Topics on Macroeconomy B: Housing and the Macroeconomy

Ph. D. class
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Course description

In this class we will review key and recent contributions in the field of Macroeconomics that explicitly model housing tenure decisions and residential investment, either at the macro or the micro level, to study various issues that are part of the public debate nowadays such as, for instance: How does residential investment contribute to shape the business cycle? Can we understand the recent housing boom? What is the quantitative effect of financial markets liberalization and opening up to international trade? Is there a consumption wealth effect? From a microeconomic perspective: do homeowners respond differently to uninsurable idiosyncratic risks? Why?

The objective of this class is to highlight key issues that, in the light of recent events, are likely to be an important part of the research agenda in this topic.

Assignments and Grading

Students enrolled in the class will have to solve three assignments and a final exam. The first assignment will comprise theoretical exercises and the other two will be computational. The weight will be 20% each assignment and 40% the final exam.

Topics and tentative list of readings

Here you will find (some) of the papers that we will review in depth.

1. Modeling housing at the aggregate level


2. The household’s portfolio

3. Booms and busts in the housing market


4. Migration and housing


5. Taxation


14. Sommer, K. and Sullivan, P., 2016, "Implications of the US tax policy for House Prices and Rents".