

Housing Bubbles and Incumbent Support

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1. Local Housing Markets
2. The Danish Case
3. Precinct-level data
4. Individual-level data
5. Conclusion

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Potential political effects?

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Potential political effects? \rightsquigarrow Local housing prices drive incumbent support.

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Important: We look at support for incumbent, not preferences for redistribution.

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 - Precinct-level election returns
 - Two-wave panel survey of reported voting

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We link precincts to zip-codes by identifying the zip code of the precinct's polling place.

↪ we also have information on unemployment and median income in each zip-code.

$$govt_{it} = \Delta price_{it} + \epsilon_{it}$$

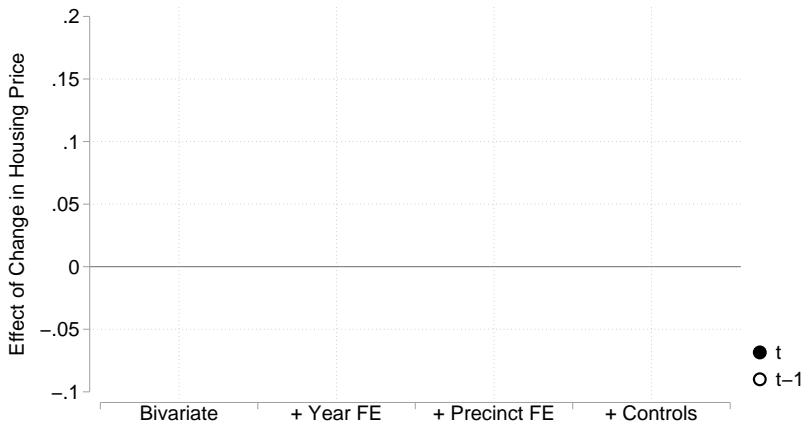
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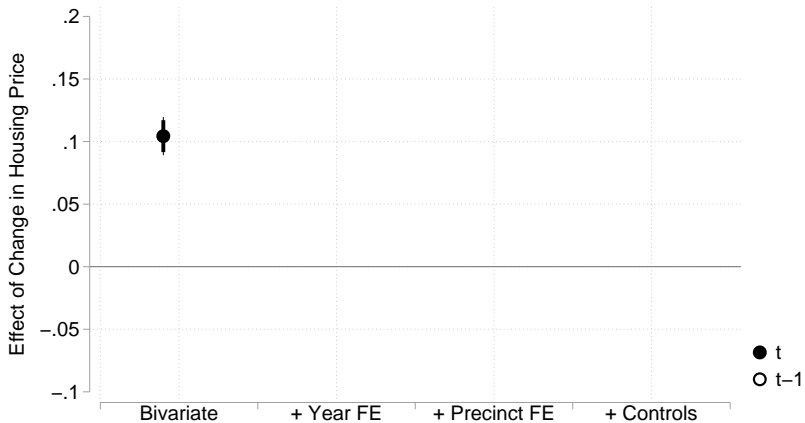
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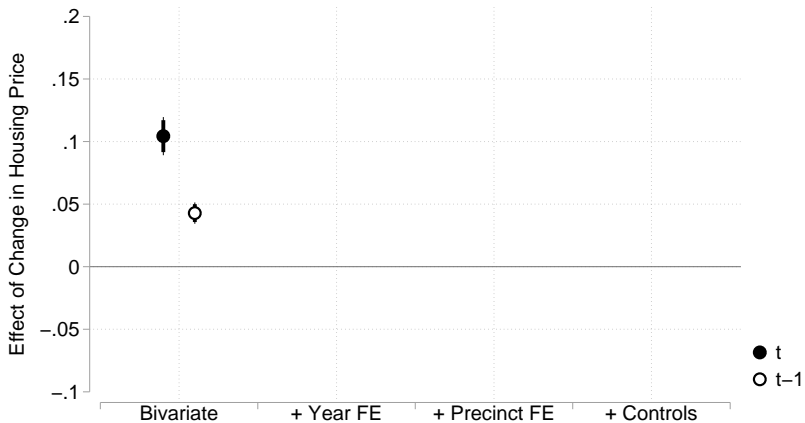
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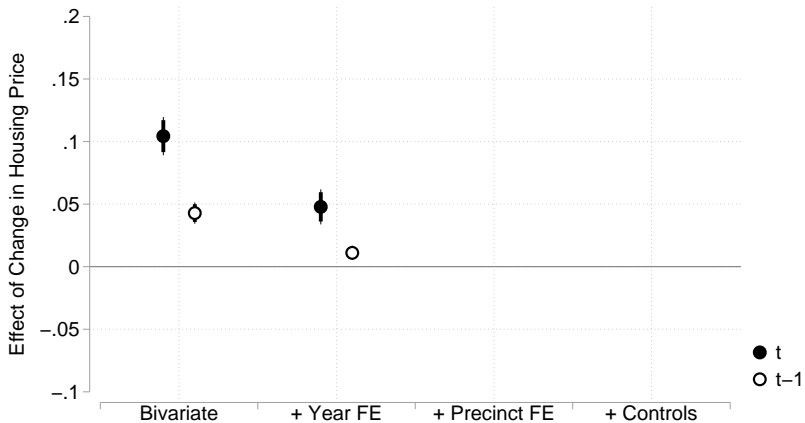
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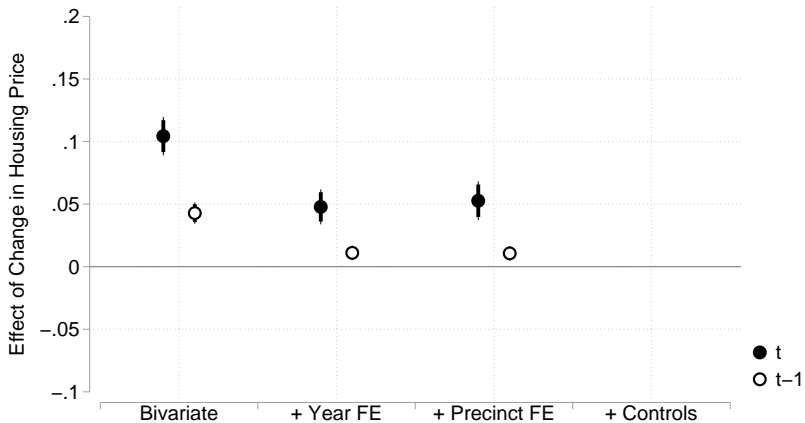
$$govt_{it-1} = \Delta price_{it} + \gamma_t + \pi_i + econ\beta + \epsilon_{it}$$

