Housing Quality, Health and Residential Mobility: The German Reunification

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6 October 2020

This paper investigates the role of housing quality in shaping occupants’ health and residential mobility. The empirical analysis exploits the massive renovation wave in the aftermath of the German reunification as a natural experiment, and relies on survey as well as administrative records. The results show that an improvement in housing quality enhances individuals' health. We find evidence suggesting that renovated houses create a more stable indoor climate protecting occupants against cold temperatures. We further document adverse health effects for pregnant women and neonates during the renovation phase, and a reduced residential mobility after the renovation among the working age population. The findings have strong policy implications and have to be considered when planning (public) renovation programs.