WORKING PAPERS

2026/05

24/04/2026

Property is theft? The effect of local elections on the French housing market

Sylvain Chareyron and Imen Daly

CEPS
Centre for Economics at Paris-Saclay

école normale supérieure paris-saclay
université evry val-d'essonne université PARIS-SACLAY
université PARIS-SACLAY
Maison des Sciences de l'Homme PARIS-SACLAY

Property is theft? The effect of local elections on the French housing market

Sylvain Chareyron* Imen Daly †

February, 2026

Abstract

This article assess the effect of local election results on the housing market. Using French municipal elections between 2001 and 2020 and housing transactions between 2010 and 2022, we compare variations in housing prices after tight elections between a left-wing and a right-wing candidate. The results show no significant effect of the election of a left-wing candidate has no discernible impact on either dwelling prices or transaction volumes in the municipality, in both the short run (2 years) and the long run (6 years). These results also hold when considering the election of a far-left mayor. We also find no significant effect on the number of building permits issued.

Keywords: Local elections, Housing prices
JEL: D72, H7, R38

Disclosure statement: The authors report that there are no competing interests to declare.

Funding: This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

*Univ. Paris-Est Créteil, ERUDITE, TEPP, sylvain.chareyron@u-pec.fr.
†CEPS, Université Paris-Saclay, imen.daly@univ-evry.fr

1. Introduction

In recent years, debates over housing affordability, taxation, and urban land use have taken center stage in local politics across France. Left-wing and right-wing parties propose sharply different agendas regarding property rights, housing supply, and redistribution. These differences raise an important empirical question: *Does the political orientation of local leaders causally affect housing market outcomes?*

As symbolized by the famous sentence *"What is property? It's theft"* of Proudhon (1849), a 19th-century French socialist, socialists have historically advocated for changes in property ownership. Although revolutionary strategies have faded, modern left-wing parties remain more inclined to tax income and property than their right-wing counterparts (Trannoy and Wasmer (2022)). This is reflected in the persistent divide between left- and right-wing voters in terms of property ownership (Piketty, 2019). The election of a left-wing candidate could plausibly influence local housing markets through multiple channels: increased property taxation[1], expanded public housing, land-use restrictions[2], or indirect effects such as changes in the composition of the local population.

This article provides one of the first causal estimates of the impact of electing a left-wing mayor on the housing market in France. We address the likely endogeneity between the mayor's political affiliation and municipal characteristics by employing a Regression Discontinuity Design (RDD) based on close elections between left- and right-wing candidates. The key idea is that municipalities where one side narrowly wins are similar to those where it narrowly loses, making the assignment of political control plausibly quasi-random. We follow the approach of Ferreira and Gyourko (2009) and Schmutz and Verdugo (2023), who use RDD to study the effects of local partisanship on crime, public spending, and immigration.

Using exhaustive administrative data on housing transactions from 2010 to 2022, combined with municipal election results from 2001 to 2020, we find no statistically significant impact of a left-wing mayor's election on housing prices, transaction volumes, or the issuance of building permits. This holds for both short-term (2-year) and long-term (6-year) horizons, and even when focusing solely on far-left candidates. The absence of detectable effects persists across a variety of robustness checks and alternative specifications.

This study contributes to a growing literature on the economic consequences of local political change. While prior research has examined how partisanship shapes municipal outcomes such as crime, immigration, and public housing (Ferreira and Gyourko, 2009; Schmutz and Verdugo, 2023), its effects on local housing market fundamentals—such as prices, transaction volumes, and building permits—remain relatively understudied. An exception is Solé-Ollé and Viladecans-Marsal (2013), who present exploratory evidence that left-wing mayors in Spain may increase housing prices through

[1] In France, property tax rates are set locally by municipal and intermunicipal councils within a national framework defined by Parliament and the Ministry of Finance.

[2] In France, urban planning regulations are primarily determined by municipalities through their local urban plans (plans locaux d'urbanisme, PLU), within a national framework set by the State and regional planning laws.

more restrictive land-use policies, though housing outcomes were only a secondary focus of their analysis. In contrast, our study focuses squarely on the fundamentals of the housing market and offers a comprehensive empirical evaluation using transaction-level data and a credible identification strategy based on close elections.

The next section provides background on the literature, the expected effects, and the institutional context of municipal elections. Section 3 presents the data used and includes some descriptive statistics. The empirical strategy is described in Section 4, followed by the presentation of the results in section 5. Finally, conclusions are drawn in section 6.

2. Background

2.1. Literature review and Theoretical Framework

Property rights theory, critiqued by Proudhon (1849) and developed by later economists, suggests that property rights perpetuate inequality. Left-wing ideologies focus on redistribution and property regulation, which can affect real estate markets through progressive taxation and government interventions such as social housing and rent controls (Piketty (2019)). However, the expected effect of the election of a left-wing mayor on housing prices is not necessarily negative.

Urban economics, particularly spatial equilibrium theory (Rosen-Roback model), explains how policy decisions alter housing policies, influencing location choices through land use policies and investments in public goods and services (Rosen (1979)). Political affiliation can influence real estate markets through land use regulation and housing supply policies. Restrictive zoning laws and green space policies can limit land availability for real estate development, thereby affecting housing supply and prices. Left-wing parties often support stricter regulations to control urban sprawl and ensure affordable housing, potentially limiting new housing supply and driving up prices under stable or growing demand conditions (Glaeser and Gyourko (2002)). Conversely, right-wing parties may favor more liberal land use policies that encourage development and increase housing supply, potentially moderating price increases or even lowering prices in response to growing demand. Beyond long-run policy orientations, temporary political uncertainty itself can shape housing dynamics. Nguyen and Vergara-Alert (2023) show that U.S. gubernatorial elections trigger short-run declines in house price growth and transactions—consistent with a real-options response to policy uncertainty—while building permits rise during election periods. This underscores that the anticipation of political change can move housing markets independently of ideology.

A closely related study by Solé-Ollé and Viladecans-Marsal (2013) demonstrated that in Spain, left-wing mayors tend to convert less land from rural to urban uses compared to right-wing mayors. They suggested that this disparity contributes to an increase in housing prices in municipalities governed by left-wing mayors. However, the association between left-wing affiliation and reduced increase in housing supply is not unanimous. de Benedictis-Kessner et al. (2025) are interested in how the political affiliation of a mayor influences housing production and find that electing a Democrat leads to increased

multifamily housing construction. However, the effect on housing supply is limited to this type of housing construction. Fang et al. (2023) shows that city councilors in wards with larger shares of homeowners—status which is generally associated with a right-wing affiliation (Piketty, 2019)—are more likely to oppose new housing developments because homeowners benefit financially from restricted housing supply through higher housing prices.

