

Belmont University

Belmont Digital Repository

Belmont University Research Symposium
(BURS)

Special Events

2024

Absentee Ownership and Rental Affordability: Evidence from Commuting Zones

Ireland F. Crowther

Belmont University, ireland.crowther@bruins.belmont.edu

Follow this and additional works at: <https://repository.belmont.edu/burs>



Part of the [Income Distribution Commons](#), [Political Economy Commons](#), and the [Regional Economics Commons](#)

Recommended Citation

Crowther, Ireland F., "Absentee Ownership and Rental Affordability: Evidence from Commuting Zones" (2024). *Belmont University Research Symposium (BURS)*. 512.
<https://repository.belmont.edu/burs/512>

This Oral Presentation is brought to you for free and open access by the Special Events at Belmont Digital Repository. It has been accepted for inclusion in Belmont University Research Symposium (BURS) by an authorized administrator of Belmont Digital Repository. For more information, please contact repository@belmont.edu.

Absentee Ownership and Rental Affordability: Evidence from Commuting Zones

Ireland Crowther*

March 15, 2024

Abstract

In this paper, we examine the intersection of financialization, wealth inequality, and the housing market in the United States with an emphasis on the relationship between absentee ownership and declining rental affordability. At the same time as financialization has increasingly transformed the market for residential real estate into a vehicle for financial speculation, households at the bottom of the income distribution have been disproportionately affected by rising rents and declining housing affordability. Using data from the decennial Census and the American Community Survey from 1990 to 2020, we investigate the link between absentee ownership and rental affordability across US commuting zones. Panel fixed-effects estimates suggest a 10 percentage-point increase in absentee ownership results in a 6.7% increase in average rent, a 1.6 percentage-point increase in the ratio of median commuting zone rent to median commuting zone income, and an approximately 1.4 percentage-point increase in the share of households in a commuting zone that are rent burdened. These effects are concentrated in commuting zones with large non-white populations, and are particularly severe in commuting zones with a large share of black non-Hispanic residents. Our findings contribute to the understanding of how financialization and absentee ownership exacerbate housing affordability issues in marginalized communities and urban centers in the economic periphery, shaping the urban affordability landscape in locations beyond “first-tier” global cities.

JEL Codes: R31, R11, Z13

Keywords: Absentee Ownership, Housing Markets, Rental Affordability

*Jack C. Massey College of Business, Belmont University. ireland.crowther@bruins.belmont.edu