equilibrium market absorption rates and the constraints they place on the feasibility of new housing supply over time (Murray 2024). More broadly, the findings also reflect modelled rather than actual outcomes. Others may be able to consider the validity of the detailed modelling approach, which is beyond the scope of this paper.

Zurich, Switzerland

This research investigates the impact of upzonings across 168 mostly small municipalities of the Canton of Zurich, at various uncoordinated stages over the 1995 to 2020 period. The Canton had a total population of about 1.5 million in 2019. The upzonings involved increases in permitted floor space mostly in the range of adding one to three floors, and are localised decisions by the individual municipalities. While the upzonings are not broad-scale in terms

of covering most of the residential area at the same time, they do comprise a significant proportion of the urban area overall, overtime, as shown in Figure 6 below[7]. Most upzonings have happened neither in the CBD nor at the urban fringe, with urban parcels more likely to be upzoned. (Buchler and Lutz 2024) It is noted that Zurich's 'Cantonal Masterplan' seeks that municipalities use their local land use regulations to 'curb urban sprawl and foster the use of public transit' (Buchler and Lutz 2024, p.3)

Figure 6: Upzonings in the Canton of Zurich, 1997-2020



The research found upzonings increased the living space and housing units by about nine per cent in the 5 to 10 years after upzoning, compared to areas that had not been upzoned at the same time. There were larger impacts where: the upzonings involved greater floor space increases; for areas where the previous zoning was binding;[8] and where rents were higher. However, no impact was found on the rents over time for comparable properties. (Buchler and Lutz 2024)

The scale of the new supply over a 5-10 year period is a reasonably expected/desired outcome of these more localised upzonings. The finding of no impact on rents for comparable properties is consistent with rents being determined, over the long term, by what people are prepared to pay (Murray 2024).

Lower Hutt (Wellington), New Zealand

Lower Hutt is a city of about 114,000 people on the southern end of the North Island of New Zealand, part of the Wellington metropolitan area of about 543,000 people. The subject research investigates the impacts of upzonings of the late 2010's on new housing development and rents from late 2017 up to 2023.

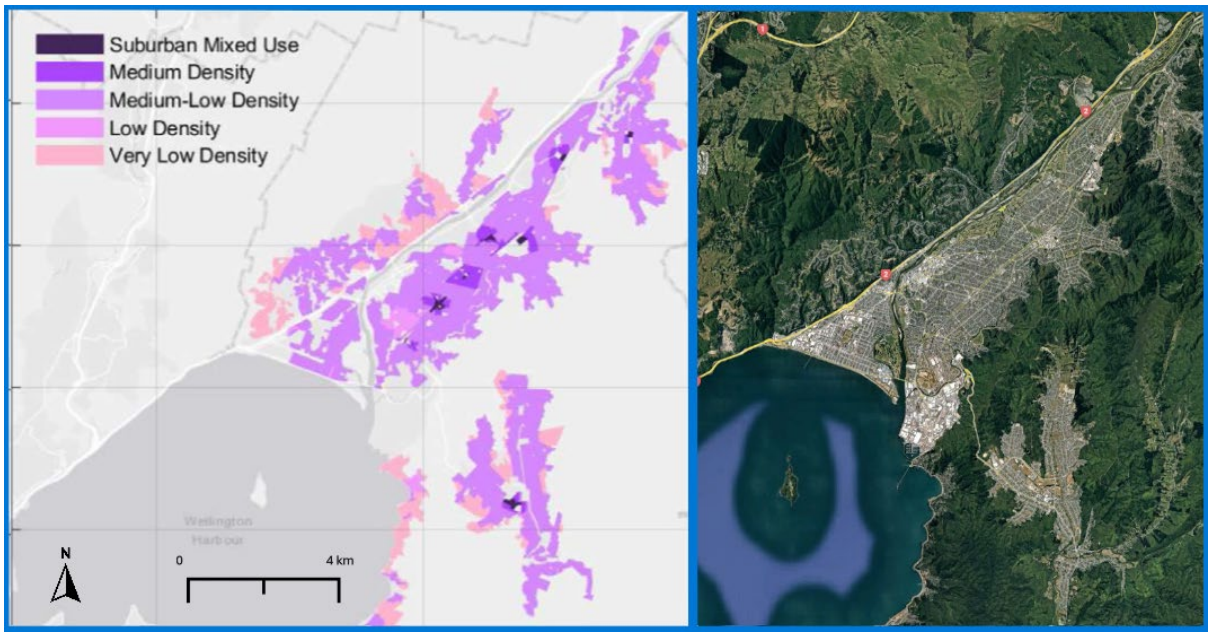
The upzonings to support medium density dwellings are described as affecting about 80 per cent of residential land in the city, although the significance of the changes varied across that

[7] Thirty-two of the 168 municipalities never changed their zoning plans.

