Partisan Expectations and Behavior in the U.S. Housing Market[*]

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Abstract

We study whether partisan alignment with the president shapes housing market expectations, home purchase behaviors, and aggregate housing market outcomes in the United States. Survey evidence shows that individuals report more optimistic home buying expectations when their affiliated party controls the White House. We then create a novel dataset that links individual home purchase records to voter registration records for approximately 48 million registered voters in states Florida, Georgia, North Carolina, Nevada, New York, and Ohio from 2010 to 2023. Republicans purchase more homes than Democrats in a given year. We find individuals whose party controls the White House purchase more homes. These partisan driven shifts in housing demand translate into aggregate housing market outcomes: politically aligned counties experience higher home purchase volumes, homeownership rates, and house prices but lower returns.

Keywords: Real Estate Finance, Household Finance, Partisan Bias

"Speculative booms in houses are unusual because purchasing a house is both an invest-ment decision and a consumption decision. Moreover, the decision to purchase rather than rent is a decision not only to consume different kinds of housing services but also to lead a different kind of life; this difference has political ramifications, and so the purchase decision enters the arena of politics."

Robert J. Shiller (2007). *Understanding Recent Trends in House Prices and Homeownership*

1 Introduction

In the United States, partisan affiliation has become an increasingly important determinant of economic expectations, as individuals tend to be more optimistic about the economy when their affiliated party controls the White House. Building on this insight, this paper examines whether partisan alignment with the president also shapes housing market expectations and realized home purchase behavior. Housing is the largest asset on most household balance sheets. This makes it central to understanding whether partisan alignment with the president influences housing markets.

Prior work shows that partisan alignment with the president has large effects on general economic expectations, while its effects on household decisions are mixed. Home buying decisions are high stakes and involve substantial fixed costs, limited liquidity, and long investment horizons, and housing markets are highly local and segmented. It therefore remains an open question whether partisan alignment with the president affects the housing market. This paper provides three pieces of evidence that connect partisan alignment with the president to housing market expectations, home purchase behavior, and aggregate outcomes. First, using survey measures of housing market expectations, we document partisan alignment effects in perceived home buying conditions around presidential elections that switch control of the White House. Second, by linking housing transactions records to voter registration records, we show that the partisan alignment with the president affects realized home purchase behavior. Third, we show that partisan driven shifts in housing

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demand map into aggregate housing market outcomes: politically aligned counties experience higher purchase volumes, higher homeownership rates, and higher prices but lower returns.

This paper studies partisan expectations and behavior in the U.S. housing market by combining survey evidence on housing market expectations from 2006 to 2025, individual housing transactions records linked to voter registration records from 2010 to 2023, and county-level housing market outcomes from 2010 to 2023. This paper is the first to study partisan home purchase behavior using individual level housing transactions linked to voter registration records. This integrated approach allows us to trace the effects of partisan alignment with the president from housing market expectations, to realized home purchase decisions, and ultimately to aggregate outcomes, including home purchase volumes, homeownership rates, prices, and returns.

We document four main findings. First, partisan alignment with the president has a large effect on housing market expectations. Using the University of Michigan Surveys of Consumers, we show that both homeowners and renters report significantly more optimistic home buying conditions when their affiliated party holds the presidency. Around the presidential elections that change control of the White House, we find sharp post-election shifts in home buying expectations. Aligned respondents become more optimistic, and non-aligned respondents become more pessimistic. These belief responses are highly asymmetric across parties. Following Republican victories, respondents aligned with the incoming administration exhibit especially large increases in home buying optimism: the odds that an aligned respondent reports favorable home buying conditions rise by a factor of 2.7 ($e^{1.009}$) after the 2016 election and by a factor of 3.7 ($e^{1.307}$) after the most recent 2024 election. In contrast, belief shifts following Democratic victories in 2008 and 2020 are statistically significant but substantially smaller. Furthermore, home buying and house price expectations exhibit a strong partisan cycle tied to the White House control. Respondents are more optimistic when their affiliated party controls the White House and less optimistic when it does not.

Second, partisan affiliation is associated with large and persistent differences in realized home purchase behavior. Using a novel voter–year level dataset that links individual

housing transaction records to voter registration records, we study approximately 48 million registered voters in states Florida, Georgia, North Carolina, Nevada, New York, and Ohio between 2010 and 2023. On average, annual home purchase volume is nearly twice as high among Republicans as among Democrats. The average annual purchase volume is 0.68 percentage points for Republicans, compared with 0.35 percentage points for Democrats. This implies a gap of 0.33 percentage points, which is 66 percent relative to the mean. This partisan gap remains economically large after controlling for age, gender, time-varying county characteristics, as well as county and year fixed effects.

Third, home buying behavior responds to partisan alignment with the president. Individuals purchase more homes when their affiliated party controls the White House. Using within-county variation over time, we find that individuals whose party is aligned with the White House purchase, on average, 0.085 percentage points more homes in a given year, corresponding to roughly a 17 percent increase relative to the mean. After the 2016 presidential election, the alignment effect shows an immediate relative increase in Republicans' home purchase volumes compared with Democrats, and this effect strengthens over time. The alignment effect intensifies over the course of the presidency and reaches a magnitude of roughly 27 percent relative to the mean by 2020. Together, these patterns indicate that partisan alignment with the president affects how many homes households purchase. Purchasing a home is both a consumption decision and an investment decision (Shiller (2007)). Evidence on whether partisan alignment with the president affects household consumption decision and investment decision is mixed. Mian, Sufi, and Khoshkhou (2023) find little evidence that partisan alignment with the president maps into changes in household spending in administrative data aggregated to zip-code level around the 2008 and 2016 presidential elections. In contrast, Meeuwis, Parker, Schoar, and Simester (2022) document that partisan alignment with the president can affect portfolio choices. Following the 2016 election, Republicans increased the equity share of their portfolios, whereas Democrats rebalanced towards safer assets. Our findings on partisan home purchase behavior at the individual level are consistent with this contrast. Because home purchases are partly an investment decision, partisan alignment with the president can affect housing demand even if its effect on consumption spending are limited. In addition, housing is among the most consequential

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household decisions. Home purchases involve substantial fixed costs, limited liquidity, and long investment horizons, which means that they are high-stakes choices that are difficult to reverse. Partisan alignment with the president can therefore plausibly affect not only beliefs and low-cost choices, but also major life-cycle decisions. Consistent with this view, Dahl, Lu, and Mullins (2022) find that Republican-leaning counties experience a sharp and persistent increase in fertility relative to Democratic counties after the 2016 presidential election.

Finally, partisan home purchase behavior aggregates into local housing markets. At the county level, politically aligned counties exhibit significantly higher home purchase volumes, higher homeownership rates, and higher house prices. Aligned counties experience approximately 9.8 percent higher home purchase volumes, 0.6 percentage points higher homeownership rates, and 6.8 percent higher house prices than misaligned counties. Because increases in homeownership rates reflect transitions from renting to owning, the increases in homeownership rates are consistent with the view that home purchases can partially reflect politically motivated demand (Shiller (2007)). Despite higher house prices, politically aligned counties earn lower returns: both price returns and total returns, which include rents, are about 1 percent lower during politically aligned periods. These return patterns are consistent with belief-driven overvaluation in home purchases. Moreover, the effects of partisan alignment with the president are weaker in counties with higher Democratic vote shares, which suggests that partisan mispricing is less pronounced in those locations. Kempf and Tsoutsoura (2024) note that, while a growing literature documents the role of partisanship in shaping individuals' financial decisions and trading activity, relatively few studies examine its aggregate implications for equilibrium asset prices, price efficiency, or the transmission of fiscal and monetary policy. Motivated by this gap, we study how partisan alignment with the president affects county-level housing market outcomes in the United States. We find that partisan alignment with the president is associated with higher home purchase volumes, higher homeownership rates, and higher house prices, but lower returns. Migration involves substantial fixed costs, which limits cross-county residential moves. As a result, shifts in housing demand are unlikely to be quickly offset through out-of-county home buyers. Partisan affiliation is also spatially con-

centrated. Consequently, housing market outcomes in counties that are heavily dominated by one party can be especially sensitive to changes in partisan alignment with the White House. As a result, housing market outcomes can differ across counties with different partisan compositions, which makes county-level home purchase volumes, homeownership rates, house prices, and house returns informative about the local effects of political shifts.

Taken together, our findings show that the partisan alignment with the president shapes housing market expectations, affects costly household investment decisions, and has aggregate consequences for prices and returns in a large and segmented asset market. By showing that partisan alignment with the president influences both housing demand formation and aggregate outcomes, this paper responds to recent calls for evidence on aggregate implications of partisan bias.

Related Literature   Our paper contributes to a growing body of literature that studies whether partisanship and partisan alignment with the president shape economic expectations and households' real economic decisions. Existing work documents pervasive partisan differences in household economic expectations (Cookson, Engelberg, and Mullins (2020)). Survey evidence shows that partisan alignment with the president shapes households' economic expectations around elections (Bartels (2002); Evans and Andersen (2006); Gillitzer and Prasad (2018); Meeuwis, Parker, Schoar, and Simester (2022); Mian, Sufi, and Khoshkhou (2023)). Extending this insight to housing markets, we find that partisan alignment with the president also shapes housing market expectations. However, it remains an open question whether partisan alignment with the president maps into costly household choices. A growing literature finds that partisan alignment with the president affects portfolio allocation and risk exposure (Addoum and Kumar (2016); Meeuwis, Parker, Schoar, and Simester (2022); Pan, Pikulina, Siegel, and Wang (2024)), consumer goods spending (Gerber and Huber (2009); Benhabib and Spiegel (2019)) and fertility (Dahl, Lu, and Mullins (2022)). However, Mian, Sufi, and Khoshkhou (2023) find little evidence that partisan alignment with the president affects actual behaviors. Specifically, they find little evidence that partisan alignment with the president maps into changes in household spending in administrative data aggregated to zip-code level around the 2008 and 2016

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presidential elections. We advance this literature by showing that partisan alignment with the president is associated with both housing market expectations and home purchase decisions measured at the individual transaction level.

We also contribute to the broader literature on the economic consequences of partisanship. Wu and Zechner (2024) theoretically show that conflicting political preferences lead to polarized corporate political stances and partisan portfolio holdings. A growing body of empirical work shows that partisan alignment with the president shapes financial intermediaries' information production and capital allocation. Related evidence links partisanship to corporate credit ratings (Kempf and Tsoutsoura (2021)), institutional investors' portfolio allocation in the United States (Sheng, Sun, and Wang (2024)) and internationally (Kempf, Luo, Schäfer, and Tsoutsoura (2023)), syndicated loan pricing (Dagostino, Gao, and Ma (2023)), and mutual fund portfolio allocation (Cassidy, Vorsatz, and Rice (2025)). Partisan alignment with the president also influences real economic decisions by business owners (Colonnelli, Neto, and Teso (2022)), entrepreneurs (Engelberg, Guzman, Lu, and Mullins (2022)), executives (Fos, Kempf, and Tsoutsoura (2022); Rice (2024)), and inventors (Engelberg, Lu, Mullins, and Townsend (2025)). In addition, partisanship shapes households' geographic sorting (Baldauf, Garlappi, and Yannelis (2020); Bernstein, Billings, Gustafson, and Lewis (2022); McCartney, Orellana-Li, and Zhang (2024)). since Housing is the largest asset on most household balance sheets. Crucially, we provide evidence that home purchase behavior also responds to partisan alignment with the president.

Our paper shows that party affiliation is an important demographic correlate of households' home purchase decisions. While prior work studies how characteristics such as gender, race, and age relate to housing market participation (e.g., Goldsmith-Pinkham and Shue (2023); Kermani and Wong (2021); Artle and Varaiya (1978)), we argue that party affiliation is equally important for understanding heterogeneity in home buying behavior. Specifically, we document a persistent partisan gap in realized home purchases, with Republicans exhibiting a higher annual purchase volumes than Democrats. We further show that purchase volumes vary with the partisan alignment with the president, as individuals are purchase more house when their party controls the White House.

A large literature studies the drivers of housing booms and busts. Many papers argue

that shifts in credit conditions account for a substantial share of house price movements during the boom and bust periods (e.g., Landvoigt, Piazzesi, and Schneider (2015); Favilukis, Ludvigson, and Van Nieuwerburgh (2017); Garriga and Hedlund (2018); Greenwald (2018); Garriga, Manuelli, and Peralta-Alva (2019); Justiniano, Primiceri, and Tambalotti (2019); Liu, Wang, and Zha (2019); Garriga and Hedlund (2020); Guren, Krishnamurthy, and McQuade (2021)). In contrast, Kaplan, Mitman, and Violante (2020) argue that credit conditions explain little of the boom and bust in house prices, which they attribute primarily to shifts in beliefs about future housing demand. Cox and Ludvigson (2021) provide evidence that credit conditions explain quantitatively large shares of the variation in quarterly house price growth and predict future house price growth, whereas beliefs are related to contemporaneous house price growth but have limited predictive power. Greenwald and Guren (2025) reconcile these views by showing that credit standards matter, and they account for roughly 32 percent to 53 percent of the boom. Our evidence suggests politically driven beliefs associated with the partisan alignment are reflected in local house prices. In our county-level analysis, politically aligned counties exhibit 6.8 percent higher house prices. This suggests that politics provides an additional and observable source of heterogeneity in housing beliefs that, through housing demand, manifests in local housing market outcomes.

We also contribute to the literature that links home purchase decisions to buyers' beliefs. Prior work shows that housing market expectations shape households' housing choices (Case, Shiller, and Thompson (2012); Glaeser and Nathanson (2017); Armona, Fuster, and Zafar (2019); De Stefani (2021); Fuster, Perez-Truglia, Wiederholt, and Zafar (2022)). We add to this evidence by proposing that partisan differences in home buying expectations help explain observed partisan differences in home buying behavior.

The remainder of the paper is organized as follows: Section 2 describes the data. Section 3 presents evidence that partisan alignment with the president affects housing market expectations. Section 4 examines how partisan alignment with the president influences home purchase decisions. Section 5 studies the aggregate and real effects of partisan alignment with the president on county-level housing market outcomes. Section 6 concludes.

2 Data

2.1 Michigan Survey

We measure household expectations in housing markets using the data from the University of Michigan's Consumer Survey. The Michigan survey is a nationally representative survey of about 500 individuals every month. On average two-thirds of the individuals surveyed in a month are interviewed a second time after six months. The remaining third are only surveyed once. We do not utilize the panel structure of the data, and so the sample is a repeated cross-section in each month. The dataset available for research spans from 1978 to the present. The key variables used to assess housing market beliefs in this paper include three main metrics: individuals' attitudes toward home buying conditions; homowners' expectations of home values over the next year and the next five year, and their political affiliations.

