Country-wide effects of new housing supply: Evidence from moving chains *

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Abstract

We study the country-wide effects of new residential housing supply using population-wide register data for Switzerland. New housing units attract predominantly high-income households but the triggered moving chains also enable lower-income households to move as affordable units get vacated. We expand existing evidence on moving chains in two new directions. First, we document that moving chain income gradients remain remarkably similar whether the new unit is located in municipalities with high or low vacancy rates, strict or lenient land-use regulations, and elastic or inelastic housing supply, though initial mover incomes vary across these market conditions. Second, alternative triggers—emigration, household consolidation, and deaths—account for the majority of initial vacancies and generate moving chains starting with substantially lower-income households. These findings demonstrate that housing supply expansions benefit lower-income households through moving chains.

1 Introduction

Many places around the world face persistent increases in housing costs that have outpaced income growth, resulting in severe affordability problems (see, for example, Gyourko et al., 2013; Knoll et al., 2017; Hilber and Mense, 2021; Saiz, 2023). These financial pressures fall disproportionately on low-income households, who spend a substantially larger share of their income on housing than higher-income groups. In Switzerland, households in the bottom income tercile devote more than 40 percent of their income to housing expenditures, nearly twice the

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share of households in the top tercile (Basten et al., 2017). Similar patterns are documented across Europe and North America, making housing affordability a first-order policy concern (see, for example, Dustmann et al., 2022).

The literature attributes rising housing costs to a combination of demand-side and supply-side forces. On the supply side, restrictive land-use regulations, political opposition to development (*NIMBY*ism), and geographic constraints limit new construction and contribute to persistent housing shortages (Glaeser and Gyourko, 2005; Hilber and Vermeulen, 2016). On the demand side, population growth, smaller household sizes, and income growth have increased housing demand (Poterba et al., 1987; Eichholtz and Lindenthal, 2014). As a result, even modest demand shocks can translate into large price and rent increases.

These developments have renewed interest in the role of housing supply as a policy lever to improve affordability, especially for low-income households. However, empirical evidence remains mixed. While some studies find that new market-rate construction lowers nearby rents (Li, 2022; Asquith et al., 2023), others document gentrification effects or show that unsubsidized construction rarely targets low-income households directly (Rosenthal, 2014; Baum-Snow and Marion, 2009; Diamond and McQuade, 2019). This ambiguity has fueled skepticism about whether expanding market-rate housing supply can meaningfully benefit poorer households, and if so, through which mechanisms (Elmendorf et al., 2025).

This paper studies whether an expansion of housing supply benefits low-income households in Switzerland. We focus on residential moving chains as a central transmission channel through which housing built for higher-income households can indirectly relax housing demand further down the income distribution. New housing construction may affect low-income households either (i) through a long-run *filtering* process, whereby housing quality and rents decline over time (Arnott and Braid, 1997; Rosenthal, 2014), or (ii) through *moving chains*, whereby higher-income households move into new units and vacate existing housing that becomes available to successively lower-income households (Arnott, 1989; Chase, 1991). While these mechanisms are conceptually well understood, their empirical relevance has only recently been assessed due to the demanding data requirements. A growing empirical literature has begun to quantify moving chains triggered by new housing construction. Mast (2023) documents that new market-rate housing in large U.S. cities initiates chains of moves that extend well beyond the initial occupants and reach lower-income households. Bratu et al. (2023) provide similar evidence for new construction in central Helsinki, while French and Gilbert (2024) compare vacancy chains initiated by suburban single-family homes and urban multifamily developments for the US. Kindström and Liang (2024) jointly study filtering and moving chains in Sweden. These studies consistently show that although new housing primarily attracts high-income households, it can indirectly increase access to more affordable housing through sequential moves.

We contribute to this literature by constructing residential moving chains for Switzerland using population-wide administrative microdata. Switzerland represents a particularly compelling setting for studying moving chains. First, Swiss rental markets are characterized by strong tenancy rent control that locks in sitting tenants at below-market rents (Hauck et al., 2025),

combined with one of the highest renter shares in Europe (approximately 60 percent). These institutional features potentially create substantial mobility frictions and amplify the private costs of moving, raising the empirical question of whether findings from other contexts apply in this setting. Second, Switzerland has experienced strong aggregate population growth driven by international immigration, placing sustained pressure on housing markets nationwide.[1] This immigration may shorten moving chains, as newly arriving households occupy vacancies without freeing up another unit, thereby terminating the chain. Third, local planning autonomy means that land-use policies vary substantially across municipalities (Büchler and Lutz, 2024), allowing us to examine how regulatory constraints shape moving chains as an angle that has not been studied previously.

We combine register data covering the universe of residents and housing units with detailed information on household income, demographics, and housing characteristics. Our data allow us to link households to specific housing units over time and to observe complete chains of moves triggered by new housing construction in 2018. We document that newly constructed units are initially occupied by high-income households, but that subsequent rounds of moving chains involve households with progressively lower incomes. A similar gradient emerges for (imputed) rents: newly constructed units command substantially higher rents than the units vacated along the chains. Moreover, we show that moving is fundamentally about upgrading—households who move increase their housing space consumption, and this pattern extends throughout moving chains.

