

## Article

# The Impact of Special Character Areas on Property Values and Homeowners' Experiences: Cases from Auckland, New Zealand

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**Abstract:** The importance of identifying and improving the distinctiveness of historical urban landscapes as a means of reinforcing place identity and supporting economic development has been widely acknowledged. However, research on the economic and social performance of heritage conservation areas is slow to develop, especially in New Zealand. In connection to the examination of Special Character Areas (SCAs) in Auckland, this paper seeks to quantify the value of the historical urban landscape and improve its management. A property value analysis is used to assess the impact of SCA designation on property values and an online questionnaire survey gathers information on homeowners' experiences of living in an SCA. The results indicate that designated SCA properties have higher average values than non-designated properties and homeowners are appreciative of a sense of community and having certainty about the look and feel of their neighbourhood in the future. However, the majority of people who had gone through the processes of building and planning applications found it to be a negative experience because of the high cost in terms of time and money. A historic urban landscape approach to the development of management plans and design guidelines is recommended to improve the implementation of the Special Character Areas in Auckland and beyond.

**Keywords:** special character areas; homeowners' experience; property value analysis; resource consent



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## 1. Introduction

The designation of heritage conservation areas is a widely used planning tool for urban landscape management [1]. It is widely acknowledged that heritage conservation areas are fundamental to a civil society, as they contribute to community identity and generate economic benefits in the form of urban vibrancy and cultural tourism. However, the benefits of heritage conservation areas can be difficult to quantify, which has undermined the efficacy and the level of community acceptance of heritage planning [2]. As in many other countries, New Zealand's historic urban areas are a valued resource that is subject to a wide range of competing demands for change. Through the integration of a property value analysis of the effect of special character designation on property values and an online questionnaire survey on homeowners' experiences of living in a Special Character Area, this paper seeks to quantify the value of the character areas and improve their management.

Heritage conservation areas are a form of heritage protection used to preserve areas of special architectural or historic interest and sustain the local character of an area [3]. They provide a link to a city's past and have importance to current and future generations beyond those who live or work in these areas. Auckland is New Zealand's most populous city, with approximately 1.72 million residents recorded in 2021. Like many new-world cities, Auckland has a European urban history of about 180 years and its heritage is an important urban feature, despite being relatively young compared with other European cities. Planning regulations intended to protect and conserve heritage have shaped the configuration of Auckland [4]. This includes Special Character Areas (SCAs), which

are areas with notable or distinctive aesthetic, physical and visual qualities [5]. These include qualities that relate to the history of an area, such as a predominance of buildings of a particular era or architectural style, or a distinctive pattern of lot sizes, street and road patterns.

SCAs are similar to heritage conservation areas but are also unique, as they are managed not for their historic value, but for their amenity, appearance and the aesthetic value of the streetscape, with controls on demolition, the design and appearance of new buildings, and additions and alterations to existing buildings [4]. While internationally, it is well documented that the designation of heritage conservation areas continues to be resisted by communities due to unfounded assumptions of overly strict regulations and negative impacts on property values [6]. The impact of SCA designation on property values in Auckland has not been systematically explored; nor have homeowners' experiences. Property owners are concerned with the size of the returns and the risk of their investment. Returns are not measured in financial terms alone. Some people derive enjoyment from a historically significant building or neighbourhood and are willing to accept lower financial return or higher risks to their own property rights to yield such enjoyment [7]. A more comprehensive understanding of the impact of the SCAs on property values and homeowners' experiences has direct implications for the efficacy and the level of community acceptance of heritage planning.

This research proposed to address these research gaps by seeking answers to the following questions: How has the SCA designation affected property values? Are homeowners satisfied with living in SCAs? The answers to these questions are expected to clarify the impacts of designation on property values and whether there are any specific concerns or issues for homeowners from designation. This study is expected to contribute to a better understanding of how effective SCA designation is in Auckland, and more generally, the value of the historic urban landscape and its management.

The research questions were addressed through a comprehensive investigation of two study SCAs in Auckland. The paper begins by explaining the use of Special Character Areas as a planning tool. Next, following a discussion of the research methodology, information on data collection and processing is presented. The main research findings, limitations and recommendations to improve the management of SCAs in Auckland are then summarised. The impact of SCAs on property values and homeowners' experiences in the context of Auckland, New Zealand, generally align with research findings from other new world counties. Designated SCA properties have higher average property values than non-designated properties and homeowners are satisfied with living in a SCA. However, the absence of community awareness of SCAs has undermined the implementation of SCAs. The development of management plans, assessment criteria and design guidelines, which are based on the understanding of urban landscape character and its dynamic generative processes, is expected to help achieve valued spatial-temporal outcomes in SCAs in Auckland and beyond.

## **2. The Recognition of Heritage Conservation Areas and Special Character Areas as a Planning Tool in Auckland**

A general shift of attention from the individual historic monument to the scale of urban areas, precincts and districts emerged in the heritage discourse in the second half of the twentieth century. Area-based urban conservation became apparent in international declarations and charters between the 1960s and the 1970s and was more explicit in the Washington Charter of 1987: the ICOMOS Charter for the Conservation of Historic Towns and Urban Areas.

In addition to counterbalancing large-scale urban redevelopment, the designation of heritage conservation areas has been used to recognise buildings that might not meet the threshold for individual listing but have collective value as component parts of a community or a particular context. A heritage conservation area has a concentration of heritage resources with special character or historical association that distinguishes it from

its surroundings. In terms of scale, such an area ranges from a small site with a group of buildings, to an urban precinct, to an entire city. Heritage conservation areas are also referred to, apparently interchangeably, as heritage precincts [8], conservation areas [9] and heritage conservation districts [10]. Through district plan measures such as scheduling and zoning, New Zealand's first heritage conservation areas were recognised by local authorities in the 1970s. Heritage New Zealand Pouhere Taonga also began its list of classified historic places in 1981 on the New Zealand Heritage List.

