Handbook of Real Estate and Macroeconomics

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This Handbook collects a set of academic and accessible chapters to address three questions: What should real estate economists know about macroeconomics? What should macroeconomists know about real estate? What should readers know about the interaction between real estate and macroeconomics?

‘Housing is distinct among goods by virtue of its importance in expenditure and welfare, its durability, and its ability to locate and identify its consumer to others (including the government). As a result, the economics of housing is central to many literatures. These include the role of fluctuations in housing construction and prices in business cycles, housing’s impact on financial markets via its role as a store of value and easily collateralized good, and the treatment of housing as a basis for taxation and distribution of government services, especially government produced education. The papers in this Handbook volume span these topics as well as many others. While providing fresh results and insights, the papers also provide a terrific portal to researchers, especially graduate students, considering working in any of these areas.’
– Mark Bils, University of Rochester, US

‘This is an excellent resource for researchers, policymakers, and market practitioners interested in the economics of housing. The Editor, Professor Charles Leung, is a noted figure in the area. He has put together a superb collection of papers covering topics such as the affordability of housing, commercial real estate, and the financial crisis, among other things. The chapters discuss housing in various countries and provide some cross-country comparisons.’
– Jeremy Greenwood, University of Pennsylvania, US

‘An invaluable resource for those interested in one of the hottest areas in economics, the macroeconomics of real estate and household finance.’
– Robert G. King, Boston University and NBER, US

‘The mid-2000s Great Financial Crisis was a reminder to macroeconomists that models which omitted explicit analysis of the economy’s largest tangible asset, an asset that underpins large parts of the financial system, can miss much of what is happening outside the model, in the actual economy. On the flip side, the GFC reminded housing economists of the need to deepen understanding of spillovers from housing to the macroeconomy and financial markets, and other settings such as labor markets and environmental conditions. The SARS-CoV-2 pandemic has focused economists of every stripe on epidemiology and public health, but housing markets are also once again brought to the fore, as concerns mount about foreclosures, evictions, and distortions in rents and asset prices directly from the pandemic and less directly from the responses to it.

Anyone seeking understanding of previous episodes, or looking for insight into the present, or the next crisis, will profit from repeated consultation with this Handbook. The volume gathers a distinguished group of scholars from around the world, and provides a state-of-the-art review of linkages between housing economics and the aggregate economy and its major constituent markets. Individual chapters provide reviews of the latest modeling tools as well as case studies, in a wide range of international settings, at different levels of income and urbanization. Highly recommended.’
– Stephen Malpezzi, University of Wisconsin, Madison, US
‘This book gathers a great collection of papers on real estate that contains valuable insights for both academics and practitioners.’
– Sergio Rebelo, Northwestern University, US