

*DETERMINANTS OF CHANGES IN HOUSING TENURE STATUS IN THE
UNITED STATES*

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ABSTRACT

This paper is an analysis of current trends in housing tenure changes for national samples of recent movers. Data are from the 1974 and 1976 Annual Housing Surveys. Previous tenure status is used as a control variable. Mobility status (direction and distance of move) is used as a measure of demand differences across housing markets. Tenure choices of previous home owners have been analyzed separately from those of previous renters. The results indicate that the most important determinant of change from renting to owning is total family income, but the probability of changing from owning to renting is largely determined by the incidence of marital dissolution. These results may reflect the effects of recent demographic trends toward a higher proportion of divorced, never-married and widowed households. The conclusion is that, in view of the dynamics of ongoing marital and income changes, high rates of housing tenure change in either direction will prevail in future housing markets.

Because the housing tenure choices of individual households have far-reaching implications for the households themselves, for the communities in which they live and for the society as a whole, a substantial body of research has accumulated on the determinants of tenure choice. Much of this research may be divided into two broad categories: (1) studies in which the probability of owning or renting is related to the socio-economic and demographic characteristics of all households in a housing market (Kain and Quigley, 1972; Carliner, 1974; Struyk, 1976; Li, 1977) and (2) studies of mover households, in which the decision to rent or purchase a home is related to household characteristics at the time of moving (Kain and Quigley, 1972; Fredland, 1974; Roistacher and Goodman, 1976). Maisel (1966) classifies the first type of study as the stock approach, the second type, as the flow approach.

The basic argument in favor of using only mover households to identify the determinants of tenure choice is that such households usually have the opportunity to bring their housing consumption into equilibrium with their current situation, while nonmover households,

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with the passage of time, may well have departed from an initial equilibrium between their characteristics and their housing. Maisel (1966) supports this argument by a comparative analysis of recent movers and total households in the Los Angeles metropolitan area in 1960. The most striking difference between the two sets of data was in the probability of home ownership by lower-income groups: the ownership rates among all households with less than \$6,000 annual income were found to be between 36 and 50 percent, while among recent movers, only 6 to 14 percent of households with comparably low income had purchased homes. Many of the lower-income nonmovers were elderly households who had bought their homes when their incomes were higher and continued to own after income dropped. Maisel (1966) states that "much of the peculiarity of the snapshot view of the housing market arises because of the difference between current decisions made by those actively buying, as contrasted to existing relationships among those who made this housing decision in the past."

The principal argument against the use of only the mover group to analyze tenure choice is that recent movers may also be in a state of disequilibrium and, hence, not typical of average renters or owners. Struyk (1976) argues that relocating households make tenure decisions based on future housing requirements as well as on present circumstances. Thus, recent movers may be as far from equilibrium as long-term residents. Furthermore, recent movers usually include more renters, some of whom may "deliberately choose a non-equilibrium position" in the expectation of moving soon again. As a result, recent movers may differ significantly from the total population.

Nevertheless, the dynamic housing market in any given period is determined primarily by recent movers who are in the process of adjusting their housing needs to changed circumstances. While the stock approach has provided insights regarding long-term relationships between various socio-economic characteristics and housing tenure choice, the flow approach may help to identify those factors that cause households to change tenure in the short run. Further, the demographic literature indicates that the high mobility rates observed in industrial societies tend to be the product of repeated and frequent movement by the same individuals, rather than single moves by the observed "population at risk" (Goldstein, 1964; Rogers, 1969; Morrison, 1967,1977). Therefore, to study moving households may also increase our understanding about long-term influences on future market demand. For these reasons, this study will focus on the tenure choices of recent movers only.

Many previous studies have limited their analyses to determinants of tenure choice within a single housing market, (e.g., Kain and Quigley's study of St. Louis; Struyk's study of Pittsburgh, and Li's study of Boston and Baltimore), in which tenure choice will be primarily determined by the socio-economic and demographic characteristics of the household. However, the single-market approach limits the scope of generalization and tends to eliminate differential market effects completely. The present study extends the analysis to the nation as a whole and adds mobility status as a measure of cross-market differences in housing demand. The results of this study, in addition to supplying more knowledge about cross-

market effects, indicate that the conclusions drawn from the earlier single-market studies are generally applicable to the entire country.

Most studies of tenure choices of recent movers have focused on a change from renter-to-owner status. In some studies, the household's previous tenure status (owner, renter or newly-formed household) has usually been treated as an independent factor (expressed as three dummy variables) in a single equation to estimate current tenure status (owner or renter). Previous ownership was found to be one of the most powerful variables in predicting the probability of a recent purchase (Kain and Quigley, 1972).