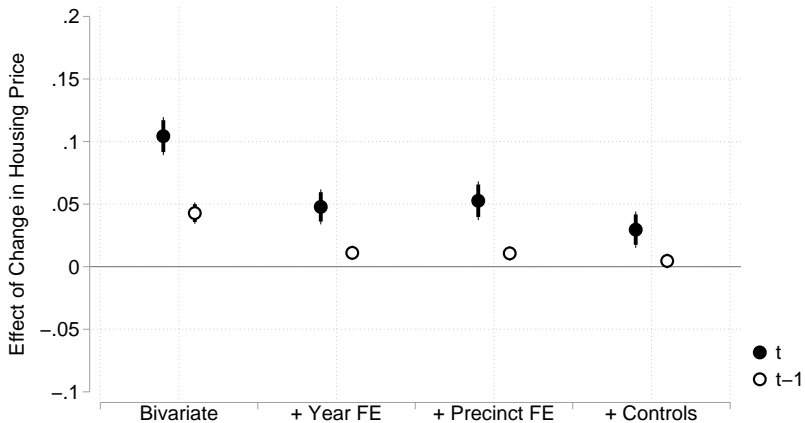












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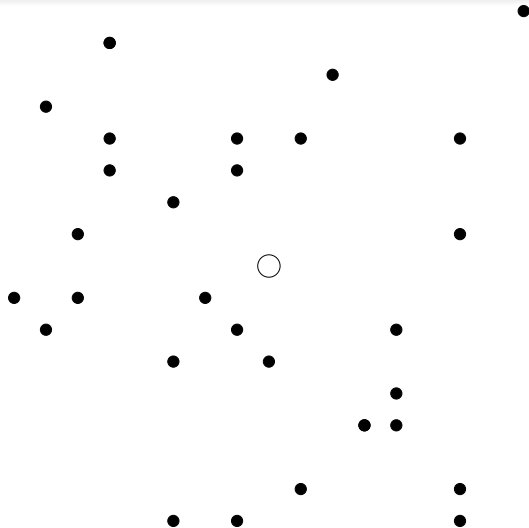
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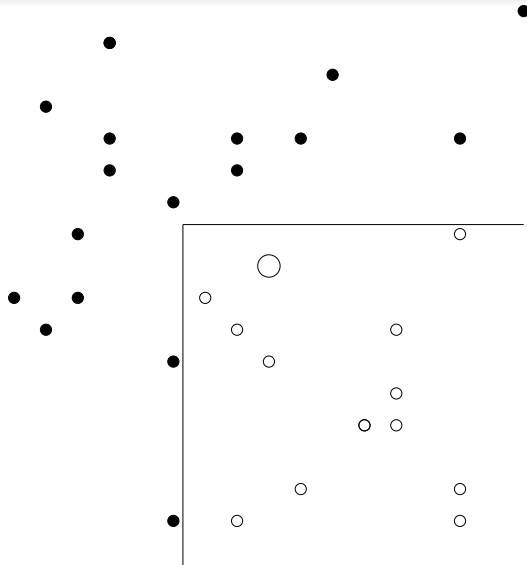
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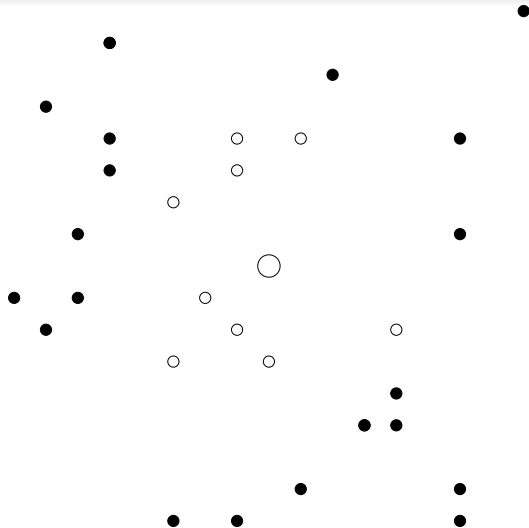
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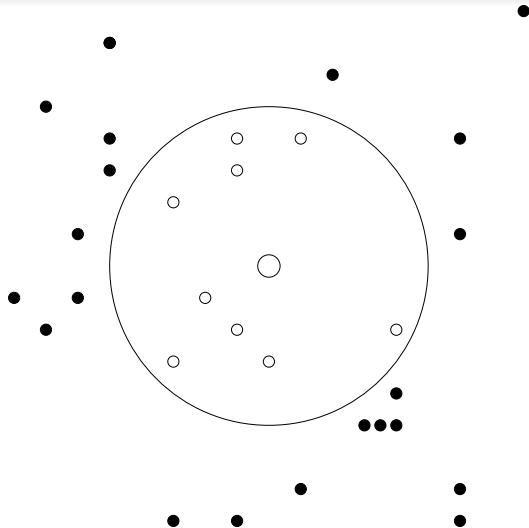
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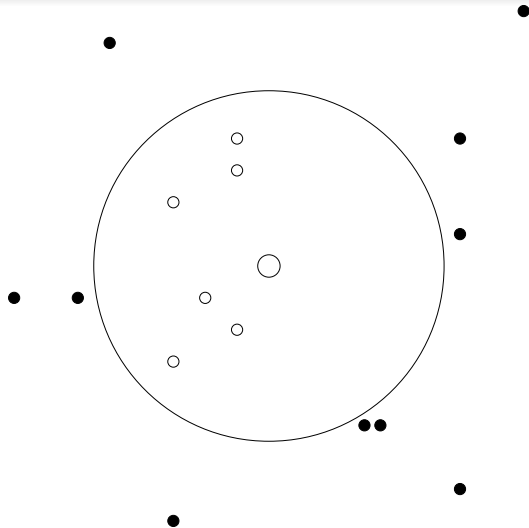
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- Allows us to define context in flexible ways (cf. MAUP).

