

# The attractiveness of New Zealand cities: Dynamic adjustment and the role of amenities

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## ***Research question***

- How do (productive & consumption) amenities affect where people (& firms) choose to locate?

## ***Approach***

- Compile indicators for quality of life (QL) & quality for business (QB) for 133 settlements from 1976-2013, and test:
  - Which amenities affect QL & QB?
  - Whether QB & QL influence population growth & location choice

# Intuition (Roback 1982 1988; Gabriel & Rosenthal 2004; Chen & Rosenthal 2008)

- A place with **high rents but low wages** must have amenities that make it a nice place to live otherwise people would move elsewhere & newcomers would not arrive (“**sunshine wages**”)
- A place with **high rents and high wages** must have amenities that make it a good place to do business otherwise firms would move elsewhere & new firms would not be established (“**productive**”)
- Rents & wage census data (for 133 settlements) are quality-adjusted
- In 2013: settlements range from 741 (Waiouru) – 1,308,828 (Auckland)

**Census data disclaimer:** Access to the data used in this study was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented in the study are the work of the authors, not Statistics New Zealand.

## QL: 2013

## QB: 2013

### Top 5

Whitianga  
Motueka  
Coromandel  
Queenstown  
Katikati

### Bottom 5

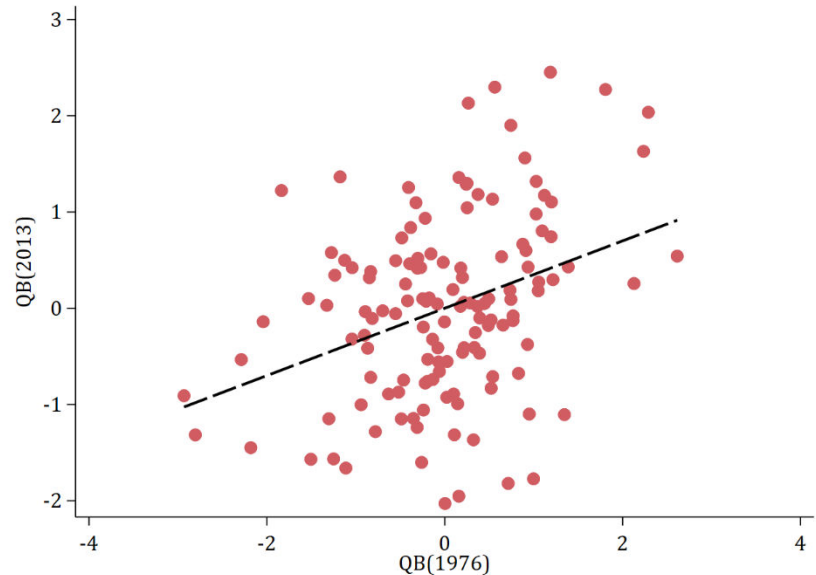
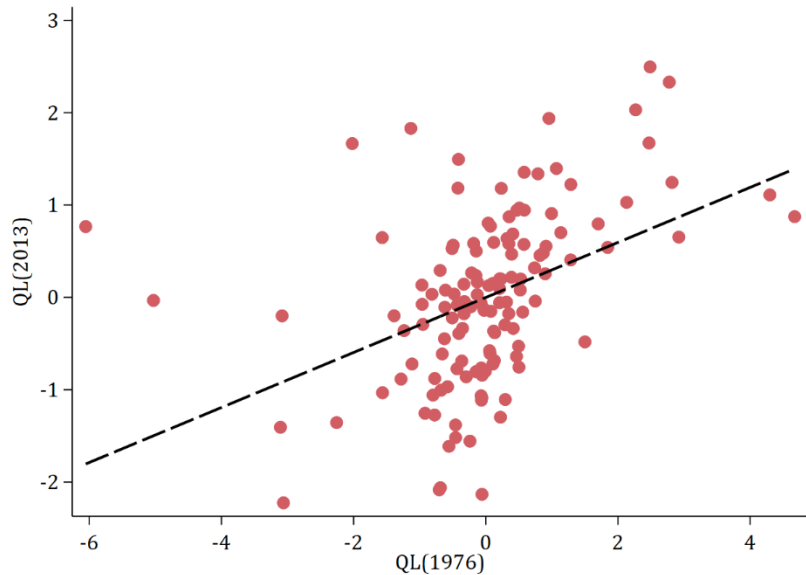
Tokoroa  
Hawera  
Te Kauwhata  
Eltham  
Winton

### Top 5

Rolleston  
Waiuku  
Auckland  
Te Kauwhata  
Wellington

### Bottom 5

Opotiki  
Taumaranui  
Moerewa  
Murupara  
Waipawa



## 2013 QL & QB regressed on amenity variables and ln(Pop) – weighted

	temp	rainfall	sunhours	wind	coastal	lake	lnpop
QL	-0.071	-0.007 ***	0.011 ***	-0.063 **	0.637 ***	0.617 **	-0.077 *
QB	-0.015	0.006 **	0.001	0.008	-0.498 ***	-0.268	0.225 ***

### Future steps include:

1. Extend explanation of amenity determinants to human factors
2. Examine how QL and QB have influenced:
  - choice of where people (of different types) choose to relocate
  - choice by Christchurch 'refugees' of where to live after earthquakes
  - choice by tertiary students of where to live after graduation