

# Housing Pathways for Natives and non-natives

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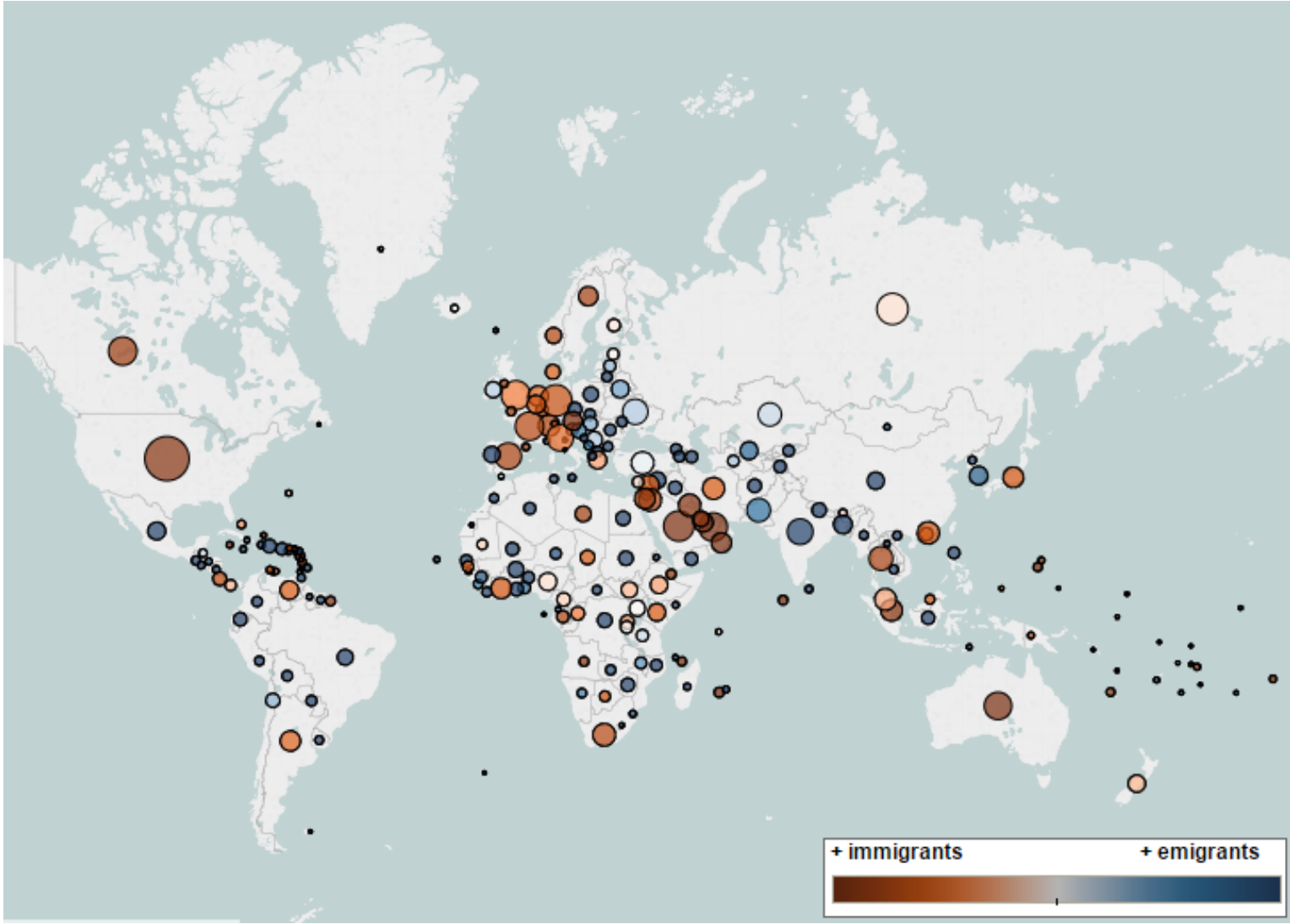
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# Outline