These findings closely replicate earlier results for the US (Mast, 2023; French and Gilbert, 2024) and Scandinavia (Bratu et al., 2023; Kindström and Liang, 2024): new construction triggers moving chains that initially attract affluent households into expensive units and, as chains progress, vacate less expensive units that enable lower-income households to move. Our first contribution thus lies in demonstrating the robustness of these established patterns in a new setting with strong rental regulation and high immigration—conditions that might plausibly weaken or accelerate chain dynamics.

We also extend the existing literature in two important dimensions. First, we study how local housing market conditions and supply constraints shape moving chains. We examine whether the income composition of moving chains differs depending on local market liquidity (meaning, a large vacancy rate), land-use restrictiveness, and housing supply elasticity. Using municipality-level vacancy rates, the CRED land-use restrictiveness index (Büchler and von Ehrlich, 2023), and direct estimates of housing supply elasticity (Büchler et al., 2021), we show that market liquidity affects the income level of households moving into newly constructed units, but that the income gradient along subsequent rounds of the moving chain remains remarkably similar across regulatory and elasticity regimes.

Second, we broaden the analysis beyond new construction as the sole trigger of moving chains.

[1] Population increased by 22% between 2000 and 2022, and the number of households grew by 13.4% between 2012 and 2022 (Hauck et al., 2024)

We identify three quantitatively important alternative triggers that create initial vacancies without absorbing another housing unit: emigration, household consolidation, and deaths of households. These events account for the majority of initial vacancies and generate moving chains that differ systematically from those triggered by new construction. Both initial movers and households in subsequent rounds have substantially lower incomes when chains are triggered by these events. This highlights the central role of vacancy creation and filtering in providing housing opportunities for low-income households, consistent with Rosenthal (2014). Together, our findings provide a comprehensive picture of residential moving chains in Switzerland and clarify how housing supply expansions and vacancy creation translate into improved access to housing for lower-income households.

2 Data and constructing moving chains

2.1 Data

We study residential moving chains in Switzerland using geo-coded administrative register data that link all residents to their housing units over the period 2016–2018. The data are compiled from multiple registries maintained by the Swiss Federal Statistical Office (FSO) and cover the universe of approximately 8.7 million residents. They provide detailed demographic, socioeconomic, and housing information at the individual, household, and unit level.

Our main data source is the Population and Households Statistics (STATPOP), which contains comprehensive information on individuals' gender, age, marital status, household composition, and place of residence. Using pseudonymized social security identifiers, we link individuals to annual labor income from the Old Age and Survivors' Insurance (AHV).[2] Individuals are further linked to the specific building and housing unit in which they reside at the end of each calendar year. For each unit, we observe detailed housing characteristics, including the number of rooms, living space, construction year, dwelling type, and precise location at the 100×100 meter grid-cell level.

To impute market rents for housing units in our moving chains, we use the Structural Survey (SE), a mandatory annual census that covers approximately 5% of the Swiss population. The survey provides information on whether households are renters, the rent they pay, and the year they moved into their current unit. Households that moved in the survey year are paying market rent, as their rent reflects current market conditions. We use this subsample (approximately 10 percent of all renters in a given year) to train a hedonic pricing model based on XGBoost that predicts rents as a function of unit characteristics (number of rooms, living space, construction

[2]Contributions to AHV are mandatory for all individuals except those younger than 25 with an annual income below CHF 750. Contributions are levied as a fixed share of gross labor income, including bonuses and official awards, and apply equally to employees and the self-employed.

year, dwelling type) and precise location (100×100 meter grid cells). We apply this model to impute market rents for housing units in our moving chains.

We identify newly constructed buildings and housing units by their first appearance in the registry. In 2018, we observe 49,223 newly constructed housing units, comprising owner-occupied and rental units as well as market-rate and non-profit developments. Figure A1 illustrates the spatial distribution of new construction. Of these units, 31,652 (64%) are occupied by the end of the year.

Table A1 compares newly constructed units that are occupied at year-end to those that remain vacant. Vacant units are more likely to be located in rural areas, have smaller living spaces, and are part of larger buildings. Several factors may explain year-end vacancy, including construction completion delays and timing mismatches between physical occupancy and administrative registration. Consistent with this interpretation, a substantial share of units that are vacant at the end of 2018 appear as occupied in 2019. Our analysis, therefore, focuses on newly constructed units that were occupied immediately in 2018.

2.2 Constructing moving chains

We construct residential moving chains starting from all housing units that were newly constructed and occupied in 2018. In a first step, we identify all individuals who moved into these units during 2018. We then trace these individuals back to their previous residence in 2017, thereby identifying the origin units that are vacated as a result of the move. Moves are allowed from any location within Switzerland, and we impose no restrictions on the type of housing previously occupied.

In the next step, we identify the individuals who occupy these origin units in 2018. We again trace these individuals back to their 2017 residences to identify the next set of vacated units and the corresponding movers. We iterate this procedure to construct successive rounds of moving chains, following households for up to six rounds, consistent with Mast (2023) and Bratu et al. (2023). Figure A2 illustrates the described procedure for a hypothetical moving chain.

