

Immigration and Housing

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Immigrants are a diverse group, and any generalizations are bound to be erroneous to some degree. By definition, though, they have at least one thing in common, which is that they cross national boundaries, to create a new residence in a new country. Largely this is to improve their economic prospects, and so the flow is primarily from low income into high income countries. . Some are unskilled, possibly with “guest worker” status or perhaps undocumented. Others are highly skilled and highly educated. Wherever they come from, and whatever the receiving country, there are a couple of useful generalizations that can be made, bearing in mind the opening caveat. The first is that immigrants typically live in cities, often near borders or other entry points. The second is that recent immigrants are more mobile— indeed, by definition they have demonstrated that mobility in the act of immigrating. Thus, immigrant housing arrangements are often viewed as transitional. A third generalization, which follows from the second, but is nevertheless subject to the aforementioned heterogeneity, is that more established immigrant households come more and more to resemble native households. These generalizations help to understand the empirical regularities that can be observed in immigrant housing data.

These empirical regularities include (1) For those on the lower end of the economic spectrum attention has been focused on the extent to which immigrants live in “substandard” housing; and (2) the extent to which immigrants live in crowded housing; and (3) the existence of spatial concentrations of immigrant households, or “immigrant clusters”. For those with higher skills and greater resources, research has centered on (4) “homeownership gap” between immigrant and native households. The research on each topic is summarized below, concentrating on the experiences of immigrants to the United States, but even the most recent US research will not have encompassed the changes in the housing market since the dramatic shifts in the housing market since 2007. It is worth noting, nevertheless, that the patterns seen in prior years are still seen in the 2009 American Community Survey Public Use Micro Sample. Among households with a reference person (thus excluding certain housing arrangements) the ownership rate with a native-born reference person was 13 percentage points higher than that of immigrants, and the number of persons per room was about 0.25 higher among immigrant households. Measures of housing experiences in the ACS do not include particularly good indicators for “substandard” units, or neighborhood composition, but it is worth mentioning that immigrant houses were smaller by about 0.7 rooms (though prices paid were higher, a result of clustering in more expensive locations). The extant research on these differentials thus will have some bearing on the current status of immigrant/native differentials.

Substandard Housing: Much research has focused on the question of whether immigrant households reside in units that are of low or substandard housing. While this concern has some merit especially for migrant or very temporary residential spells, for urban migrants in the US it is very difficult to separate out the causal effects of ethnicity versus immigrant status when examining this issue.

Overcrowding: Overcrowding (usually defined as having more persons in a household than rooms) was a predominant, though declining, and feature of immigrant housing experiences in the US for much of the early twentieth century. Many studies noted a resurgence in overcrowding with new

waves of immigration in the 1980s. This was in some measure due to the high costs of housing in the area, and the low earnings of at least the younger immigrant cohorts. These authors also note that overcrowding is often thought of as a temporary condition, as discussed above and find that more established immigrants were less often observed in overcrowded conditions. This was attributed at least partially to the increased earnings of older immigrants.

Clustering: Clustering is a prominent facet of urban housing experiences of immigrants and this can have substantial impacts on the associated housing markets. Many authors have noted that these clusters can be transitional in nature, but also note that they have increased demand within these neighborhoods and caused increases in housing costs. A recent phenomenon in some areas is the genesis of suburban clusters which can accelerate ownership, but have mixed effects on assimilation.

Homeownership: Ownership (at least until the housing crisis of 2008 and going forward) has been seen as an important policy goal for immigrant households. This is due to its traditionally perceived role as a mechanism for wealth creation, but perhaps equally importantly for immigrant households, as a signal of assimilation and achievement of the “American Dream”. Research has persistently demonstrated that immigrant households are less likely to be homeowners than native born households. This can be due to many factors. The lower income and initial wealth of these households plays a significant role. For Hispanic immigrants in particular, the lack of education is an important factor; this is because homeownership is not so much a function of current income but permanent, or lifetime income, of which education is a primary determinant. Asian (and other groups, to a lesser extent) immigrants more than proportionally have lived in locations (California, New York City) that have high value to rent ratios, making a home purchase a suboptimal decision for many families.

The relatively higher mobility of immigrant households certainly plays a role, for homeownership is not a financially viable proposition if the expected length of tenure is short. Asian immigrants are sometimes (depending on location) are found to have higher than expected ownership rates, once mobility is accounted for. Immigrant households who have sufficient mobility to move beyond traditional gateway cities to other metropolitan areas have ownership rates similar to native households in those cities. Additionally, research has usually found that as time in the United States increases, so does homeownership, a result of increased mobility, increased earnings and more speculatively, assimilation.

Finally, it is worth noting that immigrants have an impact on the supply of housing as well as demand, as they make up a large part of the labor force in the construction industry in many cities. The extent to which this lowers the price of housing is unclear.

Further reading

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