

Halket, Jonathan; Nesheim, Lars; Oswald, Florian

Working Paper

The housing stock, housing prices, and user costs: The roles of location, structure and unobserved quality

cemmap working paper, No. CWP5/20

Provided in Cooperation with:

Institute for Fiscal Studies (IFS), London

Suggested Citation: Halket, Jonathan; Nesheim, Lars; Oswald, Florian (2020) : The housing stock, housing prices, and user costs: The roles of location, structure and unobserved quality, cemmap working paper, No. CWP5/20, Centre for Microdata Methods and Practice (cemmap), London, <https://doi.org/10.1920/wp.cem.2020.520>

This Version is available at:

<https://hdl.handle.net/10419/241880>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Technical Appendix to “The Housing Stock, Housing Prices, and User Costs: The Roles of Location, Structure and Unobserved Quality”^{*}

Jonathan Halket[†]

Lars Nesheim[‡]

Florian Oswald[§]

January 28, 2020

Abstract

This appendix presents detailed tables of results for Models 1-9 in the main paper. These results show that the results found in Model 1, the baseline model in the main paper, are robust to the addition of a large range of additional variables.

^{*}This work is based on data from the English Housing Survey 2008-2014 ([Department for Communities and Local Government, 2017](#)). The data are Crown Copyright and are reproduced with the permission of the controller of HMSO and Queen’s Printer for Scotland. The use of the data in this work does not imply the endorsement of ONS, DCLG, the UK Data Service, nor the UK Data Archive in relation to the interpretation or analysis of the data. Although all efforts are made to ensure the quality of the materials, neither the original data creators, depositors or copyright holders, the funders of the data collections, nor the UK Data Archive, nor the UK Data Service bear any responsibility for the accuracy or comprehensiveness of these materials.

[†]University of Essex, Texas A&M University and CeMMAP, Institute for Fiscal Studies

[‡]University College London and CeMMAP, Institute for Fiscal Studies

[§]Sciences Po Paris

1 Introduction

As detailed in the main body of the paper, the model estimated is a Type 5 Tobit model. The estimating equations are

$$\ln R = \alpha z + \varepsilon_r \quad (1)$$

$$\ln \pi_o = \beta z + \varepsilon_o \quad (2)$$

$$\ln \pi_o - \ln \pi_r = \gamma z + \varepsilon_s. \quad (3)$$

Due to computational constraints in the secure data laboratory, we chose to estimate the two pairs of equations separately using maximum likelihood estimation.

In this appendix, we provide detailed tables of results for nine specifications of the model as detailed in the next subsections.

1.1 Model 1: baseline specification

The baseline specification, Model 1 in the tables below, includes nonparametric functions of dwelling location and size, indicator variables for dwelling type, dwelling age, parking availability, litter on the property and various measures of energy efficiency. It also includes a continuous measure of rear plot depth. For owner-occupied properties, we also include an indicator for whether the property price is self-reported or not. For rentals, we include measures of whether the rental was furnished by the landlord and an indicator for whether the rental was self-reported to be at market rent.

Dwelling size is measured in square meters. As discussed in Section 4 in the main paper, location coordinates are measured in polar coordinates, distance d from Trafalgar square and angular distance θ from due East. The model includes third-order Chebyshev polynomials in size, seventh-order Chebyshev polynomials in distance, and third-order Fourier series in the angular distance. It also includes interactions between the distance terms and the angular distance terms.

1.2 Models 2-5: alternate specifications

We considered several alternate specifications to gauge the robustness of our results to model specification. Model 2 adds bedrooms, bathrooms, living rooms, number of big

kitchens, fireplaces, attic, balcony and basement. Model 3 adds measures of housing quality defined as the first five principal components of a set of more than 60 measures of property quality. Model 4 adds the first three principal components from a set of more than 40 measures of neighborhood quality. Finally, Model 5 adds the first four principal components from a set of six additional neighbourhood variables.

1.3 Models 6-9: specifications with exclusion restrictions

Because geographic indicators might serve as useful proxies for local government policies that affect sector allocations, we considered four additional specifications that use geographic indicators as proxies for unobserved local policies. We label these models Model 6 - Model 9. Model 6 includes county fixed effects in the selection equation. It would have been better to use local authority or postcode district fixed effects, but this was not possible given our sample size. If local policies on sector choice vary across counties but market conditions do not (conditional on distance direction and location quality), then it would be valid to exclude county fixed effects from the pricing equations. Model 7 includes a variable that measures the fraction of dwellings in the local authority area that are "right-to-buy" dwellings. Right-to-buy dwellings are dwellings that were formally social housing but that have been sold. The fraction that are right-to-buy may reflect historical local political decisions that are independent from a dwelling's characteristics. Model 8 includes the predicted share of social housing in the local authority. This may be a valid instrument for reasons similar to those above. Finally Model 9 includes a measure of the predominant "tenure" of properties in the local authority area (i.e. privately built, local authority built, etc.). As above, this variable may be correlated with historical local policies that are independent of dwelling characteristics.

2 Results

Tables 1-3 display results for Models 1-5. Each table refers to estimates from one of the equations (1)–(3) above. One can see in the tables that most of the results are not changed by adding additional variables to Model 1. In each case, the added variables (or subsets of them) have coefficients that are statistically different from zero. However, the main results are largely unchanged. For most parameters, there are no statistically dif-

ferent differences across columns in the tables. Here we comment on the most important differences.

The most important differences across Models 1-5 are differences in the impact of size when bedrooms and other variables are added in Model 2. We discuss these differences in detail in Section 5.2.2. in the main paper. In addition, for the log-value equation (2), there are some small differences across the models in the dwelling type results. The coefficient on detached decreases from 0.198 in Model 1 to 0.096 in Model 5. The coefficient on converted flat increases from -0.288 to -0.200 (the difference is on the border of being significant at the 5% level) in moving from Model 1 to Model 5. Also, the coefficient on low rise flat declines from -0.179 to -0.101. Moving from Models 1-3 to Models 4-5 does lead to some small changes in the parking coefficients and the litter coefficients. Parking and litter are correlated with the neighborhood quality and urban character variables that are added in Models 4-5. The impact of bedrooms in Models 3-5 is slightly stronger than in Model 2. However, the difference is not statistically significant. The small difference could arise because the property quality measures in Models 3-5 are correlated with the bedroom variables in Model 2.

