

# Home sweet home! Does moving have (lasting) effects on housing satisfaction?

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# 1. Motivation

## Research on life satisfaction

- Overwhelming empirical evidence for (partial) adaptation to major life events (meta-analysis: Luhmann et al. 2012)
  - *Family*: marriage, parenthood, divorce, bereavement
  - *Labor*: employment, unemployment, reemployment
  - *Health*: disability & other positive/negative shocks

## Research on moving & housing satisfaction

- Nakazato et al. (2011): **lasting effects** on housing satisfaction → “**no support** for the prediction of **adaptation**”
- *Encyclopedia of Quality of Life and Well-Being Research* (Michalos 2014): **established fact** (Nakazato 2014)

Why should people adapt to incisive events but not to a rather moderate event such as changes in housing?

# 1. Motivation

## Methodological advantages of studying moves

- (1) Relocation necessarily induces changes in housing
- (2) Multi-dimensional information on changes (rent, living space, ...)
- (3) ... and their subjective perception in survey data
- (4) Different moving triggers  
→ same adaptation processes for “voluntary” and “forced” treatment assignment?



## 2. Theoretical Considerations

### A Theory of Household Moves (McCrea 2007)

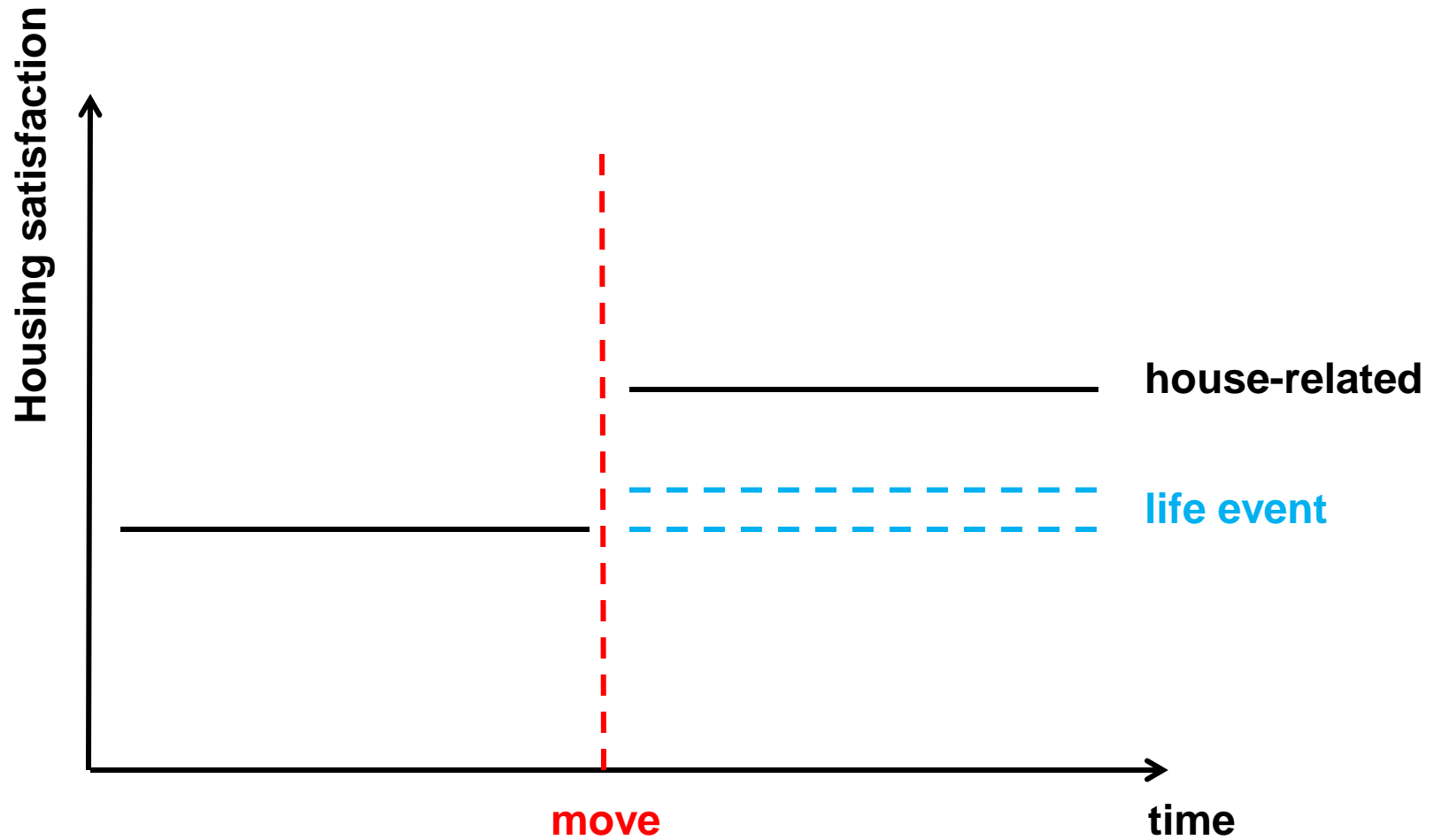
#### Stage 1: stay or move

- *House-related reasons*: living space, renting costs, social environment, ....
- *Incisive life events*: birth of child, separation, job change, unemployment, ....