An important mechanism through which political affiliation can impact real estate markets is through taxation and public spending. Left-wing governments are generally associated with higher levels of taxation, including property and income taxes, to redistribute wealth and finance public services. Potrafke (2006) has shown that left-wing governments spend relatively more on environmental protection, education, leisure, culture, and religion. Similarly, Pettersson-Lidbom (2008) finds that left-leaning local governments spend and tax 2-3% more than their right-leaning counterparts and have lower unemployment rates by 7% due to higher public sector employment. Additionally, Migueis (2013) indicates that left-leaning administrations are likely to adopt municipal taxes on businesses and invest in social infrastructure, while right-leaning municipalities provide subsidies to families and offer more generous compensation to municipal workers, with a lower propensity for debt. This increased fiscal burden can reduce disposable income for homeowners and potential buyers, potentially dampening housing demand (Tufte (1978)). In contrast, right-wing governments often advocate for lower taxes and reduced public spending, which theoretically could increase disposable income and housing demand, potentially driving up prices (Glaeser and Gyourko (2002)). However, reduced public spending could also lead to declines in public services and infrastructure investments, which could have a negative impact on property values in certain areas.

Another area where political ideologies diverge significantly is in the provision of public housing. Left-wing administrations are more likely to invest in social housing projects to provide affordable housing options for low-income households. Research by Schmutz and Verdugo (2023) shows that in French municipalities, the election of left-wing mayors accelerates the growth of the immigrant population. This phenomenon is linked to partisan differences in public housing construction and changes in the composition of existing public housing units. These demographic changes can exert additional pressure on local real estate markets, influencing prices and market dynamics alongside other political and economic factors. An increase in public housing supply could put downward pressure on private housing prices by offering a competitive alternative to the private rental market, depending on the scale and effectiveness of these programs.

In their study, Schmutz and Verdugo (2023) show that an increase in the provision of public housing leads to a significant rise in immigration in the municipality. Immigration itself can affect the housing market: Unal et al. (2024) show that an increase in international migration in a district significantly affects flat prices and rents.

The mechanisms through which the election of a left-wing mayor can affect the housing market are varied and can operate in both directions. In summary, the expected effects on housing prices could be positive—through reduced private housing supply and increased immigration—or negative—through

expanded public housing supply and higher taxation. In this study, we are only able to estimate the average effect, without distinguishing between the different underlying mechanisms.

Building on this literature, our contribution is to provide one of the first causal estimates of how the political affiliation of mayors affects the fundamentals of local housing markets—specifically prices, transaction volumes, and building permits. While previous studies have examined political influences on public housing supply, demographic composition, or broad urban policy directions, few have assessed whether these partisan shifts translate into measurable changes in market-level outcomes. By combining exhaustive transaction-level data from 2010 to 2022 with close municipal election results and applying a regression discontinuity design, our study offers a comprehensive and empirically credible evaluation of whether left-wing versus right-wing control affects housing market dynamics at the municipal level.

At a finer spatial scale, Jones et al. (2025) document hyper-local distributive effects: properties located within 0.2 miles of a newly elected city-council member's residence appreciate by 6–12 percent. Our analysis operates at the municipal level and tests whether such localized political advantages aggregate into measurable shifts in overall housing prices—an effect we do not detect.

2.2. Municipal Elections in France

Understanding the institutional details of French municipal elections is important for interpreting the quasi-experimental variation exploited in our regression discontinuity design. In municipalities with more than 1,000 inhabitants, elections follow a two-round proportional list system with a majority bonus awarded to the leading list. City councillors and mayors are elected for six-year terms by French and European citizens registered on the electoral roll.

Voters cast their ballots for a list of candidates. If a list receives more than 50% of the votes in the first round, it is awarded half of the seats on the council, while the remaining seats are distributed proportionally among all lists that obtained more than 5% of the vote. In the event that no list achieves an outright majority, a second round is held. Only lists receiving at least 10% of the vote in the first round are eligible to proceed, though lists with at least 5% of the vote may merge with qualifying lists between rounds. The seat allocation rules in the second round follow the same procedure as in the first.

Once elected, councillors choose the mayor and deputy mayors from among themselves. Until the 2026 reform, the three largest cities—Paris, Lyon, and Marseille—followed a different process: voters elected borough councillors, who then elected municipal councillors, who in turn elected the mayor.[3]

[3]Starting in 2026, this system was replaced by a direct election of city councillors by the voters.

3. Data

3.1. Presentation of the data

We combine two main sources of data: information on the outcomes of French municipal elections spanning from 2001 to 2020, and data on the French housing market covering the period from 2010 to 2022.

We use municipal election data freely available in data.gouv.fr.[4] They report results for municipalities above 1,000 inhabitants. We only consider municipal elections in mainland France with at least two competitors, including a contest between a left-wing candidate and a right-wing candidate in the top two. By doing this, we restrict the sample to municipalities that are generally well above 1,000 inhabitants, as the party affiliation of candidates is not always reported in smaller cities. Furthermore, even if their administrative organization is different, the 20 boroughs ('arrondissements') of Paris and the eight and seven electoral sectors of Marseilles and Lyon are also included in the sample and considered as separate municipalities.

We categorize the lists in the final round of elections as left-wing or right-wing using the classifications provided by the French electoral authorities.[5] Most of the time, this assignment is straightforward, as there were no national or local bipartisan coalitions during the period. The national political landscape underwent substantial changes in 2020 compared to previous periods, as a form of centrist coalition emerged with La République en Marche. However, this party experienced relatively poor performance in the 2020 municipal elections and often allied with other right-leaning parties, occasionally with left-leaning ones. In 2020, we classify all parties positioned to the left of La République en Marche as left-wing.

We use housing transaction information from the DV3F dataset, which contains real estate sales records supplemented by property descriptions from the land register. For each registered sale, the nature of the dwelling (house *versus* apartment), the date of transaction, the transaction price, the surface area, the number of rooms, as well as other characteristics of the dwelling are specified. We only consider sales of private dwellings already constructed (i.e., we exclude auctions, exchanges, expropriations, building plot for sale, etc.) and off-plan sales. We also exclude sales of industrial, commercial or similar premises and auxiliary housing.

3.2. Descriptive Statistics

Table 1 presents the characteristics of municipal elections in our sample. The number of municipalities varies somewhat between elections, particularly in the last two elections of 2014 and 2020. In 2020, the number of municipalities in the sample is 1,169, whereas it is 2,913 in 2014. This variation is mainly due to the sample being restricted to elections where there was a competition between a left-wing and right-wing candidate in the second round, and to changes in the political context as well as the

[4]The data can be obtain on this website: https://www.data.gouv.fr/fr/posts/les-donnees-des-elections/
[5]We do not consider applicants classified as "Unknown" or "Miscellaneous".

referencing of political affiliations.

Specifically, in 2014, all applicants in municipalities with more than 1,000 inhabitants had to be attributed a political affiliation. In 2020, this threshold was raised to 3,500 inhabitants. This change was likely reinforced by the weakening of the two major traditional parties, which may have led some candidates not to declare any political affiliation. Consequently, in 2020, the number of competitions between a declared left-wing applicant and a declared right-wing applicant was reduced. This is reflected in the average number of inhabitants in the municipalities, which was about 16,000 in 2001 and 2008, then decreased to 11,000 in 2014, and increased to more than 20,000 in 2020.

