Do Renters Actually Cause Homeowners to Move: New Evidence from a Nearest Neighbors Design

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Abstract

This paper examines how the presence of renter-occupied single-family homes affects the mobility of nearby homeowners. Using a nearest-neighbor design, I analyze data from 2010 to 2018 in Miami-Dade County to compare move rates of owner-occupied homes with a new renter-occupied neighbor against those further down the same block. Findings indicate that homeowners with next-door renters have a 7.24% higher move rate, increasing to 11.63% when the comparison is limited to homes just two doors down. The effect is pronounced in neighborhoods with very low or very high rental rates and high churn rates, and is particularly strong for corporate-owned rentals. These results suggest that the impact of renters on homeowner mobility is context-dependent, highlighting the need for nuanced housing policies to mitigate potential negative effects and promote neighborhood stability.

2.1 Introduction

The relationship between nearby rental properties and homeowner behavior has garnered significant attention in recent decades. This chapter contributes to this growing literature by examining how the presence of renter-occupied single-family homes affects the move rates of nearby homeowners. Understanding how homeowners respond to changes in neighborhood tenure is crucial for several reasons. For homeowners, the arrival of renters may affect property values (Coulson & Li, 2013), neighborhood stability (Coulson & Wommer, 2019), and quality of life. Policymakers need to be aware of these dynamics as they shape housing policies, zoning regulations, and community development strategies. The potential for neighborhood turnover or "white flight" in response to changing tenure patterns can have significant implications for social cohesion, local economies, and urban planning (Schelling,1969).

Lambie-Hanson & Reid (2018) show that single-family rentals have increased since the Great Recession as many financially vulnerable homeowners lost their homes to foreclosure sales. It is important to better understand the implications of this sudden change in neighborhood tenure. Previous research has shown that the presence of rental properties can affect homeowners and the surrounding neighborhood in a variety of ways. Coulson & Li (2013) provide evidence for the positive relationship between housing prices and a neighborhood's homeownership rate. Ihlanfeldt & Yost (2019) find that all types of rental properties have an impact on crime. Furthermore, single-family rentals located outside the immediate neighborhood have a particularly large positive effect on both neighborhood crime and crime on single-family properties.

Nevertheless, Ihlanfeldt & Yang (2021) show that another effect of increasing the share of single-family rentals has been to lower the relative cost of entry into these neighborhoods.

They discuss that a contributing factor to racial segregation in America's metropolitan areas is the inability of minority households to afford housing in predominantly white, owner-occupied, single-family property neighborhoods. The authors show an increase in single-family rentals reduces neighborhood racial segregation for black households. These conflicting effects make it clear more research is necessary to better understand how homeowners respond to an increase in renter-occupied single-family properties.

Past research has focused primarily on how racial preferences drive neighborhood segregation as opposed to tenure preferences. Schelling (1969) is the first to describe neighborhood tipping behavior, demonstrating that even if households have small preferences for neighbors of the same race, this can lead to an equilibrium outcome that produces extreme segregation at the neighborhood level. Starting in the 1990s, Coulson & Wommer (2019) document that racial changes become less important. Their study finds that neighborhoods were more likely to undergo a tipping point when the percentage of renters exceeded a certain threshold, regardless of neighborhood racial composition. This is referred to as "tenure tipping," which describes rapid neighborhood change from owner-occupied to renter-occupied. The authors find that neighborhoods after 1990 are becoming more sensitive to rental penetration.

Bayer et al. (2024) highlight the problems in determining the precise cause of neighborhood tipping. They point out that it is difficult to ascertain whether tipping occurs due to the characteristics of new residents or because of concurrent changes in the neighborhood. For instance, shifts in neighborhood composition often coincide with alterations in local amenities such as school quality, crime rates, and commercial developments (Bayer et al., 2024). Moreover, households make decisions about moving in or out based on both present conditions and anticipated future developments. This complexity makes it challenging to discern whether

residents are responding negatively to the presence of new neighbors specifically, or to other factors related to their expectations about the neighborhood's future trajectory.

The literature identifies several mechanisms to explain why a decline in neighborhood homeownership rates can result in these outcomes. Firstly, there is a difference in housing quality between owner-occupied and renter-occupied homes. Henderson & Ioannides (1983) propose that this difference stems from the fact that owner-occupiers internalize the costs associated with higher utilization, while renters do not. In single-family rental markets, renters are not burdened with the social marginal costs of their usage, leading to what is termed a rental externality. Renters, unlike owner-occupiers, lack the incentive to maintain the property's long-term value, potentially resulting in overuse and accelerated wear and tear. This overuse is often challenging or expensive for landlords to identify (Benjamin et al., 1995). Supporting this view, Galster (1983) provides empirical evidence that owner-occupied homes tend to invest more in maintenance and experience fewer problems compared to rental properties. Additionally, Shilling et al. (1991) find that rental properties depreciate more quickly than owner-occupied ones.

A second mechanism is that renters are less likely to engage in what Goodstein & Lee (2010) refer to as passive policing. This refers to the informal surveillance and community engagement activities that residents, particularly homeowners, often engage in to maintain neighborhood safety and order. Renters, who typically have shorter-term residency and potentially less investment in the long-term well-being of the neighborhood, are generally less likely to participate in these activities. Passive policing can include actions such as keeping an eye on neighbors' properties, reporting suspicious activities to authorities, participating in neighborhood watch programs, or maintaining a visible presence in the community. The reduced

likelihood of renters engaging in these behaviors can lead to a decrease in overall community vigilance and an increase in crime.