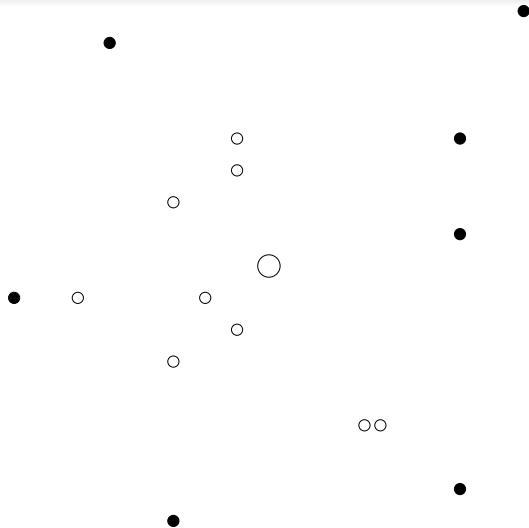












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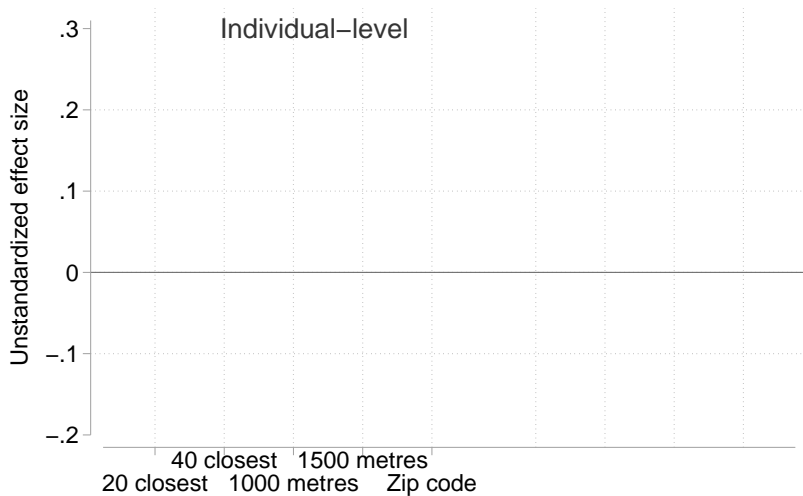
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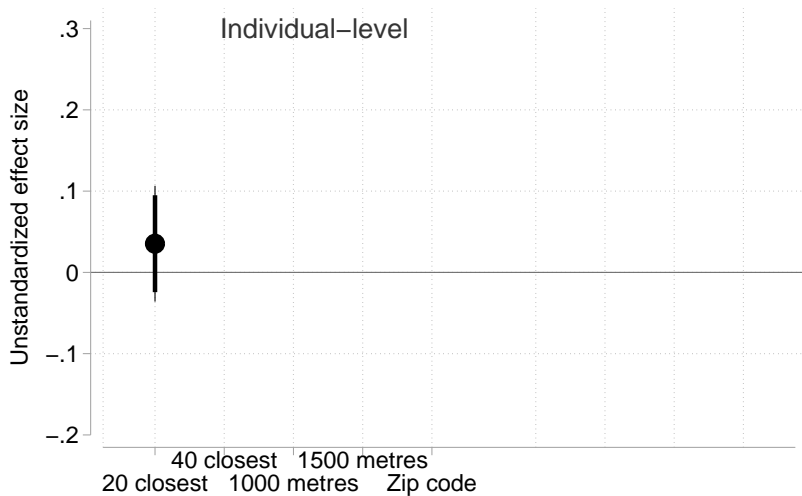
