



Editor and Research Fellow at th

provocative speaker at the 2016 World Architecture Festival has thrown his politically correct industry into a tailspin with calls to scrap social housing, privatise public space and stop land zoning. In the speech, Patrik Schumacher, principal at worldrenowned Zaha Hadid Architects, argued that housing crises would never end without a big dose of freemarket libertarianism.

A free market perspective on architecture is rarely championed, so his hour-long keynote came as a big shock to the crowd. The architecture world quickly took to social media, with both critics and supporters dubbing Schumacher 'the Trump of Architecture'.

While sweeping comparisons should be made with caution, there is no doubt that both Trump and Schumacher stir a groundswell of outrage precisely because they question the status quo. Unlike the US President, however, Schumacher's claims are intellectually coherent within what can be broadly described as libertarianism or Austrian economics.

For Schumacher, deregulation is key. Deregulation frees up the creativity of architects to meet the diverse needs of individual clients, rather than bowing to boundless interference by regulators and planners. While these positions may be unfamiliar to the insular world of architecture, they are a microcosm of the broader views of a classically liberal political economy: planners are imperfect, never omniscient, and are prone to spectacular failure.

While poor planning causes obvious direct costs and delays

there are also broader unintended consequences. Ineffective town planning hurts lower income earners and destroys any reliable market signals. At the same time, architects turn their attention away from their customers to navigate the maze of discretionary planning approvals.

Take the example of housing affordability. This is regularly misdiagnosed as a social problem, leading government into a cycle of interventionist remedies. According to the Reserve Bank of Australia, our capital city dwellings cost four times the average annual wage in the early 1980s but rose to almost eight times in 2010. More recently, calculations by credit rating company Moody's suggest the percentage of household monthly income attributed to housing repayments, in the decade to March 2016, averaged an enormous 30 per cent.



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As the story goes, escalating house prices are the result of too much demand. This demand, normally attributed to foreign investment, is supposedly remedied through government controls. But demand should not be feared. Demand is the only true signal of what people want. Indeed, economists have long known that without an efficient market mechanism there can be no entrepreneurship. The same is true for architecture. Standardised prescriptive rules stymy the ability of architects to respond to demand.

The language of architecture is riddled with phrases such as

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'contextually sensitive' or 'connectivity with the environment'. But such hand-waving is benign as long as our housing markets are shrouded in regulatory fog.

The main issue that needs to be tackled in the present housing crisis is to recognise governments created the problem in the first place. Attacking demand is a short-sighted policy response succumbing to fear or jealousy. The real question is why supply is unresponsive. And the answer to that is the increasing scope of planning.

We have grown accustomed to an infinite loop of government intervention on the issue of housing affordability. This led to higher prices, more distortions and bigger government. The only way to escape



this cycle is to truly question the role of the government.

To some, urban planning requires a rationalised and standardised approach. That is, various levels of government imposing rules to coerce the public out of some form of market failure, all in the name of the 'public good'.

The vision of Swiss-French architect Le Corbusier is a shining example of this rigid approach. He was the father of modernism in architecture and design, and sought a rationalist approach to city design, including the famous focus on the 'golden number' of planning based off the human scale.

Le Corbusier's vision of a meticulously segregated city approaches totalitarian. While his ideas gained theoretical influence in the twentieth century—including a masterplan concept to demolish two square miles of downtown Paris—they thankfully proved too radical for the mainstream.

Le Corbusier failed to acknowledge the diversity of individuals and the places in which they wish to live. This failure is what Schumacher is seeking to remedy by taking power away from planners.

In stark contrast to Le Corbusier, urban scholar Jane Jacobs stresses the need to incorporate diversity



within a city design. Her focus was on how an ordered city incorporates both individual and collective planning. For Jacobs, planning is about understanding neighbourhoods and their diversity. This decentralised and evolutionary approach to planning relies on individual choice.

In juxtaposing Jacobs and Le Corbusier we can discover the proper role and scope of government. Unfortunately, however, anyone who dares to question the authority of planners is howled down. Turning first to government for the solution—and only varying what coercive remedy is applied—prevents discussion and leads to more government intrusiveness. Government continues creating

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regulations without considering its own boundaries.

The planning of a city can be split into two often-conflated parts. The first is strategic or urban planning. This is the classic remit of town planning, ranging from setting out the broad scope of city design—from the roads to railways—all the way to zoning restrictions. The second type is statutory planning, focused on more individualised approval of individual plans.