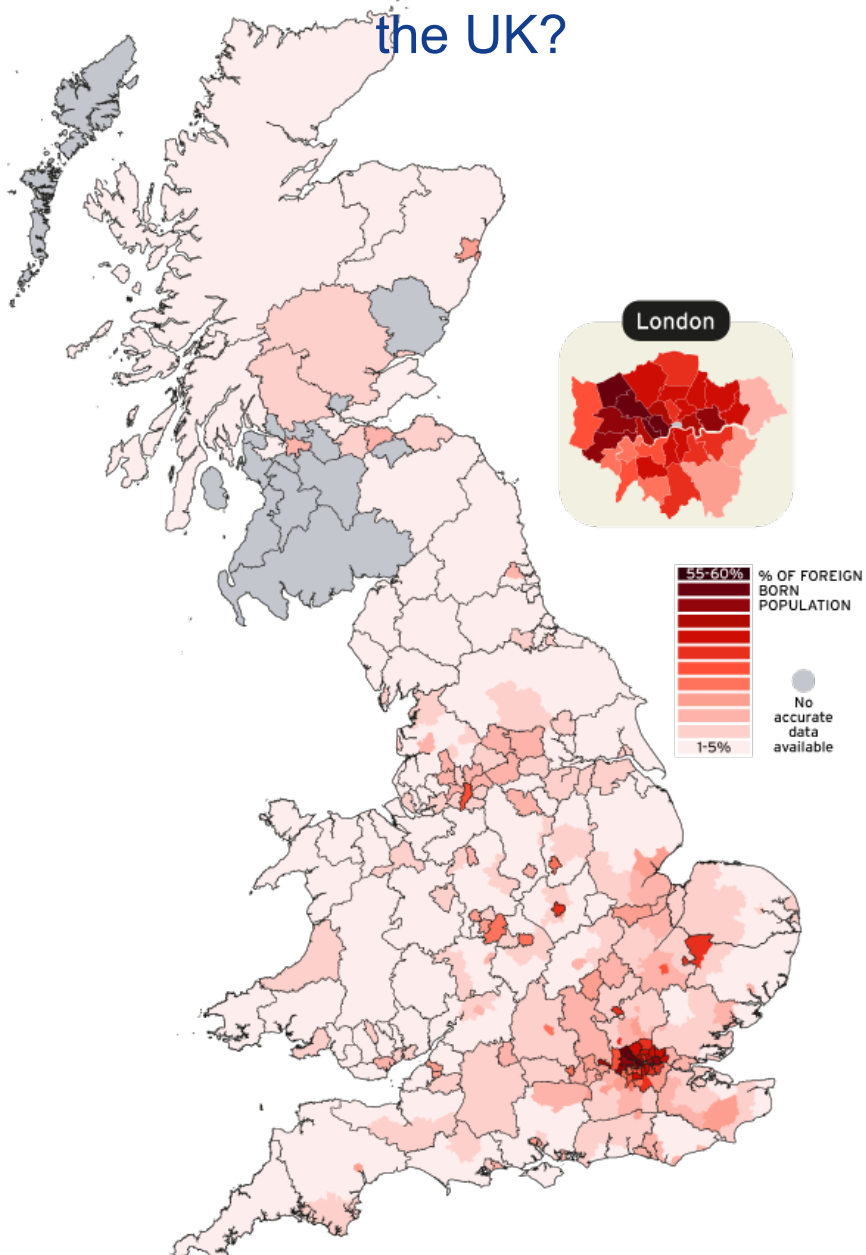
- Background
- Motivation
- Research Questions
- Methodology and Data
- Implications

# Immigration and Emigration Population by Countries (2015 estimates)



Source: Migration Policy Institute (MPI) Data Hub, 2016.

# Destination of Immigrants to the UK?



Source: The Mirror, 2015.

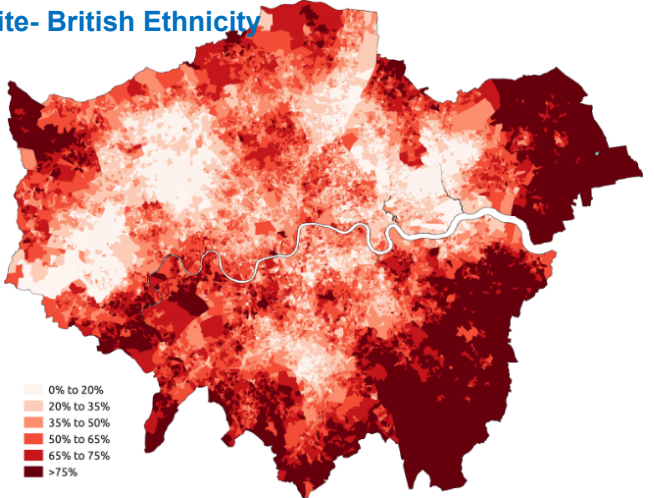
## Origin of UK Immigrants

Origin	Migrants
India	780,000
Poland	700,000
Pakistan	540,000
Ireland	500,000
Germany	320,000
Bangladesh	230,000
South Africa	220,000
Nigeria	220,000
United States	210,000
China	180,000
Jamaica	170,000
Italy	150,000
Kenya	150,000
France	150,000
Philippines	140,000

