

# “INEFFICIENT MARKETS” – THE BASIS FOR NEW ZEALAND’S URBAN POLICY

## **Context**

For several years now, the starting position for New Zealand’s urban policy framework is that land markets are not performing efficiently, particularly around the urban edge where rural land transitions into urban. This inefficiency has been seen as a core driver of high prices and under-supply of housing.

Much responsibility for this has been attributed to planning and regulation. Urban growth boundaries in particular have been blamed for driving up urban land prices by limiting competition among rural landowners, constraining land supply, and facilitating land banking.

This premise of an inefficient land market due to planning and regulation continues to have a major influence on national policies for urban growth. It was a strong driver of the 2016 National Policy Statement on Urban Development Capacity (NPS-UDC). That influence continues in the two major policy initiatives currently in train. The Urban Growth Agenda (UGA, 2018) highlights the “...*deep seated problems with the operation of our urban land markets...*”, and proposes that Auckland’s growth will include “...*new leap-frog greenfield development ... enabled beyond the current Future Urban Zone*<sup>1</sup>” to help reduce land prices. The Housing and Urban Development Agency (HUDA) has a stated intent to “*fast track the supply of land*” and “*Changing the system settings to ensure we have more affordable land*<sup>2</sup>”.

## **Objective**

Despite the strength of the rhetoric, for others conceptual and evidential concerns persist about the economic rationale for the premise that the land market is inefficient. There are consequent concerns about views on how regulation and especially urban limits affect the land market.

In this paper we examine that core premise of an inefficient land market.

## **Methodology**

The assessment methodology used here is straightforward. We have examined the key *Marginal Opportunity Cost* (MOC) approach. That is the basis for the view that large differences between rural and urban land values are “*discontinuities*” which show the land

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<sup>1</sup> <https://www.hud.govt.nz/urban-development/urban-growth-agenda/> Recommendations, p9, p10

<sup>2</sup> Ministry of Housing and Urban Development, Housing and Urban Development Authority, Overview of Proposals November 2018

market is not performing efficiently. We have considered each key proposition in the MOC approach, the core assumptions about discontinuities, and the interpretation of results.

Our assessment draws from the conceptual foundations for urban spatial economies, notably central place theory and the spatial economy concepts<sup>3</sup>, together with understanding of the patterns and processes of land use change in urban and rural locations. It draws also on relevant literature, and an evidence base which includes analysis of key land use and land value patterns and processes around New Zealand's main urban centres.

The main focus is on the dynamics of the land market around the urban edge, and how an urban economy expands outward on to rural and non-urban land. This area is the key interface where rural land transitions to become urban, and is the source of virtually all the urban land added to accommodate city growth.

A basic requirement of economic and other models is to accurately represent the relevant economic processes and behaviours of entities involved. If the MOC approach is to be seen as a suitable methodology, then it must be able to capture the core economic processes and patterns which occur across that interface, and offer reliable interpretation of those outcomes – especially if it is intended to show how efficiently the market is functioning.

### ***Key Findings***

Our key finding is that the premise of an inefficient land market around the urban edge is not sound. This is because of flaws in the conceptual and evidential base in the MOC approach, on which that premise relies. Our assessment shows:

1. The MOC approach is based on two critical positions. One is that land value is not influenced by potential land use. That position conflicts directly with economic theory and key principles of valuation.
2. The second is that land value is not influenced by location. The MOC approach excludes location, and assumes that agricultural land values extend right to the urban edge. This position also is at odds with economic theory and with how the land market functions in the interface area where non-urban land transitions to become urban.
3. As a consequence of not taking into account these two critical drivers of land value, the MOC approach misinterprets differences between rural and urban land values as being “discontinuities” which show the land market is inefficient. It does not accurately represent the key economic processes driving the transition of rural land to become urban land.

