

Immigration and Homeownership

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Discussion by

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This Paper

Research question:

- Do immigrant inflows reduce homeownership among US-born households?

Two research designs:

- Shift-share: 1980 enclave shares $\times$ national inflows by origin country
- Difference-in-differences: the 2014 Venezuelan exodus

Headline results:

- Immigrant inflows lower native homeownership
- Declines concentrated among young, white, single-male natives
- Existing owners gain housing wealth

Mechanism:

- Immigrant housing demand raises prices and affordability burdens
- Stronger with inelastic supply and home-buying immigrant inflows

My Take

An important and timely question

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- The incidence result replicates across both designs and survey transitions

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My comments

- Match the labels to the estimated objects
- Audit the instrument as an instrument
- Complete the mechanism test at the county level

Comment 1: Reduced Form in the Tables, 2SLS in the Prose

The claim

- “Moving from the 25th percentile to the 75th percentile of immigration across counties is associated with a decrease in homeownership of 4.91 percentage points among natives.”

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What the regressions estimate

$$\underbrace{-0.452}_{\text{reduced form, per pp of imputed immigration}} = \underbrace{0.557}_{\text{first stage}} \times \underbrace{(-0.81)}_{\text{per pp of observed immigration}}$$

- Equation (1) calls the observed share immigration; the tables use the imputed one
- The 4.91 multiplies a within-county slope by a cross-county IQR of imputed immigration

Pick one language

- Imputed immigration units throughout, or 2SLS with its first stage

Comment 1: Half the Mortgage Decline Is Ownership Itself

The outcome called mortgage access is an indicator for holding a mortgage

$$\underbrace{\text{mortgage decline}}_{-0.584 \text{ pp per pp}} \approx \underbrace{\text{fewer owners}}_{0.634 \times (-0.452) \approx -0.287} + \underbrace{\text{owners dropping mortgages}}_{\text{the rest}}$$

- Half is mechanical: fewer owners means fewer mortgage holders
- The rest is composition: remaining owners hold mortgages less often
- Nothing here measures mortgage access

Rename the outcome

- Mortgage incidence, reported conditional on ownership
- Application and denial rate from the HMDA

Comment 2: The Paper's Own Audit Shows the Strain

The treatment

$$\underbrace{\text{imputed immigration}_{c,t}}_{\text{what the regressions use}} = \sum_o \underbrace{\text{enclave share}_{c,o}^{1980}}_{\text{where origin } o \text{ settled}} \times \underbrace{\text{national inflow}_{o,t}}_{\text{common to all counties}}$$

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The right audit (Goldsmith-Pinkham et al. 2020)

- Balance test: 1980 shares are not balanced on population, education, urbanization
- Top Rotemberg weights: five origin groups drive the identification

	India	Other Americas	Africa	China	Other Asia
Origin-specific estimate	-0.293	+0.336	-0.192	-0.075	-0.840

- Other Americas runs the other way: construction demand → housing supply

Comment 2: Migrants Settle Where the Shocks Land

Why realized shares fail (Terry et al. 2026)

- Card-style designs assume the 1980 settlement map is unrelated to future local shocks
- But origins settled where their sectors sit; sector shocks recur in the same counties

The example, in this paper's outcome

- Indian engineers $\times$ Santa Clara tech: chips in the 1970s, software in the 2000s
- Each boom pulls in new employer-sponsored inflows
- And prices young natives out via incomes and stock wealth: no immigrant home-buying

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The fix: predict the shares, do not inherit them

- Push: each origin's national migration wave since 1880
- Pull: the county's attractiveness to all migrants
- A century of push $\times$ pull coincidences predicts the 1980 enclaves

Comment 3: The Decisive Row Is Missing

The mechanism test does not reach the title outcome

	Response to immigration	Inelastic supply	Elastic supply
Log house price		0.021***	0.003
Log price-to-income		0.024***	0.001
Native homeownership		?	?

- The stated reason: elasticity is “available only at the MSA level”

Run homeownership through the constraint design on the full panel

- Land unavailability now exists at county level (Lutz–Sand, 2026)
- Predetermined physical geography
- From 3,840 MSA-years to the full 46,878 county-years

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Two candidate mechanisms

- Affordability: entry thresholds (down payment, qualification) scale with the price level
- Tenure choice: owning gets pricier relative to renting; households switch to renting

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Your affordability table already contains the relative-cost test

Response to immigration	QCEW	QWI	IRS
Log price-to-income	0.021***	0.022***	0.015**
Log rent-to-income	0.025***	0.027***	0.020***
Log price-to-rent	-0.004	-0.005	-0.005

- A pure rent-vs-own tradeoff predicts the opposite of what happened

To complete the mechanism test

- Report a matched-segment price-to-rent outcome

Conclusion

My take

- The local fact and its incidence are credible and carefully built
- Read it as entry thresholds: young marginal buyers lose, incumbent owners gain

My suggestions

- Pick one unit and hold it: imputed or observed immigration
- Try the predicted-ancestry instrument
- Test the mechanism on homeownership at the county level