How are asylum reception centers perceived in local communities?

House prices as a mirror of minds

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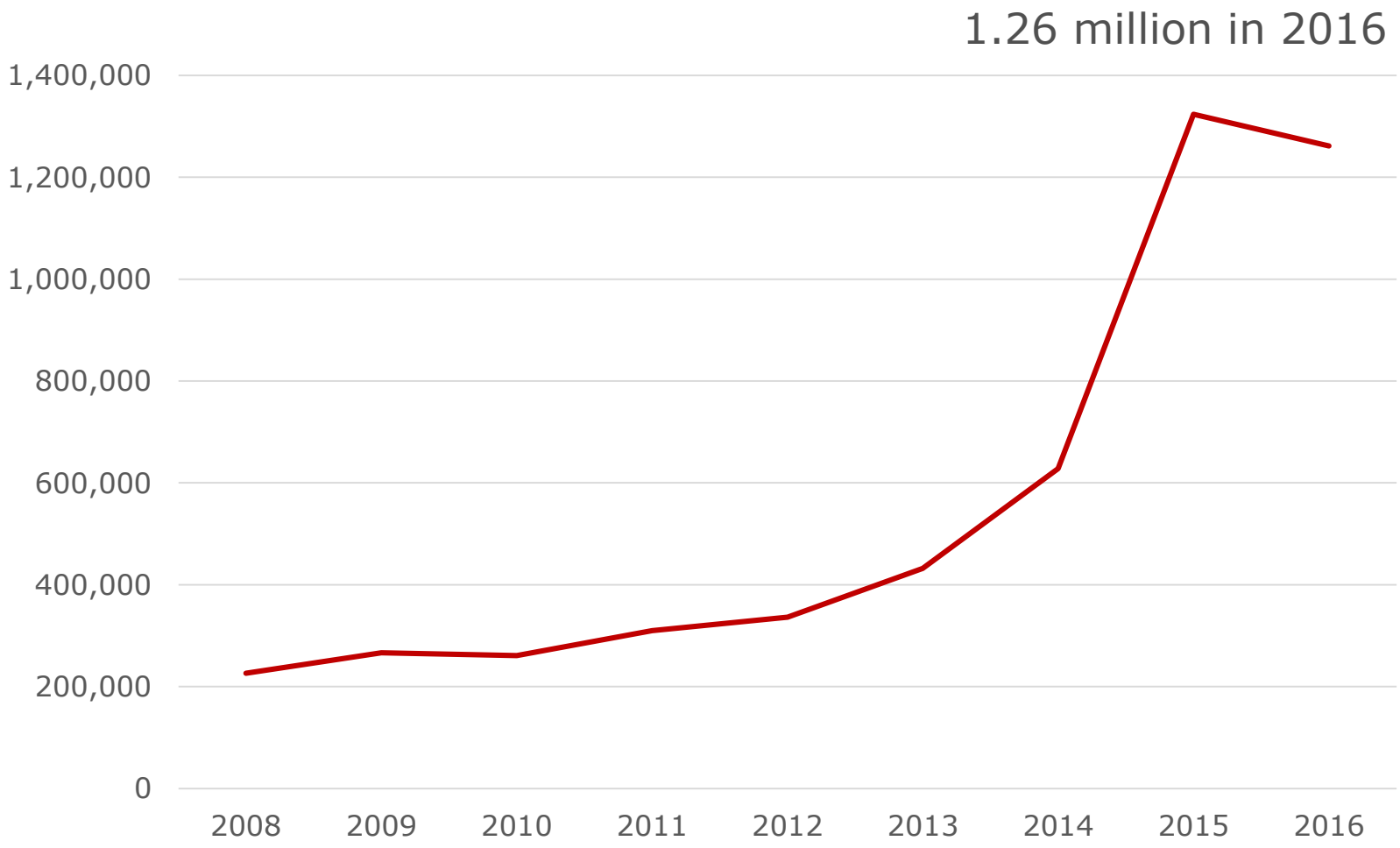
Project 23 "The effect of asylum seekers' reception centres on house prices: Evidence from the Netherlands"