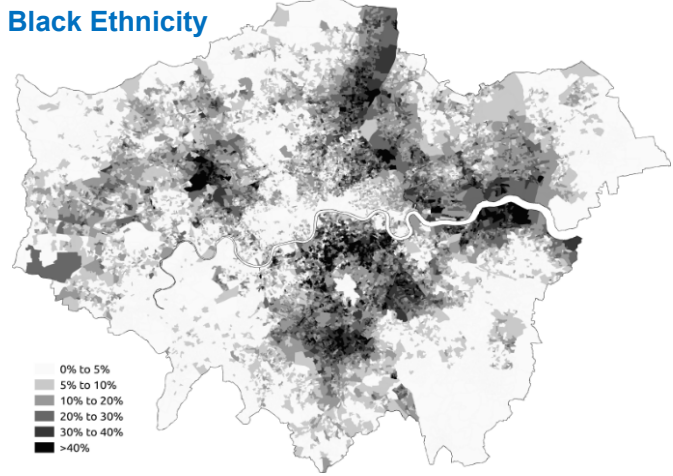
Source: United Nations Population Division, 2015; Pew Research Centre, 2015.

# Migration and Housing Patterns in London

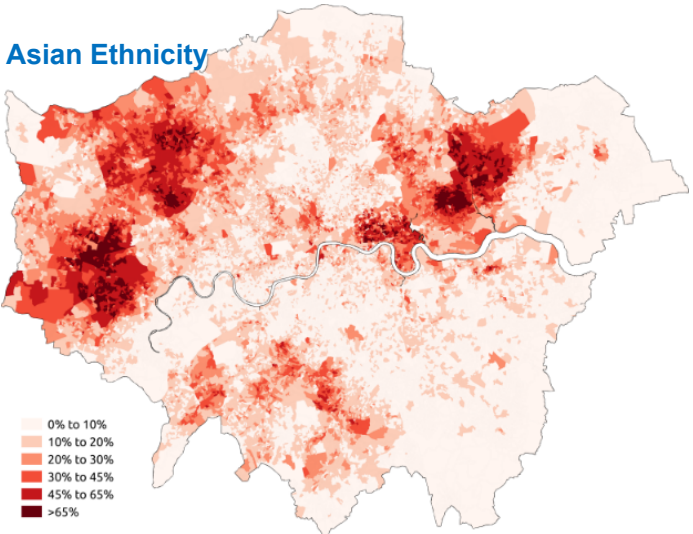
White- British Ethnicity



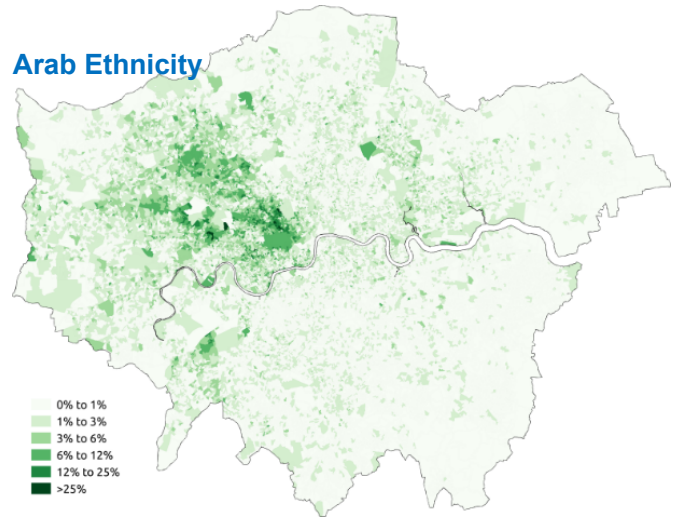
Black Ethnicity



