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Neighborhood Change and Local Economic Activity*

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Abstract

We study how neighborhood change shapes local business demographics and employment. We use the regeneration of London public housing into mixed-income housing as a natural experiment that led to a large influx of more affluent households. In a difference-in-differences design comparing nearby businesses to those located farther away, we find that regenerations shift business composition – in both counts and employment – away from small local shops and toward larger general retail establishments and dining services that cater to the new residents. While we find no effect on total local employment on average, employment does increase in the areas most disadvantaged at baseline, suggesting that neighborhood change can expand local employment opportunities in these areas.

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1 Introduction

Prior studies examine how neighborhood change, whether driven by endogenous gentrification or by large-scale urban revitalization programs, impacts housing markets, neighborhood outcomes, and the welfare of incumbent residents. Neighborhoods that draw inflows of more educated and higher-income households tend to experience higher house prices and rents, lower crime, and improved local amenities (Guerrieri et al., 2013; Pennington, 2021; Li, 2021; Blanco and Neri, 2025), along with gains in the educational attainment and long-run outcomes of the children who remain (Gibbons et al., 2013, 2017; Baum-Snow et al., 2019; Brummet and Reed, 2019; Neri, 2024).

Much less is known about how neighborhood change affects local businesses and employment, even though it may carry important welfare implications. Concerns about neighborhood change often focus on the displacement of low-income residents due to rising housing costs. Yet the inflow of high-income households also raises demand for local goods and services, which may improve amenities and spur the entry and growth of local businesses. If those businesses expand employment, residents who remain may gain access to new jobs close to home, an understudied offsetting channel. Whether this channel is quantitatively important matters in the discussion of place-based policies promoting mixed-income neighborhoods to revitalize disadvantaged communities.

The study of this question is challenging for two reasons. First, neighborhood change is hard to define, in terms of both the magnitude of the shock that constitutes it and the period it spans. The literature often measures it as a specified rise in the share of college-educated or high-income residents over a given time period (Freeman, 2005; Brummet and Reed, 2019). While this approach is useful because it can be used on aggregated geographical data across multiple contexts, it is endogenous to local amenities such as businesses (Couture et al., 2024; Almagro and Domínguez-Iino, 2025) and relies on discretionary thresholds for the shock's magnitude and timing. Second, establishment-level data on firms and their workers are hard to obtain at a fine spatial scale, which is why most prior work is restricted to broad neighborhood level analyses.

In this paper, we overcome both challenges by studying the impact of neighborhood change on local economic activity in a quasi-experimental setting with establishment-

level administrative data. We focus on the demolition and redevelopment of 187 London public housing developments between 2004 and 2018, which rebuilt a comparable amount of public housing while adding a similar number of market-rate units on the same sites. Consistent with the prior literature (Neri, 2024; Blanco and Neri, 2025), we document that these "regenerations" resulted in a significant inflow of higher-income households leading to neighborhood change. This setting is well suited to our question for two reasons. First, a regeneration is a well-defined shock that affects a known area over a known horizon, none of which residents choose, and captures the kind of neighborhood change residents are typically concerned about. Second, we use a geolocated panel dataset covering all businesses operating in London, which lets us track firm entry, composition, and employment at a very granular scale.

We begin by showing that public housing regenerations slightly reduce the number of businesses nearby and significantly change their composition. We use a difference-in-differences strategy that compares establishments in areas close to a regeneration (within 0.8km; treated group) with those between 0.8 and 1km (control group), before and after their approval. The number of establishments falls by about 5.9 percent after a regeneration, a decline driven by convenience stores, unlicensed cafés and restaurants (licensing mainly refers to permission to sell alcohol), and pubs. At the same time, the likelihood of having at least one general retail chain in the neighborhood rises by about 14 percent, while the likelihood of having other chains, such as local services or specialty stores, falls (though the effect is significant only for local services). These patterns are consistent with an increased presence of larger, general retail chains – which cater to more affluent households – that replace smaller, more specialized stores, and increased business closures after gentrification as documented in prior work (Glaeser et al., 2023).

We next show that the average effect on local workplace employment is limited, though this result masks substantial heterogeneous effects. At the block level, employment rises in general retail stores (about 24.6 percent) and falls by a similar amount in specialty stores, in alignment with the previous results. Among incumbent establishments, we additionally find that employment decreases in unlicensed cafés and

restaurants (about 12.2 percent) and increases in licensed ones (about 9.8 percent). We interpret this shift as reflecting that licensed establishments support longer and more expensive visits, which may appeal to incoming affluent consumers, while unlicensed ones usually offer quick, low-cost service oriented to local regulars.

Taken together, these results point to a shift toward businesses – both in number and employment levels – that cater to more affluent households: from small, specialty stores to general retail, large chains, and licensed establishments. This pattern in local commercial composition aligns with the observed upward shift in the local income distribution triggered by regenerations.

To make the link between neighborhood change and local economic activity clearer, we show that the effects are driven by more disadvantaged areas, which see the largest shifts in neighborhood composition toward higher-income households. Moreover, these areas do experience an overall increase in local workplace employment. While we cannot observe whether this additional employment directly benefits local residents, the fact that it is generated in the nearby area raises the possibility that neighborhood change also benefits the residents whose condition motivates most concerns in the discussions around neighborhood change. These findings highlight increased local economic activity as an important but often overlooked positive effect of neighborhood change on the nearby area that may ultimately benefit incumbent residents.

We contribute to the literature on how neighborhood change affects local residents (Baum-Snow et al., 2019; Brummet and Reed, 2019; Neri, 2024; Chetty et al., 2026) by shifting attention to an understudied margin: amenity changes tied to local businesses. Prior work either uses structural models to examine the link between neighborhood change and local amenities (Couture et al., 2024; Almagro and Domínguez-Iino, 2025) or documents effects on a narrow set of businesses such as cafés and restaurants (Couture and Handbury, 2020; Pennington, 2021; Li, 2021; Blanco and Neri, 2025). We complement these studies by leveraging a sharp, quasi-exogenous shock to neighborhood composition and tracking a much wider range of categories. Closest to our approach, Glaeser et al. (2023) use Yelp data and a model to show that losing distinctive local businesses can reduce welfare, though they find little association between

gentrification and the retail mix across several large U.S. cities. In our setting, we do find that local specialty stores are replaced by general retail. In addition, we use administrative data to measure economic activity, which records actual establishment counts and employment, avoiding the consumer platform coverage that tilts toward younger, higher-income users.

We also add to a small body of work on how neighborhood change affects local employment. Lester and Hartley (2014) find that gentrification raises local employment, mostly in restaurants and retail services, while Meltzer and Ghorbani (2017) find limited effects on the employment of incumbent residents in New York City. While both analyses are at the broader neighborhood level, we use as quasi-exogenous variation a clean, sudden shock – precisely the kind of neighborhood change usually described as gentrification – together with establishment-level data that let us distinguish incumbent businesses and measure employment across a wide set of categories.