Asylum applications in the EU



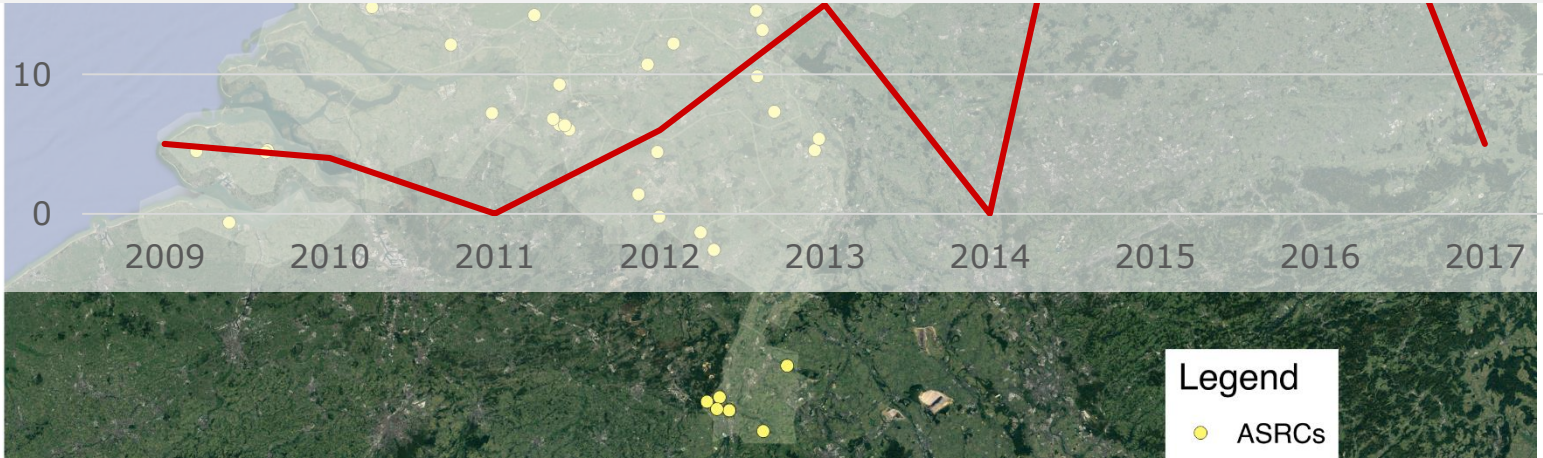
Source: Eurostat 2018

Where to put reception centers?