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<sup>3</sup> The spatial economy : cities, regions, and international trade / M. Fujita, P. Krugman, A.J. Venables. MIT press 1999

4. In contrast, when land value patterns including the area around the urban edge are examined in the framework of urban spatial economies and core urban growth processes, those substantial differences between rural and urban land values are identified as instead being an outcome of an efficient urban growth process, as cities expand into their rural surrounds. The differences in land values do not show an inefficient market.
5. Because of the MOC approach's major conflicts with the economic and valuation conceptual base, and with evidence on land values and change processes around the urban edge, we find it is not a sound basis for assessing the efficiency of the land market.
6. As a consequence, we find the premise which relies on that approach - that land markets are not efficient – is not sound.

Our conclusion is that these shortcomings in the evidence base need comprehensive re-examination, with properly robust assessment of land market efficiency and the effects of planning and regulation<sup>4</sup>. This is especially in regard to urban limits, which are under threat of legislative change. Re-assessment is critical so that the forthcoming UGA and HUDA can be soundly based, and are not affected by flawed evidence.

### **Assessment**

#### *The Conceptual Base*

The view that the land market is inefficient was a core theme underpinning the development of the NPS-UDC.

A critical part of the inefficient market premise is based on the MOC approach, and the position that substantial differences in land values between urban land inside the urban edge, and rural (non-urban) values outside the edge, are “*discontinuities*” which show the land market is not functioning efficiently.

It is based on the theory that the value of urban land should equate with its marginal opportunity cost (MOC), which is defined as its value in agricultural use, plus the costs of development, the value of urban accessibility to goods and services, and any amenity value. If the difference between urban and rural land values is greater than this MOC (ie “*discontinuities*” exist), it shows the market is inefficient. The theoretical position is set out most recently in a discussion paper prepared to assist the Tax Working Group (TWG):

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<sup>4</sup> The ACEU concluded “*The discussion on whether the existing urban boundary artificially inflates land prices would benefit from a methodologically-sound, agenda-neutral analysis.*” Auckland Economic Quarterly, Auckland Chief Economist Unit, Feb 2019

*“In a competitive market for urban land, the price of land would equal its marginal opportunity cost. In other words, the urban land price would be founded on its price in agricultural use, plus the value of necessary infrastructure, and the value of accessibility to jobs, goods and services, and amenities. Scarcity premiums on land prices would be limited to unavoidably rare attributes, such as desirable views.”<sup>5</sup>*

That continues the theme from earlier papers. The s32 report for the NPS-UDC refers to “discontinuities” as showing an inefficient land market, and attributes that primarily to regulation:

*“In land markets, ‘discontinuities’ in prices ... at the urban fringe are an indication that the supply of land has been artificially restricted (and/or inflated by regulations that limit development in other locations.”<sup>6</sup>*

The *Signals of Under-Capacity* report prepared in support of the NPS-UDC contends that “discontinuities” may arise from insufficient development capacity:

*“...where observed prices diverge significantly from marginal social costs, it suggests that there are constraints to competitive markets, which may include insufficient development capacity in plans, as well as non-regulatory constraints such as concentrated market power...”<sup>7</sup>*

That view has strongly influenced the NPS-UDC, with its “presenting problem” stated as:

*“Existing RMA land use planning practices appear to respond poorly to the opportunities and challenges arising from urban development. In particular, planning policies can constrain development capacity and limit the ability of the market to meet demands in growing cities. This results in a limited supply of housing and rising property prices...”<sup>8</sup>*

It flowed through also into key provisions of the NPS-UDC itself, with requirements for councils to continue to provide for sufficient currently feasible capacity for 30+ years’ of growth, irrespective of their amount of plan-enabled capacity.