More broadly, we contribute to work on the relationship between planning policy and local economic activity. The liberalization of restaurant entry reshaped the spatial concentration of restaurants in Milan (Leonardi and Moretti, 2023), and England's Town Centre First policy affected the number and composition of stores in town centers (Cheshire et al., 2022). Gibbons et al. (2021) document that subsidizing business floor space in deprived neighborhoods raised the number of local jobs but left employment of local residents unaffected. We instead ask how large *residential* redevelopments affect local firm demographics and workplace employment. The closest work is Borraz et al. (2024), who focus on grocery stores and show that an inflow of high-income residents due to large-scale housing construction increases their presence and product variety.

2 Background

By the early 2000s, many of the large public housing developments (known as "estates") in London had fallen into a state of decay. Built between the 1950s and the 1980s, these estates received little investment from public authorities in the decades following their construction, which led to poor housing conditions and a general air of

disrepair, similar to that associated with U.S. public housing projects.[1] In response, London's 33 Local Authorities (LAs), which manage the public housing stock in collaboration with housing associations, initiated a process of demolition and reconstruction ("regeneration") of these developments.

We focus on a subset of these public housing regenerations that targeted large estates across the city and that were rebuilt as mixed-income housing between 2004 and 2018. LAs prioritized estates for regeneration on the basis of their physical condition and general level of unfitness, such as their poor design. Because LAs lacked the funding to carry out the redevelopment themselves, they often partnered with private developers. Under these partnerships, the regenerated estate would on average roughly preserve the number of preexisting public housing units while adding a similar number of market-rate units, which developers offered for sale or rent (see Appendix Figure A.1 for an example). The result was a significant increase in on-site housing density: the average mixed-income regeneration replaced 163 estate units with a 312-unit development, of which 185 units were market-rate, increasing housing supply by 9 percent within 0.4km of the estate and by 3 percent within 0.8km. Estates may include several buildings regenerated at different points in time, and their completion often took several years (four, on average, in our sample).

This regeneration process raised concerns about neighborhood gentrification and its potential effects on local residents (see also Blanco and Neri, 2025). The involvement of the private sector, in particular, implied that LAs might have had an incentive to prioritize estates in more "profitable" areas, and thus public authorities have often been accused of accelerating gentrification and displacing low-income households from central London (Lees and White, 2020). Freeman et al. (2016), Reades et al. (2022), and Neri (2024), however, find limited displacement of households following regenerations.[2]

[1] Some researchers refer to this neglect as "managed decline" (Watt, 2009, 2013).

[2] Regenerations were generally seen as an opportunity to revitalize local communities rather than to move residents away (Mayor of London, 2018). During construction, tenants are relocated to alternative public or private accommodation, either in their preferred area or in one that minimizes disruption to the household's work and schooling arrangements. Lifetime tenants have the right to be offered a flat in the new premises, and homeowners who bought their home through the Right to Buy scheme are offered a price for their unit.

We show that mixed-income regenerations led, in the long run, to substantial sociodemographic changes in the surrounding neighborhoods. Table 1 reports estimates from a regression of block-level outcomes on indicators for the 2011 and 2021 Census decades (2001 is the omitted decade), interacted with distance bands to the regeneration site (reported in each panel). Outcomes are divided by the London-wide average in 2001, so coefficients can be read as percent changes relative to that baseline. Within 0.4km of the sites, we find increases in labor force participation (2.4 percent, Column 1) and in the share of residents holding higher-education qualifications (4.7 percent, Column 2);[3] the estimate for high-paying occupations is positive but imprecise (2 percent, Column 3). These effects are absent beyond 0.4km, suggesting that the demographic changes are localized in or around the new development. They are concentrated in areas that were more deprived at baseline (Columns 4–6), where the share of managers within 0.4km increases by 3 percent (significant at the 10 percent level). [4] These results complement the 15 percent increase in high-socioeconomic status children within 0.2km documented by Blanco and Neri (2025).

3 Data

We link data on public housing regenerations approved in Greater London between 2004 and 2018 to establishment-level administrative data on businesses and employment, and to block-level Census information. We describe each source below.

We use the sample of estate regenerations constructed in Blanco and Neri (2025), which we summarize here and refer the reader to that paper for details. The sample includes all regenerations approved in London between 2004 and 2018 using planning application data from the London Development Database (LDD). The LDD contains information on each application, including start and completion dates, the number of units by type (public or market-rate) and provider (LA, HA, or private), and the exact

[3]For reference, the average percent change in college-educated individuals that qualifies as gentrification in (Brummet and Reed, 2019) is 6 percent.

[4]We measure area deprivation using the Index of Multiple Deprivation (IMD). The IMD assigns a deprivation score to each Lower Layer Super Output Area in England by combining 7 deprivation domains - income, employment, education, health, crime, barriers to housing and services, and living environment (see Noble et al., 2004, for a detailed description of how the IMD was constructed).

location of the buildings. An application counts as part of an estate regeneration when it involves the redevelopment of an existing building that contains public housing.[5] We restrict the sample to mixed-income regenerations of at least 10 units, defined as those in which public housing accounts for 80 percent or less of the units in the new buildings. This restriction is key to our design, as we use mixed-income regenerations to proxy for neighborhood change, which is triggered by the addition of market-rate units in the new buildings.[6] The final sample consists of 187 regenerations.

To measure economic activity, we use administrative data from 1997 to 2023 from the Business Structure Database (BSD), obtained through the Office for National Statistics (ONS) and HM Revenue and Customs. The businesses listed belong to the Inter-Departmental Business Register, which records all firms registered for VAT and/or Pay As You Earn (PAYE) in the UK, estimated to capture approximately 99 percent of UK economic activity.

This dataset is well suited to our research for four reasons. First, it records the near-universe of firms rather than a selected subset, so we observe local business activity directly rather than through a consumer-facing platform (Glaeser et al., 2018). Second, it distinguishes each firm, which represents the overall business organization, from its local units at which activity takes place, which we refer to as "establishments". Because establishments are separately geolocated, we can compute the distance between these and each regeneration and measure employment where activity occurs. Third, its panel structure lets us follow establishments over time, which allows us to study the effects on incumbent establishments. Fourth, each establishment carries a 5-digit Standard Industrial Classification (SIC) code.

We exploit the fine classification provided by the 5-digit SIC codes to group businesses into the activities most closely tied to neighborhood change, following Glaeser et al. (2018). We consider local services, retail stores, specialty stores, convenience stores, cafés, restaurants, and pubs. Among local services, we include wellness-related

[5] And applications are grouped into a single regeneration when they share an estate name, lie within 0.4km of one another, and were approved within six years of each other. Blanco and Neri (2025) show that alternative grouping choices lead to similar results.

[6] Estates regenerated as public housing only are markedly different from mixed-income regenerations and are therefore not suitable as a control group. For instance, mixed-income estates contained 163 units on average before redevelopment, compared with 56 for non-mixed estates.

businesses, laundromats, hairdressers and gyms. Retail stores include general retail stores such as supermarkets (e.g., Sainsbury's, Tesco). We instead define specialty stores to include a range of small specialized stores selling food-related goods (e.g., fruit vendors, butchers, fishmongers, bakeries, alcohol shops). Finally, we distinguish between unlicensed and licensed cafés and restaurants.[7] This distinction is informative because the two formats correspond to different consumption experiences. Unlicensed establishments usually offer quick, low-cost service oriented toward local regulars, whereas licensed ones support longer and more expensive visits that plausibly appeal to more affluent households. A shift from unlicensed to licensed establishments therefore signals an upgrading of the local offering toward higher-income consumers.