#### Stage 2: choice of home & living environment

- households seek to preserve/increase quality of housing
- choice under given preferences, financial resources, housing market
  - clear increase for moves due to house-related reasons
  - smaller or no effect for moves due to incisive life events

## 2. Theoretical Considerations

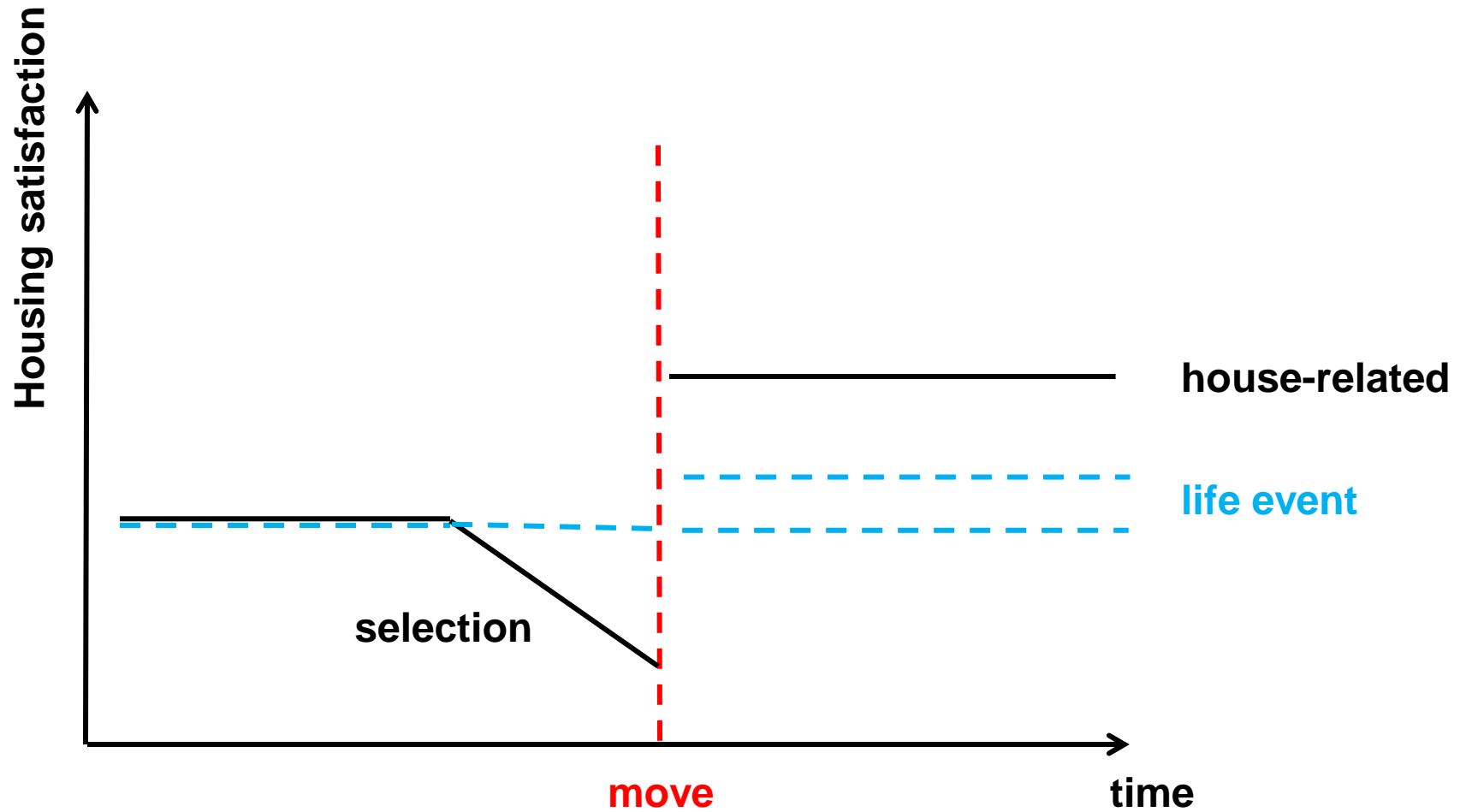


## 2. Theoretical Considerations

### **Selection into Relocation**

- Moving households are not a random sample of all households → age, education, ....  
→ between-comparison (movers and non-movers) likely suffers from unobserved heterogeneity
- Housing satisfaction → likelihood to move  
→ selection on the outcome is particularly likely for house-related moves

