

# **Residential Location Choice Modeling: Accommodating Sociodemographic, School Quality and Accessibility Effects**

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## **ABSTRACT**

This paper examines household residential location choice behavior using a sample of single wage-earner households from the Dallas-Fort Worth region in Texas. The study considers several potential determinants of residence location choice, including socio-demographic status, stage of life cycle and racial composition. In addition, the study is one of the few research efforts that recognizes the impact of school quality on household residential location choice. The study also accommodates the effects of accessibility to different activity purposes on residential choice decisions.

## 1. INTRODUCTION

It is conventional wisdom that land-use patterns and travel patterns are closely interlinked (see for example Mitchell and Rapkin, 1954; Jones et al., 1983; Jones, 1990; Banister, 1994; Hanson, 1996). With the passage of the Intermodal Surface Transportation Efficiency (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21), the integrated analysis of land-use and transportation interactions has gained renewed interest and importance. However, the behavioral linkages between activity patterns and long-term household choices that influence land use have been explored in only a limited fashion. Given that residential land use occupies about two-thirds of all urban land, and that home-based trips account for a large proportion of all travel (Harris, 1996), one of the most important household long-term land use-related decisions is that of residential location. This decision not only determines the association between the household with the rest of the urban environment, but also influences the household's budgets for activity participation. Meeting the expectations of households in this regard is a major component of public policy related to housing markets, job location, and transportation (Oryani and Harris, 1996).

This current study is in the same direction as earlier research in the area of discrete choice residential models, with the objective of gaining insights into the urban spatial location process. A better understanding of the linkage between households' characteristics and residential location characteristics will facilitate improved and integrated land-use and transportation modeling (see Waddell, 2000).

The current study examines the location choice behavior of households using data from the Dallas-Fort Worth region in Texas. As the intention is to gain an in-depth understanding of residential location choice, the model does not consider other potentially interdependent

decisions such as work location, tenure status and car ownership. Further, since the number of workers in a household has a major effect on households' location choice (Waddell, 1993), this study focuses on households with only one wage earner. Within the narrow scope of the residential location of single wage-earner households, the study considers a comprehensive set of determinants of residential location decisions. These factors include socio-demographic status, stage of life cycle, ethnicity and accessibility to different types of activities. In addition, the study is one of the few research efforts that recognizes the impact of school quality on household residential location choice.

The remainder of this paper is organized as follows. Section 2 provides an overview of previous studies on residential location choice, with specific emphasis on the exogenous variables used to explain residential choice behavior. Section 3 presents the development and formulation of the residential location choice multinomial logit model. Section 4 focuses on the preparation and assembly of the data for model estimation. Section 5 discusses model specification issues and presents the empirical results. Finally, section 6 summarizes major findings of this study and their policy implications.

## **2. LITERATURE REVIEW**

Modern research on housing choice began with the study of Alonso (1964), who considers a city in which employment opportunities are located in a single center (a monocentric city). In Alonso's study, the residential choice of households is based on maximizing a utility function that depends upon the expenditure in goods, size of the land lots, and distance from the city center. Harris (1963), Mills (1972) and Wheaton (1974) extended the work of Alonso by

relaxing the assumption of a monocentric city of employment opportunities. One of the most criticized aspects of these early research works is that location is represented as a one-dimensional variable - distance from the CBD. These models are therefore incapable of handling dispersed employment centers and asymmetric development patterns (Waddell, 1996).

Even before Alonso's (1964) work, geographers and transportation planners had developed the "gravity model" that provides a reasonable basis for the prediction of zone-to-zone trips. Lowry applied the gravity model to residential location modeling in the well-known Lowry Model (1964). Specifically, Lowry assumed that retail trade and services are located in relation to residential demand, and that residences are located in relation to combined retail and basic employment. Workers are hypothesized to start their trips to home from work, and distribute themselves at available residential sites according to a gravity model, which attenuates their trips over increasing distance. This vital feature of the Lowry model continues to dominate models of residential location in many practical applications (Harris, 1996).