Lastly, we complement these data with the 2001, 2011, and 2021 English Censuses at the Output Area (OA) level. OAs are compact geographical units created by the ONS for Census reporting, each covering about 150 households; London contained 24,140 of them in 2001. Because they are the smallest Census geography and often correspond to city blocks in London, we refer to them as blocks throughout.

4 Empirical Strategy

We estimate the impact of regenerations on local economic activity with a stacked difference-in-differences (DID) design, following Blanco and Neri (2025). This design exploits the fact that a regeneration's impact on the surrounding area fades with distance: blocks (establishments) closest to an estate are intensely treated by the regeneration, while those farther away are progressively less so. We therefore compare outcomes in an inner ring around each regenerated estate to those in an outer ring that surrounds it and serves as the comparison group. Identification rests on the assumption that, absent the regeneration, outcomes in the two rings would have followed parallel trends. This is a plausible assumption since both rings lie within the same

[7] The SIC classification does not separate cafés from restaurants: both fall under the same codes (55301 and 55302 in the 2003 classification), which instead distinguish licensed from unlicensed establishments. Licensable activities comprise the retail sale of alcohol, the supply of alcohol by a club to its members, the provision of regulated entertainment, and late-night refreshment. Establishments selling alcohol must also have a designated supervisor holding a personal license.

neighborhood around the estate, with the only difference that blocks (establishments) in the outer ring are far enough away to be effectively unexposed.

To implement this approach, we first build the stacked dataset by linking each regeneration to all blocks (establishments) within a one-kilometer radius and appending these datasets. We restrict the sample to observations from 6 years before to 9 years after the approval year of the corresponding regeneration. Within each stack, we consider the area within 0.8km of the regeneration as the treated group (inner ring), and the area within 0.8-1km as the control group (outer ring), given that regenerations have negligible effects beyond this point (Blanco and Neri, 2025). Appendix Table A.1 presents summary statistics for the full sample and separately for the treated and control groups. At baseline, the number of establishments, their composition, and their employment levels are similar across groups, supporting the outer ring as a plausible control.

Using this dataset, we estimate the following equation at the block (or establishment) i, estate e, and year t level:

$$\mathrm{Y}_{iet} = \quad \alpha_{et} + \kappa_{ei} + \sum_{\tau=-6}^{9} \beta_{\tau} \; \mathbb{1}(t - E_e = \tau) \times \mathrm{Inner}_{ie} + \epsilon_{iet} \tag{1}$$

The equation represents the dynamic version of the stacked DID, in which we interact indicators for each event year τ with an indicator for whether block (or establishment) i is located in the inner ring (Inner_{ie}) with respect to estate e; the 0.8-1km ring is omitted as the comparison group.[8] E_e denotes the year when the planning application was *approved* for estate e. We include two sets of estate-specific fixed effects: estate-by-calendar-year effects (α_{et}), which control for time trends common to all rings around a given estate, and estate-by-block (or establishment) effects (κ_{ei}), which absorb baseline differences across blocks (or establishments) within each estate's nearby area. We cluster standard errors at the estate level and apply the corrective stacked DID regression weights proposed by Wing et al. (2024), which allow us to interpret β_{τ} in Equation (1) as the average treatment effect on the treated, given by a simple

[8] Any unit (block or establishment) that is within 0.8km of at least one regeneration (i.e., it is treated) is excluded from the comparison group.

average across regenerations within each event year.

Since the outcome variables in this paper are the counts of either establishments or employment levels, we estimate Equation (1) by Poisson pseudo-maximum likelihood, which naturally accounts for zeros. At the establishment level, we separately focus on a sample of "incumbent" establishments that we define as local units that are present in at least one of the six years preceding a regeneration's approval.

5 Main Results: The Impact of Regenerations on Local Economic Activity

5.1 Effects on Local Business Demographics

We begin by asking how the inflow of more highly educated, higher-income neighbors induced by regenerations reshapes the demographics of local businesses. Figure 1, Panel A, reports the event study estimates for two block-level outcomes: the number of establishments (gray dots, left axis) and an indicator for the presence of at least one establishment (black dots, right axis). Panels A and B of Table 2 report the pooled difference-in-differences estimates for the establishment count. Panel A collapses all post-treatment years; Panel B reports the effect separately for years 0 to 3, when regenerations are underway, and years 4 to 9, once they are on average completed. Column 1 includes all establishments; other columns report results by business category.

On average, regenerations slightly reduce the number of establishments operating in the nearby area. The event study shows that the decline sets in around year 3, as regenerations near completion, and stabilizes thereafter, though the long-run coefficients are not statistically distinguishable from zero. Apart from a positive and marginally significant estimate six years before approval, pre-trends are otherwise flat: the coefficients from year -4 onward lie close to zero and show no trend. Collapsing post-treatment periods, the number of establishments falls by roughly 5.9 percent, and by 7.4 percent in the long run (Table 2, Panel A, Column 1). The extensive margin outcome tells a complementary story: the share of blocks with at least one establishment in Figure 1 is unchanged, so the decline reflects fewer establishments in blocks

that already host businesses.

Several factors may explain the slight negative effect on business counts. Commercial rents likely rose as the area grew more attractive, mirroring the increases in nearby house prices and rents documented in Blanco and Neri (2025).[9] Given the long duration of commercial leases, moreover, the prospect of higher future rents combined with uncertainty about the neighborhood's trajectory may lead landlords to hold storefronts vacant rather than lease them at prevailing terms, slowing the turnover of commercial space (Moszkowski and Stackman, 2026). This would also be consistent with the longer commercial vacancies that gentrifying areas tend to exhibit for exiting businesses (Meltzer, 2016). A second channel is lower demand along two margins: first, the temporary relocation of public housing tenants decreases the number of customers in the short run; second, incoming higher-income households may be more likely to consume outside their immediate neighborhood.

We find that the composition of local businesses significantly changes after regenerations. Table 2 documents substantial heterogeneous effects across activities. The overall decline is driven by convenience stores (Column 5), unlicensed cafés and restaurants (Column 6), and pubs (Column 8), effects that persist in the long run (Panel B). They are not confined to the blocks nearest the estates: Appendix Table A.2 (Panels A and B) shows that the effects are still persistent for blocks beyond 0.4km compared to those within 0.4km.

We find further evidence of a compositional shift toward businesses serving incoming households by focusing on chains, which we define as establishments belonging to firms that operate more than one establishment. Chain status captures changes in the *type* of firm rather than its *activity*, and has itself been linked to gentrification (Glaeser et al., 2023). Consistent with the main estimates, we find no effect on the overall likelihood that a block hosts a chain (see Appendix Table A.3). Its composition changes, however: the presence of general retail chains rises by about 14 percent, while that of local service chains (e.g., laundries and gyms) falls by about 50 percent, both

[9]The retail vacancy rate in Greater London is also among the lowest in the U.K. – it was about 7.4 percent in 2025 (Swinney et al., 2025) – which further limits any sizable increase in the number of businesses.

statistically significant. Part of the latter decline may reflect the new market-rate buildings themselves, which now more likely provide such amenities on site. Other categories (e.g., specialty stores) also carry negative coefficients but are not significant.