## 2. Theoretical Considerations



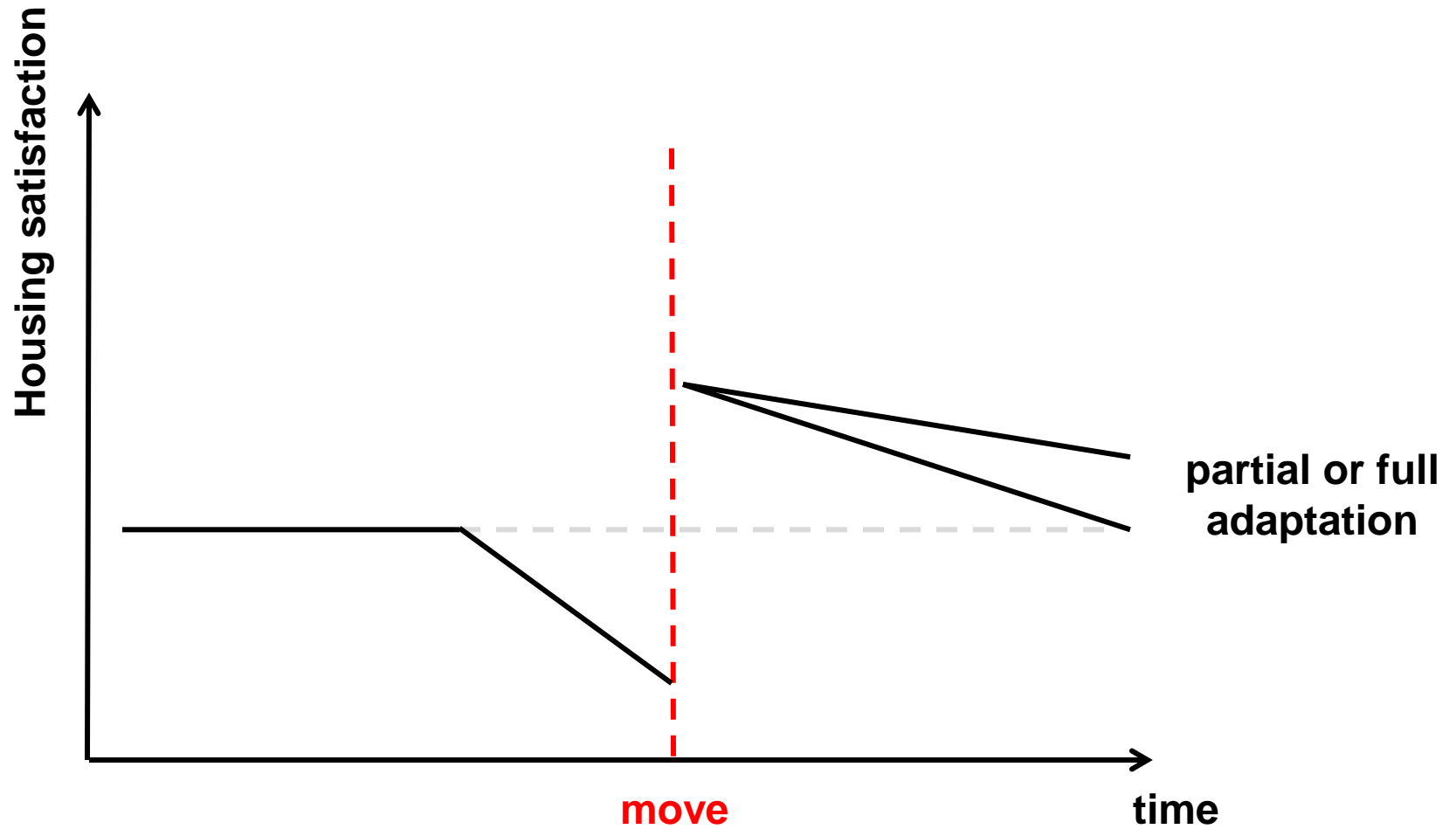
## 2. Theoretical Considerations

### Adaptation to Changing Living Environment

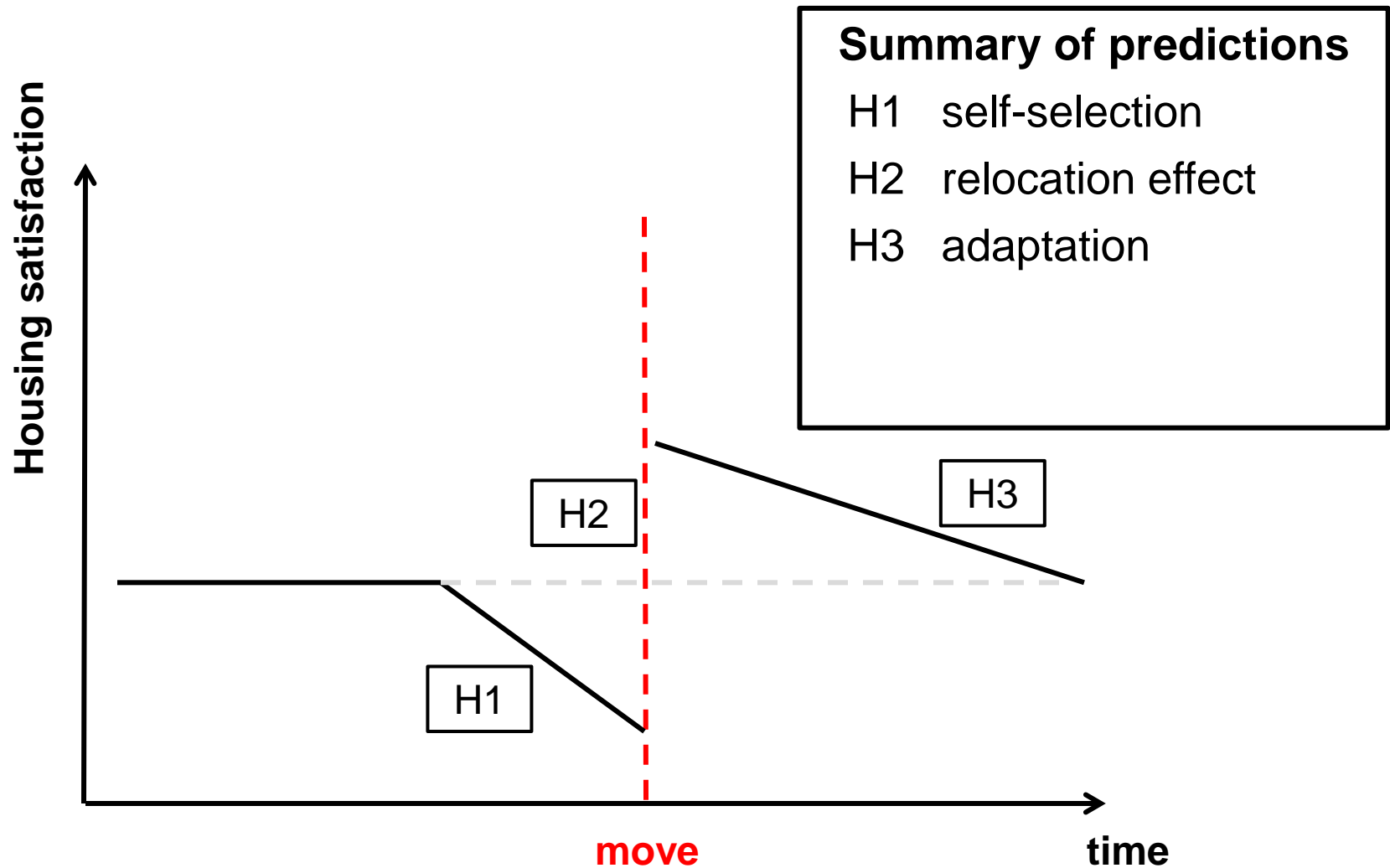
- **Set-point theory:** individuals get accustomed to a changing status-quo and return – after an initial adjustment phase – to person-specific levels of well-being
  - **Aspirations:** increase with raising living standard resulting in the same subjective evaluation of different objective conditions
  - **Social comparison processes:** relocation to a different neighborhood might change reference groups and comparison standard
- changes in housing satisfaction only temporary