Another stream of research on modeling residential location is based on discrete choice theory. In the context of residential location, the consumption decision is a discrete choice between alternative houses or neighborhoods. The work by McFadden (1978) represents the earliest attempt to apply discrete choice modeling to housing location. More recent works using this approach include Gabriel and Rosenthal (1989), Waddell (1993, 1996), and Ben-Akiva and Bowman (1998). As discussed next, these studies differ essentially in their model structures, the choice dimensions modeled, the study region examined, and the explanatory variables considered in the analysis.

The study by Gabriel and Rosenthal (1989) develops and estimates a multinomial logit model of household location among mutually exclusive counties in the Washington, D.C.

metropolitan area. The findings indicate that race is a major choice determinant for that area, and that further application of MNL models to the analysis of urban housing racial segregation is warranted. Furthermore, the effects of household socio-demographic characteristics on residential location are found to differ significantly by race. Waddell (1993) examines the assumption implicit in most models of residential location that the choice of workplace is exogenously determined. A nested logit model is developed for worker's choice of workplace, residence, and housing tenure for the Dallas-Fort Worth metropolitan region. The results confirm that a joint choice specification better represents household spatial choice behavior. The study also reaffirms many of the influences posited in standard urban economic theory, as well as the ecological hypothesis of residence clustering by socio-demographic status, stage of life cycle, and ethnicity. In a later study, Waddell (1996) focuses on the implications of the rise of dual-worker households. The choices of work place location, residential mobility, housing tenure and residential location are examined jointly. The hypothesis is that home ownership and the presence of a second worker both add constraints on household choices that should lead to a combination of lower mobility rates and longer commutes. The results indicate gender differences in travel behavior; specifically, the female work commute distance has less influence on the residential location choice than the male commute. Ben-Akiva and Bowman (1998) presented a nested logit model for Boston, integrating a household's residential location choice and its members' activity schedules. Given a residential location, the activity schedule model assigns a measure of accessibility for each household member, which then enters the utility function in the model of residential location choice. The results statistically invalidate the expected decision hierarchy in which the daily activity pattern is conditioned on residential choice.

The study area, sample characteristics, and choice dimensions modeled in the aforementioned studies and the current study are summarized in Table 1. Table 2, on the other hand, provides a comparative listing of the exogenous variables considered in these studies. The variables found to have a statistically significant effect on residential location choice are identified with a check mark, while the variables that were tested but excluded from the final model specification due to statistical insignificance are labeled with a question mark. This listing forms the basis of variable selection for the present study. It also highlights the objective of the current study to account for as many locational and household attributes as possible, within the constraints of data availability from the Dallas-Fort Worth area.

### **3. RESIDENTIAL LOCATION CHOICE MODELING**

There are a number of estimation issues involved in developing the multinomial logit model for residential choice. This section first discusses the spatial scale at which residential location choices are defined, and describes the process of generating choice alternatives for each household. The model structure adopted in the study is then presented.

#### **3.1. Definition and Choice Set Generation of Residential Location Alternatives**

The proposed location choice model predicts the individual household's choice of residence to aggregated zones rather than specific dwelling units. In the context of the Dallas-Fort Worth data, the spatial scale of the aggregated zones corresponds to the transport analysis and processing (TAP) zone. There are over 900 TAP zones in the universal choice set for the chosen study region. However, by assuming an identically and independently distributed (IID) structure

for the error terms across the alternatives in the universal choice set, the residential location model can be consistently estimated with only a subset of the choice alternatives (McFadden, 1978). One way of drawing a choice subset from the universal set without jeopardizing the consistency of the parameter estimates is the random sampling technique (Ben-Akiva and Lerman, 1993). The approach involves combining the chosen alternative with a subset of randomly selected non-chosen alternatives.

