

Leaving Home and Housing Prices: The Experience of Italian Youth Emancipation

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This paper provides an explanation for the postponement of youth emancipation in the Italian context mainly characterized by a sharp increase in both house and rent prices together with stagnant disposable income over the past decade. We first assemble a unique database related to the housing and rental market which is then matched with household characteristics. We find that the probability of leaving home decreases by about half percentage point and one percentage point for males and females, respectively, for a one-standard-deviation change in house prices. Together with property prices, local labour markets play a prominent role in determining decisions by unemployed youths to postpone the transition. The youngest cohort was mainly affected by the real estate market evolution that occurred in the last decade.

Keywords: coresidence, moving out, real estate market, discrete time duration model.

JEL Codes: C41, D1, J12, R2.