The concept of Special Character Areas and their management is not new; special character areas have been identified and managed for many decades in Auckland. Evidence of the management of special character values in the Auckland planning system can be seen from 1978 with the notification of the City of Auckland District Scheme. A Special Character Area (business/commercial) was introduced with controls in the Vulcan Lane—High Street area that managed the scale and alignment of new buildings. The same scheme introduced a residential A zone, which required consideration of design and materials and front boundary treatment, including in parts of St Mary's Bay, Freemans Bay and Ponsonby [2].

The assessment of a historic heritage area is supported by insights into why a place has come to look the way it does and how the past is encapsulated in the landscape, highlighting its significant elements. Site (topography, vegetation, physical geographical features), ground plans (patterns of streets, lots and building block plans), building typology (viewed three-dimensionally), land use and building materials are analysed in relation to the wider process of urban change. The assessment illuminates the character of an area, which is derived from a combination of different elements, including characteristics that are shared with other places or particular to that area. A historic heritage area is identified within a complex matrix that takes account of both professional judgment and community value.

The Resource Management Act 1991 (RMA) is the primary environmental statute in New Zealand [11]. The main purpose of the RMA is "to promote the sustainable management of natural and physical resources" (RMA, Section 2). The RMA differentiates between the concepts "special character" and "historic heritage". Special character contributes to amenity value and under the RMA (Section 7c), decision makers must give particular regard to the maintenance and enhancement of amenity values. With regard to historic heritage, it is among the matters of national importance listed under Section 6 of the RMA, which requires decision makers to recognise and provide for the protection of historic heritage from inappropriate subdivision, use, and development (Section 6f). Therefore, SCAs are managed for the amenity and appearance value of the streetscape, whereas historic heritage areas are managed to protect the values of the site, including the authenticity and integrity of the historic fabric [4].

There are 50 Special Character Areas covering approximately 5.6% of land parcels in the Auckland region [2]. SCAs are managed under the Special Character Areas Overlay—Residential and Business in the Auckland Unitary Plan (AUP). This overlay came into effect when the Proposed Auckland Unitary Plan (PAUP) became "operative in part" in November 2016. Previously, before the amalgamation of Auckland Council in 2010, SCAs were managed by the seven former city and district councils, namely Auckland City, Manukau, Waitakere, North Shore, Papakura, Rodney and Franklin.

The SCA overlay seeks to retain and manage the special character values of specific residential and business areas identified as having collective and cohesive value, importance, relevance and interest to communities within the locality and wider Auckland region. Planning provisions focus on external building works but not on the use of those buildings. The planning provisions are generally protective, but also enable appropriate development through the requirement for Resource Consent. Resource Consent relates to the Resource Management Act 1991 and is needed to enable certain activities or if a standard is infringed in the district or regional plan. It is a form of written approval from the council to carry out a project that has an impact on the environment or could affect other people and often

comes with conditions that help manage the effects of the project. In the SCA overlay in the Auckland Unitary Plan, Resource Consent is required for some activities, such as demolition, or the construction of a new dwelling. The overlay seeks to retain and manage the character of traditional residential neighbourhoods by retaining intact groups of character buildings and allowing sympathetic and compatible new infill housing and additions. Overall, the aim of the overlay is not to replicate older styles and construction methods, but to reinforce the predominant streetscape character [12]. Most dwellings located in SCAs are zoned for single house use and no further development is enabled under the AUP [11].

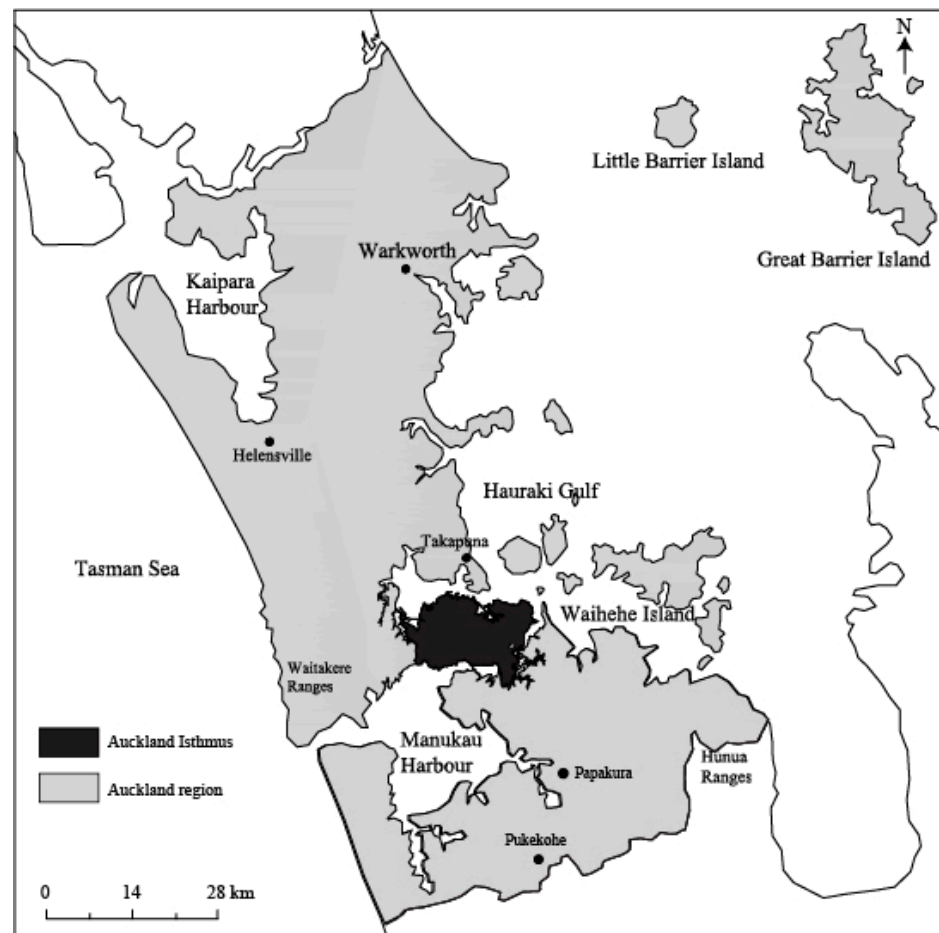
The New Zealand planning regime is open to public participation in two instances that apply to urban conservation: during the policy and plan making processes and during the Resource Consent process. The Local Government Act 2002 also provides opportunities for public input during the preparation of the Long-Term Council Community Plan (LTCCP). The LTCCP is prepared at both regional and local levels by the respective authorities and covers a ten-year period. However, attempts to introduce more democratic and public participatory processes into resource decisions through the RMA have been impaired by techno corporatist legal formalism. In other words, council staff, politicians, lawyers, the courts and business interests have dominated the process, crowding out the public. The vast majority of resource decisions are settled between applicants, officials and politicians without public input. Participatory rights are largely degraded where resources consent applications are subject to limited notification or non-notification. More than 90 percent of all applications fall into this category of non-notification [13]. A large part of the issues and challenges facing SCAs are related to the lack of participatory planning.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) has in recent times formulated and since promoted the Historic Urban Landscape (HUL) approach for integrating heritage management and urban development, publishing the Vienna Memorandum on World Heritage and Contemporary Architecture: Managing the Historic Urban Landscape (2005), and the General Conference Recommendation on the Historic Urban Landscape (2011) [14]. The integrated management of historic cities seeks to secure their evolutionary development, taking into account issues of ecological sustainability as well as geo-cultural distinctiveness and identity. It is as much people driven as artefact driven, focusing on the inhabitants and others who conduct their daily lives within historic cities, without which they serve a limited range of activities and lack the essential ingredients of spirit of place. The involvement of planners, community groups and property owners in the management process of SCAs facilitates successful decision making. The planning provisions, management plans and guidelines should reflect a consensus on what to protect, assessing vulnerability to change and prioritising actions.

