

Online Appendix

A Theoretical Appendix

This appendix provides the formal derivation establishing that higher signal precision strictly increases the adoption probability, confirming the comparative static discussed in Section 6

Claim. Fix primitives $(\tau_0, \mu_0, \sigma_\epsilon^2, \theta^*)$ with $\tau_0 > 0$, $\sigma_\epsilon^2 \geq 0$, and

$$\theta^* > 0 > \mu_0.$$

Let $P(HR \mid \theta^*, \tau_\eta)$ be defined by Equation (4). Then

$$\frac{\partial}{\partial \tau_\eta} P(HR \mid \theta^*, \tau_\eta) > 0 \quad \text{for all } \tau_\eta \geq 0.$$

In particular, higher signal precision strictly increases the high-rise adoption probability.

Reduce the problem to the derivative of the probit index. From Equation (4),

$$P(HR \mid \theta^*, \tau_\eta) = \Phi(Z(\tau_\eta)), \quad Z(\tau_\eta) \equiv \frac{\tau_0 \mu_0 + \tau_\eta \theta^*}{\sqrt{\tau_\eta + (\tau_0 + \tau_\eta)^2 \sigma_\epsilon^2}}.$$

Because $\Phi(\cdot)$ is strictly increasing and continuously differentiable, with density $\phi(\cdot) = \Phi'(\cdot) > 0$ everywhere, the chain rule yields

$$\frac{\partial}{\partial \tau_\eta} P(HR \mid \theta^*, \tau_\eta) = \phi(Z(\tau_\eta)) Z'(\tau_\eta).$$

Hence it suffices to show $Z'(\tau_\eta) > 0$ for all $\tau_\eta \geq 0$.

Notation and differentiability. Define the numerator $N(\tau_\eta)$ and denominator term $g(\tau_\eta)$ such that $Z(\tau_\eta) = N(\tau_\eta) g(\tau_\eta)^{-1/2}$:

$$N(\tau_\eta) \equiv \tau_0 \mu_0 + \tau_\eta \theta^*, \quad g(\tau_\eta) \equiv \tau_\eta + (\tau_0 + \tau_\eta)^2 \sigma_\epsilon^2.$$

For all $\tau_\eta \geq 0$ we have $g(\tau_\eta) > 0$ (since $\tau_\eta \geq 0$ and $\sigma_\epsilon^2 \geq 0$), so $Z(\tau_\eta)$ is well-defined and differentiable on $[0, \infty)$. Compute derivatives:

$$N'(\tau_\eta) = \theta^*, \quad g'(\tau_\eta) = 1 + 2(\tau_0 + \tau_\eta) \sigma_\epsilon^2.$$

Differentiate $Z(\tau_\eta)$ and simplify. Using the product rule on $Z(\tau_\eta) = N(\tau_\eta) g(\tau_\eta)^{-1/2}$,

$$Z'(\tau_\eta) = N'(\tau_\eta) g(\tau_\eta)^{-1/2} - \frac{1}{2} N(\tau_\eta) g(\tau_\eta)^{-3/2} g'(\tau_\eta) = \frac{2N'(\tau_\eta)g(\tau_\eta) - N(\tau_\eta)g'(\tau_\eta)}{2g(\tau_\eta)^{3/2}}.$$

Since $g(\tau_\eta)^{3/2} > 0$, the sign of $Z'(\tau_\eta)$ equals the sign of the numerator

$$\mathcal{H}(\tau_\eta) \equiv 2N'(\tau_\eta)g(\tau_\eta) - N(\tau_\eta)g'(\tau_\eta).$$

Substituting the expressions for N, N', g , and g' gives:

$$\begin{aligned} \mathcal{H}(\tau_\eta) &= 2\theta^* \left[\tau_\eta + (\tau_0 + \tau_\eta)^2 \sigma_\epsilon^2 \right] - (\tau_0 \mu_0 + \tau_\eta \theta^*) \left[1 + 2(\tau_0 + \tau_\eta) \sigma_\epsilon^2 \right] \\ &= \underbrace{\left(2\theta^* \tau_\eta - (\tau_0 \mu_0 + \tau_\eta \theta^*) \right)}_{(A)} + 2\sigma_\epsilon^2 (\tau_0 + \tau_\eta) \underbrace{\left(\theta^* (\tau_0 + \tau_\eta) - (\tau_0 \mu_0 + \tau_\eta \theta^*) \right)}_{(B)}. \end{aligned}$$

Simplifying each bracket:

$$(A) = \theta^* \tau_\eta - \tau_0 \mu_0, \quad (B) = \tau_0 (\theta^* - \mu_0).$$

Therefore

$$\mathcal{H}(\tau_\eta) = (\theta^* \tau_\eta - \tau_0 \mu_0) + 2\sigma_\epsilon^2 (\tau_0 + \tau_\eta) \tau_0 (\theta^* - \mu_0). \quad (5)$$

Sign of $\mathcal{H}(\tau_\eta)$. We show $\mathcal{H}(\tau_\eta) > 0$ for all $\tau_\eta \geq 0$ under the assumption $\theta^* > 0 > \mu_0$. From (5):

- Since $\theta^* > 0$ and $\tau_\eta \geq 0$, we have $\theta^* \tau_\eta \geq 0$. Since $\mu_0 < 0$ and $\tau_0 > 0$, we have $-\tau_0 \mu_0 > 0$. Hence the first term satisfies:

$$\theta^* \tau_\eta - \tau_0 \mu_0 > 0.$$

- Since $\sigma_\epsilon^2 \geq 0$, $\tau_0 > 0$, $\tau_0 + \tau_\eta > 0$, and $\theta^* - \mu_0 > 0$, the second term satisfies:

$$2\sigma_\epsilon^2 (\tau_0 + \tau_\eta) \tau_0 (\theta^* - \mu_0) \geq 0.$$

Combining these inequalities yields $\mathcal{H}(\tau_\eta) > 0$ for all $\tau_\eta \geq 0$. Therefore $Z'(\tau_\eta) > 0$ for all $\tau_\eta \geq 0$.