Finally, we would like to highlight that our estimates of ρ_{os} are stable across Models 1-5. The smallest estimate is Model 1, $\rho_{os} = 0.667$ (0.83) and the largest estimate is Model 5, $\rho_{os} = 0.71$ (0.072). None of the estimates are statistically distinct from the baseline Model 1 estimate of 0.667.

Table 2 displays results from Models 1-5 for the log-rent equation (1). As with log-values there are differences in the results with respect to size. These are discussed in Section 5.2.2. in the main paper. There are also some differences in the impact of dwelling type on log rent. In Models 2-5, the coefficient on detached properties is lower and the coefficient on bungalows is higher but the differences are not statistically significant. Converted flats, low rise and high rise have smaller discounts in rents in Models 2-5 (converted flats: -0.362 in Model 1 vs -0.129 in Model 5; low rise: -0.287 in Model 1 versus -0.125 in Model 5; and high rise: -.26 vs -.146). Bedrooms have a stronger impact in Models 3-5 but the difference from Model 2 is not significant.

Our estimates of the correlation between log rent unobservables and the selection unobservable is 0.95 in all models. The estimate is stable across all models.

Table A.3 reports detailed results for the selection equation (3) across Models 1–5. The main implications for selection have been discussed in the main text in Section 5.

There are slight variations across models in Table A.3, however, the implied probabilities of selection into either sector remain largely unchanged, can be seen in table 8 in the main text. The estimates for detachedness decrease when adding variables to Model 1, however, they were never statistically different from zero. The effect of being a bungalow property increases across columns, as does the impact of being a converted flat. Similarly to both tables A.1 and A.2 above, the impact of bedrooms is larger in Models 3–5 than it is in Model 2, with the differences not statistically different from zero.

Tables A.4–A.6 display results for Models 6–9. These models test whether adding variables to the selection equation change any of our results. In Model 6 we add county fixed effects. In Model 7 we add measures of the fraction of properties in the local authority estate that are right-to-buy. In Model 8, we add the predicted postcode level market share of social housing. In Model 9, we add indicators for the predominant tenure of properties in the local area. All of these variable are potentially correlated with local policies that affect selection but not rents or values. Of these variables, only the county fixed effects are significant in the first stage selection equation. Across all models, all parameters are virtually unchanged. In particular, our estimates of ρ_{os} range from 0.71 to 0.74 and our estimate of ρ_{rs} is 0.95. The former is slightly higher than the range estimated from Models 1–5, 0.667 to 0.71. However, it is not statistically distinct. We conclude that our estimates of ρ_{os} and ρ_{rs} are robust.

3 Tables

Table A.1: Log-value equation(2): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| detached | 0.198 (0.017) | 0.170 (0.017) | 0.168 (0.017) | 0.134 (0.017) | 0.096 (0.018) |
| bungalow | 0.138 (0.021) | 0.170 (0.022) | 0.154 (0.037) | 0.128 (0.036) | 0.102 (0.035) |
| converted flat | -0.288 (0.052) | -0.191 (0.049) | -0.206 (0.052) | -0.206 (0.050) | -0.197 (0.047) |
| low rise | -0.179 (0.031) | -0.101 (0.032) | -0.106 (0.039) | -0.114 (0.039) | -0.087 (0.038) |
| high rise | -0.077 (0.076) | -0.010 (0.074) | -0.010 (0.080) | -0.022 (0.074) | 0.018 (0.073) |
| street parking | -0.018 (0.026) | -0.017 (0.025) | -0.018 (0.024) | -0.042 (0.024) | -0.044 (0.024) |
| off-street parking | 0.120 (0.024) | 0.116 (0.022) | 0.114 (0.022) | 0.091 (0.022) | 0.067 (0.022) |
| minor litter | -0.092 (0.016) | -0.096 (0.016) | -0.083 (0.016) | -0.055 (0.016) | -0.055 (0.015) |
| major litter | -0.138 (0.054) | -0.129 (0.052) | -0.100 (0.052) | -0.031 (0.044) | -0.034 (0.044) |
| rear plot depth | 0.004 (0.001) | 0.003 (0.001) | 0.003 (0.001) | 0.003 (0.001) | 0.002 (0.001) |
| SAP05 ¹ | -0.002 (0.001) | -0.002 (0.001) | -0.004 (0.001) | -0.003 (0.001) | -0.002 (0.001) |
| cavity, insulation | 0.053 (0.023) | 0.060 (0.022) | 0.063 (0.022) | 0.059 (0.022) | 0.054 (0.021) |

¹Each property has an energy efficiency rating calculated by the surveyor using the Standard Assessment Procedure (SAP05 or SAP09). This rating is based on an estimate of each dwelling's energy cost per square meter. It takes account of the cost of space and water heating, ventilation, and lighting. Higher ratings are for more energy efficient properties.

Table A.1: Log-value equation(2): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| cavity, no insulation | 0.040 (0.027) | 0.044 (0.026) | 0.045 (0.026) | 0.040 (0.026) | 0.036 (0.025) |
| heating age: 3-12 ² | -0.031 (0.015) | -0.033 (0.015) | -0.038 (0.015) | -0.035 (0.014) | -0.034 (0.014) |
| heating age: 12+ | -0.064 (0.017) | -0.056 (0.016) | -0.058 (0.016) | -0.053 (0.016) | -0.051 (0.016) |
| double glazed ³ | -0.039 (0.017) | -0.032 (0.016) | -0.042 (0.016) | -0.036 (0.016) | -0.033 (0.016) |
| self-reported value | -0.094 (0.015) | -0.094 (0.014) | -0.092 (0.014) | -0.091 (0.014) | -0.087 (0.013) |
| 2 bedrooms | | 0.099 (0.044) | 0.134 (0.071) | 0.142 (0.071) | 0.153 (0.070) |
| 3 bedrooms | | 0.187 (0.052) | 0.220 (0.077) | 0.231 (0.077) | 0.243 (0.076) |
| 4 bedrooms | | 0.255 (0.054) | 0.285 (0.079) | 0.293 (0.078) | 0.313 (0.077) |
| 5+ bedrooms | | 0.311 (0.061) | 0.334 (0.083) | 0.348 (0.083) | 0.373 (0.082) |
| 2 bathrooms | | 0.107 (0.015) | 0.102 (0.014) | 0.098 (0.014) | 0.087 (0.014) |
| 3+ bathrooms | | 0.172 (0.033) | 0.171 (0.033) | 0.169 (0.032) | 0.160 (0.032) |
| 2+ living rooms ⁴ | | 0.064 (0.012) | 0.062 (0.012) | 0.057 (0.012) | 0.061 (0.012) |
| 1+ big kitchen | | 0.038 (0.031) | 0.042 (0.031) | 0.042 (0.030) | 0.043 (0.030) |

²Heating age is measured in years.³Indicator for at least 80% double glazed.⁴For the log-value equation, the excluded category is 0-1 living rooms.