The share of election in which a second round occurs is much more stable between elections with a range between 27% and 35%. The proportion of close election is also stable over time: the share of elections with margins of victory inferior to 5 percentage points varies only between 11% and 15% across electoral years. This type of election can be considered very close, as it corresponds, for example, to the winner receiving 52.5% of the votes and the loser 47.5%. Nearly one-third of elections have a margin of victory below 10 percentage points, corresponding, for instance, to a winner with 55% and a loser with 45%.

Table 1. Municipal election data

Election year	2001	2008	2014	2020
Share second round	34.9	32.0	27.7	34.8
Share Left Victories	42.7	53.1	41.2	43.4
Share Margin Victory < 10	28.6	27.6	28.3	22.8
Share Margin Victory < 5	14.9	15.0	15.3	11.5
Share Margin Victory < 2.5	6.9	8.0	7.2	5.6
Mean number of registered voters	9,940.8	10,887.7	7,143.7	13,175.1
Mean number of inhabitants				
Mean	16,610.7	16,212.0	11,092.2	20,626.4
Min	3,501.0	3,131.0	968.0	1,509.0
Max	389,496.0	446,340.0	474,246.0	498,596.0
Number of municipalities	2,050	2,006	2,913	1,169

Note: table reports descriptive statistics of municipal elections from our estimation sample. We include elections with at least two lists in competition, and with a list from the Left and the Right ranked first and second. The margin of victory is defined as the difference between the share of the vote between the lists ranked first and second.
Sources: 2001, 2008, 2014 and 2020 elections.

4. Empirical Strategy

The political affiliation of a mayor is potentially endogenous to the local housing markets, as several unobserved factors may influence both variables. To deal with this endogeneity issue we build on the method of Schmutz and Verdugo (2023) that consists to compare variation in housing prices between municipalities that elect a left-wing mayor with a low margin and municipalities that elect a right-wing mayor with a low margin. It can be advocated that these municipalities share very similar observed

and unobserved characteristics and that the fact that the result goes in a direction favorable to the left or to the right is random. This Regression Discontinuity Design (RDD) allows us to estimate the local treatment effect of the political affiliation of the mayor elected in a close election.

The specification of our model is as follows:

$$\Lambda p_{ie,t} = \alpha + \beta D_{it} + f(Margin_{it}) + \mu_{it} \tag{1}$$

$\Lambda p_{ie,t}$ is equal to $(p_{it} - p_{ie})/p_{ie}$ and represents the percentage change in housing prices in municipality i from the election year e to year t. The running variable $MarginL_{it}$ is the vote margin of the left and corresponds to the difference in the share of votes between the better-ranked left-wing list and the better-ranked right-wing list in municipality i in the final round.[6] The variable is therefore positive when the left has won and negative otherwise. For example, $MarginL_{it} = -10$ if the right-wing applicant won with a margin of 10 points.[7] D_{it} is a dummy variable equal to one if the election was won by the left, and zero otherwise. β captures the average treatment effect at the threshold $X = 0$ of electing a left instead of a right-wing mayor after a close election. We apply different polynomial form on the running variable. A linear form:

$$f(Margin_{it}) = \lambda Margin_{it} + \theta Margin_{it} \times D_{it} \tag{2}$$

And a quadratic form:

$$f(Margin_{it}) = \lambda Margin_{it} + \theta Margin_{it} \times D_{it} + \theta Margin_{it}^2 + \eta Margin_{it}^2 \times D_{it} \tag{3}$$

To give more weight to observations that are close to the margin of victory, we non-parametrically estimate equation 1 using a local linear function with a triangular kernel, and inference is based on the robust-bias correction method. We use two different MSE-optimal bandwidths: one for observations below the margin of victory cutoff and another for observations above it. We use a polynomial of order 2.[8]

While restricting the comparison to municipalities where the election results were close likely allows for comparing similar municipalities, it makes our estimation a local one. Therefore, we estimate the local average effect of electing a left-wing mayor in close elections. However, we stress that, because the winning list receives a majority bonus—even when elected by a narrow margin—the mayor has the political means to implement their program. Therefore, although the effect could differ in municipalities where elections are less contested, for example with more polarized platforms, the institutional leverage of a narrowly elected mayor is relatively similar to that of a mayor elected by a wide margin.

[6] In case where no candidate obtains more than 50% of the votes in the first round, a second round is organised with only those lists having obtained at least 10% of the votes cast in the first round.

[7] We keep only elections with at least 2 competitors and with left-right competition between the top 2.

[8] We use the rdrobust package of Stata (Calonico et al., 2017)

5. Results

5.1. Graphical analysis

With a sharp regression discontinuity design, the graphical representation of the discontinuity is an integral part of the analysis (Imbens and Lemieux, 2008). Hence, before looking at statistical results, we first present in Figure 1 graphical representations of the evolution in housing prices in municipalities depending on the margin of votes for the left candidate for different time periods after the election. We consider both short-term effects (2 years) and long-term effects (6 years) of the election on housing prices. Although a slightly negative correlation can be seen on the left of the threshold, there appears to be little correlation between the margin of the left and the evolution of housing prices. However, there is no visible discontinuity at the threshold for either time period considered.

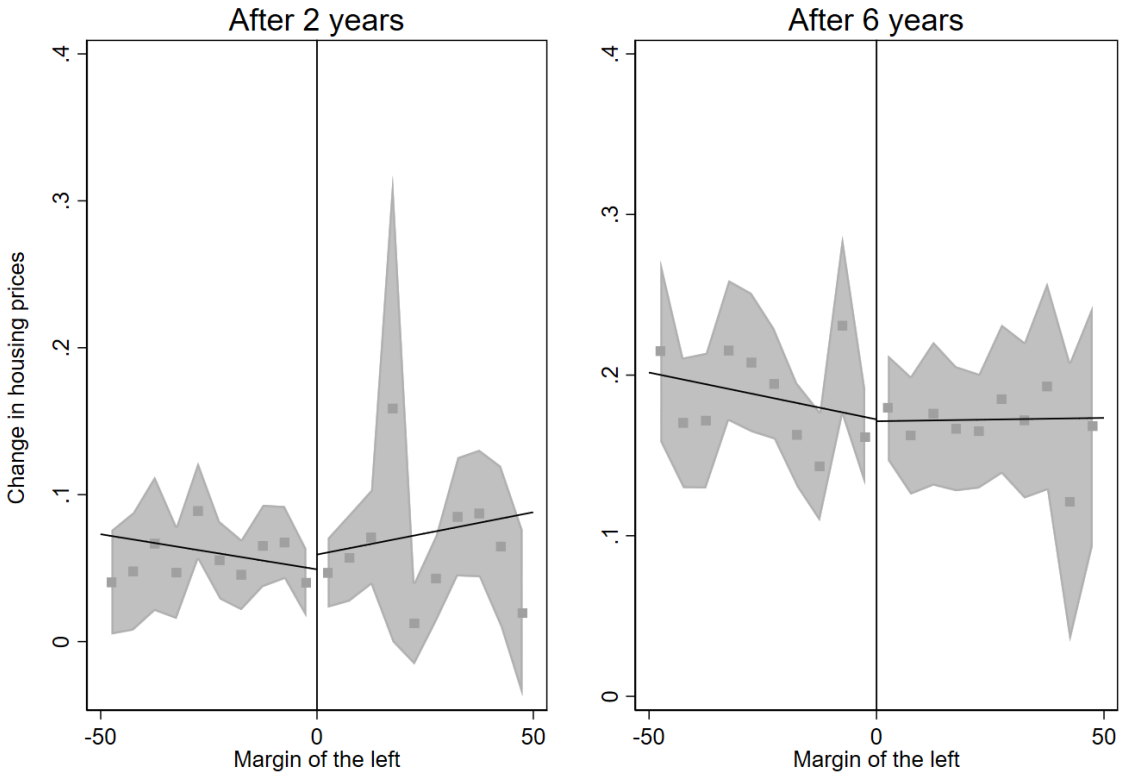
In the previous graph, we used the change in housing prices for the y-axis. This has the advantage of eliminating eventual unobserved factors, although this is not necessary in an RDD setting (Lee and Lemieux, 2010). The inconvenience is that it restricts the sample to elections for which we have information on the housing market at the time of the election.[9] To avoid this inconvenience, we alternatively look at the relationship between housing prices two and six years after the election and margin of the left.[10]