### 3. Choice of Study Areas

Located in the upper North Island, greater Auckland extends northward through coastal suburbs, westward to the bush-covered Waitakere ranges, and sprawls over rolling hills to the south and east (Figure 1). The administrative area of Auckland mainly occupies an isthmus between the Manukau and Waitemata harbours. Most of the isthmus had been surveyed by the 1860s and was utilised to some degree by various forms of economic activity at that time. By the 1960s, it was largely built up [15]. As one of the fastest-growing cities in Australasia, Auckland has experienced rapid population growth in recent years. This rapid growth has created challenges to urban conservation planning.





**Figure 1.** Auckland and its isthmus [16].

Many parts of the central isthmus are covered by Special Character Area protection rules [2]. Freemans Bay and Onehunga were selected as study areas in the central isthmus (Figure 2) as they present different contexts, allowing for comparison. Freemans Bay sits just to the west of Auckland’s CBD. It is one of the oldest suburbs in Auckland, featuring a mix of residential developments. Land purchased for subdivision from the chiefs of Ngāti Whātua in 1842 was first developed along the shoreline [17]. Freemans Bay evolved over the following few decades into a seaside village with a range of small marine industries and a growing number of workers’ cottages. The community still possesses many well-preserved old houses. By the 1920s, Freemans Bay had reached its peak in terms of building density with a population of 10,500 [17]. Freemans Bay became the first New Zealand suburb to be officially declared a ‘reclamation area’ under the provisions of the Housing Improvement Act 1945 [18]. This enabled the local authority to completely replan and rebuild an area based on wide powers for land acquisition, demolition, subdivision, reconstruction and resale [18]. Freemans Bay occupies an important place in New Zealand’s planning history as the first substantial attempt at urban renewal, albeit one that never fully eventuated.

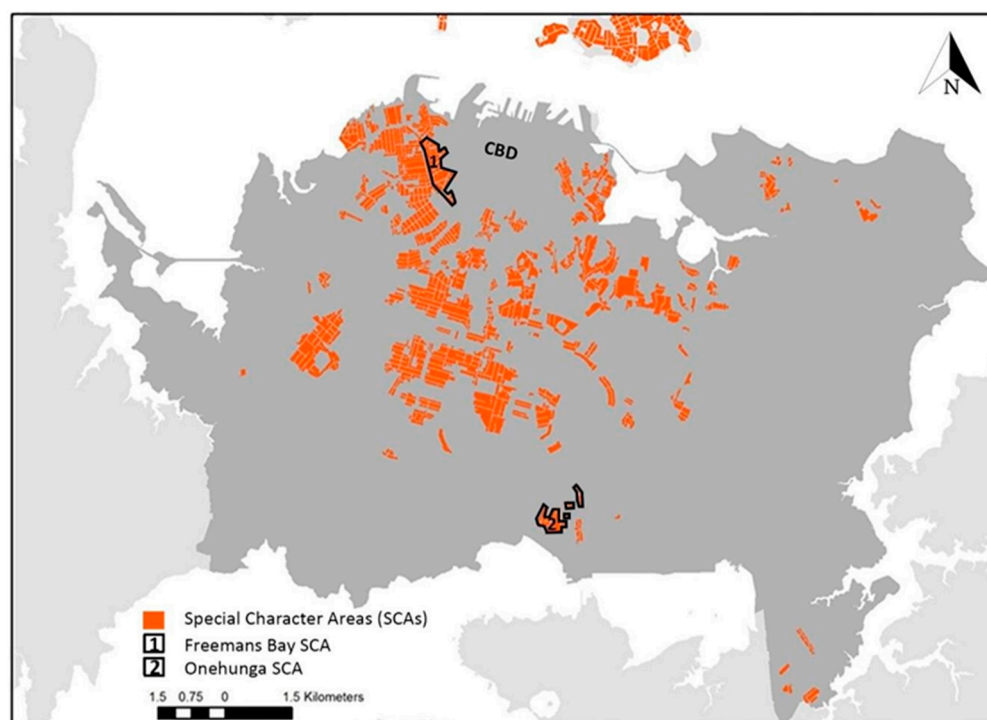


Figure 2. Special Character Areas in the Auckland Isthmus [5].

