Table 1: Summary statistics

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | N | Mean | Minimum | Maximum | Stdev |
| Care homes per 1000 population over 65 | 630 | 10.826 | 0.2067 | 25.524 | 0.3646 |
| Entry rate (%) | 630 | 1.9704 | 0 | 18.75 | 31.533 |
| New registered beds | 630 | 15.4984 | 0 | 219 | 30.9596 |
| Average size | 630 | 10.7252 | 0 | 135 | 21.5908 |
| Care homes per quality (outstanding) | 630 | 0.0060 | 0 | 0.1049 | 0.0164 |
| Care homes per quality (bad) | 630 | 0.3325 | 0 | 1.9555 | 0.2006 |
| Average house price | 630 | 245,036 | 71,447 | 12,759,695 | 133,925 |
| Change delay rate | 630 | -0.0376 | -0.6345 | 0.5310 | 0.2197 |
| Historical share of Labour votes | 630 | 0.1625 | 0.0010 | 0.4103 | 0.0886 |
| Population density 1911 | 630 | 774.6749 | 3.2504 | 22,0288 | 2,634 |
| Share Labour voters (June 2015) | 630 | 0.2809 | 0.0698 | 0.7301 | 0.1449 |

Table 2 First stage results

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Historical share of Labour voters |  | -3.1231\*\*\* | -2.9445\*\*\* |  |  | -2.4538\*\*\* | -2.3035\*\*\* |
|  |  | ( 0.5001 ) | (0 .4956) |  |  | ( 0.37205) | (0.3573) |
| Change delay rate | -0.5542\*\*\* |  | -0.3584\*\*\* |  | -0.5704557\*\*\* |  | -0.3153777\*\*\* |
|  | ( 0.1012) |  | (0.1023) |  | ( .0882623 ) |  | (0.0724) |
| Population density 1911 |  |  |  | 0.0000768\*\*\* | 0.0000776\*\*\* | 0.0001002\*\*\* | 0.0000992\*\*\* |
|  |  |  |  | 9.79e-06 | ( 8.79e-06 ) | (0.0000105 ) | (9.91e-06 ) |
| Observations |  |  |  |  |  |  |  |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 |  |
| Sanderson-Windmeijer F test of excluded instruments | 29.96\*\*\* | 39\*\*\* | 32.83\*\*\* | 61.50\*\*\* | 59.82\*\*\* | 71.16\*\*\* | 65.12\*\*\* |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 3 Reduced form - effects of house prices on number of care homes

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average house prices (log) | -0.101\*\* | -0.0835 | 0.248\* | 0.155 | -0.292\*\*\* | -0.235\*\*\* | -0.114 | -0.120\* |
|  | (0.0496) | (0.151) | (0.141) | (0.122) | (0.0786) | (0.0739) | (0.0723) | (0.0701) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.016 | 0.015 | -0.167 | -0.084 | -0.040 | -0.012 | 0.022 | 0.022 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 4: Reduced form - effect of house prices on market entry rates

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average house prices (log) | -0.319 | -0.738 | -1.609\*\* | -1.423\*\* | -0.758 | -0.753 | -0.899\*\* | -0.887\*\* |
|  | (0.272) | (1.014) | (0.809) | (0.704) | (0.614) | (0.528) | (0.449) | (0.434) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.002 | -0.002 | -0.029 | -0.021 | -0.002 | -0.002 | -0.004 | -0.004 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 5 Effect of lagged house prices on number of care homes

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average lagged prices (log) | -0.110\*\* | -0.0905 | 0.269\* | 0.170 | -0.311\*\*\* | -0.253\*\*\* | -0.124 | -0.130\* |
|  | (0.0547) | (0.164) | (0.152) | (0.133) | (0.0816) | (0.0775) | (0.0759) | (0.0736) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.016 | 0.015 | -0.167 | -0.086 | -0.037 | -0.011 | 0.023 | 0.023 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 6 - Effect of lagged house prices on market entry

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average lagged prices (log) | -0.349 | -0.801 | -1.744\*\* | -1.553\*\* | -0.809 | -0.807 | -0.951\*\* | -0.941\*\* |
|  | (0.297) | (1.098) | (0.874) | (0.765) | (0.657) | (0.568) | (0.480) | (0.465) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.002 | -0.001 | -0.028 | -0.021 | -0.002 | -0.002 | -0.004 | -0.003 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 7: Effects of house prices on new registered beds

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average house prices (log) | -5.104\* | 12.38 | -3.262 | 1.983 | -12.37\*\*\* | -5.698\* | -9.482\*\*\* | -7.559\*\*\* |
|  | (2.716) | (10.49) | (8.147) | (7.383) | (1.987) | (3.230) | (2.297) | (2.390) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.006 | -0.060 | 0.005 | -0.003 | -0.006 | 0.005 | 0.002 | 0.004 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 8: Effects of house prices on average care home size

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average house prices (log) | -2.745 | 14.78\* | -7.259 | -0.754 | -8.380\*\*\* | -2.138 | -6.971\*\*\* | -5.069\*\*\* |
|  | (1.877) | (8.356) | (6.140) | (5.490) | (1.503) | (2.561) | (1.673) | (1.756) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.003 | -0.131 | -0.004 | 0.002 | -0.011 | 0.003 | -0.003 | 0.002 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 9: Effect of house prices on care homes by quality (outstanding)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average house price (log) | 0.00255\* | 0.00158 | 0.00224 | 0.00117 | 0.00281 | 0.00248 | 0.00428\* | 0.00384\* |
|  | (0.00143) | (0.00505) | (0.00420) | (0.00337) | (0.00339) | (0.00286) | (0.00226) | (0.00220) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.003 | 0.004 | 0.015 | 0.016 | 0.005 | 0.005 | 0.009 | 0.011 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.

Table 10: Effect of house prices on care homes by quality (bad)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Average house price (log) | -0.0509\*\*\* | -0.0618 | 0.0912 | 0.0538 | -0.0799\*\*\* | -0.0750\*\*\* | -0.0379 | -0.0412 |
|  | (0.0179) | (0.0623) | (0.0705) | (0.0592) | (0.0301) | (0.0279) | (0.0274) | (0.0260) |
| Estimation | OLS | IV | IV | IV | IV | IV | IV | IV |
| Observations | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Number of local authorities | 315 | 315 | 315 | 315 | 315 | 315 | 315 | 315 |
| R-squared | 0.013 | 0.013 | -0.078 | -0.036 | 0.009 | 0.010 | 0.012 | 0.013 |
| Change rate of delay |  | x |  | x |  | x |  | x |
| Share of Labour voters |  |  | x | x |  |  | x | x |
| Density population 1911 |  |  |  |  | x | x | x | x |

Note: The IV regressions using the share of Labour voters also include the contemporaneous share of Labour voters from the General Election in June 2015. Robust standard errors are presented in parentheses. Standard errors are clustered at local authority level. \*\*\*/\*\*/\* denote significance levels at 1%, 5% and 10% respectively.