Table A.1: Log-value equation(2): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| fireplaces | | 0.061 (0.010) | 0.061 (0.010) | 0.058 (0.010) | 0.051 (0.010) |
| attic | | -0.064 (0.018) | -0.066 (0.017) | -0.062 (0.017) | -0.053 (0.016) |
| balcony | | -0.093 (0.054) | -0.101 (0.053) | -0.110 (0.050) | -0.102 (0.050) |
| basement | | -0.209 (0.047) | -0.206 (0.049) | -0.197 (0.046) | -0.207 (0.045) |
| ρ_{os} | 0.667 (0.083) | 0.691 (0.075) | 0.703 (0.073) | 0.697 (0.074) | 0.710 (0.072) |
| σ_{oo} | 0.0902 (0.009) | 0.0831 (0.008) | 0.0826 (0.008) | 0.0975 (0.010) | 0.0764 (0.008) |
| PCA quality ⁵ | | | Y | Y | Y |
| PCA local ⁶ | | | | Y | Y |
| PCA urban ⁷ | | | | | Y |
| Observations | 4059 | 4059 | 4059 | 4059 | 4059 |
| Log likelihood | -3.522e+06 | -3.186e+06 | -3.136e+06 | -3.036e+06 | -2.886e+06 |
| AIC | 7.045e+06 | 6.373e+06 | 6.272e+06 | 6.073e+06 | 5.772e+06 |
| CHI2 | 5658.25 | 6701.10 | 6788.06 | 7122.41 | 7603.52 |

Note: The table displays weighted (using EHS sampling weights) maximum likelihood estimates of Type II Tobit model parameter values estimated using data from the 2011 wave of the EHS. The models includes the variables listed in the table, dummy variables for quarter and dwelling age, and nonparametric functions of size, distance from London, and angular direction. For the nonparametric functions we use Chebyshev polynomials in distance and in size and Fourier series in angular direction. The number of terms in the series were chosen to minimise the Bayes Information Criteria (BIC). The selected model includes third order polynomials in size (square meters), seventh order polynomials in distance (kilometers), and Fourier series up to order three. Polynomials and Fourier series coefficients and selected other variables are omitted from the table for concision.

⁵Model includes first 5 principal components of more than 60 measures of quality.

⁶Model includes first 3 principal components of more than 40 neighborhood quality measures.

⁷Model includes first 4 principal components of 6 measures of urban character.

Table A.2: Log-rent equation (1): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| detached | 0.195 (0.086) | 0.132 (0.081) | 0.127 (0.082) | 0.115 (0.083) | 0.116 (0.087) |
| bungalow | 0.110 (0.097) | 0.172 (0.091) | 0.191 (0.103) | 0.172 (0.102) | 0.176 (0.102) |
| converted flat | -0.362 (0.076) | -0.129 (0.067) | -0.137 (0.075) | -0.159 (0.075) | -0.168 (0.075) |
| low rise | -0.287 (0.056) | -0.125 (0.055) | -0.104 (0.068) | -0.101 (0.069) | -0.092 (0.070) |
| high rise | -0.260 (0.114) | -0.146 (0.113) | -0.120 (0.121) | -0.147 (0.122) | -0.137 (0.122) |
| 1919 to 1944 | 0.079 (0.054) | 0.071 (0.052) | 0.043 (0.051) | 0.032 (0.052) | 0.022 (0.053) |
| 1945 to 1964 | -0.003 (0.066) | -0.002 (0.065) | -0.051 (0.064) | -0.065 (0.063) | -0.069 (0.065) |
| 1965 to 1980 | 0.179 (0.072) | 0.202 (0.070) | 0.144 (0.069) | 0.132 (0.069) | 0.124 (0.071) |
| post 1980 | 0.073 (0.073) | 0.096 (0.071) | 0.038 (0.073) | 0.013 (0.073) | -0.002 (0.076) |
| street parking | -0.058 (0.049) | -0.072 (0.047) | -0.082 (0.046) | -0.094 (0.046) | -0.096 (0.046) |
| off-street parking | 0.112 (0.046) | 0.091 (0.043) | 0.071 (0.042) | 0.056 (0.042) | 0.053 (0.042) |
| minor litter | -0.149 (0.037) | -0.156 (0.036) | -0.120 (0.037) | -0.092 (0.038) | -0.095 (0.038) |
| major litter | -0.128 (0.129) | -0.089 (0.119) | 0.002 (0.114) | 0.072 (0.113) | 0.062 (0.113) |
| rear plot depth | 0.008 (0.002) | 0.007 (0.002) | 0.006 (0.002) | 0.006 (0.002) | 0.006 (0.002) |

Table A.2: Log-rent equation (1): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| SAP05 ⁸ | -0.001 (0.002) | -0.001 (0.001) | -0.002 (0.002) | -0.002 (0.002) | -0.002 (0.002) |
| cavity, insulation | 0.110 (0.060) | 0.096 (0.058) | 0.100 (0.057) | 0.095 (0.057) | 0.095 (0.057) |
| cavity, no insulation | -0.037 (0.077) | -0.048 (0.074) | -0.034 (0.073) | -0.044 (0.073) | -0.043 (0.073) |
| heating age: 3-12 ⁹ | -0.087 (0.041) | -0.078 (0.039) | -0.079 (0.039) | -0.073 (0.039) | -0.071 (0.039) |
| heating age: 12+ | -0.115 (0.046) | -0.098 (0.045) | -0.091 (0.044) | -0.086 (0.044) | -0.089 (0.044) |
| double glazed ¹⁰ | 0.052 (0.038) | 0.066 (0.035) | 0.041 (0.035) | 0.046 (0.035) | 0.046 (0.035) |
| market rent ¹¹ | 0.654 (0.081) | 0.626 (0.074) | 0.633 (0.074) | 0.626 (0.074) | 0.624 (0.073) |
| partly furnished | 0.007 (0.032) | 0.025 (0.031) | 0.024 (0.030) | 0.017 (0.030) | 0.015 (0.030) |
| unfurnished | -0.037 (0.027) | -0.005 (0.028) | -0.011 (0.028) | -0.015 (0.028) | -0.023 (0.027) |
| 2 bedrooms | | 0.247 (0.055) | 0.377 (0.090) | 0.382 (0.091) | 0.389 (0.091) |
| 3 bedrooms | | 0.475 (0.078) | 0.604 (0.104) | 0.620 (0.105) | 0.621 (0.105) |
| 4 bedrooms | | 0.542 (0.102) | 0.674 (0.124) | 0.691 (0.124) | 0.683 (0.125) |

