

# **What's in a Label? On Neighbourhood Labelling, Stigma and Housing Prices**

**By Henrik Andersson**

**Discussion of the paper — UEA Milan — by Vladimir Avetian**

# Strong sides

- The authors explore very interesting question: how does stigma associated with the labelling of neighborhood as vulnerable affect housing prices?
- Unique context of Sweden: labels were created, but no policy implemented
- Explore interesting dimension by combining classical hedonic approach with analysis of media
- Granular transaction data
- Clean SCM
- To summarize: unique case, relevant questions and many minor hypothesis to explore within this case

# Questions about the story

- Stigma around what exactly? Is paper about race, socio-economic status, crime? Or everything?
- When authors reference “minorities” it is also not always clear who are minorities here? (More clear from context that you talk about immigrant population)
- More contextual information would be helpful: the interaction between rental, selling market and social housing
- Second degree immigrants?

# Questions about identification

- Why not spatial RD? You are not exploiting exogeneity that comes from inevitable arbitrariness of such labelling
- Could it be that police did its job properly? (Reported about places before their outcomes diverged)
- Something else happened in the same time that made life worse in this neighborhoods?
- Maybe local government reacted?
- Other descriptive statistics to check police labeling : income, unemployment, crime level?

# Questions about mechanisms

- Places that were singled out can be perceived as an opportunity for investment?
- How does labelling affect not labelled area?
- Information vs. Stigma
- What is the story of interaction with immigrants shares? Why reputational damage gets multiplied with origin variable? What is your model of reputation? Tirole (1996)?
- Maybe interesting to complement media with google trends?

# Minor things

- Instead of the battery of density plots would be interesting to see how difference in coefficients changes over time
- Terms in tables in English