Further, the MOC approach relies on the position that land value is not influenced by potential land use. The *Signals of Under-capacity* report sets this out explicitly (emphasis added):

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<sup>5</sup> <https://taxworkinggroup.govt.nz/resources/discussion-paper-tax-and-housing; May 2018>

<sup>6</sup> Cost benefit analysis of policy options (s32) for a National Policy Statement on Urban Development Capacity. Ministry for the Environment May 2016, p26

<sup>7</sup> *Signals of Under-Capacity*: the practicalities of monitoring Price Signals under the National Policy Statement on Urban Development Capacity, Covec and MRCagney, for MfE and MBIE, October 2016, p57

<sup>8</sup> Cost benefit analysis of policy options (s32) for a National Policy Statement on Urban Development Capacity. Ministry for the Environment May 2016, p19

*“In the efficient market the cost (and price) of land for development is determined by the opportunity costs of supply of that land. **Price is not determined by the higher value use of that land (residential vs agricultural).**”<sup>9</sup>*

### **Key Concerns**

We have examined the rationale and key assumptions for the core positions in the MOC approach, and its premise of an inefficient land market. We find it has significant weaknesses. It fundamentally conflicts with how urban economies function and expand, and it depends on critical assumptions which do not align with economic concepts and valuation principles – especially its core positions that land value is not influenced by potential land use, or by location.

#### *Land Value and Potential Land Use*

The first critical concern is with the position that land value is not influenced by potential land use. Economic theory and valuation principles, and the evidence base, hold that this is not the case.

Potential land use is a core influence on land value, because it largely determines the earnings that land can generate to provide returns to the owner and from resale potential, which together drive the value to the owner. The returns from land are wide-ranging, and include revenues from commercial activities, private benefits for residential owners from their ability to occupy and utilise the land and access urban goods and services (including similar benefits for residential tenants), and for public land a mix of values from market and non-market activities which accrue to the resident and business communities.

The direct relationship between land use and land value is a fundamental encapsulated by the valuation sector, which has a core responsibility to attribute value to land. The Generally Agreed Valuation Principles (GAVP, Property Institute of New Zealand) hold that potential use is a key driver of land value. The principle of *highest and best use of land*, which underpins land valuation is defined as:

*“The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and **which results in** the highest value of the property being valued<sup>10</sup>” (emphasis added).*

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<sup>9</sup> *Signals of Under-Capacity*: p20

<sup>10</sup> Australian and New Zealand Valuation and Property Standards, 2009, [http://www.google.co.nz/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=2ahUKEwiD4cGF3PXeAhUGEnIKHdHIBi4QFjACegQICBAC&url=http%3A%2F%2Fpropertyinstitute.nz%2FFolder%3FAction%3DDownload%26Folder\\_id%3D4%26File%3D06-11-09\\_Valuation%2Band%2BProperty%2BStandards\\_2008%255B1%255D.pdf&usg=AOvVaw0CrAuu7nwKo8bh033JGBoT](http://www.google.co.nz/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=2ahUKEwiD4cGF3PXeAhUGEnIKHdHIBi4QFjACegQICBAC&url=http%3A%2F%2Fpropertyinstitute.nz%2FFolder%3FAction%3DDownload%26Folder_id%3D4%26File%3D06-11-09_Valuation%2Band%2BProperty%2BStandards_2008%255B1%255D.pdf&usg=AOvVaw0CrAuu7nwKo8bh033JGBoT)

This principle directly links land value with its potential use. Property valuation flows through directly to property sale and purchase decisions in the market, including to the banking and finance sector. Commonly, purchasers assess property value according to potential use and other factors, drawing on valuation advice which includes potential use, which is relied on in turn by the finance sector. The land market as it currently functions identifies potential use as a critical determinant of land value, and prices.

This relationship is evident in patterns of land value, at the macro- as well as the micro-level. Urban land is more valuable than rural land, because it can sustain a greater economic return. That is no mystery – for example, urban residential land can be used much more intensively than rural residential land. In Auckland, urban residential land supports 30 to 40 times as many dwellings per hectare as rural residential land, and its value per hectare is correspondingly over 40 times higher than rural lifestyle land, while urban business land supports more than 100 times the economic output per ha of rural production land<sup>11</sup>.

