

The thesis explores the relationship between property values and retail accessibility in three research papers. In the initial two papers, the value of housing is directly observed using apartment values. In contrast, the third paper employs Airbnb revenues as a proxy for property value. This difference makes it possible to observe how retail accessibility is perceived from the perspectives of residents and visitors alike.

The measurement of accessibility to the overall retail sector and to different types of retail is achieved using a gravity-based accessibility index. The accessibility index is a metric that quantifies the retail environment surrounding residential properties and assigns decreasing importance to retailers as the distance from the centre of the area under consideration increases. The articles explore a variety of retailers and their characteristics, highlighting the diverse experiences of consumers. Shopping retailers offer a wide selection of products, thereby stimulating item and price comparisons amongst consumers. Concurrently, convenience retailers emphasise accessibility by strategically positioning essential products in convenient locations. In contrast, supermarkets adopt a different strategy, simplifying shopping by offering a variety of products in one place. The primary focus of bars and restaurants is on the social experience and on-site consumption. These establishments are often located in leisure areas. Finally, traditional markets are temporary spaces that adapt to consumer and vendor preferences, regulated by local authorities.

The present thesis employs a suite of complementary methodologies, namely the Hedonic Price Model (HPM), Geographically Weighted Regression (GWR), panel data analysis, and Instrumental Variables (IV). The HPM disaggregates housing prices into their component characteristics, thereby enabling a quantitative assessment of the role that retail accessibility plays in property values. The application of HPM facilitates a detailed understanding of the determinants of housing prices in urban environments by isolating the effects of various factors. This approach is applied in all three papers. To account for the spatial heterogeneity of the relationship under study, GWR is employed in papers 1 and 3. This is due to the fact that, by their very nature, urban phenomena such as retail accessibility and property values are inherently spatial. GWR facilitates the investigation of the divergent relationship between housing values and retail accessibility in various locations. Furthermore, paper 2 employs panel data analysis to capture the temporal dynamics of the housing market. This methodology is distinguished by its capacity to encompass both temporal variations and unobservable, time-variant factors. Finally, the third paper employs IV regression to address potential endogeneity issues that may arise from biases in omitted variables or reverse causality. IV regression is a statistical technique that strengthens causal inferences by ensuring that the estimated coefficients are not influenced by unaccounted factors.

The findings of the study demonstrate that retail accessibility exerts a statistically and economically significant positive effect on housing prices, with notable variations observed among different types of retailers. Specifically, increased accessibility to shopping retailers and bar and restaurants is associated with higher housing values, whereas greater access to convenience retailers and traditional markets has been found to correspond with lower housing values. The effect of retail accessibility on property values is a complex matter, and the role of the local context is worthy of note. Indeed, the results illustrate that shopping retailers, particularly those situated within central business districts, have the capacity to collectively enhance the quality of the surrounding area. In a similar vein, bars and restaurants, particularly those located in semi-peripheral areas, have the capacity to exert a positive influence, notwithstanding the attendant drawbacks such as noise, parking constraints, and bad odours. Traditional markets and convenience retailers play a key role in enhancing the accessibility of fundamental commodities to underserved areas. Nevertheless, the observation has been made that, in areas where there is already adequate provision, concentrations of this types can result in a diminution of the value of the properties.

The complex role that retail plays in urban development is demonstrated by these intricate relationships as the purpose of retail spaces goes beyond merely enabling financial transactions. Beyond just facilitating trades of goods and services, retail has a significant impact on many other important areas, such as employment, land use, transportation, and social connectivity, reaffirming how essential retail is to the success today's cities.