A moving chain terminates if one of the following conditions is met: (i) the vacated unit remains unoccupied in 2018; (ii) the unit is only partially vacated, for example, due to household dissolution or children moving out; or (iii) the new occupant moved from abroad and therefore does not vacate another housing unit within Switzerland, (iv) the vacated unit is demolished. In each of these cases, no further move is generated.

3 Results

We begin by providing a descriptive characterization of moving chains triggered by new housing construction in 2018. Throughout this first part, we pool all types of new construction,

without distinguishing between rental and owner-occupied units, or between market-rate and non-profit housing. Figure A3a displays the number of realized moves by migration round over a one-year horizon. Consistent with existing evidence, moving chains are relatively short, with approximately 75% terminating within three migration rounds. Chains may end for several reasons, including in-migration from abroad, household formation (e.g., children moving out of the parental home), persistent vacancy of the unit, or demolition. Figure A3 reports the share of chains terminating at each round by termination reason.

3.1 Who gets to move because of new construction?

We next assess whether new construction facilitates mobility for low-income households. Figure 1 plots the median equivalized annual household income by migration round. Households moving into newly constructed units (migration round 1) have substantially higher incomes than movers in later rounds. Income declines monotonically along the chain, and by migration round three, the median moving household belongs to the lower half of the Swiss income distribution. Figure A6 shows the mean rank of moving households in the local (500 × 500m grid-cell) income distribution at both origin and destination. First-round movers are slightly positively selected, ranking at the 56th percentile in their origin neighborhoods. On average, households move to destination neighborhoods where they rank between the 55th and 65th percentile, indicating modest upward sorting within local income distributions.

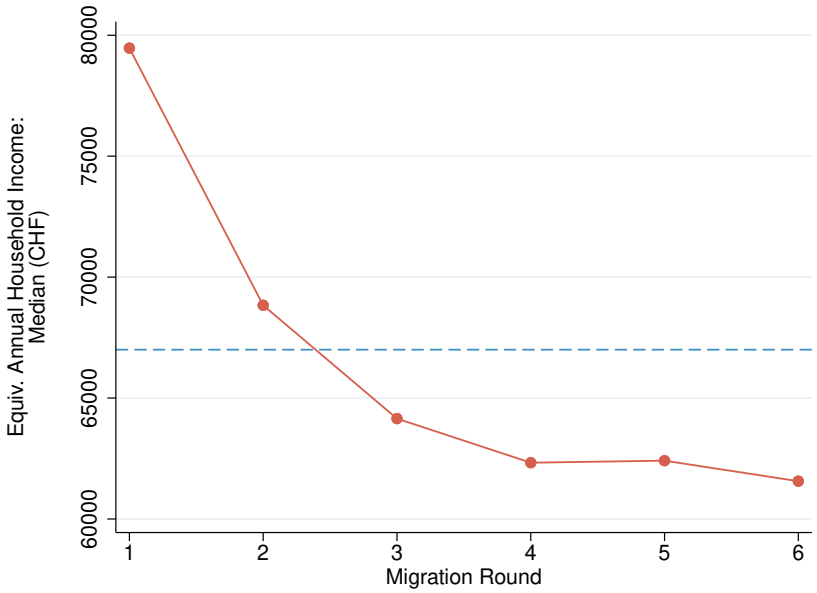


Figure 1: Income by migration round

Notes: The figure shows the median equivalized annual household income (in CHF) at each round of migration triggered by newly constructed housing units.

Figure 2 compares moving chains triggered by new market-rate construction (29,756 units) and

new non-profit housing (1,627 units). Households moving into newly constructed non-profit units have markedly lower incomes than those moving into market-rate units. Moreover, income gradients along chains triggered by non-profit housing are substantially flatter, with incomes in subsequent rounds remaining close to those of the initial movers.

These patterns are informative, but they do not yet reflect the fact that the number of moves reduces drastically with each round. To better quantify the relative effectiveness of each construction type in enabling low-income households to move, we measure the number of moves enabled per newly constructed unit for households below the median income across all six migration rounds. By this metric, non-profit construction generates 0.93 moves for households with below-median incomes, compared to 0.75 for market-rate construction.[3]

We further characterize movers along several additional dimensions. Households moving in later rounds are younger on average (Figure A4a), live in smaller households (Figure A4b), and move over longer distances (Figure A5b) than households moving into newly constructed units. In addition, the share of moves directed toward urban locations increases along the chain (Figure A5a). New construction in Switzerland occurs predominantly as greenfield construction rather than through the replacement of existing (residential) buildings within urban centers. This generates outward-directed chains, in contrast to Bratu et al. (2023), who study construction restricted to central business districts and consequently observe inward-directed chains. The similarity of our main findings despite this difference suggests that the core mechanisms of moving chains are robust to the location of new construction.

Figure 2: Non-profit vs. market rate housing

Notes: The figure shows the median equivalized annual household income (in CHF) at each round of migration triggered by newly constructed housing units that are either market-rate or non-profit.

