

The Anatomy of Rent Burdens: Immigration, Growth, and Rental Housing

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This paper assesses whether growth in the immigrant population over the past two decades has adversely affected the housing consumption opportunities of native renter households. We find that the monthly housing expenses of native renters are higher in metropolitan areas with larger immigrant populations. However, these marginal effects are comparable for both native households in direct competition with immigrants and native households that are unlikely to compete with immigrants in the housing market. Moreover, while average native rents increase as the proportion immigrant increases within a given metropolitan area, the same is not true for rent-to-income ratios. We do find that native households in metropolitan areas with large immigrant populations consume fewer rooms and are relatively more likely to reside in crowded conditions. This result holds in an analysis of cross-sectional variation as well as the analysis of changes within metropolitan areas. However, there is little evidence that these effects are larger for those native households who are likely to be in competition for housing with immigrant households.