Finally, as alluded to earlier, some of the observed moves by homeowners may be attributed to racial prejudice or "white flight" (Schelling, 1969). Ihlanfeldt and Yang (2021) found that an increase in single-family rentals can reduce neighborhood racial segregation by providing more affordable housing options for minority households, particularly African Americans. While my study cannot isolate the tenure effect from the race effect, it is crucial to recognize that both factors may contribute to the observed patterns of homeowner mobility.

This paper contributes to the literature specifically by asking how owner-occupied single-family-home move rates respond to receiving an immediate neighbor that is a renter-occupied single-family home. Using data from 2010 to 2018, I employ a nearest-neighbor design similar to Bayer et al. (2024) to compare the move rates of owner-occupied single-family homes whose next-door neighbor transitions from owner-occupied to renter-occupied against the move rates of owner-occupied single-family homes up to five doors down on the same census block that do not receive this particular neighbor in the same quarter-year. Data on single-family homes is gathered from the Florida Department of Revenue and the Miami-Dade Property appraiser, which provide a rich set of characteristics such as price, bedrooms, bathrooms, square feet, and more. This paper uses the same definition for single-family rentals as Ihlanfeldt & Yang (2021), which states the property must satisfy the condition of not taking the homestead exemption, and the owner's address must differ from the physical address of the property.

Findings indicate that owner-occupied single-family homes whose next-door neighbor transitions from owner-occupied to renter-occupied have a 7.24% higher move rate compared to owner-occupied single-family homes that are between two doors to five doors down. This effect

increases to 11.63% when restricting the control group to only owner-occupied single-family homes that are two doors down. I look into the heterogeneity of this result by census block single-family rental rate, census block churn rate, and rental type. For the rental rate, my results show the impact is particularly pronounced in the extreme quantiles of the distribution. Specifically, the impact is significantly heightened in census blocks where the census block single-family rental rate is below the 25th percentile or above the 75th percentile. For census block churn rate, the impact is only pronounced in census blocks above the 75th percentile. Finally, results indicate the effect is driven more by corporate rentals as opposed to individuals engaging in the rental market.

2.2 Data

My sample of single-family households in Miami-Dade County over the period 2010-2018 consists of data from several sources. The first comes from the Florida Department of Revenue (FDOR), which has a rich set of transaction characteristics and other important variables needed to classify single-family households as owner-occupied versus renter-occupied. Following Ihalfeldt & Yang (2021), households are classified as renter-occupied if they meet the following two conditions. First, the household does not claim the homestead exemption in a given quarter- year. Second, the household's physical address does not match the owner's mailing address in a given quarter-year. A household is classified as owner-occupied if it meets at least one of those two conditions. This data is merged with the Miami-Dade Property Appraiser, which offers a more extensive set of property characteristics than the FDOR such as bedrooms, bathrooms, and square feet for each single-family household.

Owner-occupied single-family households are classified as treated if an immediate next-door neighbor transitions from owner-occupied to renter-occupied in a given quarter-year. An

immediate neighbor is identified using a nearest neighbors algorithm similar to Bayer et al. (2024) that creates an ordered sequence of addresses by street number, street name, zip code, etc. An immediate neighbor is defined as households on the same side of the street that are immediately next-door on either side. This is in line with Bayer et al. (2024) who also defines nearest neighbors as next door homes on the same side of the street. This method reduces influence of other potential confounding variables since homes on the same side of the street are typically assigned to the same school and have similar likelihoods of crime victimization (Bayer et al., 2024). The algorithm accounts for imperfect sequential numbering in street addresses by requiring that renter-occupied households be within 0.1 miles of treated households.

A further restriction for treatment status is that the household does not move in the same quarter-year the new renter arrives. This helps to ensure one does not capture moves coincidental with the arrival of a new renter, as transactions could be formally recorded several months after a deal is reached. Owner-occupied single-family households are classified as controls if they do not receive such a neighbor in the same quarter-year and reside within five doors down on either side. The sample is restricted further by calculating the absolute value difference between the average home age of treated and control households within a block-by-quarter experiment and dropping the most extreme 1% of block-by-quarter experiments. Transaction data is used from the FDOR to compare move rates for those in the treatment group versus those in the control group over a two year period.

I explore the heterogeneity of my result by using data on the owner's name for each household in my sample. For renter-occupied households, this allows me to classify them further as individuals versus corporations participating in the rental market. The FDOR is also used to calculate a churn rate for each census block based on move data for all single-family homes in

Miami-Dade County. Finally, the FDOR is used to calculate the tenure composition of each Census Block to look at the heterogeneity of the impact as homeownership declines.

Figure 2.1 provides a map of Miami-Dade county and illustrates census block groups in which at least one experiment occurred in my dataset. Table 2.1 provides quarter-year summary statistics for parcels in Miami-Dade county over the period 2010-2018. In total, the sample contains 67,578 parcels within five doors down from a household that transitioned from owner-occupied to renter- occupied. Of these observations, 18,811 are immediately next door.