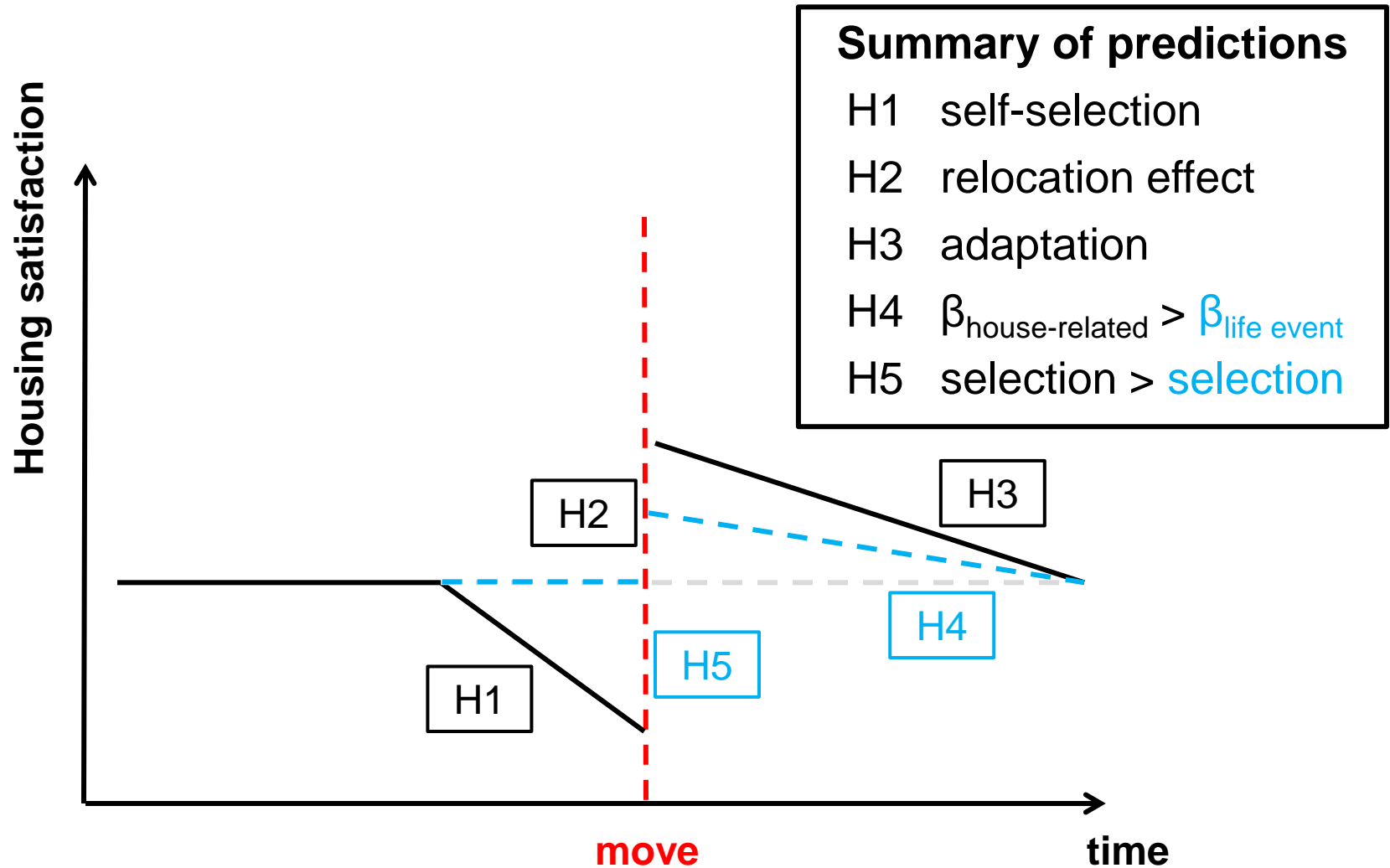
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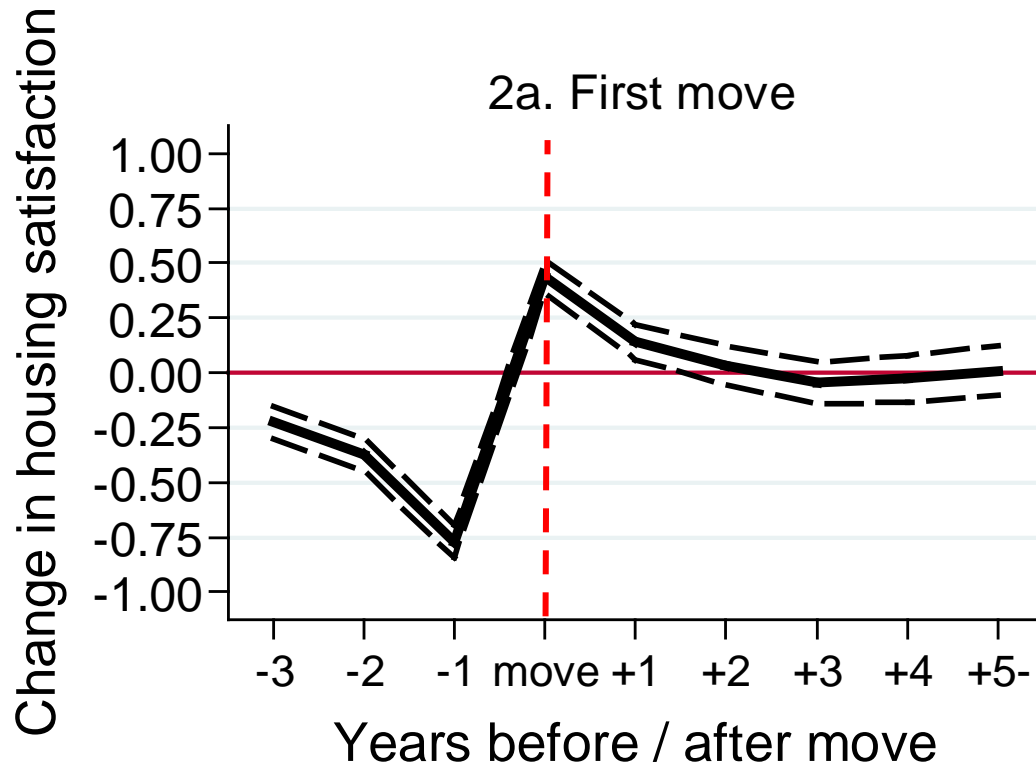