[3]These metrics should be interpreted as relative comparisons rather than absolute counts. Our methodology may undercount total moving chain length because we track chains only within a single year; chains spanning multiple years are not captured. Nevertheless, the relative differences across construction types and income groups remain informative for policy comparison.

3.2 Does new construction generate affordable vacancies?

In Figure 3, we examine (imputed) rent dynamics along moving chains. In line with prior findings, we observe a pronounced rent gradient. The median newly constructed unit commands a monthly rent just below CHF 1,900, whereas the units vacated by first-round movers rent for approximately CHF 1,600. This pattern indicates that moving chains make relatively more affordable rental units available further down the chain. It is important to note that the increase in rent payments for moving households is likely higher than reflected in this comparison, as they typically paid below-market rent in their previous unit due to tenancy rent control. The magnitude of this gap depends on tenancy duration in the origin unit (Hauck et al., 2025).

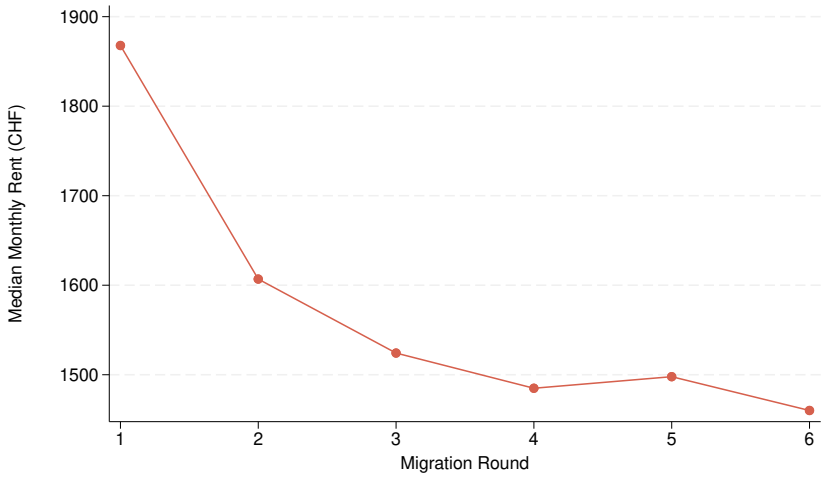


Figure 3: Imputed monthly rent by migration round

Notes: The figure shows the median imputed monthly rent (in CHF) at each round of migration triggered by newly constructed housing units.

Figure A7 compares housing space consumption in origin and destination units for movers along chains triggered by newly constructed units of varying sizes. Households moving into new construction substantially increase their housing consumption. The sole exception occurs for 1-room apartments, where initial movers downscale substantially. This pattern of space expansion extends throughout moving chains: households in all subsequent rounds, triggered by any type of new construction increase consumption.

These findings suggest that moving is fundamentally about upgrading. Households move to more expensive units while simultaneously expanding their housing consumption. This pattern is consistent with households relocating only when benefits exceed the combined costs of moving and, for renters, transitioning from rent-regulated contracts to higher market rents. Only when upgrading incentives are sufficiently large are households willing to expose themselves to these substantial costs.

Taken together, these results confirm earlier findings by Mast (2023), Bratu et al. (2023), French and Gilbert (2024), and Kindström and Liang (2024): New construction triggers moving chains

that end relatively quickly and initially attract affluent households into expensive units. As chains progress, less expensive units are vacated, enabling lower-income households to move.

3.3 Do local supply elasticities shape moving chain gradients?

We now extend the analysis examining whether moving chains triggered by new construction differ across local housing markets with varying degrees of supply elasticity. To study heterogeneity by supply conditions, we classify municipalities using three alternative measures: (i) market liquidity measured as the share of vacant units at the municipality level[4], (ii) strictness of land use regulation at the municipal level based on Büchler and von Ehrlich (2023), and (iii) direct measures of housing price elasticity based on Büchler et al. (2021)

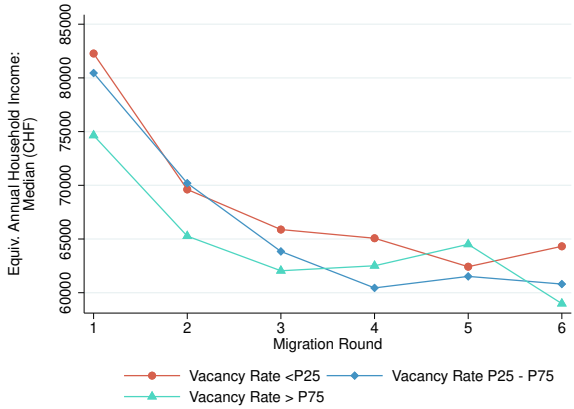
Figure 4a presents moving chains for newly constructed units located in municipalities with low, medium, and high vacancy rates. When new construction occurs in relatively liquid markets (vacancy rates above the 75th percentile), households moving into the initial units have substantially lower incomes compared to those in tight markets. This pattern is consistent with lower amenity levels and lower housing demand in municipalities with high vacancy rates. Importantly, while initial income levels vary with market liquidity, income gradients along chains exhibit similar patterns across market types.