Urbanisation also means substantial costs are incurred to enable urban activities, including for infrastructure and land development, for major structural changes in land subdivision and ownership, and for large public and private expenditures. The higher intensity of use possible on urbanised land drives a major shift in property scale from relatively extensive rural and lifestyle activities to intensive urban residential and business activities, financially sustainable – and affordable - on much smaller land footprints.

This combination of greater potential returns and higher costs means that urban land values are characteristically much higher than rural values.

### *Land Value and Location*

The second critical concern is with the MOC's position that land value is not influenced by location. Both theory and evidence show that land values are directly influenced by location, especially because location is a significant determinant of land's potential use. Location is not neutral. Land values around the urban edge are strongly influenced by proximity to the city, which directly affects value through its impact on the land's potential to be urbanised, and the timing of that potential.

That direct influence of location on land value and use is a critical part of central place theory, particularly how distance from the centre (CBD) affects the efficiency of economic activity and consequently is a major driver of both land use patterns and land values. The situation is portrayed schematically in Figure 1, which shows the characteristic land value profile from a city centre, across the urban edge, and out to peri-urban and then rural areas. From the high point at the city centre (CBD) where centrality and co-location advantages are

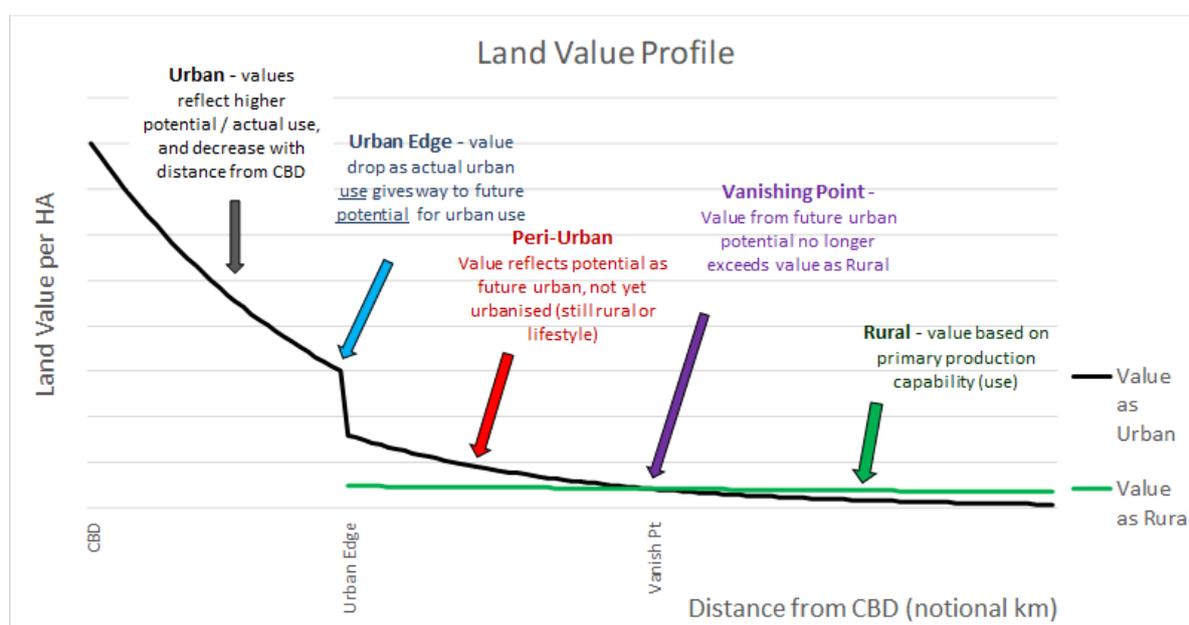
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<sup>11</sup> Auckland Council Rating Database, 2017; Auckland Economic Futures Model, Market Economics 2018.

strongest, land value decreases with distance as lower yielding and/or less space efficient activities which still benefit from the urban location occupy the land.

