Legal Constraints on Household Moves: 
Should Footloose Americans Envy the Rooted French?

Robert C. Ellickson*

Abstract

In a given year, a resident of the United States is roughly twice as likely as a resident of France to move to another permanent dwelling. This essay contends that differences in the legal policies of the two nations—in particular, taxation policies, land use laws, landlord-tenant laws, and housing assistance programs—have significantly contributed to this disparity in residential mobility. The essay also puts forward a normative framework for analyzing the desirability of population movement. Legal policies that foster residential moves can enable individuals to better match themselves with a job, a dwelling, a set of housemates, a tenure arrangement, a neighborhood, and a municipality (à la Tiebout). A decision to move, however, may give rise to negative neighborhood externalities, such as erosion of local social capital. In theory, although rarely in practice, people thus can move too often.

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Rates of mobility reveal the dynamism—or, from a gloomier perspective, the instability—of a society. There are three basic measures of demographic flux within a nation. Sociologists tend to focus on social mobility, for example, the likelihood that a person of humble origin will be able to rise in social status.\(^1\) Economists, for their part, tend to focus on job mobility, that is, the rate of changes in positions of employment. And demographers are the main experts in residential mobility, namely, how frequently people change their permanent places of residence. Intuitively, these three rates of flux should be positively correlated.

This essay focuses on the third of these measures: a nation’s rate of residential mobility. My normative thesis is that this rate is an underappreciated measure of the well-being of a populace. Policies that foster freedom to move can benefit the members of a relocating household in myriad ways. Moving to a different permanent home may enable a person to match herself with, for example, a better job, a more congenial set of housemates, and a dwelling with more suitable attributes. The freedom of a household to exit from a jurisdiction also helps to discipline governments and enable Tiebout-style specialization among them. It is surprising, then, that civil libertarians seldom exalt the freedom to move.\(^2\) Perhaps they have been all but silent because residential mobility can have a downside as well. Household moves may cause, to borrow a phrase from Schumpeter, the “creative destruction” of informal relationships among neighbors—an important form of social capital.

For concreteness, the focus here is on the patterns of residential mobility in two nations: the United States and France. Roughly 14 percent of U.S. residents move to a new dwelling in a given year. In France, and Europe as a whole, the annual percentage of

\(^1\) See, for example, ROBERT ERIKSON & JOHN H. GOLDTHORPE, THE CONSTANT FLUX: A STUDY OF CLASS MOBILITY IN INDUSTRIAL SOCIETIES (1992).

\(^2\) Some judges have made passing reference to the importance of freedom of relocation. See, e.g., Boraas v. Village of Belle Terre, 476 F.2d 806, 817 (2d Cir. 1973), rev’d, 416 U.S. 1, 94 (1974) (“Appellants are entitled, subject to lawful and reasonable local laws, to travel and settle down where they please.”).
movers is about half that figure.\textsuperscript{3} This disparity arises partly on account of cultural and demographic differences. I emphasize, however, the influence of differences in French and American legal policies.\textsuperscript{4} A variety of French laws, perhaps unintentionally, tend to deter households from relocating. These include taxation, landlord-tenant, and housing assistance policies that tend to lock French households into place, and a land use control system that limits the variety of available housing.\textsuperscript{5} Much of this essay is devoted to describing these measures and pointing out how they differ from those found in the U.S. In the latter part of the essay, I offer a normative framework that lawmakers might use when considering whether to encourage, or discourage, freedom of household movement.

\textsuperscript{3} See infra text accompanying notes 6–10. See also Quentin David et al., \textit{Local Social Capital and Geographical Mobility: A Theory} (IZA Discussion Paper No. 3668, at 2 (August 2008)) (hereinafter David et al., \textit{Theory}) (placing annual residential mobility in Europe as a whole at about 5 percent). Mobility is highest in the Scandinavian countries, and lowest in Southern Europe. \textit{Id.} For a European nation, France actually is a relatively mobile. See Holger Bonin et al., \textit{Geographic Mobility in the European Union: Optimising its Economic and Social Benefits} 42, 46 (IZA Research Report No. 19, July 2008).

In the early 1980s, New Zealand’s 19 percent annual mobility rate was one of the highest in the world. See infra Table 1. At that time, its rate was about eight times East Germany’s, which was 2.5 percent. W. Paul Strassmann, \textit{Housing Market Interventions and Mobility: An International Comparison}, 28 URB. STUD. 759, 765 (1991) (hereinafter Strassmann, \textit{Housing Market Interventions}). In the late 1990s, the annual rate of residential mobility of households throughout the newly united Germany was 6.8 percent. David et al., \textit{Theory}, supra, at 2.


\textsuperscript{5} See also W. Paul Strassmann, \textit{Residential Mobility: Contrasting Approaches in Europe and the United States}, 16 HOUSING STUD. 7 (2001) (sounding a similar theme) (hereinafter Strassmann, \textit{Residential Mobility}).
I. Residential Mobility in the United States, France, and Elsewhere

Census officials around the world typically gauge residential mobility by identifying the proportion of a nation’s population that moves from one dwelling to another during a certain time period (typically one year or five years). Because nations’ methodologies vary, cross-country comparisons are rare. Table 1 presents data from one of the best known studies, Larry Long’s estimates of annual residential mobility in various nations c.1981. The table indicates a wide spread between the extremes, with New Zealand’s annual rate more than triple Ireland’s. The U.S. percentage (17.5 percent) is nearly double that of France (9.4 percent), figures that support the stylized fact that Americans move twice as frequently as the French do. Observe that the Swiss move more often than most other Europeans, a fact to which we shall return.

The gross figures in Table 1 obscure significant variations among population subgroups. Young adults are far more mobile than older adults. As Table 2 indicates, in both France and the U.S., individuals in their late twenties move at least three times more

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6 On November 8, 2008, Daniel Courgeau, a longtime researcher at Institut National d’ Études Démographiques, Paris, and an acknowledged French expert on the subject, articulated this stylized fact to the author in an e-mail message. Decades before he had expressed the identical proposition in print. See Daniel Courgeau, *Comparison des Migrations en France et aux Etats-Unis*, 37 POPULATION 1184, 1186 (1982).

In both nations, mobility rates differ from region to region. In the early 1980s, Pennsylvania had the lowest mobility rate of any state (11 percent), with Alaska, Arizona, and a few other Western states at the other extreme (over 25 percent). Long, *Residential Mobility Differences*, supra note 4, at 139. On variations within France, see, e.g., Eva Leliévre & Catherine Bonvalet, *A Compared Cohort History of Residential Mobility, Social Change and Homeownership in Paris and the Rest of France*, 31 URB. STUD. 1647 (1994). This essay does not delve into the causes of these subnational differences.
TABLE 1

ESTIMATED PERCENTAGE OF NATION’S POPULATION CHANGING PERMANENT RESIDENCE IN A GIVEN YEAR, CIRCA 1981

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent Who Moved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>6.1%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.7%</td>
</tr>
<tr>
<td>France</td>
<td>9.4%</td>
</tr>
<tr>
<td>Japan</td>
<td>9.5%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>9.6%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>13.7%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>14.6%</td>
</tr>
<tr>
<td>Australia</td>
<td>17.0%</td>
</tr>
<tr>
<td>United States</td>
<td>17.5%</td>
</tr>
<tr>
<td>Canada</td>
<td>18.0%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

frequently than those in their forties. And in both nations, renters move over three times more often than owners do, partly because the transaction costs of terminating a rental arrangement are far lower than the costs of selling a dwelling. These two patterns help explain why residential mobility in the U.S. has been falling. In the 1950s and 1960s, about 20 percent of Americans moved each year. Since then the population has aged, and the percentage of homeowners has increased. By 2000–2008, the annual rate of U.S. mobility had diminished, as mentioned, to roughly 14 percent.