Source: COA

Case-study of the Netherlands

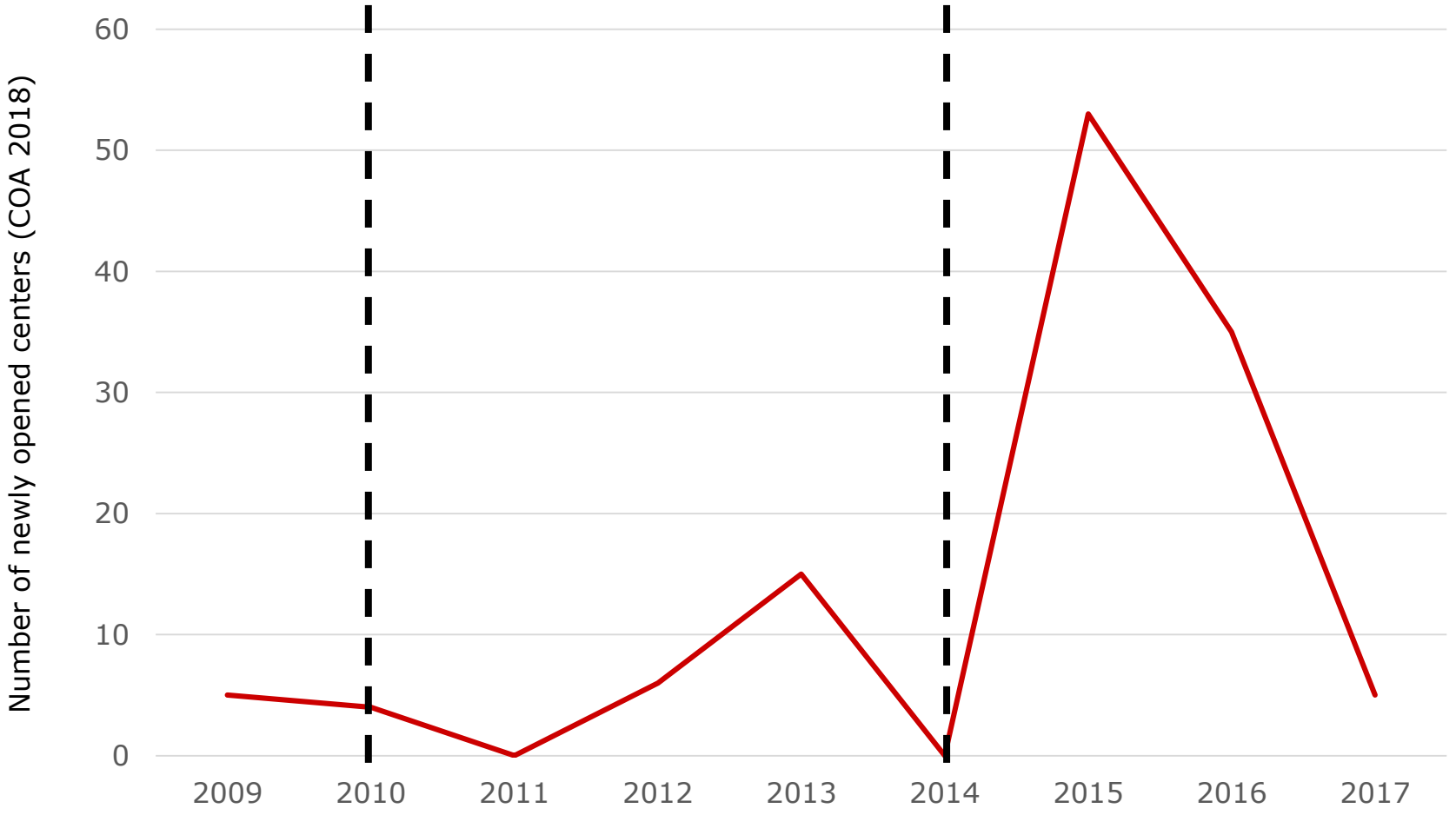
New openings: how do local communities respond?



