

“Neighborhood Stability and Neighborhood Change: A Study of Housing Unit Turnover in Low-Income Neighborhoods”

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Brett Theodos is a senior research associate in the Urban Institute’s Metropolitan Housing and Communities Policy Center. His expertise is in affordable housing, neighborhood change, economic and community development, and financial services. He currently leads an impact evaluation of 10 shared equity homeownership programs with funding from the Social Innovation Fund, and conducted an earlier study of outcomes for homebuyers in seven shared equity programs for NCB Capital Impact. For the Annie E. Casey Foundation, he has conducted several research studies of household mobility, including examining the relationship between mobility and neighborhood change. Theodos is also engaged through the MacArthur Foundation’s Building Resilient Regions network to complete a series of research studies on the links between housing and neighborhoods. He has evaluated several federal economic development programs, including the New Markets Tax Credit program, four Small Business Administration loan or investment programs, and HUD’s Section 108 program. He has conducted research on financial capability, financial education and coaching, and small dollar credit products in work sponsored by the Consumer Financial Protection Bureau and the U.S. Department of the Treasury.

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Summary and Findings: There is growing interest in place-based strategies to strengthen communities and improve outcomes for low-income families. An underappreciated factor in these place-based policies is the process of residential mobility and housing unit turnover. Residential mobility could be an impediment to program effectiveness—or a force for positive change in the lives of residents and in the target community. We take an in-depth look at housing unit turnover in 60 neighborhoods in 10 cities that were part of a place-based initiative, the Annie E. Casey Foundation’s Making Connections program. We find large differences across neighborhoods in turnover. Neighborhood-level factors associated with turnover include the mix of housing tenure and housing stock and the economic status of the neighborhood. Neighborhoods with mostly rental housing exhibit significantly higher levels of turnover. Poverty is also a factor, but some poor neighborhoods—in particular, ethnic enclaves—have lower rates of housing turnover. Poor household occupants turn over more frequently than other households; elderly households have much lower turnover rates. Households engaged in neighborhood organizations turn over less than those not involved with such groups.

Implications for Policy and Practice: This panel of housing units nested within neighborhoods allows us to draw a more direct connection between turnover and neighborhood change than has been possible in other studies. The overall picture is one of quite a bit of turnover, but only slow changes in the profile of the neighborhoods. But this generalization belies some important variation. Moving neighborhoods off the “trend line” is something that place-based initiatives are attempting to achieve. From looking at examples, we can glean insights into the contextual factors that put neighborhoods on a positive trajectory. The study also reveals characteristics of housing units and the households that occupy them that influence the chances that they will turn over. Some of these predictors, such as having children in the household or being low-income, are often associated with moves that can be stressful and disruptive. Analysis of the factors related to turnover can prove useful in pinpointing risk factors that could help

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interventions target and stabilize families in these situations. Housing unit panel data, such as that collected as part of the Making Connections program, bring the connection between the social and built environment of neighborhoods into focus. Without the level of detail about stocks and flows that this type of panel provides, it is difficult for place-based initiatives to assess their progress.