Figure A.1 in the Appendix displays similar types of graphs, but this time, the log of housing prices 2 and 6 years after the election is plotted on the y-axis. Since housing prices during the year of the election are not needed in this case, we can also include the 2008 municipal election in the sample. The correlation between the margin of the left and housing prices is stronger than when considering the change in housing prices following the election, but again, no discontinuity appears at the threshold. Using housing prices at a level also enables investigation of longer-term effects. We can investigate the effect of electing a left-wing candidate twelve years after the event, using the 2001 and 2008 elections. The results, presented in Figure A.2 in the appendix, show a pattern similar to that observed over shorter periods: a negative relationship between housing prices and the left's margin before the threshold, but no discontinuity at the threshold.

[9] It is for example, not possible to include the 2008 election in this configuration has we have no housing data before 2010.

[10] This allows to include the 2008 election for which we have housing prices information two years (2010) and six years after (2014).

Figure 1. Change in housing prices depending on the margin of victory for left-wing candidates.



Note: The shaded areas correspond to 95% confidence intervals. The graphs report 10 bins on each side of the discontinuity that capture averages from the same number of observations. The solid lines represent a first-order polynomial. The vertical lines denote the discontinuity point at zero. Municipalities in which the margin is above 50 percentage points have been removed. The changes in housing prices reflect the variation between the year of the election and either 2 or 6 years afterward.
Sources: 2014 and 2020 elections and 2014, 2016, 2020 and 2022 DV3F.

5.2. Main results

Table 2 presents the short-term effects (Columns 1 and 2) and long-term effects (Columns 3 and 4) of electing a left-wing mayor on housing prices. We provide both the effect on the change in housing prices in the two and six years following the elections (Panel A) and on housing prices two and six years after the election (Panel B). A linear polynomial is used in columns (1) and (3), and a quadratic polynomial is used in columns (2) and (4).

The results consistently indicate no discernible effect of a left-wing candidate's victory on housing prices, whether in the short or long term. Estimated effects of the left-wing victory on changes in housing prices hover close to zero, occasionally showing negative or positive values, but never reaching statistical significance at the 5% or 10% level across all specifications considered. Similar results are obtained when analyzing the logarithm of housing prices as the dependent variable. In all cases, the effects are far from reaching statistical significance at the 5% level.

The results align with those of Ferreira and Gyourko (2009) in the US, who found minimal effects of the mayor's political affiliation on municipality characteristics. In the French context, Schmutz and

Verdugo (2023) demonstrated some impact of electing a left-wing candidate on immigration through an increase in public housing construction. Our results suggest that this surge in public housing supply seems to have had little substantial effect on the housing market. This could be attributed to either a subsequent reduction in private housing construction, which would have kept the overall housing supply unchanged, yet Schmutz and Verdugo (2023) found no such effect on private housing supply. Alternatively, the construction of public housing may have attracted residents from outside the municipality, thereby increasing housing demand in proportion to the housing supply.

Table 2. Effect of left victory on housing prices

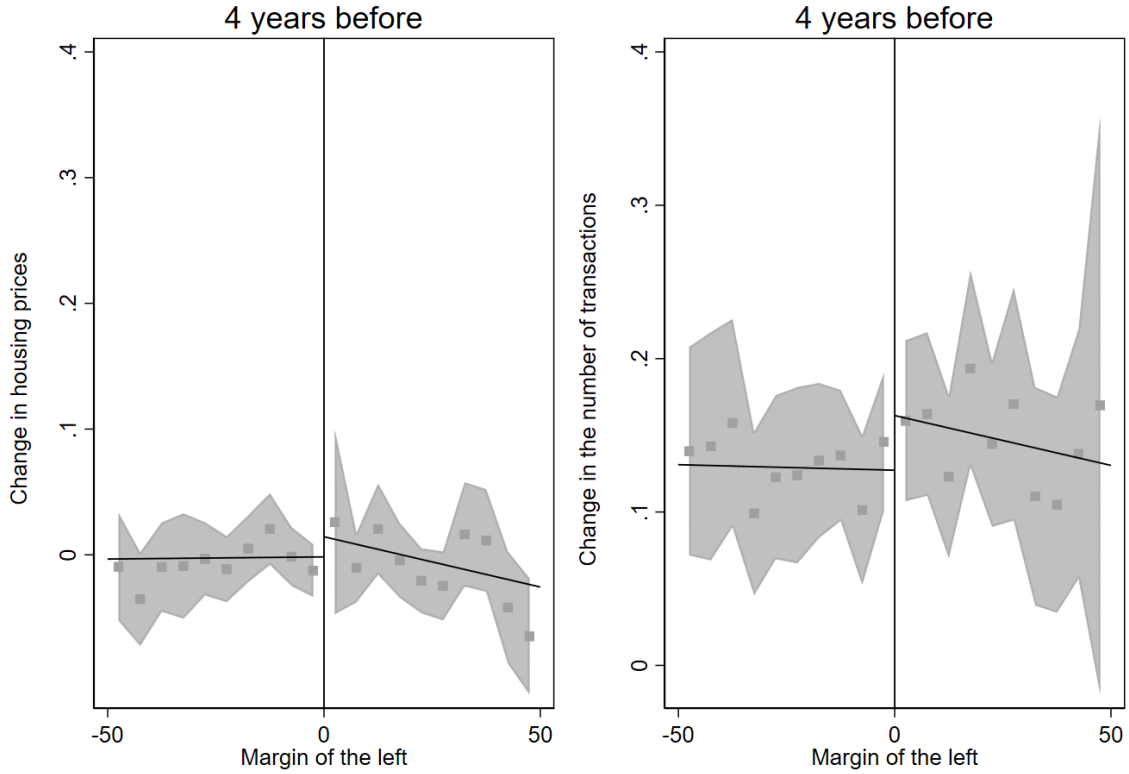
	(1)	(2)	(3)	(4)
VARIABLES	After 2 years		After 6 years	
	A. Change in housing prices			
Left victory	0.012	-0.010	0.002	-0.000
	(0.024)	(0.032)	(0.037)	(0.044)
Observations	3,330	3,330	2,509	2,509
	B. Log Housing prices			
Left victory	0.035	0.043	0.023	0.012
	(0.040)	(0.050)	(0.045)	(0.058)
Observations	5,008	5,008	4,153	4,153
Polynomial form	Lin.	Quad.	Lin.	Quad.