2.3 Methodology

To account for the identification challenges mentioned in the previous section, I use a nearest neighbor design similar to Bayer et al. (2024) to compare how owner-occupied single-family households react to receiving a new neighbor of the opposite tenure (i.e., renter-occupied single-family households), depending on whether the new neighbor is immediately nearby—defined as next-door—or elsewhere on the same census block up to five doors down. The estimating equation can be found in Equation 2.1,

$$Move_{i,j,t} = \gamma Nearby_{i,j,t} + \lambda X_{i,j,t} + \psi_{j,t} + \nu_{i,j,t} \tag{2.1}$$

where $Move_{i,j,t}$ is an indicator variable (x100) for whether owner-occupied household i moves within two years following the arrival of a next-door neighbor that transitions from owner-occupied to renter-occupied. $Nearby_{i,j,t}$ is an indicator variable for whether the new neighbor is immediately nearby household i. $X_{i,j,t}$ are time-varying observable factors at the household level that might affect the likelihood of moving. Finally, ψ_{jt} are block-by-quarter fixed effects for when the renter arrives. A household is treated in the quarter-year in which the renter arrives. $Move_{ijt}$ equals 1 for the quarter-year in which the renter arrives if the treated household moves within two years of the renter arriving and 0 otherwise.

The nearest neighbor design aims to overcome the two identification issues discussed in the previous section for two reasons (Bayer et al., 2024). First, households residing on the same block on the same side of the street at the same point in time are exposed to essentially the same neighborhood amenities. Second, households are exposed to the same information affecting expectations about the future evolution of the neighborhood. Furthermore, γ helps inform whether households care about the identity of their neighbors—in our case, tenure change—as we compare the propensity to move of owner-occupied households that receive an immediate neighbor that changes tenure versus owner-occupied households up to five households further down the same census block that do not in the same quarter-year.

2.3.1 Identification Assumptions

The nearest neighbor design, as outlined by Bayer et al. (2024), relies on three key identification assumptions. The first assumption posits that nearest neighbors are quasi-randomly assigned to owner-occupied households, sharing attributes with other owner-occupied households in the control group. This assumption is reasonable due to the typical homogeneity of single-family households at the census block level and the generally thin market for single-family homes at any given time. Balance tests on key observable housing characteristics are provided in Section 2.4.1 in support of this assumption.

The second assumption concerns limited geographic scope. While the strong version of this assumption requires that only next-door neighbors are directly affected by a new different-tenure neighbor, a weaker and more plausible version allows for households beyond immediate neighbors to be affected, but to a lesser degree.

The third assumption posits no effect of arrival location on future amenities or house prices. Although not all neighborhood amenities are observable, it is possible to examine

whether proximity to a new rental correlates with future property values for those who move. Section 2.5.1 provides evidence supporting this assumption by presenting results on price effects between the treatment and control groups for households in the sample that sell within a two-year period.

2.4 Empirical Results

2.4.1 Balance Tests

Before presenting my main results, I will now show estimates for balance tests to provide evidence that households are quasi-randomly assigned to the treatment and control group. The estimating equation is provided in Equation 2.2,

$$X_{i,j,t} = \gamma Nearby_{i,j,t} + \psi_{j,t} + \nu_{i,j,t} \tag{2.2}$$

where $X_{i,j,t}$ is an observable attribute for household i in census block j at time t. These results can be found in Tables 2.2, 2.3, 2.4, 2.5, and 2.6, where I present balance tests for several candidate control groups. Table 2.2 shows a control group that includes all parcels on the same census block that did not receive a nearest neighbor immediately next-door in the same quarter-year. Results indicate statistically significant differences for several key observable housing characteristics including residence tenure, square footage, bedrooms, baths, and effective year built.

To account for this, the sample is restricted to an even more homogenous stock by including control groups for households between two doors down and five doors down (Table 2.3), households between two doors down and four doors down (Table 2.4), households between two doors down and three doors down (Table 2.5), and households two doors down (Table 2.6). Results indicate that statistically significant differences in key observable housing characteristics

disappear in all Tables 2.3 to 2.6 after restricting the control group to a more homogenous set of households.

2.4.2 Impact of Renters on Owner-Occupied Move Rates

Now I present my main results from estimating Equation 2.1, which can be found in Table 2.7. Columns 1 through 3 use a control group that includes all households in the same census block in which at least one household was treated in a given quarter-year. As was demonstrated in Table 2.2, there were statistically significant differences in observable housing characteristics. This can be interpreted as a potential violation of assumption 1, which requires households to be quasi-randomly assigned to the treatment and control group. In the case of column 3, the impact of receiving a renter on owner-occupied households is -0.25.

To interpret this result, one must divide this value by the sample mean of the dependent variable which I provide for each column in Table 2.7. In this particular case, the dependent variable sample mean is a move rate of 8.49. Therefore, using this treatment and control group, the move rates of owner-occupied single-family households over a two-year period whose next-door neighbor transitions from owner-occupied to renter-occupied is 2.94% lower compared to owner-occupied single-family households on the same census block who did not receive such a neighbor in the same quarter-year. This is statistically significant at the 10% level.

Upon restricting my sample to households within five doors down on either side of a household that transitions from owner-occupied to renter-occupied, results show that the sign becomes positive. The results for column 4 shows that households immediately next door have a 7.23% higher move rate compared to the control group of households between 2 and 5 doors down. This is statistically significant at the 10% level. In columns 5 through 7 of Table 2.7, results show that for different control groups in which I restrict my sample to households within

4 doors down, households within 3 doors down, and households within 2 doors down respectively. The effect increases in size as I restrict my sample. For the sample that only includes households within two doors down, the move rate for households immediately next door are 11.59% higher compared to households two doors down. This is statistically significant at the 5% level.