The University of Michigan's Consumer Survey has been asking comprehensive monthly questions related to home buying attitudes since 1978, such as: "Generally speaking, do you think now is a good time or a bad time to buy a house?". This questions is asked to both homeowners and renters. Response options are numerically coded as follows: 1 indicates a "good time", 3 signifies "pro-con" and 5 represents a "bad time." We develop dummy variables for positive house-buying expectations, assigning a value of 1 for responses indicating a "good time" and 0 for responses indicating a "bad time". The respondents evaluate current house buying conditions based on current credit conditions, the current level of house prices, and the expected future change in house prices. Additionally, to measure homeowners' expectations of home values over the next year, the survey asks, "By about what percent do you expect prices of homes like yours in your community to go (up/down), on average, over the next 12 months?" To assess homeowners' expectations of home values over the next five years, the survey inquires, "By about what percent do you expect prices of homes like yours in your community to go (up/down), on average, over the next 5 years?".

Determining the party affiliation is more complex. The Michigan survey provides monthly data on party affiliations since the year 2006, but not consistently over time.

Specific months across various years include questions related to political leanings. We discern a respondent's political affiliation through two questions from the Michigan Survey. The primary question asks: "Generally speaking, do you usually think of yourself as a Republican, a Democrat, an Independent, or what?". Those who identify as Independents are further queried: "Do you think of yourself as closer to the Republican Party or to the Democratic Party?". Responses to either question categorize individuals as Republicans or Democrats. All other responses are labeled as independent citizens. For subsequent empirical analyses, individuals marked as Independents are not considered.

2.2 Voter Registration Records

Voter registration records document the administrative enrollment of eligible citizens with election authorities in each state, which is required to participate in US presidential elections. We use official voter registration records from Florida, Georgia, North Carolina, Nevada, New York, and Ohio to classify registrants' party affiliations. These records report each registrant's full name, current residential address, gender, date of birth, and party affiliation if applicable. In states with mandatory party registration, we classify registrants based on their registered party. In states without mandatory party registration, we infer registrants' party affiliations using their historical primary election participation.

In states Florida, Georgia, North Carolina, Nevada, New York, and Ohio, there are a total of 48.0 million current registered voters. Democrats form the largest group, with 17.5 million voters (36.43%). Republicans are the second largest group, with 17.1 million registered voters (35.66%). Non-Party Affiliated (NPA) voters account for 12.0 million (24.94%). The remaining 1.4 million voters (2.97%) are registered with other minority parties.

2.3 Verisk Consumer Address History

Verisk Consumer Address History is a dataset that tracks up to ten historical addresses for each consumer in the United States over the past thirty years. We process Verisk's Consumer Address History data to construct a clean panel of individuals' historical residential locations in Florida, Georgia, North Carolina, Nevada, New York, and Ohio. Using

the address effective date, we sort each consumer's address history from newest to oldest and designate the most recent entry as the consumer's current residence. For each current address, we drop the address if it is associated with more than ten consumers.

2.4 Deeds Data

We utilize Attom deed transaction records to gather information on U.S. home buyers' property transactions. Attom data is similar to the CoreLogic and Zillow datasets widely used by academics. Attom contains data on millions of housing transactions in the U.S. This data is collected from public records such as deeds, and the vast majority of transactions are single-family homes. Though some of the transactions are from the 1970s, the coverage is relatively poor until the late 1990s. For each transaction, Attom reports the location, price, names of the buyer and seller, as well as other information. To ensure that our analysis of home buying is not confounded by the systemic risk during the great financial crisis, we restrict the sample to transactions from 2010 to 2023.

We select transactions of property addresses located in the states of Florida, Georgia, North Carolina, Nevada, New York, and Ohio. We retain only residential properties purchased in the transactions. We discard transactions that are not arm's length. We drop transactions with missing transaction dates. We eliminate observations where the transaction is purchased by a non-individual buyer. We retain only transactions with the "Transfer" type and those that are not quit claims. We discard partial interest transactions. We discard documents with types such as affidavits of death, intrafamily transfers, and gift deeds. We also retain the transactions with transfer amounts between 10,000 and 5,000,000.

2.5 Matching House Transactions to Voter Registration Records

We link individual house transactions from 2010 to 2023 to currently registered voters in Florida, Georgia, North Carolina, Nevada, New York, and Ohio. We do so through a multi step record integration process that combines voter registration records, Verisk consumer address history, and ATTOM deed records. First, to obtain each voter's historical addresses, we match the current address in Verisk consumer address history to the current

residential address in the voter registration records. Second, to identify whether and when a voter purchased a home, we link the voter's historical addresses to property addresses in the ATTOM deed records. Finally, our sample comprises 723,586,500 voter year observations from 2010 to 2023 in states Florida, Georgia, North Carolina, Nevada, New York, and Ohio.

2.6 County Level Variable

We collect county-level presidential election voting records from the MIT Election Lab, which compiles presidential election records for the years 2000, 2004, 2008, 2012, 2016, and 2020. We define a county i as a Republican county in year t if the total presidential election votes for Republican candidates are greater than the total votes for Democratic candidates in the most recent election year. We define a county i as a Democratic county in year t if the total presidential election votes for Democratic candidates are greater than the total votes for Republican candidates in the most recent election year.

We directly aggregate the purchase volumes of residential housing in each county from 2010 to 2013 using data from Attom. We collect annual house prices, rents, units of owners, and units of renters at the county level from American Community Service for the period from 2010 to 2023.

We collect personal income and population for all counties from 2010 to 2023 from the Bureau of Economic Analysis. We collect one unit conforming loan limit for all counties from 2010 to 2023 from the Federal Housing Finance Agency. We collect the unemployment rate for all counties from 2010 to 2023 from the U.S. Bureau of Labor Statistics. We also collect two aggregate macroeconomic variables: national home price and inflation rate. The national home price levels are derived from data available on Robert Shiller's website. The realized inflation rate is computed using the Consumer Price Index for All Urban Consumers from the Federal Reserve Bank of St. Louis.

2.7 Summary statistics

The summary statistics are reported in the Table 1, Table 2, and Table 3. Table 1 reports summary statistics for the variables used in the paper from the University of Michigan's

Surveys of Consumers, spanning September 2006 to October 2024.

Table 2 reports summary statistics for the annual volume of home purchase at the individual level. It presents means and standard deviations, and provides breakdowns by partisanship, gender, and age group. The final individual-level sample comprises 723,586,500 individual-year observations, with an average annual home volume of 0.50 percentage points per resident. By partisanship, the mean volume is 0.35 percentage points for Democrats and 0.68 percentage points for Republicans. By gender, males exhibit an average annual home purchase volume of 0.56 percentage points, compared with 0.45 percentage points for females. By age group, the mean annual volume is 0.37 percentage points for individuals aged 18–30, and 0.64 percentage points, 0.66 percentage points, 0.63 percentage points, and 0.63 percentage points for those aged 31–40, 41–50, 51–60, and 61–70, respectively.

Table 3 reports summary statistics for the county-level variables used in the analysis. Residential housing purchase volume is sourced from the Attom database and spans 2010–2023. The table also includes house prices and homeownership rates from the American Community Survey, as well as measures of house price returns and total housing returns (including rents), covering 2010 through 2023. In addition, the table reports county characteristics, including personal income, population, one-unit conforming loan limit, and unemployment rate.

3   Effect of Partisan Alignment with the President on Expectations

Prior research shows that Republicans and Democrats interpret political events in different ways, which leads to systematic differences in their economic expectations. In particular, individuals tend to hold more optimistic views about future economic conditions when they are affiliated with the party that controls the White House (Mian, Sufi, and Khoshkhou (2023)). Building on this insight, we show that partisan affiliation also shapes housing market expectations, with effects that operate over both the short and the long term.

3.1 Effect of Partisan Alignment with the President on Housing Expectations: Around Elections

We examine how households adjust their expectations on the housing market around presidential elections that change the party controlling the White House. In particular, we study expectation shifts around the 2008, 2016, 2020, and 2024 presidential elections because the Michigan Survey records respondents' party affiliation only for these election cycles. We find that these elections are associated with pronounced changes in expectations about home buying among both owners and renters, as well as in homeowners' expectations for one year and five year local house price growth. Partisan bias in home buying expectations is especially strong following Republican victories in 2016 and 2024 (Figure 1, Figure A.2, Figure A.4), but it is relatively weak following Democratic victories in 2008 and 2020 (Figure 2, Figure A.1, Figure A.3). In contrast, partisan bias in homeowners' one-year and five-year local house price growth expectations is pronounced following both Republican and Democratic victories (Figure A.5, Figure A.6, Figure A.7, Figure A.8).

3.2 Dynamic Difference-in-Differences Estimation

We conduct separate difference-in-differences analyses for each election year, with the sample window centred on November. We exclude the 2012 election because there are insufficient observations with party affiliation information in the months surrounding that election. In addition, the 2012 election does not change the party that controls the White House. We label each election window a "pseudoyear", which runs from June of the election year to May of the following year, with November as the midpoint. For example, the 2008 pseudoyear spans June 2008 through May 2009. For each pseudoyear y, we estimate the following model, suppressing the subscript y for ease of exposition:

$$\Pr(Y_{i,m}) = \sum_{m=\text{Jun}}^{\text{May}} \alpha^m \cdot d_m + \gamma^0 \cdot \text{Alignment}_i + \sum_{\substack{m=\text{Jun} \\ m \neq \text{Oct}}}^{\text{May}} \gamma^m \cdot (d_m \cdot \text{Alignment}_i)$$

$$+ \phi' X_{i,m} + \varepsilon_{i,m} \tag{1}$$

where $Y_{i,m}$ is a dummy variable that equals 1 if individual i reports optimistic expectations about home buying in month m and equals 0 if i reports pessimistic expectations. $\Pr(Y_{i,m})$ denotes the probability that respondent i reports optimistic home buying expectations in month m within a given pseudoyear. d_m is an indicator for month m, where October is the omitted (reference) month October. $Alignment_i$ indicates whether respondent i's partisan affiliation is aligned with the party that wins the presidential election in that pseudoyear. The coefficients α^m capture month fixed effects. γ^0 measures the baseline difference in home buying expectations between aligned and non-aligned respondents in the omitted month. The coefficients γ^m are the main coefficients of interest, which capture the relative shifts in home buying expectations in month m (relative to October) for respondents whose partisan affiliation is aligned with the winning party. The vector of control variables, denoted by $X_{i,m}$, includes age, gender, education, marital status, a homeownership indicator, income, and an indicator for whether the household includes an adult. We estimate Equation (1) using a logit specification.

Figure 3 presents estimates of the coefficients γ^m in Equation (1) for the pseudoyears focused on the 2016 and 2024 presidential elections, when Republicans won. Figure 4 presents the corresponding estimates for the pseudoyears centered on the 2008 and 2020 elections, when Democrats won. The coefficients γ^m are interpreted as the relative shifts in home buying expectations around the election for respondents whose partisan affiliation is aligned with the party that wins the presidential election. Table A.1 in the Appendix reports the quantitative estimates of the γ^m coefficients.

We find no evidence of pre-trends in the months leading up to the election for any of the 2008, 2016, 2020, or 2024 pseudoyears. In contrast, home buying expectations among aligned respondents rise sharply around six months after the election in the pseudoyears in which Republicans win (2016 and 2024). When Democrats win (2008 and 2020), the post-election increase is smaller and not statistically significant. This pattern accords with Mian, Sufi, and Khoshkhou (2023), who show that the relative shift in economic expectations among Republicans after the 2016 election is unusually large compared with earlier elections such as 2008. In addition, the results suggest that Democrats exhibit less partisan bias in home buying expectations than Republicans, which is consistent with the

aggregate and real outcomes analysed in the following sections.

3.3   Static Difference-in-Differences Estimation

To assess the statistical significance of the observed shifts among aligned respondents within a regression framework, we estimate the following specification for each pseudoyear y,:

$$\Pr(Y_{i,m}) = \gamma_1 Alignment_i + \gamma_2 Post + \gamma_3 \cdot Alignment_i \cdot Post$$
$$+\delta_1 NationalHomePrice_m + \delta_2 Inflation_m + \phi' X_{i,m} + \varepsilon_{i,m} \quad (2)$$

where $Y_{i,m}$ is a dummy variable that equals 1 if individual i reports optimistic expectations about home buying in month m of pseudoyear y, and equals 0 if i reports pessimistic expectations. The pseudoyears y correspond to the election windows centred on the 2008, 2016, 2020, and 2024 presidential elections. $\Pr(Y_{i,m})$ denotes the probability that respondent i reports optimistic home buying expectations in month m within pseudoyear y. $Alignment_i$ is an indicator for whether respondent i's partisan affiliation is aligned with the party that wins the presidential election in pseudoyear y, and $Post$ is an indicator for the post-election period, which we define as the six months following the election. We estimate Equation (2) using a logit specification.

$NationalHomePrice_m$ is the Case-Shiller U.S. National Home Price Index in month m of pseudoyear y, and $Inflation_m$ is the month-to-month change in the Consumer Price Index for All Urban Consumers. The vector of controls, $X_{i,m}$, includes age, gender, education, marital status, a homeownership indicator, income, and an indicator for whether the household includes an adult. The coefficient γ_3 captures the differential change in $\Pr(Y_{i,m})$ between aligned and non-aligned respondents during the post-election period of pseudoyear y.

Table A.2 reports the logit estimates of equation (2) for each pseudoyear. The coefficient γ_3 is the difference-in-difference estimate. It captures the differential change in the log odds that a respondent reports optimistic home buying expectations in the post-election period, comparing respondents whose partisan affiliation is aligned with the election winner to

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those who are not aligned, within the same pseudoyear and conditional on national house prices, inflation, and demographic controls. Across all four elections, the estimated interaction coefficients are positive and statistically significant at the 1% level, which indicates a pronounced post-election increase in home buying optimism among aligned respondents relative to non-aligned respondents. Because the regression is estimated via logit, the reported coefficients are in log-odds units rather than percentages. To aid interpretation, we convert the interaction estimates into odds ratios. The estimates imply that, relative to non-aligned respondents, the odds that aligned respondents report optimistic home buying expectations increase by a factor of $\exp(0.524) = 1.69$ after the 2008 election and $\exp(0.598) = 1.82$ after the 2020 election. The effects are substantially larger following Republican victories: the corresponding odds ratios are $\exp(1.009) = 2.74$ in 2016 and $\exp(1.307) = 3.70$ in 2024. Equivalently, these imply increases in odds of approximately 69 percent, 82 percent, 174 percent, and 270 percent for 2008, 2020, 2016, and 2024, respectively.

3.4 Effect of Partisan Alignment with the President on Housing Expectations: Long Run

We document partisan bias in housing market expectations over the longer run across presidential terms. Both U.S. homeowners and renters report significantly more optimistic home buying expectations when their affiliated party holds the presidency (Figure 5 and Figure A.9). In addition, homeowners report significantly higher expectations for one-year and five-year local house price growth when their preferred party occupies the White House (Figure A.10). For example, during the George W. Bush administration, Democrats reported lower expectations for home buying and for one-year and five-year local house price growth than Republicans. Under the two Obama terms, this pattern reverses, with Republicans reporting lower expectations than Democrats. The partisan ordering reverses again during the first Trump administration, and it flips once more under the Biden administration.