These results provide evidence of a decreasing presence of small specialized establishments (such as local service chains, convenience stores, or specialty stores) in favor of large, national general retail chains (e.g., Sainsbury's, Tesco). This pattern is often associated with gentrification (Meltzer and Schuetz, 2012; Meltzer, 2016; Glaeser et al., 2023), and is consistent with a change in local consumer taste, as incoming higher-income residents are generally associated with more consumption at those larger general retail stores.

5.2 Effects on Local Business Employment

We now turn to how regenerations affect workplace employment levels at nearby establishments. Panel B of Figure 1 reports event study estimates for employment across all establishments (gray dots, left axis). Panels C and D of Table 2 report the pooled DID estimates for block-level employment, mirroring Panels A and B.

On average, we find no effect on employment, but this masks substantial heterogeneity across business categories. The event study shows that overall employment remains close to zero throughout the post-treatment period, with flat pre-trends and a statistically insignificant pooled estimate (Column 1 of Panel C, Table 2). The remaining columns, however, reveal a sizable positive effect for general retail stores (Column 3; about 24.6 percent), offset by a comparable decline for specialty stores (Column 4). This pattern aligns with the compositional shift documented in Section 5.1: general retail establishments substitute for smaller, more specialized stores.[10]

In contrast, incumbent establishments – defined as those present in at least one of the six years before approval – experience positive employment effects. In Panel B of Figure 1 (black dots, right axis), their workplace employment is flat for the first two years after approval, then rises to around 8 percent from year 3 onward, which

[10] Appendix Table A.2, Panels C and D, reports effects by distance. No clear distance gradient emerges: employment effects for retail establishments persist beyond 0.4km, whereas the negative effects for pubs are concentrated close to the regeneration.

coincides with the arrival of the new residents, and persists thereafter. Most of these medium- and long-run estimates are significant at the 10 percent level, while the pre-approval coefficients lie close to zero, are never significant, and show no differences in pre-trends.

Incumbent establishments show similar heterogeneity patterns across categories, as shown in Table 3. Panel A reports the pooled post-treatment effects, collapsing all post-treatment years (Panel A) and reporting them separately for years 0 to 3 and 4 to 9 (Panel B). While the average effect is positive but not statistically significant (Column 1), Panel A documents large positive effects for general retail stores (about 18.6 percent; Column 3) and licensed cafés and restaurants (about 9.8 percent; Column 7), alongside negative effects for specialty stores (about 9.6 percent; Column 4) and unlicensed cafés and restaurants (about 12.2 percent; Column 6). These effects are generally sizable and persist once the regeneration is complete (Panel B).[11] Effects for retail establishments and unlicensed establishments persist beyond 0.4km, as do those for specialty stores and licensed establishments, though for the latter two only the estimates beyond 0.4km are statistically significant (Appendix Table A.2).

These results reinforce the interpretation from Section 5.1: regenerations lead to a shift from small local businesses toward general retail stores catering to higher-income households. The parallel substitution away from unlicensed cafés and restaurants, often associated with low prices, quick consumption, and local regulars, and toward licensed ones, more expensive and plausibly geared to higher-income diners, is consistent with incoming residents demanding more formal dining rather than quick, low-cost options.

6 Heterogeneity: Evidence on the Role of Neighborhood Change

Having documented the effects of regenerations on business demographics and employment, we further examine the specific role of neighborhood change, i.e., the shift

[11] Appendix Table A.4 uses a wider control ring (0.8-1.2km); the overall pattern is similar to that in Table 3.

in neighborhood composition toward higher-income households, in explaining these effects. Isolating this channel is important because regenerations do more than shift neighborhood composition; they also remove a negative physical externality and make the area more attractive to visit, either of which could affect local economic activity on its own.

We therefore provide supportive evidence that neighborhood change is a key driver of our results by studying heterogeneity by baseline neighborhood socioeconomic status. The argument is that a given inflow of market-rate housing represents a larger relative shift up the local income distribution in neighborhoods that are more disadvantaged at baseline; thus, larger business effects in these areas would be suggestive evidence that neighborhood change drives our results. We measure low socioeconomic status with the Index of Multiple Deprivation (IMD) in 2004 at the block group level (Lower Layer Super Output Areas, LSOAs) and split the sample at the median, comparing more deprived (top 50 percent) and less deprived (bottom 50 percent) blocks.[12] The IMD assigns a deprivation score to each LSOA in England by combining seven deprivation domains - income, employment, education, health, crime, barriers to housing and services, and living environment (see Noble et al., 2004). Table 1 (columns 4-9) documents that long-run changes to local demographics are driven by areas that were more deprived at baseline.

We find that the demographic effects are stronger in more disadvantaged neighborhoods. Panels A and B of Table 4 report the pooled DID estimates for the establishment count across the two subsamples. In more deprived areas, regenerations lead to larger declines in the number of establishments, concentrated in local services and unlicensed cafés and restaurants. Again, this result is consistent with small businesses being crowded out by the shift in consumption patterns induced by the inflow of higher-income residents.

Regarding employment (Panels C and D), the average null in Section 5.2 no longer holds: while employment does not change significantly in less deprived areas, in more deprived areas it rises by roughly 11.2 percent, driven by general retail stores (about 28.2 percent) and licensed cafés and restaurants (about 18.3 percent), two of the cate-

[12]LSOAs contain about 800 households, and OAs are nested within them.

gories most associated with gentrification in the literature. Incumbent establishments follow the same pattern (Table 4, Panels E and F).

These results are robust to an alternative proxy for neighborhood change. In Appendix Table A.5, we instead split regenerations by the size of the housing shock they induce, defined as the difference between the number of units in the new building and the number of units in the demolished building, divided by the total housing stock within 0.8km (the treated area) in the 2011 Census. The rationale is similar to the deprivation split: regenerations that add more units draw in more higher-income households. Splitting regenerations at the median of this measure and estimating the main specification separately for each sample yields estimates very similar to those from the deprivation split, further supporting our interpretation.

Overall, these results suggest that the neighborhoods undergoing the largest compositional changes see the largest gains in local employment. While we cannot determine whether local residents are the ones who fill these jobs, the fact that they are generated locally at least raises the possibility that neighborhood change benefits the very residents whose displacement is the central concern in discussions around neighborhood change. A caveat is that these new opportunities, concentrated in general retail stores and restaurants, come alongside employment losses in smaller, more specialized local businesses, which aligns with prior descriptive evidence on this topic (Lester and Hartley, 2014).

7 Concluding remarks

We document how public housing regenerations, which bring a large inflow of higher-income households, shift the composition of local businesses and their employment toward activities that cater to this demographic. Two shifts best exemplify this pattern, both broadly consistent with the literature (Glaeser et al., 2018; Lester and Hartley, 2014; Meltzer and Ghorbani, 2017). The first is from small local and specialty stores toward general retail and large chain stores. The second is from unlicensed to licensed cafés and restaurants, which plausibly cater to the more expensive dining experience demanded by higher-income consumers rather than to local regulars.

Despite the average effect of regenerations on employment being close to zero, we show that it is positive and significant for regenerations in more disadvantaged areas at baseline – precisely the areas that experience the largest influx of higher-income households. While most discussions of neighborhood change focus on rising housing prices and the displacement of low-income residents, our results point to a countervailing margin: positive effects on local employment in these areas, with the caveat that we cannot link these new jobs to local residents.

