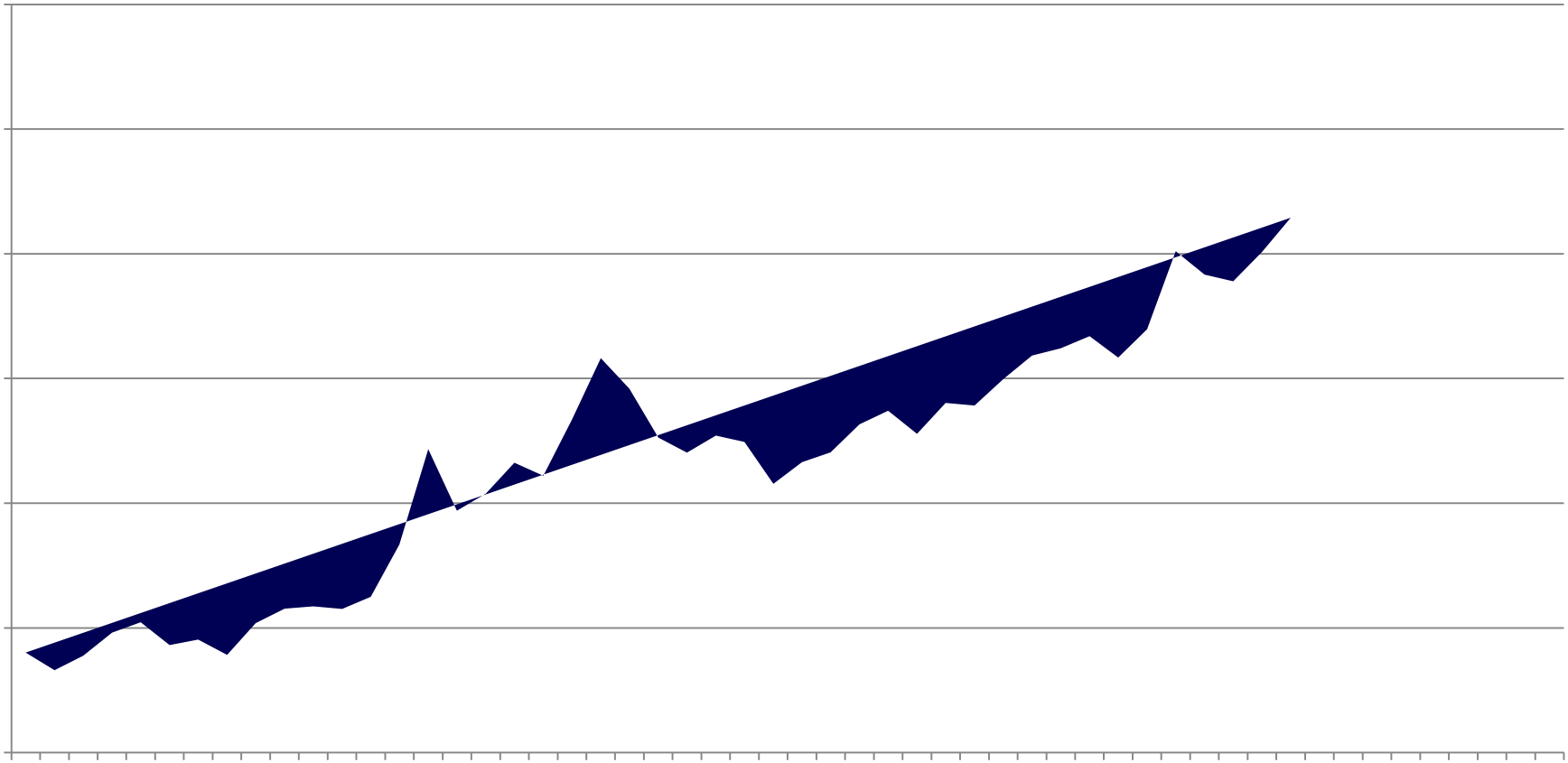
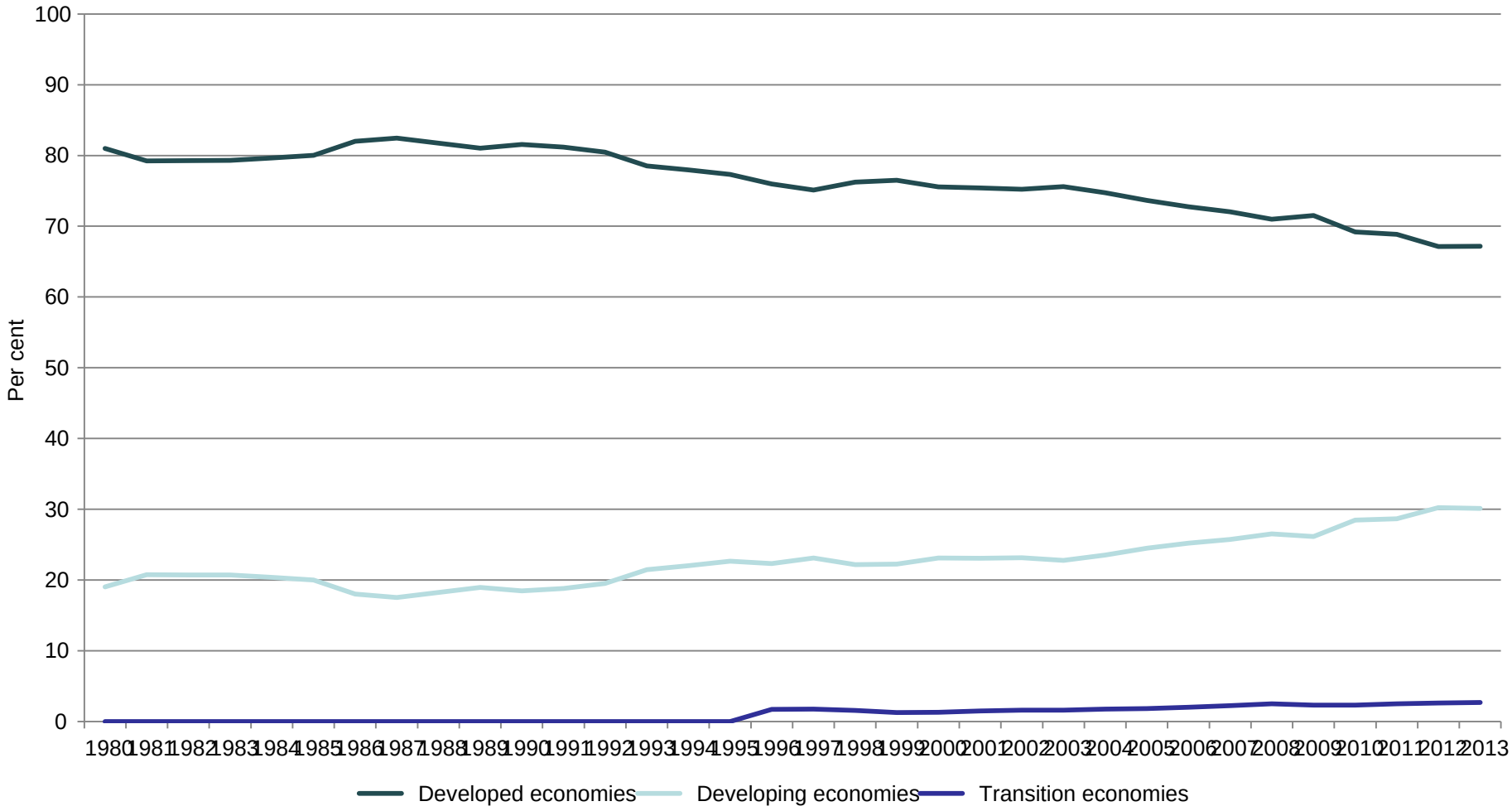
The effect of international trade patterns on house prices: A geographer's perspective