⁸Each property has an energy efficiency rating calculated by the surveyor using the Standard Assessment Procedure (SAP05 or SAP09). This rating is based on an estimate of each dwelling's energy cost per square meter. It takes account of the cost of space and water heating, ventilation, and lighting. Higher ratings are for more energy efficient properties.

⁹Heating age is measured in years.

¹⁰Indicator for at least 80% double glazed.

¹¹Self-reported to be at market rate rent.

Table A.2: Log-rent equation (1): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 5+ bedrooms | | 0.570 (0.142) | 0.693 (0.159) | 0.706 (0.159) | 0.691 (0.160) |
| 2 bathrooms | | 0.103 (0.056) | 0.096 (0.056) | 0.084 (0.057) | 0.083 (0.057) |
| 3+ bathrooms | | 0.067 (0.152) | 0.076 (0.149) | 0.074 (0.148) | 0.093 (0.152) |
| 1 living room | | 0.899 (0.264) | 0.822 (0.242) | 0.740 (0.263) | 0.746 (0.264) |
| 2+ living rooms | | 1.082 (0.268) | 0.998 (0.246) | 0.916 (0.267) | 0.920 (0.268) |
| 1+ big kitchens | | 0.209 (0.047) | 0.191 (0.046) | 0.199 (0.046) | 0.199 (0.046) |
| fireplaces | | 0.065 (0.031) | 0.062 (0.030) | 0.060 (0.030) | 0.057 (0.030) |
| attic | | -0.082 (0.067) | -0.076 (0.066) | -0.071 (0.065) | -0.068 (0.066) |
| balcony | | -0.222 (0.109) | -0.246 (0.113) | -0.240 (0.114) | -0.241 (0.112) |
| basement | | -0.189 (0.107) | -0.166 (0.107) | -0.146 (0.105) | -0.135 (0.107) |
| ρ_{rs} | 0.951 (0.012) | 0.951 (0.012) | 0.950 (0.013) | 0.951 (0.013) | 0.950 (0.012) |
| σ_{rr} | 0.386 (0.0525) | 0.337 (0.042) | 0.324 (0.040) | 0.324 (0.040) | 0.324 (0.040) |
| PCA quality ¹² | | | Y | Y | Y |
| PCA local ¹³ | | | | Y | Y |
| PCA urban ¹⁴ | | | | | Y |
| Observations | 4059 | 4059 | 4059 | 4059 | 4059 |

¹²Model includes first 5 principal components of more than 60 measures of quality.¹³Model includes first 3 principal components of more than 40 neighborhood quality measures.¹⁴Model includes first 4 principal components of 6 measures of urban character.

Table A.2: Log-rent equation (1): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|----------------|------------|------------|------------|------------|------------|
| Log likelihood | -3.262e+06 | -3.109e+06 | -3.078e+06 | -3.062e+06 | -3.047e+06 |
| AIC | 6.524e+06 | 6.217e+06 | 6.156e+06 | 6.125e+06 | 6.095e+06 |
| CHI2 | 972.04 | 1126.15 | 1191.72 | 1218.75 | 1249.94 |

Note: The table displays weighted (using EHS sampling weights) maximum likelihood estimates of Type II Tobit model parameter values estimated using data from the 2011 wave of the EHS. The models includes the variables listed in the table, dummy variables for quarter and dwelling age, and nonparametric functions of size, distance from London, and angular direction. For the nonparametric functions we use Chebyshev polynomials in distance and in size and Fourier series in angular direction. The number of terms in the series were chosen to minimise the Bayes Information Criteria (BIC). The selected model includes third order polynomials in size (square meters), seventh order polynomials in distance (kilometers), and Fourier series up to order three. Polynomials and Fourier series coefficients and selected other variables are omitted from the table for concision.

Table A.3: Selection equation (3): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| detached | 0.101 (0.093) | 0.055 (0.094) | 0.039 (0.098) | 0.036 (0.101) | -0.016 (0.106) |
| bungalow | 0.583 (0.164) | 0.639 (0.167) | 0.687 (0.200) | 0.689 (0.205) | 0.690 (0.211) |
| converted flat | -0.678 (0.130) | -0.442 (0.138) | -0.456 (0.150) | -0.480 (0.150) | -0.493 (0.150) |
| low rise | -0.452 (0.094) | -0.309 (0.101) | -0.265 (0.132) | -0.257 (0.132) | -0.276 (0.135) |
| high rise | -0.450 (0.239) | -0.323 (0.242) | -0.264 (0.263) | -0.287 (0.261) | -0.329 (0.264) |
| 1919_1944 | -0.007 -0.09 | 0.034 -0.093 | 0.011 -0.093 | 0.01 -0.093 | 0.091 -0.098 |
| 1945_1964 | -0.068 -0.108 | 0.002 -0.112 | -0.035 -0.111 | -0.058 -0.111 | -0.046 -0.116 |
| 1965_1980 | 0.109 -0.115 | 0.209 -0.12 | 0.17 -0.119 | 0.143 -0.119 | 0.079 -0.126 |
| post_1980 | -0.017 -0.122 | 0.101 -0.126 | 0.068 -0.126 | 0.028 -0.126 | -0.048 -0.133 |
| street parking | 0.018 (0.087) | 0.031 (0.088) | 0.026 (0.088) | 0.011 (0.088) | 0.010 (0.088) |
| off-street parking | 0.344 (0.078) | 0.355 (0.077) | 0.344 (0.077) | 0.328 (0.078) | 0.331 (0.079) |
| minor litter | -0.258 (0.062) | -0.261 (0.063) | -0.234 (0.063) | -0.200 (0.065) | -0.200 (0.064) |
| major litter | -0.146 (0.218) | -0.113 (0.217) | -0.043 (0.206) | 0.044 (0.209) | 0.053 (0.211) |
| rear plot depth | 0.013 (0.003) | 0.012 (0.003) | 0.012 (0.003) | 0.011 (0.003) | 0.012 (0.003) |

