

# **The Microgeography of Housing Supply in England**

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## **Abstract**

We estimate local housing supply elasticities for 6,788 Middle Super Output Areas in England. We examine how housing supply responds to price changes across areas with different geographic and policy constraints, using LASSO to identify the main sources of variation. We find that housing supply has become less responsive to local demand changes over time: we estimate the national average elasticity was 0.26 over the period 1996-2006, but that this fell to near zero over the period 2011-2021. In both periods, elasticities were lower in areas with less land available for development, steeper slopes, and higher historical population density. Urban density and constraints on available land do more to reduce the elasticity of the total number of bedrooms in an area than the total number of housing units, implying that these factors have relatively greater impact on the supply of larger properties. We investigate the implications of local differences in housing supply elasticities for workers' location choices.

Keywords: housing supply elasticities, land-use restrictions, productivity

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