Onehunga is a residential and light-industrial suburb next to the Port of Onehunga, the city's small port on the Manukau Harbour. It is about 10 kilometres south of the city centre, close to the volcanic cone of Maungakiekie (One Tree Hill). The early development of Onehunga was largely due to the creation and growth of the colonial 'fencible' settlement. During the nineteenth century most shipping between New Zealand and Great Britain came to Onehunga via South Africa and Australia [19]. By the First World War, Onehunga was no longer an important commercial port. This was partly because of a general increase in the size of ships, which meant the Waitematā Harbour was favoured, especially as it was wider and deeper. Although the area was a predominantly working class suburb for much of the twentieth century, it has undergone some gentrification since the 1990s and many of the bungalows of the inter-war period along with the earlier villas have been restored [19].

In Freemans Bay, the area designated as an SCA is larger than in Onehunga and residential properties are only designated in the Special Character Areas Overlay Residential and Business—Residential Isthmus A. In comparison, in Onehunga, most of the SCA area is designated as Special Character Areas Overlay Residential and Business—Residential Early Road Links, with only some residential properties designated as Residential Isthmus A. This is important because in Residential Isthmus A, all sites are subject to the demolition, removal and relocation rules. However, in the SCA—Residential Early Road Links, not all sites are subject to these rules under Chapter D18 of the AUP. Freemans Bay was chosen as a study SCA because of its close proximity to the Auckland CBD (2 km), whereas Onehunga is located in the outer suburbs, 10 km from the CBD. Distance from the CBD was one variable assessed to determine whether it impacted property values and a homeowner's satisfaction with living in a SCA.

Within the study SCAs, there is evidence of early development in small lot sizes, often narrow road widths and closely spaced housing. Late Victorian and Edwardian villas of one and two storeys are evident and represent the early period of residential development (see Figures 3 and 4). Freemans Bay was traditionally a walking suburb because of its proximity to the city centre. In Onehunga, residential development was built along the main transport connections and designed to impress the passer-by, with cheaper housing relegated to less visible areas [20].



**Figure 3.** Arthur Street, Freemans Bay (Authors' photograph, September 2020).



**Figure 4.** Normans Hill Road, Onehunga (Authors' photograph, September 2020).

#### **4. Methodology**

A property value analysis and an online questionnaire survey were employed to examine the two study areas. The property value analysis provided the basis for determining whether SCA designation exerts a statistically significant effect on property values [5]. In this study, capital value was used as an indicator to understand whether SCA designation positively or negatively impacted property values in the study areas. Capital value is determined by Auckland Council through a mass appraisal. Auckland Council uses the latest data for homes sold in the area along with the existing data in their database regarding a property and then derive the capital value with these figures.



Before collecting property data, the study areas were separated into different sections to extract not just individual parcel data but on a street block scale from Property Guru. Street blocks with designated SCA properties were identified as well as street blocks surrounding the SCAs. Once the data had been collected, they were analysed using Microsoft Excel. The address, capital value and land use of 11,339 properties in both SCAs and their surrounding areas were collected. Non-residential properties were excluded from the data, leaving 9854 properties. Vacant residential sites were also excluded from the data, leaving 9754 residential properties. Residential properties within the Business SCA were excluded as well. Properties designated as SCA were then identified. In the Freemans Bay SCA, 690 properties were identified, while 324 properties were identified in the Onehunga SCA. Residential properties with capital values of more than NZD 8 million were excluded as outliers. Lastly, the mean, median and standard deviation of capital values inside the SCAs and in the areas surrounding Freemans Bay and Onehunga were calculated. In real estate, half of the homes in an area can be above the median capital value, and half of the homes can be below the median capital value. The mean or average adds up all of the individual capital values and divides them by the total number of capital values, whereas the standard deviation measures the average amount by which individual capital value numbers differ from the mean to identify the type of variation in capital value. Mean, median and standard deviation statistics were used to draw inferences from this research.