Conclusion. Because $\phi(\cdot) > 0$ everywhere and $Z'(\tau_\eta) > 0$ for all $\tau_\eta \geq 0$,

$$\frac{\partial}{\partial \tau_\eta} P(HR \mid \theta^*, \tau_\eta) = \phi(Z(\tau_\eta)) Z'(\tau_\eta) > 0 \quad \text{for all } \tau_\eta \geq 0.$$

Thus, the high-rise adoption probability is strictly increasing in signal precision τ_η . $\square$

B Additional Tables and Figures

Table A1: Distribution of Apartment Buildings by Number of Floors and Region

	Inhabitants/ sq.km	Number of buildings	Share > 5 floors	Share > 6 floors	Share > 7 floors	Share > 8 floors	Share > 9 floors	Share > 10 floors	Share > 11 floors	Max nr. of floors
Sweden	25.8	129178	0.113	0.067	0.040	0.021	0.012	0.007	0.005	54
<i>Stockholm</i>	<i>374.6</i>	<i>26176</i>	<i>0.278</i>	<i>0.162</i>	<i>0.092</i>	<i>0.050</i>	<i>0.030</i>	<i>0.018</i>	<i>0.012</i>	<i>52</i>
Skåne	129	15941	0.098	0.058	0.038	0.016	0.007	0.004	0.004	54
Västra Götaland	73.9	21290	0.109	0.074	0.044	0.025	0.014	0.009	0.005	31
Halland	63.2	3802	0.053	0.023	0.012	0.006	0.004	0.002	0.001	36
Västmanland	54.9	3272	0.092	0.058	0.046	0.028	0.017	0.011	0.006	17
Blekinge	54.2	1585	0.054	0.022	0.006	0.003	0.001	0.000	0.000	10
Södermanland	49.8	3841	0.054	0.035	0.018	0.009	0.006	0.003	0.003	17
Uppsala	48.9	5350	0.087	0.039	0.019	0.009	0.004	0.001	0.001	16
Östergötland	44.7	6946	0.065	0.038	0.023	0.013	0.008	0.005	0.002	35
Örebro	36.2	4467	0.055	0.028	0.016	0.009	0.005	0.004	0.002	17
Jönköping	35.4	4263	0.051	0.033	0.018	0.007	0.004	0.003	0.003	20
Kronoberg	24.3	2858	0.038	0.021	0.011	0.003	0.001	0.001	0.001	19
Kalmar	22.2	3317	0.027	0.016	0.007	0.003	0.002	0.002	0.002	21
Gotland	19.5	1260	0.008	0.002	0.000	0.000	0.000	0.000	0.000	7
Värmland	16.2	3646	0.066	0.040	0.024	0.012	0.006	0.003	0.002	20
Gävleborg	15.9	3554	0.041	0.029	0.019	0.011	0.004	0.002	0.001	20
Västernorrland	11.3	3130	0.052	0.032	0.025	0.013	0.006	0.004	0.003	40
Dalarna	10.3	4225	0.018	0.011	0.006	0.004	0.001	0.001	0.000	11
Västerbotten	5.1	4450	0.048	0.033	0.023	0.014	0.006	0.003	0.002	16
Jämtland	2.7	2180	0.011	0.007	0.004	0.002	0.002	0.001	0.000	16
Norrbottn	2.6	3625	0.052	0.028	0.017	0.004	0.004	0.003	0.002	16

Notes: The regions are Sweden as a whole and the 21 counties of Sweden, ordered by population density. Inhabitants/sq.km are statistics from November 2022, www.statistikdatabasen.scb.se, "Befolkningstäthet (invånare per kvadratkilometer), folkmängd och landareal efter region och kön. År 1991 - 2022". The *Boverket* data is used to generate the other variables.

Table A2: Survey Results, Additional Evidence

Concerns (N=230)		Benefits (N=230)	
	Percent (%)		Percent (%)
Building safety & accessibility	29.57	Nice view	69.13
Parking availability	20.87	Sustainability	29.13
High on-going cost	16.96	Modern architecture & technology	16.52
Privacy concerns	9.57	Privacy & reduced noise	10.87
Suitable for Kids	6.09	Social	8.70
		Building amenities	7.83
		Location/public transport	5.22

Notes: The content presented in this table is from Q6 and Q7 of our survey, including free-text responses. For responses about Concerns, “Building safety & accessibility” includes “Safety,” “Vertical transport/elevator issues,” “Escape in case of fire,” and “Vertigo.” “Privacy Concerns” includes “Lack of privacy” and “More impersonal due to more neighbors.” For responses about Benefits, “Sustainability” includes “Energy efficiency,” “Recycling facility,” “Environmental friendliness.” “Modern Architecture & Technology” includes “Modern architecture,” and “New technology.” “Privacy & Reduced Noise” includes “Privacy from neighboring houses/street level” and “Lower noise from street.” “Social” includes “Make friends,” and “Gather information.” “Building Amenities” includes “Brighter apartment,” “Security,” and “Fewer mosquitoes/insects higher up.” All survey questions are detailed in Appendix D.