Warwick Jones

xports of goods and services as a percentage of global GDP



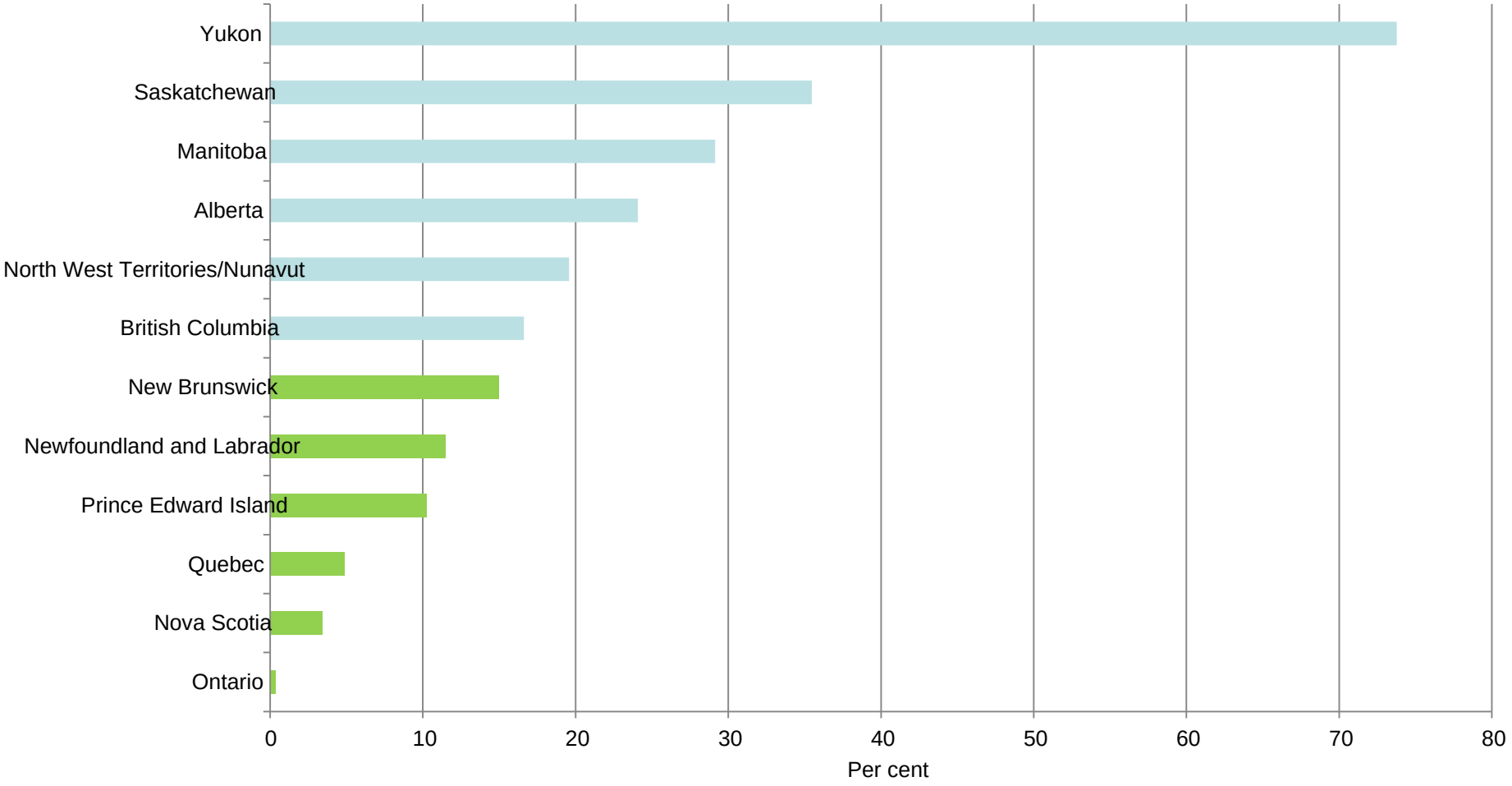
Proportion of global services trade by developed, developing and transition economies