### 3.2. Model Structure

As indicated earlier, the model structure used in this study for residential location choice is the multinomial logit model. The probability of a household  $n$  choosing zone  $i$  is written as:

$$P_{ni} = \frac{e^{V_{ni}}}{\sum_{i'} e^{V_{ni'}}}, \quad (1)$$

where  $V_{ni}$  is expressed in a linear-in-parameter form as follows:

$$V_{ni} = \alpha' Z_i + \beta' X_{ni}. \quad (2)$$

In the above expression,  $Z_i$  is a vector of zonal attractiveness measures; and  $X_{ni}$  represents interaction terms of socio-demographic characteristics of household  $n$  with the attractiveness measures of zone  $i$ .  $\alpha$  and  $\beta$  are parameter vectors to be estimated.

In theory, a constant should be introduced for each of the zonal choice alternatives to account for the effect of the mean of unobserved zonal factors and the range of explanatory variables. However, since the number of zones is very large, and only a sample of zones is used in the estimation, such constants are not introduced in our model.

A final note about model structure is in order here. It is likely that the sensitivity of households to zonal attractiveness measures will be a function of unobserved household

characteristics, which suggests treating  $\alpha$  as a random parameter vector. Such a specification leads to a random-coefficients logit (RCL) framework and requires the use of simulation-based estimation techniques. The authors are currently pursuing such an effort and should have the results of the RCL model within the next month.

#### **4. DATA SOURCES AND SAMPLE**

The primary source of data for the current modeling effort is the 1996 Dallas-Fort Worth metropolitan area household activity survey. This survey collected information about travel and non-travel activities undertaken during a weekday by members of 4839 households, as well as the residential locations of households. The survey also obtained individual and household socio-demographic information. In addition to the activity household survey, five other data sources were also used: the zone-to-zone travel level-of-service (LOS) data, land-use coverage data, accessibility data, school-rating data, and census data. Both the LOS and the land-use data files were obtained from the North Central Texas Council of Governments (NCTCOG), which is a voluntary association of local governments from 16 counties centering from two urban centers of Dallas and Fort Worth. The LOS file provides information on travel between each pair of the 919 Transportation Analysis Process (TAP) zones in the North Central Texas region. The file contains the inter-zonal distances as well as peak and off-peak travel times and costs for transit and highway modes. The land-use coverage file contains acreage by land-use purposes (including water area, park land, roadway, office, retail and etc.) for each of 5938 disaggregate traffic survey zones (TSZ). The accessibility measures are derived from zonal employment data, LOS data and land-use coverage data, as discussed in Section 5.1.1. Data about school ratings is



compiled in-house from the 1996 district summary of the Accountability Rating System (ARS) for Texas Public Schools and School Districts. The ARS is released on a yearly basis by the Texas Education Agency. The schools are classified into 4 levels: exemplary, recognized, acceptable and low performing (or unacceptable). The criteria for ranking are summarized in Table 3. The census data is used to compute the ethnic composition of each TAP.

Several data cleaning and assembly steps were undertaken in developing the sample used in estimation. The steps are as follows: (a) Extract the home and work locations of single wage-earner households from the survey file, and assign these locations to TAP zones; (b) Aggregate the land-use information from the disaggregate TSZ level to TAP zone level; (c) Map the values of school ratings from the spatial level of Independent School Districts to the more disaggregate TAP level used in the current analysis; and (d) Generate the choice set for each household by randomly selecting four non-chosen TAP zonal alternatives and adding the chosen alternative. Details of the sample formation process and procedures to develop the final sample are available from the authors. The final sample comprised 1472 households, with five zonal choice alternatives for each household.

## **5. EMPIRICAL ANALYSIS**

Data for the 1472 sample households was imported into LIMDEP for model estimation. The next section discusses the specification of the explanatory variables considered for analysis. The subsequent section presents and interprets the estimation results.

## 5.1. Variable Specifications

The explanatory variables considered for inclusion in the residential location model include (1) zonal size and attractiveness measures, and (2) interaction of socio-demographic variables with zonal attractiveness variables.