Table A3: Number of Apartments Sold by County, 2020-2022

County	Number of apartments sold	Percent of sample
Stockholm	60,109	36.24
Skåne	25,618	15.45
Västra Götaland	24,676	14.88
Halland	2,634	1.59
Västmanland	3,893	2.35
Blekinge	1,306	0.79
Södermanland	3,590	2.16
Uppsala	8,460	5.1
Östergötland	4,757	2.87
Örebro	3,155	1.9
Jönköping	3,286	1.98
Kronoberg	1,608	0.97
Kalmar	2,238	1.35
Gotland	879	0.53
Värmland	3,344	2.02
Gävleborg	3,017	1.82
Västernorrland	3,359	2.03
Dalarna	2,698	1.63
Västerbotten	3,361	2.03
Jämtland	1,963	1.18
Norrbottn	1,900	1.15

Notes: Number of apartments sold through *Hemnet* between 2020 and 2022, and percentage of full sample, by county. Counties ordered by population density.

Table A4: Evidence from Hemnet, Absolute High-Rise Definition – Increasing Sets of Controls

	(1)	(2)	(3)	(4)	(5)
Panel (a): Bidding per square meter (in Euros)					
HR Building, abs. def.	-36.9229*** (4.202)	-55.1452*** (4.753)	-37.5015*** (4.526)	-32.5347*** (4.529)	-35.9606*** (4.526)
Panel (b): Final price per square meter (in Euros)					
HR Building, abs. def.	107.9870*** (8.197)	-106.8602*** (9.179)		-115.5374*** (9.189)	-152.7797*** (8.722)
Panel (c): Days on the market					
HR Building, abs. def.	0.7619** (0.369)	1.3791*** (0.417)	1.2480*** (0.417)	1.1236*** (0.418)	1.1068*** (0.418)
Year-by-RegSO FE	Yes	Yes	Yes	Yes	Yes
Floor		Yes	Yes	Yes	Yes
Top-floor		Yes	Yes	Yes	Yes
Price per sqm. brackets (not included in price estimation)			Yes	Yes	Yes
Construction year				Yes	Yes
Large apartment					Yes
Monthly fee					Yes
Observations	165087	165087	165087	165087	165087

Notes: This table reports the results from Table 3 when an increasing set of control variables are added and the absolute HR definition is used. The dependent variables are bidding per square meter (Panel (a)), final price per square meter (Panel (b)), and days on the market (Panel (c)). The sequentially added control variables are Year-by-RegSO fixed effects, the floor number the sold apartment is located at, a dummy variable indicating whether this floor is the top floor in the building, brackets for final price per square meter (4 brackets are used, but excluded from the final price per square meter estimation), the construction year of the building the apartment is located in, a dummy variable for whether the apartment is bigger than 50 square meters, and the apartment's monthly fee to the condominium. The unit of the bidding and final price per square meter variables are inflation-adjusted euros. The regression sample is all apartments in Sweden sold through Hemnet between 2020 and 2022, as detailed in footnote 32. Robust standard errors in parentheses. *p<0.10, **p<0.05, ***p<0.01.

Table A5: Evidence from Hemnet, Relative High-Rise Definition – Increasing Sets of Controls

	(1)	(2)	(3)	(4)	(5)
Panel (s): Bidding per square meter (in Euros)					
HR Building, rel. def.	-24.8074*** (4.504)	-38.2958*** (5.035)	-30.4596*** (4.793)	-24.2078*** (4.799)	-27.6629*** (4.797)
Panel (b): Final price per square meter (in Euros)					
HR Building, rel. def.	210.0104*** (8.775)	21.1428** (9.726)		10.7685 (9.744)	-31.4121*** (9.254)
Panel (c): Days on the market					
HR Building, rel. def.	1.3353*** (0.395)	2.0812*** (0.442)	2.0262*** (0.442)	1.8744*** (0.443)	1.8916*** (0.443)
Year-by-RegSO FE	Yes	Yes	Yes	Yes	Yes
Floor		Yes	Yes	Yes	Yes
Top-floor		Yes	Yes	Yes	Yes
Price per sqm. brackets (not included in price estimation)			Yes	Yes	Yes
Construction year				Yes	Yes
Large apartment					Yes
Monthly fee					Yes
Observations	165087	165087	165087	165087	165087

Notes: This table reports the results from Table 3 when an increasing set of control variables are added and the relative HR definition is used. The dependent variables are bidding per square meter (Panel (a)), final price per square meter (Panel (b)), and days on the market (Panel (c)). The sequentially added control variables are Year-by-RegSO fixed effects, the floor number the sold apartment is located at, a dummy variable indicating whether this floor is the top floor in the building, brackets for final price per square meter (4 brackets are used, but excluded from the final price per square meter estimation), the construction year of the building the apartment is located in, a dummy variable for whether the apartment is bigger than 50 square meters, and the apartment's monthly fee to the condominium. The unit of the bidding and final price per square meter variables are inflation-adjusted euros. The regression sample is all apartments in Sweden sold through Hemnet between 2020 and 2022, as detailed in footnote 32. Robust standard errors in parentheses. *p<0.10, **p<0.05, ***p<0.01.