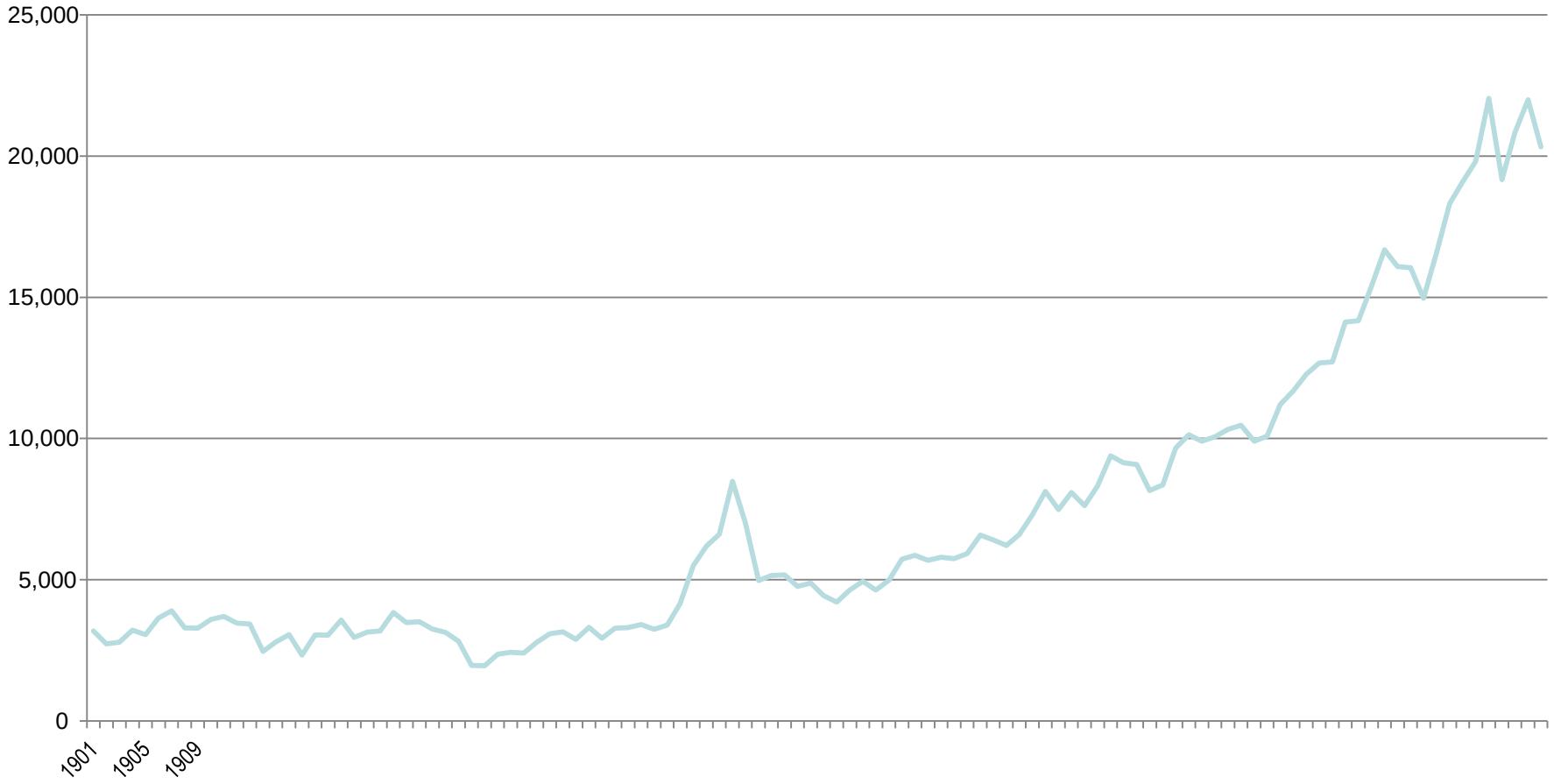
Source: UNCTAD 2014

Canadian provinces and major cities

Percentage of growth in two way trade by Canadian province and territory 1981- 2012