The value profile shows a substantial drop at the urban edge, the point where urban uses transition to non-urban uses. Beyond this edge, the value profile across the non-urban land continues to decrease, as distance from the centre increases. For the non-urban land, values are highest just beyond the urban edge, and decrease across the peri-urban areas because the value from land's potential to be urbanised diminishes with increasing distance. That decrease in urban potential continues until the urban economy has little or no direct influence on land value – the so-called “*vanishing point*” where land's urban potential is fully offset by distance costs, and beyond which land value is determined solely by its potential in rural uses.

Figure 1: Land Value Profile from City Centre to Rural Surrounds



An important feature is that the values of yet-to-be urbanised land immediately adjacent the urban edge are usually significantly higher than for agricultural land further distant. This is because a component of the value uplift arising from the land's potential for urban use is already anticipated (“priced in”) by the market. The sequence from initial land acquisition to preparation, servicing and development, to final serviced urbanisation commonly occurs over a number of years, and is well understood and anticipated by the market, including owners of land near the urban edge. When a city is growing, the land just beyond the edge of current urbanisation is usually well advanced along this sequence. The land further out from the edge is at an earlier stage, and the extra distance means both lower value from urban potential than for locations right at the edge, and a longer time lag before it becomes the next most suitable land not yet urbanised. Land values reflect this.

Figure 2 shows these land value profiles for three urban areas (Auckland, Tauranga, Christchurch) either side of the urban edge. Clear features of the graphs are the sharp difference in land values between areas within 1km inside the urban edge (purple), and within 1 km outside (green) the edge, as well as the value gradient for urban land showing higher values with closer proximity to the CBD, and for the rural land outside the urban edge the decrease in values with increasing distance from the city.

These patterns are consistent with urban edge dynamics described above, where the value of yet-to-be urbanised land is highest just beyond the edge, because the urbanisation potential is greatest and likely to occur soonest, but the major value uplift associated with the infrastructure and other catalysts which enable urban development is not yet evident.

However, the MOC approach adopts a quite different paradigm. Most critically, it assumes that an urban economy does not affect land values beyond the edge, in the peri-urban area around a city. Instead, it assumes that the value of land right up to the urban edge will be based solely on its value for agricultural use. It applies that assumption to estimate the marginal opportunity cost. There is plenty of evidence – including in Figure 2 - that this is not the case.

By ignoring those processes and the patterns of land value, the MOC approach effectively excludes location as an influence on land value. The MOC applies an expected land value which is drawn from a location at or past the “vanishing point” - where value arises solely from its agricultural potential. However, it compares this ‘expected’ value with the actual value of land at the current urban edge - an entirely different location, and characterised by land values well above those for agricultural use. Location is ignored in the MOC approach, even though it has a major effect on land value.

That is a highly significant geographic mis-match. It means the method is not sound.

Figure 2: Actual Land Value Profiles around selected urban centres<sup>12</sup>

Figure 36: Auckland land parcel values and differentials near the rural-urban boundary, July 2014

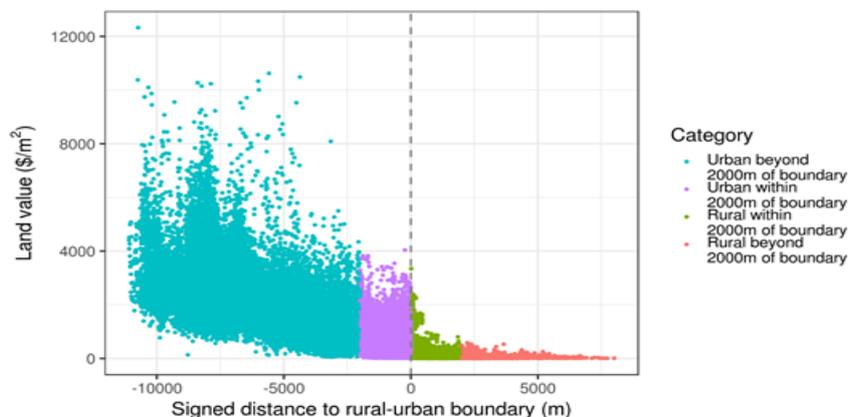


Figure 37: Tauranga land parcel values and differentials near the rural-urban boundary, July 2014–16