Our findings highlight one of the mechanisms through which neighborhood change can bring employment opportunities to local residents: the spur of local business growth. It is worth noting that it is unlikely to be the only one, since recent research shows that the interaction between low-income residents and nearby higher-income residents in the context of neighborhood change can itself improve income and employment prospects of low-income residents (Chetty et al., 2026).

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Tables

Table 1: Demographic changes (block-level)

	Full sample			More deprived			Less deprived		
	Labor market Active	High qualified	Managers	Labor market active	High qualified	Managers	Labor market active	High qualified	Managers
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: Within 0.4km									
2011	0.004	−0.006	0.038***	0.003	0.002	0.041**	−0.003	−0.027***	0.017
	(0.004)	(0.010)	(0.013)	(0.004)	(0.012)	(0.016)	(0.009)	(0.009)	(0.013)
2021	0.024***	0.047***	0.020	0.021***	0.054***	0.030*	0.021**	0.023	0.003
	(0.006)	(0.013)	(0.017)	(0.006)	(0.016)	(0.017)	(0.009)	(0.019)	(0.050)
Panel B: Between 0.4 and 0.8km									
2011	−0.004	−0.004	0.009	−0.005	−0.005	0.013	−0.001	0.002	0.001
	(0.003)	(0.008)	(0.011)	(0.004)	(0.010)	(0.013)	(0.009)	(0.012)	(0.018)
2021	−0.000	0.004	−0.004	−0.002	0.006	0.001	0.010	0.001	−0.020
	(0.004)	(0.009)	(0.011)	(0.005)	(0.010)	(0.013)	(0.010)	(0.022)	(0.027)
Observations	15,372	15,372	15,372	13,857	13,857	13,857	1,509	1,509	1,509
Baseline mean	0.653	0.328	0.154	0.643	0.320	0.148	0.744	0.402	0.216

Notes. The table shows the effect of public housing regenerations on local demographics, separately for the full sample and for blocks (OA) within LSOAs above ("more deprived") and below ("less deprived") the median of the Index of Multiple Deprivation (IMD), computed in 2004. The IMD assigns a deprivation score to each LSOA in England by combining 7 deprivation domains - income, employment, education, health, crime, barriers to housing and services, and living environment (see Noble et al., 2004). The regression is estimated at block level and uses 2001 as pre-period. All regressions control for public housing estate-calendar year fixed effects and estate-block fixed effects. Percent active is the share of economically active residents. High qualified is the share of individuals who obtained a higher education degree (e.g, Bachelor's, Master's, PhD), professional certifications (e.g., teaching, nursing, accountancy), and/or vocational awards like Higher National Certificates (HNC) or Diplomas. Percent managers is the share of residents in managerial (high-end) occupations. All variables are divided by their London-wide average (within each sample) in 2001 and can therefore be interpreted as percent changes with respect to the baseline mean. Standard errors in parentheses are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 2: The impact of regenerations on establishment and employment counts (block-level)

	All	Local services	Retail (general)	Specialty stores	Convenience stores	Unlicensed cafés and restaurants	Licensed cafés and restaurants	Pubs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. Number of establishments — average effect								
treated × post	−0.059***	−0.075	−0.009	−0.040	−0.190**	−0.108*	0.031	−0.125**
	(0.020)	(0.053)	(0.043)	(0.050)	(0.085)	(0.058)	(0.039)	(0.055)
Panel B. Number of establishments — effects over time								
treated × 0–3 yrs	−0.037**	−0.061	0.001	−0.032	−0.116*	−0.048	0.040	−0.049
	(0.017)	(0.041)	(0.037)	(0.047)	(0.069)	(0.055)	(0.031)	(0.043)
treated × 4–9 yrs	−0.074**	−0.084	−0.017	−0.046	−0.255**	−0.149**	0.023	−0.189***
	(0.030)	(0.071)	(0.055)	(0.066)	(0.111)	(0.067)	(0.053)	(0.070)
Observations	156,401	82,128	68,397	54,355	29,151	50,069	50,953	42,798
Panel C. Employment — average effect								
treated × post	0.029	−0.084	0.246***	−0.253**	−0.089	−0.052	0.061	−0.107
	(0.048)	(0.095)	(0.078)	(0.113)	(0.097)	(0.077)	(0.107)	(0.071)
Panel D. Employment — effects over time								
treated × 0–3 yrs	0.008	−0.021	0.134***	−0.136*	−0.052	−0.074	0.031	−0.040
	(0.038)	(0.111)	(0.051)	(0.077)	(0.088)	(0.059)	(0.091)	(0.052)
treated × 4–9 yrs	0.046	−0.136	0.345***	−0.328*	−0.119	−0.036	0.091	−0.163*
	(0.061)	(0.114)	(0.110)	(0.178)	(0.129)	(0.114)	(0.121)	(0.092)
Observations	156,385	82,128	68,397	54,355	29,151	50,069	50,953	42,798

Notes. The table shows the effect of public housing regenerations on the number of establishments (panels A and B) and employment (panels C and D). Both outcomes are measured at block level (OA). The effects are estimated using the block-level version of equation (1), grouping pre- and post-treatment periods, and the Poisson pseudo-maximum likelihood estimator. All regressions control for public housing estate-calendar year fixed effects and estate-block fixed effects. Panels B and D split the post-treatment effects for the years before and after expected completion (4 years). Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty shops include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 3: The impact of regenerations on employment levels in incumbent establishments

	All (1)	Local services (2)	Retail (general) (3)	Specialty stores (4)	Convenience stores (5)	Unlicensed cafés and restaurants (6)	Licensed cafés and restaurants (7)	Pubs (8)
Panel A. Average effect								
treated × post	0.040	−0.029	0.186**	−0.096*	−0.042	−0.122**	0.098**	0.036
	(0.046)	(0.065)	(0.083)	(0.055)	(0.058)	(0.050)	(0.040)	(0.043)
Panel B. Effects over time								
treated × 0–3 yrs	0.016	−0.030	0.154***	−0.095**	−0.034	−0.127**	0.094**	0.039
	(0.043)	(0.070)	(0.058)	(0.048)	(0.055)	(0.052)	(0.039)	(0.043)
treated × 4–9 yrs	0.075	−0.028	0.228*	−0.098	−0.062	−0.114*	0.109**	0.032
	(0.056)	(0.068)	(0.120)	(0.086)	(0.080)	(0.060)	(0.055)	(0.051)
Observations	219,825	33,085	36,145	22,231	10,082	17,561	26,904	22,301

Notes. The table shows the effect of public housing regenerations on employment for incumbent establishments. Incumbent establishments are defined as establishments present in at least one year over the six years preceding a regeneration's approval. The unit of observation is the establishment. The effects are estimated using the establishment-level version of equation (1), grouping pre- and post-treatment periods, and the Poisson pseudo-maximum likelihood estimator. All regressions control for public housing estate-calendar year fixed effects and estate-establishment fixed effects. Panel B splits the post-treatment effects for the years before and after expected completion (4 years). Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