Asian Ethnicity



Arab Ethnicity

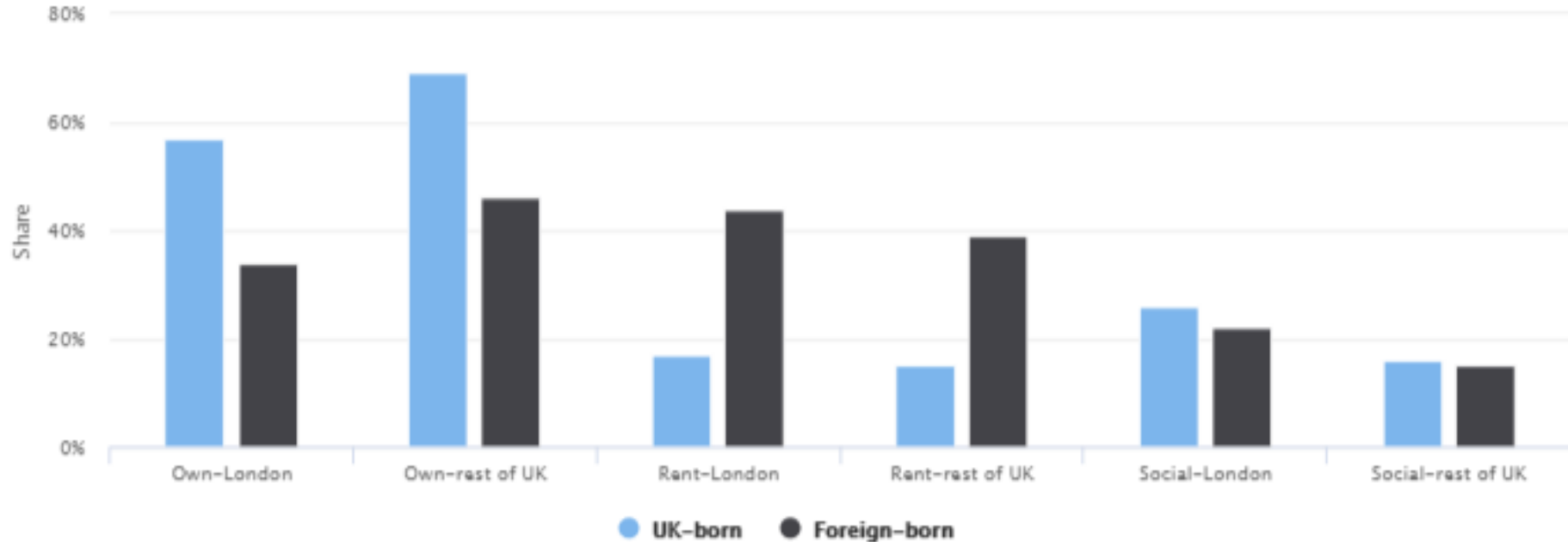


Source: *Census data, 2011; ONS, 2011.*

The ethnic residential clustering in London may be an indication of the variation in the housing choices and patterns for natives and different non-native groups.