We also provide estimates of a regression version of these figures.

$$Y_{i,r,t} = \sum President_t + \sum \gamma^t \cdot President_t \cdot Rep_{i,r} + \phi' X_{i,r,t} + \alpha_{r,t} + \varepsilon_{i,r,t} \qquad (3)$$

where $Y_{i,r,t}$ denotes a vector of dependent variables: (1) an indicator that equals 1 if individual i (either a homeowner or a renter) reports optimistic expectations about home buying in year t and equals 0 if i reports pessimistic expectations; (2) homeowner i's expected one-year local house price growth; and (3) homeowner i's expected five-year local house price growth. $President_t$ is a set of indicator variables for the presidential administration in office at time t. $Rep_{i,r}$ is a dummy variable that equals 1 if respondent i's partisan affiliation is republican, and equals 0 otherwise. The vector of controls, $X_{i,r,t}$, includes age, gender, education, marital status, a homeownership indicator (this control is included only in regressions where the dependent variable is home buying expectations), income, and an indicator for whether the household includes an adult. The coefficient γ^t captures the differential change in $Y_{i,r,t}$ between republican and democratic respondents in time t across different presidential administrations. $\alpha_{r,t}$ is the region fixed effect and the year-month fixed effect.

Table 4 reports linear regression estimates of equation (3) that quantify long run partisan gaps in housing beliefs across presidential administrations. Columns (1) to (3) use the home buying attitude indicator as the dependent variable for the full sample, homeowners, and renters, respectively. Columns (4) and (5) use homeowners' one year and five year local house price expectations as outcomes. Each row reports the estimated coefficient on the interaction between a Republican indicator and an administration indicator. These coefficients correspond to γ^t in equation (3) and measure, within each administration, the difference in the outcome between Republicans and non Republicans, conditional on region fixed effects, year month fixed effects, and demographic controls.

The estimates show a clear partisan pattern that tracks which party holds the presidency. During Republican administrations (Bush 2006 to 2008 and Trump 2017 to 2020), Republicans report significantly higher home buying optimism than non Republicans. For the full sample, the Republican premium is 0.104 during the Bush administration and 0.146 during the Trump administration. The corresponding gaps are present for both homeown-

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ers and renters, and they are larger among renters (0.146 under Bush and 0.126 under Trump) than among homeowners (0.086 under Bush and 0.143 under Trump). In contrast, during Democratic administrations (Obama 2009 to 2016 and Biden 2021 to 2024), Republicans report significantly lower home buying optimism. The estimated Republican gap is negative in both periods, with the largest magnitude under Biden (for example, -0.068 in the full sample, -0.072 among homeowners, and -0.043 among renters). A similar reversal appears in homeowners' house price expectations. Republicans report lower expected one year and five year local house price growth under Obama and Biden, but higher expected growth under Trump. Overall, the table documents sizeable and statistically significant partisan differences in housing beliefs that flip sign across administrations, which is consistent with partisan bias that depends on whether a respondent's party is aligned with the party in the White House.

4 Effect of Partisan Alignment with the President on Home Purchase Behavior

4.1 Home Purchase Volumes by Party

We first estimate regressions of the home purchase volumes as a function of party affiliation and demographic characteristics to assess the magnitude and persistence of the partisan gap in housing behavior. Specifically, we estimate the following specification:

$$Y_{i,c,t} = \gamma_R \, Rep_{i,c} + \gamma_D \, Dem_{i,c} + \phi' X_{i,c,t} + \theta' \, CountyChar_{c,t} + \alpha_{c,t} + \varepsilon_{i,c,t} \qquad (4)$$

where $Y_{i,c,t}$ is the number of homes purchased by individual i in county c in year t. The variable $Rep_{i,c}$ is a binary indicator equal to one if the individual identifies as Republican and zero otherwise. The variable $Dem_{i,c}$ is a binary indicator equal to one if the individual identifies as a Democrat and zero otherwise. $X_{i,c,t}$ includes controls for age group and gender. $CountyChar_{c,t}$ is a vector of county-level financial and socioeconomic characteristics, including population, personal income, one-unit conforming loan limit, and unemployment rate in year t. $\alpha_{c,t}$ denotes county and year fixed effects. We cluster standard

errors by county. We run regressions at the county-party-characteristic-year cell level and weight the number of observations in each cell as designed in Engelberg, Guzman, Lu, and Mullins (2022).

Table 5 reports estimates from Equation (4). Column (1) shows that, relative to Independents, Democrats purchase 0.05 percentage points fewer homes in a given year, while Republicans purchase 0.16 percentage points more. The implied Republican–Democrat difference in the homebuying volume is 0.21 percentage points, equivalent to 42 percent of the sample mean. This partisan gap remains sizeable after including demographic controls. In Column (2), which adds age-group indicators, the Republican–Democrat gap narrows to 34 percent of the mean. In Column (3), adding both age and gender controls, the gap declines further to 32 percent of the mean but remains economically meaningful. These findings are consistent with the widely documented pattern that Republicans are more likely than Democrats to own homes. [1]

Finally, Column (4) introduces interaction terms between party affiliation and gender to examine whether the gender gap in home purchase volume varies by party. The results indicate that, relative to politically unaffiliated individuals, the gender gap in home purchase volume is 30 percent smaller among Democrats and 53 percent larger among Republicans, suggesting that political affiliation moderates gender dynamics in housing market participation. This pattern may reflect differing social norms across party lines, as Democrats are generally more supportive of gender equality initiatives.

The demographic coefficients align with standard lifecycle consumption theories. Relative to the omitted age category (individuals over 60), younger individuals (ages 18–40) purchase less homes, as indicated by the negative coefficients on the 18-30 and 31-40 age bins. Conversely, those in their peak earning years 41-60 purchase more homes. This is also consistent with the recent report that the first time to purchase a house is delayed.[2]

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[1] As noted by *Fortune*, "Homeowners are red, renters are blue"—reflecting a broader political divide in housing tenure. The article highlights that homeowners tend to lean Republican, while renters overwhelmingly support Democrats. See: *Homeowners are red, renters are blue: The broken housing market is merging with America's polarized political culture*, *Fortune*, March 16, 2024. https://fortune.com/2024/03/16/homeowners-red-renters-blue-broken-housing-market-polarized-political-culture/. See also: *Yahoo Finance* reporting that in all but seven states, homeowners are much more likely to be affiliated with the Republican Party. https://finance.yahoo.com/news/homeowners-red-renters-blue-broken-090000000.html.

[2] The National Association of Realtors (NAR) reports that the median age of homebuyers rose from 49

The model fit improves substantially with the inclusion of controls, with the R^2 rising from 0.36 in Column (1) to 0.55 in Column (3).

4.2 Effect of Partisan Alignment with the President on Home Purchase Behavior over the Long Run

In this section, we analyze individual-level panel data from Florida, Georgia, North Carolina, Nevada, New York, and Ohio from 2010 to 2023 to estimate the average relationship between home purchase behavior and partisan alignment with the president.

Leveraging the panel structure of our data, we estimate the following:

$$Y_{i,c,t} = \beta \cdot Alignment_{i,c,t} + \gamma_R \, Dem_{i,c} + \phi' X_{i,c,t} + \theta' \, CountyChar_{c,t} + \alpha_{c,t} + \varepsilon_{i,c,t} \qquad (5)$$

where $Y_{i,c,t}$ is the number of homes purchased by individual i in county c in year t. The variable $Dem_{i,c}$ is a binary indicator that equals one if the individual identifies as a Democrat and zero if the individual identifies as a Republican. The variable $Alignment_{i,c,t}$ equals one when the individual's party affiliation matches that of the sitting president in year t. That is, for Republicans equal one during 2017–2020, and for Democrats equal one during 2010–2016 and 2021–2023. $X_{i,c,t}$ includes controls for age group and gender. $CountyChar_{c,t}$ is a vector of county-level financial and socioeconomic characteristics, including population, personal income, the one-unit conforming loan limit, and the unemployment rate in year t. $\alpha_{c,t}$ denotes county and year fixed effects. We cluster standard errors by county. We run regressions at the county-party-characteristic-year cell level and weight the number of observations in each cell as designed in Engelberg, Guzman, Lu, and Mullins (2022).

The coefficient of interest, β, captures the difference in the home purchase volume when an individual is politically aligned with the president compared to when they are not, holding individual characteristics and local time-varying factors constant.

Table 6 presents the estimates from Equation (5). Column (1) includes all registered Republican and Democratic voters, without controlling for gender or age group. Column

(2) adds a control for gender, Column (3) includes a control for age group, and Column (4) includes both gender and age group controls. In all four specifications, the coefficient β on political alignment $Align_{i,c,t}$ is positive, statistically significant, and stable in magnitude.

In Column (1), individuals whose party affiliation aligns with that of the sitting president purchase 0.085 percentage point more homes in a given year than those who are politically misaligned. This effect represents 17 percent of the sample mean of home purchase volume. Extrapolating to the national level, it implies an 0.68 million home transactions is impacted by partisanship[3].

Taken together, these results suggest that partisan alignment with the president is associated with an economically meaningful and robust increase in the home purchase volumes. The persistence of the alignment effect after adjusting for key demographic characteristics indicates that partisanship plays an important role in explaining time-varying differences in homebuying behavior between Republicans and Democrats.

In Table A.3, we investigate whether partisan alignment effects differ across gender. We estimate regression (5) on subsamples split by household gender and find that the estimated coefficients are quantitatively similar for men and women.

4.3 Dynamic Difference-in-Differences Regression

In addition to the panel estimation, we estimate a dynamic difference-in-differences specification to examine the causal effect of partisan alignment with the president on home purchase behavior. This model focuses specifically on the 2013–2020 period to isolate the effect of the 2016 election transition:

$$
\begin{aligned}
Y_{i,c,t} = \sum_{\substack{t=2013 \\ t \neq 2016}}^{2020} \beta_t \cdot Alignment_{i,c,t} \cdot \mathbb{1}_t + \gamma Alignment_{i,c,t} \\
+ \phi' X_{i,c,t} + \theta' CountyChar_{c,t} + \alpha_{c,t} + \varepsilon_{i,c,t}
\end{aligned}
\tag{6}
$$

where $Y_{i,c,t}$ is the number of homes purchased by individual i in county c in year t.

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[3]There are 4.0 million home sales in 2023 according to National Association of Realtors (NAR) see
https://www.nar.realtor/research-and-statistics/quick-real-estate-statistics

$Alignment_{i,c,t}$ is a binary indicator that equals one if the individual identifies as a Republican, which aligns with President Trump, who won the 2016 presidential election, and zero if the individual identifies as a Democrat. We interact $Alignment_{i,c,t}$ with a set of year indicators $\mathbb{1}_t$, omitting 2016 as the reference year. The coefficients β_t are the primary parameters of interest. For $t < 2016$, β_t serves as a test of the parallel trends assumption; these coefficients estimate the difference in home purchasing volumes between Republicans and Democrats relative to the 2016 baseline prior to the election. For $t > 2016$, β_t captures the dynamic evolution of the treatment effect following the political transition. $X_{i,c,t}$ includes individual demographic controls for gender and age groups. $CountyChar_{c,t}$ represents time-varying county financial and socioeconomic characteristics, including personal income, population, one-unit conforming loan limit, and unemployment rate. $\alpha_{c,t}$ denotes county and year fixed effects. Standard errors are clustered by county. We run regressions at the county-party-characteristic-year cell level and weight the number of observations in each cell as designed in Engelberg, Guzman, Lu, and Mullins (2022).

Figure 6 (and Table A.4) presents the coefficients on the interaction terms between the Republican indicator and year dummies, with 2016 serving as the omitted reference category. This approach allows us to test the parallel trends assumption and trace the evolution of the partisan gap surrounding the 2016 presidential transition. The results provide strong support for the causal interpretation of our findings. In the pre-treatment period 2013–2015, the estimated coefficients are generally small and lack a consistent trend. The absence of a systematic pre-trend indicates that our results are not driven by long-run differential housing demands between the two groups prior to the political shock. After the 2016 presidential election, the alignment effect shows an immediate relative increase in Republicans' home purchase volumes compared with Democrats, and this effect strengthens over time. The alignment effect intensifies over the course of the presidency and reaches a magnitude of roughly 27 percent relative to the mean by 2020. Together, these patterns indicate that partisan alignment with the president affects how many homes households purchase.

4.4 Static Difference-in-Differences Regression

We also use a static difference-in-differences specification to examine the causal effect of partisan alignment with the president on home purchase behavior. This model focuses specifically on the 2013–2020 period to isolate the effect of the 2016 election transition.

$$Y_{i,c,t} = \beta \cdot Alignment_{i,c,t} \cdot Post_t + \gamma_1 Alignment_{i,c,t} + \gamma_2 Post_t + \delta_1 NationalHomePrice_t$$
$$+ \delta_2 Inflation_t + \phi' X_{i,c,t} + \theta' CountyChar_{c,t} + \alpha_c + \varepsilon_{i,c,t} \tag{7}$$

where $Y_{i,c,t}$ is the number of homes purchased by individual i in county c in year t. The variable $Post_t$ is a binary indicator equal to one for the years 2017–2020 and zero for years 2013–2016. $Alignment_{i,c,t}$ is a binary indicator that equals one if the individual identifies as a Republican, which aligns with President Trump, who won the 2016 presidential election, and zero if the individual identifies as a Democrat. $NationalHomePrice_t$ is the annual average of the Case-Shiller U.S. National Home Price Index, computed from monthly observations in year t. $Inflation_t$ controls for the annual national inflation rate. $X_{i,c,t}$ includes individual demographic controls for gender and age group. $CountyChar_{c,t}$ represents time-varying county financial and socioeconomic controls, including personal income, population, one-unit conforming loan limit, and unemployment rate. α_c denotes county fixed effects to control for time-invariant local characteristics. Standard errors are clustered by county, and regressions are weighted by the total number of voters in the cell.

Table A.5 presents the results from this specification estimating the effect of the 2016 election transition on home purchase volumes. The coefficient of interest is β, which captures the differential change in home buying behavior for Republicans relative to Democrats after the 2016 election. Across both two specifications, β is positive, stable, and statistically significant. Column (1) reports the β estimate without demographic control variables. The estimate of β is 0.22, which indicates a substantial increase in the volume of purchase for Republicans in the post period relative to the pre period baseline. Column (2) reports the β estimate with demographic control variables. The estimated β decreases slightly to 0.19 percentage points but remains highly significant.

5 Aggregate and Real Effects

As highlighted by Kempf and Tsoutsoura (2024), while a growing literature documents the role of partisanship in shaping individuals' financial decisions and trading activity, relatively few studies examine its aggregate implications for equilibrium asset prices, price efficiency, or the transmission of fiscal and monetary policy. Motivated by this gap, we study the aggregate effects of political alignment on county-level housing market outcomes across the United States, focusing on purchase volume, homeownership rate, and house prices and returns.