Table A.3: Selection equation (3): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| SAP05 ¹⁵ | -0.007 (0.002) | -0.007 (0.002) | -0.009 (0.003) | -0.008 (0.003) | -0.008 (0.003) |
| cavity, insulation | 0.377 (0.093) | 0.364 (0.094) | 0.375 (0.095) | 0.376 (0.069) | 0.372 (0.069) |
| cavity, no insulation | 0.020 (0.115) | 0.000 (0.117) | 0.008 (0.117) | 0.001 (0.117) | 0.009 (0.117) |
| heating age: 3-12 ¹⁶ | -0.173 (0.069) | -0.176 (0.069) | -0.177 (0.068) | -0.164 (0.068) | -0.158 (0.068) |
| heating age: 12+ | -0.226 (0.072) | -0.229 (0.073) | -0.223 (0.073) | -0.216 (0.073) | -0.220 (0.073) |
| double glazed ¹⁷ | 0.184 (0.068) | 0.211 (0.068) | 0.186 (0.069) | 0.186 (0.070) | 0.172 (0.071) |
| 2 bedrooms | | 0.140 (0.127) | 0.458 (0.206) | 0.464 (0.205) | 0.472 (0.204) |
| 3 bedrooms | | 0.313 (0.154) | 0.626 (0.219) | 0.645 (0.218) | 0.650 (0.217) |
| 4 bedrooms | | 0.283 (0.171) | 0.596 (0.231) | 0.627 (0.230) | 0.614 (0.229) |
| 5+ bedrooms | | 0.091 (0.213) | 0.399 (0.263) | 0.444 (0.262) | 0.407 (0.259) |
| 2 bathrooms | | -0.124 (0.074) | -0.124 (0.076) | -0.124 (0.076) | -0.127 (0.076) |
| 3+ bathrooms | | -0.237 (0.160) | -0.186 (0.170) | -0.189 (0.171) | -0.181 (0.170) |

¹⁵Each property has an energy efficiency rating calculated by the surveyor using the Standard Assessment Procedure (SAP05 or SAP09). This rating is based on an estimate of each dwelling's energy cost per square meter. It takes account of the cost of space and water heating, ventilation, and lighting. Higher ratings are for more energy efficient properties.

¹⁶Heating system age is measured in years.

¹⁷Indicator for at least 80% double glazed.

Table A.3: Selection equation (3): Models 1-5

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|---------|
| 1 living rooms | 1.334 (0.529) | 1.255 (0.532) | 1.104 (0.501) | 1.058 (0.507) | |
| 2+ living rooms | 1.643 (0.533) | 1.572 (0.536) | 1.421 (0.505) | 1.368 (0.511) | |
| 1+ big kitchens | 0.438 (0.092) | 0.438 (0.092) | 0.454 (0.093) | 0.450 (0.093) | |
| fireplaces | 0.122 (0.046) | 0.120 (0.046) | 0.117 (0.046) | 0.124 (0.047) | |
| attic | -0.171 (0.091) | -0.171 (0.091) | -0.150 (0.091) | -0.167 (0.091) | |
| balcony | -0.231 (0.206) | -0.306 (0.213) | -0.295 (0.216) | -0.299 (0.215) | |
| basement | -0.221 (0.195) | -0.203 (0.201) | -0.177 (0.201) | -0.182 (0.203) | |
| PCA quality ¹⁸ | | | Y | Y | Y |
| PCA local ¹⁹ | | | | Y | Y |
| PCA urban ²⁰ | | | | | Y |

Note: This table displays the parameter estimates for the selection equation from the Type 2 Tobit model for

Models 1-5. Details are the same as in Tables 1 and 2.

¹⁸Model includes first 5 principal components of more than 60 measures of quality.

¹⁹Model includes first 3 principal components of more than 40 neighborhood quality measures.

²⁰Model includes first 4 principal components of 6 measures of urban character.

Table A.4: Log-value equation (2): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| detached | 0.096 (0.018) | 0.096 (0.018) | 0.096 (0.018) | 0.096 (0.018) |
| bungalow | 0.103 (0.035) | 0.101 (0.035) | 0.102 (0.035) | 0.101 (0.035) |
| converted flat | -0.200 (0.047) | -0.199 (0.047) | -0.197 (0.047) | -0.198 (0.047) |
| low rise | -0.088 (0.038) | -0.088 (0.038) | -0.087 (0.038) | -0.087 (0.038) |
| high rise | 0.013 (0.074) | 0.016 (0.073) | 0.018 (0.073) | 0.018 (0.073) |
| 1919 to 1944 | -0.054 (0.023) | -0.052 (0.023) | -0.053 (0.023) | -0.053 (0.023) |
| 1945 to 1964 | -0.055 (0.026) | -0.054 (0.025) | -0.054 (0.026) | -0.054 (0.026) |
| 1965 to 1980 | -0.050 (0.028) | -0.050 (0.028) | -0.050 (0.028) | -0.050 (0.028) |
| post 1980 | -0.071 (0.030) | -0.072 (0.030) | -0.071 (0.030) | -0.071 (0.030) |
| Street parking | -0.044 (0.024) | -0.044 (0.024) | -0.044 (0.024) | -0.044 (0.024) |
| off-street parking | 0.068 (0.022) | 0.067 (0.022) | 0.067 (0.022) | 0.067 (0.022) |
| minor litter | -0.055 (0.015) | -0.055 (0.015) | -0.055 (0.015) | -0.056 (0.015) |
| major litter | -0.032 (0.044) | -0.033 (0.044) | -0.034 (0.044) | -0.034 (0.044) |
| rear plot depth | 0.002 (0.001) | 0.002 (0.001) | 0.002 (0.001) | 0.002 (0.001) |