2.4.3 Heterogeneous Impact of Renters on Owner-Occupied Move Rates

In this section, I present results that look further into the heterogenous impact of renters on owner-occupied move rates across several dimensions. First, the literature on neighborhood tipping (Schelling, 1969; Coulson & Wommer, 2019; Bayer et al., 2024) hypothesize 'tipping points' in which an additional neighbor of the opposite race or tenure will cause the neighborhood to quickly switch to the other race or tenure. To see if the move rate is affected by the tenure composition of a neighborhood, the sample is broken into three subsets based on where a census block is in the single-family rental rate distribution. Specifically, households below the 25th percentile (below 8.33% rentals), households between the 25th and 75th percentile (between 8.33% and 20% rentals), and households above the 75th distribution (above 20% rentals).

I report statistically insignificant results for households in the middle of the distribution presented in Table 2.9 and statistically significant findings at the extremes of the distribution in my sample presented in Tables 2.8 and 2.10. As with Table 2.7, results appear to increase in size as I restrict my sample. For households within five households, the treatment group in a census block with a rental rate in the bottom quintile had a 13.45% higher move rate statistically significant at the 10% level compared to the control group. For households within two households, this effect increases to 17.70% statistically significant at the 10% level. For

households in the top quintile of the rental rate distribution, the effect is slightly more pronounced. For households within five (two) doors down, the treatment group has a 16.19% (19.18%) higher move rate compared to the control group significant at the 5% level. In line with past research in the literature on tipping, these results suggest a stable equilibrium in the middle of the distribution and multiple tipping points appear to be at the extremes of the distribution.

I now ask to what extent the block churn rate effects the move rate for households in my sample. The block churn rate is defined as the number of new arrivals to the block in the prior year divided by 4, divided again by the number of housing units on the block, and then multiplied by 100. Again, my sample is restricted to three subsets based on the churn rate distribution as was done for the rental rate. Findings indicate that only census blocks in the top quintile are statistically significant from zero. These results can be found in Table 2.13. For households within five (two) doors down in a high churn rate census block, the treatment group has a 12.69% (23.15%) higher move rate compared to the control group significant at the 10% (1%) level.

Finally, data is used on owner name to classify renter-occupied households as corporate or non-corporate households. To do this, households are classified as corporate rentals if they have owner names with words like “Investment”, “Group”, “Bank”, “LLC”, etc. as outlined by Mills et al., 2019. Past research (Ihlanfeldt & Yang, 2021) has found that rental type effects homeowner mobility in a variety of ways. For example, homeowners were more likely to move if the stock of neighborhood rentals owned by someone outside of their state increased. Unfortunately, the vast majority of rentals in my sample are in state so I am unable to compare that specific finding to the literature. Findings are shown in Tables 2.14 and 2.15. Findings show that rentals owned by a non-corporate entity are nonsignificant. However, Table 2.14 shows that

for households within five (two) households of a corporate rental has a 11.12% (16.56%) higher move rate compared to the control group significant at the 10% (5%) level.

Further analysis using interaction terms revealed additional nuances in the relationship between next-door rentals and homeowner mobility (see Table 2.16). The rental rate of the neighborhood was found to significantly moderate the effect of a next-door renter, with a negative interaction suggesting that as the rental rate increases, the impact of an additional next-door renter diminishes. This aligns with my earlier findings of pronounced effects in areas with very low rental rates. Interestingly, while the churn rate of the neighborhood didn't show a significant interaction, the corporate ownership of rentals did exhibit a marginally significant positive interaction. The timing of the rental transition also appears important, with a positive interaction between the move quarter and next-door renter variable indicating a stronger effect when the rental transition occurs closer to the potential move date. Finally, while not statistically significant, there's a hint that the effect of a next-door renter may decrease with distance. These interaction effects underscore the complex and context-dependent nature of the relationship between rental properties and homeowner mobility, highlighting the need for nuanced policy approaches that consider multiple neighborhood characteristics.

2.5 Sensitivity Tests

2.5.1 Price Effects

As mentioned in Section 2.3.1, the third identification assumption requires there to be no effect of arrival location on future amenities or house prices. All future amenities cannot be observed. However, I do observe the sale price of all households in my sample that sale within a two-year period. The sale price is an appealing variable to consider because it provides a summary statistic

$$ln(p_{i,j,t}) = \gamma Nearby_{i,j,t} + \lambda X_{i,j,t} + \psi_{j,t} + \nu_{i,j,t}$$

as changes in neighborhood amenities will be captured in the housing market. Therefore, I examine price effects between the treatment and control group for households in my sample that sell within a two-year period. This can be shown using the estimating Equation 2.3,

(2.3)

where $ln(p_{i,j,t})$ is the natural log of sales price for household i in neighborhood j at time t for households in my sample that sell within a two-year period. Results are shown in Table 2.17, and findings show no statistically significant differences in log sale price between the treatment and control group for households that sell.