In other studies (Roistacher and Goodman, 1976; Ihlanfeldt, 1980), the probability that a renter household would change tenure (i.e., purchase a home) was estimated for a group of previous renters. The process of changing from home ownership to renter status, however, has generally been ignored in the literature. In the present study, the tenure choices of both previous home owners and renters will be analyzed. Two separate models will be used, one to examine determinants of a choice by previous renters to become home owners; the other to examine determinants of choice by previous home owners to become renters. The analysis is limited to relocated households. Newly formed households will not be included because their previous tenure status was not independently established. It is hypothesized in this study that previous renters and home owners may be subject to different sets of variables in determining their recent tenure choices and that the relative importance of different independent variables in their recent tenure changes may vary in the two models.

In order to shed additional light on the stability of determinants of tenure choice, the models for housing tenure changes will be estimated for two separate time periods, 1973-1974 and 1975-1976. Intertemporal changes in tenure choices will also be ascertained.

The second section of this paper discusses the data source. The third section details the rationales for the basic models of housing tenure changes and describes the measurement of all variables used in the model. The fourth section presents the analysis of the results and the final section sets forth the implications and conclusions.

SOURCE OF DATA

Data for this study are from the national sample of the Annual Housing Survey (AHS) conducted by the Bureau of the Census for the U.S. Department of Housing and Urban Development. The AHS is a longitudinal survey designed to provide detailed information on the same housing units and their current occupants over time. The present research uses individual household records on the public use tapes for 1974 and 1976. Because a decision to move is usually made on a household basis and information in the AHS is primarily given by heads of households, the basic units of analysis in the study are households. Households are classified as those having the same or different head in previous and present location. Households with different heads are primarily newly-formed families. Detailed information on their previous tenure is not given in the public use tapes; consequently, only recent movers who were household heads

in the previous location are included in the analysis. Recent movements are measured at one-year intervals.

A MODEL OF HOUSING TENURE CHANGE

It is generally considered that housing needs change as a household reaches a different stage in its life cycle. Normally, people tend to rent small units when they first form a household. Ownership of a larger house is typical during the stage of family expansion, while, as the retirement stage approaches, renting or owning a small housing unit becomes the norm (Lansing and Kish, 1957; Abu Lughod and Foley, 1960; Lansing, et al., 1969). Age and marital status of household head and household size at time of moving are used in this study as measure of life-cycle stage.

Age of household head is further divided into three subcategories: under 30, 30-to-59, and 60-and over. Marital status is dichotomized into married and non-married. Based on the concept of life cycle, it may be hypothesized that home ownership will be least frequent among young unmarried households, will increase among middle-aged married households and will decline at older ages as a result of changes in marital status. Household size at time of move simply reflects the housing needs of a household prior to its mobility. Other things being equal, the larger size of a renting household, the more likely the household would be to change from renting to owning. Conversely, the larger the size of an owner household, the less likely the household would be to change its tenure status from owner to renter.

In addition to household life-cycle stage, socio-economic status is also an important factor influencing the decision to change housing tenure. Race of household head and total annual family income are the two variables used to measure socio-economic status. Nonwhite households usually have a lower socio-economic status than white ones. Race may also be viewed as a proxy for measuring discrimination in the housing market. Nonwhites may have to pay premium price for decent housing and frequently do not have access to either mortgage credit or market information (Rapkin, 1966; Kain and Quigley, 1972; Quigley, 1974; Straszheim, 1974). It seems logical to hypothesize that nonwhite renters are less likely than white renters to purchase homes and that nonwhite owners are more likely than white owners to become renters.

Current total family income is a crude indicator of household resources. Other aspects of income, such as permanent income and wealth of a household, are considered more relevant to housing consumption and tenure choice (Morgan, 1965; de Leeuw, 1971, Carliner, 1973; Struyk, 1976). However, since data on these variables are not available from the Annual Housing Survey, annual family income is used in this analysis. Because higher income households tend to consume more housing and owner-occupied units are normally larger than rental units, annual family income is expected to have a positive effect on a change from renting to owning and negative effect on a change from owning to renting.

