

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

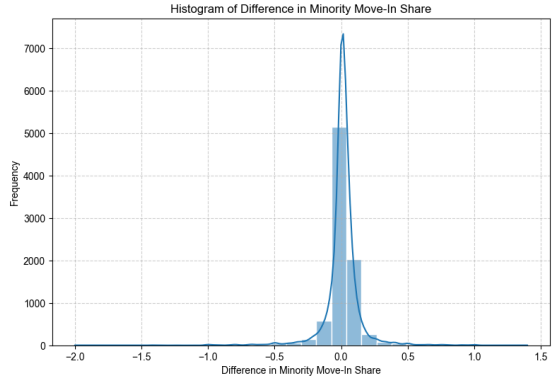
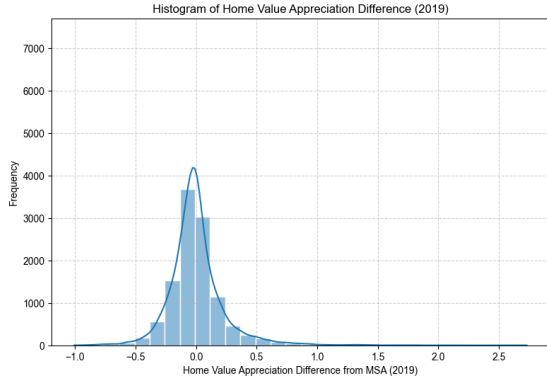
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March 5, 2025

- 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 still have lower quality of opportunity (Chetty et al., 2014),
- Modern discrimination persists:
Lending disparities (Quillian, Lee, Honoré, 2020). Racial steering in real estate (Glenn, 2018).

- Investigates whether minority move-ins suppress home-value appreciation.
- Uses loan data (Fannie Mae & Freddie Mac), ACS (Census) data for normalization, and 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.

Figure 1: Distribution of Home Value Appreciation Difference from MSA and Difference in Minority Move-In Share



Results

- Relatively inconclusive
- Some indication of suppression of home values but not significant

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

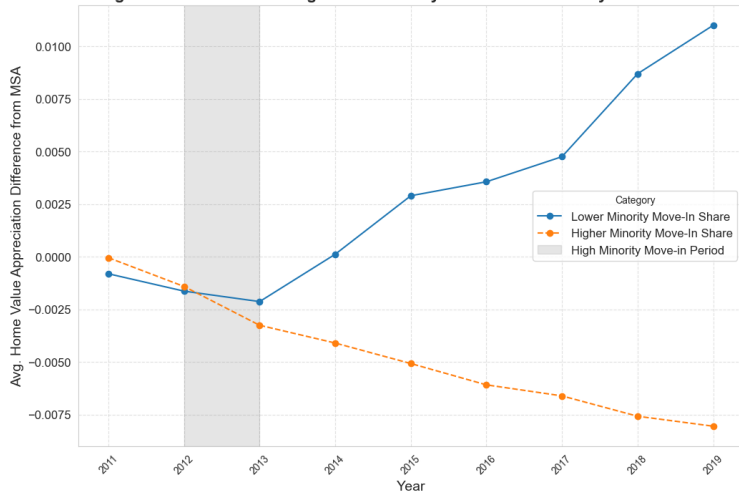
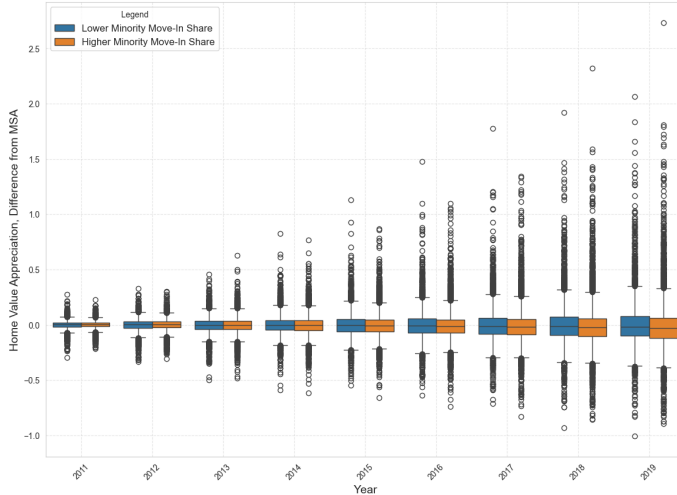


Figure 3: Home Value Appreciation and Change in Minority Move-In Share by Year



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.