Table A6: Descriptive Evidence from *Hemnet*, with Supply Conditions

	Panel (a)			Panel (b)		
	(1)	(2)	(3)	(4)	(5)	(6)
	Bidding/ sqm	Final price/ sqm	Days on market	Bidding/ sqm	Final price/ sqm	Days on market
HR Building, abs. def.	-34.8682*** (5.824)	-141.3755*** (11.36)	1.4132*** (0.461)			
HR Building, rel. def.				-20.9401*** (4.544)	-26.6564** (10.65)	2.0635*** (0.516)
Floor	Yes	Yes	Yes	Yes	Yes	Yes
Top-floor	Yes	Yes	Yes	Yes	Yes	Yes
Price per sqm. brackets	Yes	No	Yes	Yes	No	Yes
Construction year	Yes	Yes	Yes	Yes	Yes	Yes
Large apartment	Yes	Yes	Yes	Yes	Yes	Yes
Monthly fee	Yes	Yes	Yes	Yes	Yes	Yes
Year-by-RegSO FEs	Yes	Yes	Yes	Yes	Yes	Yes
Average value dep. var.	404	4950	28	314	4258	29
Observations	79,098	79,098	79,098	77,026	77,026	77,026
R-squared	0.431	0.902	0.062	0.498	0.908	0.073

Notes: This table reports average differences in bidding (i.e. the change between asking price and final price) per square meter, final price per square meter, and days on the market between sold apartments in high-rise (HR) and low-rise (LR) buildings, for the absolute and relative definitions of HR buildings respectively, after controlling for a rich set of covariates. All columns include Year-by-RegSO fixed effects. Our control variables are the floor number the sold apartment is located at, a dummy variable indicating whether this floor is the top floor in the building, brackets for final price per square meter (4 brackets are used, but excluded from the final price per square meter estimation), the construction year of the building the apartment is located in, a dummy variable for whether the apartment is bigger than 50 square meters and the apartment's monthly fee to the condominium. The unit of the bidding and final price per square meter variables are inflation adjusted Euros. Observations in this set of regression analyses are apartments sold in years and RegSO areas in which transaction records of both HR and LR apartments exist, and the number of LR apartments sold is at least as many as that of HR apartments. Therefore, the regression sample is a subset of apartments in Sweden sold through Hemnet between 2020 and 2022, as detailed in footnote 32. Robust standard errors in parenthesis. *p<0.10, **p<0.05, ***p<0.01.

Table A7: Descriptive Evidence from *Hemnet*, Penalty by Floor

	Panel (a)			Panel (b)		
	(1)	(2)	(3)	(4)	(5)	(6)
	Bidding/ sqm	Final price/ sqm	Days on market	Bidding/ sqm	Final price/ sqm	Days on market
HR Building, abs. def.	-34.3359*** (4.689)	-146.3320*** (9.635)	0.9787** (0.413)			
HR Building, rel. def.				-23.3696*** (4.024)	-18.7137** (9.242)	1.6438*** (0.473)
Abs. HR $\times$ Floor	-8.4244*** (1.742)	-32.9903*** (3.296)	0.6640*** (0.129)			
Rel. HR $\times$ Floor				-10.9651*** (1.629)	-32.3625*** (3.291)	0.6331*** (0.130)
Floor	6.0597*** (1.350)	95.9978*** (2.205)	-0.4801*** (0.0894)	5.5775*** (1.143)	84.3560*** (2.020)	-0.4465*** (0.0793)
Top-floor	Yes	Yes	Yes	Yes	Yes	Yes
Price per sqm. brackets	Yes	No	Yes	Yes	No	Yes
Construction year	Yes	Yes	Yes	Yes	Yes	Yes
Large apartment	Yes	Yes	Yes	Yes	Yes	Yes
Monthly fee	Yes	Yes	Yes	Yes	Yes	Yes
Year-by-RegSO FEs	Yes	Yes	Yes	Yes	Yes	Yes
Average value dep. var.	289	3922	36	289	3922	36
Observations	165,087	165,087	165,087	165,087	165,087	165,087
R-squared	0.463	0.918	0.096	0.463	0.918	0.096

Notes: This table reports average differences in bidding (i.e. the change between asking price and final price) per square meter, final price per square meter, and days on the market between sold apartments in high-rise (HR) and low-rise (LR) buildings, for the absolute and relative definitions of HR buildings respectively, after controlling for a rich set of covariates. All columns include Year-by-RegSO fixed effects. Our control variables are the floor number the sold apartment is located at, a dummy variable indicating whether this floor is the top floor in the building, brackets for final price per square meter (4 brackets are used, but excluded from the final price per square meter estimation), the construction year of the building the apartment is located in, a dummy variable for whether the apartment is bigger than 50 square meters and the apartment's monthly fee to the condominium. The unit of the bidding and final price per square meter variables are inflation adjusted Euros. The regression sample is all apartments in Sweden sold through Hemnet between 2020 and 2022, as detailed in footnote 32. Robust standard errors in parenthesis. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A8: Descriptive Evidence from *Hemnet*, Penalty by Floor and Top Floor

	Panel (a)			Panel (b)		
	(1)	(2)	(3)	(4)	(5)	(6)
	Bidding/ sqm	Final price/ sqm	Days on market	Bidding/ sqm	Final price/ sqm	Days on market
HR Building, abs. def.	-37.5400*** (4.711)	-156.1214*** (9.576)	1.1503*** (0.416)			
HR Building, rel. def.				-26.4133*** (4.086)	-29.2706*** (9.290)	1.7697*** (0.477)
Abs. HR $\times$ floor	-10.5783*** (1.848)	-39.5855*** (3.523)	0.7793*** (0.138)			
Abs. HR $\times$ top-floor	58.0458*** (13.36)	177.8167*** (31.48)	-3.1080*** (1.141)			
Rel. HR $\times$ floor				-12.3098*** (1.700)	-37.0211*** (3.477)	0.6887*** (0.137)
Rel. HR $\times$ top-floor				47.9614*** (12.39)	166.2660*** (30.86)	-1.9840 (1.308)
Floor	Yes	Yes	Yes	Yes	Yes	Yes
Top-floor	Yes	Yes	Yes	Yes	Yes	Yes
Price per sqm. brackets	Yes	No	Yes	Yes	No	Yes
Construction year	Yes	Yes	Yes	Yes	Yes	Yes
Large apartment	Yes	Yes	Yes	Yes	Yes	Yes
Monthly fee	Yes	Yes	Yes	Yes	Yes	Yes
Year-by-RegSO FEs	Yes	Yes	Yes	Yes	Yes	Yes
Average value dep. var.	289	3922	36	289	3922	36
Observations	165,087	165,087	165,087	165,087	165,087	165,087
R-squared	0.463	0.918	0.096	0.463	0.918	0.096