Because this study is limited to relocating households only and the estimated dependent variables in the models are conditional

probabilities of renting and purchasing, it is assumed that the tenure and mobility decisions are made independently. That is, the decision to move and the choice of a new residence are viewed as linked but separate decisions. The household first decides to move, which places it in the housing market, then selects the new dwelling, which removes it from the market. Intervening between the two decisions is the search process for the new unit (Butler et al., 1969). Although it is reasonable to assume that some households may decide to change tenure before deciding to move, Zimmer's (1973) survey of six samples of inter-metropolitan movers has shown that the majority of local movers and most migrants decided to move before deciding about tenure. Only 19 to 28 percent of the movers indicated that their primary reason for moving was to change tenure. Therefore, tenure choice of the new dwelling is the outcome of a sequential decision-making process rather than a single decision.

Butler et al. (1969) recommend the classification of movers according to previous and present residential location to distinguish short-distance from long-distance moves and inter-metropolitan moves from metropolitan-nonmetropolitan movement, as well as identifying moves within central cities or within suburbs and other types of movement within metropolitan areas. Furthermore, the groups moving to different types of destinations are likely to differ in their tastes for residential location, housing tenure and general lifestyle. Particular subclasses of the population are more likely to be in some mobility groups than in others. Therefore, the mobility status of the household head as determined by his previous and present residential locations will be used in this study to measure different tastes for housing demand.

It is a well-known fact that population density and land values decrease with increasing distance from the central city. The suburbs and nonmetropolitan areas, with their relatively lower land prices, provide not only more space, but also a lower price-perunit of housing services than the central city. Favorable housing conditions together with the decentralization of industries and services in recent decades (Berry and Cohen, 1973; Kasarda, 1976) have made the peripheral area a desirable and attractive residential location for many home owners. It is, therefore, hypothesized that households that move from central cities to suburbs to nonmetropolitan areas tend either to maintain home ownership or to change from renting to owning. On the other hand, the reverse movement, from an outer area to the central city or from a lower-price housing area to a higher one, would be more likely to force a change from owning to renting.

In the literature, residential mobility is differentiated from migration: residential mobility refers to short-distance movement within a single labor market and a single housing market. Migration is closely related to job changes by household members and involves a relatively long-distance move. Furthermore, migrants may be in a disadvantageous position to acquire a home mortgage when they enter a different labor market. Therefore, migrants are less likely to purchase a house when they first move into a new housing market. Because residential movers, on the other hand, are familiar with local housing finance and possess adequate information about local housing markets, their local movements are expected to be associated with the

process of home ownership. Considering distance and destination together, changing from renter-to owner-status would be most likely to occur for suburban- and nonmetropolitan-bound movers, while urban-bound migrants and migrants from nonmetropolitan areas to central cities would be most likely to change from ownership to renting.

Bringing together the considerations set forth above, the basic model of changes in housing tenure status can be defined as follows:

$$\text{Pr}(O \text{ or } R) = f(L, S, M)$$

where:

Pr(O) is the probability that a previous renter will choose to own a home.

Pr(R) is the probability that a previous owner will choose to rent a housing unit.

L is a vector of household life cycle variables. Three elements are included in this vector: age, marital status of the household head, and household size at time of move.

S is a vector of socio-economic status variables as represented by race of household head and total family income.

M is a vector of mobility status variables. Because types of household mobility are based on movement between places of origin and destination, each type may imply differential tastes for housing and may reflect different levels of knowledge about local housing markets.

Detailed measures of all dependent and independent variables used in the models are presented in Table 1. The method of analysis used in this study is the ordinary least squares (OLS) multiple regression. The use of this technique to estimate binary choice models is open to a number of objections: (1) estimated probabilities may be outside the 0 to 1 range, (2) the error term may be heteroscedastic, (3) estimates of standard errors may be inconsistent, and (4) it rarely results in high R^2 values. However, in a study of choosing alternative estimation procedures for models of binary choice, Watson (1973) found that there is no firm evidence to support that probit and logit analyses are superior methods to multiple regression. In a similar study, Goodman (1976) even concluded that "under some circumstances the problems of OLS with a dichotomous dependent variable are not great enough to offset the considerable computational and interpretability advantages that OLS enjoys over its more highly-touted competitors." He further suggests a set of criteria to assure that binary regression models would produce the same conclusions as those of alternative techniques:

1. large sample size (at least 100 degrees of freedom);

2. mean value for the dichotomous dependent variable as close as possible to .5 and at least within the .2 to .8 range;
3. categorical measurement of independent variables;
4. avoidance of rigorous interpretation of estimated standard errors or R^2 values.

Regression models established in this study are generally consistent with these suggestions.

