

# Competitive Cities: A Decade of Shifting Fortunes

# Spotlight on Wellington

#### Household change 2008 vs 2018







**↓13**<sup>%</sup>



Basic expenditure \$7,105

Annual discretionary income

### Creative, compact and a leader in urban form

Wellington experienced a sizeable rise in discretionary income over the decade, extending its advantage over other cities. Estimated discretionary income for a median household increased by \$137 per week.

The rise in the relative competitiveness of Wellington comes down to three factors:

- 1. Wellington has traditionally enjoyed an income premium over other cities and income has continued to grow relatively strongly over the last decade.
- 2. House price growth has been weaker than in Auckland and Queenstown.

3. Basic expenditure, especially transport, has risen more moderately than in other large New Zealand cities.

Wellington workers benefited relatively more from economic growth than other cities. While Wellington has lagged Auckland in terms of aggregate economic growth, median household income grew much faster.

Low house prices offer a sharp contrast to Auckland. In 2008, house prices in Auckland and Wellington were approximately equal. By 2018, Wellington prices were 20 per cent lower, while discretionary income had grown. However, population, employment and business growth lags other cities. This reflects a high concentration of public sector employment, which has been flat or falling in recent years.



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An urban form suited to the intensifying health and sustainability challenges of the 21st century.

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Source: Statistics New Zealand Census 2013; adapted from data in Shaw et al, 2018, Health Consequences of transport patterns in New Zealand's largest cities, NZMJ.

#### Figure 2: What Wellington travel patterns could do for emissions in other cities



Source: Shaw et al, 2018, Health Consequences of transport patterns in New Zealand's largest cities, NZMJ.

Wellington has a unique transportation system which keeps costs low. A high proportion of trips taken are by walking, cycling or public transport - almost twice as high as some other cities (Figure 1). Consequently, only 36 per cent of Wellington households have two or more vehicles, compared to 55 per cent in Auckland.

# Wellington's transport patterns demonstrate the importance of urban planning decisions on health

and sustainability outcomes. A recent study (Shaw et al, 2018) showed that the high proportion of population using active transport had measurable impacts on health and reduced mortality. The high proportion of active trips will also smooth Wellington's transition to a low carbon economy. New Zealand's light vehicle CO<sup>2</sup> emissions would decline by 19 per cent if other cities adopted similar transport patterns to Wellington (Figure 2).

#### Wellingtonians report a high quality of life.

Approximately 88 per cent of people living in Wellington rate their overall quality of life positively according to the 2018 Quality of Life Survey. The proportion of Wellington residents reporting extremely good quality of life was almost twice as high as any other city in our sample. Wellington offers New Zealand's other growing cities a model of urban form that promotes the health and wellbeing of its residents and is well equipped to deal with intensifying health and sustainability challenges. If Wellington is to keep up with the growth rates of other New Zealand cities however, strategies for greater economic diversification are needed.

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