Notes: This table reports average differences in bidding (i.e. the change between asking price and final price) per square meter, final price per square meter, and days on the market between sold apartments in high-rise (HR) and low-rise (LR) buildings, for the absolute and relative definitions of HR buildings respectively, after controlling for a rich set of covariates. All columns include Year-by-RegSO fixed effects. Our control variables are the floor number the sold apartment is located at, a dummy variable indicating whether this floor is the top floor in the building, brackets for final price per square meter (4 brackets are used, but excluded from the final price per square meter estimation), the construction year of the building the apartment is located in, a dummy variable for whether the apartment is bigger than 50 square meters and the apartment's monthly fee to the condominium. The unit of the bidding and final price per square meter variables are inflation adjusted Euros. The regression sample is all apartments in Sweden sold through Hemnet between 2020 and 2022, as detailed in footnote 32. Robust standard errors in parenthesis. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A9: Transition Matrix

t-1 \ t	LR buildings	HR buildings	Total
LR buildings	11,587	3,696	15,283
HR buildings	1,411	1,456	2,867
Total	12,998	5,152	18,150

Notes: This table shows the number of families in our final sample moving from low-rise (LR) buildings to low-rise buildings and high-rise (HR) buildings, and from high-rise buildings to low-rise buildings and high-rise buildings.

Table A10: Descriptive Statistics
- LR families and HR families -

Variable	LR families (obs. 11,587)		HR families (obs. 3,696)		Mean Diff.	Std. Err.
	Mean	SD	Mean	SD		
Peer group size	53.449	38.202	54.981	39.768	-1.531**	0.729
Nr. of kids between age 6 and 15	1.498	0.693	1.526	0.733	-0.028**	0.013
Family annual income (1,000 euros)	69.112	51.274	66.543	58.196	2.569**	1.002
Avg. age of adults in family	39.499	6.146	39.052	6.297	0.448***	0.117
Family size	3.368	0.967	3.470	1.030	-0.101***	0.019
Higher Edu. in family	0.525	0.499	0.487	0.500	0.039***	0.009
Environmental Edu. in family	0.047	0.211	0.052	0.222	-0.006	0.004
Self-employed in family	0.0597	0.237	0.0602	0.238	-0.0005	0.004
At least one parent not full-time	0.059	0.235	0.067	0.250	-0.008*	0.005

Notes: LR and HR families stand for families living in low-rise and high-rise buildings, respectively. Significance levels from a t-test for difference in means are indicated as follows: * for $p < 0.1$, ** for $p < 0.05$, and *** for $p < 0.01$

Table A11: Main Results, with Paired Neighborhood Fixed Effects

Dep. Variable: Probability of moving to HRs	Families with similar housing opportunities in LRs nearby			
	(1)	(2)	(3)	(4)
HR peer	0.0216** (0.00991)	0.0216** (0.00992)	0.0199** (0.00984)	0.0188* (0.00987)
Baseline controls	Yes	Yes	Yes	Yes
Controls for family characteristics	No	Yes	Yes	Yes
Controls for peer family characteristics	No	No	Yes	Yes
Controls for apartment attributes	No	No	No	Yes
Old $\times$ New neighb FEs	Yes	Yes	Yes	Yes
New neighb $\times$ year FEs	Yes	Yes	Yes	Yes
Observations	9892	9892	9892	9892
R-squared	0.483	0.483	0.484	0.484

Notes: This table reports parameter estimates and standard errors (in parentheses) for model specification (2). HRs and LR stand for high-rise and low-rise buildings, respectively. All columns include paired old-by-new neighborhood fixed effects and new neighborhood-by-year fixed effects. Baseline controls include peer group size, number of children in the family, and income brackets. Additional family characteristics are the average age of adults, family size, higher education in the family, self-employed in the family, and at least one parent working less than 40 hours a week. Peer family controls include the average age of adults and family size within peer families, the proportion of peer families with university degrees, self-employed family members, and with at least one parent who does not work full-time. Apartment attributes include apartment size, captured by a dummy variable indicating whether the area exceeded the median value of 85 square meters, and a measure of apartment layout, captured by a dummy variable indicating whether the number of rooms exceeded the median value of three. Standard errors are clustered by the neighborhood pair. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A12: Test for Collider Bias Using All Low-Rise Families

Dep. Variable: Probability of moving to HRs	All LR Families (Movers + Non-Movers)			
	(1)	(2)	(3)	(4)
HR peer	0.0011*** (0.000102)	0.0011*** (0.000103)	0.0011*** (0.000102)	0.0011*** (0.000102)
Baseline controls	Yes	Yes	Yes	Yes
Controls for family characteristics	No	Yes	Yes	Yes
Controls for peer family characteristics	No	No	Yes	Yes
Controls for apartment attributes	No	No	No	Yes
Old neighb $\times$ year FEs	Yes	Yes	Yes	Yes
Observations	4131388	4131388	4131388	4131388
R-squared	0.016	0.016	0.016	0.017