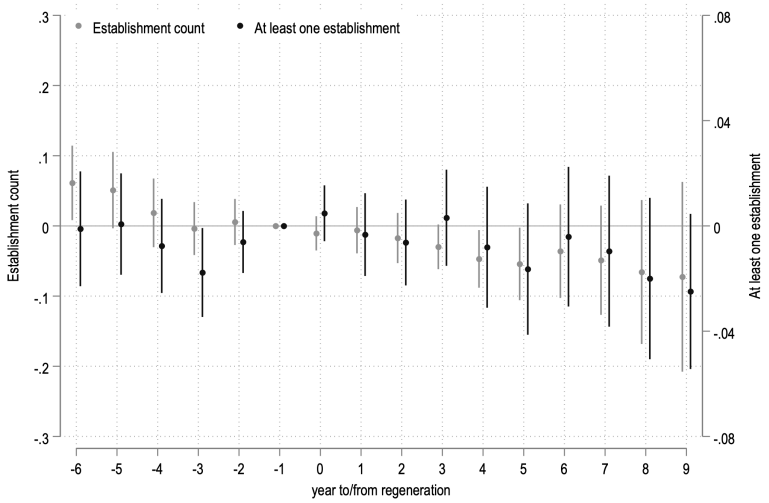
Table 4: Heterogeneous effects by local deprivation

	All	Local services	Retail (general)	Specialty stores	Convenience stores	Unlicensed cafés and restaurants	Licensed cafés and restaurants	Pubs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. Number of establishments — more deprived								
treated × post	−0.065**	−0.156*	−0.053	−0.036	−0.151	−0.136*	0.068	−0.093
	(0.029)	(0.082)	(0.050)	(0.067)	(0.113)	(0.076)	(0.053)	(0.070)
Observations	125,427	63,731	55,275	43,046	24,236	39,205	38,661	33,709
Panel B. Number of establishments — less deprived								
treated × post	−0.039	0.010	0.086	0.059	−0.215	−0.299**	−0.071	0.023
	(0.047)	(0.083)	(0.073)	(0.150)	(0.183)	(0.123)	(0.060)	(0.083)
Observations	19,985	11,204	6,887	6,221	2,131	5,553	5,950	4,604
Panel C. Employment — more deprived								
treated × post	0.112**	−0.117	0.282***	−0.153	−0.134	−0.030	0.183***	−0.090
	(0.050)	(0.141)	(0.085)	(0.104)	(0.125)	(0.119)	(0.065)	(0.087)
Observations	125,411	63,731	55,275	43,046	24,236	39,205	38,661	33,709
Panel D. Employment — less deprived								
treated × post	−0.112	0.051	−0.101	−0.040	0.019	−0.200	−0.280	0.042
	(0.142)	(0.148)	(0.121)	(0.193)	(0.252)	(0.149)	(0.189)	(0.047)
Observations	19,985	11,204	6,887	6,221	2,131	5,553	5,950	4,604
Panel E. Incumbent employment — more deprived								
treated × post	0.103*	0.022	0.253**	−0.177**	−0.122**	−0.207***	0.067**	0.001
	(0.053)	(0.049)	(0.108)	(0.070)	(0.060)	(0.063)	(0.033)	(0.052)
Observations	157,888	22,232	28,588	17,517	7,912	11,542	15,859	14,602
Panel F. Incumbent employment — less deprived								
treated × post	−0.022	0.132	−0.001	−0.002	0.095	−0.027	−0.045	−0.131
	(0.053)	(0.159)	(0.027)	(0.122)	(0.114)	(0.100)	(0.099)	(0.096)
Observations	36,621	7,269	4,175	2,266	646	2,786	6,135	3,453

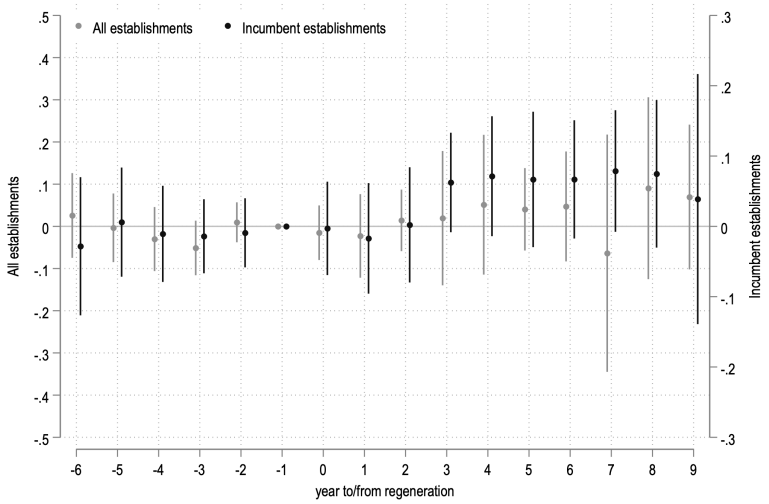
Notes. The table shows the effect of public housing regenerations on the number of establishments (panels A and B), block-level (OA) employment (panels C and D) and employment for incumbent establishments (panels E and F). The effects are estimated using equation (1), grouping pre- and post-treatment periods, and the Poisson pseudo-maximum likelihood estimator. All regressions control for public housing estate-calendar year fixed effects and estate-block (panels A-D) or estate-establishment (panels E-F) fixed effects. Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. Deprivation is defined at block group-level (LSOA), using the Index of Multiple Deprivation (IMD). The IMD assigns a deprivation score to each LSOA in England by combining 7 deprivation domains - income, employment, education, health, crime, barriers to housing and services, and living environment (see Noble et al., 2004). The observations do not sum up to the full sample because of a small number of unmatched LSOA codes (due to coding changes across Census waves). More (less) deprived LSOAs are defined as those having a deprivation score above (below) the median. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Figures

Figure 1: Event study: The impact of regenerations on establishment and employment counts



Panel A. Establishment count



Panel B. Employment

Notes. The figure shows dynamic effects before and after the regeneration's approval (time = 0) for block-level counts (Panel A) and employment (Panel B). Panel A, left-hand side axis consider the number of establishments, while the right-hand side axis considers an indicator variable for the presence of at least one establishment in the block (OA). Panel B considers overall workplace employment in a block (left-hand side axis) and workplace employment for incumbent establishments (right-hand side axis). The effects are estimated using equation (1). All regressions control for public housing estate-calendar year fixed effects and estate-block or estate-establishment fixed effects. Except for the indicator outcome (right-hand side axis, Panel A), all estimates are obtained using the Poisson pseudo-maximum-likelihood estimator. Standard errors are clustered on regenerations. Vertical bars plot the 95% confidence interval.