Note: *p<0.1; **p<0.05; ***p<0.01. Robust-bias corrected standard errors are in parenthesis. The table shows RDD estimates of the effect of the victory of a left relative to a right-wing mayor in the municipal election. Estimates are obtained using local linear regressions with a triangular kernel, two different MSE-optimal bandwidths on both side of the cutoff, and a linear or quadratic polynomial. Panel A: the dependent variable is the change in housing prices between the year of the election and 2 or 6 years after the election. Panel B: the dependent variable is the log of housing prices 2 or 6 years after the election.
Sources: 2008, 2014 and 2020 elections and 2010, 2014, 2016, 2020 and 2022 DV3F.

5.3. Validity checks

The validity of identification in a Regression Discontinuity Design relies on the assumption that municipalities on each side of the threshold have comparable characteristics before the elections. To assess this, we conducted placebo tests where we performed the same analyses as above, but this time focusing on the change in housing prices and the number of transactions between the year of the election and four years before the election. Figure 2 and the results presented in Table 3 demonstrate no significant effect of the left victory on the change in housing prices and volume of transactions four years before the election.

Figure 2. Placebo tests: effect of left victory on the housing market 4 years before the election



Note: The shaded areas correspond to 95% confidence intervals. The graphs report 10 bins on each side of the discontinuity that capture averages from the same number of observations. The solid lines represent a first-order polynomial. The vertical lines denote the discontinuity point at zero. Municipalities in which the margin is above 50 percentage points have been removed. The changes in housing prices reflect the variation between the year of the election and either 2 or 6 years afterward.
Sources: 2014 and 2020 elections and 2010, 2014, 2016 and 2020 DV3F.

Table 3. Placebo tests: effect of left victory on the housing market 4 years before the election

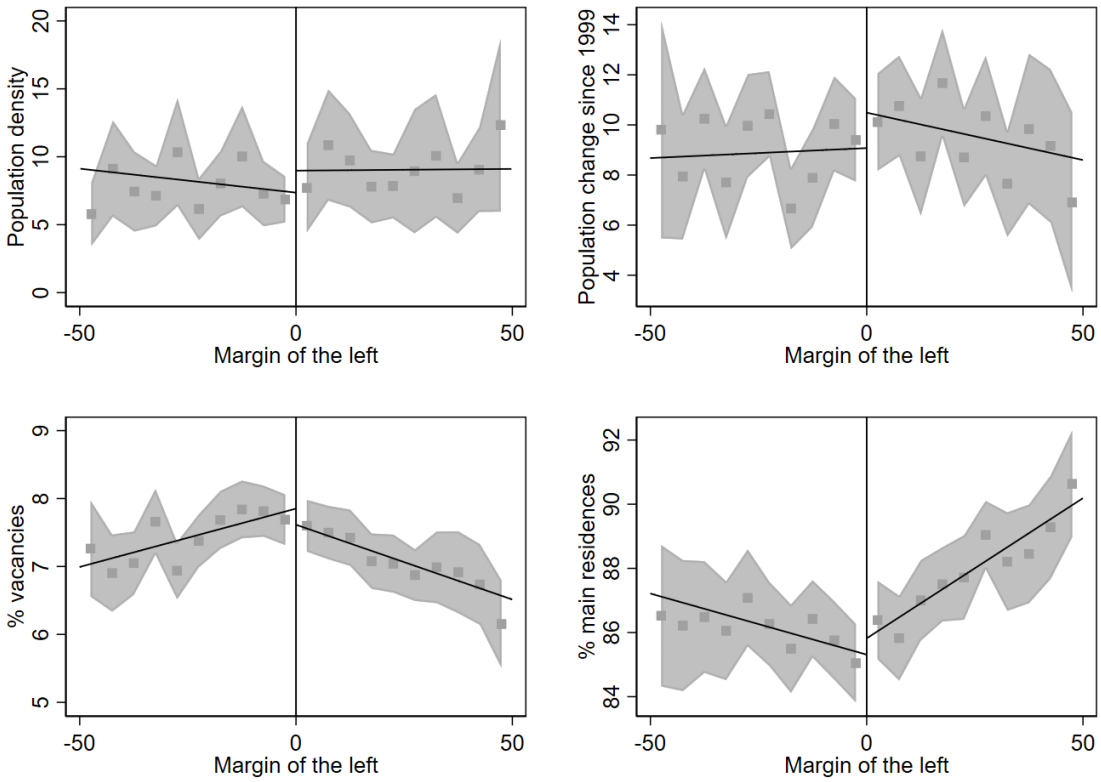
	(1)	(2)	(3)	(4)
	Change in housing prices		Change in number of transactions	
Left victory	0.047	0.053	0.016	-0.030
	(0.045)	(0.054)	(0.054)	(0.072)
Observations	3,484	3,484	3,484	3,484
Polynomial form	Lin.	Quad.	Lin.	Quad.

Note: *p<0.1; **p<0.05; ***p<0.01. Robust-bias corrected standard errors are in parenthesis. The table shows RDD estimates of the effect of the victory of a left relative to a right-wing mayor in the municipal election. Estimates are obtained using local linear regressions with a triangular kernel, two different MSE-optimal bandwidths on both side of the cutoff, and a linear or quadratic polynomial.
Sources: 2014 and 2020 elections and 2010, 2014, 2016 and 2020 DV3F.

We also plot the distribution of some municipal characteristics for the year before the election,

depending on the margin of victory of the left-wing candidate in each municipality.[11] We find no discontinuity at the threshold in population density, population variation since 1990, share of vacancies, and share of main residences one year before the election. This supports the fact that municipalities on both sides of the threshold share similar housing market characteristics and dynamics.

Figure 3. Municipal characteristics by margin of victory



Note: The shaded areas correspond to 95% confidence intervals. The graphs report 10 bins on each side of the discontinuity that capture averages from the same number of observations. The solid lines represent a first-order polynomial. The vertical lines denote the discontinuity point at zero. Municipalities in which the margin is above 50 percentage points have been removed.
Sources: 2008, 2014 and 2020 elections and 2007, 2013 and 2019 Census.

Another crucial aspect of the validity of identification in a Regression Discontinuity Design is the non-manipulation of the running variable, which, in our case, is the margin of victory of the left applicant. To evaluate this, we plot the density of the running variable on each side of the threshold in Figure A.3 in the Appendix. Additionally, the histogram of the running variable is displayed in the same figure. We observe no graphical evidence of discontinuity of the running variable at the threshold. Furthermore, the McCrary (2008) test confirms the absence of a manipulation effect: the null hypothesis that the density of the margin of victory is the same just above and below the cut-off cannot be rejected with a p-value of 0.21. This pattern is consistent with previous findings by Schmutz and Verdugo (2023) and aligns with the conclusions drawn by Eggers et al. (2015).