Notes: This table reports parameter estimates and standard errors (in parentheses) for variants of model (1). HRs and LRs stand for high-rise and low-rise buildings, respectively. The regression sample used in this table includes both the mover and non-mover LR families that had children aged between 6 and 15 during our sample period. The dependent variable is a dummy that equals one if the family moved from an LR to an HR, and zero if the family stayed in an LR or moved to a non-HR alternative. All columns include old neighborhood-by-year fixed effects. Baseline controls include peer group size, number of children in the family, and income brackets. Additional family characteristics are the average age of adults, family size, higher education in the family, self-employed in the family, and at least one parent working less than 40 hours a week. Peer family controls include the average age of adults and family size within peer families, the proportion of peer families with university degrees, self-employed family members, and with at least one parent who does not work full-time. Apartment attributes include apartment size, captured by a dummy variable indicating whether the area exceeded the median value of 85 square meters, and a measure of apartment layout, captured by a dummy variable indicating whether the number of rooms exceeded the median value of three. Standard errors are clustered at the old neighborhood level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A13: Ruling Out Alternative Mechanisms

Dep. Variable: Probability of moving to HRs	Families with similar housing opportunities in LRs nearby			
	(1)	(2)	(3)	(4)
HR peer	0.0196** (0.00904)	0.0218** (0.00959)	0.0170* (0.00873)	
HR peer $\times$ HR peer in new RegSO		-0.0092 (0.0103)		
HR peer $\times$ Share of HRs new RegSO			0.0003 (0.000591)	
HR peer share				0.0010** (0.000441)
Comprehensive controls	Yes	Yes	Yes	Yes
Old neighb FEs	Yes	Yes	Yes	Yes
New neighb $\times$ year FEs	Yes	Yes	Yes	Yes
Observations	15283	15283	15283	15283
R-squared	0.396	0.396	0.396	0.396

Notes: This table reports parameter estimates and standard errors (in parentheses) for model (1). HRs and LRs stand for high-rise and low-rise buildings, respectively. All columns include old neighborhood fixed effects and new neighborhood $\times$ year fixed effects. Baseline controls include peer group size, number of children in the family, and income brackets. Additional family characteristics are the average age of adults, family size, higher education in the family, self-employed in the family, and at least one parent working less than 40 hours a week. Apartment attributes include living area and number of rooms in brackets. Column 1 reproduces Column 4 of the baseline results table. Column 2 adds an interaction between the HR peer indicator and an indicator for whether at least one HR peer resides in the destination RegSO. Column 3 adds an interaction between the HR peer indicator and the share of HR housing in the destination RegSO. Column 4 replaces the HR peer dummy with the share of peers in the mover's peer group who live in HR housing (HR peer share) and includes the same baseline controls and fixed effects. All regressions also include one dummy indicating whether the family moved to a different neighborhood. Standard errors are two-way clustered at the old and new neighborhood level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

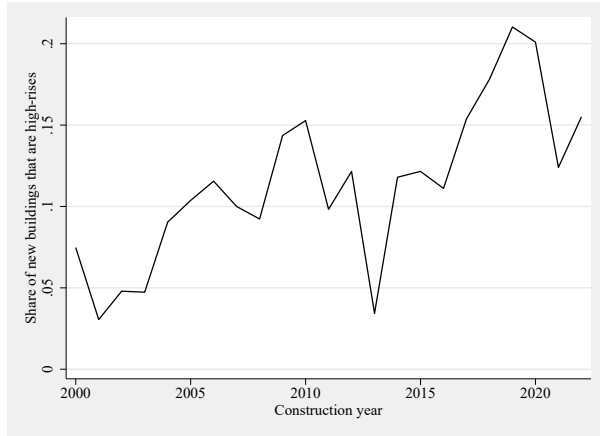
Table A14: Main Results, Complete Coefficient Estimates

Dep. Variable: Probability of moving to HRs	Families with similar housing opportunities in LRs nearby			
	(1)	(2)	(3)	(4)
HR peer	0.0215** (0.00912)	0.0213** (0.00908)	0.0202** (0.00901)	0.0196** (0.00904)
Peer group size	0.0002 (0.000128)	0.0001 (0.000130)	0.0002 (0.000131)	0.0002 (0.000131)
Number of schl. kids in family	-0.0052 (0.00676)	-0.0121 (0.00873)	-0.0122 (0.00876)	-0.0124 (0.00876)
Family size		0.0069 (0.00535)	0.0064 (0.00535)	0.0058 (0.00533)
Higher Edu in family		-0.0057 (0.00837)	-0.0041 (0.00846)	-0.0042 (0.00845)
At least one parent not full-time		0.0324** (0.0150)	0.0314** (0.0150)	0.0312** (0.0150)
Self-employed in family		0.0114 (0.0179)	0.0116 (0.0177)	0.0110 (0.0177)
Avg. age of adults in family		0.0002 (0.000628)	0.0002 (0.000636)	0.0002 (0.000638)
Fraction Higher Edu peer families			-0.0546** (0.0277)	-0.0555** (0.0278)
Family size peer families			-0.0014 (0.00920)	-0.0017 (0.00924)
At least one parent not full-time peer families			0.1247* (0.0720)	0.1250* (0.0720)
Fraction self-employed peer families			0.0147 (0.0693)	0.0131 (0.0690)
Avg. age of adults peer families			0.0004 (0.00180)	0.0005 (0.00179)
Apartment size brackets	No	No	No	Yes
Number of rooms brackets	No	No	No	Yes
Income brackets	Yes	Yes	Yes	Yes
Old neighb FEs	Yes	Yes	Yes	Yes
New neighb $\times$ year FEs	Yes	Yes	Yes	Yes
Observations	15283	15283	15283	15283
R-squared	0.394	0.396	0.396	0.396