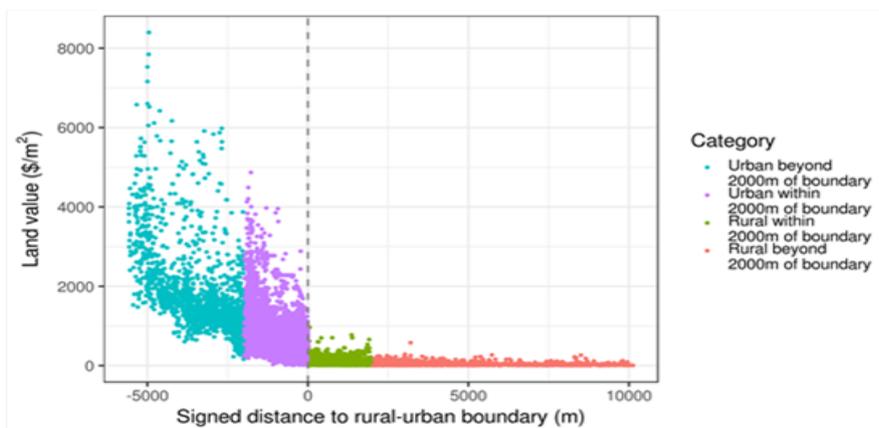
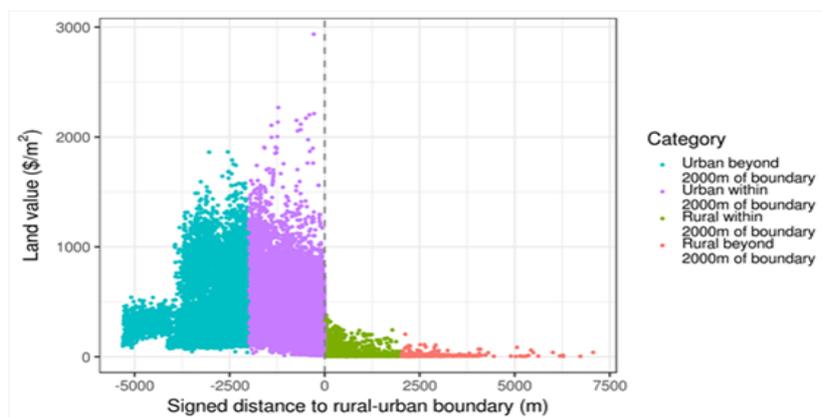


Figure 38: Christchurch land parcel values and differentials near the rural-urban boundary, July 2015/August 2016



<sup>12</sup> National Policy Statement on Urban Development Capacity Guide on Evidence and Monitoring, MfE and MBIE, 2017. p149-150

### *“Discontinuities” in Land Values*

The “discontinuities” estimated from the difference between actual and expected land values are the critical evidence for an inefficient market.

However, the exclusion of both potential use and location as influences on land value is problematic for the MOC approach. The exclusions inevitably mean that the MOC expected land values will be artificially low. It follows that the differences between expected and actual values – the evidence for an inefficient market - are exaggerated.

However, if potential land use and location were taken into account, then expected land values would be substantially higher, and the differences between actual and expected values would be much smaller – with remaining “discontinuities” more likely to reflect the effects of regulation<sup>13</sup>.

The exclusion of potential land use and location leaves very major “unknowns” in the MOC estimates. We are not aware of any sensitivity assessment to estimate the influence on values of potential land use and/or location, in order to then test whether there are any remaining “discontinuities” beyond that.