[8] Zoning is binding where the existing development uses the maximum allowable floor space.

area. The most significant change in terms of subsequent new dwellings was the enabling of terraced and cluster houses on parcels larger than 1400 m^2 in the previously low density zone (General Residential Activity Area). The left side of Figure 7 below summarises the range of zonings associated with the Plan Change 43 which provided the focus for the research – the Medium-Low Density area in Figure 7 is the General Residential Activity Area referred to above (Maltman and Greenaway-McGrevy 2025; Google Earth Pro 2025).

Figure 7: Lower Hutt Plan Change 43 (left side) and corresponding aerial view (right side)



In comparison to a 'synthetic control', to represent Lower Hutt without the changes, the research found that upzonings resulted in a three-fold increase in new dwelling consents per capita and in rents being 21 per cent lower six years after the change. (Maltman and Greenaway-McGrevy 2025)

The zoning changes enabled much higher new dwelling consents in Lower Hutt than had occurred in recent decades before the change, with most of that growth being townhouses (Maltman and Greenaway-McGrevy 2025). However, the following factors need to be considered in understanding the implications of that outcome for other jurisdictions, including Australia's major cities, over time:

- following an extended period of low dwelling activity and growth[9], the current planning for growth in Lower Hutt is necessarily focused on consolidation of the existing urban area, because urban expansion is highly constrained by topography (see the right side of Figure 7). The core existing urban area occupies the full extent of the floor of the Hutt River Valley and the Wellington Harbour's north-eastern shoreline, extending onto the adjacent lower slopes and ridges of the surrounding hills and mountains. Except for some largely developed ridgetops and valleys, those hills/mountains are generally too steep for extensive urban development, e.g. in excess of a 1-in-3 slope (Google Earth Pro 2025; HCC 2025a, 2025b; Tso 2019);
- within the Wellington metropolitan area, for the period studied only Lower Hutt had made such significant zoning changes, so recognition needs to be given to the

[9] The estimated population of Lower Hutt only grew from 98,800 in 1996 to 101,200 in 2013, but then grew to 108,600 by 2018, 111,500 by 2023 and 114,200 by 2025 (Stats NZ 2025d).

potential displacement of construction from other parts of the metropolitan area (Maltman and Greenaway-McGrevy 2025)[10];

- although the reported average household size in Lower Hutt was 2.7 in each of the 2013, 2018 and 2023 Censuses (Stats NZ 2021, 2025b), in the lead-up to the research study period the average number of people aged 20 or above per dwelling increased significantly (Maltman and Greenaway-McGrevy 2025).[11] This and the apparent population growth from 2013 to 2018 represent a build-up of underlying demand for additional dwellings (Stats NZ 2025d);
- as discussed in relation to Auckland above, at least some of the increased townhouse development activity was probably due, not to the upzoning itself, but to the New Zealand-wide taxation incentives for new builds over the 2021-2024 period. This factor was not explicitly considered by the subject research, which may therefore overstate the impact of the upzoning.

In combination these factors help to explain the scale, nature and timing of the changes that were enabled by the upzoning in Lower Hutt. To the extent similar circumstances do not exist where an upzoning applies across most of a metropolitan area in Australia and over the long term, the proportional scale of impact in terms of new dwellings and rents would be expected to be significantly less.

Seattle, US

This research investigates the impacts of upzoning in 1994 of about 10 per cent of single-family zoned land in Seattle to Low-Rise Multifamily (LRM) zones. Up to 2024 it was found that around one-quarter of about 20,000 single-family homes in the upzoned area as at 1994 had been redeveloped to provide about 20,000 new ‘townhomes’, at an average conversion rate of about 4:1. The much more affordable prices of the townhomes, compared to single-family homes in the area, is noted. (Tobias *et al.* 2025)

However, the findings of this research merely show that the planned upzoning of a relatively small proportion of Seattle has supported progressive development over time of low-medium density housing, and that low-medium density housing is generally more affordable than nearby detached housing. This is all an expected outcome of selective strategic planning for upzoning of land to accommodate growth with a diversity of housing types. The fact it has taken 30 years for one-quarter of the upzoned area to redevelop as planned does not on the face of it suggest the need for a major expansion of the upzoning.

Minneapolis, US

Minneapolis City has a population of about 430,000 and is at the centre of a broader metropolitan area (Minneapolis-St Paul-Bloomington) with a population of about 3.8 million, so it is comparable in scale and context to the inner suburbs of Australia’s major capital cities (US Census Bureau 2025a, 2025b). This research investigates the effects of upzoning associated with the Minneapolis 2040 Plan that came into effect in January 2020 (Wang *et al.* 2025).

The main change identified by the research is the ‘ban’ on the single-family zoning which previously covered 70 per cent of residential land in the City. Through a range of detailed

[10] The research did not find strong statistical evidence of such displacement, but nonetheless estimated it was possible roughly two out of every five consented dwellings in Lower Hutt displaced a consent elsewhere in the metropolitan area (Maltman and Greenaway-McGrevy 2025).