7 Source: Long, Residential Mobility Differences, supra note 4, at 136.


9 U.S. Census Bureau, Current Population Reports P20–538, Geographical Mobility, March 1999 to March 2000, at 3 (indicating a moving rate, per year, of 32.5 percent for renters, and 9.1 percent for owners); Ahn & Blazquez, infra note 11, at 7 (2007) (indicating, in 1995–2001, a 17 percent annual moving rate for French tenants, and a 4 percent rate for French
TABLE 2
RESIDENTIAL MOBILITY OF INDIVIDUALS, PERCENT PER ANNUM, LATE 1990s 11

<table>
<thead>
<tr>
<th>Age of Individual in Years</th>
<th>France</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>25–29</td>
<td>21.1%</td>
<td>31.0%</td>
</tr>
<tr>
<td>30–39</td>
<td>10.9%</td>
<td>18.0%</td>
</tr>
<tr>
<td>40–49</td>
<td>4.4%</td>
<td>10.0%</td>
</tr>
<tr>
<td>50–54</td>
<td>3.4%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Most residential moves are local. In the U.S., the median distance of a move in a given year is about ten miles. 12 Roughly three-fifths of American movers remain in the same county, one-fifth move to a different county in the same state, and one-fifth move to either a different state or country. 13 One of France’s basic subnational units of government is the département, which on average is twice the area of a U.S. county. Three quarters of French movers in a given year relocate within the same department. 14

owners). For fuller discussion of the moving rates of different subgroups of Americans, see Bogue, supra note 8, at 6–17 (indicating that, for example, women, whites, and the least educated are somewhat less mobile than their counterparts).

10 U.S. Census Bureau, Annual Geographical Mobility Rates, By Type of Movement: 1947–2008, available at http://www.census.gov/population/www/socdemo/migrate.html [hereinafter U.S. Mobility Rates]. The drop in U.S. mobility is disproportionately attributable to a slackening rate of local (intracounty) moves. Bogue, supra note 8, at 3–4,


13 U.S. Mobility Rates, supra note 10.

14 Courgeau & Lelièvre, 59 Population 703, 707 (2004–05) (reporting data for the
II. Factors Other Than Housing Policy That May Influence a Nation’s Rate of Population Mobility

Although this essay focuses on the possible effects of a nation’s legal policies on the frequency of household moves, other variables also matter. If sufficient data were available, a person skilled at regression analysis potentially could test the statistical significance of the various determinants.

A. Cultural and Familial Influences

Cultural traditions surely affect moving rates. Members of Catholic parishes, for example, tend to be less mobile than members of Jewish synagogues. Table 1 indicates that rates of mobility generally are much lower in the nations of old Europe than in the overseas nations that were once British colonies. In a long-settled nation such as France, many individuals and families have strong loyalties to specific regions and communities. By contrast, early commentators on American life, such as Alexis de Tocqueville and Frederick Jackson Turner, noted a widespread penchant for pulling up stakes.


17 See Paul E. White, *Internal Migration in the Nineteenth and Twentieth Centuries, in MIGRANTS IN MODERN FRANCE* 13–15 (Philip E. Ogden & Paul E. White eds. 1989) (noting that rates of residential mobility in France have historically never been high).

18 ALEXIS DE TOCQUEVILLE, *DEMOCRACY IN AMERICA* 536 (George Lawrence trans., J.P. Mayer ed. (1969) (1848) (“An American will build a home in which to pass his old age and
Family traditions appear to affect a person’s propensity to move. Individuals who moved often when they were children, for example, tend to be relatively mobile when they reach adulthood.\textsuperscript{19} Most Americans are either immigrants or the descendants of immigrants who were willing to cross an ocean to start a new life. Those who self-selected themselves to come to the United States had a relatively strong taste for making a fresh start and tended to pass that taste on to their descendents through socialization and genetic inheritance.\textsuperscript{20} Conversely, the natives of France who were too risk-averse to emigrate abroad tended to have descendents who shared their penchant for staying put.

These cultural differences support the stereotypes that France is a nation where ties to family and place are unusually strong, and the United States, a nation of rootless entrepreneurs ever on the lookout for a new main chance. But the difference between the mobility rates of the two populations cannot be attributed entirely to their disparate cultural and familial traditions. Various French laws bolster that nation’s rootedness, while American laws work in the opposite direction. Culture and law of course are deeply intertwined. Legislators tend to honor their nation’s cultural values. Conversely, a nation’s legal policies, after their adoption, tend to intensify its cultural inclinations. Nonetheless, much evidence indicates that, in a given culture, legal policies by themselves can significantly influence how frequently households move. For example, in Switzerland, a nation that shares much of the culture of old Europe, the rate of residential mobility is significantly higher than it is in neighboring nations.\textsuperscript{21} Switzerland also has, relative to its neighbors, a relatively laissez-faire set of landlord-tenant laws and social

\begin{itemize}
  
  
  \item[21] See supra Table 1.
\end{itemize}
Conversely, in New York City, the American city with housing policies most similar to those in France, households move much less often than they do in other large U.S. cities. Over a ten-year period, 83 percent of Chicago’s renting households changed dwellings, compared to 65 percent of New York’s. If New York is “The Frozen City,” as one commentator has dubbed it, it is unlikely that distinctive cultural attributes alone have made it that way. Also probative is R.M. Pritchard’s study of household moves in Leicester, England, between 1870 and 1970. Annual mobility rates in Leicester fell from an average of roughly 13 percent for the pre-1914 period, to 7.5 percent for the post-1919 period. Pritchard attributes the drop that began in the 1920s in significant part to legal changes that transformed Leicester’s housing market, such as the advent of rent controls, council housing, and town planning. He makes no mention of any transformation of Leicester’s culture.

B. Labor Markets

Table 3 demonstrates that workers in France change jobs significantly less frequently than workers in the U.S. do. Economists have produced a deep literature on sources of rigidities in the French labor market, much of it focusing on legal restrictions on employers’ powers, such as the right to fire.

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22 Strassmann, Residential Mobility, supra note 5, at 13.

23 Ingrid Ellen & Brendan O’Flaherty, How New York Housing Policies Are Different—and Maybe Why, forthcoming in The Welfare State in New York City tbl. 7.11 (Irving Garfinkel & Marcia Meyers eds.). In New York City, 70 percent of rental arrangements are either subject to rent regulation or situated in a subsidized project. Id. at tbl. 7.1.