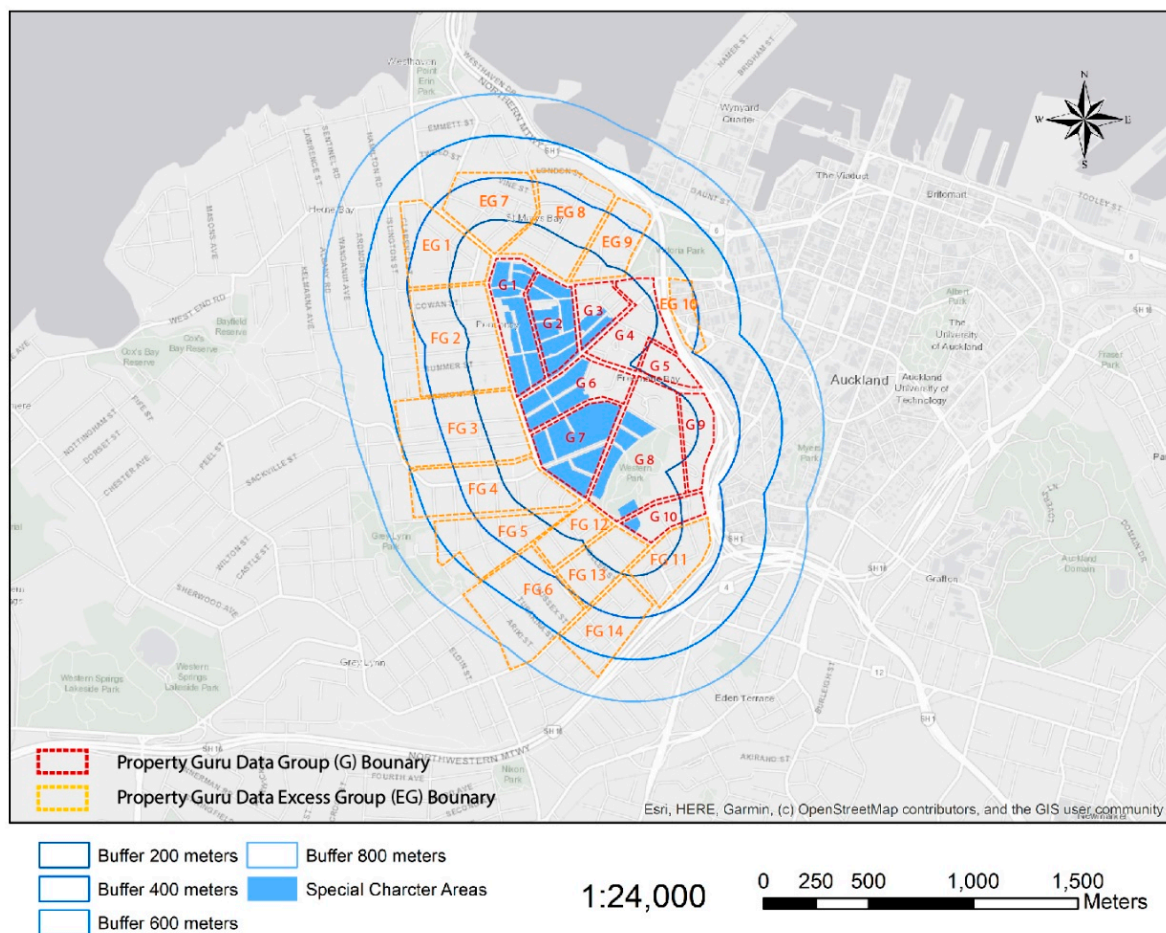
An online questionnaire survey using the platform Google Forms was the method chosen to gather information on the perceived benefits and problems associated with SCAs and homeowners' experiences and level of satisfaction. The online questionnaire enabled data to be collected efficiently and allowed participants to answer the questionnaire at a time convenient to them. The questionnaire was designed with a user-friendly layout and comprised only 10 questions, requiring just 3 to 5 min to complete. The recruitment method used was a mass mail-out process, in which homeowners were contacted directly by post to invite them to participate in the study. This occurred in September 2020 and each letter contained a hardcopy Participant Information Sheet and invitation to complete the anonymous online questionnaire on Google Forms by scanning a QR code or entering a link in a browser. Overall, 400 letters (200 in each study area) were placed in letter boxes in the SCAs of Freemans Bay and Onehunga. Houses were chosen at random within the SCAs without prior assumptions in order to avoid any form of bias.

## **5. The Impact of Special Character Areas on Property Values and Homeowners' Experiences**

An examination of capital values (CV) was completed, as presented in Table 1. The table shows the median and mean differences between capital values inside the SCAs and the surrounding areas, as well as the standard deviation. The highest median capital value was identified in designated SCA properties in Freemans Bay, at NZD 1,850,000. Non-designated SCA properties in Onehunga showed the lowest median capital value, at NZD 897,500. Designated SCA properties in Freemans Bay had an average capital value of NZD 2,012,290, whereas in Onehunga the average capital value was NZD 1,129,645. Surprisingly, the surrounding areas in Freemans Bay and Onehunga had a higher median capital value than the non-designated properties in closer proximity (see Figures 5 and 6).

**Table 1.** Comparison between capital values inside SCAs and in surrounding areas [18].

Residential Properties	Median (in New Zealand Dollar)	Mean or Average (in New Zealand Dollar)	Standard Deviation (in New Zealand Dollar)
Designated SCA properties within G1–G10 in Freemans Bay	1,850,000	2,012,290	835,436
Non-designated properties within G1–G10 in Freemans Bay	880,000	1,006,757	440,891
Freemans Bay surrounding areas (EG1–EG14)	1,450,000	1,448,539	838,592
Designated SCA properties within G1, G2, G9 and G10 in Onehunga	1,075,000	1,129,645	357,133
Non-designated properties within G1, G2, G9 and G10 in Onehunga	897,500	980,792	460,277
Onehunga surrounding areas (G3–G8 & G11–G18)	985,000	1,009,550	442,154