VLUCHTELINGEN WELKOM
WELCOME REFUGEES

DO NOT COME

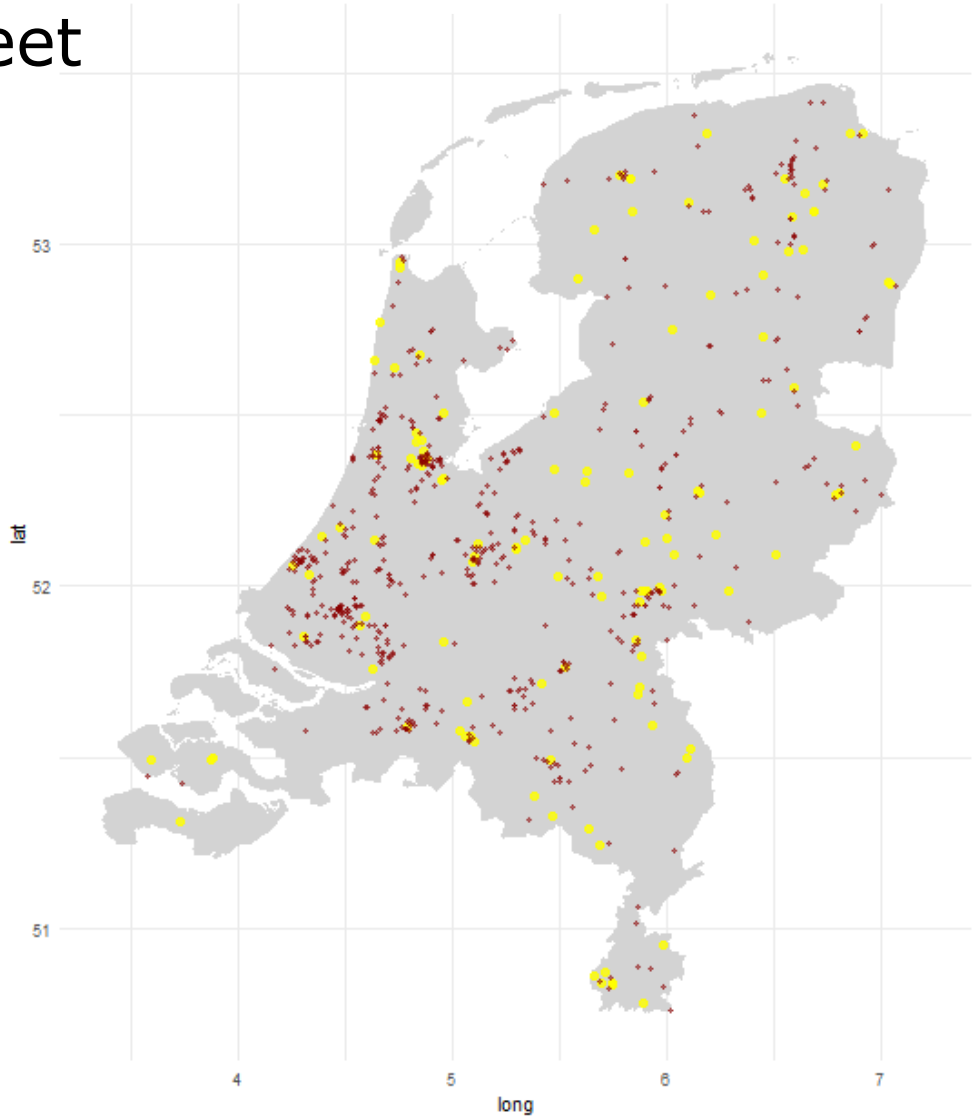
How about electoral outcomes?