### 5.1.1. Zone Size and Attractiveness Measures

The zonal size and attractiveness measures consist of five groups of variables: (1) zonal size measures, (2) percentage land use acreages, (3) density measures, (4) homogeneity measures and (5) accessibility measures. These measures are discussed briefly in the next few paragraphs.

The zonal size measure proxies the number of elemental residential opportunities in the zone and is represented by the number of housing units in the zone.

The percentage land use acreages are computed by normalizing the acreage in different types of land uses by the total zonal acreage. The land use types considered include: lakes and water, residential, industrial, offices, retail and services, institutions (schools, churches, etc.), and infrastructure.

The density measures are computed by dividing the total number of households or people in a zone by the zone size (in acre). The density variables are introduced to capture the clustering effect of households.

The homogeneity measures, defined in terms of household income, are used to test the presence of income segregation; that is, to test if households locate themselves with other households of similar income level. The measure is defined by the absolute difference between the household income and the median zonal income. Thus, if income segregation is present, the parameter should have a negative sign.

Finally, the accessibility measures are of the Hansen-type (Fotheringham, 1986) and take the following form:

$$\begin{aligned}
 A^{\text{Rec}}_i &= \frac{1}{N} \sum_{j=1}^N \left( \frac{(\text{Park Land Acreage}_j)^{\gamma_{\text{Rec}}}}{(\text{Impedance}_{ij})^{\beta_{\text{Rec}}}} \right), \\
 A^{\text{Ret}}_i &= \frac{1}{N} \sum_{j=1}^N \left( \frac{(\text{Number Of Retail Employment}_j)^{\gamma_{\text{Ret}}}}{(\text{Impedance}_{ij})^{\beta_{\text{Ret}}}} \right), \text{ and} \\
 A^{\text{Emp}}_i &= \frac{1}{N} \sum_{j=1}^N \left( \frac{(\text{Number Of Basic Employment}_j)^{\gamma_{\text{Emp}}}}{(\text{Impedance}_{ij})^{\beta_{\text{Emp}}}} \right),
 \end{aligned} \tag{3}$$

where  $A^{\text{Rec}}$  represents the accessibility to recreational opportunities,  $A^{\text{Ret}}$  represents the accessibility to shopping opportunities,  $A^{\text{Emp}}$  represents the accessibility to basic employment opportunities,  $i$  is the zone index, and  $N$  is the total number of zones in the study region.  $\text{Impedance}_{ij}$  is the composite impedance measure of travel between zone  $i$  and a destination zone  $j$ .  $\gamma_{\text{Rec}}$ ,  $\gamma_{\text{Ret}}$ ,  $\gamma_{\text{Emp}}$ ,  $\beta_{\text{Rec}}$ ,  $\beta_{\text{Ret}}$ , and  $\beta_{\text{Emp}}$  are parameters that are estimated using a destination choice model of the form given below for the recreational activity purpose (similar formulations are used for the retail and basic employment categories):

$$V_{ij}^{\text{rec}} = \gamma^{\text{rec}} \times \ln(\text{Park Land Acreage})_j - \beta^{\text{rec}} \times \ln(\text{Impedance})_{ij} \tag{4}$$

where  $V_{ij}^{\text{rec}}$  is the utility presented by zone  $j$  for recreational participation to an individual in zone  $i$ . Assuming a multinomial logit form for destination choice then leads to an accessibility index for zone  $i$  that is equal to  $(1/N) \times \sum_j \exp(V_{ij}^{\text{rec}})$ . The functional form of  $V_{ij}^{\text{rec}}$  used in Equation (4) results in accessibility measures that are consistent with the formulations presented in Equation (3).

