

COURSE CONTENT

Course Coordinator	Tang Cheng Keat
Course Code	HE3027
Course Title	Housing Economics
Pre-requisites	HE1001 Microeconomics I/ HE9091 Principles of Economics/ HE5091 Principles of Economics/ AB0901 Principles of Economics: A Singapore Perspective
No of AUs	3
Contact Hours	39 (2 hours lecture and 1-hour tutorial per week)

Course Aims

This module introduces how housing markets function. It provides both theoretical foundations and empirical analyses on important issues in housing and urban economics. Candidates will learn about the existing issues in housing markets and will be able to evaluate how various interventions are employed by government to mitigate these issues at the end of the course. Students who wants an introduction to housing and real estate economics should take this course.

Intended Learning Outcomes (ILO)

By the end of this course, you should be able to:

1. Explain how housing markets function
2. Describe the pressing issues in housing markets worldwide
3. Evaluate various policy interventions to mitigate pressing housing issues such as housing affordability, segregation etc. worldwide

Course Content

In this module, we will learn about the fundamentals of urban and housing economics, determining housing supply and demand functions, will understand how individuals decide on tenure choice and where to stay. Furthermore, candidates will explore topics including house price indices, suburbanization and urban sprawl, segregation and gentrification, land use regulations, and housing cycle dynamics. Candidates will learn to appreciate how different policies are adopted to address the pressing problems in housing markets

Assessment (includes both continuous and summative assessment)

1. Continuous Assessment	:	60%
2. Final Examination	:	40%
Total	:	<u>100%</u>

Reading and References

This course will be mainly based on lecture notes. Several suggested textbooks and papers are listed below:

Main Textbook

O'Sullivan, A. Urban Economics. (2012) 8th Edition. McGraw-Hill, International Edition. (Older editions are fine)

Other Textbooks

Denise DiPasquale and William C Wheaton. Urban Economics and Real Estate Markets 1st Edition

A Companion to Urban Economics (2006) Edited by Richard J. Arnott, Daniel P. McMillen by Blackwell Publishing Ltd

Readings

Brueckner, J. (2000) "Urban sprawl: diagnosis and remedies," International Regional Science Review 23(2) 160-71.

Burchfield, M., Overman, H. G., Puga, D., & Turner, M. A. (2006). Causes of sprawl: A portrait from space. The Quarterly Journal of Economics, 121(2), 587-633.

Capozza et al. (2002) Determinants of Real House Price Dynamics, NBER Working Paper 9262

Case, K., R. Shiller and A. Thompson (2012, revised 2015): "What Have They Been Thinking? Home Buyer Behavior in Hot and Cold Markets", NBER Working Paper 18400

Denise DiPasquale and William C Wheaton (1994) "Housing Market Dynamics and the future of housing prices." Journal of Urban Economics, 35(1), 1-27

Gibbons, S. and S. Machin (2008): "Valuing school quality, better transport and lower crime: evidence from house prices", Oxford Review of Economic Policy, 24 (1), 99-119.

Glaeser, E., Gyourko, J. and R. Saks, (2005) "Why is Manhattan so expensive? Regulation and the rise in housing prices," Journal of Law and Economics 331-369

Mayer, Chris and Somerville, Tsur (2000). "Residential Construction: Using the Urban Growth Model to Estimate Housing Supply," Journal of Urban Economics, 48,85-109

Palmquist, Raymond B. (1991). "Hedonic Methods", Measuring the Demand for Environmental Quality, (J. B. Braden and C. D. Colstad, Eds.), Amsterdam: North- Holland, Elsevier Science.

Sock-Yong Phang (2007) The Singapore Model of Housing and the Welfare State. Housing and the New Welfare State: Perspectives from East Asia and Europe. 15-44. Research Collection School Of Economics.