We measure the impact of party-switching presidential elections on county-level housing outcomes, including residential housing purchase volume, the homeownership rate, house prices, and housing returns, using the following specification:

$$Y_{c,t} = \beta_1 \cdot Alignment_{c,t} + \beta_2 \cdot DemShare_{c,t} + \beta_3 \cdot Alignment_{c,t} \cdot DemShare_{c,t}$$
$$+ \theta' \, CountyChar_{c,t} + \alpha_{c,t} + \varepsilon_{c,t} \tag{8}$$

where $Y_{c,t}$ denotes the county-level outcome in county c and year t. Depending on the specification, $Y_{c,t}$ is (i) log residential housing purchase volume, (ii) the homeownership rate, (iii) log house prices, (iv) log house price returns, or (v) log total housing returns, including rental income. $Alignment_{c,t}$ is an indicator that equals 1 if county c is politically aligned with the party that controls the White House in year t. $DemShare_{c,t}$ is the Democratic vote share in county c in the most recent presidential election prior to year t. The interaction term $Alignment_{c,t} \cdot DemShare_{c,t}$ allows the effect of alignment to vary with the intensity of Democratic support. $\alpha_{c,t}$ is county fixed effects and year fixed effects. $CountyChar_{c,t}$ is a vector of county-level financial and socioeconomic characteristics, including population, personal income, the one-unit conforming loan limit, and the unemployment rate in year t.

We use the conforming loan limit (CLL) as the control for local mortgage conditions. This choice is motivated by evidence that shifts in credit conditions are a key driver of house prices. Favilukis, Ludvigson, and Van Nieuwerburgh (2017) show that variation in

credit supply and borrowing conditions contributes materially to housing price dynamics, so controlling for mortgage market conditions is important for isolating the mechanism of interest. The CLL is a natural proxy for mortgage credit conditions because it determines the maximum loan size that is eligible for purchase or guarantee by Fannie Mae and Freddie Mac. Loans below this threshold qualify for the conforming segment, which is often associated with more favourable pricing. Since the GSEs have been shown to offer subsidised mortgage rates Ambrose, LaCour-Little, and Sanders (2004), an increase in the CLL constitutes a positive shock to the supply of mortgage credit for borrowers who become newly eligible for conforming financing (Loutskina and Strahan (2015)).

We also control for county economic conditions using the local unemployment rate. This helps to account for time varying differences in economic performance across counties that could be correlated with both political outcomes and housing market activity. In particular, if a shift in federal leadership is associated with changes in economic policy or policy expectations that differentially affect counties with different political leanings, failing to control for local labour market conditions could confound our estimates. Including the unemployment rate therefore mitigates concerns that our results reflect differential local economic trends rather than the mechanism of interest.

Table 7 reports the estimates from Equation (8). Column (1) shows that political alignment is associated with a 9.8 percent higher residential housing purchase volumes relative to non-aligned counties. A one-percentage-point increase in the county Democratic vote share is associated with a 1.2 percent lower purchase volumes. Column (2) yields a similar pattern for homeownership: aligned counties exhibit a 0.6 percent higher homeownership rate, whereas a one-percentage-point higher Democratic vote share is associated with a 0.02 percent lower homeownership rate. Because increases in homeownership mechanically reflect renter-to-owner transitions, the observed rise in homeownership is consistent with the idea that home purchases can partly reflect political motivations (Shiller (2007)). Taken together, columns (1) and (2) indicate that alignment is associated with stronger housing market participation, while greater Democratic support is associated with weaker participation.

Column (3) shows that aligned counties have 6.8 percent higher house prices, and that

a one-percentage-point increase in Democratic vote share is associated with a 0.06 percent lower house price level. In contrast, columns (4) and (5) show that political alignment is associated with lower returns. Specifically, aligned counties have 1.0 percent lower house price returns and 1.0 percent lower total housing returns (including rents). A one-percentage-point increase in Democratic vote share is associated with higher returns, by 0.023 percent for price returns and 0.025 percent for total returns. Overall, alignment is associated with higher prices but lower returns, which suggests a political driven behavioral bias in housing purchases. Moreover, the return patterns suggest that counties with stronger Democratic support exhibit less partisan-driven overvaluation in housing purchases.

6   Conclusion

This paper studies whether partisan alignment with the president shapes housing market expectations and home purchase behavior, and whether these shifts in demand translate into local housing market outcomes. Housing is the largest asset on most household balance sheets. This makes it central to understanding whether partisan alignment with the president influences housing markets.

We document four main conclusions. First, partisan alignment with the president has a large effect on housing market expectations. We show that both homeowners and renters report significantly more optimistic home buying conditions when their affiliated party holds the presidency. Around the presidential elections that change control of the White House, we find sharp post-election shifts in home-buying expectations. Aligned respondents become more optimistic, and non-aligned respondents become more pessimistic. These belief responses are highly asymmetric across parties. Furthermore, home buying and house price expectations exhibit a strong partisan cycle tied to the White House control. Respondents are more optimistic when their affiliated party controls the White House and less optimistic when it does not. Second, partisan affiliation is associated with large and persistent differences in realized home purchase behavior. On average, annual home purchase volume is nearly twice as high among Republicans as among Democrats. Third, home buying behavior responds to partisan alignment with the president. Individuals

purchase more homes when their affiliated party controls the White House. After the 2016 presidential election, the alignment effect shows an immediate relative increase in Republicans' home purchase volumes compared with Democrats, and this effect strengthens over time. Finally, partisan home purchase behavior aggregates into local housing markets. At the county level, politically aligned counties exhibit significantly higher home purchase volumes, higher homeownership rates, and higher house prices but lower returns than non-aligned counties.

Overall, our findings show that the partisan alignment with the president shapes housing market expectations, affects costly household investment decisions, and has aggregate consequences for prices and returns in a large and segmented asset market. By showing that partisan alignment with the president influences both housing demand formation and aggregate outcomes, this paper responds to recent calls for evidence on aggregate implications of partisan bias.
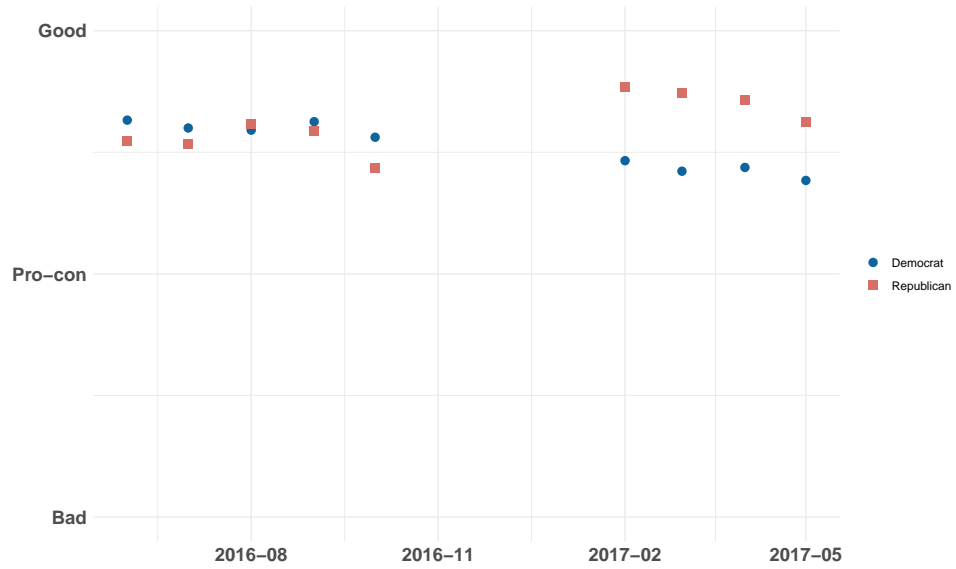
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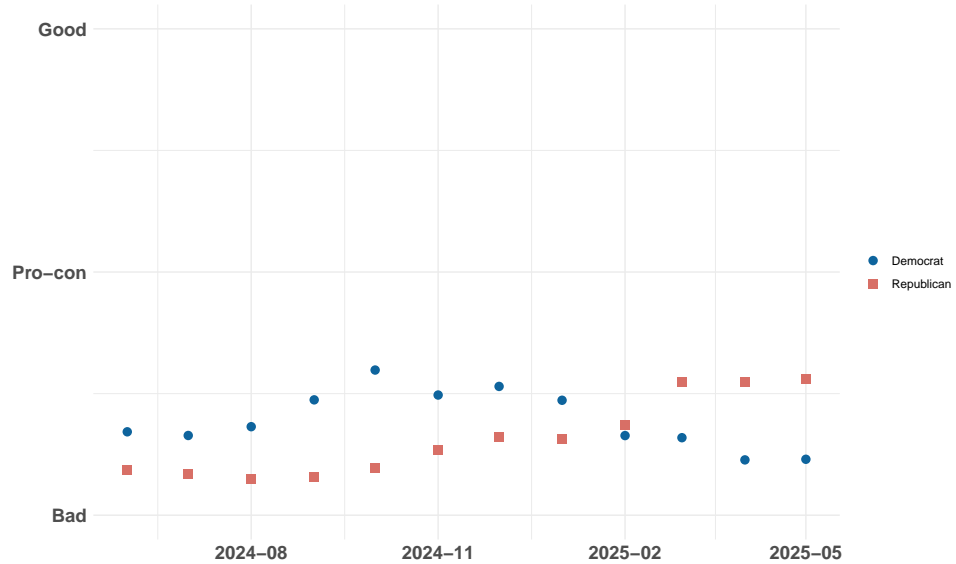
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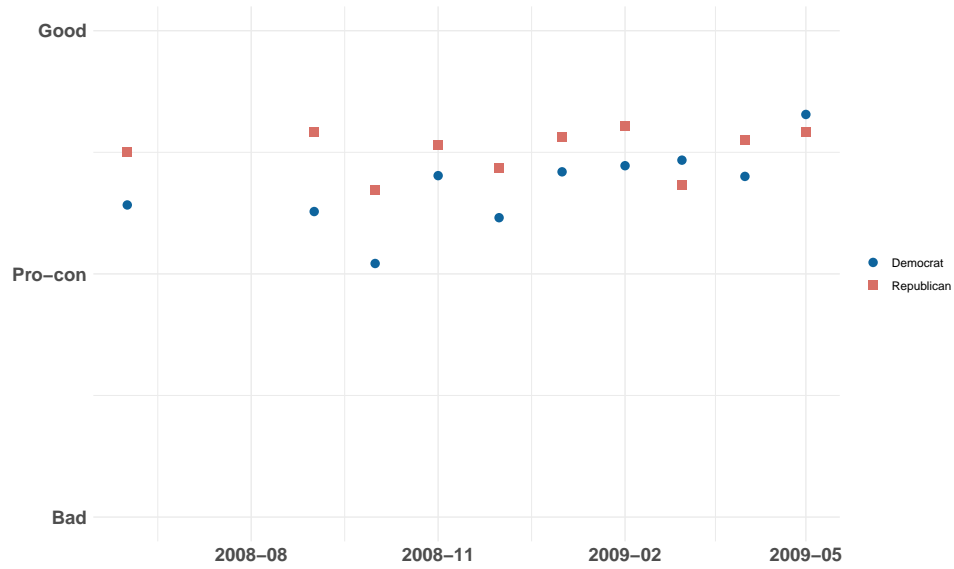
Panel A: Home buying expectations around 2016 presidential election by partisanship

Panel B: Home buying expectations around 2024 presidential election by partisanship

Figure 1: **Home buying expectations around 2016 and 2024 presidential election by partisanship**

Panel A presents Home buying expectations including both renters and owners, half a year before and after the 2016 partisanship election. Panel B presents the Home buying expectations including both renters and owners, half a year before and after the 2024 partisanship election. The data are from the University of Michigan Survey of Consumers. Home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.

Panel A: Home buying expectations around 2008 presidential election by partisanship
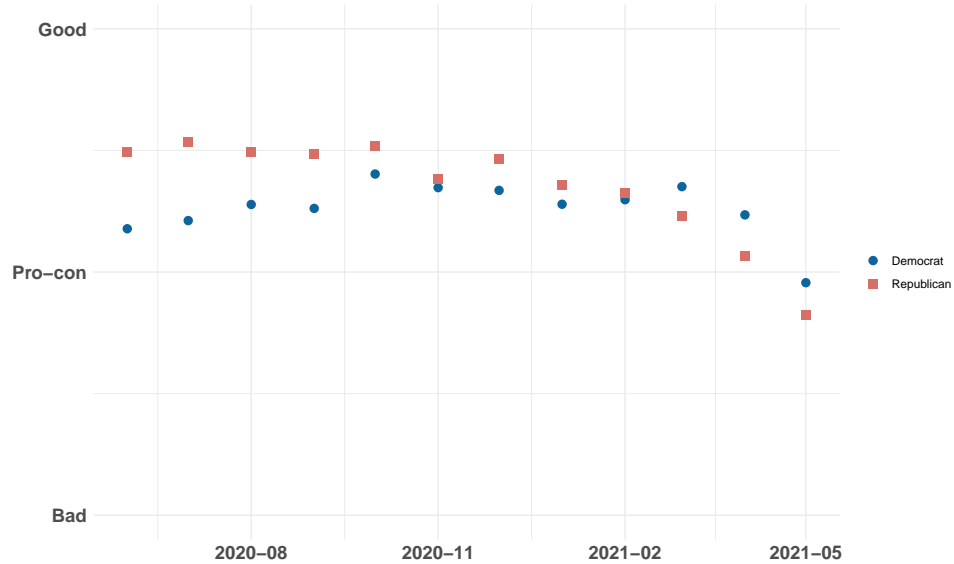

Panel B: Home buying expectations around 2020 presidential election by partisanship

Figure 2: **Home buying expectations around 2008 and 2020 presidential election by partisanship**

Panel A presents Home buying expectations including both renters and owners, half a year before and after the 2008 partisanship election. Panel B presents the Home buying expectations including both renters and owners, half a year before and after the 2020 partisanship election. The data are from the University of Michigan Survey of Consumers. Home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.
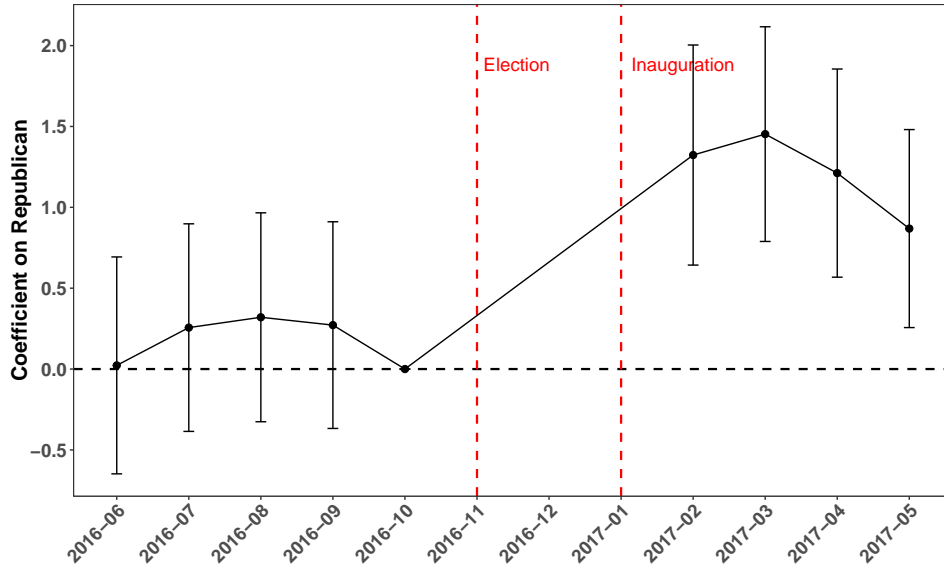
Panel A: Alignment Shift in Home Buying Expectations around the 2016
Presidential Election

Panel B: Alignment Shift in Home Buying Expectations around the 2024
Presidential Election

Figure 3: **Alignment Shift in Home Buying Expectations around the 2016 and
2024 Presidential Election**
Both Panel A and Panel B in Figure 3 present coefficient estimates of γ^m for each pseudo year y (June
to May) from the Equation (1). γ^m plotted can be interpreted as the relative change in house buying
expectations for those affiliated with the Alignment Party around each Presidential election.