# 3. Data & Methods

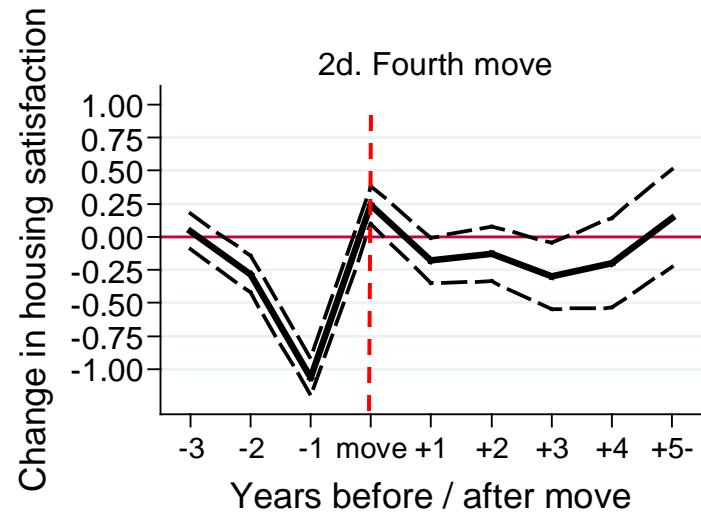
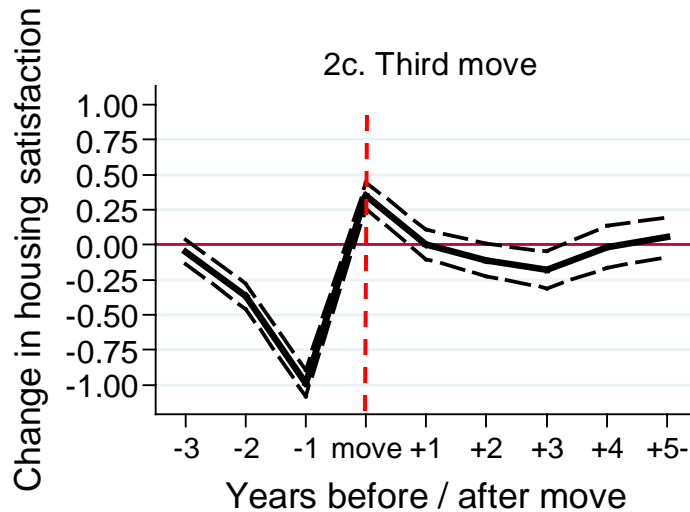
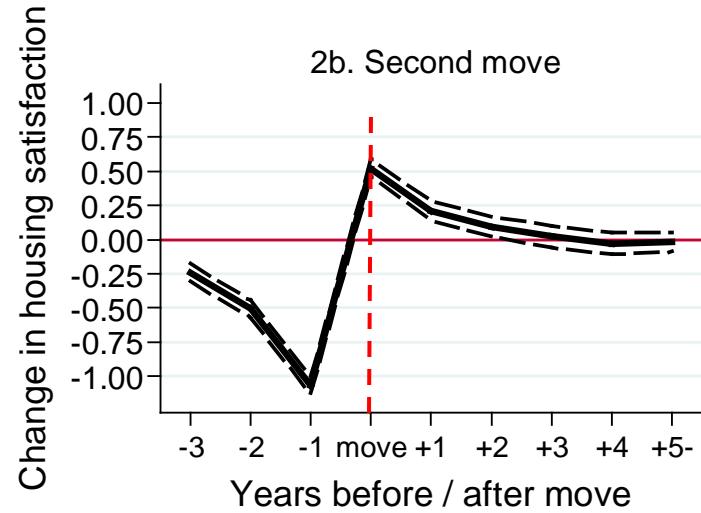
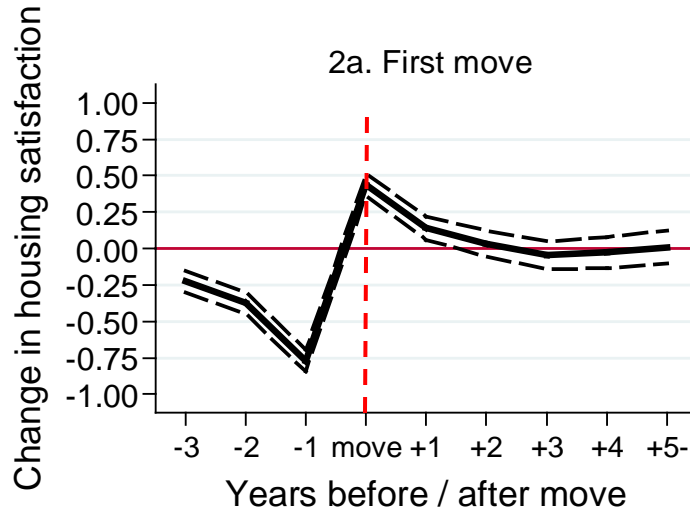
- German Socio-economic Panel (GSOEP), 1998–2012 (v29)
- Sample restrictions
  - at least 2 observations per person (within change)
  - only renters who moved at least once (ATT)
  - 1st – 4th household move (but left censoring!)
- Statistical model
  - Outcome: housing satisfaction (“How satisfied are you today with your dwelling?”; 0[–] – 10[+])
  - Two-way fixed effects: person & year; robust SE
  - Specification of moving effect: dummy impact function

i	year	...	move <sub>t-1</sub>	move <sub>t</sub>	move <sub>t+1</sub>	...
60	1999		1	0	0	
60	2000		0	1	0	
60	2001		0	0	1	