Sock-Yong Phang et al. (2014) HOUSING POLICIES IN SINGAPORE: EVALUATION OF RECENT PROPOSALS AND RECOMMENDATIONS FOR REFORM. The Singapore Economic Review, Vol. 59(3)

Course Instructors

Instructor	Office Location	Email
Tang Cheng Keat	SHHK 04-73	c.k.tang@ntu.edu.sg

Planned Weekly Schedule

Week	Topic	ILO	Readings/ Activities
Week 1	Introduction	1	No readings
Week 2	Fundamentals of Urban Economics: Why Cities Exist?	1,2,3	Readings: Chapter 1 & 2 Introduction to Urban Economics & Why do cities exist? Urban Economics by Arthur O'Sullivan
Week 3	Demand & Supply of Housing	1,2,3	Readings: Mayer, Chris and Somerville, Tsur (2000). "Residential Construction: Using the Urban Growth Model to Estimate Housing Supply," Journal of Urban Economics, 48,85-109 Denise DiPasquale and William C Wheaton (1994) "Housing Market Dynamics and the future of housing prices." Journal of Urban Economics, 35(1), 1-27
Week 4	Housing tenure choice	1,2,3	Readings: Denise DiPasquale and William C Wheaton. Urban Economics and Real Estate Markets Chapter 8
Week 5	Hedonic valuation & House Price Index	1,2,3	Readings: Palmquist, Raymond B. (1991). "Hedonic Methods", Measuring the Demand for Environmental

			<p>Quality, (J. B. Braden and C. D. Colstad, Eds.), Amsterdam: North- Holland, Elsevier Science.</p> <p>Gibbons, S. and S. Machin (2008): "Valuing school quality, better transport and lower crime: evidence from house prices", Oxford Review of Economic Policy, 24 (1), 99-119.</p> <p>Brad Case. Housing Price Indexes. A Companion to Urban Economics. Edited by Richard J. Arnott, Daniel P. McMillen 2006 by Blackwell Publishing Ltd</p>
Week 6	Suburbanization, Decentralization & Urban Sprawl	1,2,3	<p>Readings: Chapter 7 Land Use Patterns, Urban Economics by Arthur O'Sullivan</p> <p>Brueckner, J. (2000) "Urban sprawl: diagnosis and remedies," International Regional Science Review 23(2) 160-71.</p> <p>Burchfield, M., Overman, H. G., Puga, D., & Turner, M. A. (2006). Causes of sprawl: A portrait from space. The Quarterly Journal of Economics, 121(2), 587-633.</p>

Week 7	Neighborhood Externalities, Segregation and Gentrification	1,2,3	Readings: Chapter 8 Neighborhood Choice, Urban Economics by Arthur O'Sullivan
RECESS WEEK			
Week 8	Mid Term Test	1,2,3	NA
Week 9	Zoning, Land Use Regulation, Growth Controls	1,2,3	Readings: Chapter 9 Zoning and Land Use Regulations, Urban Economics by Arthur O'Sullivan Glaeser, E., Gyourko, J. and R. Saks, (2005) "Why is Manhattan so expensive? Regulation and the rise in housing prices," Journal of Law and Economics 331-369
Week 10	Housing Policies: Public Housing, Housing Vouchers, Urban Renewal, Rent Control	1,2,3	Readings: Chapter 14 Housing Policies, Urban Economics 6th Edition by Arthur O'Sullivan
Week 11	Housing Policies in Singapore	1,2,3	Readings: Sack-Yong Phang (2007) The Singapore Model of Housing and the Welfare State. Housing and the New Welfare State: Perspectives from East Asia and Europe. 15-44. Research Collection School of Economics. Sack-Yong Phang et al. (2014) HOUSING POLICIES IN SINGAPORE: EVALUATION OF

			RECENT PROPOSALS AND RECOMMENDATIONS FOR REFORM. The Singapore Economic Review, Vol. 59(3)
Week 12	Housing Cycles: Dynamics & Determinants	1,2,3	<p>Readings: Capozza et al. (2002) Determinants of Real House Price Dynamics, NBER Working Paper 9262</p> <p>Case, K., R. Shiller and A. Thompson (2012, revised 2015): "What Have They Been Thinking? Home Buyer Behavior in Hot and Cold Markets", NBER Working Paper 18400</p>
Week 13	Review Lecture & Submission of Group Project	NA	NA