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Making cities work

Reflections on Alain Bertaud at Auckland Conversations

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“If you want to change jobs, you should first be able to live someplace in the city and from this place be able to access a job anywhere in the city. Not just in your neighbourhood, but anywhere in the city. And that’s a condition for achieving your potential as a human being, but also everybody will benefit...”
– Alain Bertaud

Alain Bertaud delivered an Auckland Conversations lecture at the Aotea Centre on 19 March. Drawing on his experience advising governments, including as Principal Urban Planner at the World Bank, he argued for a more market-aware approach to urban policy.

Making Cities Work was organised around three broad themes: cities as labour markets, the role of urban planning, and the need to monitor urban outcomes. This insights paper summarises these themes and considers their relevance for Auckland.

(1) Cities as labour markets

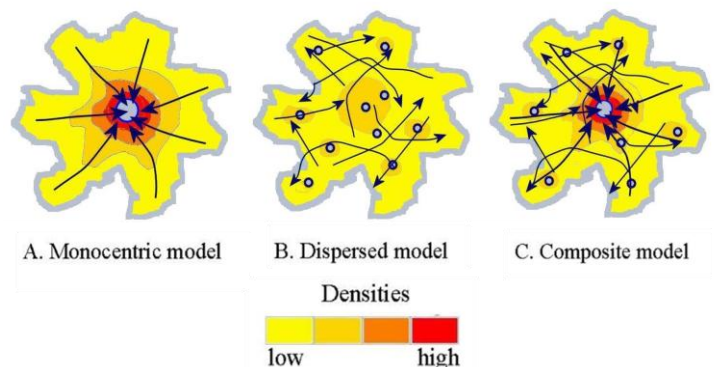
Bertaud’s starting point is that cities are labour markets. This is not simply about commuting to work, but about access to a range of jobs and the ability to change roles as skills or needs evolve. A successful city enables people to move between jobs throughout their careers.

That access depends on having housing choice across locations and price points and on a transport system that enables mobility. When people cannot live near or easily reach jobs that best fit their skills, labour market matching becomes less effective and productivity is reduced.

Urban form shapes that access. Bertaud observed that many cities develop around a centre where jobs and amenities are concentrated, allowing efficient access. As a city grows, rising land prices and transport constraints push land-intensive activities outward, while many jobs remain concentrated in the centre. This results in a composite urban form (Figure 1).

In a dispersed urban form, jobs are spread across the city and mobility relies on private vehicles. This can work in smaller cities but becomes inefficient as cities grow, as dispersed trips are difficult to serve by public transport, increasing car dependence and congestion.

Figure 1: Patterns of commuting trips



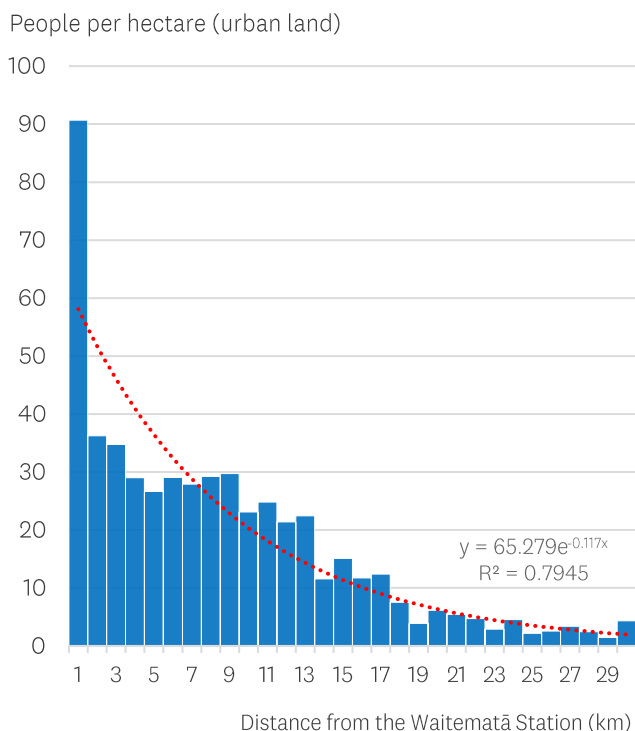
Source: Alain Bertaud; reproduced with permission

Auckland resembles the composite model, being relatively monocentric in economic terms, with a dominant centre and other employment clusters dispersed across the region. This reflects the balance of market forces that encourage both concentration and dispersion, alongside geography and policy settings that shape where growth can occur.

Underlying this pattern is a key theme of Bertaud's influential book: accessibility has economic value.¹ Locations with better access to jobs and opportunities attract more people and command higher land values, resulting in more intensive land use. Bertaud uses density profiles to illustrate this relationship.

Figure 2 applies this approach to Auckland, showing how population density declines from the city centre. The profile reflects the trade-offs households make between accessibility and housing costs, given their budgets and housing options. Density is highest in the centre, at around 90 people per hectare. It falls to around 35 people per hectare at 2–3 km, to around 30 people per hectare until 9 km, before tapering off.

Figure 2: Auckland density profile, 2023



Notes: SA1-level population data from Census 2023. The profile is overlaid with a fitted curve that captures the decline in density reasonably well ($R^2 = 0.79$).

Source: Stats NZ, Auckland Council Chief Economist Unit

(2) Role of urban planning

Bertaud next turned to the contribution of urban planning. He did not argue that cities should be left to markets alone and emphasised that planning plays important roles in defining public and private space and responding to how cities evolve over time.