### *Applying the MOC approach – the Rural-Urban Differential*

These issues carry through to how the MOC approach is recommended to be applied for the NPS-UDC. The *Rural-Urban Differential* is a key method set out in the NPS-UDC guidance as a way to assess the adequacy of provision for growth and to show “...how much urban residential land values are being elevated because of these regulatory constraints.”<sup>14</sup>

The Differential is a direct application of the MOC approach. It depends on the same core positions – that land value is not influenced by potential land use, and not affected by location. The Differential compares urban and rural land values within 2km either side of the current urban edge, after first adjusting the urban values to allow for the costs of subdivision including development contributions, for amenities (including proximity to water bodies and town centres) and geographic features such as slope and flooding. “*The remaining difference in values between urban and non-urban residential land, at the edge of the city, is primarily attributed to the effect of regulations that constrain feasible urban development capacity.*”<sup>15</sup> This approach holds that “*If discontinuities in prices for similar land are observed at the*

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<sup>13</sup> Regulations being typically applied to help shift the market to a more efficient point which better reflects externalities.

<sup>14</sup>National Policy Statement on Urban Development Capacity: Guide on Evidence and Monitoring p143

<http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/FINAL-NPS-DC%20Evidence%20and%20Monitoring%20guide.pdf>

<sup>15</sup> Ibid p144

*edges of zones that allow urban development on one side but not on the other side, then it is reasonable to infer that the regulatory constraint on development is increasing prices<sup>16</sup>.”*

We have major concerns about this recommended method. These are over and above the base flaws of the MOC approach (the exclusion of potential land use and location).

The concerns is because of the very broad geography used in the Rural-Urban Differential method. It compares current urban and rural land values<sup>17</sup> across large areas, for properties within 2km either side of the urban edge.

This means the comparison extends a long way – both geographically and in time - on both sides of the urban edge. The 2km urban band includes land which has been urbanised for some decades, and high proportions of the total urban economy - covering 81% of all of urban Christchurch, 93% of urban Tauranga, 97% of urban Hamilton, 98% of urban New Plymouth and 100% of urban Queenstown (among high growth councils examined).

The extensive coverage means the comparison of values must include a wide mix of effects - the cumulative long term effects of urbanisation throughout each economy, as well as the general uplift in values from economic growth and larger city size, the value gradients and mix of land uses across each city. It groups together newly urbanised land still close to the edge - whose values will reflect the generally lower market attractiveness of land in peripheral locations – with higher value land close to the city centre and urbanised many years ago.

Similarly, applying the 2km band to rural land outside the urban edge groups together properties very close to the edge – with imminent urbanisation potential - with those much further from the edge, whose urban potential lies many years into the future - and whose land values will reflect that.

By treating very large expanses as single relatively homogeneous areas, the recommended approach exacerbates the potential for distortion and inaccuracy. More significantly, it ignores the dynamics of the land market along the urban edge, particularly the critical processes where non-urban land becomes progressively more attractive and valuable for its urban potential as the urban edge advances over time. As is the case with the assumption that agricultural land values persist right to the urban edge, the Rural-Urban Differential ignores the fundamental geography of the land market, and the dynamics of location and time around the urban edge.

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<sup>16</sup> Ibid p145

<sup>17</sup> 2014 values, adjusted to 2017 according to the Sales Price Appraisal Ration, p145

This recommended approach is also far removed from its conceptual base. Comparison of mean land values for all or most of an urban economy after decades of growth is a very long distance away from comparison of price differences in the current market between land at the edge purchased for urban development and land suitable for agricultural use only.

We find that the Rural-Urban Differential is not sound as a method to assess the effects of planning and regulation. Its base exclusion of critical influences on land value is compounded by an inappropriate and clumsy geography.

### ***The Evidence for an Inefficient Market ?***

Our review identifies substantial shortcomings in the MOC theory and the evidence base which has been relied on to assess the efficiency of the land market.

Those shortcomings mean the premise that the land market is inefficient does not have robust evidential support from the MOC approach.

This is especially concerning because the MOC approach has been relied on as the core theoretical basis for market assessment, particularly for the NPS-UDC which was developed as a main policy tool for New Zealand's urban development.