Panel A: Alignment Shift in Home Buying Expectations around the 2008 Presidential Election

Panel B: Alignment Shift in Home Buying Expectations around the 2020 Presidential Election

Figure 4: **Alignment Shift in Home Buying Expectations around the 2008 and 2020 Presidential Election**

Both Panel A and Panel B in Figure 4 present coefficient estimates of γ^m for each pseudo year y (June to May) from the Equation (1). γ^m plotted can be interpreted as the relative change in house buying expectations for those affiliated with the Alignment Party around each Presidential election.

Figure 5: **Average home buying expectations by partisan affiliations, by presidential term**

This Figure presents the average home buying expectations including both renters and owners. The data are from the University of Michigan Survey of Consumers. Home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey. We also report the difference between the two.
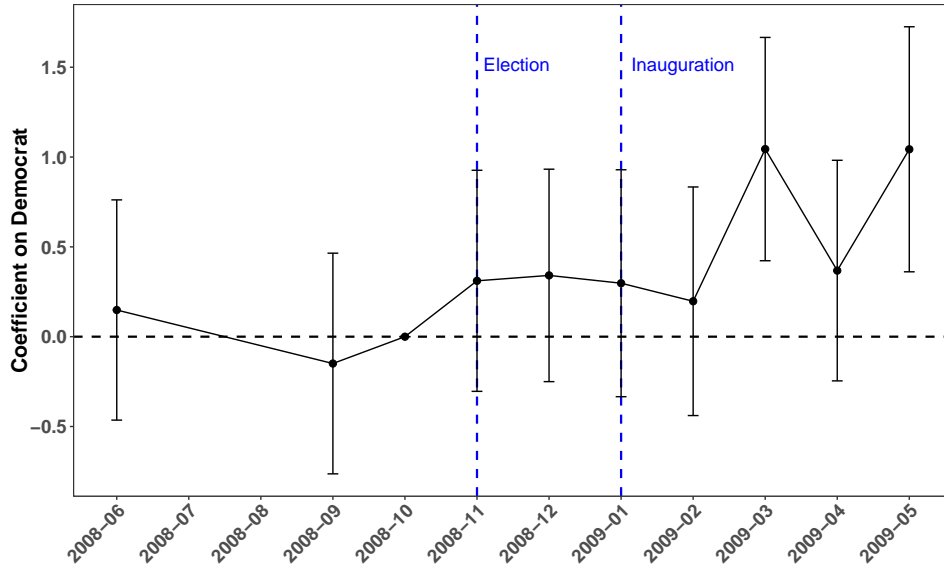
Figure 6: **Alignment shift around the 2016 presidential election**
This Figure presents the relative change of home purchase rate among Democrat and Republican. The sample consists of Democrats and Republicans, with the outcome measured as an indicator of the probability of home purchase in a given year. Units are in percentage points. Regressions are run at the county-party-characteristic-year cell level and are weighted by the number of observations in each cell. Equation (6) gives the exact specification. Standard errors are clustered by county. The coefficient bar plots the 95% confidence interval. Sample period is 2013 to 2020.

Table 1: **Summary statistics A – Michigan Survey**

Notes: The table reports the summary statistics of variables used in the paper in the Surveys of Consumers at the University of Michigan from September 2006 to October 2024. We report summary statistics for the full sample as well as for subsamples by political affiliation (Republican and Democrat).

				All Respondents				
Statistic	N	Mean	SD	Min	P25	Median	P75	Max
Is_Republican	64,436	0.484	0.500	0	0	0	1	1
HOM	63,792	0.099	0.991	−1	−1	1	1	1
HOMPX1	46,673	1.745	6.497	−35	0	0	5	35
HOMPX5	46,133	2.856	5.564	−35	0	3	5	35
Is_College	64,357	0.520	0.500	0	0	1	1	1
Is_Male	64,392	0.588	0.492	0	0	1	1	1
Is_Marry	64,345	0.643	0.479	0	0	1	1	1
Is_OWNER	64,436	0.761	0.427	0	1	1	1	1
AGE	63,953	53.137	17.081	18	40	55	66	97
INCOME	61,676	109,911	94,632	0	47,500	84,000	140,000	500,000
adult_dummy	64,388	0.778	0.416	0	1	1	1	1

				Republican Respondents				
Statistic	N	Mean	SD	Min	P25	Median	P75	Max
HOM	30,922	0.140	0.986	−1	−1	1	1	1
HOMPX1	24,393	1.606	6.622	−35	0	0	5	35
HOMPX5	24,075	2.720	5.699	−35	0	2	5	35
Is_College	31,149	0.457	0.498	0	0	0	1	1
Is_Male	31,167	0.660	0.474	0	0	1	1	1
Is_Marry	31,151	0.697	0.459	0	0	1	1	1
Is_OWNER	31,196	0.820	0.384	0	1	1	1	1
AGE	30,928	54.469	16.535	18	42	56	67	97
INCOME	29,687	111,929	93,032	0	50,000	87,500	141,000	500,000
adult_dummy	31,168	0.805	0.396	0	1	1	1	1

				Democratic Respondents				
Statistic	N	Mean	SD	Min	P25	Median	P75	Max
HOM	32,870	0.059	0.993	−1	−1	1	1	1
HOMPX1	22,280	1.897	6.354	−35	0	0	5	35
HOMPX5	22,058	3.006	5.409	−35	0	3	5	35
Is_College	33,208	0.578	0.494	0	0	1	1	1
Is_Male	33,225	0.520	0.500	0	0	1	1	1
Is_Marry	33,194	0.592	0.491	0	0	1	1	1
Is_OWNER	33,240	0.705	0.456	0	0	1	1	1
AGE	33,025	51.890	17.485	18	37	53	66	97
INCOME	31,989	108,038	96,057	0	42,500	80,000	140,000	500,000
adult_dummy	33,220	0.752	0.432	0	1	1	1	1

Table 2: **Summary statistics B − individual home purchase probability by party**

This table provides the summary statistics on the mean and standard deviation of the annual probability of home purchase per individual, broken down by gender and age groups. Column 1 shows the statistics for the entire sample, while Columns 2 and 3 show the statistics of Democrats and Republicans, respectively. The sample period is from 2010 to 2023. Units are in percentage points.

| | (1) | | | (2) | | | (3) | | |
| | Overall | | | Democrat | | | Republican | | |
	Mean	SD	Prop.	Mean	SD	Prop.	Mean	SD	Prop.
All Voters	0.500	0.603	100.000	0.353	0.486	56.477	0.689	0.683	43.523
Male	0.559	0.651	46.075	0.379	0.519	23.369	0.744	0.718	22.705
Female	0.449	0.554	53.925	0.335	0.460	33.107	0.629	0.636	20.818
Age 18-30	0.037	0.110	13.915	0.019	0.057	8.556	0.066	0.157	5.358
Age 31-40	0.311	0.541	18.334	0.207	0.394	11.657	0.492	0.695	6.677
Age 41-50	0.643	0.757	19.353	0.481	0.634	11.441	0.878	0.853	7.912
Age 51-60	0.662	0.574	23.082	0.519	0.513	11.976	0.817	0.596	11.106
Age 61-70	0.633	0.529	25.316	0.442	0.389	12.847	0.830	0.579	12.469

Table 3: **Summary statistics C – county-level variables**

Notes: The table presents summary statistics for the county-level variables used in the paper. We report summary statistics for the full sample as well as for subsamples by political affiliation (Republican and Democrat).

All counties

variable	N	Mean	SD	Min	P25	Median	P75	Max
home_purchase_volume	32,700	1,516	4,173	1	67	335	1,148	92,548
median_house_value	45,075	149,711	96,913	16,800	91,600	122,400	172,000	1,494,500
price_growth_log	41,842	0.036	0.061	-1.186	0.001	0.028	0.064	1.087
price_plus_rent_growth_log	41,841	0.035	0.058	-1.053	0.003	0.028	0.062	1.013
homeownership_rate	45,090	0.721	0.082	0	0.681	0.733	0.776	0.974
Is_Republican	43,593	0.794	0.404	0	1	1	1	1
dem_share	43,593	0.36	0.155	0.031	0.242	0.342	0.458	0.934
personal_income	43,224	5,444,034	20,249,430	1,899	421,945	1,006,935	2,895,187	756,659,481
population	43,224	103,566	330,454	43	10,847	25,732	67,794	10,125,014
oneunit_cll	45,062	490,398	107,005	417,000	41,700	424,100	535,900	1,089,300
Unemployment_Rate	44,888	0.06	0.031	0.011	0.037	0.052	0.075	0.291

Republican counties

variable	N	Mean	SD	Min	P25	Median	P75	Max
home_purchase_volume	24,911	886	2,492	1	53	273	825	90,946
median_house_value	34,623	135,078	64,708	22,600	90,000	118,200	161,000	724,400
price_growth_log	32,381	0.039	0.061	-1.109	0.004	0.031	0.066	1.087
price_plus_rent_growth_log	32,380	0.038	0.058	-1.053	0.005	0.03	0.064	1.013
homeownership_rate	34,623	0.737	0.067	0.104	0.699	0.744	0.782	0.974
Is_Republican	34,623	1	0	1	1	1	1	1
dem_share	34,623	0.3	0.102	0.031	0.22	0.3	0.384	0.497
personal_income	34,236	2,552,585	6,856,514	1,899	392,590	877,356	2,126,021	248,921,831
population	34,236	55,153	132,464	43	9,946	22,406	51,156	4,445,059
oneunit_cll	34,623	485,838	99,144	417,000	417,000	424,100	510,400	1,089,300
Unemployment_Rate	34,605	0.056	0.026	0.011	0.036	0.049	0.07	0.257

Democratic counties

variable	N	Mean	SD	Min	P25	Median	P75	Max
home_purchase_volume	7,712	3,562	6,948	1	155	938	4,120	92,548
median_house_value	8,969	208,242	161,103	16,800	99,400	157,600	257,500	1,494,500
price_growth_log	8,095	0.027	0.061	-1.186	-0.005	0.019	0.055	0.518
price_plus_rent_growth_log	8,095	0.027	0.057	-1.028	-0.004	0.019	0.054	0.484
homeownership_rate	8,970	0.664	0.103	0.19	0.604	0.677	0.738	0.909
Is_Republican	8,970	0	0	0	0	0	0	0
dem_share	8,970	0.593	0.09	0.42	0.522	0.57	0.64	0.934
personal_income	8,620	17,098,568	4,1208,584	11,826	709,781	2,918,044	15,490,973	756,659,481
population	8,620	299,340	655,604	348	19,391	67,828	300,466	10,125,014
oneunit_cll	8,970	497,850	122,993	417,000	417,000	417,000	548,250	1,089,300
Unemployment_Rate	8,883	0.067	0.032	0.015	0.043	0.061	0.085	0.291

Table 4: **Partisan bias in housing market expectations, by presidential term**

This table reports estimates of housing market expectations by partisan affiliation by Presidential administration in time t. Equation (3) gives the exact specification. Standard errors are clustered by individual. Standard errors are reported in parentheses. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	Home Buying Expectations			1-year HPE	5-year HPE
	(1)	(2)	(3)	(4)	(5)
	Total	Owner	Renter	Owner	Owner
Republican					
× Bush (06-08)	0.104***	0.086***	0.146***	0.875***	0.123
	(0.014)	(0.016)	(0.039)	(0.261)	(0.218)
× Obama (09-16)	−0.008	−0.018**	−0.0005	−0.550***	−0.293**
	(0.008)	(0.009)	(0.023)	(0.130)	(0.117)
× Trump (17-20)	0.146***	0.143***	0.126***	0.536***	0.329***
	(0.006)	(0.007)	(0.013)	(0.087)	(0.073)
× Biden (21-24)	−0.068***	−0.072***	−0.043***	−1.119***	−0.852***
	(0.006)	(0.006)	(0.011)	(0.109)	(0.099)
Observations	60,056	45,653	14,403	44,489	44,001
R^2	0.262	0.286	0.183	0.061	0.021
Control	Yes	Yes	Yes	Yes	Yes
Region FE	Yes	Yes	Yes	Yes	Yes
Year-month FE	Yes	Yes	Yes	Yes	Yes

Note: *p<0.1; **p<0.05; ***p<0.01

Table 5: **Home purchase volumes by partisanship and demographic**

This table analyzes the home purchase volumes based on party affiliation and demographic characteristics. The outcome is each individual's home purchase volume in a given year. Units are in percentage points. Individuals are classified into three categories: Democrats, Republicans, or Independents. The variable *Democrat* equals one if a person identifies as a Democrat and zero otherwise. The variable *Republican* equals one if a person identifies as a Republican and zero otherwise. Control variables include county-level financial and socioeconomic characteristics. Equation (4) gives the exact specification. The regressions are conducted at the county-party-characteristic-year cell level, weighted by the number of observations in each cell. Standard errors are clustered by county. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively. The sample period is from 2010 to 2023.

	(1)	(2)	(3)	(4)
	Purchase	Purchase	Purchase	Purchase
Republican	0.162***	0.049***	0.046***	0.029***
	(0.015)	(0.011)	(0.011)	(0.010)
Democrat	-0.049***	-0.121***	-0.112***	-0.088***
	(0.016)	(0.017)	(0.016)	(0.016)
Age 18-30		-0.681***	-0.682***	-0.683***
		(0.039)	(0.040)	(0.039)
Age 31-40		-0.342***	-0.342***	-0.343***
		(0.028)	(0.028)	(0.028)
Age 41-50		0.030*	0.030*	0.030*
		(0.016)	(0.016)	(0.016)
Age 51-60		0.066***	0.066***	0.066***
		(0.011)	(0.011)	(0.011)
Male			0.095***	0.105***
			(0.006)	(0.005)
Democrat × Male				-0.056***
				(0.005)
Republican × Male				0.032***
				(0.004)
Observations	723,586,500	723,586,500	723,586,500	723,586,500
R^2	0.360	0.547	0.552	0.553
Control	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Note:				* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 6: **Effect of Partisan alignment with the president on home purchase volumes**

This table examines the relationship between the volumes of home purchase by individuals and their political alignment through the sample of Democrats and Republicans. The sample includes Democratic and Republican voters, and the outcome is each individual's home purchase volume in a given year. Units are in percentage points. The variable, *Alignment*, equals one if the party in power is the same as an individual's party affiliation in the home purchase year. The variable *Democrat* equals one if a person's party affiliation is Democrat and zero otherwise. Control variables include county-level financial and socioeconomic characteristics. Equation (5) gives the exact specification. Regressions are performed at the county-party-characteristic-year cell level and are weighted by the number of observations in each cell. Standard errors are clustered by county. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively. The sample period is from 2010 to 2023.

