

Hospital Cluster Outbreaks and the Housing Market: Evidence from Japan[†]

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Abstract

In Japan, clusters of COVID-19 infections in hospitals, known as nosocomial infections, were reported in many media outlets since the COVID-19 pandemic began in January 2020. Such news could have had impacts on prices for housing in the vicinity of the hospitals. We conducted a difference-in-differences analysis based on the condominiums transacted around the hospitals with cluster outbreaks as the treatment group, and the condominiums around the hospitals with no cluster outbreaks as the control group. We collected transaction data for condominiums located within a 1.5-km radius of hospitals in the treatment and control groups. While we did not find a statistically significant impact on transacted rents in the vicinity of hospitals that experienced cluster outbreaks, housing prices around hospitals where nosocomial infections and cluster outbreaks occurred declined.

Key words: disclosure negative information, condominium, housing price, rent, COVID-19, nosocomial infection, semi-obnoxious facility

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