

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

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- 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 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: There is an inverse relationship between an increase in minority move-ins and home-value appreciation.

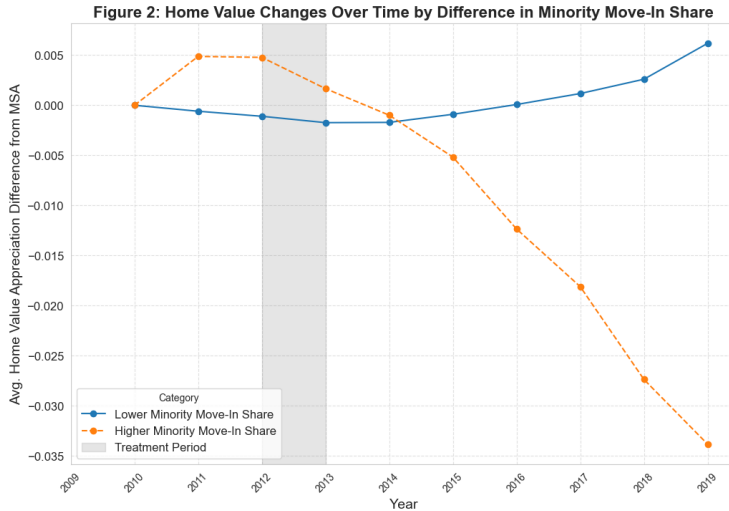
Housing discrimination: long-running problem in US

- Effects from racial discrimination persist:
 - Deed covenants improve neighborhood quality (Sood, Ehrman-Solberg, 2024), Redlining localizes poverty (Appel, Nickerson, 2016), Majority-Black neighborhoods have lower quality of opportunity (Chetty et al., 2014)
 - Lending disparities (Quillian, Lee, Honoré, 2020), Racial steering in real estate (Glenn, 2018)**Contribution:** *"blockbusting" based discrimination persists*
- Rational discrimination: Taste-based (Becker, 1957), statistical discrimination (Arrow, 1973)
- Rational discrimination in housing market: (Combes, et al, 2018, Avetian, 2022)
Contribution: *Effect on American home prices of minority move-ins*

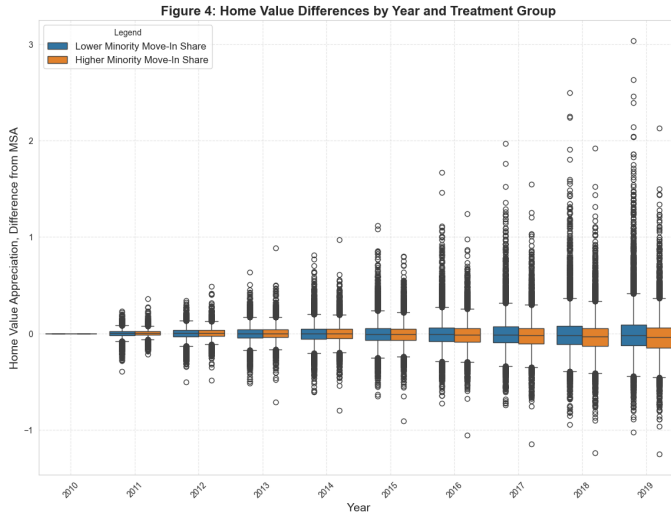
Data: Home Value Changes by Year (only in-MSA ZIPs)

	MMI (I)	MMI (T)	MI (I)	MI (T)
Count	19847	19847	19847	19847
Mean	8	12	100	167
Standard Deviation	20	25	142	227
Minimum	0	0	0	0
25th Percentile	0	0	6	19
Median	1	3	44	76
75th Percentile	8	14	137	230
Maximum	403	615	1460	2338
Range	403	615	1460	2338

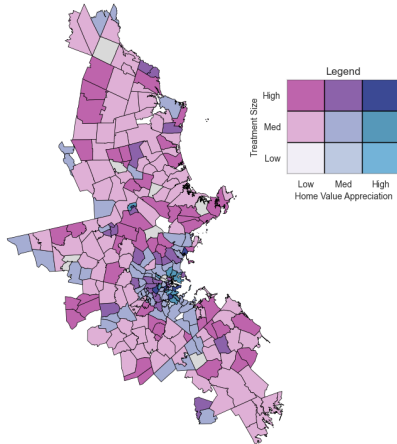
Where MMI = Minority Move-Ins, MI = Move-Ins, (I) is the initial period, and (T) is the treatment period



Results



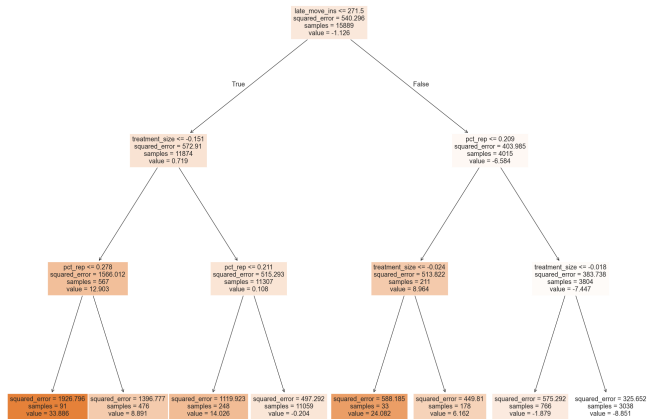
Treatment Size & Home Value Changes (Boston Metro)



Regression: Political Affiliation

Highly Republican \times Treatment Size	0.227*** (0.025)	
Highly Republican	0.009** (0.004)	
intercept	0.048*** (0.013)	0.047*** (0.011)
MSA avg. appreciation	0.962*** (0.007)	0.957*** (0.007)
Percent Republican	-0.013 (0.012)	
Treatment Size	-0.262*** (0.023)	-0.304*** (0.023)
Observations	15889	15889
R^2	0.549	0.552

Results



- There is a negative relationship between increased minority move-ins and home value appreciation
- This effect is smaller in more republican geographies
- Future work: Model & estimation,