**Figure 5.** 200, 400, 600 and 800 m buffer of SCA overlay in Freemans Bay [21].



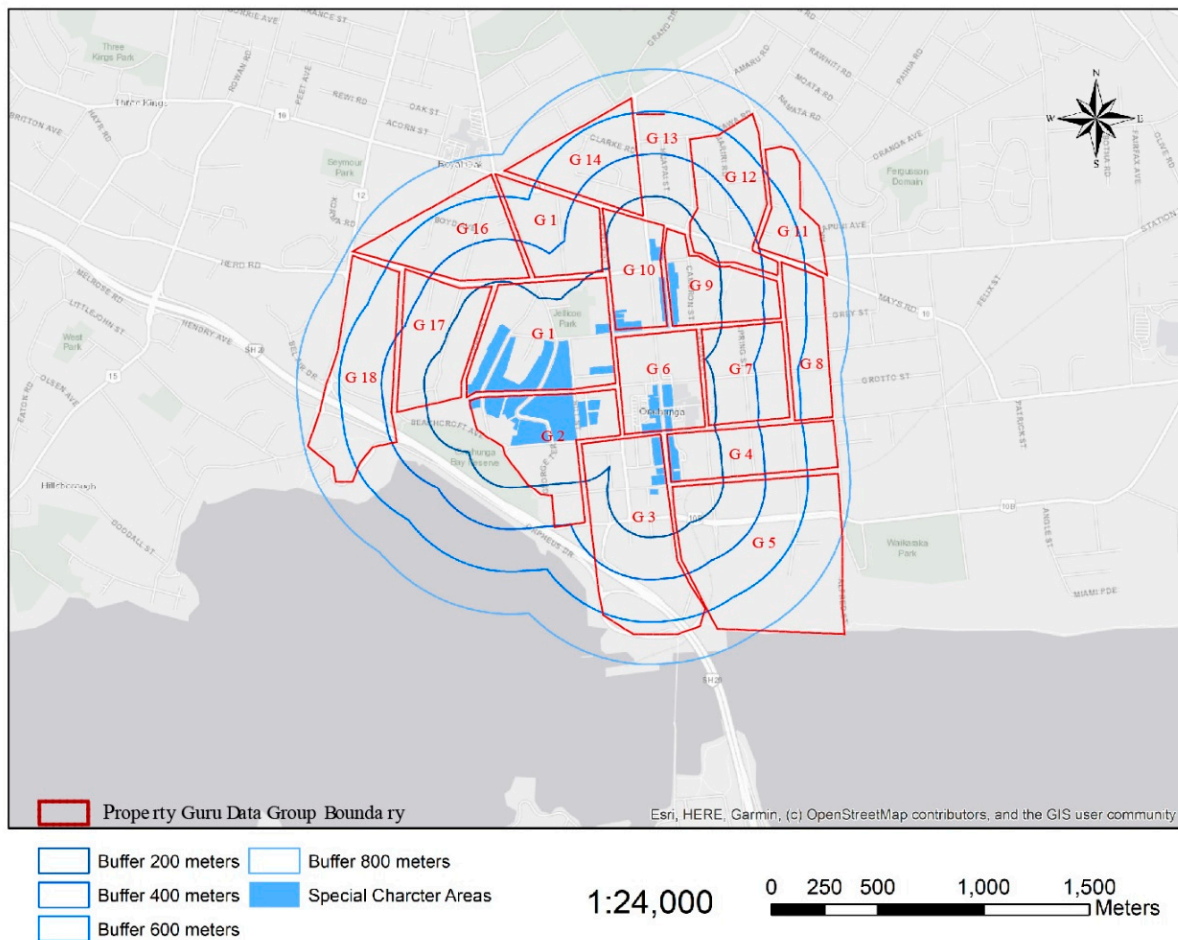


Figure 6. 200, 400, 600 and 800 m buffer of SCA overlay in Onehunga [21].

Within Freemans Bay, the difference in median capital values between properties designated compared with the entire study area (including designated SCA properties within G1-G10, non-designated properties within G1-G10 and surrounding areas EG1-EG14) amounts to NZD 456,666 or about 33%. Within Onehunga, the difference in median capital values between properties designated and the entire study area (including designated SCA properties within G1, G2, G9 and G10, non-designated properties within G1, G2, G9 and G10 and surrounding areas G3-G8 and G11-G18) amounts to NZD 89,167, or about 9%. Designated SCA properties in Freemans Bay were found to have a higher median capital value than designated SCA properties in Onehunga.

Non-designated SCA properties in Freemans Bay were also found to have a higher average capital value than non-designated properties in Onehunga. Non-designated SCA properties in Freemans Bay had an average capital value of NZD 1,006,757, whereas non-designated properties in Onehunga had an average capital value of NZD 980,792. Properties in the surrounding areas of Freemans Bay have a higher average capital value than the surrounding areas of Onehunga, at NZD 1,448,539 and NZD 1,009,550, respectively.

These findings suggest a positive impact of Special Character Area designation on property values in the study areas. There is a positive internal benefit from SCA designation, resulting in premium capital values in designated properties compared to similar non-designated residential properties. In Freemans Bay, there is a premium of 33% and in Onehunga, the premium is 9%. The findings also show a positive external benefit from designation, resulting in a capital value premium for properties in neighbourhoods surrounding both SCAs in the study. The positive impact on property values found in this study is consistent with the findings in New York City that found that the positive externalities of designation outweigh the restrictiveness of preservation rules [22]. Furthermore, it

is consistent with research in Texas that found that owners in surrounding areas can benefit from higher property values without incurring the regulatory costs associated with being designated [23]. In this research, the impact of SCA designation on property values was calculated using capital values. This is different to previous New Zealand and international studies, which used average sales figures to calculate the impact of designation on property values. The findings showed a significantly higher premium than the three New Zealand studies, which found a price premium of between 4.3–5% [4,5]. This may be because in this research, the sample size was significantly smaller and housing and neighbourhood characteristics were not taken into account.

The questionnaire survey was completed by 99 people (58 in Onehunga and 41 in Freemans Bay), with an overall response rate of around 25%. Two survey questions were aimed at understanding satisfaction among homeowners in SCAs. The responses revealed that homeowners in both study areas were overwhelmingly satisfied with living and owning a property within a SCA. Of the 99 homeowners surveyed, 50 (50.5%) stated they were very satisfied, with an additional 28 homeowners (28.3%) stating they were satisfied. Therefore, a total of 78 people (78.8%) were found to be satisfied with living in a SCA. In contrast, only 12.1% of homeowners were dissatisfied—3 dissatisfied and 9 very dissatisfied. This finding is supported by the literature, which found that heritage designation was highly popular and residents were overwhelmingly satisfied with living in a heritage conservation district [7]. This is due to the more attractive streetscape and the creation of a neighbourhood identity [7].