	(1)	(2)	(3)	(4)
	Purchase	Purchase	Purchase	Purchase
Alignment	0.085***	0.085***	0.085***	0.085***
	(0.009)	(0.009)	(0.009)	(0.009)
Democrat	-0.253***	-0.243***	-0.225***	-0.215***
	(0.014)	(0.014)	(0.013)	(0.013)
Male		0.082***		0.088***
		(0.007)		(0.008)
Age 18-30			-0.548***	-0.550***
			(0.044)	(0.044)
Age 31-40			-0.254***	-0.254***
			(0.028)	(0.028)
Age 41-50			0.068***	0.068***
			(0.017)	(0.017)
Age 51-60			0.056***	0.057***
			(0.011)	(0.011)
Observations	422,790,130	422,790,130	422,790,130	422,790,130
R^2	0.449	0.453	0.573	0.578
Control	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Note:			* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$	

Table 7: **Aggregate and real effects**

This table reports the effect of political alignment on log residential purchase volumes, home-ownership rate, residential house price, residential house price return and residential house total price return. Equation (8) gives the exact specification. Standard errors are clustered by county. Standard errors are reported in parentheses. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

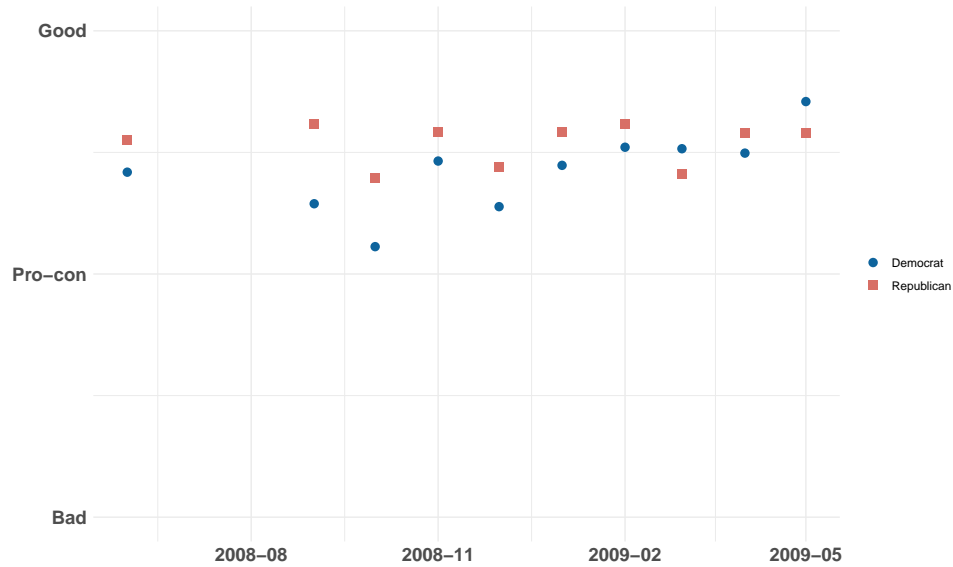| | (1) | (2) | (3) | (4) | (5) |
	Purchase Vol	Homeownership	Price	Price Return	Total Return
Alignment	0.094*	0.006***	0.066***	−0.010***	−0.010***
	(0.050)	(0.002)	(0.008)	(0.004)	(0.003)
Dem Share	−0.133	−0.011***	−0.110***	0.017**	0.015**
	(0.110)	(0.004)	(0.017)	(0.008)	(0.007)
Alignment · Dem Share	−1.170***	−0.023***	−0.058*	0.023**	0.025***
	(0.203)	(0.008)	(0.033)	(0.010)	(0.009)
Personal Income	−0.265*	0.015***	0.088***	0.057***	0.056***
	(0.138)	(0.005)	(0.023)	(0.008)	(0.007)
Population	0.162	−0.005	0.436***	0.158***	0.156***
	(0.226)	(0.011)	(0.042)	(0.015)	(0.014)
CLL	−0.094	−0.014	0.367***	−0.029**	−0.029**
	(0.162)	(0.011)	(0.063)	(0.012)	(0.012)
Unemployment Rate	−2.705***	0.041*	1.751***	−0.357***	−0.340***
	(0.495)	(0.022)	(0.093)	(0.037)	(0.035)
Observations	31,935	42,760	42,759	39,705	39,704
R^2	0.935	0.927	0.975	0.423	0.438
County FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes

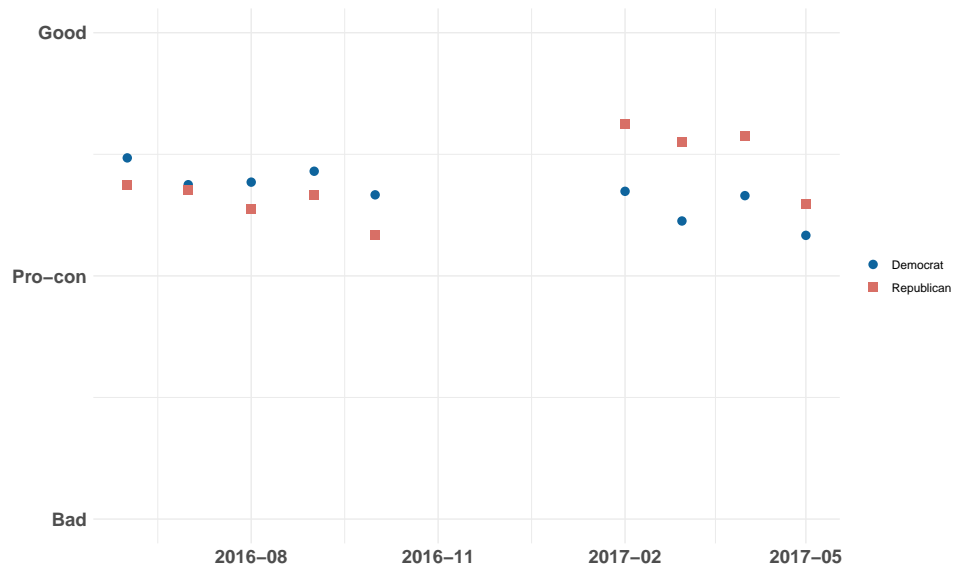*Note:* *p<0.1; **p<0.05; ***p<0.01

A   Appendix

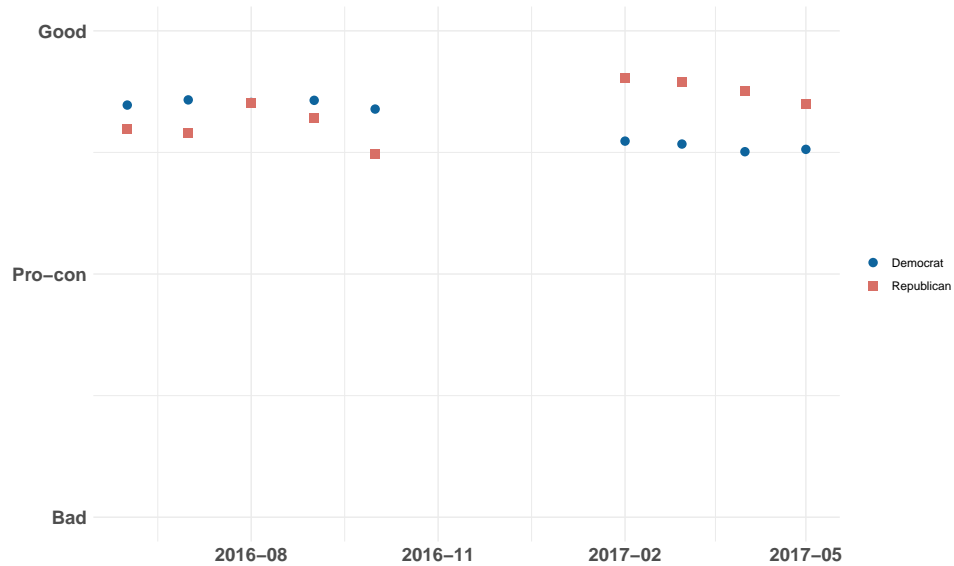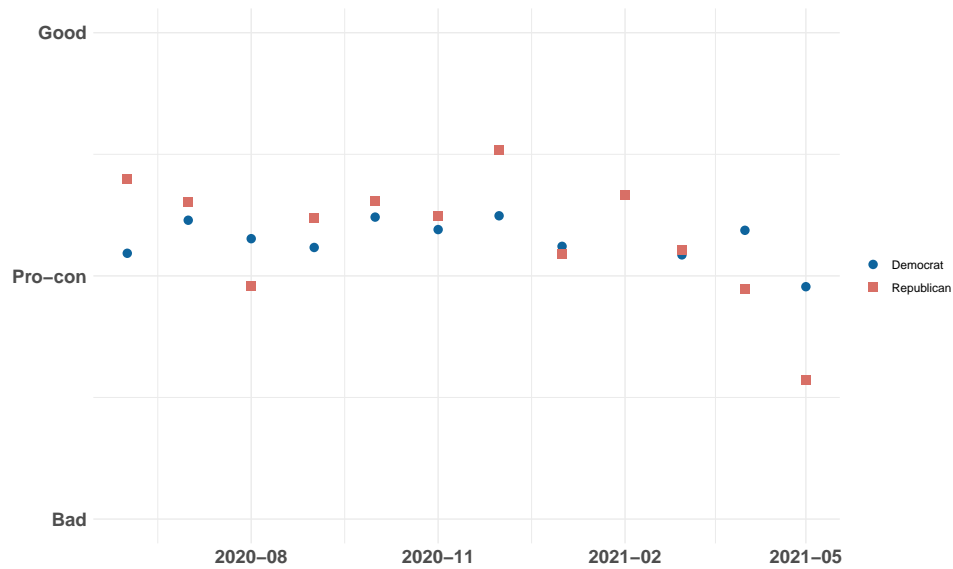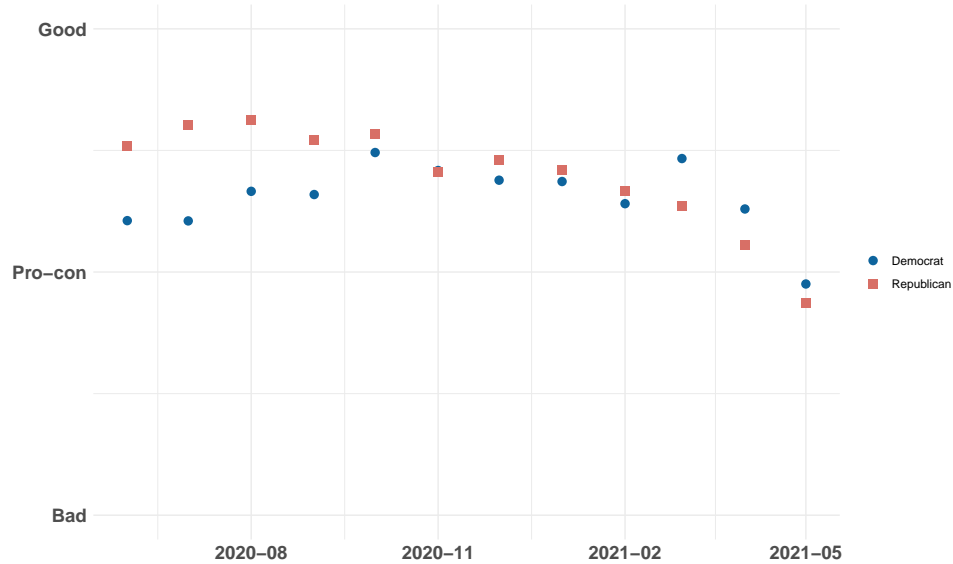Panel A: Renters' home buying expectations around 2008 presidential election by partisanship

Panel B: Owners' home buying expectations around 2008 presidential election by partisanship

Figure A.1: **Renters' and Owners' home buying expectations around 2008 presidential election by partisanship**

Panel A presents the survey Renters' home buying expectations, half a year before and after the 2008 partisanship election. Panel B presents the survey Owners' home buying expectations, half a year before and after the 2008 partisanship election. The data are from the University of Michigan Survey of Consumers. Both Renters' and Owner's home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.
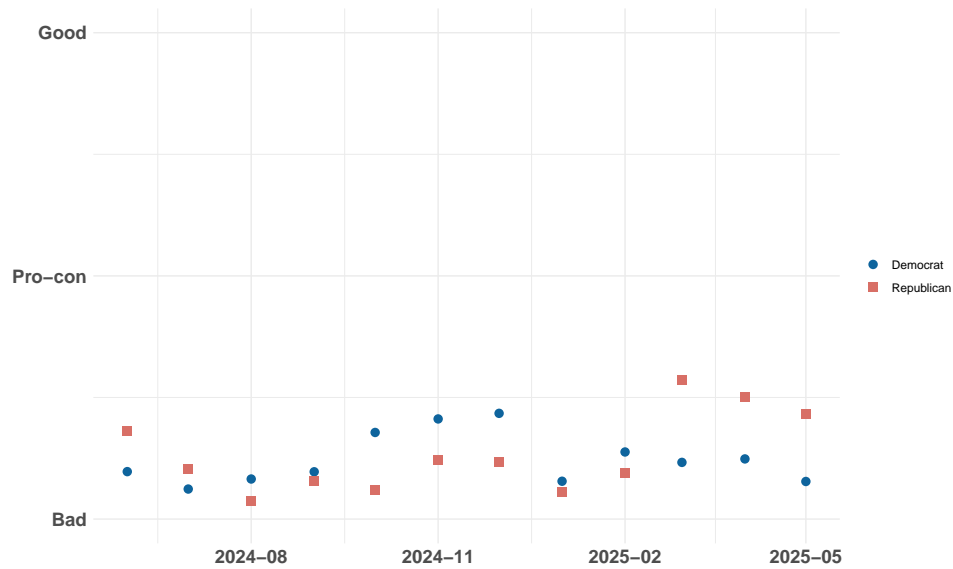
Panel A: Renters' home buying expectations around 2016 presidential election by partisanship
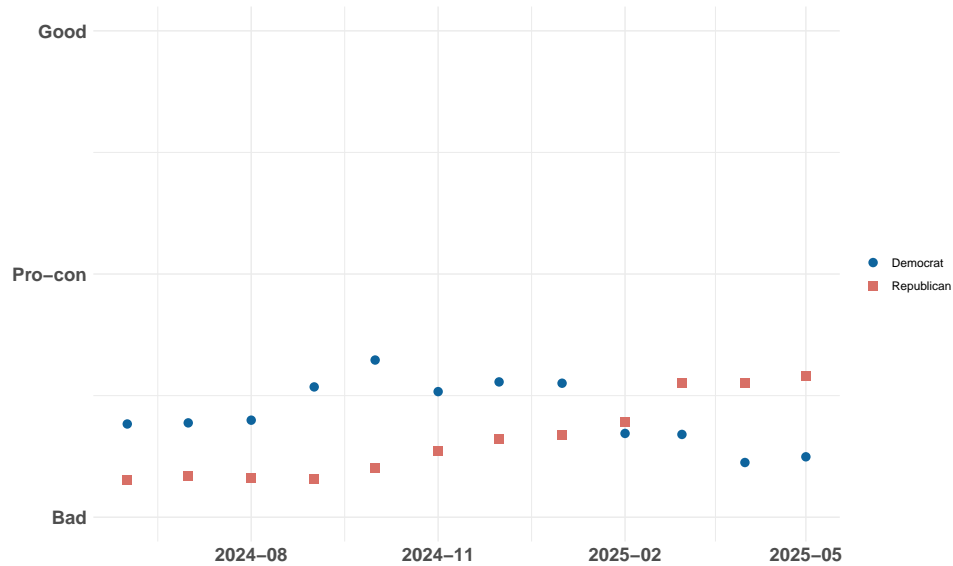

Panel B: Owners' home buying expectations around 2016 presidential election by partisanship

Figure A.2: **Renters' and Owners' home buying expectations around 2016 presidential election by partisanship**

Panel A presents the survey Renters' home buying expectations, half a year before and after the 2016 partisanship election. Panel B presents the survey Owners' home buying expectations, half a year before and after the 2016 partisanship election. The data are from the University of Michigan Survey of Consumers. Both Renters' and Owner's home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.