FINDINGS OF THE STUDY

The results of regression analyses on housing tenure change are presented in Table 2. The relative importance of all independent variables is determined in terms of standardized partial regression coefficients (Beta weights). The rank order is presented as Beta rank.

Of previous renters, 26 percent in 1974 and 25 percent in 1976 (as shown by mean values of the dependent variable) had become home owners after they moved from their previous residence. The most important variable related to this change is family income, followed by marital status of the household head. As expected, both variables have positive effects on the change from renter to owner status. These results are fully consistent with findings from previous studies.

Other findings suggest that new patterns may be developing in housing markets. Although middle-aged renters (ages 30-to-59) have traditionally been the ones most likely to change to home ownership, in the present study the probability of a middle-aged renter purchasing a home was not significantly greater than that of an elderly renter (over age 60). A wider range of choices for elderly home owners may account for this result. One intertemporal change is suggestive. Although in 1974, as expected, renters under 30 years of age were less likely to buy a home than other age groups (as reflected in a significant b coefficient, $-.057$), this negative effect became insignificant in 1976. This finding may reflect the increasing importance of two wage earners in young households for home ownership in the early life cycle stages.

In both 1974 and 1976, household size at time of move had no significant independent effect on changes in housing tenure. Two factors may account for this result. First, since household size at time of move is related to marital status, the strong effect of the latter variable may have reduced the impact of the former. Second, home ownership is not only a form of household consumption but also a type of investment (Sternlieb and Hughes, 1980). It is, therefore, more likely to be determined by level of family income than by family housing needs as reflected in household size.

Table 1. Variables Used in the Analysis of Changes in Housing Tenure Status.

Description of Variable	Measurement
Age of the Household Head (one subcategory must be omitted in the equation)	
(1) less than 30	1=yes,0=no
(2) 30-59	1=yes,0=no
(3) 60 and over	1=yes,0=no
Marital Status	
	1=married 0=separated, divorced, widowed or never married
Household Size at Move	
	Number in household at move
Race	
	1=whites 0=nonwhites
Family Income	
	Total annual family income in year prior to the survey
Mobility Status (one subcategory must be omitted in the equation)	
(1) urban-bound movers*	1=central city movers from the same city or from suburbs in the same SMSA 0=moving otherwise
(2) suburban-bound movers	1=suburban movers from the same suburb or from the central city in the same SMSA, 0=moving otherwise
(3) urban-bound migrants**	1=central city migrants from other SMSAs, 0=moving otherwise
(4) suburban-bound migrants	1=suburban migrants from other SMSAs 0=moving otherwise
(5) Nonmetro to central city migrants	1=central city migrants from the nonmetropolitan areas 0=moving otherwise
(6) Nonmetro-bound migrants	1=nonmetropolitan migrants from other SMSAs 0=moving otherwise
(7) Nonmetro to suburb migrants	1=suburban migrants from the nonmetropolitan areas 0=moving otherwise
(8) nonmetro movers or migrants	1=nonmetropolitan movers or migrants from the same or different counties 0=moving otherwise

*movers=persons who have moved within the same SMSA or the same county in nonmetropolitan area.

**migrants=persons who have moved between different SMSAs or different counties in nonmetropolitan area.

Table 2. Regression Analyses of Changes in Housing Tenure Status, United States, 1974 and 1976.

Independent Variables	b-1974	SE	Previous Renters				
			Beta Rank	b-1976	SE	Beta Rank	
Age							
(1) 30	-.057*	.022	4	-.027	.021		
(2) 30-59	.015	.023		.033	.021		
(3) 60+	omitted			omitted			
Marital Status (1=married,0=others)	.145*	.013	2	.147*	.021	2	
Household Size at Move	-.0004	.007		.0001	.0007		
Race (1=white,0=nonwhite)	-.012	.017		-.005	.016		
Family Income(\$)	.015-3*	.008-4	1	.015-3*	.007-4	1	
Mobility Status							
(1) Urban-bound movers	-.057*	.018	5	-.020	.018		
(2) Suburban-bound movers	.033	.018		.042*	.018	5	
(3) Urban-bound migrants	-.091*	.033	6	-.087*	.032	6	
(4) Suburban-bound migrants	.011	.030		-.005	.027		
(5) Non-metro to Central City Migrants	.013	.045		.027	.045		
(6) Non-metro-bound migrants	.038	.026		.106*	.025	4	
(7) Non-metro to suburb migrants	omitted			omitted			
(8) Non-metro movers or migrants	.080*	.017	3	.093*	.017	3	
Dependent variable	1=owner			0=renter			
Mean response	.261			.246			
Sample size	5317			5299			
R ² (adjusted)	.149			.169			
Constant	.004			-.042			

*Significant at 1% level.

