



Spatial Economics Research Centre

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House swaps to help the jobless?

According to the Observer, the government are 'to launch a "house swap" programme [...] in an attempt to encourage people to move around the country to find work.'

The opposition suggest that this is somehow inconsistent with the [changes in the housing benefits system](#) (which will effectively force some poorer families to move out of more expensive housing). Remember, however, that those reforms are about (i) reducing the overall cost to the state of providing housing and (ii) increasing the incentives to work, by reducing the penalty that gets imposed as people move in to work (when moving in to work reduces benefits). It will also, by the way, have the effect of improving housing conditions for middle income families that work but don't receive housing benefit (something which no one seems to be pointing out in the debate over the squeezed middle). This is only inconsistent with the idea that housing swaps might help the jobless if you think that living in the expensive parts of a city are important for your job prospects. Once you control for individual characteristics, however, the evidence suggests where you live [within a city has limited impact on your job prospects](#).

Unfortunately, this very same fact, offers cold comfort for the government about the likely impact of any house swap scheme on unemployment. As I wrote last week, [when who you are matters much more than where you live](#), schemes that get people to move around don't have the large impacts the simple comparisons would suggest. That's not an argument against greater mobility (and, in particular of building more housing in relatively successful places) but it does urge caution when thinking about the magnitude of any impact. The overall impact of social housing swaps are likely to be smaller still, [for reasons that I explain in more detail here](#).

In my opinion it really is hard to see why anyone should object to a swap scheme (because agreeing to the swap must mean that both sides of the deal benefit) but it may have relatively little impact on the problem.

Posted by [Prof Henry G. Overman](#) on [Monday, October 17, 2011](#).

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