Table A.4: Log-value equation (2): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| SAP05 ²¹ | -0.002 (0.001) | -0.002 (0.001) | -0.002 (0.001) | -0.002 (0.001) |
| cavity, insulation | 0.055 (0.021) | 0.054 (0.021) | 0.054 (0.021) | 0.054 (0.021) |
| cavity, no insulation | 0.036 (0.025) | 0.036 (0.024) | 0.036 (0.025) | 0.036 (0.025) |
| heating age: 3-12 ²² | -0.034 (0.014) | -0.034 (0.014) | -0.034 (0.014) | -0.034 (0.014) |
| heating age: 12+ | -0.051 (0.016) | -0.051 (0.016) | -0.051 (0.016) | -0.052 (0.016) |
| double glazed ²³ | -0.032 (0.016) | -0.033 (0.016) | -0.033 (0.016) | -0.033 (0.016) |
| 2 bedrooms | 0.155 (0.070) | 0.153 (0.070) | 0.153 (0.070) | 0.154 (0.071) |
| 3 bedrooms | 0.244 (0.075) | 0.243 (0.076) | 0.242 (0.076) | 0.244 (0.076) |
| 4 bedrooms | 0.314 (0.077) | 0.314 (0.077) | 0.313 (0.077) | 0.315 (0.078) |
| 5+ bedrooms | 0.374 (0.082) | 0.374 (0.082) | 0.373 (0.082) | 0.375 (0.082) |
| 2 bathrooms | 0.088 (0.014) | 0.087 (0.014) | 0.087 (0.014) | 0.087 (0.014) |
| 3+ bathrooms | 0.161 (0.032) | 0.160 (0.032) | 0.160 (0.032) | 0.160 (0.032) |

²¹Each property has an energy efficiency rating calculated by the surveyor using the Standard Assessment Procedure (SAP05 or SAP09). This rating is based on an estimate of each dwelling's energy cost per square meter. It takes account of the cost of space and water heating, ventilation, and lighting. Higher ratings are for more energy efficient properties.

²²Heating age is measured in years.

²³Indicator for at least 80% double glazed.

Table A.4: Log-value equation (2): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
| 1 living room | 0.198 (0.132) | 0.196 (0.135) | 0.198 (0.136) | 0.195 (0.134) |
| 2+ living rooms | 0.260 (0.133) | 0.257 (0.135) | 0.260 (0.137) | 0.256 (0.135) |
| 1+ big kitchens | 0.045 (0.029) | 0.043 (0.030) | 0.043 (0.030) | 0.043 (0.030) |
| fireplaces | 0.052 (0.010) | 0.051 (0.010) | 0.051 (0.010) | 0.051 (0.010) |
| attic | -0.053 (0.016) | -0.053 (0.016) | -0.053 (0.016) | -0.053 (0.016) |
| balcony | -0.103 (0.050) | -0.103 (0.050) | -0.102 (0.050) | -0.102 (0.050) |
| basement | -0.207 (0.046) | -0.207 (0.045) | -0.207 (0.045) | -0.207 (0.045) |
| self-reported value | -0.087 (0.013) | -0.087 (0.013) | -0.087 (0.013) | -0.087 (0.013) |
| ρ_{os} | 0.7357 (0.064) | 0.7104 (0.071) | 0.7099 (0.072) | 0.7119 (0.071) |
| σ_{oo} | 0.0772 (0.0077) | 0.0762 (0.0078) | 0.0764 (0.0078) | 0.0764 (0.0078) |
| PCA quality ²⁴ | Y | Y | Y | Y |
| PCA local ²⁵ | Y | Y | Y | Y |
| PCA urban ²⁶ | Y | Y | Y | Y |
| county fixed effects | Y | | | |
| fraction RTB ²⁷ | | Y | | |
| Pr(social) ²⁸ | | | Y | |

²⁴Model includes first 5 principal components of more than 60 measures of quality.²⁵Model includes first 3 principal components of more than 40 neighborhood quality measures.²⁶Model includes first 4 principal components of 6 measures of urban character.²⁷Model includes measures of the fraction of properties in the local authority estate that are “right-to-buy” (RTB).²⁸Model includes predicted share of local area that is social housing.

Table A.4: Log-value equation (2): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|----------------------------------|------------|------------|------------|------------|
| predominant tenure ²⁹ | | | | Y |
| Observations | 4059 | 4059 | 4059 | 4059 |
| Log likelihood | -2.864e+06 | -2.877e+06 | -2.886e+06 | -2.884e+06 |
| AIC | 5.728e+06 | 5.753e+06 | 5.772e+06 | 5.768e+06 |
| CHI2 | 7637.5189 | 7645.2627 | 7603.2837 | 7622.4215 |

Note: The table displays results from Models 6-9. Each model adds a set of additional variables to the selection equation from Model 5 detailed in Tables 1 and 3. The set of variables added are detailed at the bottom of the table.

²⁹Model includes measures of predominant tenure of properties in local area.

Table A.5: Log-rent equation (1): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| detached | 0.116 (0.087) | 0.111 (0.086) | 0.115 (0.086) | 0.111 (0.087) |
| bungalow | 0.161 (0.102) | 0.184 (0.102) | 0.176 (0.102) | 0.180 (0.102) |
| converted flat | -0.163 (0.076) | -0.167 (0.076) | -0.165 (0.076) | -0.167 (0.075) |
| low rise | -0.091 (0.071) | -0.090 (0.071) | -0.091 (0.071) | -0.092 (0.071) |
| high rise | -0.131 (0.122) | -0.126 (0.122) | -0.131 (0.123) | -0.133 (0.123) |
| 1919 to 1944 | 0.019 (0.053) | 0.019 (0.053) | 0.023 (0.053) | 0.022 (0.053) |
| 1945 to 1964 | -0.069 (0.065) | -0.067 (0.064) | -0.067 (0.065) | -0.068 (0.064) |
| 1965 to 1980 | 0.129 (0.071) | 0.128 (0.071) | 0.127 (0.071) | 0.127 (0.071) |
| post 1980 | 0.000 (0.076) | 0.005 (0.076) | -0.001 (0.076) | 0.000 (0.076) |
| street parking | -0.092 (0.046) | -0.098 (0.046) | -0.096 (0.046) | -0.096 (0.046) |
| off-street parking | 0.052 (0.042) | 0.054 (0.042) | 0.055 (0.042) | 0.053 (0.042) |
| minor litter | -0.100 (0.037) | -0.097 (0.037) | -0.098 (0.038) | -0.096 (0.037) |
| major litter | 0.058 (0.113) | 0.054 (0.113) | 0.057 (0.113) | 0.061 (0.114) |
| rear plot depth | 0.006 (0.002) | 0.006 (0.002) | 0.006 (0.002) | 0.006 (0.002) |