The impedance expression used in the accessibility computations takes the form of a parallel conductance formula that accommodates multiple level-of-service measures and multiple

modes (see Bhat et al, 1998 for a discussion of this formula). However, in the current empirical context, only highway auto level-of-service measures are used because of the lack of adequate transit observations in the destination choice model estimation. The highway auto impedance measure is in effective in-vehicle time units (in minutes) and is expressed as follows:

$$Impedance \text{ (in IVTT minutes)} = IVTT + \delta \times OVTT \text{ (in minutes)} + \eta \times COST \text{ (in cents)}. \quad (5)$$

The estimated values of the  $\delta$ , and  $\eta$  scalar parameters, and the  $\gamma$  and  $\beta$  vector parameters, are provided in Table 4. As can be observed, the only level of service variable that is relevant for recreational destination choice is in-vehicle time, while cost is not significant for employment destination choice. These results are perhaps a consequence of the strong multicollinearity in time and cost measures. For retail destination choice, the implied money value of time is \$6.05 per hour. The smaller estimated coefficient on out-of-vehicle time for the basic employment category suggests that, unlike in mode choice decisions, individuals place a smaller value on out-of-vehicle time than in-vehicle time when selecting employment destinations. This result may be a consequence of the dominance of in-vehicle time as the spatial separation measure when making destination choice decisions.

The reader will note that large values of the accessibility measures indicate more opportunities for activities in close proximity of that zone, while small values indicate zones that are spatially isolated from such opportunities.

#### 5.1.2. Interaction of Household Sociodemographics with Zonal Characteristics

The motivation for considering interaction effects between household sociodemographics and the zonal attractiveness variables is to accommodate the differential sensitivity of households to zone-related attributes. For instance, households with children may be more sensitive to the

quality of schools. The interaction effects involving household structure are introduced by creating dummy variables characterizing the presence or absence of children and other dependents. Similarly, dummy variables corresponding to different income levels are created and interacted with other zonal measures.

## **5.2. Modeling Results**

The estimation results of the multinomial logit residential location choice model are presented in Table 5. The coefficient for the zonal size measure has the expected positive sign, indicating that zones where more housing units are available have a higher probability of being chosen. The results also show that zones with higher percentage of parkland, water area and residential area are generally preferred. Zones with higher percentage of office area, on the other hand, are less preferred, suggesting that mixed land use of residential and business purposes is undesirable. Households are more likely to locate themselves at zones with higher population density. This may be due to better housing availability at these zones or merely a reflection of population clustering. The income dissimilarity measure also has the expected sign, confirming the income segregation phenomenon observed in previous studies (Waddell, 1993). Finally, the coefficients on the accessibility measures indicate that households prefer locations that offer good accessibility to shopping opportunities. The coefficients on accessibility to recreational opportunities should be interpreted in combination with the interaction effect of this variable with Caucasian or Hispanic households (see under interaction of zonal attributes with socio-demographic variables). The results indicate that African-American households prefer locations with good accessibility to recreational opportunities, while Caucasian and Hispanic households prefer residential locations distant from recreational opportunities. Further research to better

understand the differential preferences of households by race regarding accessibility to recreational opportunities would be valuable.

The variables representing the interaction effects of socio-demographic variables with zonal attributes indicate that households whose heads have at least a college degree show preference for proximity to exemplary public schools. This is perhaps a reflection of the premium placed by well-educated individuals on locations that offer a good education to their children. Households whose heads have a college education are also more sensitive to accessibility to employment opportunities. This may reflect the ability of households with highly educated individuals to locate in expensive areas with a high employment density. People of different ethnic groups show different sensitivities to accessibility to recreational opportunities. Specifically, Caucasian and Hispanic households are more likely to locate in zones with higher accessibility to social-recreational sites than African-Americans. The coefficient on the “% of African-American and Hispanic Population” variable indicates that African-American and Hispanic households tend to locate in zones with a high African-American/Hispanic population. This observation of racial segregation is either due to the racial discrimination presented in the housing market or the differences between racial groups in preferences for neighborhood attributes (Gabriel and Rosenthal, 2001). Finally, households with female workers are more likely to choose zones with higher percentage of infrastructure areas than households with male workers. This probably relates to the postulation on females’ spatial entrapment.

