

"Blockbusting" in the 21st Century?: Minority Move-ins and Neighborhood Home Value Appreciation

Emerson Schryver

March 5, 2025

- Investigates whether minority move-ins suppress home-value appreciation.
- Uses loan data (Fannie Mae & Freddie Mac) for move-ins, ACS (Census) data for normalization, and zip-code level Zillow ZHVI for home prices.
- Methodology:
 - Select majority-white zip codes with minority move-ins (2009-2010).
 - Track change in minority move-in share (2012-2013) as treatment.
 - Analyze home price appreciation over following six years (until 2019).
- Findings: The relationship between minority move-in share and home-value appreciation is unclear—while the treatment group shows lower appreciation, variation is extremely high.

- Housing discrimination: long-running problem in US
- Common historical tactics: racial deed covenants, redlining, white flight, and blockbusting (Rothstein, 2017).
- Long-term effects:
 - Deed covenants improve relative neighborhood quality (Sood, Ehrman-Solberg, 2024),
 - Redlining localizes poverty (Appel, Nickerson, 2016),
 - Majority-Black neighborhoods maintain lower quality of opportunity (Chetty et al., 2014),
- Modern discrimination persists:
 - Lending disparities (Quillian, Lee, Honoré, 2020),
 - Racial steering in real estate (Glenn, 2018)

Data: Home Value Appreciation (%) (difference to MSA average) (by year)

Year	count	mean	std	min	25%	50%	75%	max
2011	11376	0.0016	0.0375	-0.2958	-0.0149	0.0038	0.0213	0.2751
2012	11376	0.0017	0.0587	-0.4130	-0.0258	0.0038	0.0330	0.3739
2013	11376	-0.0005	0.0782	-0.4971	-0.0384	0.0004	0.0395	0.6301
2014	11376	-0.0005	0.0962	-0.6182	-0.0480	-0.0024	0.0442	0.8238
2015	11376	0.0000	0.1192	-0.6584	-0.0599	-0.0053	0.0506	1.1286
2016	11376	-0.0011	0.1439	-0.7405	-0.0726	-0.0092	0.0550	1.4750
2017	11376	-0.0010	0.1724	-0.8327	-0.0873	-0.0125	0.0610	1.7768
2018	11376	-0.0006	0.2089	-0.9294	-0.1023	-0.0175	0.0696	2.3199
2019	11376	0.0004	0.2312	-1.0062	-0.1133	-0.0198	0.0783	2.7326

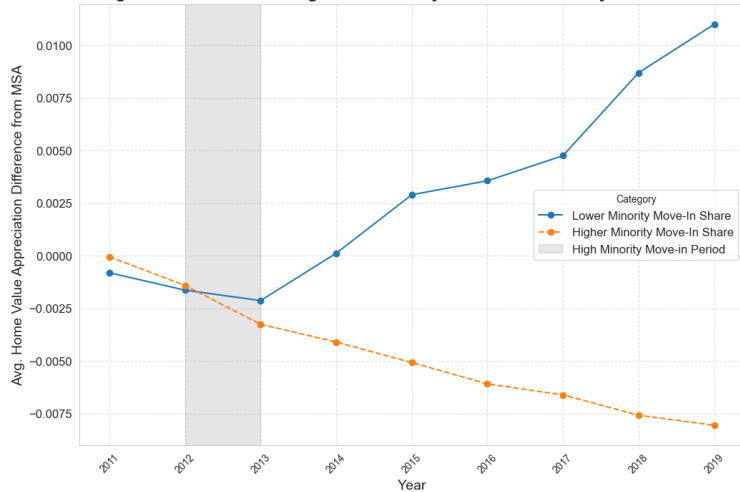
Data: Minority Move-ins

	MMI (I)	MMI (T)	MI (I)	MI (T)
Count	33503	33503	33503	33503
Mean	1	6	12	62
Standard Deviation	4	20	37	148
Minimum	0	0	0	0
25th Percentile	0	0	0	0
Median	0	0	0	0
75th Percentile	0	2	2	46
Maximum	113	620	641	1961
Range	113	620	641	1961

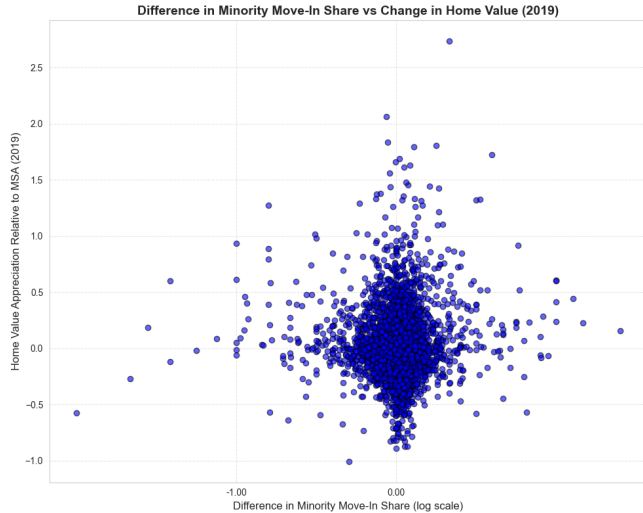
MMI = Minority Move-Ins, MI = Total Move-Ins

I = Initial Period, T = Treatment Period

Figure 2: Home Value Changes Over Time by Difference in Minority Move-In Share

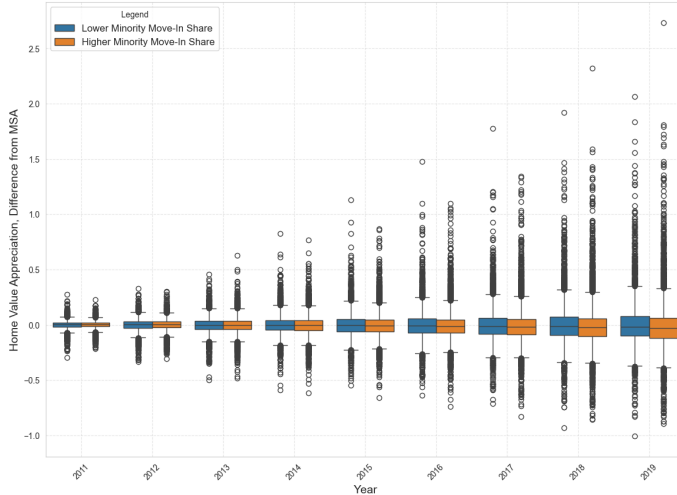


Results



Results

Figure 4: Home Value Differences by Year and Early-Late Ratio Category



- There is little to no clear association between an increase in minority move-ins and changes in home values at the zip-code level.
- The analysis normalizes home value changes to the MSA and initial home values for a more accurate comparison.
- While controlling for initial home values and MSA-level appreciation, the data does not provide strong evidence that minority move-ins impact future home values.
- Due to data limitations, the extent to which minority move-ins influence home values remains inconclusive.