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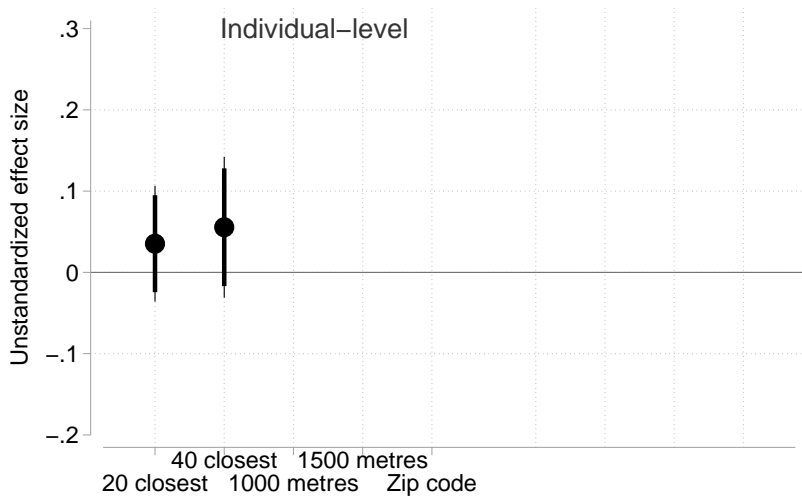
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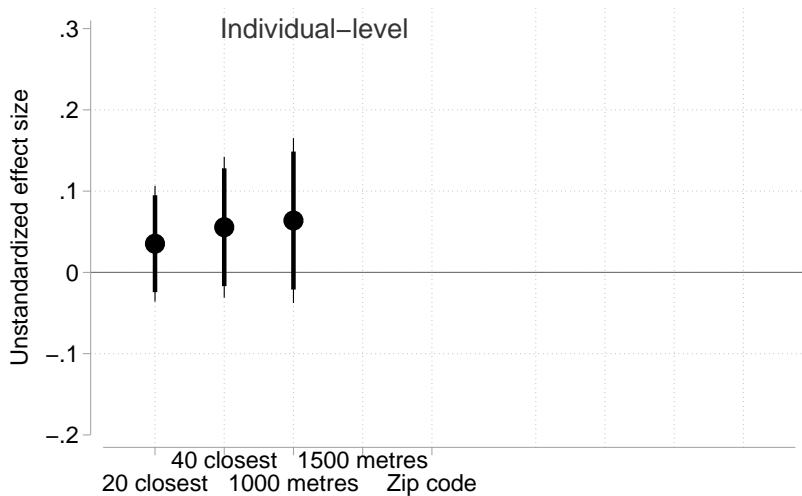
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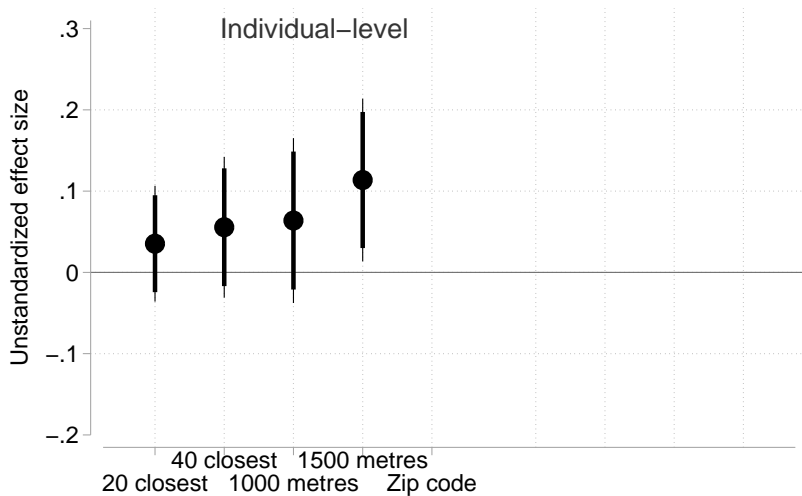
↪ Use an LPM as a link function.