## 6. CONCLUSIONS

This paper presents an empirical analysis of the residential choice behavior of households using a sample from the Dallas-Fort Worth urban area. Since the choice of residential zone is characterized by a large number of alternatives, a random subset of the zones is chosen during the estimation of model parameters. The important findings from the empirical analysis are as follows:

- Zones characterized by higher percentages of water area, parkland and residential area are preferred as residential locations.
- Zones characterized by higher percentages of office space are less preferred to those with more residential or other land use purposes.
- School quality has a significant impact on households' residential location choice. In particular, households whose heads have college education are likely to locate close to school districts with exemplary ratings.
- There is evidence of racial segregation. This may be attributed either to the racial discrimination presented in the housing market or the differences between racial groups in preferences for neighborhood attributes.
- Other socio-demographics are found to have an important role in residential location choice. For instance, households with female workers are likely to choose zones with higher percentage of infrastructure areas, possibly reflecting the spatial entrapment of females.

The foregoing results have substantial implications on land use - transportation modeling and planning. In particular, the empirical analysis indicates significant differences in the decision process underlying recreational location choice based on the socio-demographics of the households. Recognizing these socio-demographic effects is very important in developing land-

use policies that are consistent with the housing needs and preferences of the population. Furthermore, while accessibility is generally recognized as the dominating factor in residential location choice, accessibility to basic employment opportunities does not appear to be an influencing factor except for better-educated workers. Other factors identified in this study, such as school quality and land use mix, should not be overlooked as they are also important factors influencing residential location choices and, to a broader extent, urban form.

The residential location model presented in this paper can be extended in several ways as summarized below:

- Discrete choice models can be applied to analyze the residential location choice of households with more than one worker.
- The model specification in the current paper can be improved by adding other explanatory variables. Candidate variables include zonal housing supply, housing costs, tax rates and crime rates. The authors developed aggregate level (i.e., nine-county level) spatial measures of housing costs and tax rates from the census data for use in the current study, but obtained rather counter-intuitive results in the model. The authors are currently pursuing efforts to obtain more disaggregate measures of housing costs and tax rates.
- As indicated earlier, the use of a random-coefficients logit framework for residential choice modeling is likely to be more appropriate than a simple MNL framework. The authors should have the results of such a mixed logit estimation in the next month.
- The model is based on an arbitrary aggregated spatial scale, namely the TAPs. Issues such as spatial autocorrelations and intra-zonal heterogeneity may violate the IID assumption underlying the model structure. Further research is needed to examine the impact of these



issues on the validity of the model. Alternative aggregation method or a hierarchical model structure may be required to overcome the problem.

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**TABLE 1. Relation Between Previous Discrete Residential Location Choice Studies and the Current Study**

<b>Author</b>	Gabriel & Rosenthal	Waddell	Waddell	Ben-Akiva & Bowman	Current Study
<b>Year</b>	1989	1993	1996	1998	2001
<b>Study Area</b>	Washington, D.C.	Dallas and Tarrant Counties, TX	Honolulu, Hawaii	Boston, MA	Dallas – Fort Worth, TX
<b>Households Selected From Sample</b>	All	Single worker, Caucasian households	Single and dual-worker households	All	Single worker households
<b>Endogenous Variable</b>	Residential location	Workplace, residence & housing tenure	Workplace, housing tenure, residential mobility & residential location	Residential location	Residential location