Australian two way trade in merchandise goods per capital 1901 to 2012-13



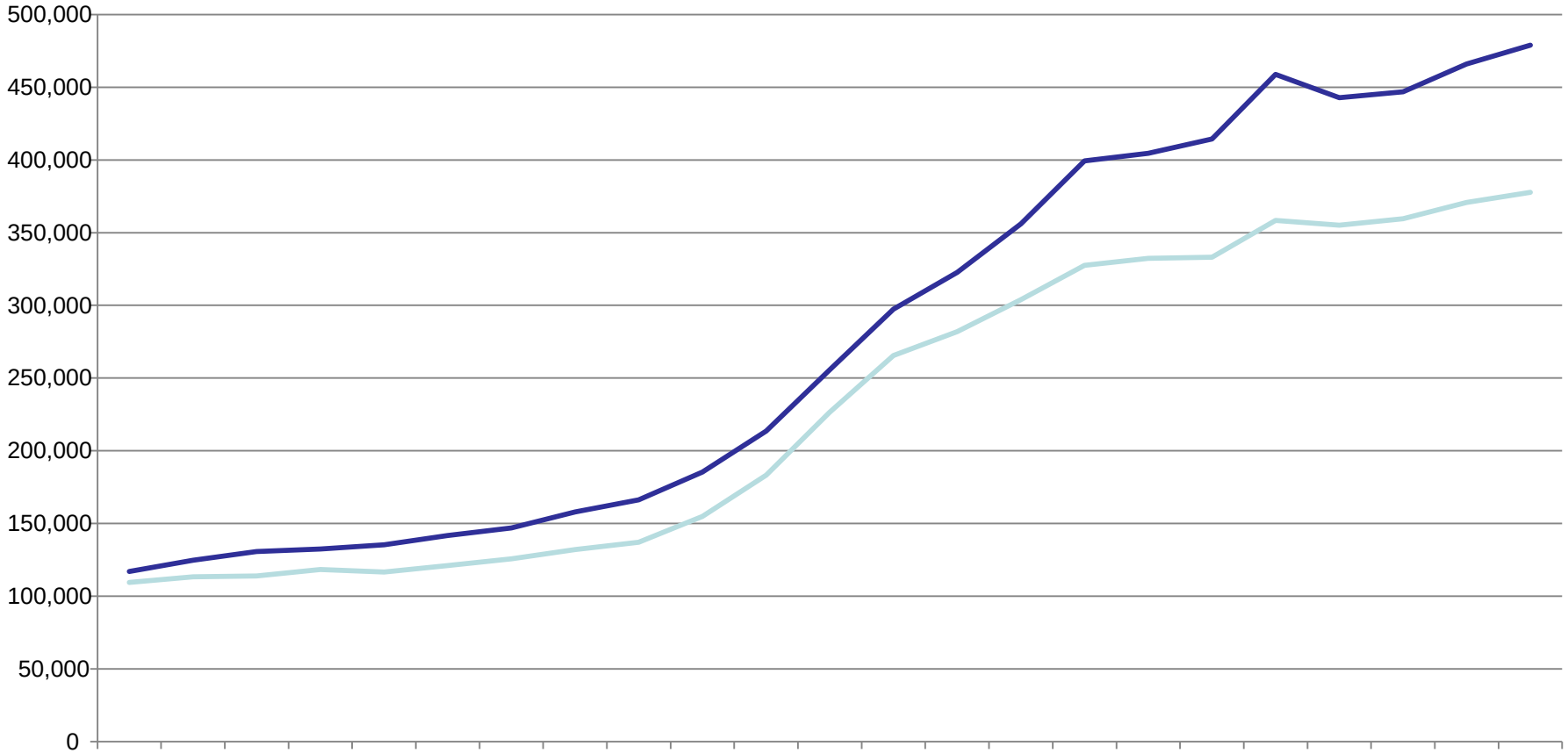
Two way trade in merchandise goods as a percent of Australia's GDP 19012012-13

Direction of Australia’s merchandise goods trade 1989-2013

Changing centre of gravity of world trade 1 CE to 2025

Source: McKinsey Global Institute 2012

Average nominal house prices in Australian port cities and non port cities



Regression outputs for Sydney

Take home message 2

As international trade rises as a proportion of Australi economy, the value of location will continually diverge because the flows of economic value are concentrate smaller and smaller areas. What are the implications?

- If people are not connected to the places where econom flowing, there are immense consequences for social equ
- There are also major consequences for labour mobility a national productivity.

Take home message 3

Cities need three things to harvest value from interna
trade; a Central Business District with a critical mass
multinationals, an airport and a sea port in a close fu
relationship.

- If a city has only one or only two, its potential to grow in
  node is severely reduced.
- The value of the link between the three is very high.
- Transport inefficiencies in the triangle degrade the natio
  network disproportionately.