26 Id. at 183–91.
### TABLE 3

**LENGTH OF EMPLOYEE TENURE IN CURRENT JOB**

<table>
<thead>
<tr>
<th>Employees</th>
<th>One Year or Less</th>
<th>Ten Years or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>age 26–45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France:</td>
<td>14%</td>
<td>41%</td>
</tr>
<tr>
<td>U.S.:</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>age 46–60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France:</td>
<td>5%</td>
<td>74%</td>
</tr>
<tr>
<td>U.S.:</td>
<td>12%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Scholars have also begun to pay attention to the complex interrelationship between housing markets and job markets. Moving to a new job may prompt a move to a new housing unit. In the U.S., about one-sixth of moves are motivated for work-related reasons of this sort. The relative stickiness of French labor markets therefore tends to dampen residential mobility in France. But there also are influences that run in the opposite direction. Because French housing markets also are sticky (on account of various policies soon to be described), some French workers might decline to search for a new job for housing-related reasons. For example, a worker residing in a housing project

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29 See William A.V. Clark, *Changing Jobs and Changing Houses: Mobility Outcomes of Employment Transitions*, 39 J. REGIONAL SCI. 653, 660 (1999) (finding that a household with a member who changed jobs is 2.4 times more likely to move to another residence than a household without such a member).

where rents are heavily subsidized might be deterred from looking for a job sited beyond feasible commuting distance from his current home.

Moreover, partly as a result of tax policies, the distribution of French incomes is far more compressed than the U.S. distribution. Because one reason to move is to assume a higher-paying job, this relative compression may dampen residential mobility in France.\textsuperscript{31}

**III. Legal Policies that Affect Residential Mobility**

The standard economic model of a household’s moving decision holds that a household moves when its gains from the move exceed its transaction costs of carrying out the move.\textsuperscript{32} (Transaction costs should be expansively defined in this context to include the mover’s net psychological and social costs of relocating.)\textsuperscript{33} Empirical studies indicate that an increase in the transaction costs of moving indeed dampens mobility.\textsuperscript{34}

This section highlights several French legal policies that deter, respectively, homeowners and renters from moving.\textsuperscript{35} In 2001, 56 percent of French households were


\textsuperscript{33} See infra note 88 and accompanying text.


\textsuperscript{35} Although the legal differences discussed seem the most significant, policy differences in dozens of additional legal domains conceivably might be pertinent. Consider, for example, the possible influence of disparities between French and American policies regarding slum-clearance. These government interventions compel households to move. This legal domain nonetheless does not warrant extended discussion because, by the turn of the twenty-first century, governments in neither the nation were doing much of it. France, especially in and after the era of Napoleon III.
owner-occupants, compared to 68 percent of U.S. households.\footnote{36} Because, as mentioned, homeowners move far less often than renters do, this disparity makes the much lower overall rate of residential mobility in France even more striking.

\textbf{A. Legal Policies that Dampen Moves into and out of Owner-Occupied Housing}

\textit{1. Policies that Affect the Ease of the Purchase and Sale of a Dwelling}

A variety of legal policies potentially affect the out-of-pocket transaction costs of transferring ownership of a dwelling. According to one source, the monetary costs of effectuating the sale of a house in France are about 17 percent of the sale price.\footnote{37} In the U.S. the comparable percentage is roughly 10 percent.\footnote{38} In 2009, the central source of the

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\footnote{37} \textit{See} Van Ommeren & Van Leuvensteijn, \textit{supra} note 34, at 683 (graph).

difference was the imposition on most dwelling sales, by various levels of French government, of aggregate transfer taxes equal to 5.09 percent of sale price.\(^{39}\) Many U.S. states and localities also impose real estate transfer taxes and fees, but their total burden is far lower, averaging about 0.5 percent.\(^{40}\) The French tax code, moreover, is less forgiving than the U.S. tax code with regard to the taxation of capital gains on owner-occupied housing, and in some instances the French value-added tax applies to the sale of a new or improved dwelling.\(^{41}\)

In both nations, the parties involved in a house sale typically employ the services of a variety of intermediaries. These include real estate brokers, mortgage brokers and lenders, and experts in the preparation of transfer documents (notaires in France; attorneys or escrow companies in the U.S.). In both nations, many of these intermediaries are somewhat cartelized, partly on account of state-enforced entry restrictions and price

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mortgage insurance premium itself, a charge that most homebuyers do not have to pay. The U.S. estimate, and presumably also the French one, also exclude the value of the time the seller spends to prepare and show the house, and that the buyer devotes to the search. See Donald R. Haurin & H. Leroy Gill, *The Impact of Transaction Costs and the Expected Length of Stay on Homeownership*, 51 J. URB. ECON. 563, 564–65 (2002).

\(^{39}\) Lawrence Graham, French Tax News: The Tax Implications of Buying a House and Renovating It in France (available at http://www.lg-legal.com/assets/Downloadablefile/French_Tax_News_03_2009.pdf?form=). French governments lowered the rates of these droits de mutation between 1996 and 2000. Strassmann, writing in 1991, reported that house transfer taxes in France then were 9–11 percent. *Housing Market Interventions, supra* note 3, at 763. Many other European nations also impose significant taxes on real estate transfers. It has been asserted that these sorts of taxes “unambiguously create lock-in effects that reduce welfare.” Per Lundborg & Per Skedinger, *Transaction Taxes in a Search Model of the Housing Market*, 45 J. URB. ECON. 385 (1999),

\(^{40}\) See *Closing Costs, supra* note 38, at 4 (reporting that, in the sample studied, “government recording and transfer charges” averaged 0.5 percent of the sales price).

\(^{41}\) Graham, *supra* note 39. When the value-added tax applies, however, the transfer tax is much reduced.
controls.\textsuperscript{42} The French notarial system is notably uncompetitive.\textsuperscript{43} French law compels the use of a notary when real estate is transferred and specifies the magnitude of basic notarial fees.\textsuperscript{44} Economic theory suggests that these policies would inflate the transaction costs of house sales in France.\textsuperscript{45}

2. Land Use Regulation

In both France and the U.S., a household’s desire to change the attributes of either


\textsuperscript{44} On the required use of a notary, see Laferrère & Le Blanc, \textit{Households in France}, supra note 36, at 160. Notarial fees are fixed according to décret n°78-262 du 8 mars 1978 portant fixation du tarif des notaires. When a medium-priced house is transferred, the notaire’s fee is roughly 1 percent of the sale price.

its dwelling or its neighborhood motivates a solid majority of moves.\textsuperscript{46} As a result, the more ample and varied a nation’s stock of housing, the more frequently its populace can be expected to move. One of the major determinants of the quantity and diversity of a nation’s housing stock is its system of land use regulation. Here France and the United States take quite different approaches. The French national government imposes many mandates on the land-use policies of its localities, while the U.S. gives its states and municipalities a relatively free hand. In France, municipalities (communes) and semi-public agencies initiate most major development projects (in the capacity of un maître d’ouvrage).\textsuperscript{47} The vast majority of American housing developments, by contrast, are initiated by private entrepreneurs. In both nations, land use regulations vary significantly from place to place. In the United States, for example, legal restrictions on housing production tend to be far more severe in states and localities in the Northeast and the Far West than elsewhere.\textsuperscript{48}

In general, the French land use regulatory system appears to restrict the variety of both dwellings and neighborhoods more than the American system does. Most French cities and suburbs have a New Urbanist look that many commentators find attractive. There commonly is a sharp boundary between an urbanized area and surrounding

\textsuperscript{46} See infra text accompanying notes 101–106.

