

# **Economic Diversification and The Resiliency Hypothesis: Evidence from the Impact of Natural Disasters on Regional Housing Values**

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**Abstract.** We estimate the effect regional economic diversification has on the resiliency of the U.S. housing market treating the spatial and temporal variation in natural disasters as exogenous shocks to regional economies. Our study demonstrates that diversity dampens both the magnitude and the duration of the effects of a disaster on local real estate values. Implications of our findings for the potential benefits of diversification in regional economies are discussed.

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