Based on the CRED land-use restrictiveness Index (CLURI), available for a subset of 702 out of 2,148 Swiss municipalities, we categorize municipalities according to the restrictiveness of their local land-use regulations. Surprisingly, the emerging gradients in Figure 4b remain almost identical, no matter whether the initial unit is located in a municipality with a very strict regulatory framework (CLURI above P75) or a very lenient regulatory framework (CLURI below P25). Furthermore, neither the income level of initial movers nor the income of movers in subsequent rounds differs substantially. Measuring supply elasticity directly, we group municipalities according to their rent-elasticity in Figure 4c. Again, gradients are nearly identical across elastic and inelastic municipalities.

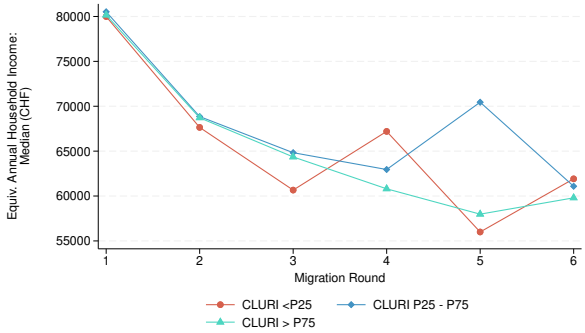
These findings contribute to land use regulation literature by highlighting a measurement problem in policy evaluation. While new construction generates benefits for lower-income households regardless of supply elasticity, moving chains extend across municipal boundaries (Figure A5b), creating spatial spillovers that local impact evaluations miss. This may explain Büchler and Lutz (2024)'s puzzle: Upzoning in metropolitan Zurich substantially increases housing supply yet produces limited local rent effects.

This spatial dispersion has important implications. Development costs, infrastructure, congestion and opposition accrue locally, while benefits dissipate geographically. Localities that relax land-use restrictions bear full costs but capture only a fraction of benefits, explaining resistance to supply expansion even when aggregate gains are substantial. Evaluating land use reforms re-

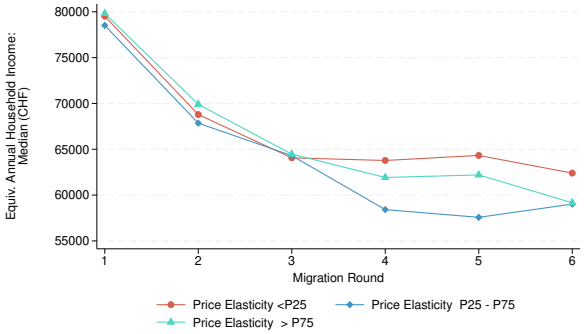
[4]An alternate measure for liquidity would be *time on the market* as in Amaral et al. (2025).



(a) Vacancy rates



(b) CRED land-use restrictiveness index



(c) Supply elasticities

Figure 4: Moving Chains by: CLURI and supply elasticity

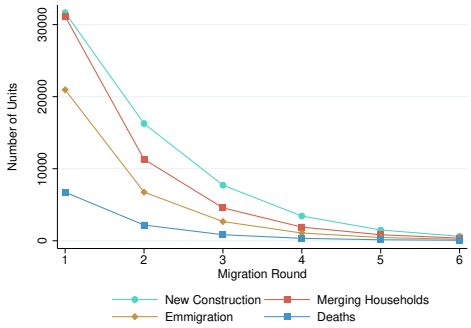
Notes: All panels show median equivalized annual household income (in CHF) of moving households by migration round. Panel 4a splits the sample by newly constructed units located in municipalities with high, medium, and low market liquidity, measured through the vacancy rate. Panel 4b splits the sample by newly constructed units located in municipalities with high, medium, and low land-use restrictiveness, measured with the CLURI. Panel 4c splits the sample by newly constructed units located in municipalities with high, medium, and low supply elasticities of housing prices.

quires accounting for these inter-jurisdictional spillovers through frameworks like moving chains that trace benefits beyond treatment boundaries.

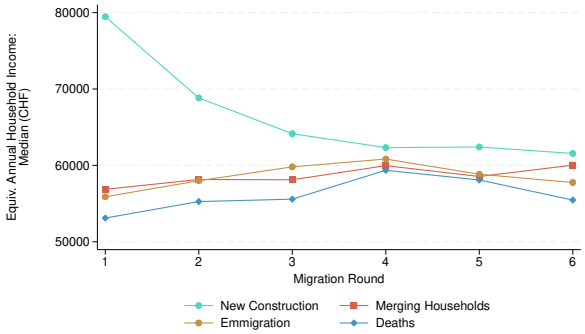
3.4 What moving chains do other events trigger?

Turning to the second extension, we analyze moving chains initiated by triggers other than new construction. This exercise is helpful because any move can be classified as either the first round of a moving chain (a household moving into an initially vacated unit) or a subsequent round. We identify three additional events that can trigger moving chains by creating an initial vacancy: (i) emigration out of Switzerland, (ii) household consolidation, and (iii) death of a household. By extending our analysis to triggers other than new construction, we gain new insights about market liquidity and the provision of moving opportunities.

