
Tara Watson
Brookings Institution, Williams College, and NBER
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1. Novel and Convincing Findings

- Surge in real estate purchases by foreign Chinese starting 2008
  - Creative methodology for identifying these buyers

- Increased purchases concentrated in neighborhoods with higher ethnic Chinese population
  - Convincing setting to use shift-share instrument

- “Treatment” neighborhoods had:
  - Higher employment (non-tradable employment only)
  - Higher house prices
  - Higher average income
  - Fewer tax filers
Challenge of Counterfactual

- Need to believe treatment neighborhoods would have evolved similarly to control neighborhoods in light of mortgage crisis and recession

- Pre-trends less useful than in some other contexts

- Control for baseline Zip characteristics*post, including measure of housing leverage
2. GE Effects

- Model: increases non-tradeable employment in both “treatment” and “control” neighborhoods due to increase house prices in both places
- **Treatment:** Fewer but wealthier consumers, **Control:** More consumers

- But empirics are using within county-year neighborhoods as comparison group. Understating price/employment effect?
3. Distributional Impacts

- Model does not focus on high versus low income consumers
- Empirically high house prices lead to higher income residents (not just housing net worth channel)
- Renters not described in the model, potentially worse off
- Interesting open questions about economic segregation, evolution of historically Chinese neighborhoods, etc.
- Use ACS zip code data: Who came/left zip? Who came/left county?
4. External Validity

- At a time when there is not mortgage crisis and recession in the background?

- If housing price shocks are driven by new residents rather than foreign investors who leave houses vacant?

- In a context without rent control, property tax limitations, school finance equalization?

Source: Diamond, McQuade & Qian 2019
5. Next papers

- Effects on income segregation, Chinese ethnic segregation, housing-related hardship among “likely displaced"

- Fiscal impacts on property taxes and expenditures
  (unique property tax rules and school finance equalization)
Thanks for an interesting, well-done, and thought-provoking paper.