[11] Municipal characteristics are obtained from Census data.

5.4. Extension

In our main results, we consider candidates from various left-wing ideologies, including far left-wing and center left-wing candidates. It is possible that the lack of a significant effect of electing a left-wing candidate on the housing market is due to variations in effects depending on the candidate's degree of radicalism. For instance, the potential negative impact of electing far left-wing candidates might be masked by the absence of an effect from more moderate left-wing candidates, which are more numerous. Furthermore, our sample includes districts in Paris, Lyon, and Marseille, where the mayor is elected differently compared to other French municipalities, as previously indicated. Therefore, the effect of the election may differ in these municipalities.

We investigate the heterogeneity of the effect depending on the degree of radicality of the left-wing applicant by estimating similar specifications as shown in Table 2, within a sample that includes only cases where the competition was between a right-wing and a far left-wing applicant. The results presented in Table 4 show no significant effect of electing a far left-wing candidate on the change in housing prices two and six years after the election. It is worth noting that the sample size is about five times smaller than in the main results, indicating that competitions between a right-wing candidate and a far-left-wing candidate are not frequent. Additionally, we ran our estimates on a sample that excludes all districts of Paris, Lyon, and Marseille. Once again, we found no significant effect of the election on housing prices

Table 4. Heterogeneity of the effect on changes in housing prices based on the type of left-wing party and the type of municipality.

	Change in housing prices			
	(1)	(2)	(3)	(4)
VARIABLES	After 2 years		After 6 years	
	A. Far left			
Left victory	-0.004	-0.013	0.002	-0.020
	(0.035)	(0.043)	(0.047)	(0.055)
Observations	733	733	604	604
	B. Without Paris, Lyon, Marseille			
Left victory	0.012	-0.010	0.007	0.003
	(0.025)	(0.032)	(0.037)	(0.044)
Observations	3,313	3,313	2,492	2,492
Polynomial form	Lin.	Quad.	Lin.	Quad.

Note: *p<0.1; **p<0.05; ***p<0.01. Robust-bias corrected standard errors are in parenthesis. The table shows RDD estimates of the effect of the victory of a left relative to a right-wing mayor in the municipal election. Estimates are obtained using local linear regressions with a triangular kernel, two different MSE-optimal bandwidths on both side of the cutoff, and a linear or quadratic polynomial.
Sources: 2008, 2014 and 2020 elections and 2010, 2014, 2016, 2020 and 2022 DV3F.

We now examine the effect of the election on housing supply by investigating its impact on both transaction volume and the issuance of building permits, including both residential and commercial permits. The results are presented in Table 5 and Table 6.

The results indicate no significant effect on either the volume of transactions or the number of residential and commercial building permits. It is worth noting that while residential building permits include both public and private housing, the majority consists of private housing. Therefore, these results do not contradict those of Schmutz and Verdugo (2023), which showed an increase in the number of public housing units following the election of a left-wing candidate, with no effect on private housing.[12]

Table 5. Effect of left victory on the number of transactions in the housing market

	(1)	(2)	(3)	(4)
VARIABLES	After 2 years		After 6 years	
	A. Change in number of transactions			
Left victory	0.067	0.009	0.076	0.038
	(0.063)	(0.081)	(0.071)	(0.092)
Observations	3,330	3,330	2,509	2,509
	B. Number of transactions			
Left victory	35.991	63.665	14.282	34.410
	(52.093)	(68.038)	(43.325)	(59.381)
Observations	5,008	5,008	4,153	4,153
Polynomial form	Lin.	Quad.	Lin.	Quad.

Note: *p<0.1; **p<0.05; ***p<0.01. Robust-bias corrected standard errors are in parenthesis. The table shows RDD estimates of the effect of the victory of a left relative to a right-wing mayor in the municipal election. Estimates are obtained using local linear regressions with a triangular kernel, two different MSE-optimal bandwidths on both side of the cutoff, and a linear or quadratic polynomial. Panel A: the dependent variable is the change in the number of transactions between the year of the election and 2 or 6 years after the election. Panel B: the dependent variable is the number of transactions 2 or 6 years after the election

Sources: 2008, 2014 and 2020 elections and 2010, 2014, 2016, 2020 and 2022 DV3F.

[12] It should be noted that their estimates are based on the number of households residing in public and private housing, whereas we are examining the number of building permits.

Table 6. Effect of left victory on building permits

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VARIABLES	After 2 years				After 6 years			
	A. Change in number of permits							
	Residential		Commercial		Residential		Commercial	
Left victory	-0.654	-0.854	0.147	0.228	-1.174	-0.883	0.043	0.082
	(1.618)	(1.956)	(0.173)	(0.239)	(0.960)	(1.201)	(0.169)	(0.202)
Observations	3,455	3,455	2,665	2,665	2,410	2,410	1,726	1,726
	B. Log Number of permits							
	Residential		Commercial		Residential		Commercial	
Left victory	-0.097	-0.177	0.018	0.020	-0.008	0.063	0.022	0.013
	(0.180)	(0.247)	(0.100)	(0.125)	(0.165)	(0.218)	(0.096)	(0.115)
Observations	3,569	3,569	3,081	3,081	4,272	4,272	3,607	3,607
Polynomial form	Lin.	Quad.	Lin.	Quad.	Lin.	Quad.	Lin.	Quad.

Note: *p<0.1; **p<0.05; ***p<0.01. Robust-bias corrected standard errors are in parenthesis. The table shows RDD estimates of the effect of the victory of a left relative to a right-wing mayor in the municipal election. Estimates are obtained using local linear regressions with a triangular kernel, two different MSE-optimal bandwidths on both side of the cutoff, and a linear or quadratic polynomial. Panel A: the dependent variable is the change in number of permits between the year of the election and 2 or 6 years after the election. Panel B: the dependent variable is the log of number of permits 2 or 6 years after the election.
Sources: 2008, 2014 and 2020 elections and 2014, 2016, 2020 and 2022 building permits data.

6. Conclusion

This paper investigates whether the political orientation of municipal leadership affects housing market fundamentals. Using a regression discontinuity design applied to close-run French municipal elections from 2001 to 2020, and leveraging transaction-level housing data from 2010 to 2022, we estimate the causal impact of left-wing versus right-wing mayoral victories on housing prices, transaction volumes, and building permits.

Our results indicate no statistically significant effect of electing a left-wing mayor on any of these core housing market outcomes, both in the short run (two years) and the medium-to-long run (up to six years). These null effects remain robust across a variety of model specifications, sub-samples—including far-left victories—and when excluding France's three largest cities.