\textsuperscript{47} The complexity of the French system of land use regulation makes it opaque to outside observers. According to a leading expert, the current system mostly dates from the 1950s, and France has recently begun to decentralize it, conferring somewhat more regulatory power on communes and regional governments. Interview with Jean-Bernard Auby, Professor of Public Law at Sciences-Po (November 18, 2008). His co-authored treatise on the subject is JEAN-BERNARD AUBY, HUGUES PÉRINET-MARQUET & ROZEN NOGUELLOU, DROIT DE L’URBANISME ET DE LA CONSTRUCTION (8th ed. 2008).

agricultural lands. Because large lots are less common, French suburbs tend to be denser than American suburbs. In the U.S., urban sprawl, whatever its vices, appears to give rise to a wider variety of dwellings, lot sizes, and neighborhood grains. Figures 1, 2, and 3 present a graph and two aerial photographs that suggest these differences in the urban
form of the two nations. By limiting the variety of neighborhood and housing choices available, France likely slows the residential mobility of its population.⁴⁹

B. Legal Sources of Stickiness in Rental Housing Markets

France, like many of the more prosperous European nations, has adopted several policies that significantly deter moves by residential tenants. The impact of these policies is enhanced because there are proportionally more renters in France than in the U.S., and because renters tend to move far more often than homeowners.

1. Landlord-Tenant Law

In the U.S., landlord-tenant law is almost exclusively the province of state governments, an approach that gives rise to a regulatory competition that advocates of ⁴⁹ A dyed-in-the-wool New Urbanist might contend, of course, that the quality of French neighborhoods is so uniformly high that dissatisfaction with a neighborhood rarely prompts a household to move.
decentralization regard as beneficial. France, true to its longstanding tradition of centralized control, has a largely national system of landlord-tenant law.

Limits on landlord evictions and lease terminations. French law imposes more limits than a typical American state does on a landlord’s power to evict a tenant or terminate a lease. In 1948, French lawmakers embraced the general principle that a residential tenant has a “right to remain in the premises.”50 Subsequent legislation has continued to honor this maxim. The key governing statute, la loi Mermaz-Malandain enacted in 1989, requires an individual landlord to offer a new tenant a minimum of a three-year lease.51 For a corporate or other institutional landlord (une personne morale), the minimum term is six years. A tenant holding one of these leases can terminate it at any time by giving three months notice. A landlord, however, is held to the full term. More important, at the end of the term the landlord must offer the tenant a renewal of a lease, except in a few special circumstances, such as when the landlord wishes personally to reside in the dwelling.52 Because of these statutory provisions, a French landlord has


52 In several respects, French landlord-tenant law is more disadvantageous to an institutional landlord than to an individual landlord. As noted, an individual can offer a shorter
far less power than an American one to trigger a tenant move. Most U.S. states, by contrast, are far more supportive of freedom of contract. They typically permit a landlord and tenant to come to agreement on, for example, a month-to-month tenancy, a lease with a fixed term of almost any length, and a lease that denies the tenant an entitlement to compel a renewal.\(^{53}\)

To further honor the principle of a “right to remain,” French law makes it difficult for any residential landlord to evict a tenant, even one in breach on account of nonpayment of rent. The governing regulations prohibit, with rare exception, evictions between November 1 and March 15 (and for an even longer period in Paris).\(^{54}\) Some lease at the outset, and also decline to renew a lease in order to personally reoccupy the dwelling.

This legal tilt in favor of individual landlords has likely contributed to the relative popularity in France of condominium ownership of multi-unit residential buildings. Condominiums units comprise 26 percent of the total French housing stock, as opposed to 7 percent of the U.S. stock. (The latter figure includes units in cooperatives as well.) Moreover, renters occupy about 50 percent of occupied condominium units in France, compared to 32 percent of U.S. condominium units. ANIL, *Le Parc de Logements en Copropriété en France*, HABITAT ACTUALITÉ, N°89, at 6–8 (Mai 2004); U.S. Census Bureau, *American Housing Survey for the United States*, 2007, tbls. 1A-1, 3-1, 4-1. In the Paris region, non-institutionally owned condominium units constitute about two-thirds of private rental stock. Madhu Satsangi, *Private Rental Housing in France*, 13 NETH. J. HOUSING & BUILT ENV’T 301, 311 (1998). When individuals who own condominium units in a multi-unit building rent them out, the complexity of the structure of property rights makes governance of building far more difficult than it would be if there were a single owner. See Henry Hansmann, *Condominium and Cooperative Housing: Transactional Efficiency, Tax Subsidies and Tenure Choice*, 20 J. LEGAL STUD. 25 (1991).

\(^{53}\) There are exceptions. In New Jersey, for example, a landlord must show “good cause” when refusing to renew a residential lease. N.J. STAT ANN. § 2a:18-61.1 (2000). The City of Palo Alto, California requires a residential landlord to offer a new or renewing tenant a lease with a minimum term of one year. Roble Vista Assocs. v. Bacon, 118 Cal.Rptr.2d 295 (Cal. App. 2002).

\(^{54}\) Natalie Boccadoro & Anthony Chamboredon, *France*, at 18 (available at www.iue.it/LAW/).
French landlords assert that an eviction takes on average eighteen months to complete. In addition, the local officials authorized to carry out a residential eviction are entitled to decline to do so and instead render compensation to the landlord. American states generally are far less protective of a tenant in breach. In most states, a landlord can complete a residential eviction in around two months. Evictions typically take place year round, except perhaps during the end-of-the-year holidays or when the weather is unusually cold or wet.

Rent controls. Rent controls have been and are much more prevalent in France than in the U.S. During World War I, France imposed a moratorium on the collection of many residential rents. Between 1918 and 1948, French law pegged residential rents at a small fraction of market price, a policy that stifled the supply of rental dwellings and fostered black markets in apartments. In 1948, in an effort to revive the private housing

55 There are few hard data on the subject. Compare id. at 5 (describing evictions as “almost impossible”), with Simeon Djankov et al., Courts, 118 Q.J. ECON. 453, 497 (2003) (estimating that it takes an average of 226 days to complete an eviction in France).

56 See Roisman, supra note 50, at 847 n.126.

57 See Djankov et al., supra note 55, at 495 (providing an estimate of 49 days); Randy G. Gerchick, Comment, No Easy Way Out, 41 UCLA L. Rev. 759, 808-09 (1994) (summarizing studies of duration of evictions in California).


59 For a succinct history of French rent controls, see Satsangi, supra note 52, at 302–03.


sector, the French legislature partially eased rent controls on existing buildings and exempted newly constructed structures altogether. By 2002, the strict rent controls still permitted under the 1948 law applied to only 1 percent of French residential tenancies (3 percent of those in Paris).

