

Topics on Macroeconomy B: Housing and the Macroeconomy

Ph. D. class
Universidad Carlos III de Madrid
Academic Year 2016-17

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Calendar of activities

Here we describe our activities, which may be subject to time variation.

Week 1

- A primer on modelling two sectors closed economies with housing. A revision of aggregate facts.
- Revision of Morris A. Davis & Jonathan Heathcote, 2005. "Housing And The Business Cycle," *International Economic Review*, vol. 46(3), pages 751-784, 08.
- Homework 1 is handed. Due in one week.

Week 2

- The issues in open economies: building a two country economy with housing.
- Timothy J. Kehoe & Kim J. Ruhl & Joseph B. Steinberg, 2016. "[Global Imbalances and Structural Change in the United States](#)," forthcoming in JPE.
- Revision of Homework 1. We hand Homework 2. Due in three weeks.

Week 3

- Modelling the household's portfolio decision with illiquid assets and taxes.
- Life cycle versus infinite horizon.
- Solving a household's problem with housing.

Week 4

- The issues on wealth distribution and housing. We revise some basic papers.
- Antonia Díaz & María J. Luengo-Prado, 2010. "The Wealth Distribution With Durable Goods," *International Economic Review*, vol. 51(1), pages 143-170, 02.
- Antonia Diaz & María J. Luengo-Prado, 2008. "On the User Cost and Homeownership," *Review of Economic Dynamics*, Elsevier for the Society for Economic Dynamics, vol. 11(3), pages 584-613, July.

Week 5

- Modelling booms and busts in the housing market
- V. Guerrieri, H. Uhlig, Chapter 17 - Housing and Credit Markets: Booms and Busts, In: John B. Taylor and Harald Uhlig, Editor(s), *Handbook of Macroeconomics*, Elsevier, 2016, Volume 2, Pages 1427-1496.
- V. Guerrieri and G. Lorenzoni: "Credit crisis, precautionary savings and liquidity traps", 2015.

- Revision of Homework 2. We hand in homework 3, due in three weeks.

Week 6

- Garriga C. et al. "[A Macroeconomic Model of Price Swings in the Housing Market](#)".
- Adam, Klaus & Beutel, Johannes & Marcet, Albert, 2014. "Stock Price Booms and Expected Capital Gains," Working Papers 14-12, University of Mannheim, Department of Economics.

Week 7

- The Oswald hypothesis. Migration and housing:
- Stijn Van Nieuwerburgh & Pierre-Olivier Weill, 2010. "Why Has House Price Dispersion Gone Up?," Review of Economic Studies, Oxford University Press, vol. 77(4), pages 1567-1606.
- Demyanyk, Yuliya & Hryshko, Dmytro & Luengo-Prado, Maria Jose & Sorensen, Bent E., 2016. "Moving to a new job: the role of home equity, debt, and access to credit," Working Papers 16-1, Federal Reserve Bank of Boston.

Week 8

- Modelling taxes. We revise two papers:
- Gervais, Martin, 2002. "Housing taxation and capital accumulation," Journal of Monetary Economics, Elsevier, vol. 49(7), pages 1461-1489, October.
- Sommer, K. and Sullivan, P., 2016, "[Implications of the US tax policy for House Prices and Rents](#)".