While prior work has shown that political partisanship can affect the provision and allocation of public housing and alter local demographic composition (Schmutz and Verdugo, 2023), our findings suggest that such changes do not translate into measurable effects on overall housing market dynamics. One possible explanation is that opposing mechanisms—such as increased public housing supply on the one hand, and crowd-out of private supply or demand-side shifts on the other—may offset each other. Another possibility is that institutional constraints, regulatory inertia, or budgetary limitations

constrain municipal governments' capacity to significantly reshape housing markets within typical electoral cycles.

These findings have two broader implications. First, they suggest caution when linking political partisanship to housing affordability or supply outcomes at the municipal level. Second, they imply that structural reforms or national policy levers—rather than local partisan turnover alone—may be necessary to generate substantive change in housing market dynamics.

Future research could examine whether political effects manifest more clearly in specific submarkets—such as rental housing, social housing, or luxury segments—or under different macroeconomic or regulatory environments. Additionally, a closer look at the implementation constraints facing local governments could help unpack why observed political preferences do not consistently translate into observable market outcomes.

References

Calonico, S., M. D. Cattaneo, M. H. Farrell, and R. Titiunik (2017). Rdrobust: Software for regression-discontinuity designs. *The Stata Journal 17*(2), 372–404.

de Benedictis-Kessner, J., D. Jones, and C. Warshaw (2025). How partisanship in cities influences housing policy. *American Journal of Political Science 69*(1), 64–77.

Eggers, A. C., A. Fowler, J. Hainmueller, A. B. Hall, and J. M. Snyder Jr. (2015). On the validity of the regression discontinuity design for estimating electoral effects: New evidence from over 40,000 close races. *American Journal of Political Science 59*(1), 259–274.

Fang, L., N. Stewart, and J. Tyndall (2023). Homeowner politics and housing supply. *Journal of Urban Economics 138*, 103608.

Ferreira, F. and J. Gyourko (2009, February). Do Political Parties Matter? Evidence from U.S. Cities*. *Quarterly Journal of Economics 124*(1), 399–422.

Glaeser, E. and J. Gyourko (2002). Zoning's steep price. *Regulation 25*, 24.

Imbens, G. W. and T. Lemieux (2008). Regression discontinuity designs: A guide to practice. *Journal of Econometrics 142*(2), 615–635. The regression discontinuity design: Theory and applications.

Jones, D. B., R. Walsh, and J. Zeng (2025). The elected official next door. *Regional Science and Urban Economics 111*, 104075.

Lee, D. S. and T. Lemieux (2010, June). Regression discontinuity designs in economics. *Journal of Economic Literature 48*(2), 281–355.

McCrary, J. (2008). Manipulation of the running variable in the regression discontinuity design: A density test. *Journal of Econometrics 142*(2), 698–714. The regression discontinuity design: Theory and applications.

Migueis, M. (2013). The effect of political alignment on transfers to portuguese municipalities. *Economics & Politics 25*(1), 110–133.

Nguyen, V. and C. Vergara-Alert (2023). Political uncertainty and housing markets. *Journal of Housing Economics 61*, 101952.

Pettersson-Lidbom, P. (2008). Do parties matter for economic outcomes? a regression-discontinuity approach. *Journal of the European Economic Association 6*(5), 1037–1056.

Piketty, T. (2019). *Capital et idéologie*. Média Diffusion.

Potrafke, N. (2006). Political effects on the allocation of public expenditures: Empirical evidence from oecd countries. Technical report, DIW Discussion Papers.

Proudhon, J. (1849). *Quest-ce que la propieté ou recherches sur le principe du droit et du gouvernement.* Librairie de prévot.

Rosen, S. (1979). Wage-based indexes of urban quality of life. *Current issues in urban economics*, 74–104.

Schmutz, B. and G. Verdugo (2023). Do elections affect immigration? evidence from french municipalities. *Journal of Public Economics 218*, 104803.

Solé-Ollé, A. and E. Viladecans-Marsal (2013). Do political parties matter for local land use policies? *Journal of Urban Economics 78*, 42–56.

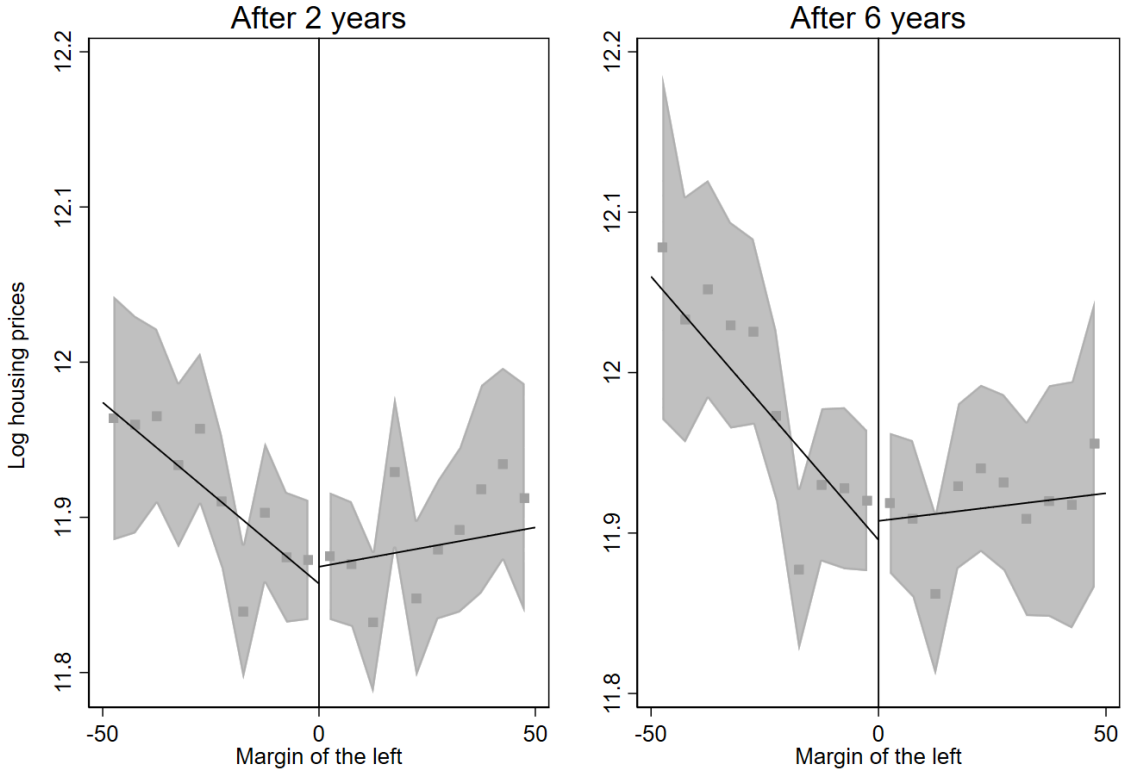
Trannoy, A. and É. Wasmer (2022). *Le grand retour de la terre dans les patrimoines: et pourquoi c'est une bonne nouvelle!* Odile Jacob.

Tufte, E. R. (1978). *Political control of the economy.* Princeton University Press.

Unal, U., B. Hayo, and I. Erol (2024, May). The Effect of Immigration on Housing Prices: Evidence from 382 German Districts. *The Journal of Real Estate Finance and Economics*.