2.6 Conclusion

This paper uses a nearest neighbor methodology to examine the impact on move rates of owner-occupied single-family households whose next-door neighbor transitions from owner-occupied to renter-occupied. My results contribute to the literature on neighborhood dynamics and housing tenure by highlighting the sensitivity of homeowners to changes in nearby property tenure. The findings align with existing research on tenure preferences and neighborhood stability, suggesting that homeowners may perceive renter-occupied properties as introducing uncertainty or potential declines in neighborhood quality.

My findings indicate that owner-occupied single-family homes whose next-door neighbor transitions from owner-occupied to renter-occupied have a significantly higher move rate compared to similar homes further down the street. This effect is particularly pronounced in neighborhoods with either very low or very high single-family rental rates, and in areas with high neighborhood churn rates suggesting that the impact of renters on homeowners' behavior is context-dependent. The stronger effect observed in areas with very low rental rates is likely due

to the novelty and perceived disruption of rental properties in predominantly owner-occupied neighborhoods. In these areas, the introduction of renters represents a significant change in the neighborhood character. For example, homeowners in predominantly owner-occupied areas may have high standards for property upkeep. They might worry that renters or landlords will not maintain properties to the same level, potentially affecting neighborhood aesthetics and property values. The pronounced effect in areas with high rental rates, while less intuitive, might be explained by the visibility of rental impacts. In these neighborhoods, homeowners can more readily observe the effects of rentals on property values, maintenance, and community dynamics. This heightened awareness may make homeowners more sensitive to additional rental properties in their immediate vicinity.

Furthermore, the impact is stronger for corporate rentals compared to individual rentals. This may be due to several factors. Corporate landlords might be perceived as less invested in the local community, potentially leading to concerns about property maintenance and neighborhood involvement (Henderson & Ioannides, 1983). Additionally, corporate ownership might signal a more transient tenant population, which could affect long-term neighborhood stability (Ihlanfeldt & Yang, 2021).

This paper acknowledges several limitations that warrant consideration. First, the study does not directly control for the potential confounding effects of race and income, which could be confounded with tenure changes and significantly influence homeowner decisions. Future research could benefit from incorporating detailed demographic and economic data to parse out how these factors interact with tenure changes to influence homeowner mobility. Second, the study's focus on Miami-Dade County from 2010 to 2018 may limit the generalizability of findings to regions or periods with different housing market dynamics. These limitations suggest

caution in interpreting causal relationships and highlight the need for further studies to confirm these findings and explore their broader applicability.

This research has significant implications for economists and policymakers for several reasons. First, the increased move rates among homeowners can lead to greater neighborhood turnover, potentially undermining community stability and cohesion. This has implications for local economies, as stable neighborhoods are often associated with stronger social networks and better economic outcomes. Second, understanding the factors that drive homeowner mobility can inform housing policies and zoning regulations aimed at promoting mixed-tenure neighborhoods without triggering adverse homeowner reactions.

For policymakers, these insights are crucial for designing effective housing policies. The results suggest that interventions aimed at balancing rental and owner-occupied properties need to account for the heightened sensitivity of homeowners in certain contexts. Policies promoting corporate rentals might need additional measures to ensure they do not inadvertently destabilize neighborhoods. Additionally, strategies to mitigate the perceived negative impacts of rental properties, such as enhancing property maintenance standards and fostering community engagement among renters, could help alleviate homeowner concerns and reduce mobility rates.

Overall, this study underscores the importance of considering both the type and context of rental properties when assessing their impact on neighborhood dynamics. By providing a nuanced understanding of how different rental scenarios influence homeowner behavior, this research offers valuable guidance for policymakers seeking to create more stable and integrated communities.

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2.7 Tables

Table 2.1: Characteristics of Parcels in Miami-Dade County, 2010-2018

	All Parcels	d = 1 Treated Parcels	d = 2/5 Control Parcels	Census Block Control Parcels
	Mean *(SD)*	Mean *(SD)*	Mean *(SD)*	Mean *(SD)*
Sell Within 2 Years (=100)	8.33 (0.2763)	8.44 (0.2780)	8.11 (0.2729)	8.53 (0.2970)
Next Door Renter (=1)	0.0057 (0.0753)	1.0000 (0.0000)	0.0000 (0.0000)	0.0000 (0.0000)
Residence Tenure (Quarters)	52.3515 (39.8514)	49.7261 (36.3006)	49.6059 (36.2815)	46.6796 (36.1817)
Square Footage (1,000 sq ft)	2.2330 (0.8927)	2.2083 (1.1222)	2.1929 (1.0961)	2.3869 (1.1954)
Bedrooms	3.2033 (0.8013)	3.1360 (0.8616)	3.1419 (0.8288)	3.2856 (0.8746)
Bathrooms	1.9606 (0.7827)	1.9311 (0.9126)	1.9326 (0.8627)	2.0941 (0.9531)
Half-Baths	0.0840 (0.2822)	0.0837 (0.2911)	0.0838 (0.2871)	0.1189 (0.4201)
Year Built	1966.61 (18.85)	1964.61 (19.61)	1965.63 (19.07)	1970.13 (20.08)
Effective Year Built	1972.36 (20.78)	1970.74 (19.93)	1971.72 (19.43)	1975.70 (19.32)
Quality Rating (1 to 5)	2.9487 (1.2179)	2.8122 (1.2740)	2.8259 (1.2656)	2.9751 (1.2723)
Sample Size	6,001,636	18,811	48,767	288,055