› Municipal elections: only every 4 years

However, people vote on any day

› … with their feet



Our approach

Results

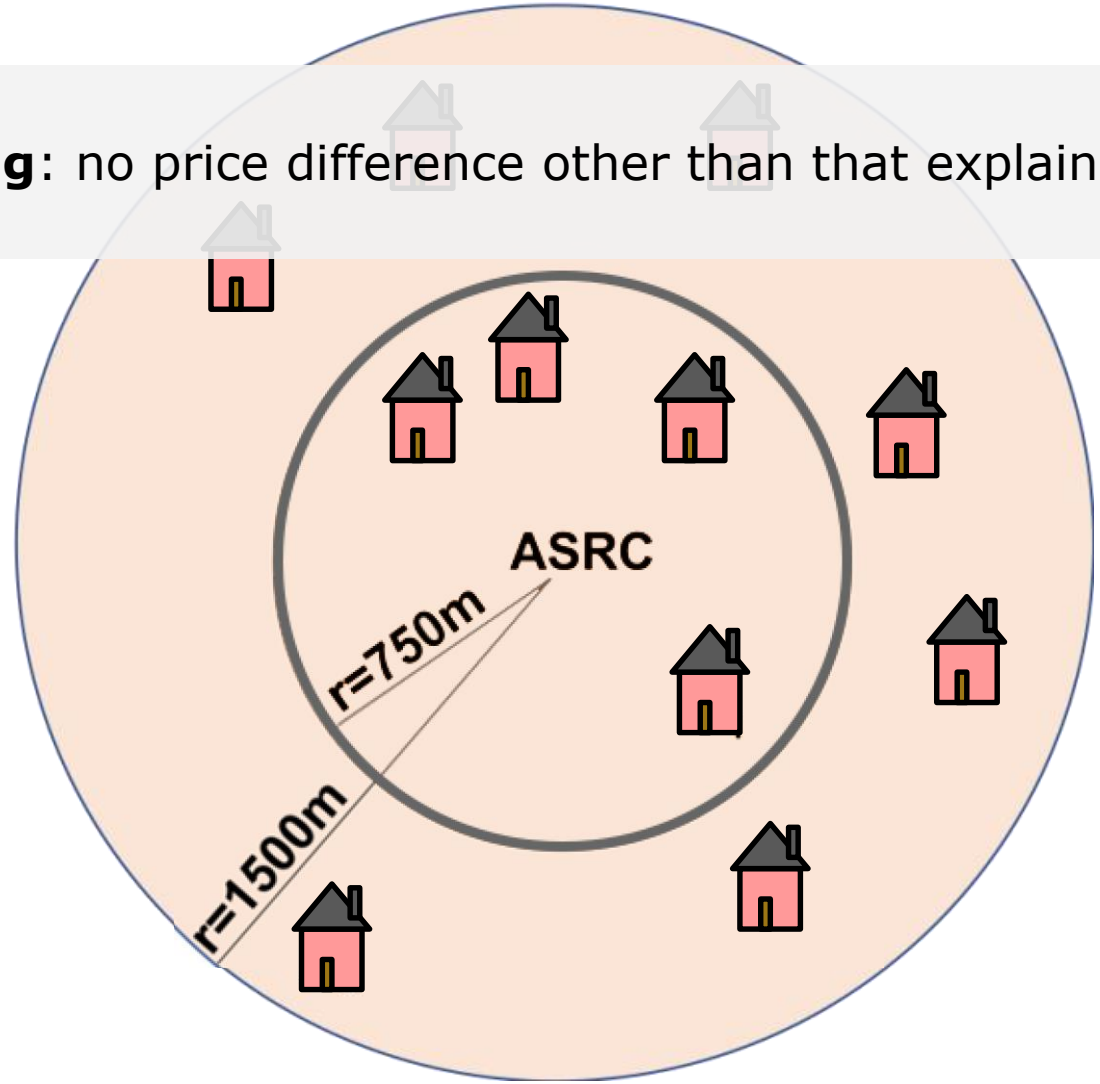
Table 7. Estimation results, Pseudo Repeat Sales model

	(9)
Target area	0–750 meters
Control area	750–1500 meters
Before opening	-0.001(0.002)
After opening	-0.019***(0.003)
Observations	120,853
Time fixed effects	Yes
Spatial controls	Zip code level
Property characteristics	24
Adjusted R^2	0.738
F Statistic	9,723.779***

Notes: ***, **, * Significant at the 1 percent, 5 percent, or 10 percent level, respectively. Dependent variable is the natural log of transaction price. Spatially clustered standard errors in parentheses.

