Report 2

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1 Introduction

"Blockbusting" in the 21st Century?: Minority Move-ins and Neighborhood Home Value Appreciation I am investigating the extent to which an increase in the minority move-in share of an area modifies future home-value appreciaiton. I am using federal home-loan-level underwriting data (Fannie Mae and Freddie Mac) to track move-ins, Census (ACS) data to normalize, and Zillow ZHVI data to track home prices. My outcome variable is home-value appreciation (normalized to MSA), and my main variable of interest is change in minority move-in share (from the initial period to the "treatment" period) for a given ZIP code.

2 Maps
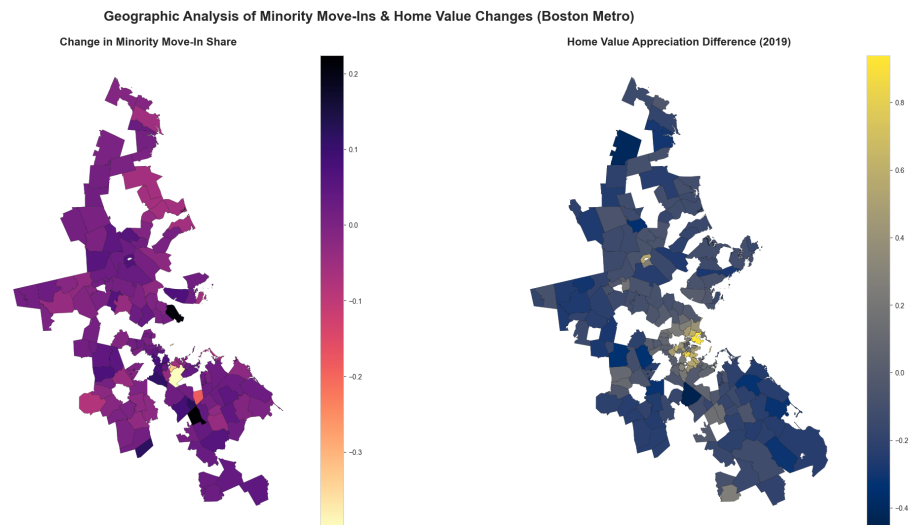
Both of these maps focus on Boston, a particular metro area that is good for analysis (lots of zip codes, a good chunk of single-family neighborhoods). The left map shows my main dependent variable, the change in minority move-in

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share. The right map shows my main y-variable, the home-value appreication relative to the rest of the MSA. The maps are relatively scattered, and there is no clear obvious correlation, which supports my conclusion that the relationship between minority move-ins and home-value appreciation is unclear.

3 Regressions

	Dependent variable: value_ratio_2017			
	Home Value Change (%) (2010-2017)			
	(1)	(2)	(3)	(4)
$\frac{\text{Ratio (T)}}{\text{Ratio (I)}}$	0.075***	0.032**		
	(0.026)	(0.015)		
MMI (I)			0.003***	
			(0.000)	
$\frac{\text{MMI(I)}}{\text{MI(I)}}$				0.030**
				(0.015)
MI (I)			-0.000***	
			(0.000)	
MMI(T)			0.000	
			(0.000)	
$\frac{\text{MMI(T)}}{\text{MI(T)}}$				0.180***
				(0.017)
MI(T)			-0.000***	
			(0.000)	
MSA avg		0.806***	0.801***	0.777***
		(0.007)	(0.007)	(0.007)
intercept	1.336***	0.133***	0.156***	0.151***
	(0.003)	(0.010)	(0.010)	(0.010)
Observations	7732	7732	7732	7732
R^2	0.001	0.664	0.674	0.678
Adjusted R^2	0.001	0.664	0.674	0.678
Residual Std. Error	0.302 (df=7730)	0.175 (df=7729)	0.172 (df=7726)	0.171 (df=7728)

Note: *p<0.1; **p<0.05; ***p<0.01

With the following variable names:

Variable	Description
MMI(I)	Minority move-ins (initial period)
MI(I)	Move-ins (initial period)
MMI(T)	Minority move-ins (treatment period)
MI(T)	Move-ins (treatment period)
MSA avg	Metropolitan Statistical Area average home-value appreciation
Ratio (T)	Minority move-in share (treatment period)
Ratio (I)	Minority move-in share (initial period)

These results suggest little correlation between a change in minority move-ins and future home-value appreciation. The coefficents are surprising alone, but after my results from project 1 are unsurprising. My graphs in project 1 suggested there was little-to-no relationship, which is a similar conclusion to this. The only significant variable is the MSA average home-value appreciation, which is expected.

The fact that my R^2 is not incredibly high indicates that it may make sense to control for more variables, such as income and neighborhood political affiliation.