Online Appendix

"Neighborhood Change and Local Economic Activity",

by Hector Blanco and Lorenzo Neri

Appendix A Additional tables and figures

Table A.1: Descriptive statistics on establishments

	Main sample		Treated group		Control group	
	Mean (1)	SD (2)	Mean (3)	SD (4)	Mean (5)	SD (6)
Panel A. Counts						
All	2.345	6.298	2.360	6.508	2.280	5.222
Local services	0.326	1.040	0.324	1.057	0.335	0.958
Retail (general)	0.351	0.902	0.359	0.920	0.314	0.812
Specialty stores	0.246	0.764	0.250	0.785	0.225	0.657
Convenience stores	0.114	0.383	0.116	0.395	0.102	0.326
Unlicensed cafés and restaurants	0.203	0.813	0.205	0.827	0.198	0.743
Licensed cafés and restaurants	0.328	1.568	0.320	1.607	0.369	1.371
Pubs	0.253	1.027	0.255	1.075	0.247	0.770
Panel B. Employment						
All	23.782	113.741	23.306	117.877	25.979	92.281
Local services	2.757	22.364	2.756	23.353	2.764	17.083
Retail (general)	7.111	60.323	6.821	62.378	8.445	49.752
Specialty stores	1.099	5.334	1.141	5.514	0.907	4.403
Convenience stores	0.335	1.511	0.339	1.550	0.318	1.314
Unlicensed cafés and restaurants	1.985	12.915	1.936	12.695	2.211	13.883
Licensed cafés and restaurants	4.978	40.143	4.834	41.539	5.640	32.950
Pubs	2.425	14.639	2.371	15.324	2.677	10.935
Observations	60,444		49,668		10,776	

Notes. All: include all establishments listed in the two panels as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. All statistics are block-level averages computed considering pre-treatment periods (from 6 to 1 years before the approval year). The treated sample considered in this Table includes all blocks within 0.8km from a regeneration. Data on establishment counts and employment from the Business Structure Database (Office for National Statistics - see main text for details).

Table A.2: Effects on number of establishments and employment by distance

	All (1)	Local services (2)	Retail (general) (3)	Specialty stores (4)	Convenience stores (5)	Unlicensed cafés and restaurants (6)	Licensed cafés and restaurants (7)	Pubs (8)
Panel A. Number of establishments — within 0.4km								
treated × 0–3 yrs	−0.0468**	−0.0640	−0.0118	−0.1064*	−0.1559*	0.0403	0.0556	−0.1398**
	(0.0197)	(0.0467)	(0.0471)	(0.0545)	(0.0927)	(0.0638)	(0.0387)	(0.0636)
treated × 4–9 yrs	−0.0561	−0.0364	−0.0615	−0.1374*	−0.2874**	−0.0921	0.0962	−0.2879***
	(0.0413)	(0.0690)	(0.0590)	(0.0742)	(0.1438)	(0.0814)	(0.0761)	(0.0800)
Panel B. Number of establishments — between 0.4 and 0.8km								
treated × 0–3 yrs	−0.0347**	−0.0606	0.0053	−0.0076	−0.1023	−0.0738	0.0356	−0.0243
	(0.0174)	(0.0432)	(0.0382)	(0.0487)	(0.0711)	(0.0562)	(0.0316)	(0.0422)
treated × 4–9 yrs	−0.0792**	−0.0965	−0.0031	−0.0171	−0.2439**	−0.1655**	0.0025	−0.1626**
	(0.0326)	(0.0758)	(0.0564)	(0.0704)	(0.1111)	(0.0683)	(0.0527)	(0.0727)
Observations	156,401	82,128	68,397	54,355	29,151	50,069	50,953	42,798
Panel C. Employment — within 0.4km								
treated × 0–3 yrs	−0.0084	−0.1068	0.1174*	−0.1585*	0.0073	0.0133	0.0627	−0.1362**
	(0.0340)	(0.1259)	(0.0700)	(0.0882)	(0.1325)	(0.1030)	(0.0983)	(0.0690)
treated × 4–9 yrs	0.0575	−0.1153	0.3692***	−0.4350**	−0.0779	−0.0248	0.1320	−0.2380**
	(0.0787)	(0.1387)	(0.1344)	(0.1813)	(0.1658)	(0.1391)	(0.1361)	(0.0954)
Panel D. Employment — between 0.4 and 0.8km								
treated × 0–3 yrs	0.0127	0.0004	0.1377***	−0.1285	−0.0731	−0.0922	0.0209	−0.0161
	(0.0416)	(0.1122)	(0.0531)	(0.0820)	(0.0852)	(0.0652)	(0.0905)	(0.0522)
treated × 4–9 yrs	0.0433	−0.1408	0.3395***	−0.2920	−0.1336	−0.0384	0.0796	−0.1440
	(0.0670)	(0.1158)	(0.1095)	(0.1837)	(0.1287)	(0.1298)	(0.1211)	(0.0979)
Observations	156,385	82,128	68,397	54,355	29,151	50,069	50,953	42,798
Panel E. Incumbent employment — within 0.4km								
treated × 0–3 yrs	−0.0475	−0.0761	0.1611***	−0.0881	−0.0102	−0.1559**	0.0920	−0.0367
	(0.0409)	(0.0830)	(0.0541)	(0.0593)	(0.0565)	(0.0660)	(0.0574)	(0.0643)
treated × 4–9 yrs	0.0118	0.0130	0.1770	−0.0970	−0.0110	−0.2003**	0.0675	−0.0666
	(0.0664)	(0.0972)	(0.1090)	(0.1010)	(0.0894)	(0.0931)	(0.0682)	(0.1189)
Panel F. Incumbent employment — between 0.4 and 0.8km								
treated × 0–3 yrs	0.0317	−0.0179	0.1528**	−0.0972**	−0.0413	−0.1227**	0.0941**	0.0532
	(0.0472)	(0.0688)	(0.0598)	(0.0486)	(0.0578)	(0.0528)	(0.0376)	(0.0440)
treated × 4–9 yrs	0.0890	−0.0361	0.2358*	−0.0980	−0.0753	−0.1019*	0.1164**	0.0487
	(0.0611)	(0.0678)	(0.1226)	(0.0868)	(0.0829)	(0.0617)	(0.0554)	(0.0536)
Observations	219,825	33,085	36,145	22,231	10,082	17,561	26,904	22,301

Notes. The table shows the effect of public housing regenerations on the number of establishments (panels A and B), block-level (OA) employment (panels C and D) and employment for incumbent establishments (panels E and F). The effects are estimated using equation (1), grouping pre-periods and splitting the post-treatment effects for the years before and after expected completion (4 years). In addition, we estimate treatment effects for blocks/establishments located within 0.4km and between 0.4 and 0.8km from the regeneration site. The estimates are obtained using the Poisson pseudo-maximum likelihood estimator. All regressions control for public housing estate-calendar year fixed effects and estate-block (panels A-D) or estate-establishment (panels E-F) fixed effects. Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A.3: Probability of at least one chain