**Significant at 5% level.

Table 2. Continued.

Independent Variables				Previous Owners		
	b-1974	SE	Beta Rank	b-1976	SE	Beta Rank
Age						
(1) 30	.123*	.024	2	.112	.020	4
(2) 30-59	omitted			omitted		
(3) 60+	-.001	.026		-.108*	.025	6
Marital Status						
(1=married,0=others)	-.319*	.023	1	-.304*	.203	1
Household Size at Move	.0003	.002		-.002*	.001	10
Race						
(1=white,0=nonwhite)	.048	.045		-.048	.039	
Family Income (\$)						
	-.002-3	.001-3		-.056-4*	.007-4	3
Mobility Status						
(1) Urban-bound movers	.037	.059		.060	.033	
(2) Suburban-bound movers	-.020	.032		-.094*	.028	7
(3) Urban-bound migrants	.205*	.056	4	.138*	.051	8
(4) Suburban-bound migrants	-.059	.041		.024	.037	
(5) Non-metro to Central City Migrants	.065	.069		.161*	.063	9
(6) Non-metro-bound migrants	-.070**	.035	5	-.136*	.032	5
(7) Non-metro to suburb migrants	omitted			omitted		
(8) Non-metro movers or migrants	-.090*	.028	3	-.147*	.025	2
Dependent	1=renter			0=owner		
Mean response	.293			.348		
Sample size	2301			2851		
R ² (adjusted)	.112			.168		
Constant	.541			.763		

*Significant at 1% level.

**Significant at 5% level.

The model indicates that migrating from suburbs to central cities or from one central city to another (jointly classified as urban-bound migrants) definitely reduces the probability of buying a home for previous renters (as compared with migrants from nonmetropolitan to suburban areas). Significant negative coefficients are observed between urban-bound migrants and their tenure status change in both 1974 and 1976 (-.091 and -.087 respectively). In contrast, households moving from central cities toward suburbs or nonmetropolitan areas (as indicated by suburban-bound movers and migrants in 1976 and nonmetropolitan movers or migrants in both 1974 and 1976) tend to have a higher probability of gaining home

ownership than those moving from nonmetropolitan areas to metropolitan suburbs (the omitted dummy variable in the equation). These findings seem to imply that previous renters who preferred and were able to move to peripheral locations are more likely to become home owners than those who preferred and moved to central locations because more favorable housing conditions and relatively lower housing price exist in the peripheral area.

Examination of previous owners indicates that this group responds to different influences than previous renters. Among previous home owners, 29 percent in 1974 and 35 percent in 1976 had withdrawn from home ownership. The most important variable in explaining this changeover is marital status of the household head. Previous home owners who were single, separated, divorced or widowed had a higher probability of becoming renters because their changed housing needs had created a state of disequilibrium. The intertemporal increase between 1974 and 1976 may have been affected by recent demographic trends toward a higher divorce rate and a higher proportion remaining never-married or widowed.

Being young and earning lower income also increased the chances of a previous home owner to become a renter. It is quite plausible that this group of previous owners may have experienced job-related long-distance moves. When marital status and other variables were held constant, older home owners were found to be less likely than middle-aged and younger ones to change to rental status. Many of the older home owners may have paid off their mortgages and used their accumulated equity to purchase a smaller housing unit as an adjustment for retirement or widowhood. Tax exemption of capital gains for the elderly may further facilitate this process.

As hypothesized, urban-bound migrants or migrants from nonmetropolitan areas to central cities tended to have a higher probability of changing from owning to renting (as compared with nonmetropolitan migrants to suburbs). On the other hand, moving to suburbs in the same SMSA (suburban-bound movers) or relocating in nonmetropolitan areas (nonmetropolitan-bound migrants and movers) deters changing from ownership to renting.

