

Sands, Gary and Bower, Lewis. *Vacancy Chains in the Local Housing Market: An Investigation of the Public Policy Implications of Housing Turnover*. (Ithaca: Center for Urban Development Research, Cornell University) September 1974. \$6.00 paper, 283 pp.

The primary objective of the study for which this is the final report was to evaluate the effectiveness and appropriateness of indirect approaches to achieving housing policy goals. Specifically, the study concerned itself with providing empirical measures of the turnover effects of new housing construction, and in addition, a Markov probability model of the turnover process was developed to aid in the evaluation of alternative housing strategies. The (market) process of filtering is contrasted to the housing market attribute, turnover, which is essentially a short-run process and can be studied through the analysis of vacancy chains. A vacancy chain is the succession of housing units in which there is a change in occupancy as a result of the introduction of a new vacancy; if there are a sufficient number of links in the vacancy chain and some decline in value of the housing unit at each link, high-cost housing may eventually produce a low-cost housing opportunity. The research, conducted in the Center for Urban Development

Research at Cornell University, under contract with the New York State Urban Development Corporation and the Ford Foundation, included three separate housing markets in New York State: Rochester, Buffalo, and the Bronx, New York City. Different types of new housing, as well as both publicly-supported and private developments were included in the sample; and in each of the three markets, one of the new developments selected was UDC-sponsored.

The general conclusion is that although turnover is an important attribute of the local housing market, to the extent that the amount of turnover resulting from different kinds of new housing is similar (that is, if different types of new housing all produce about the same number of turnover vacancies) turnover effects are of little importance in the development of public policy. However, the study revealed that different types of new housing do have differing impacts on specific categories of households or housing units. It is these differences which have the potential of being exploited to serve some of the specific objectives of public policy. The concluding chapter considers the ways in which turnover effects might be used in the development of housing strategies, the effectiveness of which depend largely on the characteristics of the local housing market. Excellent selected bibliography.

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