FAMILY STRUCTURE, RESIDENTIAL AREA

AND HOUSING DEMAND:

EVIDENCE FROM MICRO-DATA FOR THE U.S.

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ABSTRACT

Existing literatures emphasize the estimates of price and income elasticities for housing demand over the whole population. This dissertation analyzes and quantifies different responses of whole population and subgroups for housing demand categorized by family structure and residential area. Micro data for the U.S. 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.

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.