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亞太經濟與管理研究所
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Asia-Pacific Academy of Economics and Management

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Seminar on Economics No. 193

Local Effects of Global Capital Flows: A China Shock in the U.S. Housing Market



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ZOOM LINK:

<https://umac.zoom.us/j/91469449422?pwd=a3RnWWpBWlVwMmIrbCtJanZRMkxJdz09>

Abstract

We show that foreign real estate capital inflows have positive real effects and adverse distributional consequences. Using transaction-level data, we document (i) a "China shock" in the U.S. housing market characterized by surging foreign Chinese housing purchases after 2008; and (ii) "home bias" in these purchases, as they concentrate in neighborhoods historically populated by ethnic Chinese. Exploiting their temporal and spatial variation, we find that these capital inflows raise local house prices and employment, with the employment effect transmitted through a housing net worth channel. At the same time, they crowd out low-income residents and widen economic inequality across neighborhoods.



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All are welcome