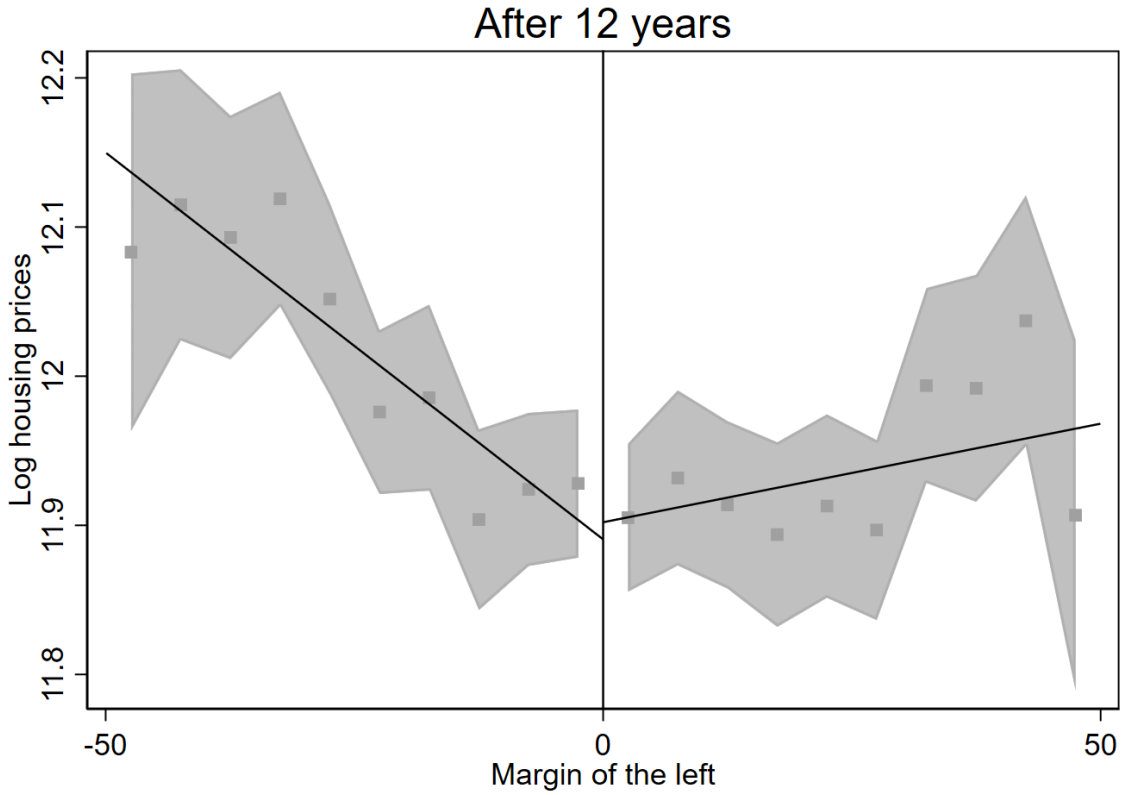
Appendix

Figure A.1. Robustness: housing prices depending on the margin of victory for the left



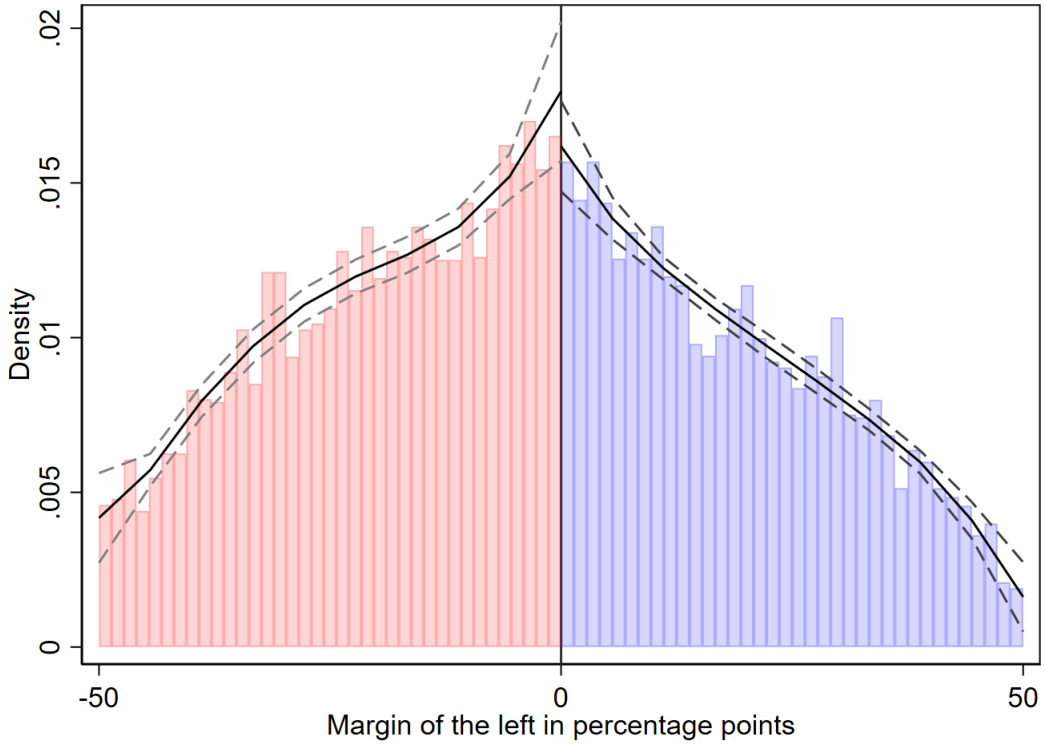
Note: The shaded areas correspond to 95% confidence intervals. The graphs report 10 bins on each side of the discontinuity that capture averages from the same number of observations. The solid lines represent a first-order polynomial. The vertical lines denote the discontinuity point at zero. Municipalities in which the margin is above 50 percentage points have been removed. The housing prices correspond to housing prices 2 or 6 years after the election.
Sources: 2008, 2014 and 2020 elections and 2010, 2014, 2016, 2020 and 2022 DV3F.

Figure A.2. Housing prices 12 years after the election depending on the margin of victory for the left



Note: The shaded areas correspond to 95% confidence intervals. The graphs report 10 bins on each side of the discontinuity that capture averages from the same number of observations. The solid lines represent a first-order polynomial. The vertical lines denote the discontinuity point at zero. Municipalities in which the margin is above 50 percentage points have been removed. The housing prices correspond to housing prices 12 years after the election.
Sources: 2001 and 2008 elections and 2013 and 2020 DV3F.

Figure A.3. Density of the running variable



Note: The solid line represents the estimated density of the running variable. The density is estimated from local third-order polynomial regressions estimated on each side of the cut-off. The dashed lines are confidence intervals at the 95% level. Municipalities in which the margin is above 50 percentage points have been removed. The bandwidth selection procedure is based on the MSE criteria. One different bandwidth is used on each side of the threshold.
Source: 2001, 2008, 2014 and 2020 elections