Panel A: Renters' home buying expectations around 2020 presidential election by partisanship

Panel B: Owners' home buying expectations around 2020 presidential election by partisanship

Figure A.3: **Renters' and Owners' home buying expectations around 2020 presidential election by partisanship**

Panel A presents the survey Renters' home buying expectations, half a year before and after the 2020 partisanship election. Panel B presents the survey Owners' home buying expectations, half a year before and after the 2020 partisanship election. The data are from the University of Michigan Survey of Consumers. Both Renters' and Owner's home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.
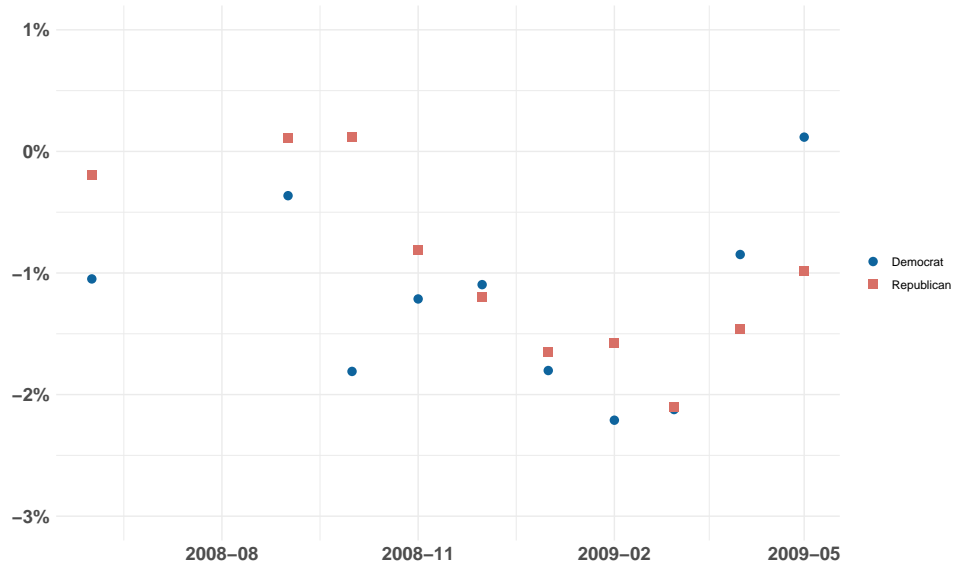
Panel A: Renters' home buying expectations around 2024 presidential election by partisanship
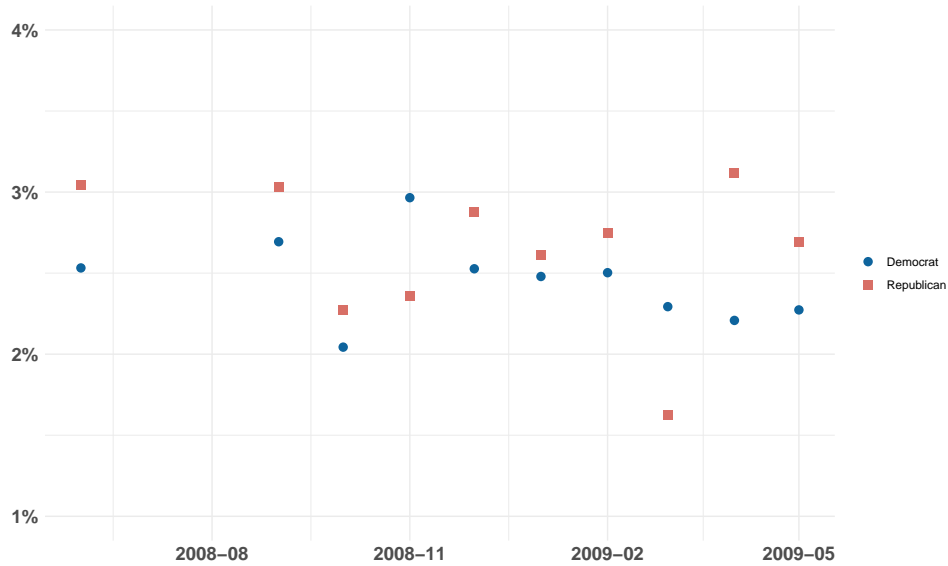

Panel B: Owners' home buying expectations around 2024 presidential election by partisanship

Figure A.4: **Renters' and Owners' home buying expectations around 2024 presidential election by partisanship**

Panel A presents the survey Renters' home buying expectations, half a year before and after the 2024 partisanship election. Panel B presents the survey Owners' home buying expectations, half a year before and after the 2024 partisanship election. The data are from the University of Michigan Survey of Consumers. Both Renters' and Owner's home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.
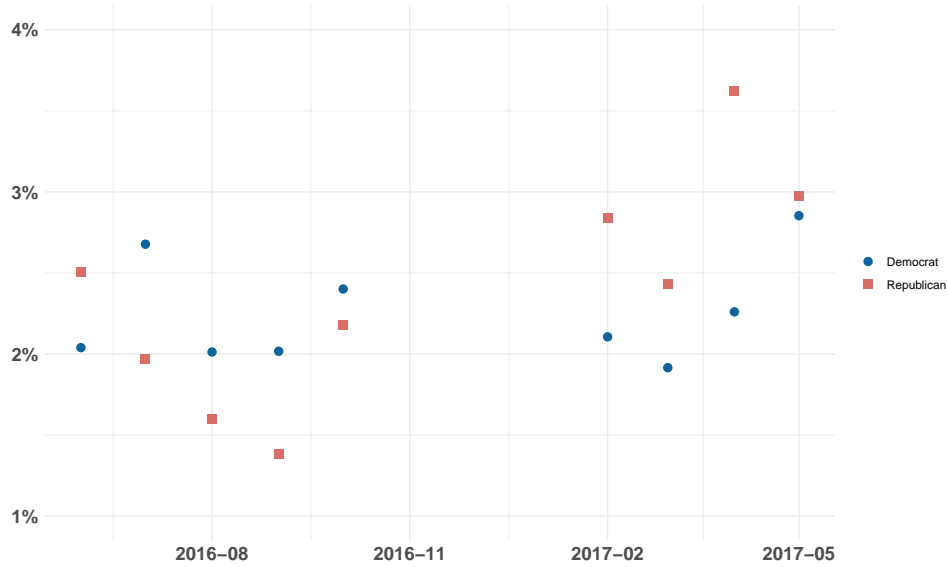
Panel A: One-year home price growth expectation around 2008 presidential election by partisanship
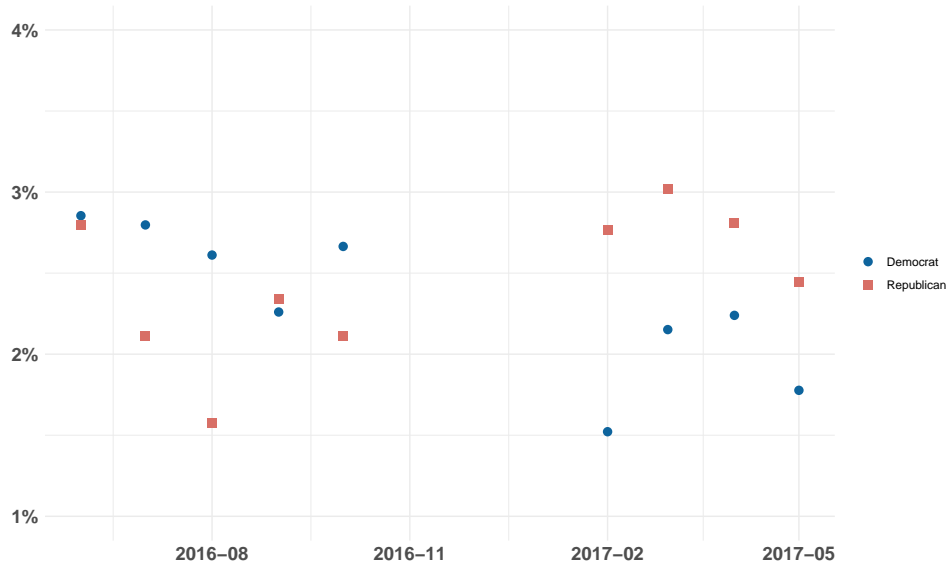

Panel B: Five-year home price growth expectation around 2008 presidential election by partisanship

Figure A.5: **One-year home price growth expectation and five-year home price growth expectation around 2008 presidential election by partisanship**

Panel A presents the survey one-year home price growth expectation, half a year before and after the 2008 partisanship election. Panel B presents the survey five-year home price growth expectation, half a year before and after the 2008 partisanship election. The data are from the University of Michigan Survey of Consumers. Both one-year home price growth expectations and five-year home price growth expectation are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.
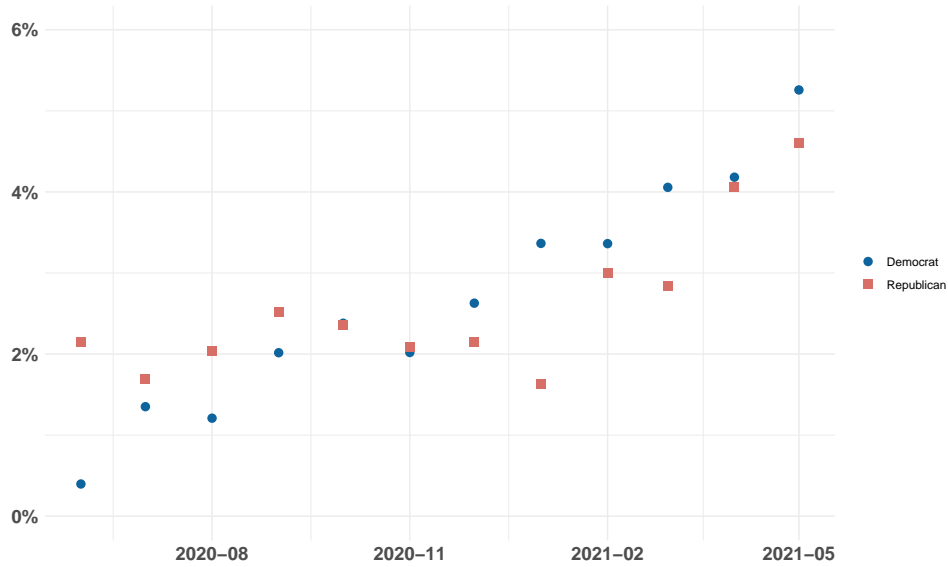
Panel A: One-year home price growth expectation around 2016 presidential election by partisanship
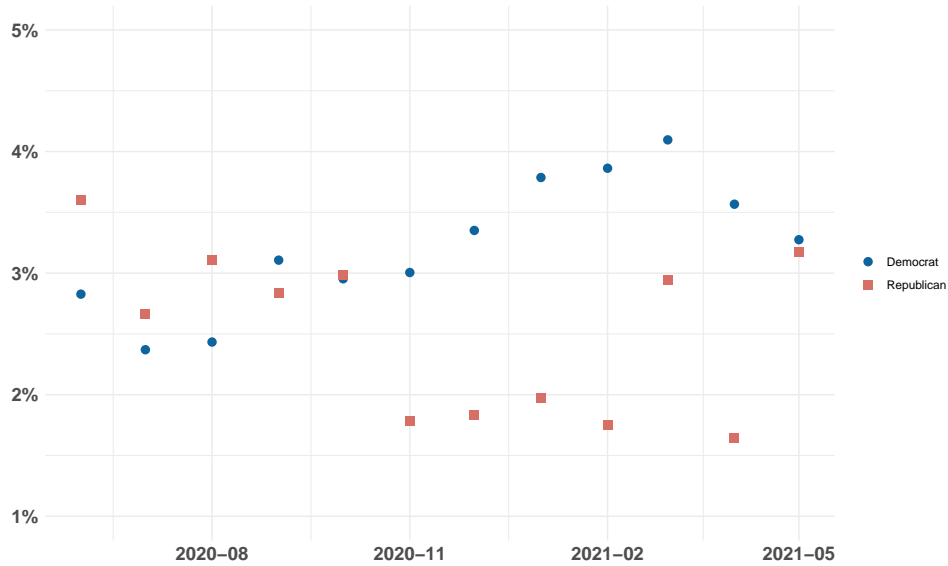

Panel B: Five-year home price growth expectation around 2016 presidential election by partisanship

Figure A.6: **One-year home price growth expectation and five-year home price growth expectation around 2016 presidential election by partisanship**

Panel A presents the survey one-year home price growth expectation, half a year before and after the 2016 partisanship election. Panel B presents the survey five-year home price growth expectation, half a year before and after the 2016 partisanship election. The data are from the University of Michigan Survey of Consumers. Both one-year home price growth expectations and five-year home price growth expectation are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.
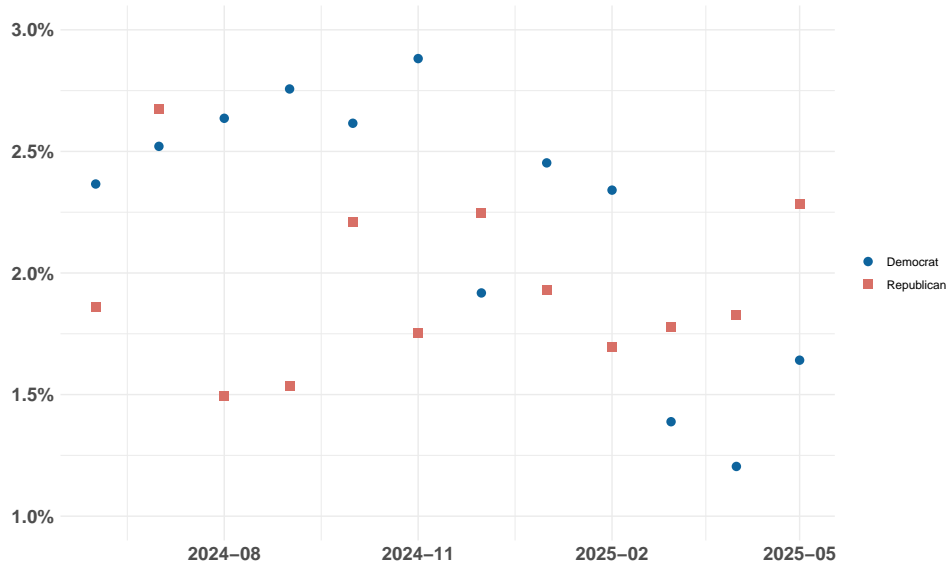
Panel A: One-year home price growth expectation around 2020 presidential election by partisanship

Panel B: Five-year home price growth expectation around 2020 presidential election by partisanship

Figure A.7: **One-year home price growth expectation and five-year home price growth expectation around 2020 presidential election by partisanship**
Panel A presents the survey one-year home price growth expectation, half a year before and after the 2020 partisanship election. Panel B presents the survey five-year home price growth expectation, half a year before and after the 2020 partisanship election. The data are from the University of Michigan Survey of Consumers. Both one-year home price growth expectations and five-year home price growth expectation are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.