In the U.S., there has been less political support for legal ceilings on rents. Some states and localities did impose rent controls after the end of World War I, but these proved to be short-lived. During World War II, the federal government implemented strict controls nationwide, but then lifted them after the war concluded. The post-war New York legislature, however, chose to perpetuate the strict control of rents in existing dwellings in the City of New York and a few other jurisdictions, and later supplemented that system with a milder regime known as “rent stabilization.” During the high-inflation years of the late 1970s, a few hundred American localities in other states also experimented rent controls, typically of a moderate variety. But by 2000, a solid majority of American states had enacted statutes forbidding municipal rent controls of any sort.

In sum, at the outset of the twenty-first century, in both France and the U.S. strict rent controls apply to only a tiny fraction of residential units. But there is a major legal difference between the two nations: France, but not the U.S., maintains a nationwide system of mild rent controls. La loi Mermaz-Malandain of 1989 limits a landlord’s power to increase the rent of a sitting tenant. A nationwide construction index, which typically understates the rate of increase in market rents, sets an immutable ceiling on rent increases during the term of the lease. Moreover, at the end of a minimum three-year lease (for example), the statute not only compels the landlord to renew in most instances, but also limits rent increases to those that the national index permits. To raise rent by a

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63 See Loiseau & Bonvalet, supra note 50, at 302–03.


65 See Satsangi, supra note 52, at 317–18.
greater amount, a landlord must prove that the former rent “manifestly undervalued” the premises.\footnote{Loi n° 89-462 du 6 juillet 1989, J.O., 8 July 1989, p.8541, art. 17c.} In practice, a landlord is unlikely to succeed in making that showing. As a result, in ordinary economic times the rents of most sitting tenants in France drift further and further below the market rent. This system of rent control nonetheless is mild because the law provides for vacancy decontrol. Once a sitting tenant departs, a French landlord is free to charge whatever the market will bear.

On the whole, France’s landlord-tenant laws dampen its rate of residential mobility. Many studies have shown that rent ceilings have lock-in effects.\footnote{See, e.g., Richard W. Ault et al., The Effect of Long-Term Rent Control on Tenant Mobility, 35 J. URB. ECON. 140 (1994); Jakob Roland Munch & Michael Svarer, Rent Control and Tenancy Duration, 52 J. URB. ECON. 542 (2002). See also Ellen & O’Flaherty, supra note 23, at 39 (stating that the average length of the current tenure of a rent-controlled tenant in New York City is 10.6 years, a time span 56 percent longer than that of a household living in an unregulated apartment.)} A tenant, who would have left in the absence of the controls, remains in place on account of the relatively low rent.\footnote{In some contexts, a tenant may be able to illegally transfer residency rights to another household in return for key money, an action that lessens the effect of the constraint.} Moreover, when a landlord anticipates having great difficulty in severing a relationship with an undesirable tenant, the landlord has an incentive to screen prospective tenants more carefully and, at the extreme, even to leave a dwelling vacant. These landlord responses increase the transaction costs of rental transactions and aggravate housing shortages, further hindering moves by French households.

2. \textit{Housing Assistance Policies}

Beginning in the first half of the twentieth century, both the United States and France established a complex and ever-changing array of housing subsidies for tenants of low or moderate income. For reasons presented below, the French system is far more likely than the U.S. system to impair tenant mobility. Indeed, the lock-in effects of French housing assistance policies probably far exceed those of French rent controls.
In any nation, there are two basic forms of housing assistance: projected-based and tenant-based. In both France and the U.S., a majority of assisted tenants receive project-based aid. A tenant who applies for assistance under a project-based program is placed in a queue. The person at the top of the queue is offered a specific apartment in a subsidized project, typically at a deeply discounted rent. If the applicant were to decline to accept the unit, his name typically would fall to the bottom of the queue. If the tenant were to accept and move in, however, thereafter the benefits of the subsidy would not be portable. If the tenant were later to vacate the apartment, he would lose the benefits of the housing subsidy and the authorities would offer occupancy of the premises to another household.

Tenant-based housing aids in both the United States and France take the form of housing allowances. Housing allowances are less likely than project-based assistance to lock tenant households into particular dwellings. A tenant who holds a housing allowance can transport it from one rental dwelling to another. On account of this advantage and others, both French and American housing economists generally regard tenant-based housing assistance to be superior to project-based assistance.69

As Table 4 indicates, in France 40 percent of tenants live in subsidized housing projects, most of which are known as HLM (habitations à loyer modéré). Dwellings in these projects constitute 17 percent of the total French housing stock, a percentage of “social housing” that is middling for a European nation.70 The most massive clusters of French subsidized housing, such as les Grands Ensembles, have been built mostly in suburban locations. In the suburbs that surround Paris, 63 percent of rental apartments are

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70 At the turn of the twenty-first century, social rental housing of this sort constituted approximately 34 percent of the total housing stock in the Netherlands, 22 percent in the United Kingdom, 7 percent in Germany and Switzerland, and 1 percent in Spain. Economic Commission for Europe, Guidelines on Social Housing 15 (2006).
TABLE 4
APPROXIMATE PERCENTAGE OF RESIDENTIAL TENANTS RECEIVING RENTAL AID, C.2001

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reside in a Subsidized Project</td>
<td>40%</td>
<td>13%</td>
</tr>
<tr>
<td>Reside in an Unsubsidized Structure with the Help of a Housing Allowance</td>
<td>25%</td>
<td>6%</td>
</tr>
<tr>
<td>Reside rent-free</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Tenants Not Receiving Housing Aid</td>
<td>31%</td>
<td>79%</td>
</tr>
<tr>
<td><strong>ALL TENANTS</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

in HLM projects, whereas, within the City of Paris itself, the figure is 29 percent. The organizations that develop and manage HLM projects benefit from low-interest government loans and tax exemptions. These HLM organizations, which number over one thousand, may be loosely described as local and regional public-private partnerships. Mayors and other local politicians commonly serve on their boards of

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72 Nearly half of HLM tenants receive housing allowances as well. *Id.* at 163.

73 Calculated from data provided in David Le Blanc & Anne Laferrère, *The Effect of Public Social Housing on Households’ Consumption in France*, 10 J. HOUSING ECON. 429, 434 (2001).

directors, and civil servants historically have received a disproportionate share of the subsidized apartments.\footnote{Schwartz, supra note 51, at 192–93, 214.} Because HLM entities and municipalities sponsor most new multi-family housing projects in France, the designs of available rental dwellings there tend to be less varied than they would be if smaller private developers were more actively involved.