Much of the empirical research on tenure choice has concentrated on the effects of residential segregation or discriminatory practices as constraints on home ownership by black families. Earlier studies generally have shown that the probability of home ownership by black households is lower than that for white households even when other relevant variables are statistically controlled. This difference is usually ascribed to continuous racial discrimination in the housing market (Kain and Quigley, 1972; Struyk, 1976) and to discriminatory practices in mortgage lending (McDonald, 1974). A subsequent study by Roistacher and Goodman (1976), however, found no significant difference in the probability of home purchases between whites and blacks. They suggest that their results provide evidence of a recent decline in discrimination against blacks in the housing market. The regression results of the present study also show that race per se had no significant effect on changes in housing tenure status in either 1974 or 1976 when other independent variables were statistically controlled. That is to say, the observed racial differences in levels of home ownership can be attributed to basic

social and economic disparities. For example, nonwhites have lower income and a higher proportion of nonmarried than whites and they are also less likely to move to suburbs or nonmetropolitan areas than their white counterparts. Unless nonwhite households can actually achieve equality in income and mobility status and maintain a high degree of marital stability, an equal probability for housing tenure change is merely a statistical artifact. Furthermore, the finding of no racial effect on housing tenure change in a multivariate national model does not rule out the possibility of discrimination against nonwhites in specific neighborhoods nor assure equal costs for whites and nonwhites in the housing market.

DISCUSSION

This paper is limited to the analyses of housing tenure changes for national sample of recent movers. The data are obtained from the 1974 and 1976 Annual Housing Surveys. Previous tenure status (owning or renting) is used as a control variable. The process of changing from renting to owning was viewed differently from the reverse process of changing from owning to renting. The results indicate that the most important determinant of a renter's probability to purchase a home is total family income, whereas the probability of a home owner to become a renter is largely determined by the incidence of marital dissolution. In other words, renters and owners may face different sets of determinants when they relocate their residence. They do not behave, as many previous studies have assumed, in a uniform fashion in making the tenure choice.

The probability of changing from renter to owner status was found to be greater for higher-income married households than for lower-income nonmarried households. Consequently, the programs designed to facilitate home ownership in central cities (such as urban homesteading, housing rehabilitation and tax-exempt housing finance programs) would be more likely to succeed if they were broadened to include higher-income families. The question that comes to mind is whether these types of programs would compete with housing assistance to lower-income households. In other words, it may not be possible to achieve equality and efficiency simultaneously as goals of public policy. In the light of budget constraints, a balanced decision must be made between providing equal housing opportunities for the poor and developing an efficient means of revitalizing central cities.

The results of this study also indicate that home owners who are never-married, separated, divorced or widowed tend to have a high probability of leaving home ownership. Current demographic trends towards higher proportions of these households may have affected recent tenure changes. If this finding remains true in the future, we would expect a higher incidence of home owners becoming renters. However, the net effect of these demographic changes on total home ownership rates in the United States is far from certain, because many divorced people remarry soon after divorce (Davis, 1972) and total family incomes continue to rise. Both of these factors, as shown in this study, would facilitate a changeover by many renters to home ownership. In view of the dynamics of marital and income changes, one may confidently conclude that high rates of housing tenure change will prevail in the future housing market. Because

tenure change from owning to renting is usually transitory, a special rental sector may be needed to serve this interim period.

Another significant finding is that race per se had no significant effects on changes of housing tenure status in 1974 and 1976 when other independent variables were statistically controlled. The observed racial differences in levels of home ownership can be accounted for by basic socio-economic disparities as well as by differential accessibility to housing markets.

Many previous studies have limited their analysis to determinants of tenure choice within a single housing market. The present study extends the analysis to the nation as a whole. The classification of the mover's mobility status, as measured by direction and distance of movement, was used in this study to approximate household's preference for residential location (as reflected in the direction of movement) and its knowledge about local housing markets (as reflected in the distance of movement). Although several types of mobility status are significantly related to changes in housing tenure status, the general finding is that chances for home ownership are better for households moving toward suburbs and nonmetropolitan areas than for those moving in the reverse direction. This finding is generally true for both local movers as well as for long-distance migrants. However, the same conclusion can not be made about distance of movement. In other words, whether a household moves locally or makes a long-distance move does not necessarily influence this tenure change if the direction of movement is not considered. The multivariate models also indicate that changes in tenure status are primarily determined by family income and marital status of the household head and, to a lesser extent, they are influenced by mover's mobility status.

Recently, some major changes have been occurring in the housing market: first, nationwide computerized mortgage-search services have gradually changed the home-buying process; second, continuing financial deregulation has enabled financial conglomerates and other big businesses to expand mortgage activities beyond the traditional local market. Housing experts envision the creation of a truly national housing market (Wall Street Journal, 1984). According to this scenario, the national model presented in this study will be highly appropriate for the analysis of future tenure changes at national level. The suggestion of running two separate models of tenure switching--one for previous owners and one for previous renters--will also be very valuable for the investigation of determinants of tenure choice.

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