[11] The ratio is calculated using the number of persons aged 20 or above divided by the total number of dwellings in Lower Hutt, including public dwellings, private dwellings and dwellings under construction.

econometric analyses, and considering the impact of George Floyd protests[12] and the Covid pandemic which occurred around the same time, they conclude that the upzoning likely reduced mid-tier house price growth by about 15-23 per cent. They also attribute the lower house prices to the increase in housing densities, rather than the actual quantity of housing supply, for which their analyses found mixed evidence (Wang *et al.* 2025).

So, this research identifies suppression of price growth due to increased housing density, rather than an increased supply of more affordable housing types. As it relates to only about 10 per cent of a metropolitan area, it provides no support for the benefits of broad-scale upzonings, as such.

Discussion and conclusions

There is no doubt that upzonings of various extents across major existing urban areas can enable more medium density housing types to be developed over time, given demand for such growth. Those housing types can also be more affordable than detached housing, on average, enabling more households to be created from the same population to access such housing, better accommodating underlying dwelling demand.

However, the evidence provided by the Grattan report needs to be heavily qualified in terms of the support it provides for the type of broad-scale upzonings recommended for Australia's major cities.

Probably the key evidence from Auckland, and also Lower Hutt, in New Zealand cannot be directly translated to the Australian context, firstly because of the highly-constrained planning regimes that existed prior to the respective upzonings. Of course, most planning regimes in Australia also constrain development, to some extent, but it is a matter of degree and the pre-existing regimes in Auckland and Lower Hutt were comparatively highly constraining, respectively, of some or all dwelling types.

In Auckland the constraint was particularly on townhouses in the existing urban area, although greenfields growth also has to some extent been constrained since the late 1990's. In Lower Hutt virtually any greenfield growth was highly constrained by its topography, so the previous planning constraints in the existing urban area meant any dwelling growth was limited. The upzonings in both places have clearly removed the previous planning constraints on their existing urban areas. However, the continued constraints on urban expansion mean redevelopment is by far the predominant option for dwelling growth, to a greater extent than is currently the case for Australia's major cities, with the possible exception of Sydney.

Related to the constraint of the previous Auckland and Lower Hutt systems on some or all dwelling types is the effect of the upzonings in providing for more affordable dwelling types that were not previously supported, particularly townhouses. The resulting increase in those more affordable dwelling types is to some extent independent of the geographic extent of the upzonings, so it would be inappropriate to assign all of that effect to the broad-scale nature of the New Zealand upzonings. This is particularly the case in comparison to Australia's major cities which, for example, have shown nothing like the decline in townhouses as a proportion of dwellings that Auckland experienced in the decades prior to the AUP.

[12] Sometimes violent and large-scale protests started in May 2020 after the death, in Minneapolis City, of George Floyd in police custody (Wang *et al.* 2025).

So, the effect of the planning constraints overtime in Auckland and Lower Hutt is to increase the impact of the upzonings compared to what could reasonably be expected as a result of similar broad-scale upzonings in Australia's major cities.

The second key aspect of the New Zealand experience that cannot be directly translated to Australia's cities is the taxation incentives for new builds that applied for the 2021-2024 period. That taxation regime had the effect of increasing dwelling approvals that had been enabled by the upzonings, which peaked in 2022, so that the impact of those upzonings appears greater than it would have otherwise been.

In terms of the other research cited by the Grattan report as supporting upzonings, the following are noted in summary:

- Sao Paulo, the only non-Auckland example cited of a broad-scale, city-wide upzoning and which depends on the validity of the modelling of a 2026 outcome (which others may consider further), identifies only small benefits in terms of supply and affordability. It is also reliant on an assumption that demand will come from outside the city to take-up whatever additional supply is provided, which may have the effect of overestimating the supply that it is feasible for the market to provide over time;
- the Zurich experience provides no evidence of affordability benefits. The scale of the supply changes over a 5-10 year period are a reasonably expected/desired outcome of these more localised upzonings;
- the Seattle example is one of upzoning a relatively small proportion of the city to provide for progressive redevelopment of about one-quarter of the houses in that area over 30 years. This research provides no support for broad-scale upzonings, as such, but instead illustrates an appropriate, expected outcome of selective strategic planning for upzonings to accommodate growth of a diversity of housing types; and
- the Minneapolis case provides only mixed evidence for the housing supply benefits of upzonings. The identified affordability benefits, to the extent the upzoning effects were successfully separated from those of violent protests and the pandemic, relate to the suppression of price growth due more to increased housing density than to new supply.

Of course, even if the housing supply and affordability benefits of broad-scale upzonings in Australia are smaller than identified by some research for Auckland, it might be argued such changes are still beneficial and should therefore be adopted. Infill development will only add incrementally to the load on existing infrastructure, and any need for upgrading, over time. So, any community costs of earlier additional expense, or delayed availability, of upgraded infrastructure are likely to be in the medium-long term, rather than the short term (Anstey 2025).

However, what if the supply and affordability benefits of broad-scale upzonings are no greater than more strategic, localised upzonings, such as in Seattle? With such upzonings better able to align to infrastructure capacities and upgrading costs over time, why incur the greater long-term costs associated with broad-scale changes?

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