An Analysis of Determinants of Residential Migration

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Abstract

The existing literature on migration decisions relates economic variables mainly to inter-regional migration, but seldom to intra-region migration. This paper argues that a higher intra-region mobility rate may indicate the fact that households in the region can be more effective in raising the quality of living and in meeting their needs by moving to another house in the same region. Employing panel data covering 22 localities in Taiwan and the period of 1982-2007, this study analyzes determinants of intra-region migration based on a few different perspectives. Our empirical results suggest that intra-region mobility rate is negatively associated with homeownership rate, but positively associated with marriage rate, floor area of occupancy permit, vacancy rate, and the ratio of price to income. Both homeownership rate and marriage rate are among key determinants. We find the individual fixed effects in urbanized regions and the eastern region are statistically higher than ones in other regions. Moreover, the significant time-fixed effects suggest that the intra-region mobility rate is influenced by macro-economy and housing market cycles, as well as housing policies.

Keywords: intra migration, residential migration, housing market, panel data analysis, two-way fixed effect model

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