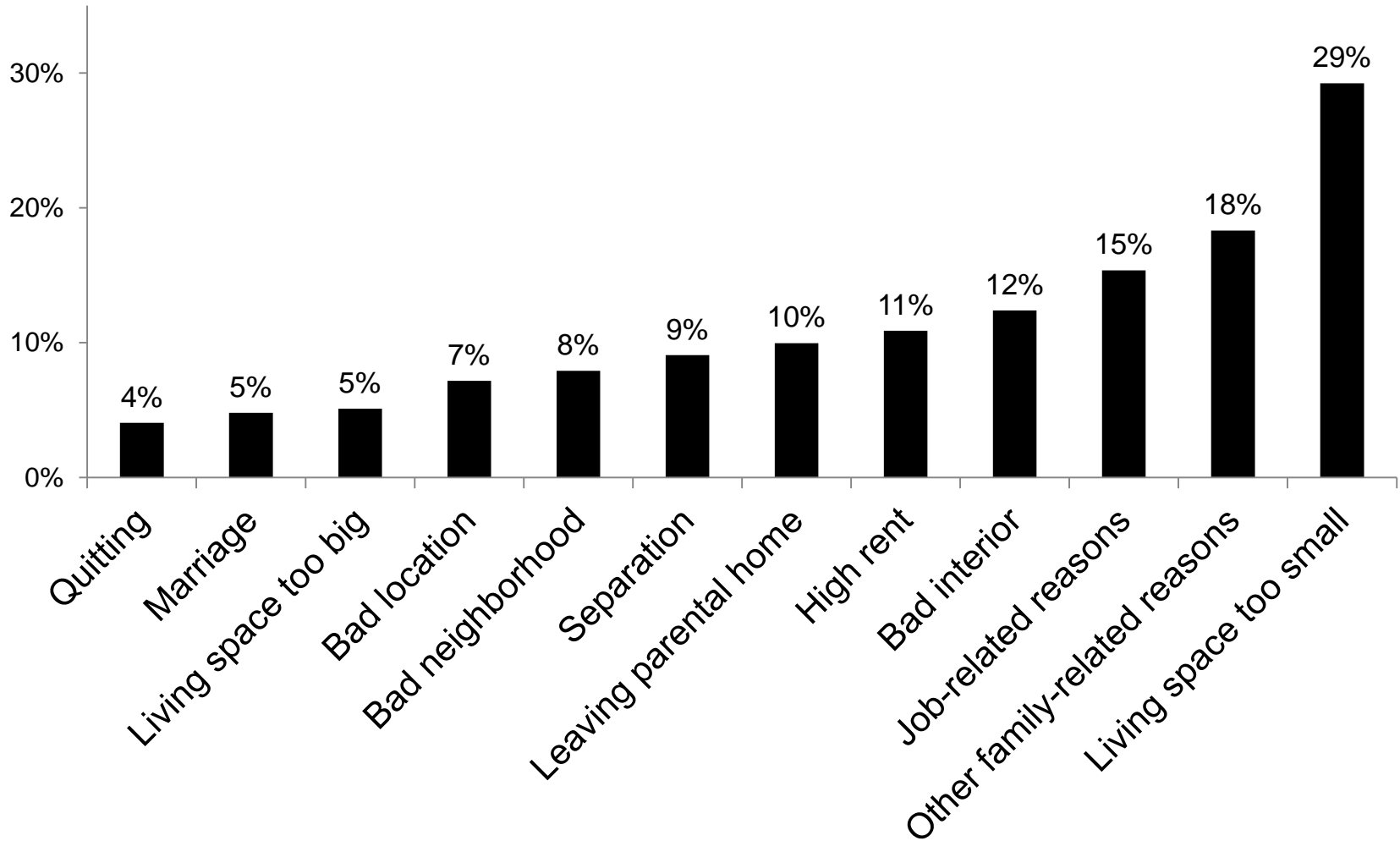
## 4. Results



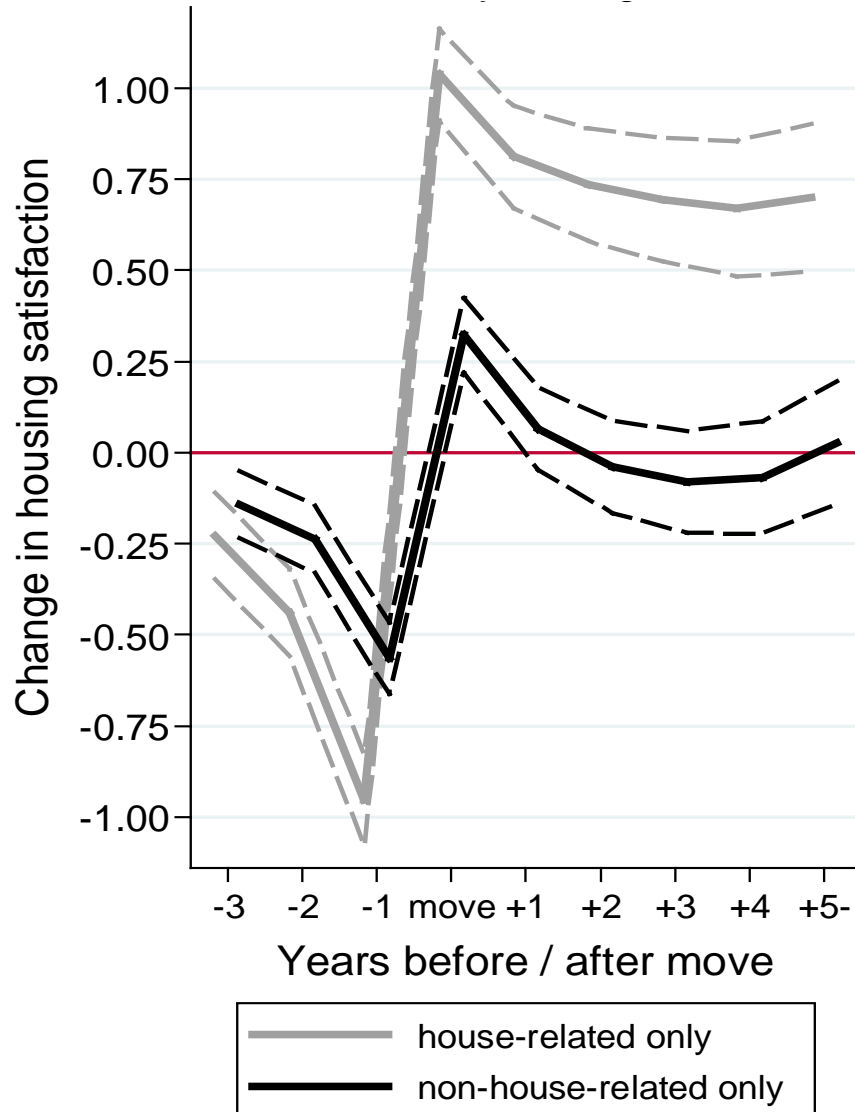
# 4. Results



## 4. Moving Reason (Self-assessed)



## 4. Results



**House-related reasons:** living space, location, neighborhood ...

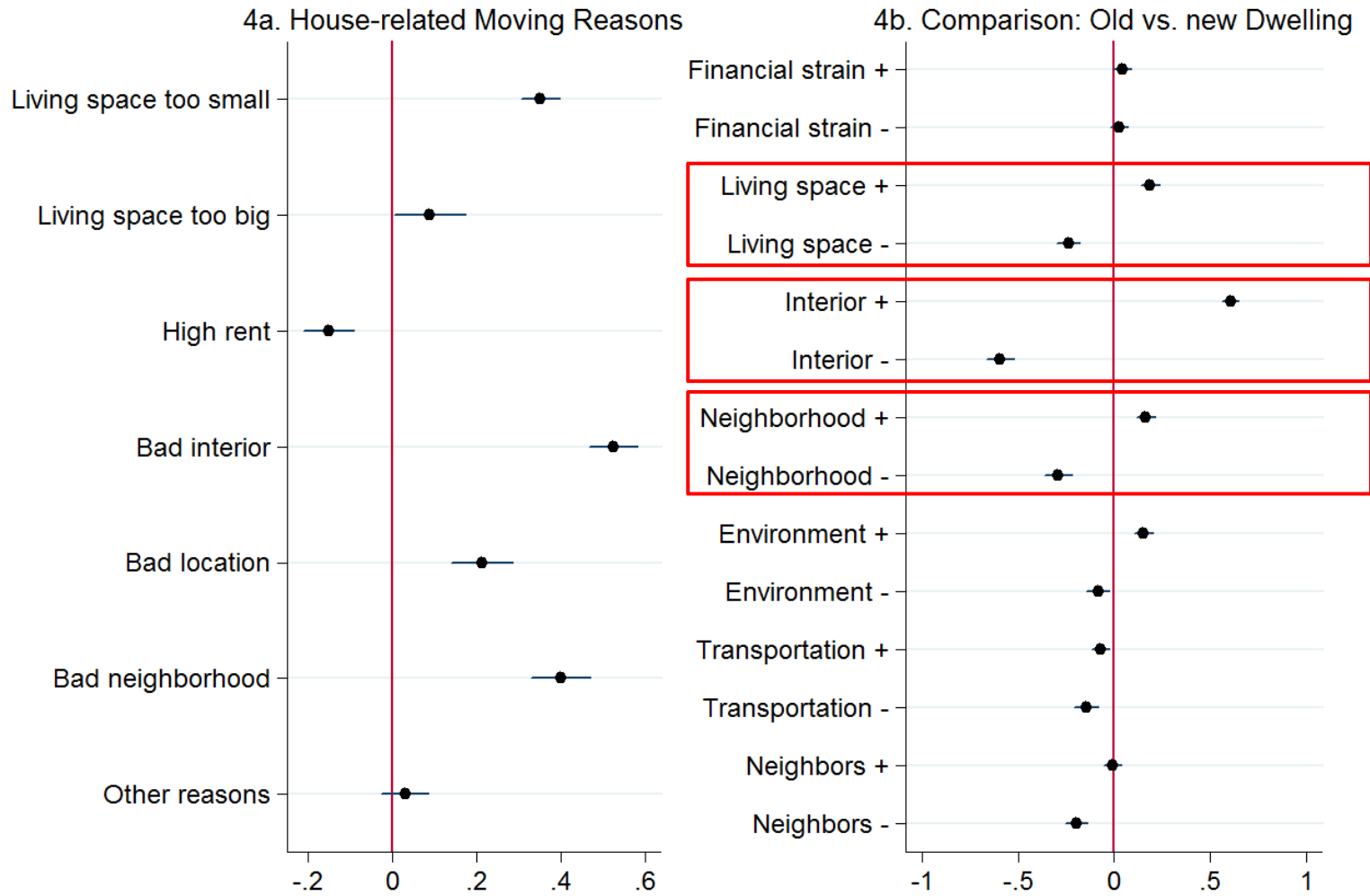
→ **Partial adaptation**

**Life events:** marriage, leaving parental home, job-related, ...

→ **Full adaptation**

→ **For house-related moves:  
What drives lasting gains in  
housing satisfaction?**





→ Adjustment for subjective comparison old/new flat (fig. 4b) fully explains lasting gains in housing satisfaction.

## 5. Summary

- Clear **relocation effect** on housing satisfaction
- **Self-selection** into moves
- **House-related moves**: stronger relocation & selection effects
- **Adaptation** in the first 2-3 years
  - Full adaptation for non-house-related moves
  - Partial adaptation for house-related moves
- **Subjective comparison** old/new flat explains lasting gains
  - Interior
  - Living space
  - Neighborhood
  - Ownership (further analyses)

Thanks for your attention!  
I'm looking forward to your comments!

Wolbring, T. (forthcoming): Home Sweet Home! Does Moving Have (Lasting) Effects on Housing Satisfaction? *Journal of Happiness Studies*.

# Correlation: Domain-specific and Overall Life Satisfaction

	overall	housing	health	income	leisure	consumption	environment
housing	0.328						
health	0.482	0.213					
income	0.500	0.377	0.290				
leisure	0.289	0.353	0.180	0.239			
consumption	0.168	0.159	0.121	0.153	0.197		
environment	0.242	0.289	0.220	0.260	0.233	0.217	
living standard	0.609	0.459	0.358	0.684	0.342	0.209	0.364