

Public Abstract

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Title:Family Structure, Residential Area and Housing Demand:  
Evidence from Micro-data for the U.S.

Existing literatures emphasize the estimates of price and income elasticities for housing demand over the whole population. However, they have overlooked that there might exist notable differences in housing demand between the whole population and subgroups of the population. Therefore, this dissertation analyzes and quantifies different responses of whole population and subgroups for housing demand categorized by family structure and residential area.

U.S. household level data from the Panel Study of Income Dynamics (PSID) are used to analyze the effects of family structure and residential area on tenure choice and housing demand. This data is used to model hedonic house price, tenure choice and housing demand.

This dissertation presents the significant differences in the housing demand between the subgroups and analyzes the effects of other demographic factors.

First, the effect of family structure on tenure choice and housing consumption is very significant. Single person and single parent households are less likely to own their house, while couples with children are likely to consume more housing.

Second, the location of households affects tenure choice significantly. The households living in the center of a big city are less likely to own than the households living small urban and rural areas.

Third, each family structure has different income and price elasticities of housing demand. Single parent households are more responsive to change in income and less responsive to change in price compared to other types of households. Single person household has relatively high price elasticity.

Fourth, other demographic factors also affect housing demand significantly. As expected, age and education of household head have positive effects on housing demand. Race also affects housing demand significantly. White household head is positively correlated with housing demand.