Figure 5a shows that these triggers are quantitatively important. In 2018, we observe 20,956



(a) Number of moves per round and trigger



(b) Income by migration rounds and trigger

Figure 5: Moving chains for different alternative triggers

Notes: Panel 5a shows the number of housing units in each migration round for the different initial triggers. Panel 5b shows the median equivalized annual household income (in CHF) for each migration round and initial trigger.

units vacated due to emigration, 31,134 due to household consolidation, and 6,740 due to deaths. Together, these channels account for the majority of initial vacancies.

Figure 5b documents the median equivalized annual household income for moving households conditional on migration round, distinguishing between the four triggers for moving chains. The moving chains triggered by emigration, household consolidation, and household deaths show a distinctly different pattern than those triggered by new construction. Initial movers into these vacancies have substantially lower incomes—well below CHF 60,000, compared to approximately CHF 80,000 for movers into newly constructed units. This income gap persists across subsequent rounds. These findings highlight the pivotal role of filtering, as previously occupied units become available for low-income households (see Rosenthal, 2014; Kindström and Liang, 2024).

Unlike new construction, which policymakers can influence, e.g., through land-use regulation and zoning, these alternative triggers lie largely outside direct policy control. Yet understanding their effects on housing market liquidity is important. Switzerland's immigrant cohorts from the 1980s and 1990s are nearing retirement, when return migration rates increase (Constant and Massey, 2003). Deaths will free more units as baby boomers age. Average household size has declined while the number of single-person households is increasing (Hauck et al., 2024), reducing consolidation-driven vacancies and increasing demand. These demographic forces create a baseline flow of housing units, which our results show become available to lower-income households immediately. Understanding this baseline helps policymakers determine how much additional new construction is needed beyond what demographics naturally provide.

4 Conclusion

Does new housing benefit only the affluent? Using comprehensive administrative data from Switzerland, we show that it does not. While newly constructed units attract high-income households, the resulting moving chains create housing opportunities for progressively lower-income households. This pattern holds regardless of local supply restrictions, though initial mover income levels vary with market conditions. Moreover, demographic events—emigration, household consolidation, and deaths—account for 65 percent of initial vacancies and trigger chains beginning with substantially lower-income households. These units have already filtered down, becoming immediately available to lower-income households without requiring a chain of moves.

These findings contribute to ongoing policy debates about housing supply and affordability. Skepticism has grown around whether new construction benefits lower-income households (Elmendorf et al., 2025), yet our results—together with evidence from the US (Mast, 2023; French and Gilbert, 2024) and Scandinavia (Bratu et al., 2023; Kindström and Liang, 2024)—demonstrate that moving chains operate across diverse institutional contexts. We follow and echo Bratu et al. (2023)'s call for replication across other countries and settings. To the extent that external validity concerns limit policymakers' willingness to act on evidence from other contexts, country-specific findings provide much-needed inputs for evidence-based housing policy.

During the preparation of this work the authors used Claude (Anthropic) in order to assist with text editing. After using this tool/service, the authors reviewed and edited the content as needed and take full responsibility for the content of the published article.

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Appendix

A Appendix

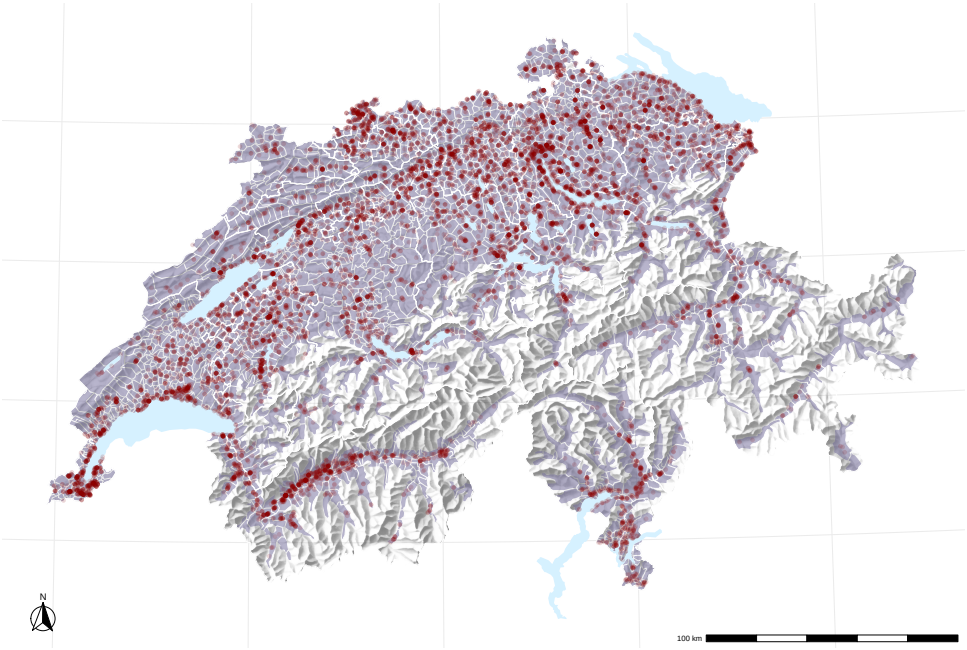


Figure A1: Locations of new constructions in 2018

Table A1: Comparison Occupied vs. Vacant Units

	Filled	Vacant	Difference
Share Urban	0.44	0.43	0.014 (***)
Mean Living Space	106	94.8	11.2 (***)
Mean Number of Rooms	3.47	3.16	0.31 (***)
Mean Number of Units in Building	13.8	22.67	8.78 (***)
Number of units	31'652	18'044	

