

Accepted Manuscript

Revisiting Housing and the Business Cycle

Quoc Hung Nguyen

PII: S1051-1377(18)30110-4
DOI: [10.1016/j.jhe.2018.05.004](https://doi.org/10.1016/j.jhe.2018.05.004)
Reference: YJHEC 1580

To appear in: *Journal of Housing Economics*

Received date: 10 January 2014
Revised date: 20 March 2018
Accepted date: 7 May 2018

Please cite this article as: Quoc Hung Nguyen, Revisiting Housing and the Business Cycle, *Journal of Housing Economics* (2018), doi: [10.1016/j.jhe.2018.05.004](https://doi.org/10.1016/j.jhe.2018.05.004)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Revisiting Housing and the Business Cycle

Quoc Hung Nguyen *

This version: March, 2018

Abstract

This paper revisits the interactions between housing dynamics and the business cycle in a two-sector model developed and calibrated from the multi-sector neoclassical growth model originally envisioned by Davis and Heathcote in 2005. A two-sector model with housing sector specific capital and productivity shocks can successfully predict a correct positive correlation between housing prices and residential investment. The model can also replicate the fact observed in the United States that housing prices are more volatile than output.

JEL Classification: E13, E17, E22, E32, R31

Keywords: Business Cycles; Comovement; Sector-Specific Capital

*School of Economics, University of Hyogo. Address: 8-2-1 Gakuen-Nshimachi, Nishi-ku, Kobe, Hyogo 651-2197 Japan. Tel.: +81-78-794-5442. Email: nguyenhung@econ.u-hyogo.ac.jp. I thank Thomas Davidoff, Jonathan Heathcote and two anonymous referees for useful comments. All errors are solely mine.

Download English Version:

<https://daneshyari.com/en/article/7363628>

Download Persian Version:

<https://daneshyari.com/article/7363628>

[Daneshyari.com](https://daneshyari.com)