### ***The Urban Spatial Economy Framework***

A key part of our review has been to examine the MOC approach in its intended context. This meant careful consideration of how urban economies develop and expand, and close focus on the dynamics of the land market around the urban edge.

The urban spatial economy paradigm offers a robust framework for that. It provides understanding how our cities function and grow, in space and time. It also offers a quite different interpretation from the MOC approach of the dynamics and patterns of land use and value around the urban edge, over time – via a finer-grained consideration of those key economic and decision processes. The key aspects of land market dynamics which the MOC approach and its related methods struggle to address are instead obvious and straightforward matters when examined in the spatial economy structure.

Cities exist because urban networks are an efficient spatial structure for economic activity - “economic” defined holistically to include business, household and government activity, social and cultural structures, and the biophysical environment. Cities are not simply some construct of commercial activity.

The concentration and co-location of activity delivers major economic benefits, including relatively efficient use of resources, relatively high productivity, societal interactions, and relatively sustainable effects on the biophysical environment. These benefits are reflected

in the global pattern of increasing urbanisation, as technological advances help sustain populations and business activity at increasing levels of intensity. Not all urban growth can be accommodated through intensification, and outward expansion occurs as higher value urban activities compete successfully for the land resource and progressively displace lower value non-urban activities around the urban edge. Similarly, higher value urban activities (such as apartments) displace lower value urban activities (such as detached housing) as cities expand.

This growth is generally efficient when additional urban activity can be accommodated by the take-up of the minimum additional land area, with associated minimum infrastructure cost. The most efficient location for urban greenfield growth is at the urban edge because this maximises the agglomeration and other benefits of co-location with the existing city. Urban growth is efficient also where non-urban activity is displaced rapidly and comprehensively to minimise the delay in realising the benefits of urbanisation, as well as minimising the additional land used, and urbanisation costs.

One important outcome of an efficient urban growth path is substantial differences in land values either side of the urban edge. This is because urban uses are more intensive and perceived to be much more valuable than the rural land uses they displace. A relatively sharp demarcation of land values is evident at the urban edge because comprehensive urbanisation is more efficient than piecemeal change.

From an urban growth perspective – relevant to virtually all of the urban land being added in the New Zealand economy – substantial differences between urban and non-urban land values either side of the urban edge is an important characteristic of an efficient land market, not an inefficient one.

### ***Why the Different Interpretations ?***

The urban spatial economy paradigm offers conclusions which are the complete opposite of the MOC approach and its premise that the market is inefficient if substantial differences exist between rural and urban land values. Why are the conclusions so fundamentally different ?

The reasons lie in the contrasting conceptual bases. The MOC approach depends on positions which *prima facie* conflict directly with economic concepts and valuation principles, and it disregards critical economic processes and patterns, and the significance of location - particularly around the urban edge.

In contrast, the urban spatial economy framework is consistent with economic fundamentals, with the processes of land use change over time and across space. It is also consistent with the concepts of central place theory and the spatial economy. It aligns

directly with understanding and evidence of urban growth and land use change patterns, and knowledge of those change processes in our economy.

### ***Conclusions***

From our examination, we conclude that the MOC approach does not offer a robust platform for assessing the efficiency of the land market.

It does not accurately represent the key processes of land use change in urban spatial economies which drive urban growth in the New Zealand market. It relies on key positions and assumptions which conflict directly with principles of economics and valuation. That leads to misinterpretation of value differences between rural and urban land as “discontinuities” showing market inefficiency.

Despite these shortcomings, the premise of an inefficient market continues to have strong influence on urban policy, and has been relied on to assess the effects of regulation on land markets, especially urban growth boundaries.

Accordingly, we consider the evidence base for urban policy needs comprehensive re-examination, with properly robust assessment of land market efficiency and the effects of planning and regulation - particularly in regard to urban limits where legislative change has been suggested. Re-assessment is critical so that the forthcoming UGA and HUDA can be soundly based, and not affected by flawed evidence, and to allow stronger focus on the other factors which drive housing and land prices.

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**6 March 2019**