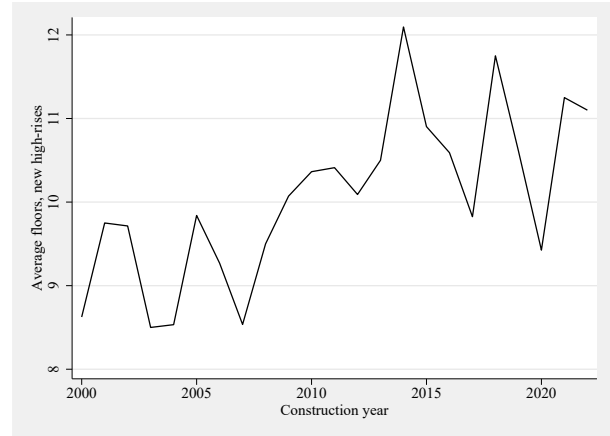
Notes: This table reports parameter estimates and standard errors (in parentheses) for model (1). HRs and LRs stand for high-rise and low-rise buildings, respectively. All columns include old neighborhood fixed effects and new neighborhood $\times$ year fixed effects. All regressions also include one dummy indicating whether the family moved to a different neighborhood. Standard errors are two-way clustered at the old and new neighborhood level. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Figure A1

Panel (a). Share of New HR Buildings per Construction Year

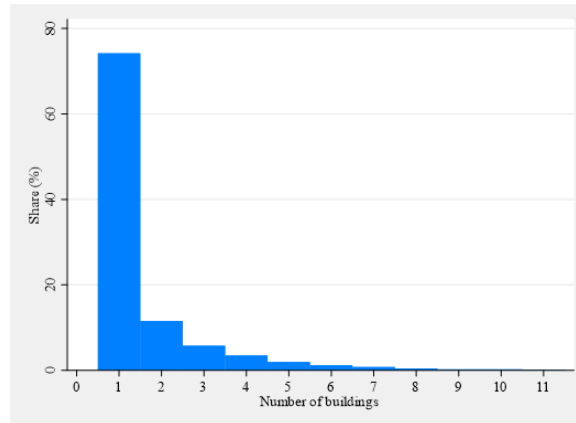


Panel (b). Average Number of Floors of New HR Buildings per Construction Year



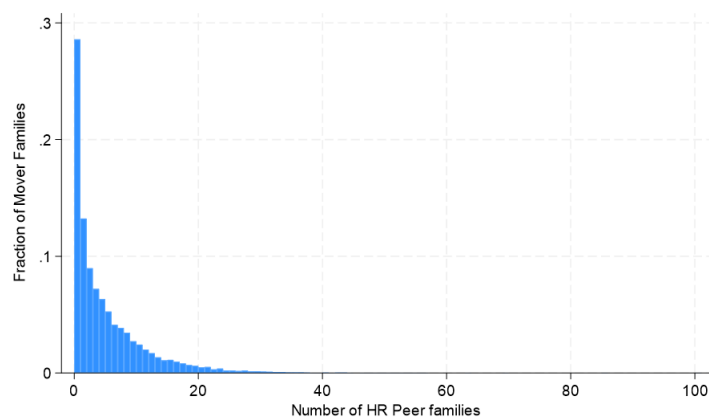
Notes: Own calculations made using the *Boverket* data, for all apartment buildings in Sweden at the beginning of 2023. High-rise (HR) are buildings that are taller than 8 floors.

Figure A2: Distribution of Properties by Number of Buildings



Notes: This figure shows the distribution of properties by number of buildings for all the apartment properties in Sweden in the beginning of 2023 (*Boverket* data), for a total of 66,004 properties and 129,165 buildings.

Figure A3: Distribution of Mover Families by the Number of HR Peer Families



Notes: HR peer families refers to peer families living in high-rise buildings. This figure shows the distribution of mover families by the number of HR peer families. The total number of mover families in our primary sample is 15,283. The distribution of mover families by the number of HR peer families has a 25th percentile of 0, a median of 2, a 75th percentile of 7, a 90th percentile of 13, and a 95th percentile of 17 HR peer families. Roughly 30 percent of mover families have no peer families living in high-rise buildings.

C Additional Details on the LISA Database and Sample Construction

The Swedish Longitudinal Integrated Database for Health Insurance and Labor Market Studies (LISA) is based on data from the Total Population Register (RTB), which contains information about individuals' identities, residences, and family relationships. The Swedish Tax Agency is responsible for population registration, and operations are carried out at tax offices across the country. A family in the RTB consists of individuals who are related to each other and registered at the same property. Each RTB family is identified using the social security number of the oldest person as the family identifier. A person can belong to only one RTB family. Unmarried adults who are registered at the same property and have a child together are considered part of the same family. We have detailed information on how a family's composition is classified (e.g., a married couple with at least one child under 18 living at home, or a single mother with at least one child under 18 living at home). We also have detailed information on how a person's relationships to other members of the family are classified (e.g., spouse, child). The register-based Swedish household statistics contain gaps and inaccuracies stemming from several factors, including modeling and misclassification errors, missing links to dwellings, delayed registrations, and incorrect student registrations.⁶² To ensure that family and student histories are accurately constructed, we exclude family observations with these gaps.

We started from 1,652,785 families with kids registered in schools between 2012 and 2020. We then narrowed this down to 1,329,808 families with school-age children (6–15) in peer groups of five or more. About 30 percent of these families relocated during our sample period. Because our focus is on investment decisions in multi-family housing, we restricted the sample to the 50 percent of movers who relocated into apartment buildings and further refined it to owner-occupiers with complete longitudinal records. This yielded a base pool of 47,395 mover families. After further excluding observations missing RegSO identifiers and building floor information, we obtained 41,616 mover families. We then applied sample construction criteria detailed in Section 5.1. This strict requirement ensures that we identify off the active margin of choice. While it reduces our potential sample of 41,616 movers to 18,150 (of which 15,283 moved out from low-rise buildings and form our primary analysis sample), it eliminates observations where the decision was likely constrained by a lack of available and affordable supply.