A key task of planning, he argues, is to define the boundary between public and private space. Streets, parks, beaches, natural features, and land needed for stormwater management are public assets that require collective decisions.

Once public spaces are defined, a large supply of developable land is needed to allow households to make their own location and housing choices.

Markets work if you have a large potential supply and the consumer selects where they want to be at the time, taking into account the land price.

In deciding where to live, households make different trade-offs. They balance location, cost, space, and access, with some choosing a smaller home closer to jobs and others accepting a longer commute for more space. These preferences also change over time, as circumstances evolve, making them difficult to anticipate fully in advance.

Problems arise when projections and planning rules intended to guide development become too rigid and constrain location and housing choices. In response, Bertaud argues that planning systems should enable a wide range of choices across locations and remain responsive to demand. This raises the question of how to assess whether planning settings are working.

(3) Monitoring urban outcomes

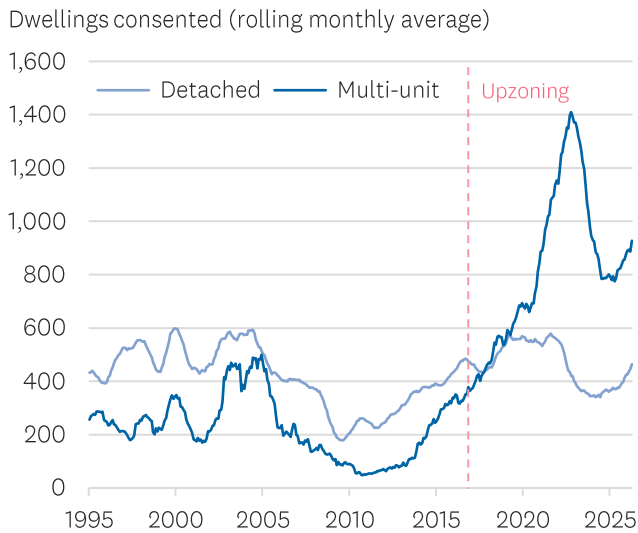
Bertaud advocated ongoing monitoring of urban outcomes to inform the adaptation of land use policies. He argued for the use of indicators such as land prices, rents, incomes, consents, and densities to reveal how a city is functioning and changing. The purpose is to assess how well planning settings are achieving their intended outcomes and, where they are not, to adjust them.

To demonstrate this approach, Bertaud presented two charts by Australian economist Matthew Maltman to highlight changes following the Auckland Unitary Plan (2016). Similar versions are shown below.

¹Bertaud, A. (2018). *Order without design: How markets shape cities*. MIT Press

Bertaud noted the increase in building consents for multi-unit dwellings following the changes in zoning (Figure 3). Before the reform, it may have appeared there was little demand for townhouses. However, the subsequent increase in multi-unit consents suggests that zoning had been a factor in limiting how supply could respond to household preferences, although other factors may also have played a role.

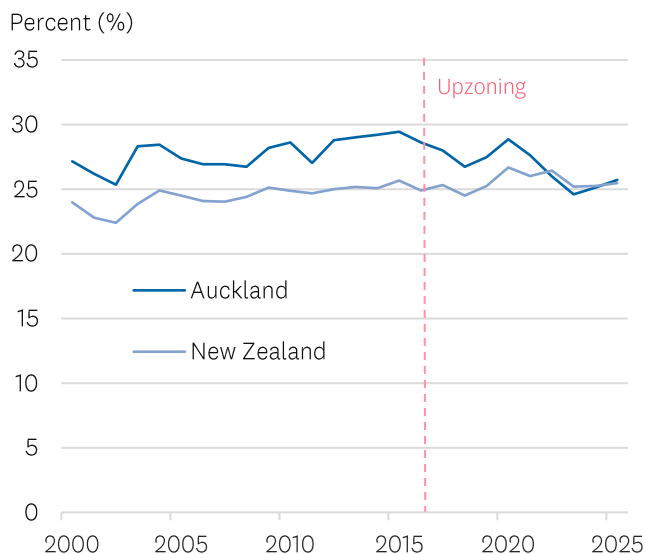
Figure 3: Building consents, detached vs multi-unit dwellings



Source: Stats NZ, Auckland Council Chief Economist Unit

Bertaud also used a rent-to-income ratio, comparing Auckland with the rest of New Zealand. He observed that the relative improvement in Auckland’s rental affordability is consistent with an increase in housing supply. This is also visible in the convergence of the median weekly rent-to-median household income ratios for Auckland and New Zealand (Figure 4).

Figure 4: Median rent to income ratios



Source: Stats NZ, Auckland Council Chief Economist Unit

Conclusion: cities, markets and planning

Bertaud concluded by advocating for a process of continual monitoring, learning, and adjustment.

*Monitor what is happening to see what works.
When it works then do it again. Continue doing it.
If it works more or less, tinker with it. If it doesn't work at all, change it.*

His lecture presented cities as systems shaped by market processes and planning decisions. Rather than treating urban form as something that can be fixed in advance, he emphasises the importance of enabling choice, learning from observed outcomes, and remaining responsive to changing conditions.

These insights are relevant for Auckland, where there is ongoing debate over how to accommodate growth in ways that support affordability, productivity, and quality of life.

Alain Bertaud is an urban planner whose work has shaped city policy debates internationally. Over a career spanning several decades, he has advised governments and institutions on urban development, housing markets and infrastructure, including work with the World Bank. He was brought to New Zealand by the New Zealand Initiative and Te Waihanganga – New Zealand Infrastructure Commission, and hosted by Auckland Council for Auckland Conversations. A recording of Making Cities Work is available [here](#)