A sense of community and appreciation for the attractive character and history of the area were identified as significant factors in achieving a feeling of satisfaction. Location and access to the CBD and amenities were also noted by respondents as factors contributing to a high level of satisfaction with living in the area. Questionnaire responses also revealed why some homeowners were generally dissatisfied with living in an SCA. Several respondents were dissatisfied because they believed the SCA rules were too restrictive, had issues with parking and were not able to do what they wanted with their property. While some respondents thought there was not enough protection from the SCA overlay, they noted that the SCA overlay was not applied consistently and shared concerns over new buildings being constructed in the SCA that are out of place and do not fit with the established character of the area. This is consistent with the literature that showed that there is no clear agreement on what strength of regulation is necessary to manage heritage conservation areas. Residents resist heritage conservation areas due to strict regulations, which drives renovation and maintenance costs higher [7], while on the other hand, residents argue for stricter regulations to preserve buildings with traditional architectural details in their neighbourhood [24].

Benefits identified via the questionnaire included feeling a sense of community and having certainty about the look and feel of their neighbourhood in the future. The requirement for a Resource Consent in SCAs was identified by respondents as both a benefit and an issue with living in the area. However, attitudes towards the need for Resource Consent in the study areas were generally positive. This is consistent with research on historic districts in Chicago, which found that the benefit of designation is it reduces buyer uncertainty in the area [7], while research in London found that generally there is no universal negative attitude to planning regulation in heritage conservation areas and designation contributed to the creation of neighbourhood identity [11].

Two survey questions aimed to understand perceived value. Specifically, one of the questions was: “Could you rate the following statement: The constraints placed on property owners in Special Character Areas regarding the need for a Resource Consent is a significant negative attribute to living in the area?” The results showed that the majority of respondents thought the requirement for Resource Consent was not a significant negative attribute of living in the area. In both study areas, over one-quarter (29.3%) of respondents disagreed with this statement, with an additional 26.3% of respondents strongly disagreeing that this requirement was a significantly negative attribute of living in the area. In contrast, only

14.1% of respondents strongly agreed and 12.1% agreed this requirement was a significantly negative attribute.

The other question was: “Could you rate the following statement: The constraints placed on property owners in Special Character Areas regarding the need for a Resource Consent is important in maintaining the attractiveness of the area?” The results showed that the majority of respondents thought the requirement for Resource Consent was important for maintaining the attractiveness of the area. In both study areas, over 44.4% of respondents strongly agreed with this statement, with an additional 24.2% agreeing that the requirement for Resource Consent was important in maintaining the attractiveness of the area. In contrast, only 4% strongly disagreed and 14.1% disagreed that the requirement was important to maintaining the attractiveness of the area. It should be noted that many respondents had never applied for a Resource Consent for their property. Specifically, across both study areas, 63.6% of respondents had never applied for a Resource Consent for their property.

Among respondents who had applied for a Resource Consent for their property, 52.7% (9 negative and 10 very negative) found it to be a negative experience, 30.5% of respondents found it to be a positive experience (9 positive and 2 very positive), while 16.8% of respondents had neither a positive nor negative experience. A key theme in both study areas was that the Resource Consent process is very challenging, too restrictive and very costly in terms of both time and money. Several respondents also identified issues with making minor changes to maintain their property and in some cases thought the Resource Consent process was too intrusive and restrictive because the council can decide where windows should be located.

This study has several limitations. There was a small sample size and, as a result, the findings of this study may be an oversimplification of the views of homeowners in SCAs and cannot be generalised to represent all the views of homeowners in SCAs. This limitation could be avoided in future studies by investigating more study areas to obtain a larger representation of the experiences and perceptions of homeowners in SCAs in Auckland. In this study, the impact of SCA designation on property values was calculated by looking at capital values, which was different to other studies that used average sales figures. This method was chosen because there were not enough sales figures for the two study areas to make a valid conclusion. This limitation could be avoided in future studies if detailed average sales data were made available. Housing and neighbourhood characteristics such as housing condition, land area and distance to urban and environmental amenities were also not taken into account in the property value analysis. Additionally, whether a house was located both within a SCA and a historic heritage area was not taken into account. This may explain why the premium was significantly higher than in previous New Zealand studies. A thematic analysis was used to analyse the questionnaire data for the open-ended questions where respondents were given an opportunity to comment freely on their experiences and satisfaction level of living in a SCA. This method could have led to issues regarding subjectivity and bias with the interpretation of the data and the key themes that were identified.

## 6. Planning and Managing the Changing Special Character Areas

The following recommendations are intended to improve the identification and management of SCAs in Auckland. They are based on analysis of questionnaire respondents' experiences and perceptions of what it is like to live in an SCA. The recommendations are important considering the inherent tension evident between maintaining character and increasing density, the development pressures faced by SCAs and the need to stay relevant in response to residents' ever-changing lifestyles.

The first recommendation is that Auckland Council increase public awareness of SCAs across Auckland, because some questionnaire respondents were not aware they lived in an SCA. Auckland Council should increase community involvement and work with resident societies and residents located in SCAs across Auckland. This would help

ensure SCAs are valued by communities and not resisted, and that the quality of life for residents of SCAs is not detrimentally affected. Auckland Council therefore needs to explore funding and resource options for community exercises. The use of information sessions could assist in defining the objectives of SCAs and explaining the rules to residents, because one questionnaire respondent identified that the rules can be difficult to understand. These sessions would also provide an opportunity for residents to discuss the issues they have faced with the Resource Consent process so Auckland Council can identify ways to improve it.