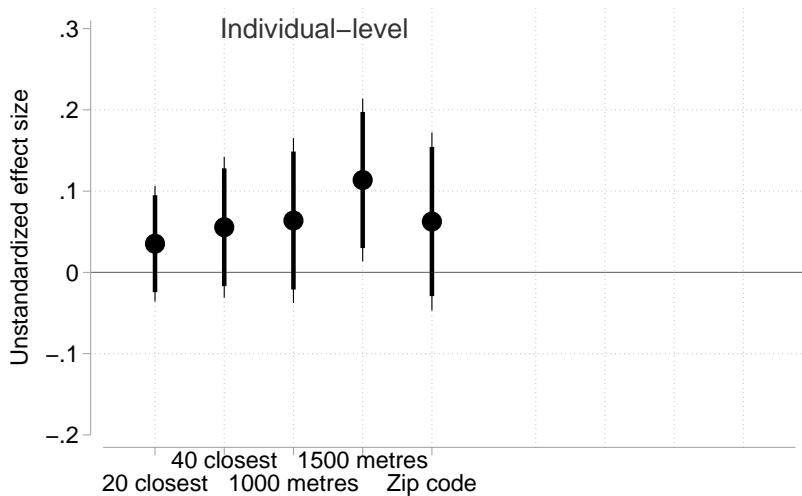


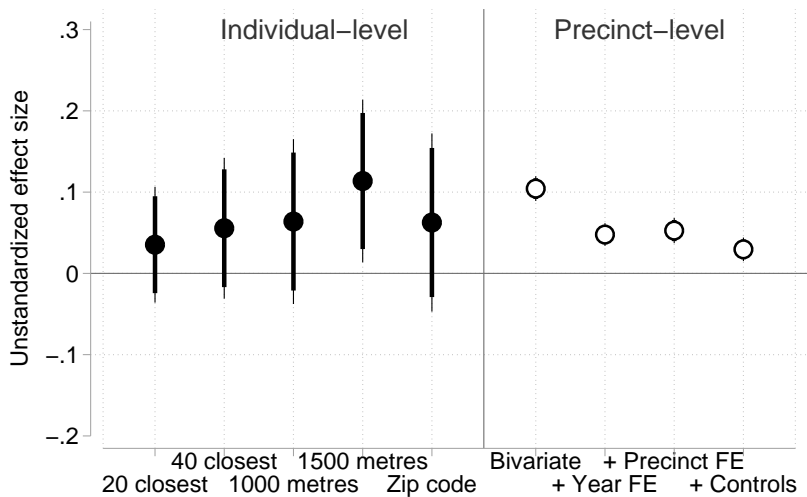


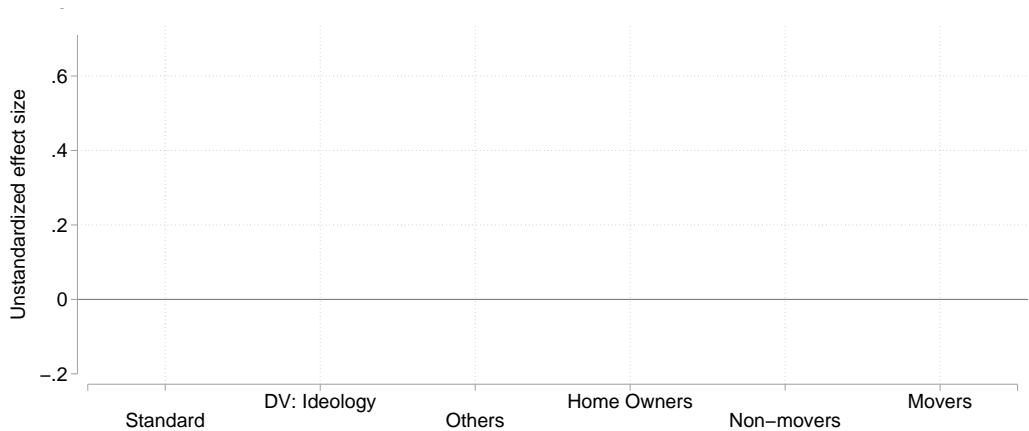


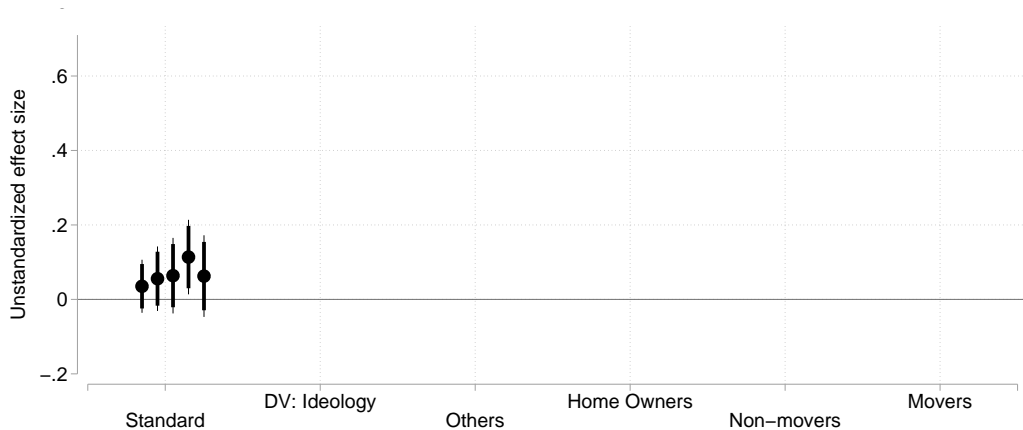