	All	Local services	Retail (general)	Specialty stores	Convenience stores	Unlicensed cafés and restaurants	Licensed cafés and restaurants	Pubs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. Average effect								
treated × post	−0.004	−0.011***	0.006**	−0.006	0.002	−0.004	−0.001	−0.003
	(0.007)	(0.004)	(0.003)	(0.004)	(0.001)	(0.003)	(0.002)	(0.004)
Panel B. Effects over time								
treated × 0–3 yrs	−0.002	−0.003	0.004**	−0.004	0.002	−0.003	−0.001	−0.003
	(0.005)	(0.003)	(0.002)	(0.004)	(0.001)	(0.002)	(0.002)	(0.003)
treated × 4–9 yrs	−0.006	−0.017**	0.007**	−0.007	0.002	−0.005	−0.002	−0.003
	(0.009)	(0.007)	(0.003)	(0.005)	(0.001)	(0.004)	(0.002)	(0.004)
Observations	231,703	231,703	231,703	231,703	231,703	231,703	231,703	231,703
Panel C. Within 0.4km								
treated × 0–3 yrs	−0.005	−0.006**	−0.001	−0.004	0.003**	−0.001	−0.001	−0.004
	(0.006)	(0.003)	(0.003)	(0.004)	(0.001)	(0.003)	(0.002)	(0.004)
treated × 4–9 yrs	−0.011	−0.022***	0.005	−0.008	0.001	−0.002	0.002	−0.004
	(0.009)	(0.007)	(0.004)	(0.006)	(0.002)	(0.005)	(0.003)	(0.004)
Panel D. Between 0.4 and 0.8km								
treated × 0–3 yrs	−0.001	−0.002	0.006**	−0.004	0.002	−0.003	−0.001	−0.003
	(0.005)	(0.003)	(0.002)	(0.004)	(0.001)	(0.002)	(0.002)	(0.003)
treated × 4–9 yrs	−0.005	−0.015**	0.008**	−0.007	0.002	−0.006	−0.003	−0.002
	(0.009)	(0.007)	(0.004)	(0.005)	(0.001)	(0.004)	(0.003)	(0.004)
Observations	231,703	231,703	231,703	231,703	231,703	231,703	231,703	231,703
Pre-treatment mean	0.123	0.021	0.042	0.023	0.003	0.022	0.022	0.036

Notes. The table shows estimates of the effect of public housing regenerations on the probability of having at least one chain. Establishments are considered part of chains if the establishment's parent firm operates more than one establishment. The outcome is defined at block (OA) level. The effects are estimated using the block-level version of equation (1), grouping pre- and post-treatment periods, and using the OLS estimator. All regressions control for public housing estate-calendar year fixed effects and estate-block fixed effects. Panels B, C and D split the post-treatment effects for the years before and after expected completion (4 years). Panels C and D estimate treatment effects by distance – within 0.4km and between 0.4 and 0.8km. Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A.4: Effects on employment of incumbent establishments: wider control ring

	All	Local services	Retail (general)	Specialty stores	Convenience stores	Unlicensed cafés and restaurants	Licensed cafés and restaurants	Pubs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. Average effect								
treated × post	0.0474	0.0593	0.1362**	−0.0629	−0.0294	−0.0481	0.0417	−0.0100
	(0.0329)	(0.0416)	(0.0627)	(0.0394)	(0.0363)	(0.0509)	(0.0320)	(0.0299)
Panel B. Effects over time								
treated × 0–3 yrs	0.0322	0.0444	0.1257***	−0.0646*	−0.0288	−0.0363	0.0271	−0.0065
	(0.0297)	(0.0416)	(0.0459)	(0.0364)	(0.0354)	(0.0454)	(0.0311)	(0.0300)
treated × 4–9 yrs	0.0675*	0.0849	0.1499*	−0.0595	−0.0311	−0.0701	0.0776*	−0.0162
	(0.0404)	(0.0525)	(0.0873)	(0.0564)	(0.0486)	(0.0726)	(0.0454)	(0.0356)
Observations	275,601	41,914	44,338	27,333	12,523	22,752	35,103	27,830

Notes. The table shows estimates of the effect of public housing regenerations on employment for incumbent establishment. Incumbent establishments are defined as establishments present in at least one year over the six years preceding a regeneration's approval. The control ring includes all establishments between 0.8 and 1.2km from a regeneration. The unit of observation is the establishment. The effects are estimated using the establishment-level version of equation (1), grouping pre- and post-treatment periods, and the Poisson pseudo-maximum likelihood estimator. All regressions control for public housing estate-calendar year fixed effects and estate-establishment fixed effects. Panel B splits the post-treatment effects for the years before and after expected completion (4 years). Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A.5: Heterogeneous effects by local deprivation

	All	Local services	Retail (general)	Specialty stores	Convenience stores	Unlicensed cafés and restaurants	Licensed cafés and restaurants	Pubs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. Number of establishments — high housing shock								
treated × post	−0.064*	−0.093	−0.045	−0.055	−0.280*	−0.150*	0.106	−0.275***
	(0.033)	(0.078)	(0.051)	(0.092)	(0.146)	(0.091)	(0.079)	(0.088)
Observations	75,109	39,036	32,988	26,279	14,050	23,897	23,927	20,439
Panel B. Number of establishments — low housing shock								
treated × post	−0.055**	−0.063	0.022	−0.027	−0.112	−0.078	−0.010	−0.023
	(0.026)	(0.073)	(0.067)	(0.050)	(0.097)	(0.073)	(0.040)	(0.050)
Observations	81,292	43,092	35,409	28,076	15,101	26,172	27,026	22,359
Panel C. Employment — high housing shock								
treated × post	0.078	−0.247*	0.334***	−0.186	−0.159	−0.049	0.181**	−0.260*
	(0.088)	(0.149)	(0.116)	(0.130)	(0.138)	(0.150)	(0.084)	(0.139)
Observations	75,093	39,036	32,988	26,279	14,050	23,897	23,927	20,439
Panel D. Employment — low housing shock								
treated × post	−0.001	−0.009	0.169*	−0.302*	−0.037	−0.054	0.020	−0.024
	(0.048)	(0.109)	(0.090)	(0.169)	(0.132)	(0.086)	(0.121)	(0.057)
Observations	81,292	43,092	35,409	28,076	15,101	26,172	27,026	22,359
Panel E. Incumbent employment — high housing shock								
treated × post	0.103	−0.038	0.332**	−0.061	0.010	−0.263***	0.081	−0.047
	(0.067)	(0.068)	(0.141)	(0.074)	(0.074)	(0.072)	(0.050)	(0.072)
Observations	88,971	12,995	15,746	9,812	4,437	6,870	8,587	8,819
Panel F. Incumbent employment — low housing shock								
treated × post	−0.036	−0.007	0.052	−0.125*	−0.108	−0.043	0.106*	0.064
	(0.056)	(0.103)	(0.045)	(0.067)	(0.079)	(0.059)	(0.056)	(0.047)
Observations	125,372	19,224	19,584	11,890	5,397	10,099	17,351	12,894

Notes. The table shows the effect of public housing regenerations on the number of establishments (panels A and B), block-level (OA) employment (panels C and D) and employment for incumbent establishments (panels E and F). The effects are estimated using equation (1), grouping pre- and post-treatment periods, and the Poisson pseudo-maximum likelihood estimator. All regressions control for public housing estate-calendar year fixed effects and estate-block (panels A-D) or estate-establishment (panels E-F) fixed effects. Column (1) includes all establishments in columns (2)-(8) as well as pharmacies/drugstores and take-away shops. Local services includes: wellness-related businesses, laundromats, hairdressers, gyms. Specialty stores include: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty stores selling food-related goods. The housing shock is defined as the difference between the number of units in the new building and the number of units in the demolished building, divided by the total housing stock within 0.8km (the treated area) in the 2011 Census. High and low housing shock is defined with respect to the median. Local services: wellness, laundry, hairdressers, gyms. Specialty stores: fruit vendors, butchers, fishmongers, bakeries, alcohol shops and specialty food stores. Standard errors, reported in parentheses, are clustered at regeneration level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Figure A.1: Example of a public housing regeneration

Panel A. Before regeneration

Panel B. After regeneration

Notes. The figure shows an example of a public housing regenerations: the Meredith Tower in West London.