Table A.5: Log-rent equation (1): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| SAP05 ³⁰ | -0.002 (0.002) | -0.002 (0.002) | -0.002 (0.002) | -0.002 (0.002) |
| cavity, insulation | -0.137 (0.046) | -0.136 (0.045) | -0.141 (0.046) | -0.138 (0.046) |
| cavity, no insulation | -0.093 (0.057) | -0.090 (0.056) | -0.097 (0.057) | -0.093 (0.057) |
| heating age: 3-12 ³¹ | -0.075 (0.039) | -0.071 (0.039) | -0.072 (0.039) | -0.071 (0.039) |
| heating age: 12+ | -0.091 (0.044) | -0.088 (0.044) | -0.089 (0.044) | -0.090 (0.044) |
| double glazed ³² | 0.044 (0.035) | 0.047 (0.035) | 0.046 (0.035) | 0.045 (0.035) |
| 2 bedrooms | 0.382 (0.091) | 0.388 (0.091) | 0.387 (0.091) | 0.386 (0.091) |
| 3 bedrooms | 0.609 (0.105) | 0.618 (0.105) | 0.617 (0.105) | 0.616 (0.105) |
| 4 bedrooms | 0.704 (0.118) | 0.699 (0.117) | 0.699 (0.118) | 0.701 (0.118) |
| 5+ bedrooms | 0.738 (0.130) | 0.753 (0.130) | 0.753 (0.130) | 0.746 (0.130) |
| 2 bathrooms | 0.077 (0.056) | 0.078 (0.055) | 0.079 (0.056) | 0.077 (0.056) |
| 3+ bathrooms | 0.073 (0.153) | 0.078 (0.154) | 0.077 (0.150) | 0.078 (0.153) |

³⁰Each property has an energy efficiency rating calculated by the surveyor using the Standard Assessment Procedure (SAP05 or SAP09). This rating is based on an estimate of each dwelling's energy cost per square meter. It takes account of the cost of space and water heating, ventilation, and lighting. Higher ratings are for more energy efficient properties.

³¹Heating age is measured in years.

³²Indicator for at least 80% double glazed.

Table A.5: Log-rent equation (1): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| 1 living room | 0.742 (0.266) | 0.749 (0.267) | 0.751 (0.265) | 0.749 (0.266) |
| 2+ living rooms | 0.916 (0.270) | 0.924 (0.271) | 0.926 (0.269) | 0.923 (0.270) |
| 1+ big kitchens | 0.198 (0.046) | 0.200 (0.046) | 0.199 (0.046) | 0.198 (0.046) |
| fireplaces | 0.054 (0.030) | 0.057 (0.030) | 0.056 (0.030) | 0.057 (0.030) |
| attic | -0.061 (0.067) | -0.062 (0.066) | -0.065 (0.067) | -0.065 (0.067) |
| balcony | -0.235 (0.110) | -0.236 (0.111) | -0.240 (0.112) | -0.242 (0.112) |
| basement | -0.138 (0.107) | -0.135 (0.107) | -0.140 (0.107) | -0.134 (0.106) |
| market rent | 0.617 (0.071) | 0.621 (0.073) | 0.623 (0.072) | 0.626 (0.072) |
| partly furnished | 0.016 (0.030) | 0.015 (0.029) | 0.015 (0.030) | 0.015 (0.030) |
| unfurnished | -0.020 (0.027) | -0.021 (0.027) | -0.023 (0.027) | -0.024 (0.027) |
| ρ_{rs} | 0.9544 (0.010) | 0.9548 (0.010) | 0.9534 (0.010) | 0.9531 (0.011) |
| σ_{rr} | 0.3237 (0.040) | 0.3250 (0.040) | 0.3250 (0.040) | 0.3243 (0.040) |
| PCA quality ³³ | Y | Y | Y | Y |
| PCA local ³⁴ | Y | Y | Y | Y |
| PCA urban ³⁵ | Y | Y | Y | Y |
| county fixed effects | Y | | | |

³³Model includes first 5 principal components of more than 60 measures of quality.³⁴Model includes first 3 principal components of more than 40 neighborhood quality measures.³⁵Model includes first 4 principal components of 6 measures of urban character.

Table A.5: Log-rent equation (1): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|----------------------------------|------------|------------|------------|------------|
| fraction RTB ³⁶ | | Y | | |
| Pr(social) ³⁷ | | | Y | |
| predominant tenure ³⁸ | | | | Y |
| Observations | 4059 | 4059 | 4059 | 4059 |
| Log likelihood | -3.035e+06 | -3.040e+06 | -3.047e+06 | -3.047e+06 |
| AIC | 6.069e+06 | 6.080e+06 | 6.095e+06 | 6.0923e+06 |
| CHI2 | 1278.84 | 1274.64 | 1264.86 | 1273.33 |

Note: The table displays results from Models 6-9. Each model adds a set of additional variables to the selection equation from Model 5 detailed in Tables 2 and 3. The set of variables added are detailed at the bottom of the table.

³⁶Model includes measures of the fraction of properties in the local authority estate that are “right-to-buy” (RTB).

³⁷Model includes predicted share of local area that is social housing.

³⁸Model includes measures of predominant tenure of properties in local area.

