Impacts of housing access on individual and community outcomes

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Expensive, expansive and legacy cities

A Classification of American Cities
1980-2010

Change in real home values (percent)

Expansion of developed residential area (percent)
Median Annual Household Income (2010-2016; 2016 dollars)
The Difference Between Domestic In-Migration and Domestic Out-Migrants

Earners Per Household 2010-2016

Home Values, 2010-2016
($'000s; log scale)
Age (Head of household) 2010-2016

Home Values, 2010-2016
($'000s; log scale)
Owner-Occupancy (Share of individuals living in owner-occupied homes) 2010-2016

The Difference Between Domestic In-Migrants and Domestic Out-Migrants

Home Values, 2010-2016
($'000s; log scale)
The Difference Between Domestic In-Migration and Domestic Out-Migrants

Education (Share of individuals 4-year college degree or higher) 2010-2016

Home Values, 2010-2016
($'000s; log scale)
Income and wealth are not the same

Sustained long-run housing price growth can create a sharper distinction between owners and renters

Homeownership may grow to depend more on cross-generational support and less on within-generational income

This is consistent with a young, transient-class of high-income, low-wealth individuals and households who cannot settle here
● Positive income and education sorting are the mechanics of polarization – the process whereby more educated and high-income metro areas grow more so, and vice versa.

● The political implications of this polarization are evident today.

● In-and out-migrant differences in owner-occupancy and earners fluctuate with housing prices within metros from year to year.

● But in-and out-migrant differences in income and education do not, suggesting that polarization is driven by fundamental differences in metros’ industrial mix.

● Industrial mix affects who is drawn to the expensive coastal cities; over extended period housing costs affect which industries viable.
The Economic Advantages of Dense Cities Are Disappearing for Low-Skilled Workers

In 1950, denser urban areas offered higher wages for both educated and less educated workers. That is far less true today for workers without a college degree.

Wages are adjusted for inflation and averaged by commuting zone. Density is defined as residents per square mile and is from 1950. College is defined as some college or more. No college is high school or less.

Greater L.A. used to sprawl with gusto

Los Angeles-Long Beach, CA CSA
From 1950 to 1980

Source: BuildZoom
Notes: areas considered developed when they first exceed 200 currently existing homes per square mile.
Greater L.A. is now sprawling substantially less than it used to.