Table 2.2: Balance Tests for Treated Parcels and Control Parcels on the Same Census Block

Dependent Variable:	Residence Tenure	Square Footage	Beds	Baths	½ Baths	Year Built	Effective Yr. Built	Quality Rating
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Next Door Renter	0.494*	-8.657*	-0.016**	-0.010*	-0.001	-0.163	-0.227*	0.002
	(0.203)	(1.109)	(0.005)	(0.004)	(0.001)	(0.100)	(0.108)	(0.003)
Fixed Effects								
Block x Quarter	X	X	X	X	X	X	X	X
Sample Means								
Dependent Variable	49.61	2,386.89	3.27	2.07	0.118	1970.26	1975.68	2.97

Note: This table estimates balance tests on key observables restricting observations to treated household and control households and control households on the same census block. Standard errors are clustered at the block group level. The control group is all parcels on the same census block that did not receive a nearest neighbor in the same quarter year. The sample mean for Next Door Renter is 0.0584. $N = 306{,}866$.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.3: Balance Tests for Treated Parcels and Control Parcels When d = 2/5

Dependent Variable:	Residence Tenure	Square Footage	Beds	Baths	½ Baths	Year Built	Effective Yr. Built	Quality Rating
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Next Door Renter	0.043	0.265	-0.005	-0.008	0.002	-0.234	-0.234	0.001
	(0.328)	(6.277)	(0.007)	(0.006)	(0.002)	(0.235)	(0.245)	(0.003)
Fixed Effects								
Block x Quarter	X	X	X	X	X	X	X	X
Sample Means								
Dependent Variable	49.62	2,199.07	3.14	1.93	0.08	1965.74	1971.81	2.82

Note: This table estimates balance tests on key observables restricting observations to treated households and control households between two and five doors down. Standard errors are clustered at the block group level. The control group is all parcels between 2 and 5 doors down that did not receive a nearest neighbor in the same quarter year. The sample mean for Next Door Renter is 0.2678. $N = 67{,}578$.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.4: Balance Tests for Treated Parcels and Control Parcels when d = 2/4

Dependent Variable:	Residence Tenure	Square Footage	Beds	Baths	½ Baths	Year Built	Effective Yr. Built	Quality Rating
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Next Door Renter	-0.093	2.813	-0.004	-0.007	0.002	-0.023	-0.041	0.001
	(0.337)	(6.383)	(0.007)	(0.006)	(0.002)	(0.087)	(0.114)	(0.003)
Fixed Effects								
Block x Quarter	X	X	X	X	X	X	X	X
Sample Means								
Dependent Variable	49.69	2,199.07	3.14	1.93	0.08	1965.51	1971.60	2.82

Note: This table estimates balance tests on key observables restricting observations to treated households and control households between two and four doors down. Standard errors are clustered at the block group level. The control group is all parcels between 2 and 4 doors down that did not receive a nearest neighbor in the same quarter year. The sample mean for Next Door Renter is 0.3081. $N = 55{,}471$.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.5: Balance Tests for Treated Parcels and Control Parcels When d = 2/3

Dependent Variable:	Residence Tenure	Square Footage	Beds	Baths	½ Baths	Year Built	Effective Yr. Built	Quality Rating
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Next Door Renter	-0.065	0.192	-0.005	-0.009	0.002	-0.109	-0.107	0.001
	(0.370)	(6.587)	(0.007)	(0.006)	(0.003)	(0.095)	(0.126)	(0.003)
Fixed Effects								
Block x Quarter	X	X	X	X	X	X	X	X
Sample Means								
Dependent Variable	49.76	2,201.09	3.14	1.93	0.08	1965.54	1971.61	2.82

Note: This table estimates balance tests on key observables restricting observations to treated households and control households between two and three doors down. Standard errors are clustered at the block group level. The control group is all parcels between 2 and 3 doors down that did not receive a nearest neighbor in the same quarter year. The sample mean for Next Door Renter is 0.4012. $N = 41{,}991$.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.6: Balance Tests for Treated Parcels and Control Parcels When d = 2

Dependent Variable:	Residence Tenure	Square Footage	Beds	Baths	½ Baths	Year Built	Effective Yr. Built	Quality Rating
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Next Door Renter	-0.534	2.018	0.001	-0.006	0.004	-0.104	0.015	0.001
	(0.414)	(7.631)	(0.008)	(0.007)	(0.003)	(0.107)	(0.143)	(0.004)
Fixed Effects								
Block x Quarter	X	X	X	X	X	X	X	X
Sample Means								
Dependent Variable	49.94	2,203.62	3.13	1.93	0.08	1965.40	1971.44	2.81

Note: This table estimates balance tests on key observables restricting observations to treated households and control households two doors down. Standard errors are clustered at the block group level. The control group is all parcels 2 doors down that did not receive a nearest neighbor in the same quarter year. The sample mean for Next Door Renter is 0.5229. $N = 31{,}157$.

** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.7: The Impact of a Renter-Occupied Neighbor on Owner-Occupied Move Rates

Dependent Variable:	Current Resident Sold Within 2 Years (=100)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Next Door Renter	-0.388** (0.144)	-0.272* (0.138)	-0.250† (0.138)	0.595† (0.310)	0.615† (0.317)	0.774* (0.343)	0.946** (0.360)
Controls	None	None	Property	Property	Property	Property	Property
Fixed Effects							
Block x Quarter		X	X	X	X	X	X
Sample Means							
Dependent Variable	8.49	8.49	8.49	8.23	8.13	8.07	8.16
Next Door Renter	0.0584	0.0584	0.0584	0.2678	0.3081	0.4012	0.5229
Control Group	Census Block	Census Block	Census Block	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	306,866	306,866	306,866	67,578	55,471	41,991	31,157

Note: This table estimates the impact of a renter moving in next door to an owner-occupied household. Treated observations are owner-occupied single-family households where the current resident-by-quarter had a next-door neighbor transition from owner-occupied to renter-occupied. Control households are also owner-occupied single-family households, but who did not get a new nearby neighbor of the same type that quarter. Columns show control groups for households when restricted to the same census block, two to five doors down, two to four doors down, two to three doors down, and two doors down respectively. Standard errors are clustered at the block group level. ** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.8: Impact of Low Rental Rate

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	1.091† (0.636)	1.138† (0.657)	1.406* (0.714)	1.441† (0.766)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.11	8.11	8.02	8.14
Next Door Renter	0.2401	0.2779	0.3656	0.4877
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	15,585	13,349	9,726	7,034

Note: This table restricts observations to census blocks in which the single- family rental rate is below the 25th percentile in my sample. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.9: Impact of Medium Rental Rate

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	-0.300 (0.440)	-0.254 (0.463)	-0.261 (0.499)	-0.055 (0.519)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.07	7.93	7.84	7.95
Next Door Renter	0.2676	0.3088	0.4016	0.5267
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	30,980	26,713	20,121	15,146

Note: This table restricts observations to census blocks in which the single-family rental rate is between the 25th and 75th percentile in my sample. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.10: Impact of High Rental Rate

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	1.397* (0.690)	1.447* (0.691)	1.672* (0.719)	1.634* (0.748)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.63	8.49	8.51	8.52
Next Door Renter	0.2909	0.3321	0.4309	0.5470
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	14,179	12,276	8,958	7,059

Note: This table restricts observations to census blocks in which the single- family rental rate is above the 75th percentile in my sample. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.11: Impact of Low Block Churn Rate

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	0.406 (0.452)	0.660 (0.452)	0.615 (0.508)	0.474 (0.557)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	7.99	7.89	8.00	8.09
Next Door Renter	0.2965	0.3315	0.4229	0.5297
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	19,618	17,369	12,988	9,993

Note: This table restricts observations to census blocks in which the churn rate is below the 25th percentile in my sample. Block churn rate is the number of new arrivals to the block in the prior year divided by 4, divided again by the number of housing units on the block, and then multiplied by 100. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.12: Impact of Medium Block Churn Rate

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	0.291 (0.409)	0.346 (0.428)	0.606 (0.441)	0.444 (0.530)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.20	8.11	7.98	8.15
Next Door Renter	0.2555	0.2979	0.3898	0.5196
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	26,297	22,457	16,827	12,461

Note: This table restricts observations to census blocks in which the churn rate is between the 25th and 75th percentile in my sample. Block churn rate is the number of new arrivals to the block in the prior year divided by 4, divided again by the number of housing units on the block, and then multiplied by 100. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.13: Impact of High Block Churn Rate

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	1.084† (0.621)	1.156† (0.660)	1.566* (0.713)	1.973** (0.759)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.54	8.47	8.32	8.25
Next Door Renter	0.2525	0.2946	0.3907	0.5189
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	16,734	14,171	10,094	7,478

Note: This table restricts observations to census blocks in which the churn rate is above the 75th percentile in my sample. Block churn rate is the number of new arrivals to the block in the prior year divided by 4, divided again by the number of housing units on the block, and then multiplied by 100. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.14: Impact of Corporate Rentals

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	0.920†	1.077†	1.261*	1.384*
	(0.526)	(0.562)	(0.595)	(0.655)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.27	8.21	8.20	8.36
Next Door Renter	0.2654	0.3065	0.3996	0.5221
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	23,555	20,288	15,133	10,905

Note: This table restricts observations to experiments in which the new neighbor is a corporate rental. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.15: Impact of Non-Corporate Rentals

Dependent Variable:	Current Resident Sold Within 2 Years (=100)			
	(1)	(2)	(3)	(4)
Next Door Renter	0.067 (0.341)	0.213 (0.353)	0.360 (0.367)	0.429 (0.416)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	8.20	8.09	8.00	8.03
Next Door Renter	0.2693	0.3091	0.4021	0.5234
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample Size	39,912	34,632	26,083	19,127

Note: This table restricts observations to experiments in which the new neighbor is a non-corporate rental. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.16: Interaction Effects by Rental Rate, Churn Rate, Rental Type, Time, and Distance

Dependent Variable:	Current Resident Sold Within 2 Years (=100)				
	(1)	(2)	(3)	(4)	(5)
Next Door Renter	0.835**	0.660†	0.145	0.109	0.536†
	(0.321)	(0.363)	(0.330)	(0.072)	(0.322)
Rental Rate x Next Door Renter	-0.328**				
	(0.064)				
Churn Rate x Next Door Renter		0.221			
		(0.178)			
Corp x Next Door Renter			0.592†		
			(0.357)		
Move Quarter x Next Door Renter				0.191*	
				(0.080)	
Distance x Next Door Renter					-0.450
					(0.306)
Fixed Effects					
Block x Quarter	X	X	X	X	X