# Variation in Housing patterns (Homeownership/Rental Rate)

## Housing Accommodation: London vs the rest of the UK

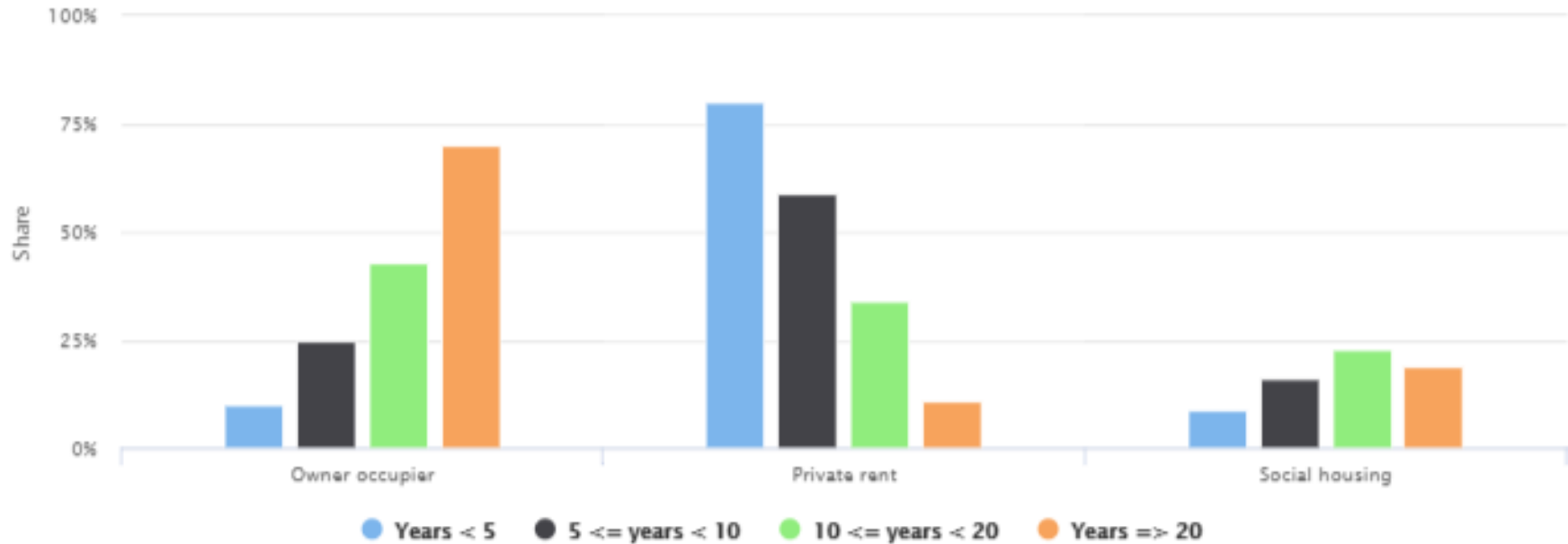


Source: ONS Labour Force Survey, 2016; Migration Observatory, 2016.

# Variation in Housing Patterns

(Accommodation in the migrants' lifecycle)

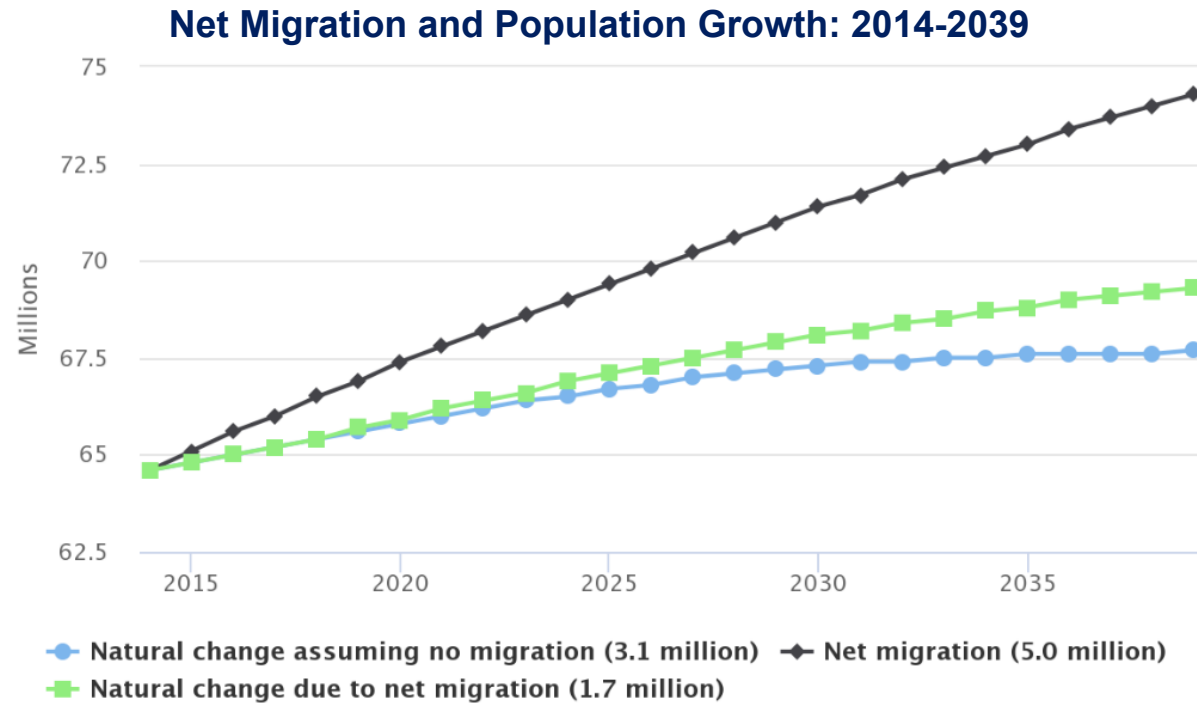
## Accommodation of Foreign-born by time spent in the UK




Source: ONS Labour Force Survey, 2016; Migration Observatory, 2016.