Secondly, it is recommended that Auckland Council continue to develop their methodology and draw on lessons learnt for the identification of new SCAs. SCAs are expected to be a product of practical reasoning and sensitive to context and consequences. Some respondents thought that the SCA designation is applied inconsistently, with the process of evaluating streetscapes perceived to be quite a subjective process carried out exclusively by Council planners. Each SCA tends to be historically influenced in two ways: first, through the environment provided by existing forms, especially their layout; and secondly, by the way in which forms—most obviously buildings—embody the innovations of their period of construction and also embody characteristics ‘inherited’ from previous generations of forms. To understand the creation process of a SCA, it is necessary to appreciate not only the physical sequences of which the physical form is a product, but also the decision-making processes, planned and spontaneous, that it represents. Auckland Council should formulate criteria that can be used to assess areas nominated for potential designation by the public. Auckland Council could then undertake initial investigations to assess whether areas are worthy of further investigation. Nominations could then be shortlisted and processed together through a plan change. The delineation of the boundaries of SCAs needs to take into account both professional judgment and community values.

Finally, it is recommended that Auckland Council should consider developing design guidelines to ensure that new development within SCAs is sympathetic. Questionnaire respondents identified that currently, new development does not reflect the character of the areas and is out of place. Traditionally, urban conservation in New Zealand is reactive and ineffective in guiding positive management of change to historic urban areas [25]. There is a need to maintain and adapt houses within SCAs so they remain relevant for communities, but this should be carried out sympathetically and guidelines are needed. Auckland Council should prepare management plans for all SCAs. The historic urban environment can be seen as an accumulation of past experimental results and the refinement of practical solutions. Driven by individuals and agencies, there will be continuing modifications to the SCAs. Based on the monitoring of any changes and agreement that a change is sufficiently beneficial, the demarcation of SCA areas and development control measures can then be revised.

## 7. Conclusions

In the face of growing pressures for historical urban landscape change, heritage conservation has progressively featured in urban agendas as a prominent issue in many parts of the world. Much has been written about the values, principles and techniques of heritage urban areas designation and there has been a growing body of research on heritage conservation areas and property values [26–29]. However, research on the economic and social performance of heritage conservation areas is slow to develop, especially in New Zealand. In connection to the examination of Special Character Areas (SCAs) in Auckland, this paper aims to quantify the value of the historical urban landscape and improve its management. Auckland is a city obsessed with the property market. The economics of heritage buildings and areas have been of both professional and public interest [27]. A more comprehensive understanding of the performance of the SCAs is expected to enhance the efficacy and the level of community acceptance of heritage planning [2].

The designation of heritage conservation areas is to reverse the tendency to prioritise material and economic goals over the basic cultural and spiritual needs of local communities.

Like many towns and cities elsewhere, intensification pressures have created challenges for conservation planning in Auckland [30–32]. This research investigated the impact of Special Character Area designation on property values and homeowners' experiences, using Freemans Bay and Onehunga as the study areas. This research sought to determine how SCA designation affected property values and whether homeowners were satisfied with living in SCAs. Two methodologies were implemented to provide both quantitative and qualitative analyses. A property value study was used to analyse the impact of SCA designation on property values inside the study areas and their surrounding areas using capital values as an indicator. Additionally, an online questionnaire survey was adopted as a method to gather information on the perceived benefits and issues associated with SCAs and homeowners' experiences and level of satisfaction.

Like many studies overseas, this investigation reveals a positive relationship between heritage area designation and increased property values. It is evident that homeowners are overwhelmingly satisfied with living in an SCA and SCA designation has a positive impact on property values. Perceived benefits were identified as a sense of community and having certainty around the look and feel of their neighbourhood in the future. The SCAs define a large part of Auckland's urban character and connect people to a place. The significance of the SCAs is justified by their economic and community benefits. Maintaining and enhancing a multiplicity of SCA values therefore merits a careful planning response.

The requirement for a Resource Consent was perceived to be both a benefit and an issue by respondents. The requirement was seen as important in maintaining the attractiveness of the area, but many respondents viewed it as a very slow and costly process. They also found it difficult to make minor changes to maintain their properties. Plan provisions need to support more adaptable and historically sensitive urban change. Historic urban landscapes are in a continuous process of change, constantly forming and transforming, growing and adapting. This formation and transformation create a wide variety of landscape features, directly influencing the characteristics that represent the distinct cultural identity of an area. Special Character Areas are a form of living heritage that accommodates daily life. Development controls therefore need to ensure the continuity of the evolutionary process of the historic urban landscape and social-cultural development. The usefulness of the Historic Urban Landscape (HUL) approach resides in the notion that it incorporates a capacity for change. It has the potential to form the basis for development coordination and control that ensure future urban changes fit coherently into existing urban structures.

Historically sensitive and community-based urban landscape management is a particularly important social and professional task. Treating the historic urban landscape as infrastructure for liveable cities is essential to ensuring the continuity of local culture and re-connecting people and places. The principals, guidelines and tools that are concerned with a multiplicity of heritage values should reflect a consensus on what to protect, assessing vulnerability to change and prioritising actions.

It should be noted that this paper is not exhaustive and has solely aimed to address the gaps in heritage planning research and practice in New Zealand, especially the economic and social performance of Special Character Areas. Further research opportunities include researching whether SCA designation results in higher levels of maintenance and economic development, investigating planners' perceptions on SCAs and examining whether objectives of the Auckland Unitary Plan are being achieved. Geographical morphological surveys to evaluate streetscapes within SCAs could also be carried out. Additionally, Auckland Council property files could be analysed to examine building alteration requests to determine whether requests for alterations are approved in a timely manner. Results over a particular period of time could be investigated to show the difference in approval times between SCAs.



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**Data Availability Statement:** Data for property value analysis is available in a publicly accessible repository. The data presented in this study are openly available from CoreLogic (Residential Real Estate) at <https://www.corelogic.co.nz/>, reference number [21].

**Conflicts of Interest:** Lucy Rossiter first completed this research in 2020 while studying at the university of Auckland before she began working at Auckland Council.

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