Average price impact of 120 centers

Before opening: no price difference other than that explained by the model



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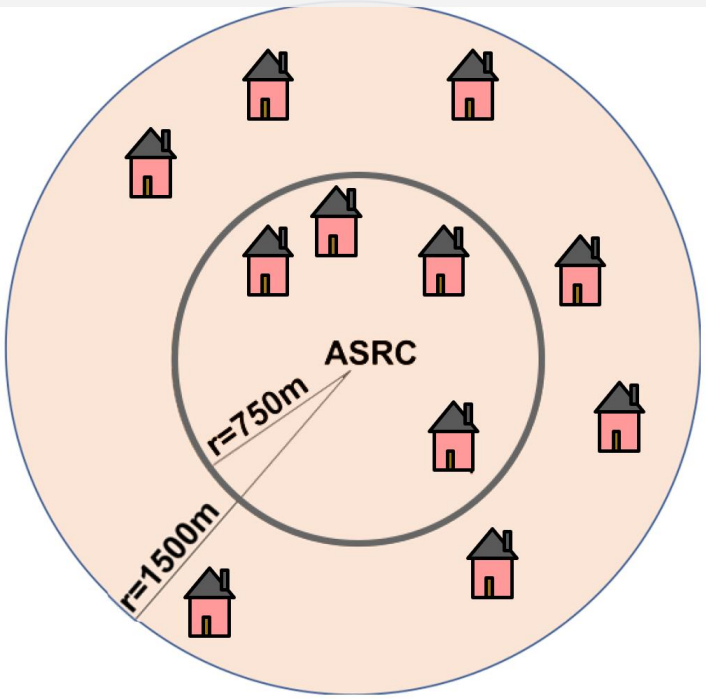
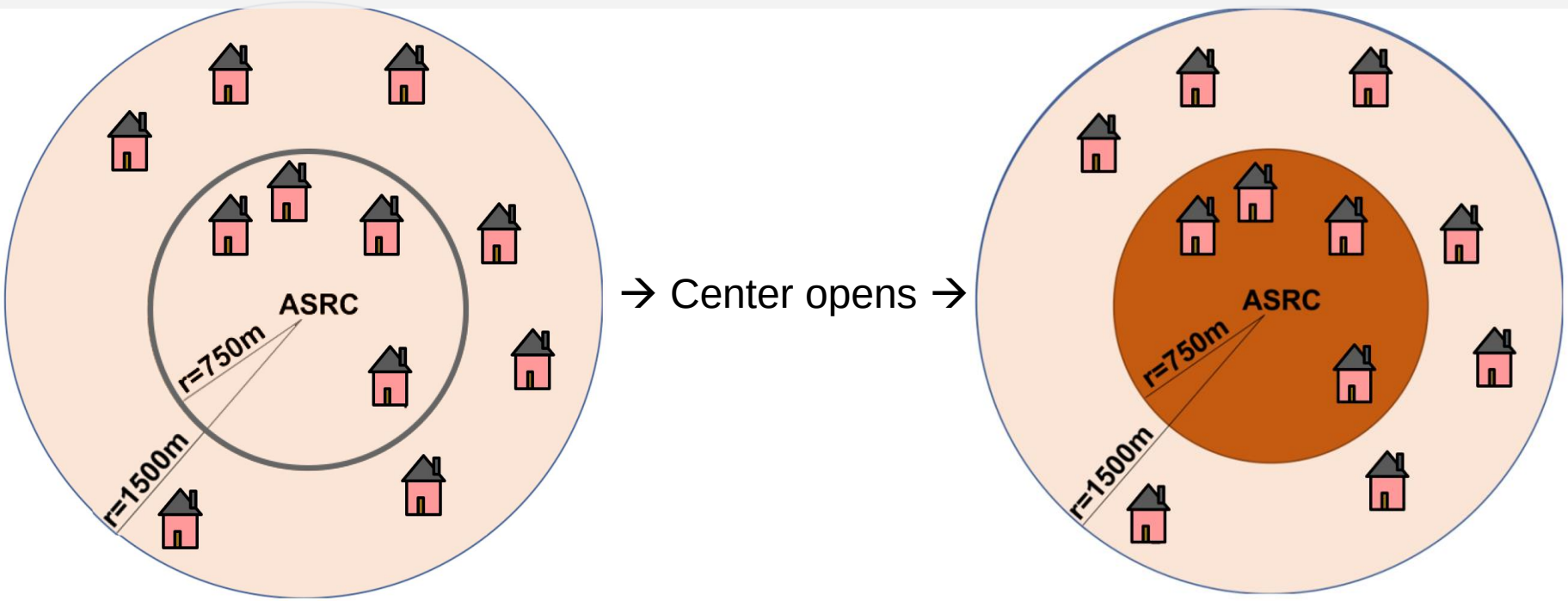