In the most populous French urban areas, rents in HLM projects, per square meter, are about half of what they are in the private rental sector.\footnote{See Loiseau & Bonvalet, supra note 50, at 304.} This rent discount typically is far larger than the discount a French tenant receives under the nation’s mild system of rent control. On account of the deep antipathy of French policymakers to rent increases, the rents of an HLM tenant are seldom hiked, even when the tenant’s income has increased markedly after initial admission.\footnote{Laferrère & Le Blanc, Households in France, supra note 36, at 162–63.} This policy fosters long tenant stays in HLM projects, particularly those located in better neighborhoods.\footnote{Id. at 167, 171.}

As Table 4 reveals, 40 percent of tenants in France reside in a subsidized project, about three times the comparable percentage in United States. Not only are there relatively fewer American tenants in projects, but applicable rent-setting policies also are less likely to freeze them into place. In many American projects, unlike HLM projects, a tenant whose income has risen is eventually charged a higher rent, a policy that tends to prompt more frequent tenant exits.\footnote{An American tenant in a public housing project or a project-based Section 8 project has traditionally had to pay 30 percent of income toward rent. 42 U.S.C. § 1437a, § 1437f (2006) (providing for some exceptions). A prospering tenant in an American housing project subsidized through tax credits, by contrast, has never run the risk of being charged a higher rent. See Shilesh Muralidhara, Deficiencies of the Low-Income Housing Tax Credit in Targeting the Lowest-Income Households and in Promoting Concentrated Poverty and Segregation, 24 L. & INEQ. 353, 359 (2006).}

Beginning in the 1970s, both nations inaugurated major new forms of tenant-
based assistance. Table 4 indicates that about 6 percent of tenant households in the U.S. currently benefit from housing allowances, popularly known as Section 8. France has had a variety of significant housing allowance programs, referred to as aide à la personne as opposed to aide à la pierre. These, unlike Section 8, are made available to all applicants as an entitlement and are broadly distributed. Of the French tenants who do not reside in an HLM or other assisted project, about 40 percent receive a housing allowance.

Much evidence indicates that tenants are reluctant to move out of a dwelling that is either rent-controlled or tied to a project-based subsidy. In France, a 1996 survey found that the average length of the current rental tenure of tenants benefiting from the strict rent controls imposed by the 1948 law was 20.0 years; of tenants in HLM projects, 10.0 years; and of tenants in the private rental sector, 5.6 years. A nation’s housing policies plainly can dramatically influence tenant mobility.

IV. Is a Higher Rate of Residential Mobility Desirable?

Is a nation’s rate of residential mobility an important social indicator, one as weighty, perhaps, as its crime rate, unemployment rate, or literacy rate? Politicians rarely campaign on mobility issues, a clue that they sense that few voters care about the topic. In this Part, by contrast, I contend that issues of residential mobility warrant more attention than they have traditionally received. This assertion must be tentative, however,

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81 LaFerrère & Le Blanc, Households in France, supra note 36, at 163.

82 See sources cited supra note 67; Thierry Debrand & Claude Taffin, Les Facteurs Structurales et Conjoncturels de la Mobilité Résidentielle depuis 20 Ans, 381–382 ÉCONOMIE ET STATISTIQUE 125 (2005) (finding that, in 2002, in contrast to 1984, HLM tenants were less mobile than private-sector French tenants); Gobillon, supra note 28, at 87, 96 (asserting that HLM tenants are relatively immobile). See also Gordon Hughes & Barry McCormick, Do Council Housing Policies Reduce Migration Between Regions? 91 ECON. J. 919 (1981) (concluding that subsidized projects in Britain tend to lock in tenants).

83 Loiseau & Bonvalet, supra note 50, at 305.
both because analysts are only beginning to develop a persuasive framework for assessing the normative implications of mobility, and because pertinent empirical studies are in short supply.84

A. The Welfare Effects of Residential Mobility

To simplify, this initial attempt to provide a method of normative evaluation puts to the side various pertinent and important values such as freedom, self-actualization, and distributive justice. What is instead proposed is a utilitarian assessment of the costs and benefits of residential moves, which include social consequences such as effects on the stock of social capital.

1. The Mover’s Decision

As noted, the standard economic model of a relocation decision assumes that a household moves when its members’ expected gains from the move exceed the costs they expect to bear in accomplishing the move.85 In a liberal society, when members of a multi-adult household (such as a married couple) move as a unit, they each have to concur in the decision to relocate. A household member who was individually reluctant to move may eventually relent on account of altruism or anticipated long-term compensation through the household’s informal process of gift-exchange.86 Of household members’ various costs of moving, economists traditionally have stressed out-of-pocket

84 An early collection of essays is RESIDENTIAL MOBILITY AND PUBLIC POLICY (W.A.V. Clark & Eric G. Moore eds. 1980).

85 See supra note 32 and accompanying text. This conventional economic model, which supposes that individuals are rational actors, is used here on account of its simplicity. An enriched model might take into account, for example, limits on rationality and the complexities of cognitive psychology, such as loss aversion. See generally BEHAVIORAL LAW AND ECONOMICS (Cass R. Sunstein ed., 2000).

86 For discussion of these internal dynamics, see ROBERT C. ELLICKSON, THE HOUSEHOLD: INFORMAL ORDER AROUND THE HEARTH 92–120 (2008).
costs and the value of the time spent on arranging a move. An experienced mover might also anticipate, however, that a shift to a new living environment would give rise to net social and psychological costs (or benefits), and take those into account as well.

What is known about these psychological and social consequences? According to Stephanie Stern, psychologists who have studied adult movers in the U.S. have found that a move commonly causes some short-term stress, but no long-term psychological impairment. Children who move frequently tend to perform less well in school, but mostly on account of the characteristics of their caretakers, not on account of the moves themselves. (An altruistic caretaker would take into account any negative effects of a move on a child, but some caretakers may be less than completely altruistic.)

Several studies indicate that a mover does tend to take into consideration the expected private social costs of moves, such as a net diminution in the mover’s personal stock of social capital. According to Robert Putnam’s “lean and mean” definition, social capital consists of “social networks and the associated norms of reciprocity and

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87 See Haurin & Gill, supra note 38.


90 See, e.g., Shana Pribesh & Douglas B. Downey, Why Are Residential and School Moves Associated with Poor School Performance? 36 DEMOGRAPHY 521 (1999); see also Stern, supra note 89, at 1117–19 (reviewing the literature).

91 Cf. Jacob Mincer, Family Migration Decisions, 86 J. POL. ECON. 749 (1978) (predicting that a household member would internalize most of a move’s effects on other household members).

92 See Kamhon Kan, Residential Mobility and Social Capital, 61 J. URB. ECON. 436 (2007) (finding that households with large amounts of local social capital are less likely to move a long distance); Quentin David et al., Local Social Capital and Geographical Mobility: Some Empirics and a Conjecture on the Nature of European Unemployment, IZA Discussion Paper No. 3669, at 11 (August 2008) (reporting a similar finding).
trustworthiness.\textsuperscript{93} In the context of residential mobility, it is useful to distinguish among several types of social capital. Local social capital differs from nonlocal social capital, such as involvement in a national professional association.\textsuperscript{94} In addition, most people have relatively strong social ties with family members and personal friends, and relatively weak social ties with neighbors as such.\textsuperscript{95} An increase in physical distance tends to erode the social capital associated with a weak tie more than that associated with a strong tie.

A mover can anticipate that a move will have different effects on different types of social relations. A long-distance move is likely to have little or no effect on nonlocal social capital, and a larger effect on local social capital. As noted, most residential moves are local, with the typical relocation in both the U.S. and France involving a distance of ten miles or less.\textsuperscript{96} A move of that distance is unlikely to jeopardize local relationships cemented by strong ties, such as connections with family members and close friends who live locally. A move of a few miles, however, is likely to rupture weak-tie relations with neighbors on one’s former block. Stern reports, however, that American movers typically are able to establish satisfactory social ties with their new neighbors within less than two years.\textsuperscript{97} A local mover who anticipated this outcome would not be greatly concerned about the attenuation of social connections with prior neighbors.