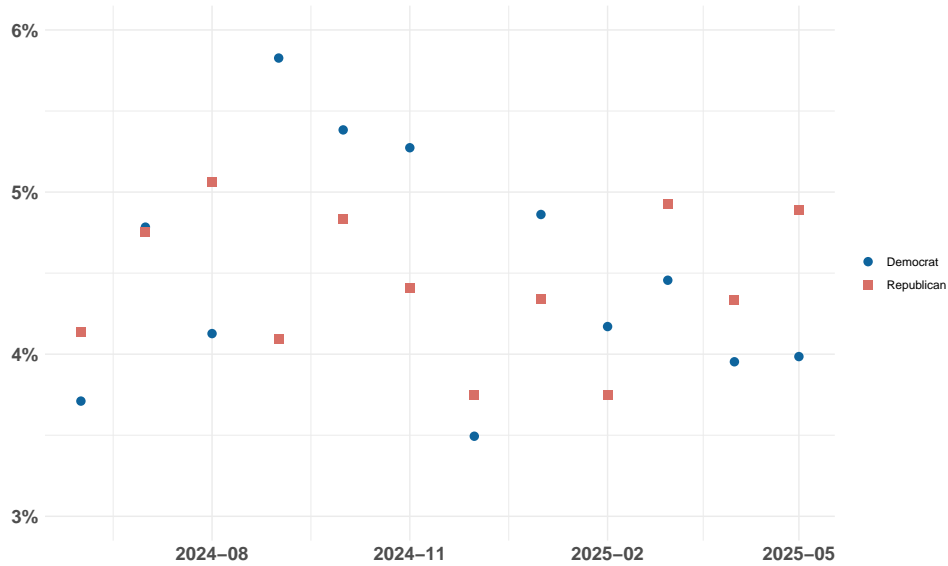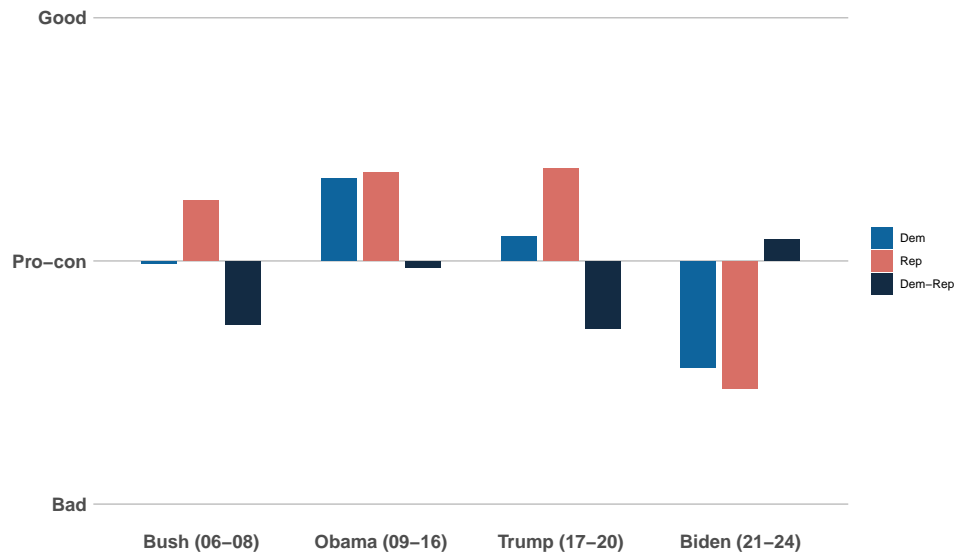Panel A: One-year home price growth expectation around 2024 presidential election by partisanship

Panel B: Five-year home price growth expectation around 2024 presidential election by partisanship

Figure A.8: **One-year home price growth expectation and five-year home price growth expectation around 2024 presidential election by partisanship**
Panel A presents the survey one-year home price growth expectation, half a year before and after the 2024 partisanship election. Panel B presents the survey five-year home price growth expectation, half a year before and after the 2024 partisanship election. The data are from the University of Michigan Survey of Consumers. Both one-year home price growth expectations and five-year home price growth expectation are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey.

Panel A: Average renters' home buying expectations by partisan affiliations, by presidential term

Panel B: Average owners' home buying expectations by partisan affiliations, by presidential term

Figure A.9: **Average renters' and owners' home buying expectations by partisan affiliations, by presidential term**

Panel A presents the average renters' home buying expectations. Panel B presents the average owners' home buying expectations. The data are from the University of Michigan Survey of Consumers. Both renters' and owners' home buying expectations are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey. We also report the difference between the two.

Panel A: Average one-year home price growth expectations by partisan affiliations, by presidential term

Panel B: Average five-year home price growth expectations by partisan affiliations, by presidential term

Figure A.10: **Average one-year home price growth expectations and five-year home price growth expectations by partisan affiliations, by presidential term**
Panel A presents the average one-year home price growth expectations. Panel B presents the average five-year home price growth expectation. The data are from the University of Michigan Survey of Consumers. Both one-year home price growth expectations and five-year home price growth expectation are segmented by partisan affiliation and Presidential term. Party affiliation is measured directly from the individual's response to the survey. We also report the difference between the two.
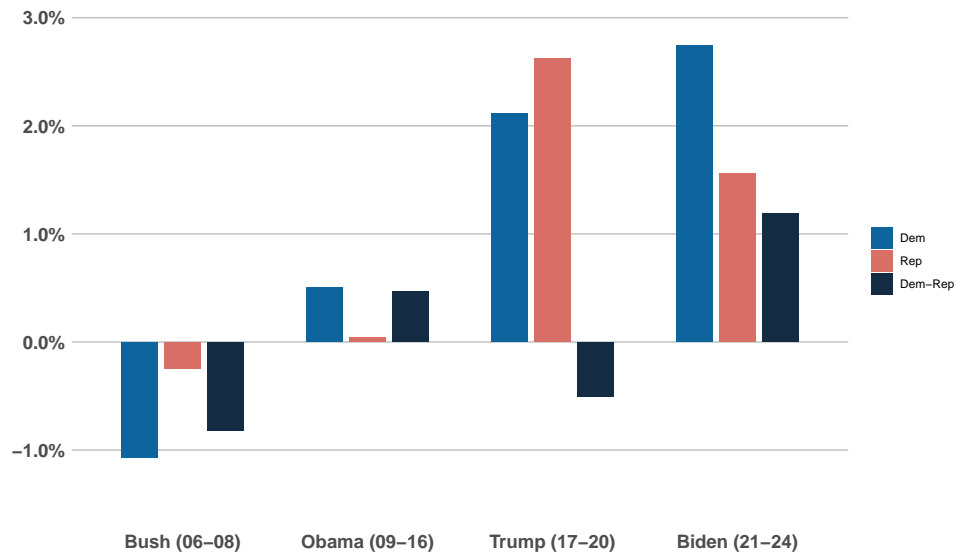
Table A.1: **Alignment shift in home buying expectations around presidential elections**

This table presents the interaction coefficient of alignment shift in home buying expectations around the 2008, 2016, 2020 and 2024 Presidential elections. Equation (1) gives the exact specification. Standard errors are clustered by individual. Standard errors are reported in parentheses. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	Home Buying Attitude			
	(1)	(2)	(3)	(4)
	Obama 2008	Trump 2016	Biden 2020	Trump 2024
June × Alignment	0.149	0.023	−0.494*	0.643*
	(0.313)	(0.342)	(0.284)	(0.331)
July × Alignment		0.256	−0.448	0.562
		(0.327)	(0.287)	(0.342)
August × Alignment		0.320	−0.178	0.389
		(0.330)	(0.281)	(0.327)
September × Alignment	−0.149	0.272	−0.225	−0.024
	(0.313)	(0.326)	(0.288)	(0.340)
November × Alignment	0.311		0.172	0.677**
	(0.314)		(0.284)	(0.314)
December × Alignment	0.341		−0.069	0.719**
	(0.302)		(0.290)	(0.302)
January × Alignment	0.298		0.158	0.784***
	(0.322)		(0.283)	(0.293)
February × Alignment	0.197	1.323***	0.232	1.520***
	(0.325)	(0.347)	(0.284)	(0.301)
March × Alignment	1.044***	1.453***	0.625**	2.095***
	(0.317)	(0.339)	(0.282)	(0.271)
April × Alignment	0.368	1.212***	0.558**	2.486***
	(0.313)	(0.328)	(0.279)	(0.292)
May × Alignment	1.043***	0.869***	0.537*	2.464***
	(0.348)	(0.312)	(0.281)	(0.295)
Observations	4,161	4,178	5,964	8,868
Log Likelihood	−2,282.085	−2,038.914	−3,692.165	−3,892.613
Akaike Inf. Crit.	4,618.170	4,127.828	7,446.330	7,847.226
Control	Yes	Yes	Yes	Yes
Note:				*p<0.1; **p<0.05; ***p<0.01

Table A.2: **Partisan bias in home buying expectations around presidential elections**

This table presents estimates of home buying expectations change differentially around Presidential Elections for individuals based on their party affiliation. Equation (2) gives the exact specification. Standard errors are clustered by individual. Standard errors are reported in parentheses. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	Home Buying Expectations			
	(1)	(2)	(3)	(4)
	Obama 2008	Trump 2016	Biden 2020	Trump 2024
Post × Alignment	0.524***	1.009***	0.598***	1.307***
	(0.156)	(0.159)	(0.114)	(0.130)
Post	0.291	−0.232	−0.137	−0.135
	(0.192)	(0.158)	(0.118)	(0.084)
Alignment	−0.579***	−0.285***	−0.543***	−1.112***
	(0.130)	(0.108)	(0.090)	(0.110)
Observations	4,161	4,178	5,964	8,868
Log Likelihood	−2,307.881	−2,043.981	−3,712.429	−3,964.743
Akaike Inf. Crit.	4,641.763	4,113.961	7,450.859	7,955.486
Control	Yes	Yes	Yes	Yes

Note: *p<0.1; **p<0.05; ***p<0.01

Table A.3: **Effect of partisan alignment with the president on home purchase volumes by gender**

This table relates individuals' home purchase volume to partisan alignment with the president, separately by gender. The sample includes Democratic and Republican voters, and the outcome is each individual's home purchase volumes in a given year. Units are in percentage points. The variable, *Alignment*, equals one if the party in power is the same as an individual's party affiliation in the home purchase year. *Democrat* is one for Dem and zero for Republican. Control variables include county-level financial and socioeconomic characteristics. Equation (5) gives the exact specification. Regressions are run at the county-party-characteristic-year cell level and are weighted by the number of observations in each cell. Standard errors are clustered by county. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively. The sample period is from 2010 to 2023.

	Purchase			
	(1)	(2)	(3)	(4)
	Male	Male	Female	Female
Alignment	0.089***	0.089***	0.079***	0.079***
	(0.010)	(0.010)	(0.009)	(0.009)
Democrat	-0.268***	-0.247***	-0.219***	-0.185***
	(0.014)	(0.014)	(0.014)	(0.013)
Age 18-30		-0.609***		-0.500***
		(0.045)		(0.043)
Age 31-40		-0.269***		-0.243***
		(0.029)		(0.027)
Age 41-50		0.090***		0.051***
		(0.019)		(0.016)
Age 51-60		0.066***		0.048***
		(0.012)		(0.010)
Observations	194,798,912	194,798,912	227,991,218	227,991,218
R^2	0.442	0.576	0.466	0.586
Control	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Note:			* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$	

Table A.4: **Alignment shift in home purchase volumes around the 2016 presidential election (Dynamic DID)**

This table relates the home purchase volumes by individuals to their political alignment. The sample includes Democratic and Republican voters, and the outcome is each individual's home purchase volumes in a given year. Units are in percentage points. *Alignment* is one for Republicans and zero for Democrats. Control variables include demographic factors. Equation (6) gives the exact specification. Standard errors are clustered by county. Regressions are run at the county-party-characteristic-year cell level and are weighted by the number of observations in each cell. Standard errors are clustered by county. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively. The sample period is from 2013 to 2020.

| | (1) | (2) |
	Purchase	Purchase
2013 × Alignment	-0.023**	-0.024**
	(0.010)	(0.010)
2014 × Alignment	-0.013	-0.013
	(0.012)	(0.013)
2015 × Alignment	0.012	0.012
	(0.011)	(0.011)
2017 × Alignment	0.045***	0.045***
	(0.012)	(0.012)
2018 × Alignment	0.077***	0.077***
	(0.014)	(0.014)
2019 × Alignment	0.110***	0.110***
	(0.016)	(0.016)
2020 × Alignment	0.135***	0.135***
	(0.014)	(0.014)
Population		2.248***
		(0.220)
Personal Income		-0.259
		(0.164)
CLL		-0.250
		(0.258)
Unemployment Rate		0.695
		(0.548)
Observations	241,594,360	241,594,360
R^2	0.378	0.383
Control	Yes	Yes
County FE	Yes	Yes
Year FE	Yes	Yes
Note:	* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$	

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Table A.5: **Alignment shift in home purchase volumes around the 2016 presidential election (Static DID)**

This table presents alignment shift in home purchase volume around the 2016 presidential election in a static difference-in-differences framework. The sample includes Democratic and Republican voters, and the outcome is each individual's home purchase volume in a given year. Units are in percentage points. *Alignment* is one for Republicans and zero for Democrats. Control variables include county-level financial and socioeconomic characteristics. Equation (7) gives the exact specification. Standard errors are clustered by county. Regressions are run at the county-party-characteristic-year cell level and are weighted by the number of observations in each cell. Standard errors are clustered by county. *,**, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively. The sample period is from 2013 to 2020.

	(1)	(2)
	Purchase	Purchase
Post × Alignment	0.218***	0.194***
	(0.023)	(0.017)
Post	0.239***	-0.022
	(0.031)	(0.014)
Alignment	0.121***	0.081***
	(0.020)	(0.013)
Male		0.101***
		(0.009)
Age 18-30		-0.637***
		(0.052)
Age 31-40		-0.426***
		(0.043)
Age 41-50		0.111***
		(0.026)
Age 51-60		0.111***
		(0.016)
Observations	241,594,360	241,594,360
R^2	0.384	0.638
Control	Yes	Yes
County FE	Yes	Yes
Note:	* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$	