Notes: Column (1) reports characteristics of units that were newly constructed in 2018 and occupied by the end of 2018. Column (2) reports characteristics for units that were newly constructed in 2018 but were not occupied by the end of 2018. Column (3) reports differences between the two groups.

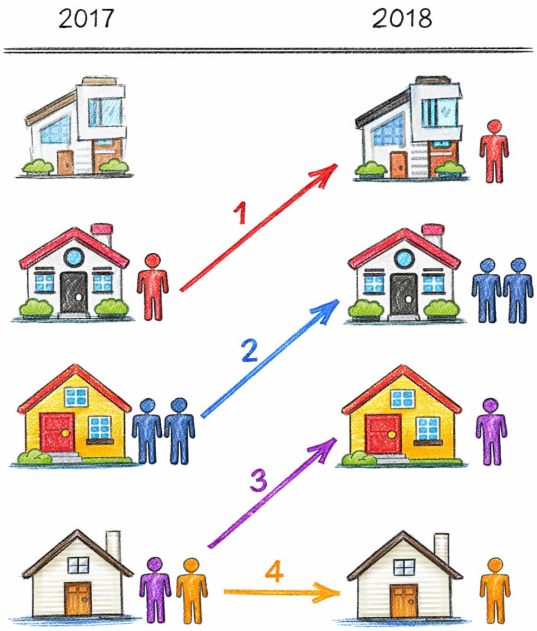
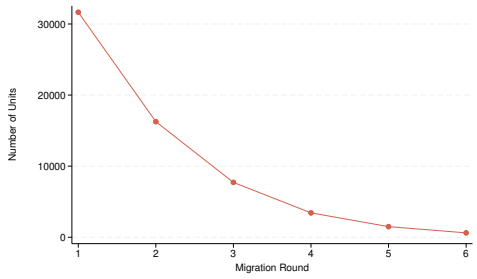
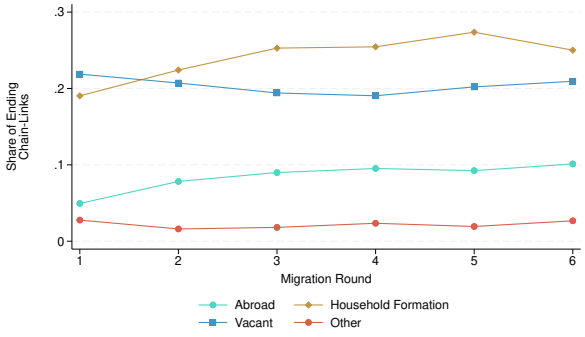


Figure A2: Illustration of moving chains construction

Notes: Illustration of a potential moving chain, triggered by the white unit being constructed and occupied in 2018. As the red person moves into the newly constructed unit, the unit with the red roofing is vacated and then re-occupied by the blue couple. The depicted moving chain ends after migration round 3, as the orange person continues to occupy the white house and no additional move can take place.



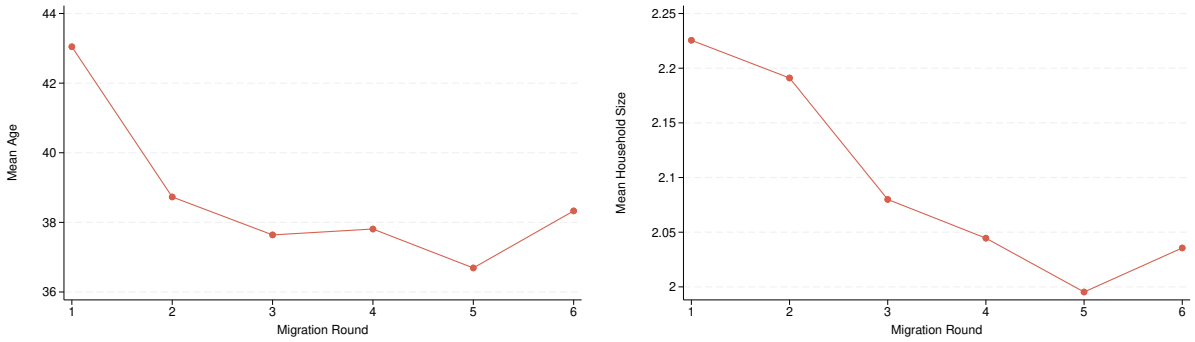
(a) Number of moves across migration rounds