\textsuperscript{93} Robert D. Putnam, \textit{E Pluribus Unum: Diversity and Community in the Twenty-First Century}, 30 Scandinav. Pol. Stud. 137 (2007). Social capital may be valued not only because it leads to better economic and social outcomes such as greater prosperity and less crime, but also because it can stimulate feelings of self-esteem and solidarity that are valued for their own sake.

\textsuperscript{94} See David et al., \textit{Theory}, supra note 3. Kan, supra note 92, also employs the notion of local social capital.

\textsuperscript{95} See also Stern, supra note 89, at 1122–24 (discussing the relative weakness of most households’ social ties with neighbors).

\textsuperscript{96} See supra text at note 12.

\textsuperscript{97} Stern, supra note 89, at 1115–17.
2. The Many Potential Private Benefits of a Residential Move

A move can confer a wide variety of private benefits on those who move, but also potentially give rise to social costs. In the 1990s, census officials in both the U.S. and France began to ask movers why they had moved.98 Their responses reveal the many possible advantages of relocating.99 Because respondents in the two nations were asked somewhat different questions, the comparative statistics provided below are no better than suggestive.

Taking on a new job. In the U.S., 16 percent of movers stated that they had moved primarily for an employment-related reason. The comparable figure in France was 26 percent.100 In both nations, the longer the distance of a move, the more likely the move was work-related.101 Housing and land use policies that dampen mobility obviously tend to prolong job mismatches. A tenant unhappy in her current job, for example, might decline to shift to a better one at a distant location if the shift would require either a lengthy commute or a move that would result in the loss of the benefits of living in a rent-controlled unit or subsidized housing project.102


99 The classic investigation is PETER H. ROSSI, WHY FAMILIES MOVE: A STUDY IN THE SOCIAL PSYCHOLOGY OF URBAN RESIDENTIAL MOBILITY (1955).

100 Because the French percentage is almost double the U.S. percentage, it appears that housing lock-ins in France may not be a major cause of job immobility there.

101 Of U.S. moves across a county line, 31 percent are work-related, compared to 6 percent of moves that don’t cross a county line. In France, 62 percent of inter-department movers report that their move is work-related, compared to 20 percent of intra-department movers.

102 Housing lock-ins similarly can perpetuate lengthier commuting distances between intimates, for example, by deterring someone from relocating to be closer to friends or family members. Many individuals manifest a strong desire to live near intimates. In a 2001 survey, 50 percent of French adults stated that a close relative of theirs resided nearby, that is, either in the
Reconfiguring household arrangements: housemates, dwelling attributes, and ownership structure. In both nations, however, a majority of moves—and indeed three-fourths of short-distance moves—are primarily motivated not by work (or neighborhood) considerations, but rather by household and housing considerations.103

Because U.S. movers are asked more precise questions, more is known about their motivations. Roughly one-fourth of U.S. movers relocate in order to either cohabit with a new housemate, or terminate a former cohabitation arrangement.104 Young adults tend to move more often than others because they are in a particularly volatile stage of the human life-cycle. A twenty-or thirty-something, for example, may decide to leave the parental home, to cohabit with a significant other, or to move to a home large enough to accommodate newly arrived children. Conversely, empty-nesters may move locally in response to the departure of their adult children.105

Another one-fourth of U.S. moves are sparked by the collective desire of a stable group of cohabitants to shift to a dwelling with more suitable physical attributes. A prospering middle-aged couple with growing children, for example, might be on the lookout for a larger house with a bigger backyard. Observe that satisfying this wish may not require a change of neighborhood.

Household members also care about their form of tenure. A decision to switch from renting to owning primarily motivates about one-eighth of U.S. moves. Occupant-ownership enhances an occupant’s security of possession and, by eliminating the same commune (municipality) or a neighboring one. Denise Arbonville & Catherine Bonvalet, Demographic Trends and Urban Change in France: Changes in Housing Patterns Since 1950, in FAMILY AND HOUSING: RECENT TRENDS IN FRANCE AND SOUTHERN EUROPE 269, 305 (Catherine Bonvalet et al. eds., 2009)

103 In France, 76 percent of intra-communal movers identify this motivation.

104 On the formation and structure of households, see generally ELLICKSON, supra note 86.

105 These sorts of moves would not be necessary if the owner of a dwelling could readily alter the dwelling’s physical attributes. This of course is seldom feasible.
landlord, greatly reduces the transaction costs of household governance.\textsuperscript{106} Some movers, conversely, seek to switch from the simplicity of ordinary fee-simple homeownership to the complexity of structured life in a common-interest community.

The greatest costs of laws that limit mobility likely stem from their suppression of these sorts of quotidian adjustments in household arrangements. Policies that impede the functioning of the market for households may force an individual to live with unwanted housemates, to remain in an unsuitable dwelling, or to put up with an unwanted tenure arrangement. It appears that no attempts have been made to estimate the magnitude of these sorts of costs of antimobility policies. For what it’s worth, in France most individuals who have made a local move do report a sharply higher level of satisfaction with their new housing.\textsuperscript{107}

\textit{Opting for a new neighborhood.} A household may move to a nearly identical dwelling in the same municipality simply to bring about a change in local surroundings. A new neighborhood might offer, for example, safer streets, a better elementary school, or more shops within walking distance. Conversely, an individual whose income has fallen might move to a neighborhood that is less appealing in these sorts of respects in order to reduce housing costs and property-tax bills. In the U.S., a preference for neighborhood change appears to motivate less than ten percent of moves.\textsuperscript{108}

\textit{Voting with one’s feet for a new political environment.} The well-known Tiebout hypothesis supposes that households shop among competing municipalities that offer different packages of taxes, regulatory policies, and public goods.\textsuperscript{109} Interstate and

\footnotesize{106} The relative advantages of owning and renting a home are discussed in ELLICKSON, supra note 86, at 86–91.

\footnotesize{107} Ahn & Blazquez, supra note 11, at 9.

\footnotesize{108} See Barrett A. Lee et al., \textit{Neighborhood Context and Residential Mobility}, 31 DEMOGRAPHY 249 (1994) (finding that neighborhood attributes typically play only a minor role in a mover’s decision).


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international migrants presumably also are alert to how higher-level governmental units differ along these dimensions.\textsuperscript{110} Many commentators regard Tiebout-style competition to be generally beneficial. Moves are likely to result in the better pairing of households, given their tastes, with jurisdictions. In addition, the risk that disgruntled households may exit helps keep politicians on their toes. Legal policies that restrain residential mobility diminish both of these beneficial effects.\textsuperscript{111}

It is notable that neither U.S. nor French census-takers have explicitly asked movers whether they had relocated in order to associate themselves with a more suitable government. Perhaps the soundings that the officials had taken when they were designing their survey instruments indicated that few movers would volunteer this response.\textsuperscript{112} In any event, it appears that, when the members of a household “vote with their feet,” political considerations rarely dominate their thinking.