- There is insufficient empirical insight on the mechanism behind these variations.
- Several studies have provided insight on migration and lifecycles (Todaro, 1969; Fortuijn, 1998), but there is no evidence of empirical work on the migration lifecycle effects on the variation in housing patterns for migrants and immigrants.

# Motivation



Source: ONS, 2014; Migration Directory University of Oxford, 2016.

- Approximately 68% of the projected increase in the UK population is attributable to future net migration (ONS, 2014; Migration Directory, 2016).
- Increase in migration  Changes in demand dynamics for housing and infrastructure.
- Empirical cognisance on the mechanics of housing pathways is vital for forecasting, planning, and formulation of housing policies.



# Research Questions

This research aims to **empirically detect** the **mechanism** for the variation in housing pathways for natives and non-natives.

Key Questions:

1. How does the **migration lifecycle** of non-natives create a variance in housing patterns?
2. What are the effects of **individual, geographic, socio-economic, demographic** and **cultural** factors on natives and migrants' housing patterns?
3. Is there evidence of **differential treatment** between migrants and natives in the housing market?

# Research Question: Differential Treatment/ Discrimination?

Literature in housing discrimination typically attempts to answer 2 key questions:

1. Does discrimination exist in the housing market? (***Presence of discrimination***) (Yinger et al 1987; Munnell et al 1996; Tootell, 1996; Ahmed and Hammarstedt, 2008).



2. What drives the discrimination in the housing market? (***Mechanism***) (Guryan and Charles, 2013; Hanson et al 2016).



Two standard **economic theories of discrimination**:

- ***Taste-based theory of discrimination*** (Becker, 1957)- driven by prejudice;
- ***Statistical discrimination theory*** (Arrow, 1971; Phelps, 1972)-driven by information.

More recent mortgage discrimination literature consider the disparate impact theory

- ***Disparate impact theory***- logical sequence of prior disadvantage (Blank et al 2004).

The **missing puzzle piece**:



1. Which of these three theories **best explain the mechanism** of discrimination in the housing market?

2. How can they be **disentangled**?

# Classification of Literature on Discrimination in the Housing Market

Data Source/ Methodology	Research	Market Segment	Theory	Country
<b>Survey-based</b>	Munnell et al (1996)	Mortgage	Taste-based/statistical	United States
	Tootell (1996)	Mortgage	Taste-based/statistical	United States
<b>Audit-based</b>	Zhao et al (2006)	Sales	Taste-based/statistical	United States
<b>Correspondence-based</b>	Ahmed et al (2008)	Rental	Taste-based/statistical	Sweden
	Baldini and Federici (2011)	Rental	Statistical	Italy
	Andersson et al (2012)	Rental	Taste-based/statistical	Norway
	Hanson et al (2016)	Mortgage	Taste-based/statistical	United States
	Auspurg et al (2017)	Rental	Taste-based/statistical	Germany

Correspondence-based experiments offer the best prospects of disentangling taste-based discrimination from statistical and disparate impact. (Guryan and Charles, 2013)

# Methodology

This research covers a broad economic and social spectrum, hence, data and methodological triangulation will be adopted.

## Primary Data

Exploratory interviews

Surveys

Correspondence-based Experiments

## Secondary Data

English Housing Survey Data

British Household Panel Survey

Land Registry Data

Others

- Individual, neighbourhood, household and property characteristics will be specifically analysed.
- Probit panel models (see Munnell et al 1996; Bayer et al 2008; Guryan and Charles, 2013; Hanson and Hawley, 2011).

# Implications

Migration will serve as a key driver for housing demand in the next couple of decades.

Planning and forecasting largely depend on trends and patterns.

This analysis will:

- Provide empirical evidence showing migrant's housing trends at various levels and through the migration lifecycle;
- Reveal the housing pathways of economic, social, political and environmental migrants;
- Provide insight on how these factors influence and define demand in the core segments of the housing market;
- Improve on the channel of transmitting signals from the user to the development segment of in the housing market.

# References

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# Thank you

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