

## The housing decisions of renters in Taiwan

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### Abstract

Previous studies analyze housing tenure choice mostly focus on the transition from renting to owning a house. However, except the decision of renting or buying a house, some renters might decide to return to the parental home, and this proportion is 22 percent in Taiwan. We apply the competing risks model to analyze the multiple housing decisions for renters, including the decision of remain staying in rental status, buying a house and returning to the parental home. Our empirical data comes from Panel Study of Family Dynamics in Taiwan. Major factors that affect the housing decision include life course events, housing market conditions and social-economic characteristics. Our empirical results indicate that marital age has mostly significant negative effect on returning to parental home, and positive effect on buying a house. Permanent income has mostly significant positive effect on buying a house, and negative effect on returning to parental home. Besides, we also find mortgage rate and the housing price have significant effect on buying a house; however, the effect on returning to the parental home is not significant.

Keyword: competing risks model; housing tenure choice; Panel Study of Housing Dynamics