\textit{Weather}. Less than 2 percent of long-distance moves in the U.S. are motivated to bring about a change of climate. This low figure nonetheless is sufficient to generate, over time, steady population growth in places that offer a pleasant climate and unusually

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\textsuperscript{111} In the United States, where local school boards administer primary and secondary education, a moving parent may give great weight to the quality of local schools. This consideration is apt to be less important in France, where the National Ministry of Education prescribes a uniform curriculum and employs all public-school teachers. The net effect of this difference in educational policy on relative residential mobility in the two nations is ambiguous. Because school quality is more uniform in France, French parents have less reason than American parents to shop with their feet for schools. On the other hand, because the French curriculum is standardized, French parents might anticipate that moves would be less disruptive for their children.
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\textsuperscript{112} The American Housing Survey, which offers interviewees a particularly large menu of reasons for moving, also does not explicitly include Tieboutian motivations. See \textit{American Housing Survey}, supra note 52, at tbl. 2-11.
\end{flushright}
bountiful consumer amenities. By extension, even if only a small fraction of households were to move each year for Tieboutian reasons, their decisions over time could have a large cumulative impact on local policies.

For all the reasons just mentioned, the members of a household may reap major private benefits from a move. The willingness of movers to incur the monetary expense and psychological, social, and time costs of relocation indicates how highly they expect to value these anticipated gains.

3. The Potential Social Costs of Residential Moves

The fact that a move is in the interest of a moving individual or household does not necessarily mean, however, that it is serves the greater good. A move may give rise to negative social externalities in both the sending and receiving neighborhoods. As members of a faculty department that has been raided by other institutions know only too well, the departure of a person from a social milieu may be demoralizing. Similarly, in some social contexts, the arrival of strangers may reduce trust and social solidarity. Those considering a move are likely to ignore, or at least discount, the effects of the move on residents of both the sending and receiving localities. These effects are highly unlikely to be internalized by means of Coasean bargaining or personal ethics and therefore are true externalities.

To gain traction on the difficult and little-explored question of determining the optimal rate of residential mobility, I offer a simple utilitarian test—one that many commentators would likely regard as seriously incomplete. My test supposes that a household move is socially desirable only when the net gains reaped by those who move

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115 Other values that might be incorporated into a richer normative analysis are mentioned *supra* text following note 84, and *infra* note 126.
exceed any net negative social externalities that the move causes.116

Several thoughtful commentators seem to regard the net social externalities arising from residential moves to be sufficiently negative to support legal constraints on relocation. Margaret Radin argues that rent controls may be justified in some contexts in order to slow gentrification and preserve social ties within a close-knit community of tenants.117 Ellen and O’Flaherty cautiously praise policies that have contributed to the “stability” of residential arrangements in New York City.118

The emerging empirical literature on social capital may eventually illuminate the soundness of these views.119 Social capital is a measure of the levels of trust and cooperation within a social milieu. Some studies indeed suggest that a higher rate of residential turnover, whether of homeowners or renters, does somewhat diminish a neighborhood’s social capital.120 Moreover, as Edward Glaeser and his co-authors have shown, a person who expects to move soon is likely, all else equal, to make smaller investments into developing local social capital.121 Transients in a neighborhood, for example, are less likely to become involved in local politics.

A high rate of residential mobility thus can unquestionably give rise not only to

116 Cf. Edward L. Glaeser et al., An Economic Approach to Social Capital, 112 ECON. J. F437 (2002). A move may generate more positive externalities than negative ones. See infra text accompanying notes 124–125. When it does, and when the members of the moving household also are mentally competent, the move can be presumed to advance utilitarian ends.

117 Margaret Jane Radin, Residential Rent Control, 15 PHIL. & PUB. AFF. 350 (1986)

118 Ellen & O’Flaherty, supra note 23, at 37–43 [ms pages].

119 The best-known work on social capital is ROBERT D. PUTNAM, BOWLING ALONE: THE COLLAPSE AND REVIVAL OF AMERICAN COMMUNITY (2000).


121 Glaeser et al., supra note 116, at F439, F450.
private benefits but also to social costs. These negative effects should not be exaggerated, however. There certainly is no simple positive correlation between a low rate of residential mobility and a high stock of social capital. According to most metrics, France, despite its relative residential stability, has a significantly lower level of social capital than does the United States. 122 The State of New York, which includes the “frozen” City of New York, has one of the lowest levels of social capital of the states outside the South. 123 (Of course, if these jurisdictions had not adopted antimobility policies, it is possible that their stocks of social capital would be yet lower.)

Moreover, residential moves may give rise to positive externalities as well as negative ones. The arrival of newcomers, for example, may lessen xenophobia, enhance bridging social ties, and create synergies that augment others’ human capital. 124 Indeed, some analysts assert that the externalities from residential moves are positive on balance and therefore that the nations of Europe, for their part, should take affirmative steps to accelerate rates of migration. 125

V. Conclusion

The private benefits of a residential move can be massive. Relocating may enable an individual to find a more suitable match with, among others, a job, a set of housemates, a dwelling, a neighborhood, and a municipality. Some moves, however, undoubtedly degrade local social networks and lessen trustworthiness. Most parents

122 Stephen Knack & Philip Keefer, Does Social Capital Have an Economic Payoff? A Cross-Country Investigation, 112 Q.J. ECON. 1251 (1997), is a multinational study of levels of civic cooperation and trust. The authors place France in the bottom third, on both dimensions, of the nations they study. According to their findings, based on the World Values Surveys, Germany and Spain rank around the middle, the United States in the top two-fifths, and Scandinavian nations at or near the top. Id. at 1259.

123 See PUTNAM, BOWLING ALONE, supra note 119, at 298.

124 See Bonin et al., supra note 3, at 52. Tieboutian moves that signal political evaluations can also give rise to positive externalities.

125 Id. at 51. See generally id. at 50–69 (discussing “optimum mobility”).
would not want to raise their children in a neighborhood where the other residents turned over as rapidly as guests at a hotel. Even judged solely through a utilitarian lens, increases in mobility rates therefore are not always to be applauded.\textsuperscript{126}

The magnitudes of the various costs and benefits of moves undoubtedly vary from nation to nation. It is possible that, on account of the different cultural values of the residents of the two nations, a low rate of residential mobility is best for France, and a high rate is best for the United States. In both countries, however, there has been scant theoretical and empirical research into the (almost certainly positive) private benefits that household members attain when they move, and the (possibly negative) social externalities that their moves engender. In light of the inadequacy of current knowledge, in neither nation should policymakers be complacent about the status quo.\textsuperscript{127}

\textsuperscript{126} A richer normative framework for evaluating mobility issues might explicitly consider, for example, the importance of “freedom to move” as a human liberty, and also the distributive effects of moves, for instance, the possibly regressive consequences for poor households when gentrifying households move into their neighborhoods.

\textsuperscript{127} Some French observers are not content with things as they are. At workshops where an early version of this research was presented, economists Eric Brousseau of Paris-X and Etienne Wasmer of Sciences-Po emphatically stated that they regard the rate of residential mobility in France to be undesirably low.