⁶²Further details on data structure can be found at <https://www.scb.se/be0101-en>.

D Small Scale Survey

Condominium: [condominium name]

Description: We are researchers at the [name of the University] conducting a study on opinions toward living in tall buildings. Your participation in this survey should take approximately 4 minutes. Participation is voluntary, and we are collecting one response per household/apartment. Taking part in this research study may help us learn new things that could help others.

Incentives: You have the opportunity to provide us with your email address at the end of the survey to enter a lottery for one of forty 500 SEK ICA gift cards as a thank-you for your participation. Providing your email address for the lottery is optional. You will also have the opportunity to have a physical card mailed to your address.

Confidentiality: Identifiable data will never be shared outside the research team. Any personally identifying information collected will be removed after data processing and destroyed once it is no longer needed for the study. Results will be presented only in aggregated form.

Contacts & Questions: If you have questions or concerns about the study, you can contact the research team at [email].

Consent: Participation in this study is entirely voluntary, and you are free to decline or withdraw at any time without penalty. By clicking "Agree" below, you confirm you are at least 18 years old and agree to participate in the research. If you do not wish to participate, simply close this link.

[Agree]

1. When was this apartment bought?
 - A) We bought it in year [] (provide approximate time if precise year is not remembered)
 - B) We rent the apartment
 - C) Other. Please explain: []
2. Are you living/will eventually live in this apartment?
 - A) We use this apartment for residential purposes.
 - B) It is only a financial investment
 - C) Other – please specify []
3. How often did you or other members of this household talk to friends and/or acquaintances about the experience of living in tall buildings before you purchased/moved to this apartment?
 - A) Never
 - B) Rarely
 - C) Sometimes
 - D) Often
 - E) Very Often (If ``Never`` is selected, GO TO DEMOGRAPHIC PART OF THE SURVEY)
4. What did you talk about? Please write at least one full sentence.
[]
5. Did you mainly talk about:
 - A) Concerns
 - B) Benefits

6. More specifically, did you or other members of this household talk about any of these concerns with friends and/or acquaintances? (More than one answer can be selected, maximum 3)
 - A) Concerns with lack of privacy
 - B) Concerns with the use of new technology (related to the construction of tall buildings, such as foundation, vertical construction, new building practices).
 - C) Concern with the modern architecture of the building
 - D) Concerns about suitability for kids
 - E) Concerns regarding safety (e.g., escape in case of fire, larger number of visitors in the building)
 - F) Concerns about high costs of condominium and/or maintenance
 - G) Concerns with parking availability
 - H) Other: free text answer option [_____]
 - I) I had no concerns
 - J) I did not talk to anyone about the potential concerns

7. More specifically, did you or other members of this household talk about any of these benefits with friends and/or acquaintances? (More than one answer can be selected, maximum 3)
 - A) Nice view
 - B) Energy efficiency/lower costs for energy consumption
 - C) Modern building architecture
 - D) Appealing of new technology
 - E) Environmental friendliness (e.g., solar panels, green building materials, green certificates, EV charging facility, green areas preservation)
 - F) Recycling facility
 - G) Benefits about having many people living in the same address who can share information about jobs and other pressing needs
 - H) Higher probability to make friends
 - I) Other: free text answer option [_____]
 - J) I did not think about benefits much
 - K) I did not talk to anyone about potential advantages

8. If one of your friends is relocating, and this person has a family similar to yours. Based on your own experience, would you recommend an apartment in a tall building?
 - A) I will for sure recommend tall buildings.
 - B) I will recommend tall buildings with some caveats (please specify) [_____]
 - C) I will definitely not recommend tall buildings.
 - D) I don't think there is a big difference between buildings of different heights, so I don't know how to make a recommendation.
 - E) I don't think there is a big difference between buildings of different heights, but I would recommend other types of housing.

9. Have you or other members of this household ever lived in a tall building before moving to your current building?
 - Yes/No

Demographic Block

- 1) How many persons, of any age, live in this apartment?
- 2) How many persons below 18 years old live in this apartment?
- 3) How many children are currently enrolled in primary and middle school (grade 0-9)?
- 4) What is the age of the oldest person living in this apartment?

○ [_____]

What is the age of the youngest person living in this apartment?

○ [_____]

- 5) How many adult persons living in the apartment are currently unemployed?
- 6) How many persons living in the apartment are retired?
- 7) What is the highest level of education attained among the people living in the apartment?
 - Primary school
 - High school
 - Bachelor's Degree
 - Master's Degree
 - Doctoral Degree; Professional Degree (JD, MD, MBA)

- 8) What was your TOTAL **household** income, before taxes, last year?

- | | |
|-------------------------|-----------------------------|
| ○ SEK0-SEK199,999 | ○ SEK700,000-SEK899,999 |
| ○ SEK200,000-SEK299,999 | ○ SEK900,000-SEK1,099,999 |
| ○ SEK300,000-SEK399,999 | ○ SEK1100,000-SEK1499,999 |
| ○ SEK400,000-SEK499,999 | ○ SEK1,500,000-SEK1,999,999 |
| ○ SEK500,000-SEK699,999 | ○ SEK2,000,000 + |

THANK YOU FOR YOUR PARTICIPATION.

Please confirm your precise address from the list below:

[List...]

Apartment number : [_____]

Preferred email address to receive the reward card, in case of a win:

[.....]

If instead you prefer to have the card sent to your address (above), please select here

Card by regular mail [_____]