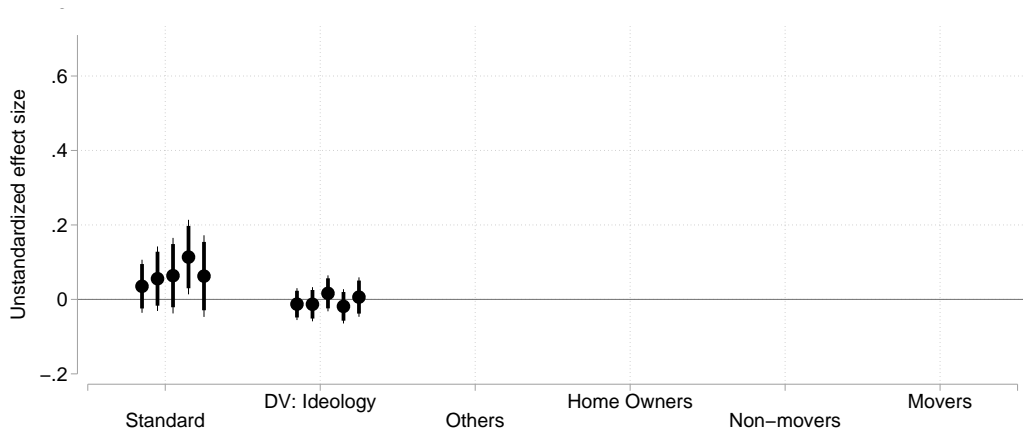


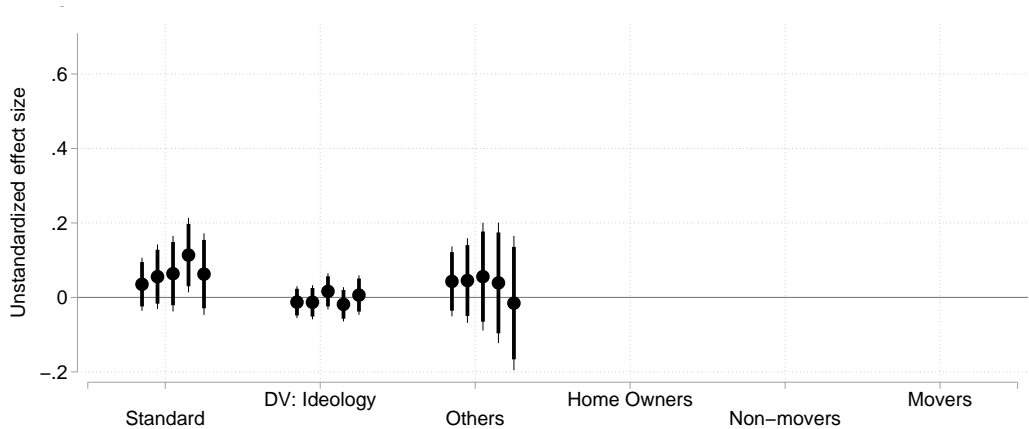


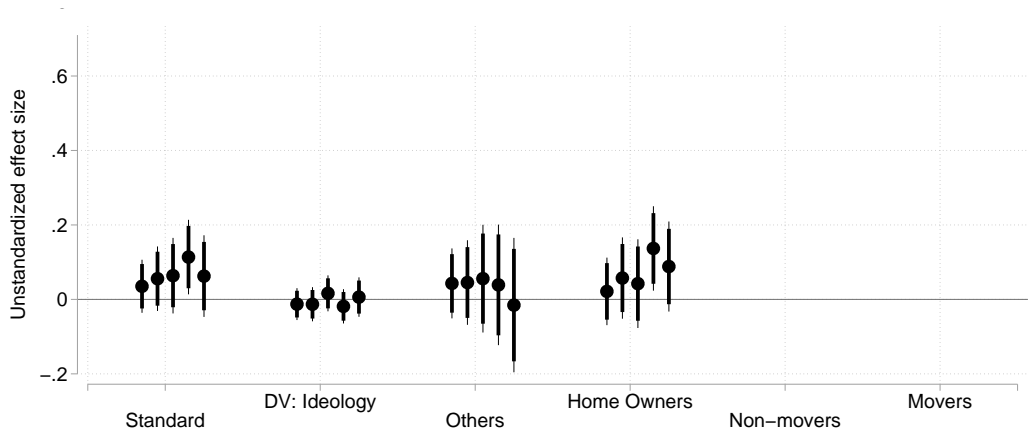


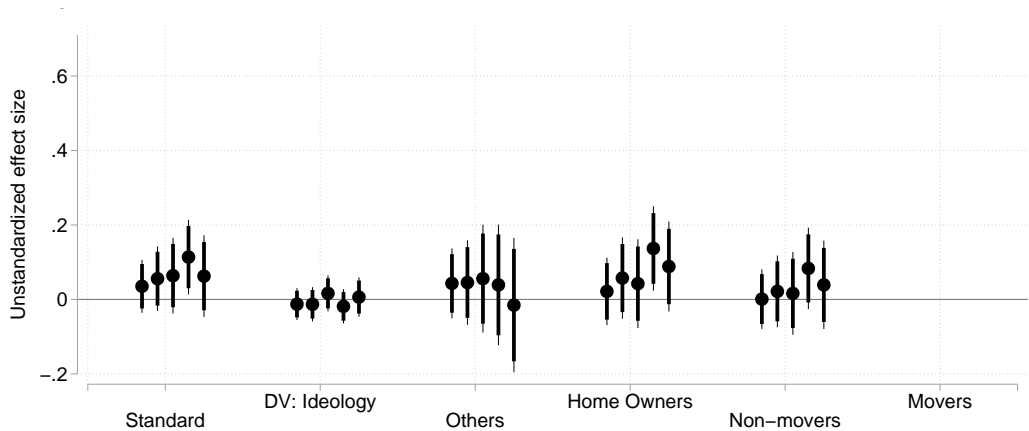


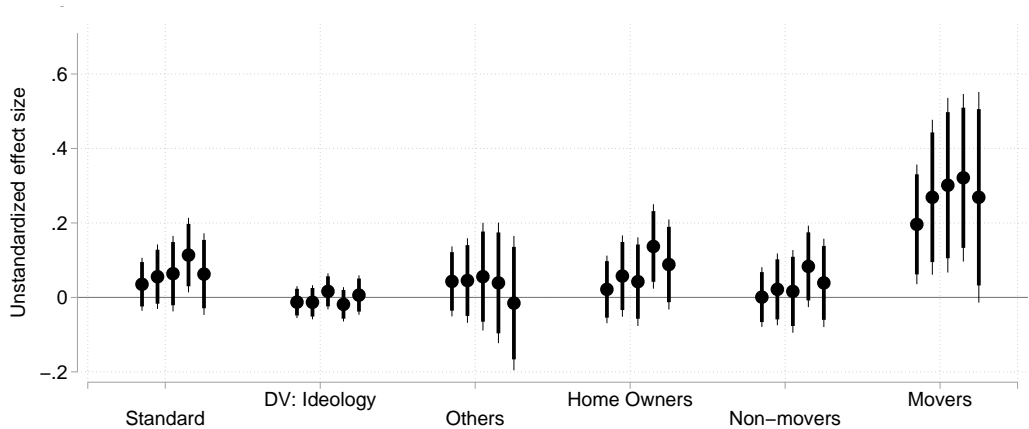












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Also suggests that, more broadly, housing markets matter politically.
↪ voters adapt, focus on new parts of the economy.