Note: This table presents interaction effects for each of the three independent variables. The dependent variable mean is 8.23 while the sample mean for Next Door Renter is 0.2678. Columns show control groups for households when restricted to the same census block, two to five doors down. I include controls for property characteristics. Standard errors are clustered at the census block group. $N = 67{,}578$.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

Table 2.17: Price Effects of Current Residents Who Sell Within 2 Years

Dependent Variable:	Log Sale Price			
	(1)	(2)	(3)	(4)
Next Door Renter	-0.068 (0.115)	-0.069 (0.147)	-0.041 (0.198)	-0.131 (0.215)
Fixed Effects				
Block x Quarter	X	X	X	X
Sample Means				
Dependent Variable	10.84	10.85	10.86	10.89
Next Door Renter	0.2769	0.3221	0.4220	0.5440
Control Group	d = 2/5	d = 2/4	d = 2/3	d = 2
Sample size	4,193	3,609	2,739	2,124

Note: This table restricts observations to current residents in the treatment and control group who sold within two years. I include controls for property characteristics. Standard errors are clustered at the block group level.
** Significant at 1 percent level. * Significant at 5 percent level. † Significant at 10 percent level.

2.8 Figures

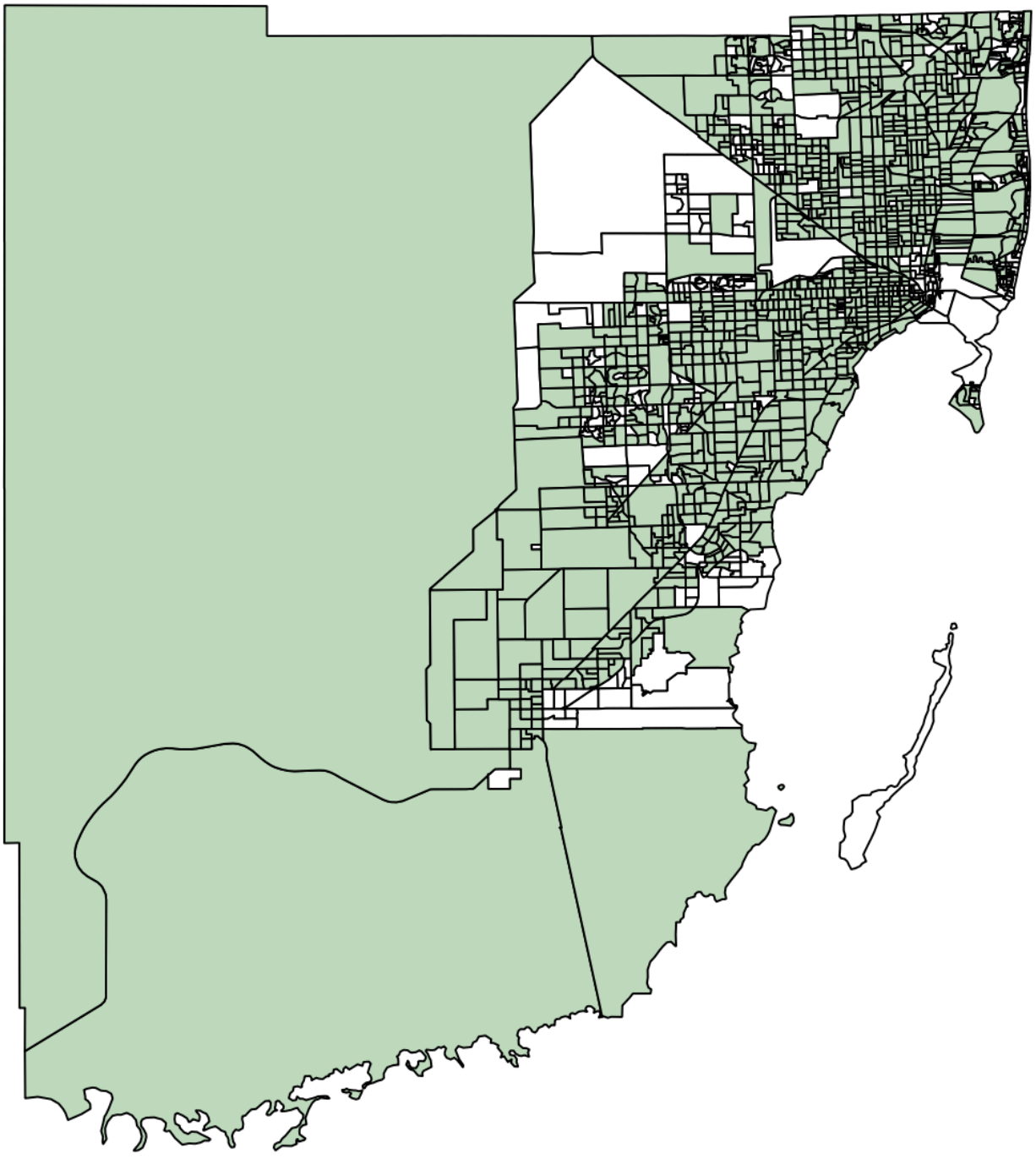

Figure 2.1: Census Block Groups Where At Least One Experiment Occurs

Notes: This figure highlights census block groups in which at least one household was treated during the time period 2010-2018.