The former idea, strategic planning, is justified on the basis that citizens will fail to coordinate long-term plans with others. But many areas of strategic planning are hampered by arbitrary and often rigid government decisions based on political motivations.

Zoning, for instance, evades logical reasoning. The idea that a government should restrict the use of a particular parcel of land—such as residential or commercial—is largely based on

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■ The economics and business campus at the University of Vienna, Austria, designed by Zaha Hadid. | Flickr

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the fear of landowners that nearby individuals will make decisions to increase the value of their property while simultaneously decreasing the value of the properties around them. But on this criterion there are also substantial costs to enforcing government zoning.

The very idea of zoning places unrealistic epistemological faith in planners. For zoning to be effective, planners must understand every future alternative use of all land and the needs and desires of all potential landholders. If these variables shift, planners must quickly move the zoning boundaries. But the information necessary to do so is highly uncertain and impossible for

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anyone to fully understand. This is why, like any market, the use of land should be decided by individual landowners as they make decisions on where to co-locate with others.

Sitting on even shakier ideological ground than zoning is the growth of statutory planning. Now more than ever, centralised government bureaucrats and local councils create restrictions—

colloquially termed 'guidelines'—not for the good of society, but rather for your own good. These rules pervade much of our lives through endless application of red tape and cannot be justified in a liberal democratic society.

Melbourne's most recent design guidelines are a perfect example. In December 2016, the Victorian Department of Environment, Land, Water and Planning released its 'Better Apartments Design Standards'. Among other draconian restrictions, the planning provisions dictate minimum storage space for different sized dwellings, and the amount of private space necessary

for 'reasonable recreation'. The department also has a say on the visibility of entrances to 'provide each dwelling and building with its own sense of identity'.

The Victorian Institute of Architects wants the rules to go even further. They want mandated architects within the design process for particular categories of buildings. Such blatant attempts to entrench your profession would be impressive in any industry.

To be sure, these Victorian restrictions don't go as far some recent changes in Sydney, which included a minimum apartment size for new buildings. This is set to stifle the housing market and price out

low-income earners even further.

These new rules deviate from any reasonable scope of planning. The technocratic and elitist attitudes found among the planners who create them are eating away at the organic changes in our city structures. What's more, the role of government should never extend beyond where it can be demonstrated that harm is caused to others.

With the rare exception of statutory rules—such as those protecting the overlooking of private space planners are eroding our property rights blatantly and unapologetically, enforcing their own social and environmental objectives onto landowners without compensation. What other reason can there be for ideas like 'Water Sensitive Urban Design' (that's a real thing in Victoria) effectively requiring you to put a 'raingarden' in your own backyard? It is precisely this social engineering that Schumacher has called out as 'intellectually bankrupt', coercively changing the behaviour of individuals.

Architects are losing the opportunity for true creativity, shackled by the rules for which they regularly lobby. This relationship architects have built with planners will kill their industry.

Exacerbating this problem, local governments are handed too many discretionary powers. Regulators have the power to trade-off various design considerations at their whim, generating substantive uncertainty. The implication of this is to hurt those least connected to the relevant planning authorities.

The skill of a developer or architect increasingly lays in political manoeuvring around bureaucrats, rather than servicing their clients. This led Schumacher to call for regulation of the planners, curtailing and defining the powers of planners to erode

development rights. Indeed, we should drain the planning swamp.

What is it that drives this intrusive erosion of property rights? It could be greed. Architects have an incentive to increase barriers to entry into the profession, such as tacit networking with the planners and the technical knowledge of the regulations. Local planners are also more than willing to supply those rules and grow their power.

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But there is also a more optimistic perspective. Perhaps the everexpanding remit of planning provisions is not only due to self-interest, but also ignorance. When so few individual architects question the expanding role of government—even when that expansion may be putting the profession itself at risk by suppressing creative endeavour—the idea that more rules are not the answer remains foreign and radical. This problem is exacerbated when debate is continually stymied.

This brings us back to Donald Trump. He is the President of the US precisely because of a culture where dissenting views were continually quashed by the political class. It had simply become unacceptable to question the role of government. For this same reason the architecture world now has an articulate freedom-loving intellectual who is not only well read in political philosophy and economics, but can engage in the long-term battle of ideas.

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