**TABLE 2. Exogenous Variables Considered in Various Studies**

<b>Author</b>		Gabriel & Rosenthal	Waddell	Waddell	Ben-Akiva & Bowman	Current Study
<b>Year</b>		1989	1993	1996	1998	2001
<b>Exogenous Variables</b>	<b><i>Zonal Characteristics</i></b>					
	Distance to CBD		?			
	Housing opportunity		√	√		√
	Population density		√		√	√
	Racial composition		√			√
	Income similarity			?		√
	Commute distance			√		
	Population accessibility			√		
	Employment accessibility			√		√
	Recreation accessibility					√
	Shopping Accessibility					√
	Activity accessibility				√	
	Crime rate				√	
	Proximity to industry area				?	
	Culture and recreation expenditure				?	
	Residential tax rate				?	?
	School quality				?	√
	Land use coverage by type					√
	<b><i>Household characteristics</i></b>					
	Household income	?	√	√	?	√
	Family status	√	?	√	√	√
	Number/presence of workers			√	?	√
	Race	√				√
	Age (worker)	?	?			?
	Gender (worker)	?	?	√		√
	Education (worker)	?				√
	Tenure status	√		√		
	Activity patterns				?	

**TABLE 3. School Quality Ranking System Used by the Texas Education Agency**

<b>School Ranking</b>	<b>Dropout Rate</b>	<b>Attendance Rate</b>	<b>Percent of Students Passing TAAS</b>
<b>Exemplary</b>	1% or less	At least 94%	At least 90%
<b>Recognizable</b>	3.5% or less	At least 94%	At least 80%
<b>Acceptable</b>	6% or less	At least 94%	At least 40%
<b>Low Performance</b>	More than 6%	Less than 94%	Less than 40%

**TABLE 4. Summary of destination choice model results for use in computing accessibility**

Variable / Fit Measures	Purpose					
	Recreation		Retail		Basic Employment	
	Parameter	t-stat	Parameter	t-stat	Parameter	t-stat
Size measure	$\gamma_{\text{Rec}} = 0.1376$	8.92	$\gamma_{\text{Ret}} = 0.2868$	8.71	$\gamma_{\text{Emp}} = 0.7554$	61.40
Composite highway impedance	$\beta_{\text{Rec}} = -2.6771$	-40.92	$\beta_{\text{Ret}} = -3.0779$	-31.72	$\beta_{\text{Emp}} = -2.6507$	-86.15
In-vehicle time <sup>1</sup> (in mins.)	1.0000	--	1.0000	--	1.0000	--
Out-of-vehicle time (in mins.)	--	--	--	--	0.3385	8.13
Cost (in cents)	--	--	0.0992	2.5	--	--
Number of observations	1817		1206		4561	
Log-likelihood at convergence	-1912.60		-939.57		-4519.95	
Log-likelihood at equal shares	-3535.72		-2346.77		-8875.29	
Rho-squared value <sup>2</sup>	0.459		0.600		0.491	

1. Coefficient on this variable is constrained to one for identification purposes.

2. Computed as  $1 - \frac{\log\text{-likelihood of convergence}}{\log\text{-likelihood at equal share}}$

**TABLE 5. Empirical Estimation Results**

<b>Variables</b>	<b>Parameter</b>	<b>t-stat</b>
<b>Zonal Attributes</b>		
Size (Log of Number of Housing Units)	0.1091	2.97
% of Park Land	1.3091	3.52
% of Water Area	1.0354	2.65
% of Residential Area	0.2068	1.15
% of Office Area	-1.5746	-2.56
Population Density	0.0314	2.42
Income Dissimilarity (in 0000s)	-0.0122	-4.77
Accessibility to Shopping Opportunities	0.0800	5.44
Accessibility to Recreational Opportunities	0.0264	0.86
<b>Interaction of zonal attributes with socio-demographic variables</b>		
<u>Exemplary Schools</u>		
HH Head Finish College	0.9475	2.91
<u>Accessibility to Employment Opportunities</u>		
HH Head Finish College	0.0068	2.02
<u>Accessibility to Recreational Opportunities</u>		
HH Head is Caucasian or Hispanic	-0.1522	-4.60
<u>% of African-American and Hispanic Population</u>		
HH Head is African-American or Hispanic	2.0771	8.42
<u>% of Infrastructure Area</u>		
HH Head is Female	1.6153	2.79