Discussion of "Aging and Housing Returns"

Natee Amornsiripanitch Philip E. Strahan Song Zhang

Discussion by Isaac Hacamo
Indiana University
MFA 2026

Overview of the Paper

- **Paper's hypothesis**: Older home sellers receive lower returns because they are more likely to sell properties with poor upkeep needing substantial maintenance.
- **Main fact**: Older sellers receive lower returns than younger sellers, even after absorbing for buy time, sell time, and market-level effects. The age gap starts around age 70 and increases thereafter.
- **Mechanism**: The age gap is explained in part by differences in **renovation/maintenance**, and in part by differences in the use of **pocket listings**.
- **Data**: CoreLogic deeds matched to L2 voter registration records $\rightarrow \sim$10 million repeat sales.

The “Silver Tsunami”

NAR REALTOR® News › Real Estate News

The ‘Silver Tsunami’ in Real Estate Is Here: Are You Ready?

October 27, 2025 Residential Real Estate, Seniors By: Melissa Dittmann Tracey

Share

Aging in place, downsizing and multigenerational living are top priorities for older adults. Here’s how agents can meet their evolving housing needs.

For years, the real estate industry has heard the “Silver Tsunami” was coming—the long-predicted wave of baby boomers expected to sell, downsize or age in place. But that wave is here. More than 70 million Americans are now aged 65 or older. Baby boomers, between the ages of 60 and 78, have regained their spot as

Contribution

- Prior work documents lower returns for elderly homeowners, but relies on **self-reported home values** from surveys:
  - → Davidoff (2004): Lower returns reflect poor maintenance. Uses American Housing Survey.
  - → Rodda & Patrabansh (2007): Similar pattern using survey data.
  - → Ong (2009): Documents lower returns for homeowners 75+.
  - → Begley & Lambie-Hanson (2015): Correlation between age and poor maintenance.
- **Key limitation**: Self-reported valuations are especially noisy for elderly respondents due to cognitive decline (Mazzonna & Peracchi, 2024).
- **This paper's contribution**: First to use actual transaction prices (CoreLogic) matched to seller age (L2 voter data) → ∼10M repeat sales over 1998–2022. Also identifies new mechanisms: pocket listings and agent incentive misalignment.

My overall assessment

- Important fact and well-constructed **new dataset**. There's a lot to like about this paper.
- I believe that older people tend to do less maintenance and remodeling of their homes, and therefore are likely to sell their homes at a discount.
- Timely topic: the "silver tsunami" will put elderly home sales at center stage.

My comments and suggestions:

- Property characteristics & fixed effects (Comment 1).
- Selection bias (Comment 2).
- Causal evidence (Comment 3).
- Other comments (Comment 4).

Comment 1: Property Characteristics & FEs

- Ideally, we would compare two similar homes, one bought by a young person, and another by an older person, then show that the older person did less upkeep and had to sell at a discount, and more likely to an investor off-the-market.

- **Problem 1**: The baseline results (Table 3) **do not control for property characteristics**.

  $\rightarrow$ No controls for square footage, bedrooms, lot size, or property type.

  $\rightarrow$ If elderly sellers systematically own different types of properties (e.g., older single-family homes vs. condos), this compositional difference is not absorbed.

- **Suggestion:** Introduce as much as controls for property characteristics, if possible at purchase.

Comment 1: Property Characteristics & FEs

- **Problem 2**: The most stringent fixed effects (**zip** $\times$ **buyYQ** $\times$ **sellYQ**) are only used in column 8 of Table 3.

  $\rightarrow$ These FEs effectively absorb holding-period effects nonparametrically.

- Tables 5 and 7 (property condition, investor purchases) use only zip-buyYQ and zip-sellYQ FEs **separately**.

  $\rightarrow$ The investor purchase results (Table 7) are particularly sensitive to this: are older sellers more likely to sell to investors because of age, or because of vintage/holding-period effects not fully absorbed?

- **Suggestion:** Use zip $\times$ buyYQ $\times$ sellYQ FEs in all tables.

Comment 2: Liquidity Constraints

- How can we really **isolate demand for liquidity**?
- The authors claim they find no difference in the time on market for older sellers, nor that they are more likely to be deemed a "motivated seller" in marketing materials.
- However, I don't find this evidence very convincing, since the authors **do not observe the listings** of the homes that are **directly sold to investors**.

Comment 2: Liquidity Constraints

- The paper only observes elderly people who **sell while alive**. Those who die as owners (and whose estates sell) are filtered out.

  → If the decision to sell before death is correlated with financial distress, health shocks, or cognitive decline, then the "elderly seller" sample is selected in a way that could either inflate the estimated age gap.

  → The paper doesn't engage with this.

- **Related question**: Why do these people sell and do not leave their home to their children?

  → Understanding the **reasons for selling** is important for interpreting the age gap.

Comment 3: Causal Evidence

- The main causal evidence comes from **one policy change** by one MLS operator in Illinois (MRED's Private Listing Network in 2016).
- That's a **single quasi-experiment** in a single state, and the paper is trying to support a broad national claim about agent exploitation of elderly sellers.
- The generalizability is limited, and the reform itself affected **all sellers**, not just elderly ones.

  $\rightarrow$ The authors are relying on a differential effect by age, which adds another assumption.

- **Suggestion:** Find additional variation or at least discuss threats to external validity more carefully.

Comment 4: Other Comments

- **L2 age measurement**: L2 estimates age for some states but has exact date of birth in others.

  → Make sure results are robust to using only states with **exact DOB** information.

- **Voter registration matching**: Only ∼40% of transactions are matched to seller age. The matched sample skews toward older, higher-income homeowners (registered voters).

  → If cognitively declining homeowners are less likely to maintain current voter registrations, the matched elderly sample might skew toward healthier, more engaged seniors → could **understate** the age gap.

Conclusions

- Great topic and important fact! Timely given the silver tsunami.
- I think the paper could gain by:
  - Considering property characteristics more carefully;
  - Thinking about the survivorship and selection biases among elderly sellers;
  - Strengthening a bit the causal evidence beyond Illinois.