(b) Share of chains breaking

Figure A3: Chain breaks at each round

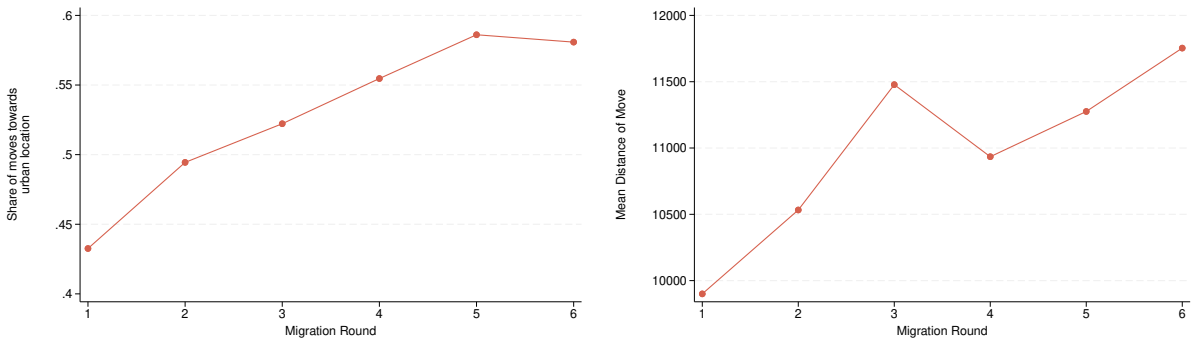
Notes: Panel A3a shows the number of moves for each migration round. Panel A3b shows the share of chains breaking at each round due to different reasons.



(a) Age (b) Household Size

Figure A4: Socio-demographic characteristics for movers at each round

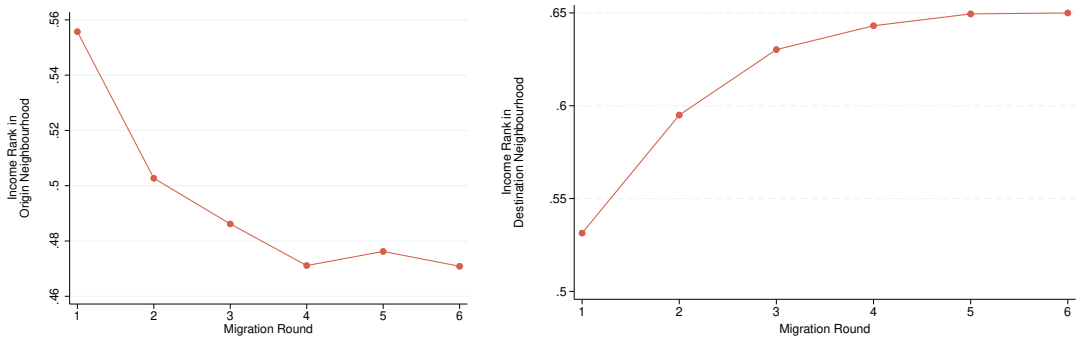
Notes: Panel A4a shows the average age of the household head for each migration round. Panel A4b shows the average household size for each migration round.



(a) Share urban moves (b) Moving distance

Figure A5: Geography of moving chains

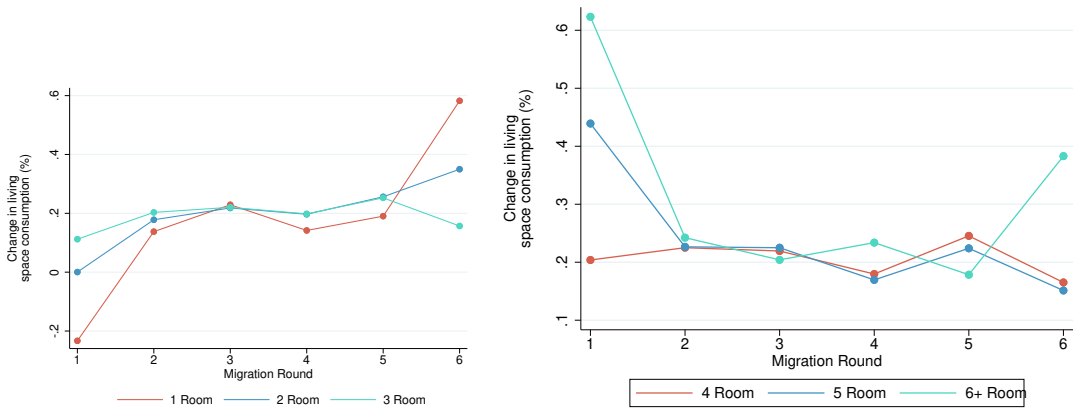
Notes: Panel A5a shows the share of moves into urban destinations for each migration round. Panel A5b shows the average moving distance for each migration round.



(a) Origin neighbourhood (b) Destination neighbourhood

Figure A6: Income rank of moving households

Notes: Both panels show the mean rank of moving households in the local (500 × 500m grid-cell) income distribution for each migration round. Panel A6a shows ranks in the origin location. Panel A6b shows ranks in the destination location.



(a) Smaller units as trigger (b) Bigger units as trigger

Figure A7: Change in housing consumption per person

Notes: The figure shows the change in housing consumption per person (percent) for each migration round, depending on the size of the newly constructed unit.