Table A.6: Selection equation (3): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| detached | -0.036 (0.106) | -0.006 (0.105) | -0.011 (0.106) | -0.013 (0.105) |
| bungalow | 0.726 (0.212) | 0.708 (0.211) | 0.692 (0.212) | 0.700 (0.212) |
| converted flat | -0.506 (0.150) | -0.475 (0.150) | -0.493 (0.150) | -0.490 (0.150) |
| low rise | -0.262 (0.135) | -0.267 (0.136) | -0.272 (0.135) | -0.268 (0.135) |
| high rise | -0.333 (0.267) | -0.318 (0.265) | -0.323 (0.264) | -0.326 (0.265) |
| 1919 to 1944 | 0.095 (0.099) | 0.058 (0.100) | 0.092 (0.099) | 0.078 (0.099) |
| 1945 to 1964 | -0.022 (0.116) | -0.087 (0.118) | -0.045 (0.116) | -0.063 (0.118) |
| 1965 to 1980 | 0.085 (0.125) | 0.066 (0.127) | 0.079 (0.126) | 0.074 (0.127) |
| post 1980 | -0.046 (0.133) | -0.037 (0.134) | -0.049 (0.133) | -0.039 (0.134) |
| street parking | 0.011 (0.088) | 0.013 (0.088) | 0.010 (0.088) | 0.003 (0.088) |
| off-street parking | 0.320 (0.079) | 0.341 (0.080) | 0.332 (0.079) | 0.330 (0.079) |
| minor litter | -0.208 (0.064) | -0.207 (0.064) | -0.198 (0.064) | -0.203 (0.064) |
| major litter | 0.064 (0.210) | 0.055 (0.209) | 0.056 (0.211) | 0.054 (0.212) |
| rear plot depth | 0.012 (0.003) | 0.012 (0.003) | 0.012 (0.003) | 0.012 (0.003) |

Table A.6: Selection equation (3): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| SAP05 ³⁹ | -0.008 (0.003) | -0.008 (0.003) | -0.008 (0.003) | -0.008 (0.003) |
| cavity, insulation | 0.371 (0.095) | 0.369 (0.095) | 0.383 (0.095) | 0.376 (0.094) |
| cavity, no insulation | 0.009 (0.118) | 0.011 (0.117) | 0.010 (0.117) | 0.014 (0.117) |
| heating age: 3-12 ⁴⁰ | -0.156 (0.068) | -0.159 (0.068) | -0.158 (0.068) | -0.156 (0.068) |
| heating age: 12+ | -0.212 (0.074) | -0.222 (0.073) | -0.220 (0.074) | -0.220 (0.073) |
| double glazed ⁴¹ | 0.151 (0.071) | 0.179 (0.070) | 0.172 (0.071) | 0.173 (0.070) |
| 2 bedrooms | 0.482 (0.205) | 0.455 (0.204) | 0.471 (0.203) | 0.467 (0.205) |
| 3 bedrooms | 0.667 (0.218) | 0.626 (0.216) | 0.649 (0.216) | 0.640 (0.218) |
| 4 bedrooms | 0.635 (0.231) | 0.593 (0.229) | 0.613 (0.229) | 0.604 (0.230) |
| 5+ bedrooms | 0.424 (0.260) | 0.386 (0.260) | 0.406 (0.259) | 0.398 (0.261) |
| 2 bathrooms | -0.118 (0.076) | -0.124 (0.077) | -0.128 (0.076) | -0.125 (0.076) |
| 3+ bathrooms | -0.198 (0.164) | -0.179 (0.172) | -0.180 (0.170) | -0.181 (0.170) |

³⁹Each property has an energy efficiency rating calculated by the surveyor using the Standard Assessment Procedure (SAP05 or SAP09). This rating is based on an estimate of each dwelling's energy cost per square meter. It takes account of the cost of space and water heating, ventilation, and lighting. Higher ratings are for more energy efficient properties.

⁴⁰Heating age is measured in years.

⁴¹Indicator for at least 80% double glazed.

Table A.6: Selection equation (3): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| 1 living room | 1.060 (0.494) | 1.046 (0.505) | 1.061 (0.509) | 1.049 (0.503) |
| 2+ living rooms | 1.362 (0.494) | 1.372 (0.505) | 1.372 (0.509) | 1.361 (0.503) |
| 1+ big kitchens | 0.457 (0.094) | 0.446 (0.093) | 0.450 (0.093) | 0.454 (0.093) |
| fireplaces | 0.116 (0.047) | 0.126 (0.047) | 0.125 (0.047) | 0.123 (0.047) |
| attic | -0.159 (0.091) | -0.176 (0.091) | -0.166 (0.091) | -0.169 (0.090) |
| balcony | -0.309 (0.217) | -0.288 (0.218) | -0.304 (0.216) | -0.295 (0.218) |
| basement | -0.174 (0.205) | -0.187 (0.203) | -0.178 (0.203) | -0.181 (0.203) |
| PCA quality ⁴² | Y | Y | Y | Y |
| PCA local ⁴³ | Y | Y | Y | Y |
| PCA urban ⁴⁴ | Y | Y | Y | Y |
| county fixed effects | Y | | | |
| fraction RTB ⁴⁵ | | Y | | |
| 11-25% | | 0.337 (0.241) | | |
| 26-50% | | 0.103 (0.221) | | |
| 51-75% | | 0.329 (0.237) | | |
| 76-99% | | 0.538 (0.297) | | |

⁴²Model includes first 5 principal components of more than 60 measures of quality.⁴³Model includes first 3 principal components of more than 40 neighborhood quality measures.⁴⁴Model includes first 4 principal components of 6 measures of urban character.⁴⁵Fraction of properties in local authority estate that are “right-to-buy” (RTB).

Table A.6: Selection equation (3): Models 6-9

| | Model 6 | Model 7 | Model 8 | Model 9 |
|----------------------------------|------------|------------------|-------------------|-------------------|
| not on estate | | 0.076 (0.198) | | |
| Pr(social) ⁴⁶ | | | -0.327 (0.750) | |
| predominant tenure ⁴⁷ | | | | Y |
| local authority built | | | | 0.079 (0.076) |
| mixed tenure | | | | -0.110 (0.110) |
| Observations | 4059 | 4059 | 4059 | 4059 |
| Log likelihood | -2.864e+06 | -2.877e+06 | -2.886e+06 | -2.884e+06 |
| AIC | 5.728e+06 | 5.753e+06 | 5.772e+06 | 5.768e+06 |
| CHI2 | 7637.52 | 7645.26 | 7603.28 | 7622.42 |

Note: The table displays results for the selection equations for Models 6-9. Each model adds a set of variables to the selection equation from Model 5 detailed in Table 3.

References

DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (2017): “English Housing Survey, 2008-2014: Secure Access. 6th Edition,” Tech. Rep. SN: 6923, UK Data Service, <http://doi.org/10.5255/UKDA-SN-6923-6>.

⁴⁶Predicted share of social housing in postcode.

⁴⁷Predominant tenure of properties in local area