→ Center opens →

Average price impact of 120 centers

Before opening: no price difference other than that explained by the model



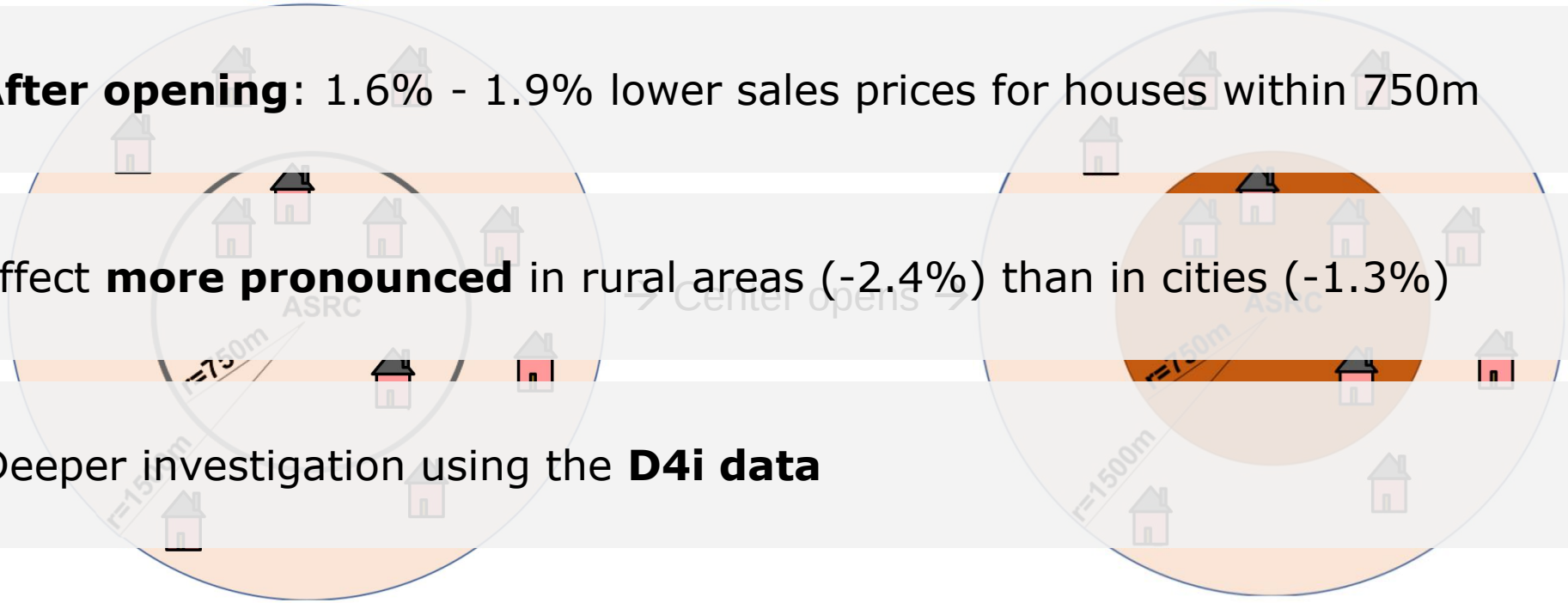
Average price impact of 120 centers

Before opening: no price difference other than that explained by the model

After opening: 1.6% - 1.9% lower sales prices for houses within 750m

Effect **more pronounced** in rural areas (-2.4%) than in cities (-1.3%)

Deeper investigation using the **D4i data**



Impacts by local population composition

	All foreigners		Non-EU		EU27	
	(5) Below average	(6) Above average	(7) Below average	(8) Above average	(9) Below average	(10) Above average
Target area	0–750 meters	0–750 meters	0–750 meters	0–750 meters	0–750 meters	0–750 meters
Control area	750–1500 meters	750–1500 meters	750–1500 meters	750–1500 meters	750–1500 meters	750–1500 meters
before.opening	-0.005 (0.003)	-0.004 (0.004)	0.001 (0.003)	-0.004 (0.004)	0.000 (0.003)	0.000 (0.004)
after.opening	-0.010*** (0.004)	-0.024*** (0.006)	-0.010** (0.004)	-0.024*** (0.006)	-0.009** (0.004)	-0.030*** (0.006)
Observations	69,937	50,258	72,869	50,258	73,130	47,011
Adjusted R^2	0.734	0.749	0.735	0.749	0.730	0.759
F Statistic	5,523.902***	4,288.381***	5,780.316***	4,288.381***	5,648.455***	4,232.385***

Notes:
***Significant at the 1 percent level.
**Significant at the 5 percent level.
*Significant at the 10 percent level.
Dependent variable is the natural log of transaction price. Clustered SE (ZIP6) in parentheses.

Discussion

› House prices as a mirror of minds